

FORT LAWTON ARMY RESERVE CENTER Homeless Assistance Submission

September 18, 2008



Fort Lawton Homeless Assistance Submission

City of Seattle

Local Redevelopment Authority

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FORT LAWTON HOMELESS ASSISTANCE SUBMISSION

I. Introduction

In 2005, the Base Realignment and Closure (BRAC) Commission decided to close the 70th Regional Support Command headquarters located at Fort Lawton in the city of Seattle no later than Sept. 15, 2011.

The Army named the City of Seattle the Local Redevelopment Authority (LRA), responsible for the redevelopment of Fort Lawton. The City has been facilitating public involvement to create a plan that adheres to federal guidelines while ensuring Fort Lawton becomes a livable and diverse mixed-income community. Based on input from the community, the following principles and goals were established:

Principle - Neighborhood Integrity and Community Connectedness

- Goal – Blend with existing neighborhood and Discovery Park
- Goal – Enhance quality of existing neighborhood
- Goal – Reflect Native American values

Principle - Social Responsibility

- Goal – Create a mixed-income community and respond to Seattle’s needs for housing for the homeless and affordable for-sale housing
- Goal – Provide diverse housing types
- Goal – Build a livable community designed to meet the needs of its residents and neighbors

Principle - Environmental Stewardship

- Goal – Create a community that respects the adjacent natural areas and is developed in an environmentally sustainable manner
- Goal - Protect and improve wildlife habitat on the site

As required by federal regulation, this Homeless Assistance Submission: 1) discusses the needs of people who are experiencing homelessness in Seattle; 2) includes and discusses the Notices of Interest received by the City and the decisions made regarding the Notices of Interest; 3) includes the Legally Binding Agreements; 4) balances the need for economic redevelopment, other types of development, and homeless assistance in the community in the vicinity of the installation, as well as discusses how this plan is consistent with the Consolidated Plan and other existing housing and community development plans adopted by the City; and 5) describes and includes copies of relevant documents pertaining to outreach to homeless assistance providers.

II. City of Seattle is Sole Jurisdiction in Local Redevelopment Authority

The Fort Lawton Army Reserve Center is located within Seattle city limits and the City of Seattle is the land use authority for this property. Therefore, the City of Seattle is the sole jurisdiction that comprises the LRA for disposal and redevelopment of the Fort Lawton Army Reserve Center.

III. Information about Homelessness in Seattle

Federal BRAC regulations require that the Homeless Assistance Submission include two tables and narrative sections from the City's Consolidated Plan that describe the city's homeless assistance needs, the current inventory of homeless facilities and services, and the identified gaps in the Continuum of Care.¹ The City's Consolidated Plan, which has been approved by the U.S. Department of Housing and Urban Development, contains the information though in a different format than indicated in the BRAC regulations. The information included below addresses the homeless assistance needs, the current inventory of facilities and services, and the gaps in the continuum of care, though not delineated as two separate tables.

Additionally, when the LRA is a political jurisdiction within an urban county and the Consolidated Plan discusses homelessness on a countywide basis, as is the case here, the LRA is required to explain what portion of the homeless population and subpopulations described in the Consolidated Plan are attributable to the city. Accordingly, the sections below contain excerpts from the City's Consolidated Plan that discuss homelessness countywide and, where data is available, discusses what portion of the homeless population and subpopulation is attributable to Seattle. At the time of writing this Homeless Assistance Submission, Seattle's 2008 Consolidated Plan is undergoing its four-year major revision. Therefore, the sections below are excerpts from the 2007 Consolidated Plan, updated with 2008 data where available.

A. The Nature and Extent of Homelessness, 2008 Consolidated Plan Update

As required by HUD, the Consolidated Plan describes the nature and extent of homelessness. It defines homelessness, addresses the scope and characteristics of homeless families and individuals in Seattle/King County, and describes key factors that create and sustain homelessness.

B. Demographic Profile of Homeless People in Seattle/King County

To fully understand the nature and extent of homelessness, it is necessary to realize that people who are homeless or at risk of losing their housing are as varied as the general population. They have different family relationships, backgrounds, ages, ethnicities and genders. Defining homelessness is not a simple matter.

Our community (Seattle/King County) has used the definition for homelessness included in the Stewart B. McKinney Act of 1994 in order to comply with requirements of various federal funding sources. According to this act, a person is considered homeless if he/she "lacks a fixed, regular and adequate night-time residence and has a primary night-time residence that is:

- (A) a supervised publicly- or privately-operated shelter designed to provide temporary living accommodations;
- (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or
- (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings."

¹ The Consolidated Plan is a federally required plan for all communities that receive federal Housing and Urban Development funds.

A number of newly published reports have defined homelessness with more clarity and in ways that are better suited to the needs of homeless people. By embracing these new definitions in the City's Consolidated Plan, Seattle is joining many like-minded communities across the country by incorporating the following definitions in policies and strategic plans in order to better address gaps in housing and services. These studies have identified three primary categories of homeless people:

Transitionally homeless persons generally have a single episode of homelessness lasting an average of 58 days, although they might be homeless for up to six months. They move quickly through the homeless assistance system, and their principal need is for safe, decent and affordable housing. Transitionally homeless people are typically working entry-level jobs as well as those, such as seniors, who are on fixed incomes. An increase in rent, loss of a job, or medical emergency could result in the loss of their housing.

Episodically homeless persons have four to five episodes of homelessness and are usually homeless for a short time, on average a total of about 265 days a year. They may cycle back and forth from being housed to being homeless.

Chronically homeless persons experience a disabling condition and have either been continuously homeless for a year or more or have had at least four episodes of homelessness in the past three years. These individuals often live on the streets or cycle from shelter to shelter. Although much attention has been focused recently on chronically homeless single adults, Seattle is also looking at chronicity patterns of homeless families.

C. Data Collection Methodology for Determining Nature and Extent of Homelessness

For people who are on the streets or staying in emergency shelters and transitional housing programs, the primary source of unduplicated data is the annual One Night Count (ONC) of Homeless People in Seattle-King County. The ONC provides a count and demographic data on individuals residing in emergency shelters and transitional housing programs at a point-in-time but is unable to provide information about those who are unsheltered. Although the methodology is improved every year, this source of data will always paint only a partial picture of Seattle's homeless people. It is, however, the only point-in-time source of data available for all homeless populations.

We continue to review data from numerous sources including reports and evaluations from the Health Care for the Homeless Network, the Crisis Clinic and other local programs, as well as best practices research from other areas of the country. This data is supportive of the trends documented in the process of developing and adopting our community's Ten-Year Plan to End Homelessness, [A Roof Over Every Bed in King County](#). A limitation of many data sources is that they reflect those who are able to participate in those services. It is difficult, if not impossible, to infer the characteristics of people who may have similar needs but do not access services.

Safe Harbors, our community's Homelessness Management Information System (HMIS), is beginning to collect information about those who receive services in the city of Seattle, as well as King County. As coverage increases in this system, we look forward to knowing more about the need for, and use of, housing and services so that we can modify and adjust our services and housing patterns to more effectively address the needs of those who seek assistance from our continuum of care.

The following illustrates the profile of homeless people in Seattle and King County based on the “snapshot” taken primarily through the ONC survey of emergency shelter and transitional housing.

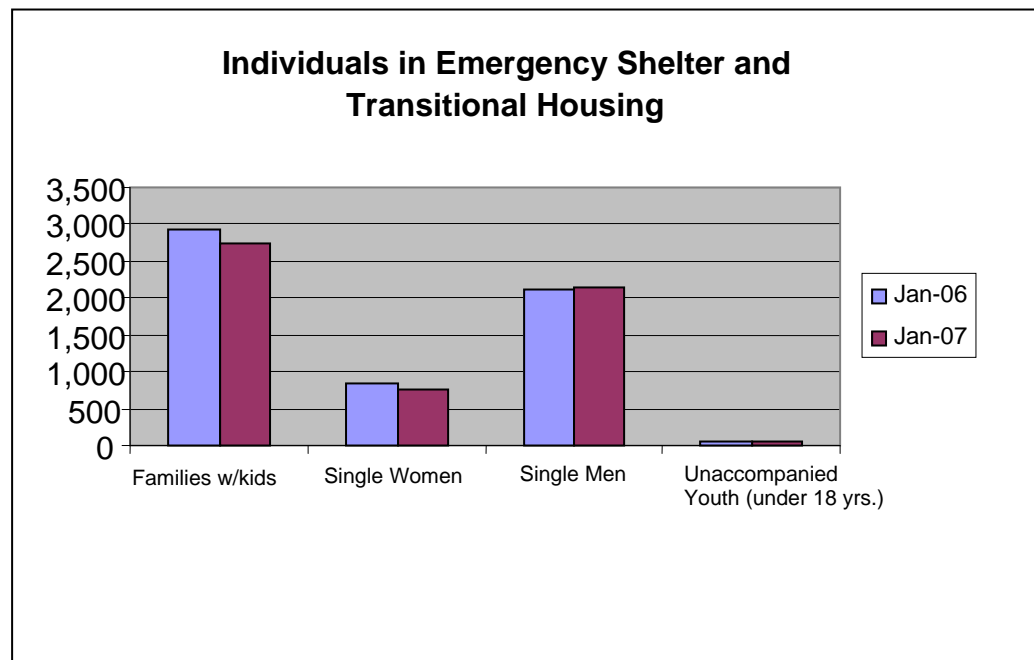
In January 2008, the ONC found 8,439 sheltered and unsheltered individuals homeless in Seattle and King County. The number of unsheltered individuals totaled 2,631, of which 1,976 were unsheltered in Seattle.

Most of the demographic data in both the ONC and Safe Harbors is compiled on a countywide basis. However, since a majority of the homeless population that is counted is in Seattle, the countywide demographic data is representative of people who are homeless in Seattle.

The following information is provided from Seattle’s 2008 update to the Consolidated Plan and utilizes information from the 2007 ONC:

- There were 2,368 individuals in 61 different emergency shelters and 3,312 individuals in 134 transitional housing programs.
- In shelters and transitional housing, the largest individual demographic group was persons in families with children, which numbered 2,729. Single men numbered 2,146; single women numbered 748; and unaccompanied youth (under 18 years of age) numbered 53.

The graph below compares January 2006 and January 2007 ONC data. The data reflects numbers found in the same geographic count areas, in 2006 and 2007.

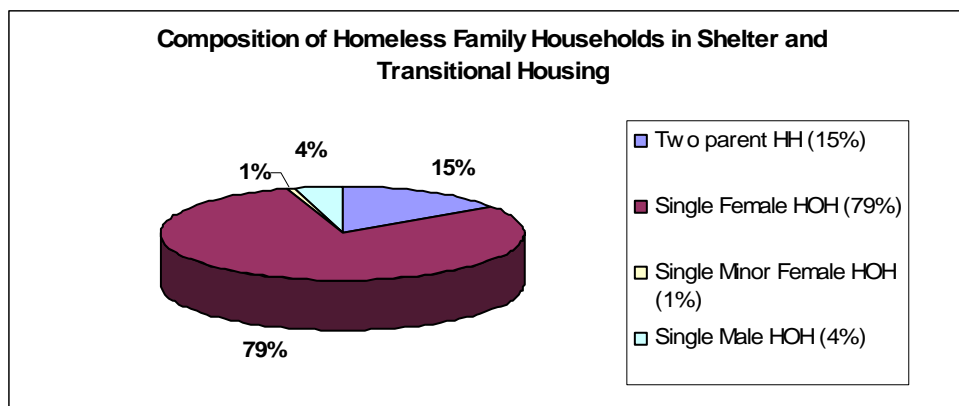


Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2006 & 2007

The majority (74%) of all individual adults in shelters and transitional housing were men.

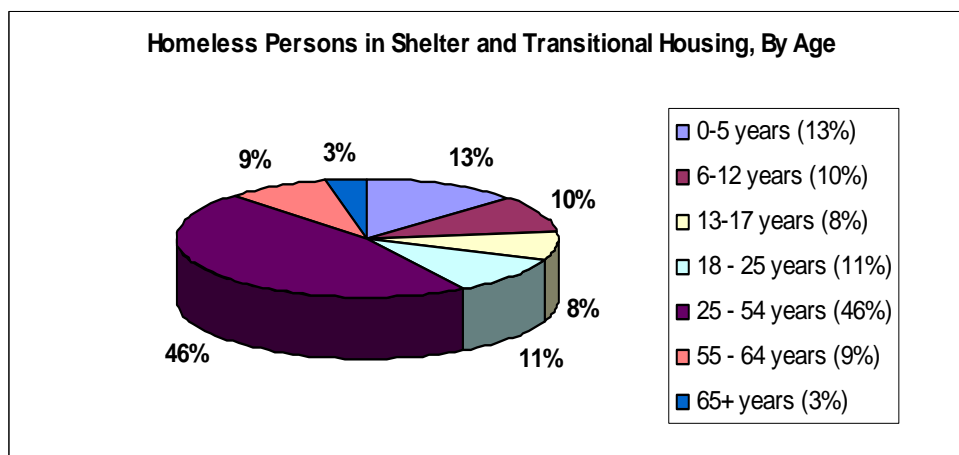
3,821 **households** were served in shelters and transitional housing programs on the night of the 2007 survey, which included 872 families (defined as one or more adults with one or more children). The majority of children were with their mother or other female caretaker (81%), some

were accompanied by either parents or two caretakers (15%), and a few were with their father or male caretaker (4%).



Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007

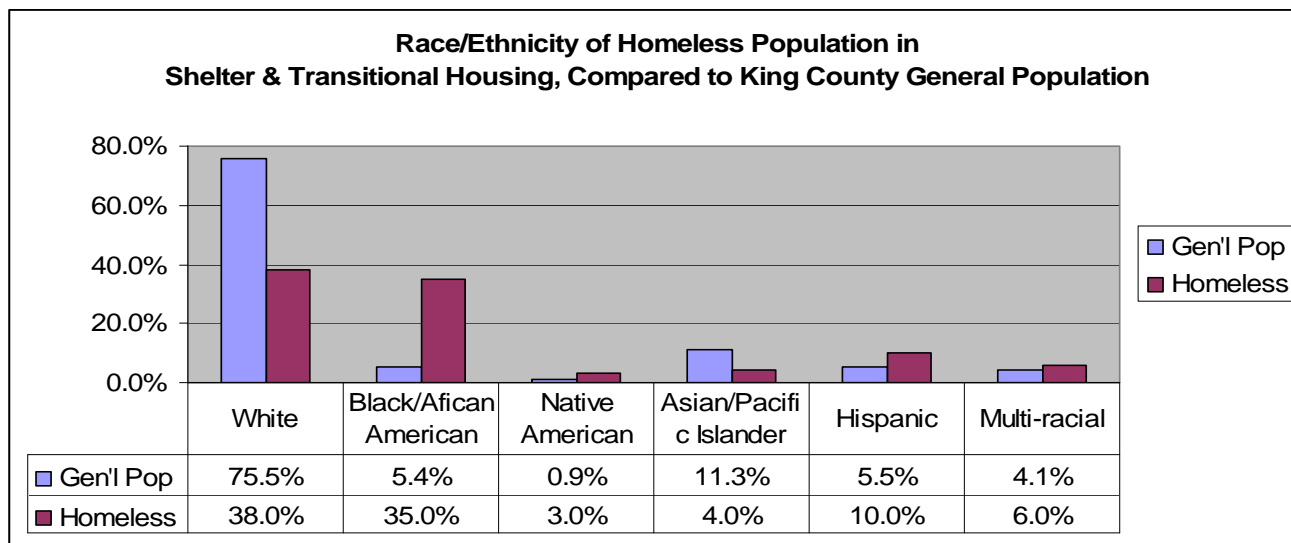
Thirty-one percent or 1,687 of the persons in shelters and transitional housing programs were children under the age of 18 years. In these same programs, 3% or 193 people were 65 and older.



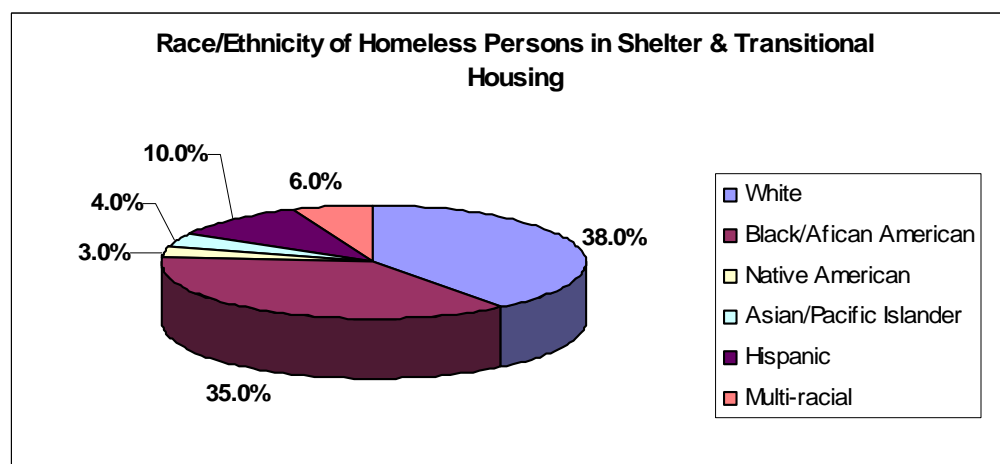
Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007

Racial disparity is very apparent among the homeless population. Although information about race is not collected during the ONC, the survey of shelters and transitional housing programs reported that African American, American Indian/Alaska Native and Hispanic people comprise 48% of the homeless population, whereas in the general populations people of these races make up just 12% of the total adult population in King County.

In addition to the 2007 ONC data (*shown in table below*), data from the Health Care for the Homeless Network (HCHN) also reflects a disproportionate number of homeless people who are people of color. Of the 7,897 patients served by HCHN who reported their ethnicity, 55% were people of color – 26% were African American, 8% were American Indian/Alaska Native, 12% were Hispanic/Latino, 4% were Asian/Pacific Islander and 5% were multi-racial. (2006 HCHN Annual Report and Data Summary – June 2007). The 2007 Safe Harbors data reports that 4.1% of the individuals in shelters are Native American. Further, while the 2007 ONC survey found Native Americans account for 3% of persons utilizing shelters and transitional housing programs, their numbers are believed to be higher among the unsheltered population.



Sources: 2000 U.S. Census data; Seattle-King County Coalition for the Homeless, One Night Count Report, 2007



Seattle-King County Coalition for the Homeless, One Night Count Report, 2007 *Percentages are calculated excluding unknowns.

Shelter and transitional housing providers continue to serve recent arrivals to the U.S., mainly from Africa – especially large families from East Africa. Southeast Asian refugees have expressed concerns that shelters do not address their cultural and language needs. As a consequence, many prefer to double up with other Southeast Asian households, often living in very crowded conditions.

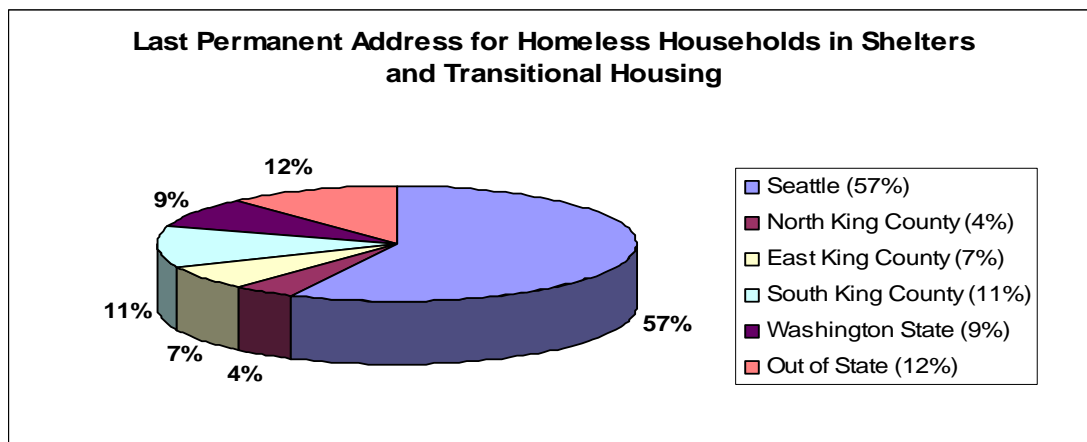
Although immigrants and/or refugees were found in shelters serving single adults and families, the greatest number were families in transitional housing. Correspondingly, these programs reported many of these individuals and families used another language for their primary means of communication.

The number of immigrants and refugees served has decreased since the 2006 ONC reported data, which indicated 699 immigrants/refugees and 569 limited English speakers served. Based on 2007 ONC data, the number of immigrants/refugees served decreased by 12% from 2006, and the number of limited English speaking persons served decreased by 29%.

Homeless Households in Shelters and Transitional Housing by Immigration Status and Need for Translation Services			
		Single Adults	Families
	Totals	125	893
Immigrants/ Refugees	617	59	558
Ltd English Speaking	401	66	335

Seattle-King County Coalition for the Homeless, One Night Count Report, 2007.

Of the 3,198 households that reported a last permanent address in the 2007 ONC survey, 1,834 or 57% were from Seattle, 370 or 12% were from out of state, 366 or 11% were from South King County, 281 or 9% were Washington state (outside King County), 223 or 7% were from East King County, and 134 or 4% were from North King County.



Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007

D. What We Know About People Who Are Homeless

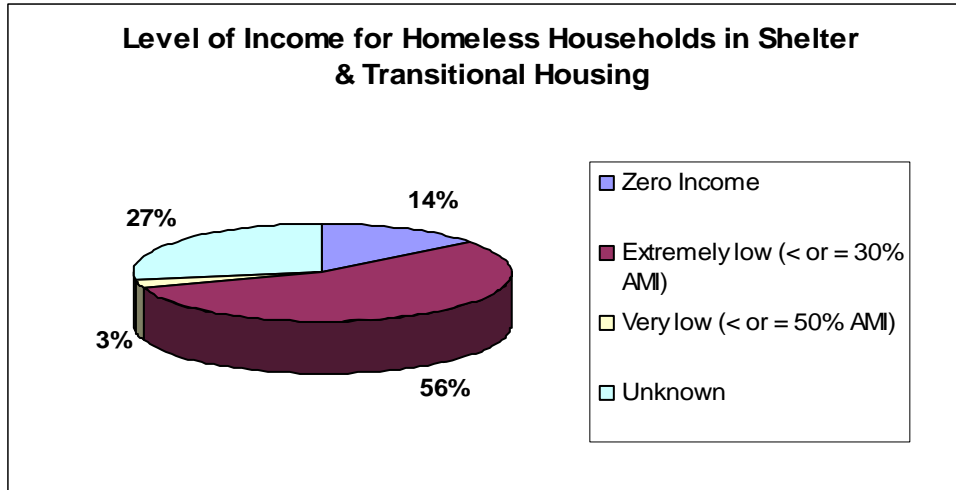
The Committee to End Homelessness (CEH) has done substantial research, including stakeholder input, to identify factors that create and sustain homelessness for families, adults and youth in our community. The combinations of factors that lead to homelessness are different for every individual. CEH has highlighted the primary factors addressed by strategies in the Ten-Year Plan.

The high cost and shortage of affordable housing – It is nearly impossible for low-income individuals and families to find affordable housing in the private market in King County.

Fragmented systems – There is no seamless support system for people experiencing homelessness. This fragmentation often results in a need to patch together services among different agencies targeted to different subpopulations, sometimes even within the same family. Further, people must make many calls to even begin to access services.

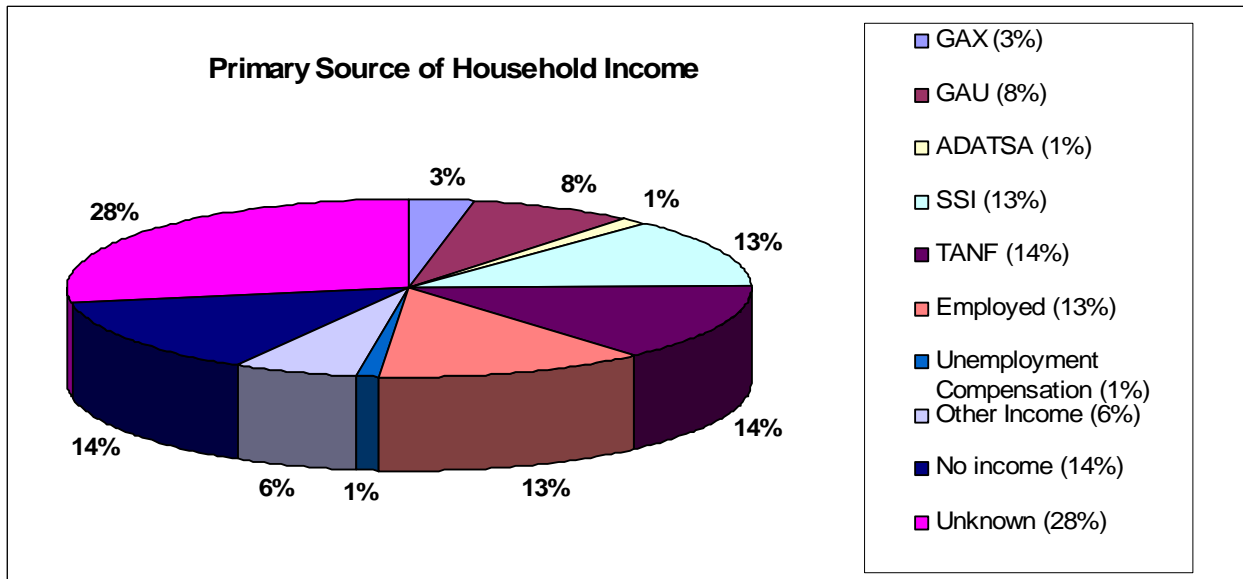
Institutional discharge to homelessness – Institutions such as jails, prisons, residential treatment, or hospitals often release people without adequate reentry plans for housing stabilization. Many of these individuals need support services in addition to housing resources.

Poverty, joblessness, education and literacy – Poverty is linked to homelessness, and lack of living wage income puts housing at risk when households must choose between housing, utilities, health care, child care and food. Local and national research shows that at least one-quarter of homeless people are employed, but not with sufficient wages to support housing stability. Lack of educational opportunities limits access to living wage jobs. The poverty of homeless individuals and families is illustrated by the source of income data below:



Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007.

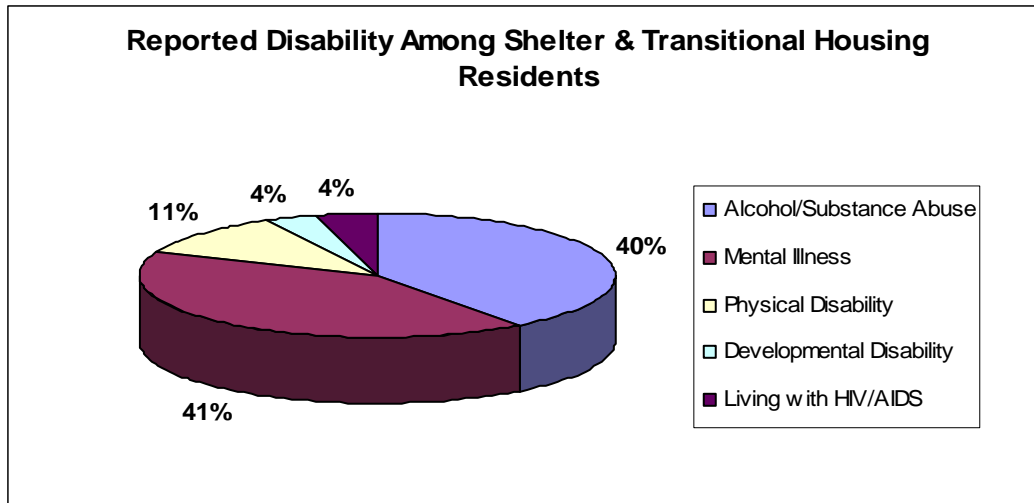
Nearly 15% of households served by emergency shelter and transitional housing programs are employed, with an equal proportion having no income at all. Another way of understanding the economic circumstances of homeless people, at least those who are not on the streets, is to look at the area median income (AMI) for Seattle. Of the households surveyed 14% had no income, 55% has extremely low income (less than 30% AMI) and 3% had very low income (less than or equal to 50% AMI).



Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007.

Mental Illness and Substance Abuse – Mental illness and substance abuse are represented in greater proportions among homeless people than the general population. Untreated, these issues

affect housing stability. Among those who reported having a disability in the ONC, 1,118 listed alcohol and/or substance abuse as an issue (560 of whom were categorized as chronic substance abusers). Of the 1,169 persons dealing with mental illness, 356 were deemed seriously mentally ill. Under these conditions, survival without stable housing or supportive services is immeasurably complicated.



Source: Seattle-King County Coalition for the Homeless, One Night Count Report, 2007.

Race/Ethnicity Disproportionality – As discussed above, people of color are significantly over-represented in the homeless population. It is estimated that 57% of homeless families are comprised of people of color, with African American families accounting for 35% of all homeless families in King County. In Seattle, the median income for households comprised of people of color is significantly lower than for white households.

Domestic violence – Nationally, studies show that up to half of homeless women with children may have experienced domestic violence prior to becoming homeless. Many homeless youth and young adults have experienced violence in their homes.

Access to health care – The cost of health care is a significant economic barrier to housing for many low income people. Systems for health coverage can be difficult to navigate. Lack of preventive care leads to emergency room utilization for health issues. Homeless people have high rates of chronic and acute health problems.

Legal issues – Legal barriers can lead to homelessness or the inability to secure permanent housing. Lack of credit history, prior evictions or probationary status can all affect a person’s ability to apply for and secure rental housing in particular.

Among the diverse population of homeless *single* adults, about half meet the definition of chronically homeless. Many face system factors that prevent single adults from accessing housing: few affordable housing options for those with no or low income; eligibility criteria that screen out those with criminal or eviction histories; ineffective reentry planning from institutions such as hospitals, jails, treatment programs; fragmented systems that don’t meet the multiple service needs of clients in a holistic way; discrimination due to race, gender, religion, disability, or sexual identity; lack of access to the full range of specialized services; lack of peer-based support models; shortage of appropriate housing options with onsite support services; and limited employment and vocational training opportunities.

For *families*, the most common causes of homelessness include: a lack of or reduced incomes; medical, mental health and family emergencies; and domestic violence. A vast majority of households have extremely low incomes. Families need housing that is not time-limited and remains affordable long term, ongoing monthly rent subsidy, job training and educational opportunities leading to living wage jobs. Many families are increasingly experiencing complex life situations.

Youth and young adults often become homeless when they flee abusive or detrimental home situations and/or when they age out of foster care. Programs that serve this population must recognize that young people will identify more with each other than with other homeless populations. Case management and employment services must be specifically designed for homeless youth and young adults to effectively address their developmental and socialization needs and challenges.

E. What We Know About People Who Are At Risk of Becoming Homeless

While the preceding discussion describes people who are homeless, it does not address those who are “under” housed or those who are at risk of losing their housing. They come from a variety of cultural, ethnic and linguistic backgrounds. They include young adults freshly discharged from the foster care system, middle-aged workers, as well as others who are disabled or elderly. These households live in market-rate rental housing, subsidized housing, or may even own their homes. They might be your neighbors, a family member, a friend or a veteran who served during wartime. They are people living in overcrowded or unsafe conditions, or are those who “couch surf,” stay in motels or find other temporary places to sleep at night.

Housing affordability is a major factor in determining the risk of homelessness. Housing is considered “affordable” when a low-income household pays no more than 30% of its income for housing, including utilities. Households paying more than 30% of their income on housing are increasingly at risk of becoming homeless. The advent of welfare reform and the reduction in federal Temporary Assistance for Needy Families (TANF) and other public benefits removed or reduced the income cushion for vulnerable households. Many do not or cannot make sufficient incomes to live in high-cost urban areas such as Seattle.

Based on available data from the 2000 Census, 29% of Seattle’s households are extremely or very low-income (0-50% of Median Family Income, or MFI). Of those households, 27,643 extremely and very low-income households (owner and renter) pay more than one-half of their income for housing costs. Even more alarming, 20,404 of these households earn less than 30% of the MFI.

Ready access to safety net services, therefore, is critical to meet the needs of people who are facing a housing crisis. Utilization reports from the Crisis Clinic, our community’s primary information and referral resource, are an indicator of need for eviction prevention services and emergency shelter for those who have lost their housing. In calendar year 2006, 31,937 calls to the 211 Community Information Line were received from people seeking assistance with basic needs/housing assistance, 19,100 were for housing and emergency shelter. Another 9,634 calls were reported for eviction prevention and mortgage assistance. Moreover, repeated customer focus groups overwhelmingly support the importance and efficacy of these prevention efforts.

F. Inventory of Services and Gap Analysis

The Ten-Year Plan states numeric goals for housing needed by chronically homeless, single adults and families *over the life* of the plan. On an annual basis, the City of Seattle develops an estimate (or gap inventory) for housing Ten-Year Plans needed by subpopulations when it completes the McKinney Act grant application. The data in the following charts are requirements of the 2007 application for McKinney-Vento homelessness assistance funding. These charts identify annual unmet need, or housing gap, for Seattle and King County.

G. Analysis of Housing by Population and Unmet Need

The charts below identify annual unmet need, or housing gap, for Seattle and King County.

Emergency Shelter	Year-Round			Other Beds	
	Family Units	Family Beds	Individual Beds	Seasonal	Overflow/ Voucher
Current Inventory	205	774	1882	297	27
New Inventory in Place in 2006	5	20	27	0	0
Inventory Under Development	0	0	0	0	0
Unmet Need			20		15

Transitional Housing	Year-Round		
	Family Units	Family Beds	Individual Beds
Current Inventory	748	2578	1362
New Inventory in Place in 2006	47	241	9
Inventory Under Development	31	153	7
Unmet Need	0	0	0

Permanent Supportive Housing	Year-Round		
	Family Units	Family Beds	Individual/CH Beds
Current Inventory	201	624	1,993/774
New Inventory in Place in 2006	0	0	158/114
Inventory Under Development	24	84	327/226
Unmet Need	144	460	2,020/1,220

The chart below supplements the 2006 application for McKinney-Vento homelessness assistance funding by identifying needs for youth and young adults separately from homeless adults and homeless families. Data below is based on United Way King County’s Youth and Families Council Homeless Youth Plan.

Unmet Need for Housing and Support Services for Youth and Young Adults

Number of Youth	Demand ²	Current Capacity	Gap
Supportive Services			
Case Management	1000	730	270
Mental Health/Chemical Dependency Services	450	150	300
Employment (multiple levels of service)	600	250	350
Education ³	500	300	200
Basic Needs/Engagement ⁴	800	600	200
Subtotal Supportive Services			

Number of Youth	Demand ⁵	Current Capacity	Gap
Housing			
Interim/Transitional	325	278	47
Barrier Free (interim and permanent)	100	0	100
Permanent	200	24	176
Subtotal Housing	600	402	598

H. Continuum of Care Used To Address Needs Of People Who Are Homeless

A continuum of care (a term used by the McKinney Act grant program for homeless services) includes actions and strategies for moving homeless individuals and families to stable housing and achieving maximum self-sufficiency. The City of Seattle contracts with a variety of non-profit organizations to provide most of its housing and services. The inventory of services available in the Seattle/King County Continuum of Care includes a broad array of organizations providing services in the areas of prevention, outreach and supportive services, as discussed below. The inventory of facilities and services that assist the homeless is attached in Appendix A.

Prevention – Numerous services are in place to keep individuals and families in housing, whether they have never been homeless or were formerly homeless and now live in permanent housing. These range from large programs operated by government agencies, including those providing mainstream services, and major non-profit organizations, to small help funds established and operated by neighborhood and faith-based groups. These services foster a “no wrong door”

² Demand represents the minimum level of service needed to help most youth secure permanent housing. It is estimated that as many as 37% of homeless youth could be successfully housed through family and friends and shared market-rate housing with sufficient intensity of services. Currently, approximately 33% of homeless youth in case management find housing without utilizing subsidized housing.

³ Specialized services needed in county outside Seattle cost estimate is for overhead costs not covered by OSPI \$

⁴ Engagement services such as outreach or drop in multiservice sites are needed in South King County in particular. Current service capacity in Seattle and East King County should be adequate if other parts of continuum were in place.

⁵ Demand represents the minimum level of service needed to help most youth secure permanent housing. It is estimated that as many as 37% of homeless youth could be successfully housed through family and friends and shared market-rate housing with sufficient intensity of services. Currently, approximately 33% of homeless youth in case management find housing without utilizing subsidized housing.

approach to identify and remedy crises as quickly as possible. Prevention services include mortgage assistance, rental assistance, utility assistance, counseling/advocacy and legal assistance.

Funding sources for prevention services include Federal Emergency Management Agency (FEMA), state Emergency Shelter Assistance Program (ESAP), state Transitional Housing Operating and Rent (THOR) administered by King County, and state Additional Requirements for Emergency Needs (AREN) programs, Low-Income Home Energy Assistance Program (LIHEAP), Emergency Housing Assistance Program (EHAP), Ryan White Title 1, HOPWA, local government allocations, United Way of King County, private donations, faith-based entities and local thrift store receipts.

Outreach – A variety of approaches identify and engage homeless individuals in homeless assistance programs. Special efforts are targeted to helping youth and young adults, veterans, people who are seriously mentally ill, substance abusers and people living with HIV/AIDS. These approaches include street canvassing, mobile vans, drop-in and hygiene centers, emergency shelter dispatch, encampment response programs, day labor dispatch sites, health care, special programs in public schools, and the criminal justice system, and literature, websites and presentations. Several state and federal sources support this component, coupled with McKinney-Vento, HOPWA, and City of Seattle General Funds. United Way and private resources are also important. Outreach services include street outreach, mobile health clinics and law enforcement.

Supportive Services – Supportive services make independent living possible for homeless and formerly homeless people who have barriers that prevent them from maintaining permanent housing. These services are often provided by staff associated with the housing provider, by mainstream systems or arranged under a memorandum of agreement between the housing provider and a service provider(s). New initiatives are underway in our community to improve the provision of supportive services, including the City of Seattle’s Housing First initiative. Increased collaboration among partners is enabling a more seamless linkage of homeless people to eligible public benefits. Multiple funding sources make the provision of supportive services available in our community.

In addition to state, federal, United Way and private sources, the City of Seattle allocates CDBG, ESG, HOPWA, HOME, McKinney and General Funds to this component of the continuum. Program income is also an important resource for providers. Supportive services include case management, life skills, alcohol and drug abuse, mental health counseling, health care, HIV/AIDS, education, employment, child care and transportation.

Continued improvements to our Continuum of Care are guided by the recommendations of the Ten-Year Plan and will bring the services inventory into alignment with Ten-Year Plan strategies for families, adults and youth. Over the next several years with implementation of the Ten-Year Plan, the continuum should begin to reflect less of a linear relationship from intake via emergency service, through transitional programs and eventually to stable housing options. The goal of Housing First should allow for stable housing options to occur at the earliest possible point in the service to homeless households.

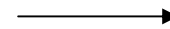
Priority needs are identified along with strategies for ending homelessness in accord with A Roof Over Every Bed in King County, our community’s Ten-Year Plan to End Homelessness. The Ten-Year Plan now guides the development of our local Continuum of Care.

Homelessness Continuum of Care

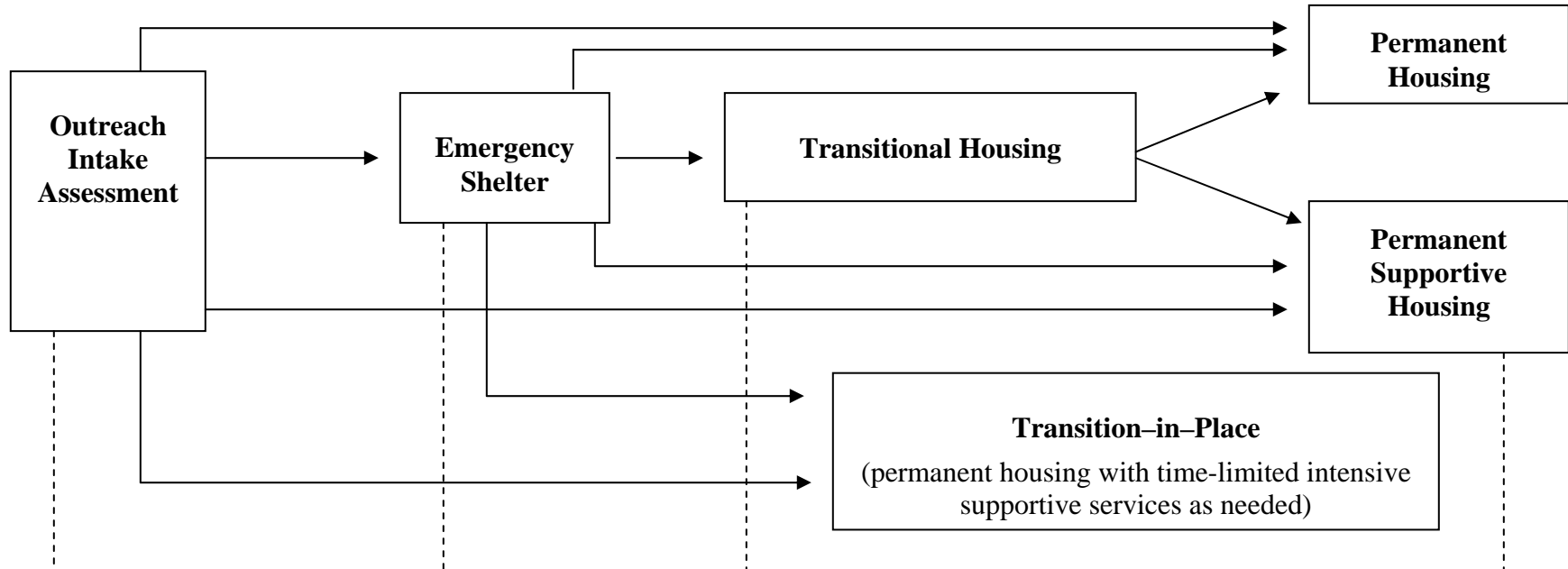
For People in Crisis



For People in Transition



For People Maintaining Stability



Supportive services:

- Primary health care*
- Mental health care*
- Substance abuse services*
- Education*
- Job training/placement*
- Public assistance*
- Domestic violence services*
- Hygiene services*

- Independent living skills*
- Case management*
- Child care*
- HIV/AIDS services*
- Financial counseling*
- Translation services*
- Veteran's services*
- Rental assistance/housing subsidy*

- Protective payee*
- Food and clothing*
- Legal services*
- Transportation*
- Storage*
- Housing search*
- Housing stabilization*
- Other services*

I. Priorities for Serving Homeless Individuals and Families

The Ten-Year Plan provides the roadmap for ending homelessness in Seattle/King County. The effort grew out of the 2002 formation of the Committee to End Homelessness (CEH), representing the vision and collective commitment of homeless and formerly homeless youth and adults, faith communities, philanthropy, business, local governments, non-profit human services providers, non-profit housing developers, advocates and other stakeholders from throughout the county. Beginning the third year of work since the Governing Board convened in July 2005, the ongoing implementation of the Ten-Year Plan relies on a number of committees and workgroups to carry out short-term projects and develop longer term plans.

The Ten-Year Plan focus is on *ending homelessness rather than managing it* through five strategies: Prevent people from becoming homeless, build or acquire more affordable housing and move people rapidly from homelessness to housing with integrated services, increase the efficiency of the existing system that serves homeless people, build and sustain the public and political will to end homelessness, and measure and report outcomes. The plan also includes a goal of securing 9,500 new and existing units by the year 2015.

The Ten-Year Plan further acknowledges that solutions to homelessness differ among each of the subpopulations of families, single adults, and youth and young adults, and recommends quantified goals for housing development specific to each group.

Families – Housing strategies include ensuring that homeless families can access appropriate affordable housing and continuing housing assistance to formerly homeless families after placement in permanent housing. Services recommendations are designed to coordinate and streamline access to services that will support both family and housing stability. Strategies include those to realign the current system, prevent family homelessness and add additional resources to rapidly move homeless families into all forms of permanent housing (independent, with moderate onsite services, with intensive onsite services).

Single Adults – Housing models for single adults include subsidized independent apartments, units with moderate services onsite, and units with intensive services onsite, along with community-based services access points and flexible support services.

Youth and Young Adults – Housing and service strategies include the creation of an accessible network of community-based information and human service centers, a range of supportive services to promote success in housing, and development of youth-specific housing models.

The full Ten-Year Plan document can be accessed at <http://www.cehkc.org/plan10/plan.aspx>.

J. Priority Needs of Homeless People in Seattle Supported By Consolidated Plan Funding

The Consolidated Plan is an assessment of our continuum of care that takes into consideration an analysis of the best data available, emerging trends, system capacity and performance, changing demographics of homeless populations, best practices and important initiatives that are currently

underway. Important information was gleaned from homeless and low-income persons during the public participation process associated with the plan's development and other continuum of care planning activities. Combined, these assessments have resulted in the following priorities for Consolidated Plan funding to meet the needs of people in Seattle who are homeless or at-risk of homelessness.

Services:

- Case management that keeps people in their permanent housing, moves them to more appropriate housing, or prevents evictions
- Tenant-based rental assistance to help households address housing instability
- Through the Taking Health Care Home Initiative, encourage provision of supportive services in permanent housing projects to allow chronically homeless people to achieve and sustain housing
- Supportive services that enable homeless and formerly homeless people to sustain their housing and live as independently as possible
- Hygiene and day centers services

Housing:

- Day and night shelter with supportive services
- Increase service-enriched transitional housing that enables residents to move to stable, permanent housing and achieve self-sufficiency
- Increase the supply of permanent affordable housing units linked with supportive services for homeless and special needs households
- Increase the supply of below-market-rent housing for households with low-incomes
- Ensure that City-funded housing units are well-maintained and serve intended low-income residents

Continuum-wide priorities:

- Implement recommendations of the Ten-Year Plan to End Homelessness and incorporate relevant policies from the State policy academy on chronic homelessness
- Work to improve program delivery and services, as well as housing and services funding, for supportive housing through planning and evaluation studies
- Strive to increase state, federal and private funding for housing and to preserve existing resources through partnerships with public, private and nonprofit organizations
- Allocate funds in accordance with the Strategic Investment Strategy
- Shift toward a "Housing First" approach for homeless persons with disabilities who have long histories of being homeless
- Obtain and evaluate data about homeless people by implementing a homeless management information system

IV. Notices of Interest (NOIs)

A. Summary of Homeless Notices of Interest Received by LRA

The LRA provided notice on Sept. 12, 2006, of the availability of property at Fort Lawton and held a workshop on Sept. 26, 2006, for homeless assistance providers and other eligible recipients of public benefit property transfers. On Jan. 10, 2007, the LRA received five notices of interest, which are summarized below.

- United Indians of All Tribes (Lead Developer) – Included market rate housing, homeless housing, community space and open space
- Seattle Housing Authority (Lead Developer) – Included market rate housing, homeless housing, self-help housing, and open space
- Downtown Emergency Service Center – Included homeless housing only
- Seattle Parks Department – Included open space to be incorporated into Discovery Park
- Seattle Veterans Museum – Included space for Seattle Veterans Museum

The LRA received two proposals for master planned developments that contained proposals for homeless housing, as well as a stand-alone NOI for homeless housing. The stand alone homeless NOI submitted by the Downtown Emergency Services Center was later withdrawn by the applicant. Therefore, that NOI is not discussed herein, though the NOI is attached to this Plan with all of the NOIs in Appendix B.

This Homeless Assistance Submission will discuss the homeless proposals that were contained within the master plan proposals.

The following chart summarizes the homeless NOI submittals.

Homeless NOIs Received		
Organization	Type of Homeless Housing Proposed in NOI & Preference for Reuse of Existing Building or New Construction	Number of Units Proposed
Archdiocesan Housing Authority with services provided by United Indians of All Tribes Foundation	Permanent housing for homeless seniors (reuse of Harvey Hall)	44
Archdiocesan Housing Authority	Permanent housing for homeless families (new construction)	50
Low Income Housing Institute	Permanent housing for homeless artists, youth and veterans (reuse of Leisy Hall)	75
Young Women’s Christian Association of Seattle-King County-Snohomish County	Permanent supportive housing for homeless families (new construction)	60

B. Homeless NOIs Selected

The Mayor appointed a technical advisory group (TAG) comprised of local citizens with expertise in land use planning, financing, housing for the homeless, as well as residents of the Magnolia neighborhood to help review the NOIs. It is important to note that while the LRA can only select or approve NOIs from those submitted, the LRA, together with the applicant, can modify a specific NOI. The TAG completed its review in early 2007, and together with City staff recommended the following NOI program to Mayor Nickels, which he adopted.

The LRA selected the Archdiocesan Housing Authority (AHA) to construct 55 units of permanent housing for homeless seniors in partnership with United Indians of All Tribes Foundation (United Indians); and AHA, to construct 30 units of permanent housing for homeless families, with YWCA providing case management to the residents. The homeless housing program was developed in consultation with the homeless providers through a series of meetings and working sessions. Through this consultation process the LRA and homeless providers determined the homeless housing program to be both financially feasible and sustainable. In addition, it was decided both the housing for homeless seniors and homeless families will be new construction. Conversion of the two existing office buildings (Harvey and Leisy Halls) into homeless housing was not economically viable. New construction was more cost effective and allowed for a better use of the site. However, AHA requests the fixtures from the commercial kitchen in Leisy Hall so that they can be relocated to the newly constructed building for homeless single adults. AHA also requests office furniture. AHA, as part of its program for serving homeless seniors at Fort Lawton, intends to provide a meal program for the residents in the proposed facility's community room.

C. Description of Housing and Supportive Services Programs for Selected NOIs

Both AHA/United Indians and the AHA/YWCA buildings will provide on-site services. AHA and its partner United Indians will provide housing with culturally appropriate supportive services, primarily to homeless Native American Elders and other seniors from the Seattle and King County region. Special outreach and marketing will be made to Native American Elders and Native American veterans to take advantage of cultural opportunities presented at the site including the proximity of Daybreak Star Indian Cultural Center, located within another section of the historic military base that was returned to the community years ago. Most residents will be over 55 and most will have disabilities ranging from persistent health problems, alcoholism, mental illness or a combination of disorders. The supportive services model of the Fort Lawton housing is to provide a high level of onsite supportive services to residents in their home environment. On-site services allow staff to be more proactive in their response to resident needs. Needs can be more easily anticipated and responded to quickly; problems can be addressed before they escalate. Case managers will work to engage and develop relationships with residents so that over time the stability, well-being and quality of life of residents will be increased. Building community among residents is essential to this support services model. When residents experience their living environment as their home they become more invested in contributing to a safe and quality place to live.

The program includes a daily onsite meal program together with scheduled traditional meals and events within the Native American community of Puget Sound. The onsite meal program, while addressing the dietary needs of residents, will also be a powerful tool for establishing relationships among residents and building community within the facility. Connecting with cultural services, programs and events through United Indians is another tool in this model to establish community relationships promoting an enhanced quality of life. Limited transportation services will be available to residents for the purpose of accessing off-site service providers, cultural events and related resources. Where alcohol and other drug treatment services are needed residents will receive onsite and offsite services from partner agencies including United Indians and Seattle Indian Health Board. Service providers will work closely with case managers to support treatment plans. The support services provided will promote the residents' housing stability and self-sufficiency by assisting residents in accessing financial benefits or employment; acquiring health care benefits and establishing a medical provider; completing eligibility documentation for housing subsidy, medical benefits and financial benefits; and preventing isolation through participation in community.

Linkages with other agencies and service delivery systems that residents can access will be accomplished by establishing relationships between AHA, United Indians, the YWCA staff, and government and community organizations. Staff will develop contacts in the local Washington State Department of Social and Health Services (DSHS) offices with financial workers, Supplemental Security Income (SSI) facilitators and Alcohol and Drug Abuse Treatment and Support Act (ADATSA) screeners. The resident services manager will coordinate efforts with chemical dependency and mental health providers such as Seattle Indian Health Board to develop treatment plans for residents needing assistance in these areas to maintain housing. Staff will also coordinate health care for residents through the Alesek Institute, the Seattle Indian Health Board and other local medical facilities. For residents looking for employment, AHA has a long-standing relationship with the providers of the Senior Community Service Employment Program sponsored by the American Association of Retired Persons (AARP). This program provides temporary work experience for low-income people aged 55 and older. AHA and its partners will develop transportation plans for residents to access off-site services.

AHA, in partnership with the YWCA, will provide housing and supportive services to homeless families defined as households with at least one parent and one minor child that are deemed homeless using the HUD definition. The YWCA will partner with United Indians to do specific outreach to Native American families, and expect that a large number of residents at Fort Lawton will be from the Native American community. In all other respects, the YWCA expects the demographic profile for families entering this housing program will resemble that of the 1,200+ other homeless families the YWCA serves each year:

- Single-parent household (88%), usually female (95%) with a mean age of 33
- Mean household size of 3
- All extremely low income, often unemployed (89%)
- 69% with mental health issues
- 68% with history of domestic violence
- 39% with major health or medical issues
- 35% with history of chemical dependency
- 33% homeless for more than a year

AHA will serve as the developer and property manager for the family housing. The YWCA will enter into an agreement with AHA to provide outreach, screening, intake, needs assessment and case management for the families.

The YWCA plans to provide core case management and other related services on site. Case management will be intensive, home-based and focused on clients' goals and barriers. Families will complete a lengthy needs assessment and create an action plan suited for their circumstances. Action plans are focused on education, training, employment, wage progression, mental health, family stability and resource procurement, as well as addressing children's schooling and childcare. Case managers connect families with necessary support services offered by the YWCA or other providers. Case management, domestic violence advocacy and children's domestic violence counseling will occur predominately in the families' homes, while mental health and chemical dependency counseling, life skills classes and children's programming will be provided in YWCA offices and shared community spaces provided by AHA on the Fort Lawton campus.

YWCA services provided in downtown Seattle for Fort Lawton families will include: employment assessment and training, job placement and retention services, health care access and Dress for Success. Case management staff also will connect Fort Lawton residents with other providers for services such as legal assistance. The holistic, coordinated development proposed for this site will be critical to the success of the homeless families the YWCA intends to serve. The YWCA's experience with transition-in-place supportive housing for homeless families makes it clear that socially integrated neighborhoods that offer a continuum of housing options help families maintain housing stability and move forward with their lives. Children in particular benefit from stability in school and the social support network they and their parents are able to build when they maintain their housing in a single community.

The YWCA works closely with homeless assistance programs throughout Seattle and King County, e.g., Women's Referral Center, Health Care for the Homeless, the Homelessness Intervention Project (specialized employment services for homeless persons), and other providers of affordable housing, domestic violence shelters and related services for homeless women and families in the Seattle area. The YWCA looks forward to creating a network of referral and support for the homeless families coming to rebuild their lives at Fort Lawton. YWCA case managers will work with families to develop transportation plans to access off-site services.

D. Reasons for Selection of NOIs/Filling Gaps in the Continuum of Care System

1. Demonstrated Need for Homeless Housing

As shown in the City's Consolidated Plan and the One Night Count, Seattle has a gap in permanent housing for homeless seniors and homeless families. During the 2008 One Night Count, 1,976 individuals were reported to be unsheltered in Seattle. As demonstrated in the tables in the sections above, the 2007 Consolidated Plan gap analysis shows an unmet need for permanent supportive housing of 2,020 beds for homeless individuals and 460 beds or 144 units for homeless families. Therefore, there is a demonstrated need for additional homeless housing within the communities in the vicinity of the installation (Seattle).

Native Americans comprise a disproportionate number of people experiencing homelessness in Seattle, comprising 4.1% of the shelter population. Although none of the housing will be devoted exclusively to homeless Native Americans, specific outreach will be made to Native Americans who are homeless. The Fort Lawton site provides a unique opportunity to reconnect Native Americans who are homeless with the Native American community due to the proximity of Daybreak Star Indian Cultural Center within another section of the historic military base that was returned to the community years ago.

2. Experience of Selected Homeless NOI Organizations

AHA, YWCA and United Indians will provide substantial onsite services. The provision of substantial onsite services will enable the residents of this housing to be successful in this residential neighborhood that does not otherwise have social services available.

All three housing and service providers have long histories of proven success in either providing homeless housing, services or both. The descriptions below summarize the experience of AHA, YWCA and United Indians.

Archdiocesan Housing Authority

Established in 1981, AHA provides a continuum of care for homeless and low-income persons. Twenty-nine day centers, emergency shelters and transitional housing programs offer a warm, safe refuge from the streets, providing homeless men, women and children with a place to bathe, launder clothes and receive medical attention, alcohol and drug treatment, and job counseling. AHA provides more than 1,850 housing units in 39 programs, serving individuals, families, seniors and persons with special physical and mental needs throughout Western Washington.

YWCA of Seattle - King County - Snohomish County

The YWCA's roots can be traced to 1894 when Mrs. Rees P. Daniels moved to Seattle from Washington D.C. Mrs. Daniels had been active in the Washington D.C. YWCA and saw the need for such an institution in Seattle. Today the YWCA serves nearly 44,000 women and families every year with programs to end homelessness, create jobs, care for children and youth, and prevent violence. Without a home, it is difficult for employers to reach job seekers for an interview. Without a job, it is nearly impossible to get a home. Not having both is a crisis for women and families. The YWCA works with women in need to address multiple challenges and move toward independence, self-sufficiency, and safety and dignity for them and their families.

United Indians of All Tribes Foundation

United Indians is a 501c3 non-profit organization founded in Seattle in 1970. The mission of United Indians is to foster and sustain a strong sense of identity, tradition and well-being among the Indian people in the Puget Sound area by promoting their cultural, economic and social welfare. This is accomplished through the development and operation of educational, social, economic and cultural programs and activities benefiting local Native Americans, and by maintaining a strong link with Indian tribes and other urban Indian organizations throughout the state of Washington.

3. Financial and Organizational Capacity of Selected NOIs

Homeless NOI applicants were required to submit a substantial amount of information with their applications in addition to their proposal, including information about the organization's organizational and financial capacity. This information was analyzed by Seattle's Office of Housing and Human Services Department staff who have substantial experience underwriting and monitoring homeless housing and service projects. Both AHA and the YWCA demonstrated strong financials, as confirmed by their audited financial statements and strong organizational capacity both as developers and service providers. United Indians showed a strong track record in providing services to Native Americans. Their audited financial statements showed some challenges in development. Therefore, United Indians was selected as a service provider only, and not as a developer of the homeless housing.

4. Reasons Some of the NOIs Were Not Selected

One 75-unit homeless housing proposal for youth, veterans and artists was not selected because the nonprofit organization's financial audits showed an operating loss for 2006 and the organization was over extended in terms of capacity to develop other projects. The organization had at least six outstanding bridge or short-term loans for real estate in Seattle totaling \$12 million and additional short-term loans for other properties outside Seattle.

5. Impact of Selected NOIs on the Community

The three NOI homeless housing and service providers, AHA, YWCA and United Indians, have strong records in providing either homeless housing or services and have the financial capability and organizational capacity to develop and successfully operate a total of 85 units of homeless housing at Fort Lawton. The YWCA and United Indians will provide onsite services. In addition, any of the homeless individuals who are veterans may be eligible to receive veterans' services in the surplus building on the Fort Lawton site that the U.S. Department of Veterans Affairs will be taking over. As discussed in greater detail below, there are sufficient utility, police, fire and school services to support 85 units of homeless housing at Fort Lawton. The County has committed to increasing bus service to Fort Lawton, though the site is already served by Metro King County bus lines. Finally, siting homeless housing at Fort Lawton will not create an over-concentration of poverty in Magnolia, which currently has very low numbers of low-income residents.

Services – The Fort Lawton Army Reserve Center, located within Seattle city limits, borders a residential neighborhood on two sides. Because the site is within the borders of a major city, the site is currently served with water, sewer and electric service, as well as police and fire protection. A bus line also currently runs through the Reserve Center. City staff and consultants have analyzed the adequacy of services in the vicinity of the Fort Lawton Army Reserve Center and determined that current services are currently adequate or will be expanded in conjunction with the redevelopment of the facility.

Utilities – Fort Lawton is currently well-served by utilities, which enter the site from 36th Avenue West and also supply the residential neighborhood to the east.

Wastewater generated onsite is carried north by a single 8-inch sewer line to a major stormwater/sewer trunk line on Commodore Way. This trunk then carries wastewater to King County's West Point Sewage Treatment Plant. Analysis indicates that the existing onsite sewer system has a capacity of 2.0 million gallons per day, which far exceeds current demand.

Stormwater collected from downspouts, roadside swales and parking lot catchbasins flows into the City's combined stormwater/sewer system (USACE 2007). Large portions of the site are currently paved or built upon, so that stormwater quantities are relatively high when compared to surrounding properties.

Water mains supply potable water to buildings on the site, to outdoor connections and irrigation systems, and to fire hydrants. A 12-inch water main running along 36th Avenue West serves the site and should provide a high level of service. However, there is no record of pressure and flow testing for water mains in the vicinity (BRH 2008).

Gas service is provided by Puget Sound Energy (PSE) via a main located along 36th Avenue West. Service is currently provided to the FLARC, Harvey Hall, Building 250 and Building 251.

Fort Lawton is currently served by an electrical system which was installed when the FLARC was constructed in 1999. According to Seattle City Light, existing buildings are supplied by a 26kV primary underground system via three pulling vaults and four transformer vaults. Electrical service is provided via underground transmission lines from a Seattle City Light substation on the east side of 36th Avenue West.

Telecommunications service is provided to existing buildings by Qwest.

Transportation Systems – Metro Bus 33 runs through the middle of the Fort Lawton Army Reserve Center seven days a week. This bus provides service to the Seattle Center and downtown Seattle. Bus 33 runs approximately every 30 minutes during rush hour and every 45 minutes to an hour at other times. Metro bus 24 is accessible just outside the entrance to the Fort Lawton Army Reserve Center and provides service to the Magnolia Urban Village as well as to downtown. This bus runs approximately every half-hour. In addition to bus routes 33 and 24, Metro Access provides curb-to-curb transportation services for people who qualify for this service under the federal Americans with Disabilities Act. King County, which runs Metro Transit, has committed to increase the frequency of service to meet increased demand presented by the redevelopment of Fort Lawton. The letter from King County Executive Ron Sims is attached as Appendix C.

Schools – With over 45,000 students, Seattle Public Schools is continually carrying out short- and long-range demographic planning to meet the needs of the dynamic and diverse district. The Fort Lawton redevelopment is within the Queen Anne/Magnolia Cluster. According to an enrollment planner with the district, the five-plus years expected build out of the Fort Lawton site is beyond the scope of the district's short-range planning. However, the district presently is exploring long-range solutions to expected growth in the Queen Anne/Magnolia Cluster grade schools over the next several years. This planning is independent of the proposed redevelopment

at Fort Lawton, and the additional students from Fort Lawton would be folded into the planning process. In addition, it was explained that the district would use the housing yield (a measure of students per household) in both Magnolia and the High Point neighborhood (a master planned community similar to Fort Lawton) to forecast the impact of the Fort Lawton redevelopment. Finally, it was noted that any additional students would be spread across all grades and, together with the decrease in residents due to the loss of the 66 units of navy housing at Capehart, this would mitigate the overall impact of the Fort Lawton redevelopment on the Magnolia schools.

Police/Fire – The Seattle Police Department implemented a Neighborhood Policing Plan (NPP) in January 2008. The timeline for the redevelopment of Fort Lawton will coincide with the final phases of increasing the Seattle police force by 154 new officers over a seven-year period that started in mid-2005 – representing a 25% increase in patrol deployment by 2012.

Police staffing responds to calls for service rather than population. The Neighborhood Policing Staffing Plan (NPP) deploys police officers based on calls for service and will make officers available at the times and on days when they are most needed on a citywide basis, including the West Precinct and the Queen Anne Sector where Fort Lawton is located. The Police Department will continually review changes in calls for service and will make adjustments as necessary to meet the fluctuations in workload. Details of the NPP can be viewed at www.seattle.gov/mayor/issues/policing/PDF/NeighborhoodPolicing_2007_FINAL.pdf

The Seattle Fire Department anticipates only slight increases in service demand with the proposed addition of 199-216 housing units in the Fort Lawton area. This modest increase in service demand would not necessarily warrant any increases in staffing. There is however concern about fire apparatus access roads as well as water main and fire hydrant availability in the area in question that would need to be addressed.

Character of the Neighborhood – Fort Lawton is located in a single family neighborhood and adjacent to both the city’s largest park as well as critical habitat for great blue herons. In developing the redevelopment plan for the site, the LRA, together with local stakeholders, worked to balance market-rate housing, homeless housing, open space and wildlife habitat. The redevelopment plan envisions a largely single family neighborhood similar in size and scale to the adjacent 36th Avenue community. The street grid in the new neighborhood will connect to the existing neighborhood grid while simultaneously providing alternate traffic circulation options to decrease the impact of traffic on the existing community. The plan includes open space and “green street” designs and mimics the character of the 36th Avenue neighborhood by incorporating single family housing along the west side of 36th Avenue, facing existing homes.

Homeless housing in the redevelopment plan includes housing for homeless seniors and homeless families. The sole multifamily building included in the plan is the one designed to serve 55 homeless seniors, primarily Native Americans. This building has been sited to mitigate its impact on the existing neighborhood and will be located on the western edge of the Fort Lawton site, more than two blocks away and across the major site arterial from the 36th Avenue neighborhood and adjacent to the building that the Veterans Administration is intending to reuse to provide medical and mental health services to approximately 150 people a day. The approximately 30 duplex townhouse units for homeless families will be integrated into the site and scattered to decrease their concentration in any single area.

The redevelopment plan is also designed to mitigate any concentration of minorities or low-income households in the vicinity of the Fort Lawton site. Fort Lawton is located in census tract 57, which has 2,941 housing units and 5,990 residents. According to the 2000 census, 85.9% of these residents are white, with black or African American's representing 1.8% and Native Americans 0.5%. Data from the City's Department of Planning and Development shows that 26 households in the census tract are extremely low income, with incomes below 30% of area median income.

The redevelopment plan for Fort Lawton includes approximately 85 units for homeless individuals or families out of approximately 199-216 total new units. In its HUD-adopted Consolidated Plan, the City of Seattle has a policy of limiting the siting of subsidized rental housing for households at or below 30% of area median income to no more than 20% of the total housing units in any census block group. Specifically, the policy states:

Unless the Director waives the siting policy as stated below, OH will not fund, or certify as consistent with the Consolidated Plan, a project if the proposed number of subsidized rental housing units for extremely low-income households (30% of Area Median Income or below) would exceed the capacity for additional subsidized rental housing units for extremely low-income households in the Census block group where the proposed project is located. Capacity for additional subsidized rental housing units for extremely low-income households is defined as the total number of housing units in the Census block group according to the latest information as updated annually by the Department of Planning and Development, multiplied by 20%.

Adding the new housing units (both low income and market rate) included in the redevelopment plan to those existing in the census block group containing the Ft. Lawton Army Reserve Center, the redevelopment of Fort Lawton will increase the total number of units in the census block group by approximately 199-216 units. Even with the increase of 85 homeless units in this census block group, the number of units for households below 30% of median income will fall below the City's 20% threshold.

6. Suitability of the Property for Needs and Uses of the Homeless

The redevelopment plan and Homeless Assistance Submission for Fort Lawton reflects the City's guiding principle of social responsibility and goal of creating a mixed income community and responds to Seattle's needs for housing for the homeless. Further, the development of 85 homeless units is consistent with the City's HUD approved siting policy, as referenced above, thereby avoiding any geographic concentration of homeless households.

Fort Lawton provides sufficient buildable areas to accommodate the space needs of both the elderly and family projects. The redevelopment plan envisions the multifamily homeless senior building needing approximately one acre on site and the homeless family townhome development requiring a total of approximately 1.25 acres (30-1,800 sq. ft. lots dispersed

throughout the site). This is more than supported by the approximate 18 acres of buildable area identified within the plan.

Because the Fort Lawton Army Reserve Center site is located within the borders of a major city, the site is served with water, sewer and electric service, as well as police and fire protection. A bus line operates at the site which connects people to local services and downtown.

V. Legally Binding Agreements

The Legally Binding Agreements are attached in Appendix D.

VI. Balance Between Economic and Other Development Needs, Including Homeless Needs

Federal regulations require that the Homeless Assistance Submission include an assessment of the balance with economic and other development needs of the local communities in the vicinity of the installation (Seattle) and the needs of the homeless. As discussed in the Local Redevelopment Plan, Seattle proposes to redevelop Fort Lawton with a green mixed-income residential community, including housing for homeless families and individuals. This redeveloped community will balance market-rate housing, homeless housing, self-help housing, open space and wildlife habitat. In weighing the redevelopment options and BRAC requirements, Seattle selected residential redevelopment, homeless housing and park space over economic redevelopment because Fort Lawton is currently not an economic engine in the Seattle employment market. In contrast, the need for additional market-rate and homeless housing is great. Additionally, the proximity of a heron rookery to the site made preservation of open space and wildlife habitat an important community and environmental goal.

A. Economic Impacts Resulting from Fort Lawton Army Reserve Center Closure

As noted above, the Fort Lawton Army Reserve Center is not a significant source of employment or revenue to the community. According to Appendix O of the BRAC Report to the President, the percent change of area employment is 0.0%. The Army calculated this percentage by calculating the percent of lost jobs (182 jobs) out of a total of 1,690,448 jobs in the Seattle metropolitan area. The report summarizes the job changes resulting from the closure of this reserve base:

Job Changes Due to Closure of Fort Lawton Army Reserve Base	
Net Job Change – Military	53
Net Job Change – Civilian	54
Net Job Change – Contractor	0
Total Direct Job Change	107
Indirect Job Change	75
Total Direct and Indirect Job Loss	182

According to the Army, approximately 182 jobs will be relocated away from Fort Lawton or eliminated as a result of the closure of the Fort Lawton Army Reserve Center. The loss of 182

jobs in Seattle will have very little impact on the local economy. Nor will the closure of Fort Lawton have much of an economic impact as a result of loss of products or services purchased from local businesses.

The state of Washington recently analyzed the economic impact of military bases in Washington state. Because the economic impact of the Fort Lawton Army Reserve Center was so small, it was not included in the state's economic impact study, *Washington Office of Financial Management, Impacts of the Military Bases in Washington, (2005)*. Due to the lack of significant job loss or other economic impacts resulting from the closure of the Fort Lawton Army Reserve Center, there is no need for economic redevelopment of the base.

B. Other Types of Redevelopment

Under this round of BRAC, the Department of Defense (DOD) has indicated that it is expecting to receive value as a result of the redevelopment of certain bases including Fort Lawton. Observing the need to create value for the DOD and recognizing that the Fort Lawton Army Reserve Center is bordering a residential neighborhood and a large public park, the City determined that residential rather than commercial redevelopment of Fort Lawton was most appropriate. Residential redevelopment of Fort Lawton would also allow for integration of homeless housing into a mixed-income community.

The redevelopment of Fort Lawton with a mixed-income residential community will create some new jobs as a result of the staffing for the homeless housing, construction jobs as a result of the redevelopment, and increased business for businesses that serve residential communities, such as grocery stores.

This development of a mixed income community is balanced with a parks public benefit conveyance request that would acquire portions of the Fort Lawton property for parks and recreation purposes as additions to Discovery Park and protect valuable wildlife habitat.

C. Homeless Needs in Seattle

As discussed in the sections above pertaining to the needs of people who are homeless in the city of Seattle, like many other large cities, Seattle has a continued need for permanent housing for people who are experiencing homelessness. The City's Homeless Information System shows that in 2007, 6,087 used Seattle/King County's shelters. The 2008 One Night Count found 1,976 people on the streets of Seattle. Seattle's Consolidated Plan shows a gap of 2,020 beds for individuals experiencing homelessness and a gap of 460 beds for families who are experiencing homelessness. To fill some of this gap, Seattle is proposing to locate 55 units of housing for homeless seniors and 30 units of housing for homeless families at Fort Lawton.

D. Conclusion on Balancing

Weighing the lack of economic impact resulting from the closure of the Fort Lawton Reserve Center, the need to create value for the Army, the homeless NOIs received, the need for housing for homeless families and individuals in Seattle as determined by the Consolidated Plan and

other local plans, and the presence of unique wildlife habitat on the site, the LRA determined that a mixed-income community that includes 55 units of housing for homeless seniors and 30 units of housing for homeless families mixed with market rate housing that could be sold to create value for the Army, plus protection of wildlife habitat, would be the best balance for the redevelopment of the Fort Lawton Army Reserve Center.

VII. Outreach

City of Seattle staff did extensive outreach to homeless assistance providers to let them know about the availability of property at Fort Lawton and what the process would be for submitting Notices of Interest. This outreach, as described in greater detail below, included advertisements in newspapers, five community meetings, organized tours of Fort Lawton and direct notice to homeless assistance providers.

The following bulleted sections described the federal outreach requirements and how each of these requirements was met:

- **Listing of all jurisdictions in the area served by the LRA, describing the required catchments area for outreach to homeless assistance providers.**

The LRA, as noted above, is comprised solely of the City of Seattle. Therefore, the area for outreach to homeless assistance providers was citywide. Seattle is fortunate to have a very strong homeless assistance provider community.

- **Newspaper advertisement placed by the LRA, including the name of the newspaper(s) and date(s) of publication.**

Seattle placed notices announcing the Notices of Interest and Public Benefit Conveyances in the Daily Journal of Commerce on Sept. 12, 2006 and in the Seattle Times on Sept. 13, 2006. Copies of the advertisements are attached in Appendix E.

- **Listing of homeless assistance providers that the LRA has consulted during the process of preparing its application.**

As required by its duties as the LRA, the City of Seattle proactively contacted local representatives of the homeless to make them aware of the opportunity to receive property at Fort Lawton for homeless housing. The City Office of Housing, together with assistance from the City Human Services Department, the Department of Housing and Urban Development, and the local Housing Development Consortium (representing nonprofit housing developers in King County) generated a list of over 50 organizations that represent the homeless. Each of these organizations was contacted by certified mail and informed of the availability of property and also notified of a meeting on Sept. 26, 2006, to review the BRAC rules and the Notice of Interest application process. The letter and the list of homeless assistance providers it was sent to are included in Appendix F.

- **Description of the outreach efforts made to homeless assistance providers in the community in the vicinity of the installation.**

As noted above, Seattle provided outreach to homeless assistance providers to let them know about the availability of property at Fort Lawton and what the process would be for submitting Notices of Interest. This outreach included advertisements in newspapers, the NOI workshop and two additional community meetings in 2006 on BRAC and availability of property for homeless providers, organized tours of Fort Lawton, and direct notice to homeless assistance providers. Many of Seattle's homeless assistance providers develop housing and provide services in many neighborhoods throughout the city for people experiencing homelessness.

- **Description of the workshop conducted on the installation during the outreach period.**

Seattle conducted a workshop for NOI applicants at the Fort Lawton Base on Sept. 26, 2006. Tours of Fort Lawton were also held on September 26, 2006. City employees who were knowledgeable about the BRAC and NOI processes, plus representatives from the Army and HUD spoke at the workshop and were available to answer questions. At the workshop, City of Seattle staff used a PowerPoint presentation to explain the BRAC and NOI processes. Seattle described the property that was available, the eligibility requirements for both the homeless assistance NOIs and the public benefit conveyance NOIs. The workshop was well attended with over 24 organizations represented. The sign up sheet is attached as Appendix G. Seattle, the Army and HUD answered numerous questions from attendees. After the question and answer period, tours of the Fort Lawton facility were conducted.

APPENDICIES

Appendix A – Inventory of facilities and services that assist the homeless

Appendix B – Notices of Interest

Appendix C – Ron Sims letter re: increased Metro service

Appendix D – Legally binding agreements

Appendix E – Newspaper advertisements announcing Notices of Interest and Public Benefit Conveyances

Appendix F – List of providers notified directly about Notices of Interest; letter sent to providers

Appendix G – Attendees of Sept. 26, 2006 Notices of Interest information meeting

Appendix C – Continuum of Care Housing and Service Needs (from 2008 McKinney application)

1	2				3			4											
	Prevention				Outreach			Supportive Services											
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation	
Provider Organizations																			
45th Street Clinic Homeless Youth Clinic													X						
A Positive Alternative – Women’s Recovery Center											X								
A Positive Alternative-Men’s Treatment Program											X								
Abused Deaf Women’s Advocacy 24-Hour Crisis Line				X															
ACAP Child And Family Services																X			
Aids Housing Of Washington														X					
Alcohol and Drug 24-Hour Helpline (SA)				X							X								
Alcoholics Anonymous											X								
Algona Police Department											X								
1	2				3			4											
	Prevention				Outreach			Supportive Services											

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2			3			4				Supportive Services							
1	Prevention			Outreach														
Alliance Of People With Disabilities																X		
Alpha Center For Treatment - Bothell Alternatives											X							
Always Hope - Taylor House											X							
Amara Parenting And Adoption Services									X									
American Dental Care													X					
American Legion		X																
American Lung Association Of Washington											X							
Angeline's –Hot meal							X											
Anti-Drug, The											X							
API Women & Family Safety Center				X														
Arc Of King County				X					X									
Archdiocesan Housing Authority							X				X					X		
Artworks																X		
Asian Congregate Meal Program at Legacy House																		
Asian Counseling & Referral				X					X		X				X			
Associates In Cultural Exchange															X			
Association For Women In Communications Inc.																		X

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation	
	2				3			4				Supportive Services							
Atlantic Street Center									X						X				
Atwork!, Issaquah and Bellevue									X										
Auburn Community Supper						X													
Auburn Food Bank		X	X																X
Auburn Parks And Recreation Department																			X
Auburn Police Department											X								
Auburn School District															X				
Auburn Youth Resources				X		X			X		X								
Bailey-Boushay House				X										X					
Ballard Food Bank		X	X																X
Barry Wolborsky											X								
Bayview Manor																			X
Bellevue Community College															X				X
Bellevue Parks And Community Services															X				
Benson Heights Rehabilitation Center													X						
Black Diamond Community Center		X	X																X
Blessed Sacrament Church–Hot meal							X												
1	2				3			4				Supportive Services							

Provider Organizations	1										2				3				4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation				
	Prevention										Outreach				Supportive Services							
Bosnian Community (Tukwila)				X																		
Bothell Police Department						X																
Boys And Girls Club Of King County							X				X			X			X					
Bread of Life																						
Cambodian Women's Association				X																		
Camp Fire USA - Central Puget Sound Council - Seattle																	X					
Capitol Hill Community Resource Center												X										
Care Planning Associates								X														
Cares Of Washington																X						
Carolyn Downs Family Medical Center												X										
Casa Latina													X		X							
Casey Family Program															X							
Catholic Community Services	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
Center For Career Alternatives								X	X													
Center For Human Services											X											
Center For Multi-Cultural Health								X						X								
Central Area Motivation Program								X						X								
Central Lutheran Church Lunch							X															

Provider Organizations	1										2				3				4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation				
Central Youth and Family Services				X	X	X			X		X											
Cham Refugee Community				X																		
CHAYA				X																		
Chief Seattle Club (primarily Native Americans)						X																
Children's Alliance				X																		
Children's Hospital & Regional Medical Center											X											
Children's Home Society Of Washington											X			X		X						
Children's Services Northwest											X				X							
Chinese Information & Service C									X					X	X							
Church Council Of Greater Seattle				X										X	X							
Church of Mary Magdalene																						
Circle Of Recovery																						
Bellevue Youth Link/Bellevue Teen Services																		X				
City Of Burien			X																			
City Of Pacific			X																			
City Of Seattle - Human Services Department - Help For Working Families			X			X								X		X						

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2 Prevention				3 Outreach			4 Supportive Services										
City University - Counseling Center						X					X							
Cityteam Ministries											X							
Columbia Legal Services				X														
Community Health Centers													X					
Community House Mental Health									X			X				X		
Community Justice Centers					X													
Community Psychiatric Clinic				X		X			X		X	X				X		
Compass Center Center				X		X												
Comprehensive Health Education Foundation										X	X							
Conflict Resolution Center					X													
Conquest Center											X							
Consejo Counseling and Referral				X					X		X	X						
Country Doctor Community Clinic				X					X				X					
Crisis Clinic				X														
Crista Ministries									X							X		
Deaf, Blind Service Center									X									
Des Moines Senior Activity Center																		X
Disabled American Veterans - Washington Service Office																		
Domestic Abuse Women's Network				X														
1	2				3			4										
	Prevention				Outreach			Supportive Services										

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2			3			4				Supportive Services							
Donna Bevan-Lee											X							
Downtown Emergency Service Center (DESC)				X		X			X		X	X				X		X
WA Dept. of Social and Health Services (DSHS)		X	X	X					X							X		
Dunshie House													X					
Dutch Shisler Sobering Center						X												
DWI Victims Panel											X							
Earthcorps																X		
East Cherry YWCA				X												X		
Easter Seals of Washington													X				X	
Eastside Addiction Professionals											X							
Eastside Domestic Violence Program				X							X							
Eastside Employment Services																X		
Eastside Love Inc. (North & East King County)													X					
El Centro De La Raza						X			X					X			X	
Elderhealth Northwest, Downtown Seattle Adult Day Center									X									
Emerald City Outreach Ministries												X						
Emergency Service Patrol						X												
1	2			3			4					Supportive Services						
	Prevention			Outreach			Supportive Services											

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2				3			4				Supportive Services						
Empowerment Institute									X					X			X	
Encompass																		
Enumclaw Helping Hands		X	X															
Episcopal Church Of The Redeemer		X	X															
Episcopal Migration Ministries				X														
Eritrean Association of Greater Seattle				X											X			
Ethiopian Community Mutual Assn.								X	X				X	X				
Evergreen Health Care							X		X			X	X					
Evergreen Treatment Services						X					X							
Fairfax Hospital											X	X						
Family & Adult Service Center															X	X		
Family Kitchen						X												
Family Resources										X	X							
Family Services				X					X			X						
Familyworks															X			
Farestart Job Training									X	X						X		
Federal Way Community Caregiving Network	X	X																
Filipino Community-Youth Empowerment Project				X														
1	2				3			4				Supportive Services						

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2			3			4				Supportive Services							
1	Prevention			Outreach														
First Place	X														X			
Fremont Public Association (Solid Ground)	X	X		X					X		X					X		
Friends Of Youth				X		X												
Future Visions											X							
Gay City Health Project											X							
Genesis House											X							
Gethsemane Community Services																X		X
Gondar Mutual Association Of Seattle				X								X			X			
Goodwill - Seattle															X	X		
Goodwill Baptist Association				X														
Greater Seattle Chamber Of Commerce																X		
Hamlin Robinson School															X			
Harborview Medical Center									X		X	X	X					
Heal																		
Health Care for Homeless Veterans (USVA)							X						X					
Health Care for the Homeless Network													X					X

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
Health Information Network														X				
Hearing, Speech And Deafness Ctr															X			
Helping Link				X											X			
Highline West Seattle Mental Health									X		X	X			X			
Highline Community College															X			
Highline Medical Center - Speciality Campus											X							
Highline School District									X					X				
His Ministry																		
Hmong Association of Washington				X														
Homeless Veterans Reintegration Program for female veterans						X												
Homeless Women's Veterans Program (USVA)						X												
Hope Recovery Services											X							
Hopelink	X	X	X	X	X	X			X									
Horn Of Africa Services															X			
Humane Society For Seattle/King Cty														X				
Idealist.Org - Action Without Borders																		
Immanuel Lutheran Church, Jubilee Dinners																		

1	2	3	4
Prevention		Outreach	Supportive Services

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	Prevention				Outreach			Supportive Services										
Indochina Chinese Refugee Assn.				X		X									X			
Interaction Transition											X							
Intercept Associates																		
International Community Health Services-Dental													X					
International District Housing Alliance		X		X											X			
International Drop-In Center						X						X			X			
International Rescue Committee				X														
Iraqi Community Center				X														
Issaquah Church & Community Services		X	X															
Issaquah Police Department											X							
Issaquah Valley Senior Center																		X
Jewish Family Service - Seattle		X		X					X		X	X			X	X		
Jinny Tesik - Grief And Life Transitions Counseling														X				
Job Corps																X		
Kang Wen Clinic														X				
Kent Food Bank And Emergency Services		X	X															
1	2				3			4				Supportive Services						

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	Prevention				Outreach			Supportive Services										
Kent Parks, Recreation, And Community Services Department				X											X			
Kent School District										X								
Kent Youth And Family Services										X	X					X		
Khmer Community of Seattle-King County				X														
Kids Co.																	X	
Kids Cuts N Play																	X	
Kin On Community Health Care, Family Caregiver Support Center									X									
Kindering Center									X									
King County Bar Association					X													
King County Community Court/Day Reporting						X												
King County Community Service Centers																X		
King County Department Of Community And Human Services		X	X						X		X				X	X		X
King County Department Of Natural Resources And Parks - Washington State University																		
King County District Court					X													
1	2				3			4										

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation	
	2				3			4				Supportive Services							
1	Prevention				Outreach														
King County Drug Court				X		X													
King County Housing Authority - Conventional Housing Program																X			
King County Housing Stability Program	X	X		X															
King County Jobs Initiative																X			
King County Labor Council, AFL-CIO - Worker Center																X			
King County Library System - Federal Way Regional					X										X				
King County Mental Health Court				X															
King County Mental Health											X								X
King County Metro Transit - Accessible Services																			X
King County Veterans Program				X			X												
Kirkland Interfaith Transitions In Housing															X				
Korean Community Counseling Center				X							X	X	X						
Korean Womens Association											X				X				
Lake Washington School District No. 414																			X

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2			3			4				Supportive Services							
Lakeside - Milam Recovery Centers, Inc.											X							
Lambda Legal - Western Regional Office				X										X				
Lambert House				X														
Lao Community Service Office				X														
Lao Highland Association				X														
Lazarus Day Center						X			X									
Legal Action Center					X													
Lens Crafters Gift of Sight													X					
Lifelong Aids Alliance				X					X					X				X
Lifetime Learning Center															X			
Lighthouse For The Blind																X		
Literacy Source - A Community Learning Center															X			
Love In The Name Of Christ Of Greater Federal Way And Auburn																		X
Lunchtime at St. Luke's						X												
Lutheran Community Services Northwest									X									
Lutheran Counseling Network												X						
1	2			3			4				Supportive Services							

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation	
	Prevention				Outreach			Supportive Services											
Madison Clinic		X	X	X		X												X	
Magnolia Helpline		X	X			X												X	
Mamma's Hands																			
Maple Valley Community Center																		X	
Maple Valley Food Bank And Emergency Services		X	X																
Master Builders Care Foundation																X			
Matthew House																		X	
Mature Workers Alliance Of Puget Sound																X			
Mavin Foundation																X			
Medical Respite Program													X						
Mental Health Chaplaincy				X															
Mercer Island School District															X				
Mercer Island Youth And Family Services		X	X						X	X	X					X			
Millionaire Club						X										X			
Mobile Dentistry - Dr. Peter Moore							X												
Momentum																X			
Monday Feeding Program						X													
Motivations											X								
1	2				3			4											

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	Prevention				Outreach			Supportive Services										
Mpowerment						X						X						
Muckleshoot Indian Tribe											X	X						
Multi-Service Center	X	X	X	X							X				X	X		
Narcotics Anonymous											X							
National Asian Pacific Center On Aging																X		
National Association For Black Veterans				X														
National Cancer Institutes Cancer Information Service											X							
National Runaway Switchboard				X														
Needle Exchange						X												
Neighborhood House - Yesler Terrace									X						X	X		
Neighborhood House Helpline	X																	X
Network Services				X														
New Beginnings.				X					X								X	X
New Horizons Ministries				X		X				X								
Nicotine Anonymous World Services											X							
Nikkei Concerns - Nikkei Manor															X			
Normandy Park Police Department											X							
North Helpline		X	X										X					X
1	2				3			4										
	Prevention				Outreach			Supportive Services										

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2 Prevention				3 Outreach			4 Supportive Services										
North Seattle Community College												X						
Northshore School District															X			
Northshore Youth And Family Services											X							
Northwest Center									X	X						X		
Northwest Family Center				X					X			X						
Northwest Guardianship Services									X									
Northwest Justice Project					X													
Northwest Lions Foundation													X					
Northwest Urban Ministries																	X	
Odessa Brown Children's Clinic													X					
Olive Crest									X									
Operation Lookout - National Center For Missing Youth				X														
Operation Nightwatch				X		X												
Operational Emergency Center																		X
Optometric Physicians of WA													X					
Orion Industries																	X	
Oromo Community In Seattle															X			
Oromo Community Organization				X														
Our Lady Of Mt. Carmel Center						X									X			

Provider Organizations	1										2			3			4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation		
	Prevention										Outreach			Supportive Services						
Overlake Christian Church - Special Delivery									X											
Overlake Hospital Medical Center								X			X									
Overlake Service League		X										X								
Oxford House										X										
Parent Place											X									
Parent-Child Assistance Program - P-CAP									X											
Park Lake Employment Center								X						X	X					
Peace For The Streets By Kids From The Streets						X			X					X	X					
Peace Heathens Homeless Youth Resource Guide																				
Pediatric Interim Care Center										X										
People Of Color Against Aids Network - POCAAN						X								X						
People's Learning Center															X					
Perinatal Treatment Services, Inc.																				
Phinney Neighborhood Association						X											X			
Pike Market Child Care And Preschool																	X	X		

Provider Organizations	1										2				3			4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation			
Pike Market Senior Center/Downtown Food Bank															X						
Pioneer Human Services														X	X						
Plateau Outreach Ministries		X	X																		
Plymouth Housing Group				X				X													
Port Of Seattle - Office Of Port Jobs - Airport Jobs															X						
Powerful Schools														X							
Pregnancy Aid Of Washington - Kent		X	X																		
Prime Time Project								X													
PRO Youth				X		X		X	X									X			
Proficiency International Multi-Service - Pims															X						
Project Team									X												
Provail																X					
Providence Hospice Of Seattle									X												
Providence Marianwood																		X			
Psychotherapy Cooperative												X									
Public Health - Seattle & King County				X		X	X	X	X				X	X	X						

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2				3			4				Supportive Services						
1	Prevention				Outreach			Supportive Services										
Puget Sound Educational Service District												X			X			X
Puget Sound Energy - Natural Gas/Electric Services			X															
Puget Sound Neighborhood Health Centers				X		X	X						X	X				
Puget Sound Personnel, Inc																X		
Queen Anne Helpline	X		X															X
REACH-case mgmt. for chronic public inebriates								X										
Real Change																X		
Recovery Cafe											X							
Recovery Centers Of King County						X			X		X							
Redmond Police Department											X					X		
Refugee Assistance Program				X														
Refugee Federation Service Center				X											X	X		
Refugee Women's Alliance									X						X	X		
Renton Area Youth And Family Services																		
Renton Fire Department																		
Renton Technical College											X				X	X		

Provider Organizations	1										2			3			4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation		
Residence XII											X									
ROAR		X																X		
Rosehedge - Assisted Care Program For Persons With HIV/AIDS														X						
Ruth Dykeman Children's Center				X							X									
Ryther Child Center											X									
Sacred Heart/St. Vincent de Paul-Hot meal						X														
Safefutures Youth Center								X						X		X				
Safety Net Services														X						
Salvation Army	X	X	X	X	X	X	X	X	X	X	X	X	X				X	X		
Samaritan Center Of Puget Sound											X					X				
Saturday Kitchen						X														
Schick Shadel Hospital										X										
Sea Mar Community Health Center											X	X	X					X		
Sea Mar Youth Residential Treatment Center										X										
Sea-Tac Occupational Skills Center														X						
Seatac Parks And Recreation Dept																	X			
Seattle Central Community College																X	X			
Seattle Children's Home									X											
1	2										3			4						
	Prevention										Outreach			Supportive Services						

Provider Organizations	1										2			3			4			
	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation		
Seattle City Light			X																	
Seattle Counseling Service For Sexual Minorities				X				X		X	X			X						
Seattle Department Of Neighborhoods - Neighborhood Service Centers - Central					X															
Seattle Drug And Narcotic Center										X										
Seattle Education Access														X						
Seattle Indian Center						X								X	X	X				
Seattle Indian Health Board								X		X	X									
Seattle Jobs Initiative																X				
Seattle King County Aging And Disability Services								X												
Seattle King County Dental Society																X				
Seattle Mental Health																				
Seattle Municipal Court								X		X	X					X				
Seattle Municipal Drug Court				X																
Seattle Parks And Recreation Department																X	X			
Seattle Public Schools - School To Work Program					X										X					
Seattle Team for Youth						X		X												

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2				3			4				Supportive Services						
1	Prevention				Outreach			Supportive Services										
Seattle Veterans Center				X		X												
Seattle Victory Outreach Church						X												
Seattle Vocational Institute															X	X		
Seattles Union Gospel Mission						X					X					X		
Senior Services of Seattle/King County				X	X							X				X		X
Service Alternatives For Washington																X		
Share/Wheel										X								
Shoreline Community Care		X	X															
Shoreline Community College																X	X	
Shoreline Public Schools																X		
Sisters Project– Drop-in						X												
Skcac Industries																X		
Skills, Inc.																X		
Smilemobile							X											
Society Of Saint Vincent De Paul		X	X															X
Somali Community Services Coalition				X								X			X	X		
SOS (Street Outreach Services)						X												
Sound Transit																		X
South Seattle Community College																X	X	

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	Prevention				Outreach			Supportive Services										
Southeast Youth & Family Services				X		X			X			X				X		
Southern Sudanese Community Of Washington															X			
Southwest Youth And Family Services															X			
Square One											X							
St. James Episcopal Church	X														X			
St. Lukes Operation Blessing	X	X																X
St. Stephen The Martyr Catholic Church	X	X																
Stand Downs						X												
Stay Safe Seattle											X							
Street Links						X												
Street Outreach Services				X		X			X									
Street Youth Ministries				X		X			X									
Swedish Medical Center											X			X				
Tabernacle Baptist Church						X												
Tahoma School District																X	X	
Technology Access Foundation															X			
Teen Health Centers													X					
TeenHope				X														
1	2				3			4										
	Prevention				Outreach			Supportive Services										

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2				3			4				Supportive Services						
1				Prevention			Outreach			Supportive Services								
Teens In Public Service						X										X		
The HIV-Enhancement Engagement Team						X			X						X			
The Diocese Of Olympia, Inc. - Refugee Resettlement Office							X								X			
The Friday Feast						X										X		
The Manana Coalition (Latino)				X											X			
The Seattle Public Library						X					X					X		
Therapeutic Health Services											X							
Tigrean Community Association				X														
Tolt Congregational United Church Of Christ			X															
Total Living Concept									X									
Trac Associates															X	X		
Transitional Resources									X			X				X		
Tretin Drop-In Preschool																	X	
Tukwila Parks And Recreation																	X	
U.S. Department Of Health And Human Services														X				
U.S. Department Of Veterans Affairs									X		X	X	X			X		X

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	2				3			4				Supportive Services						
1	Prevention				Outreach													
Ukrainian Community Center Of Washington				X	X				X									
Union Gospel Mission						X												
United Indians Of All Tribes Foundation									X		X							
University Churches Emergency Fund		X	X															X
University Of Washington														X	X	X		
University Of Washington - School Of Dentistry							X											
University Of Washington - School Of Social Work											X							
University Of Washington Medical Center									X			X		X		X		
University Street Ministry									X									
Urban League Of Metropolitan Seattle									X						X	X		
Urban RestStop– Drop-in and hygiene center																		
UW Virology Clinic									X									
Valley Cities Counseling & Consultation									X		X	X			X			

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
	Prevention				Outreach			Supportive Services										
Valley Counseling Training Center											X							
Valley Medical Center											X							
Vashon Youth And Family Services		X	X				X				X					X		
Verbena							X											X
Veterans Independent Enterprises Of Washington																X		
Vets Edge (local office of USVA).				X														
Vietnamese Friendship Association.				X														
Vision House											X							
WA State Family Reconciliation Program				X														
WA State Health Dept				X														
Wallingford Community Senior Center					X													
Washington Asian Pacific Islander Families											X							
Washington Coalition Of Citizens With Disabilities						X												
Washington Council Of The Blind			X															
WA State Department Of Services For The Blind																X		
WA State Employment Security - Washington Service Corps																X		
1	2				3			4				Supportive Services						

Provider Organizations	Mortgage Assistance	Rental Assistance	Utilities Assistance	Counseling/Advocacy	Legal Assistance	Street Outreach	Mobile Clinic	Law Enforcement	Case Management	Life Skills	Alcohol & Drug Abuse	Mental Health Counseling	Healthcare	HIV/AIDS	Education	Employment	Child Care	Transportation
WA State Labor And Industries Department																X		
Washington Vocational Services																X		
Washington Womens Employment And Education																X		
Way Back Inn		X																
Wchs, Inc - Renton											X							
Weed and Seed						X												
West Seattle Helpline		X																X
Westminster Chapel																X		
With Grace Training Foundation																X		
Women's Referral Center						X												
Worksource															X	X		
World Relief Refugee Services				X											X	X		
YMCA of Greater Seattle				X		X			X		X	X						
Youth Eastside Services - Bellevue				X					X		X							
Youthcare - Orion Multi-Service Center				X		X			X					X	X	X		X
YWCA Of Seattle/King County Snohomish County	X	X		X		X			X				X		X	X	X	

CoC-H

Appendix B

As part of the Fort Lawton redevelopment process, the City of Seattle solicited Notices of Interest (NOI) for potential homeless and public benefit conveyance uses. The full NOIs submitted and included in this appendix are:

- Seattle Housing Authority (includes YWCA and Habitat for Humanity)
- United Indians (includes Archdiocesan Housing Authority, Low Income Housing Institute, AF Evans)
- Downtown Emergency Service Center
- Seattle Veterans Museum
- Seattle Parks & Recreation



Location
120 Sixth Avenue North, Seattle, Washington
Mailing Address
P.O. Box 19028, Seattle, Washington 98109-1028
Telephone: 206 615-3300
TDD: 1-800-833-6384 www.seattlehousing.org

January 10, 2007

Adrienne Quinn
Director
City of Seattle, Office of Housing
P.O. Box 94725
Seattle, WA 98124-4725

Re. Notice of Interest for Surplus Property at Fort Lawton

Dear Ms. Quinn:

The Seattle Housing Authority (SHA) is pleased to submit a Notice of Interest for surplus property at Fort Lawton. The site represents a unique opportunity for creating a healthy new neighborhood within the City of Seattle, and SHA would be delighted to be part of the site's transformation.

SHA is an experienced master developer. Its urban renewal projects at NewHolly, Rainier Vista, and High Point rank among the city's largest and most successful since World War II. As a master developer, SHA envisions the new Fort Lawton as a community that is complementary and fitting to the Lawton Wood and Magnolia neighborhoods, and fully respects the splendor and natural habitat of the adjacent Discovery Park.

As required by federal law, our proposal gives first consideration to housing the homeless. We intend to build a community where formerly homeless families are housed in a mixed-income setting. With a collaborative design process resulting in thoughtful and inclusive design, adequate on-site services, and a sustainable mix of homeowner and renter households, we can create a supportive and connected environment at Fort Lawton that will ensure the new community's long-term economic and social viability.

To accomplish this vision, we are joining forces with several development partners who are all recognized experts in their respective fields. The YWCA of Seattle-King County-Snohomish County will build and service homeless family housing. Habitat for Humanity Seattle/South King County, together with Homestead Community Land Trust, will bring self-help homeowner units to the site. SHA plans to develop and operate affordable rental housing. In addition, Cascade Land Conservancy, whose mission is to "to protect and steward our region's precious natural, recreational, and resource lands," has agreed to work with SHA as an integral part of the planning and development team.

For the purposes of this response, SHA assumes the creation of a mixed-income neighborhood with both single-family and multi-family homes. To achieve this, several private homebuilder partners would be invited to build and sell market-rate homes at the site. SHA has well-established relationships with experienced homebuilders such as Martha Rose Construction, The Dwelling Company, Saltaire Homes, Devland, Inc., Bennett-Sherman, and Polygon Northwest. All new buildings, regardless of builder, will meet strict design standards. SHA will promote the building of green homes that are Energy Star and Built Green certified.

The Fort Lawton site's greatest single attribute is its natural beauty and immediate proximity to Discovery Park. Any future development must be done with great consideration and care for preserving and protecting this beauty and the natural habitat. SHA has earned accolades and national recognition as a green developer. At its most recent development at High Point, SHA built the nation's largest natural drainage system that improved the water quality of Longfellow Creek. At Fort Lawton, we will work with stakeholders to design a community that respects, fits, and benefits its natural surroundings.

We are excited about the opportunity to play a part in creating a spectacular new Fort Lawton. Should you have any questions about this Notice of Interest, please do not hesitate to contact Al Levine, deputy executive director, by phone at 206-615-3416, or by email at alevine@seattlehousing.org.

Sincerely,



Tom Tierney
Executive Director

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NOTICE OF INTEREST

FOR
PUBLIC BENEFIT CONVEYANCE
OF SURPLUS PROPERTY
AT FORT LAWTON

120 6TH AVE N., P.O. BOX 19028
SEATTLE, WA 98109

ORGANIZATIONAL PROFILE

LEGAL NAME AND CONTACT

The Housing Authority of the City of Seattle
dba. Seattle Housing Authority (SHA)

Name:	Tom Tierney	Al Levine
Title:	Executive Director	Deputy Executive Director
Phone:	(206) 615-3500	(206) 615-3416
Email:	ExecDirector@seattlehousing.org	ALevine@seattlehousing.org
Mail:	120 6th Ave N, P.O. Box 19028 Seattle WA 98109	

DESCRIPTION OF ORGANIZATION AND BRIEF HISTORY

The Seattle Housing Authority (SHA) is a public body corporate and politic, established by the City of Seattle under State of Washington enabling legislation in 1939. SHA is an experienced owner and manager of low-income housing, and a developer of large mixed-income communities. It is the largest housing authority in Washington and provides affordable housing to more than 27,000 people.

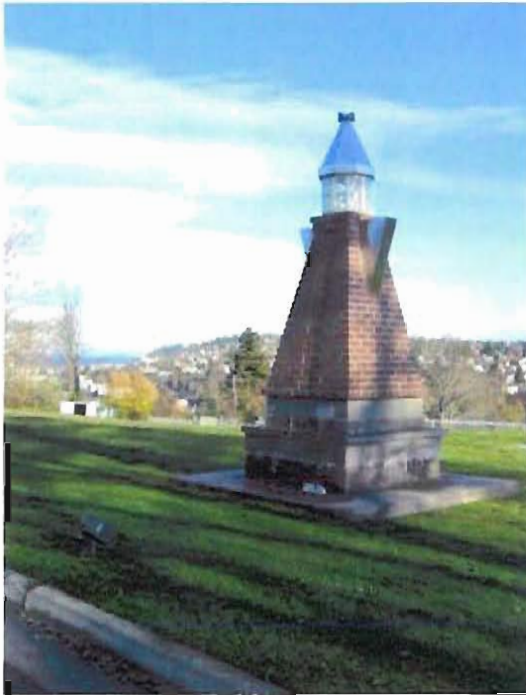
SHA owns approximately 6,000 units and directly serves over 22,000 residents with a variety of housing programs. Many of its residents are elderly or disabled, and approximately 8,300 are children. SHA's developments include large, newly redeveloped mixed-income communities at NewHolly, Rainier Vista, and High Point, older low-rise housing at Yesler Terrace, and scattered single-family homes and small apartment complexes. SHA also owns and manages 25 apartment buildings designated for the elderly, which have a combined total of over 1,000 units. Additionally, SHA administers more than 7,000 Section 8 housing choice rental vouchers.

SHA is governed by a seven-member Board of Commissioners appointed by the Mayor and confirmed by the Seattle City Council. The commissioners, two of whom are SHA residents, are responsible for hiring the Executive Director, approving SHA's annual budget, and setting broad policy direction for the agency.

PROPOSED PROGRAM

The Fort Lawton site is situated adjacent to Discovery Park in the Magnolia community, one of Seattle's most scenic and affluent neighborhoods. To ensure a seamless integration with Magnolia and to derive maximum value for the site's current owner, SHA proposes a coordinated master developer approach that will balance the various federal requirements under Base Realignment and Closure (BRAC) regulations with the financial goals of the Department of Defense and the interests of the neighborhood and other stakeholders.

We firmly believe that anything less than a coordinated master plan approach will leave each group with its needs unmet. SHA has demonstrated that it has the skills and experience necessary to confidently predict that our approach will best serve the interests of each affected group. Ultimately, all developments are the result of committed partners, be they owners, stakeholders or other interested parties being able to come together around a common vision. Our commitment is to work with all parties to create such a vision and produce a superior neighborhood that will be cherished by its occupants and other stakeholders.



A key tenet of our approach will be to take advantage of the site's setting adjoining Discovery Park. All development will be done with utmost respect for the park and its wildlife habitat. SHA has established itself as one of the Northwest's leading green developers. Our High Point development in West Seattle has earned national and international recognition for its natural drainage system, extraordinary tree protection, and construction of energy-saving, healthy homes. At Fort Lawton, SHA will work with

the community to determine and address environmental issues, and will meet or exceed the standards set at High Point.

We believe that the development of a mixed-income community that exists in harmony with nature is the highest and best use for the property. In order to create such a community, we will undertake a substantial and well-coordinated public planning effort to build consensus and win support from a broad base of stakeholders, opinion makers, environmental groups, and the Magnolia community. In addition to our existing partners, we will build partnerships with community representatives, environmental groups, and other stakeholders, and will strive for consensus as we develop a final plan to weave the site into the Magnolia and Lawton Wood communities.



The BRAC process mandates first priority consideration for uses serving the homeless, as enacted by Congress in the 1987 McKinney Homeless Assistance Act. We intend to blend homeless and affordable housing with market-rate housing, designed to maintain an economically healthy community for the long term.

The Fort Lawton site is large enough to allow the accommodation of homeless housing among a sufficiently large number of homeowner and rental units, so that the housing for formerly homeless people blends well with the overall community. By creating a mixed-income environment, the development can be economically integrated, and made socially sustainable. SHA believes the site can accommodate a wide range of densities and configurations, depending on the outcome of the public planning process. We are intentionally not specifying any number of units at this point in order to permit the planning process to examine all reasonable alternatives, and to avoid opposition around a specific number of units. The plan that is ultimately developed will have to be the result of a fine balancing act between the environment, project impacts, infrastructure capacities, total development costs, and the overall economic benefits of a master plan.

BENEFITS OF THE MASTER DEVELOPER APPROACH

- The Department of Defense, the site's current owner, will benefit, since the master developer approach will generate the maximum value for the site, considering the requirements to be met under BRAC, the McKinney Homeless Assistance Act, current zoning, and neighborhood issues.

- The City of Seattle will benefit by a new neighborhood development that supports City housing priorities, and by returning a significant portion of the site to the tax rolls.
- The Magnolia and the Lawton Wood neighborhoods will benefit as a result of coordinated planning and outreach. The development can create a beautiful and integrated neighborhood in an economically, socially, and ecologically sustainable community.

PROGRAM SUMMARY, KEY PARTNERS

To accomplish the vision of a sustainable, mixed-income community, SHA has teamed up with some of the region’s leading housing experts. Our development partner, the Young Women’s Christian Association of Seattle-King County-Snohomish County (**YWCA**), one of Seattle’s most respected and well-qualified provider of supportive housing, will build up to 60 units of permanent supportive housing for formerly homeless families, along with the delivery of services necessary to ensure the success of this housing. (YWCA’s complete proposal is attached.)

Another development partner, **Habitat for Humanity** Seattle/South King County, together with **Homestead Community Land Trust**, will provide up to 60 units of self-help homeowner housing for families who earn between 25 and 50 percent of the Seattle area median income. (Habitat’s complete proposal is attached.)

SHA expects to develop affordable rentals (exact number to be determined) that will complement the housing built by our development partners, and will serve small families with incomes above 40 percent of median income (currently \$31,160 for a family of 4). The mission of SHA is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and self-sufficiency for people with low incomes. Our Board has adopted a strategic plan that clearly establishes our interest in serving a broad segment of Seattle’s affordable housing market.



In order to create a mixed-income neighborhood with a substantial proportion of homeowners, SHA will select several **private homebuilders** as development partners to build market-rate homeowner housing. At our recent redevelopment sites, we have collaborated with many of the region’s leading builders of high-quality homes, including

The Dwelling Company, Martha Rose Construction, Lyle Homes, Saltaire, Devland, Inc., Bennett-Sherman Homes, and Polygon Northwest.

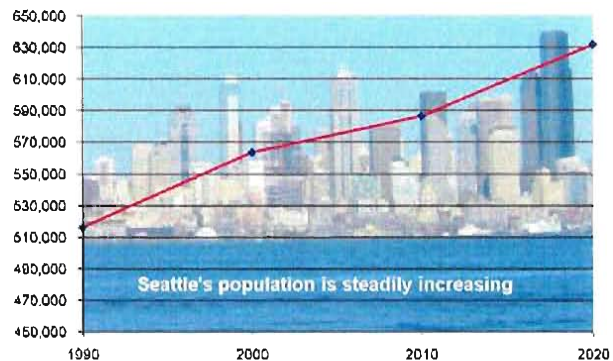
In addition, **Cascade Land Conservancy**, whose mission is to work “to protect and steward our region’s precious natural, recreational, and resource lands,” has agreed to work with SHA as an integral part of the planning and development team. With its many partners, CLC is charting a bold course through its Cascade Agenda, which has a vision of conserving great lands to create great communities throughout our region.

Other stakeholders’ proposals will likely be included in the final development plan as a result of the public planning process and negotiations. We have had some initial discussions with Heron Habitat Helpers and Plymouth Housing Group, among others.

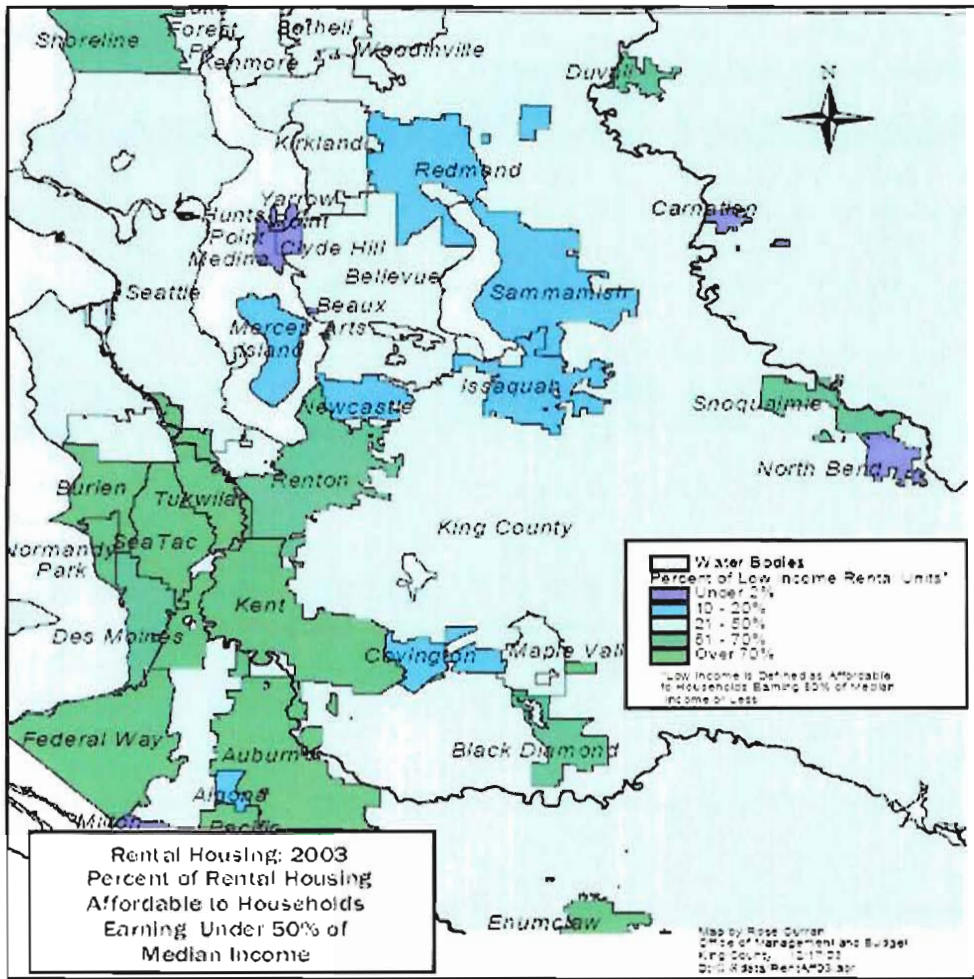
NEED FOR PUBLIC BENEFIT CONVEYANCE PROGRAM

Need for homeless housing: Homelessness in Seattle has risen to crisis proportions. The city’s homeless population is estimated to be between 6,000 and 8,000 people; up to 1,700 are children and young adults. In spite of efforts toward greater coordination, the existing response to homelessness is still fragmented, expensive, and insufficient. Although millions of dollars are spent on emergency services, homeless people who are exposed to weather and criminal elements regularly suffer and die in our parks, streets, and alleys. Providing housing for the homeless is, without question, the most important component in ending homelessness. Please refer to the YWCA proposal for more detail on this topic.

Need for affordable rental housing: The enormous increases in Seattle’s home prices in the last 10 years have pressured rental prices steadily upward. The cost of renting a home has far outpaced the increase in the median household income. As buying a home is turning into an unachievable option for an ever-increasing segment of the population, more and more working families are forced into the rental market, or face arduous, long commutes. At the same time, Seattle’s population growth is forecast to continue unabated. With the added pressure on the rental market from a steady influx of newcomers, the pace of rental price increases is expected to pick up.



The 2003 snapshot on rental affordability, shown on the map below, highlights Seattle’s housing challenge: the city is now on par, in terms of rental affordability, with many of the historically wealthy eastside suburbs. Seattle must add thousands of units to its affordable housing stock to slow and stop the exodus of its workforce to distant southern suburbs.



What affordable housing Seattle has is concentrated in the city's southern areas. In response to the great need for affordable rentals in the northwestern section of the central city where such options are now extremely scarce, SHA plans to develop and operate a substantial number of affordable rental units at Fort Lawton.

Need for self-help homeowner housing: In the past ten years, the median price of a home in Seattle increased by over 280 percent, while the median family income rose by only 35 percent. It took 2.9 years' worth of earnings for a typical family in 1997 to buy a median-priced house. Today it takes over 6 years. To replicate the 1997 affordability level, a family would have to earn \$216,000 a year. Instead, the average family income is \$74,300.



In response to the need for affordable

homeowner units, our partners, Habitat for Humanity Seattle/South King County and Homestead Community Land Trust, plan to build up to 60 affordable, self-help homeownership units at the site. Please refer to the Habitat proposal for a more detailed description of the need related to self-help and affordable homeowner housing.

SHA will require the private-market homebuilder partners to serve both the affordable and unrestricted home buyer markets.

SERVICES TO BE PROVIDED

The majority of on-site services will target the special needs of homeless and self-help homeowner populations, and will be provided by SHA's development partners, the YWCA and Habitat. Please refer to their attached proposals for service delivery details.

SHA, as the region's largest housing authority, offers an extraordinarily broad range of supportive services to its tenants, but does not expect to have a significant need for services among its Fort Lawton residents. However, if necessary and appropriate, SHA may provide at Fort Lawton some of the services currently available at other SHA sites. These may include:



- Family self-sufficiency services, including child care, transportation, education, job training, employment counseling, substance/alcohol abuse treatment or counseling, household skills training, homeownership counseling;
- Technology access, including assistive and adaptive technology for persons with physical limitations, free computer training, free high-speed Internet access, access stations for the blind;
- Senior and disabled services, including case management, aging and disability assistance, mental health and psychiatric assistance, health and wellness services including medical care, visiting nurse services, chronic care assistance, and adult day health care;
- Community building, including community policing and crime prevention, community newspapers, library and bookmobile, social activities;
- Youth and family services, including tutoring, after-school activities, sports, arts.

PROGRAM COORDINATION WITH OTHER RELATED SERVICES IN SEATTLE

SHA is proposing both a coordinated site development and a coordinated delivery of services. By combining the essential elements necessary for finding a successful way out of homelessness and poverty – housing and social services – the city’s most needy residents will be helped, on many fronts, to overcome barriers and circumstances that forced them into homelessness and poverty. Social services will be provided primarily by SHA’s development partners. SHA will provide supportive services to its low-income tenants as appropriate and necessary. Service delivery responsibilities will be defined by memoranda of agreement. SHA will reach agreements with other service providers and/or City agencies, as needed, to ensure that all residents of the new community who need social services will receive them in an efficient, productive, and purpose-oriented way.

TIME REQUIRED TO CARRY OUR PROGRAM

SHA’s Development department has sufficient staff resources to immediately begin preliminary planning for the Fort Lawton project. We are prepared to work within the BRAC-mandated timeline with the following milestones:

- By 5/20/2007: Work with City on plan details, prepare plan for submission to Department of Defense
- By 8/15/2007: Work with City on plan revisions, prepare plan for resubmission to DoD, HUD
- By April 15, 2008: Complete final designs, obtain permits, solicit bids from contractors
- Starting May 1 2008: Implement plan
- By July 31, 2011: Complete plan implementation

BUILDINGS OR PROPERTY NECESSARY TO CARRY OUT THE PROGRAM

SHA is proposing a comprehensive development approach for the entire Fort Lawton site. The development may include the adaptive reuse of existing buildings for services, housing or other community uses. Before making such a determination, SHA will undertake a comprehensive analysis of each building. The analysis will address the buildings' age, condition, code compliance, site location, the impact of reuse on the planned development of the site, and suitability for reuse — all of which are essential to determine the true economic feasibility of adaptive reuse.

Please refer to the Site Study section of our proposal for further information, which includes details on our preliminary analysis related to zoning, and opportunities and constraints on potential development areas.



ORGANIZATIONAL CAPACITY

SHA is the region's largest housing authority and a development expert on mixed-income communities. Aware that it takes more than just physical structures to help people make a home, SHA brings together development know-how, expertise, and services that assist residents. SHA has successfully transformed decaying neighborhoods into welcoming, comfortable, lived-in communities for thousands of people.

SHA's Development Department has a full-time staff of 35, which includes project management and development experts, staff with expertise in real estate financing and law, architecture and design, contracting, construction, and asset management. SHA's other departments support Development in areas such as finance and budgets, information technology, procurement, and management and operation of affordable housing. SHA ranks among the city's large employers: the number of full-time employees is over 560.

In the past ten years, among many other initiatives, the housing authority redeveloped three very large sites in Seattle, and converted the formerly isolated, uninviting projects at Holly Park, Rainier Vista, and High Point into highly desirable, successful mixed-income communities. These redevelopments represent the largest neighborhood transformations Seattle has seen in decades. The new communities wove new housing, libraries, and other public buildings and services into the fabric of the city, and contributed to a significant increase in the number of low-income and affordable housing units in Seattle. When fully completed, these three new neighborhoods will be home to approximately 4,000 families with a wide range of incomes.



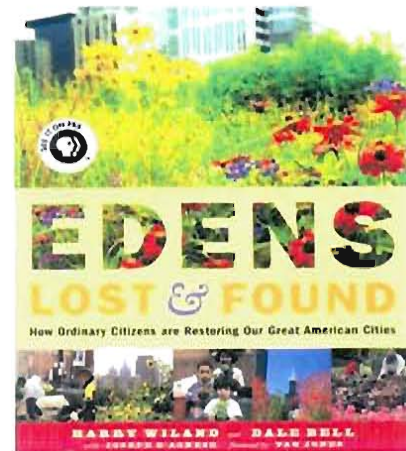
SHA's three mixed-income neighborhoods: Rainier Vista, NewHolly, and High Point

EXTENSIVE INNOVATION, OUTSTANDING RESULTS

Fifteen years ago in Seattle, the concept of selling homes priced above the median house price at Holly Park or High Point was considered laughable. The idea of building

above-market-quality, healthy, energy-efficient rentals for people with the lowest of incomes was considered financially unfeasible. And for most people, the notion of creating a 120-acre natural drainage system that performs like an open meadow in the middle of a dense urban setting was simply unimaginable.

Much has changed since SHA embarked on its mission to transform the face of public housing in Seattle. Six years after the first homeowners moved in at NewHolly, living in a mixed-income community has become a desirable amenity for a significant segment of homebuyers.



At its most recent redevelopment project at High Point, SHA built an entire green community that received rave reviews not only in the local press but also nationally, and the site plan was featured at the Life in the Urban Landscape world conference in Gothenburg, Sweden. High Point’s pioneering approach to holistic green living made it a featured subject in two PBS documentaries and an op-ed piece by Washington Post urban design writer Neal Peirce on September 24, 2006 (attached).

In order to protect Longfellow Creek and its habitat, which is part of High Point, SHA built the nation’s largest natural drainage system, including Washington’s largest network of porous pavement sidewalks and street. The system functions, in terms of water cleansing and treatment, like a natural meadow, and performed flawlessly during Seattle’s record-breaking rains in November and December 2006. High Point has the nation’s first group of over 300 Energy Star–certified rental homes that are also certified at the highest-possible Built Green standard for multi-family housing. SHA also built the nation’s first “breathe-easy” homes (35 in Phase I and 25 planned in Phase II), especially designed for asthma sufferers. The High Point Open Space and Natural Drainage Association, financed by property owners’ dues, employs an on-site maintenance crew that practices exclusively organic landscaping.



The positive effects of SHA’s redevelopments can be seen in many areas. Longfellow Creek’s water is cleaner, and asthma-sufferers living in breathe-easy homes report health

improvements. Unemployment and crime dwindled at the former "crime hot spots." Homeowners and renters live side-by-side in beautiful, diverse, in-city communities, and the former public housing projects are now desirable neighborhoods that make an economic contribution to the city.

LONG HISTORY OF MANAGEMENT EXCELLENCE, SOUND FINANCES

SHA is consistently recognized by HUD as a "high performing" housing authority. Earning this designation confirms SHA's commitment to serving as a responsible steward of public resources while providing decent, safe and affordable housing to those in need. HUD's confidence in SHA has allowed the agency to participate in the "Moving To new Ways" (MTW) demonstration program. This program allows a select group of housing authorities to test innovative methods to improve housing delivery in order to meet local needs. While in MTW, SHA may propose and implement alternatives to national regulations for issues spelled out in an agreement signed by SHA and HUD in January 1999.

The Government Finance Officers Association of the U.S. and Canada presented SHA with their Award for Financial Reporting Excellence for the agency's 2005 CAFR. This was SHA's ninth consecutive award since preparation of the Comprehensive Annual Financial Report (CAFR) began.

GEARED UP TO MAKE FORT LAWTON INTO SEATTLE'S NEXT SUCCESSFUL NEIGHBORHOOD

The agency will dedicate sufficient staff resources to lead the development and supervise the consultants involved in the Fort Lawton project. In addition to specific staff assignments in the Development Department, other departments, such as Finance, Budgets, Procurement, IT, and Operations and Maintenance, will also support the project.

As the master developer, SHA will lead the public outreach and coordination effort to create a master site plan which is financially feasible in the eyes of key stakeholders, such as the Army and the City of Seattle. Assuming successful completion of these steps, SHA will secure the necessary zoning and entitlements, complete infrastructure design and construction, and resolve the siting of all partner properties for development. We will develop a master schedule to guide the overall project through the planning, entitlement, design and construction phases. All development on the site will adhere to design guidelines, which will be developed with stakeholder input.

SHA will work with the community and other stakeholders to identify all the environmental issues, such as drainage treatment, wildlife habitat, and impact on Discovery Park. Our intent is to design and deliver a neighborhood that not only respects its environment, but is quickly perceived as having been part of it for many years. We will accomplish this by ensuring that any development occurring at the site makes a positive contribution to Lawton Wood, Magnolia, and the City of Seattle.

AWARDS AND RECOGNITIONS

SHA has earned numerous regional and national awards for its work, and is recognized nationally as a leader among housing authorities. SHA managers and commissioners are frequently asked by HUD officials to serve as consultants on housing and development matters. The following are some of the awards and recognitions SHA received for its redevelopment work:

- NAHRO Award of Excellence: New Holly Neighborhood Campus
- NAHRO PRAIS Award: New Holly Neighborhood Campus
- NAHRO Resident and Client Services Award: New Holly Neighborhood Campus
- Affordable Housing Tax Credit coalition Tax Credit Excellence Award: NewHolly
- Puget Sound Regional Council VISION 2020 Award: NewHolly
- Pacific Coast Builders Gold Nugget Award: Othello Station
- Washington Society of Landscape Architects Planning Award: High Point
- Seattle Design Commission Master Plan Design Award: High Point
- Pacific Coast Builders Gold Nugget Award: High Point
- Seattle BuiltGreen Design Competition Communities Award: High Point
- AIA Show You're Green Award: High Point
- Pacific NW Council of Carpenters Apprenticeship Opportunity Award: High Point
- BuiltGreen 2006 Certificate of Merit: High Point
- Energy Star Outstanding Achievement Award: High Point
- International Society of Arboriculturists Green Leaf Award: High Point

SHA's audited financial statements for the last two years are attached.

LIST OF MAJOR CURRENT AND FUTURE PROJECTS

Project Name	SHA's role	Number of units	Start date	Finish date
Rainier Vista Phase II	Master developer, developer	SHA: 226 Partners: 238	2006	2009
High Point Phase II	Master developer, developer	SHA: 256 Partners: 380	2006	2009
homeWorks	High-rise building renovation	Approx. 2,600	2005	2011
Yesler Terrace	Master developer, developer	TBD	TBD	TBD

FINANCING PLAN

SHA's development partners will finance the construction, operation, and servicing of up to 60 housing units for homeless families (YWCA), and up to 60 self-help homeowner units (Habitat for Humanity). The partners' financing plans are attached.

As the master developer, SHA provides the ability to look holistically at the financing strategies for all components of the Fort Lawton redevelopment. At this early stage of conceptual planning, the basic components that determine the site's financing needs and potential sources are unknown. For example, the need for and degree of public investment in new infrastructure is dependent on currently unknown variables, such as the site's acquisition price, final zoning, total land area available for development, mitigation costs, condition of existing infrastructure, and the number of parcels available for sale to private builders. As soon as site planning reaches a stage where these parameters can be better defined, SIA will work with the City to establish a financing package.

With over a decade of experience financing over half a billion dollars for complex community development projects, including three multi-phase master developments, SHA is uniquely qualified to establish financing packages that most effectively leverage public and private resources.

RESOLUTION NO. 4852

RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION
TO THE CITY OF SEATTLE FOR PUBLIC BENEFIT CONVEYANCE
FOR PROPERTY AT FORT LAWTON

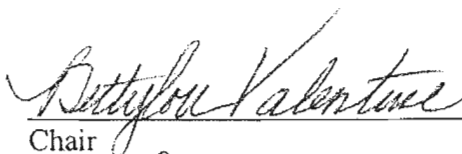
WHEREAS, the U.S. Army is closing the Fort Lawton Army Base as part of the Base Realignment and Closure Act and has designated the City of Seattle to be the Local Redevelopment Authority that will develop a reuse plan for the property; and

WHEREAS, the Authority, in conjunction with several nonprofit agencies, is interested in submitting a Notice of Interest to the City expressing its interest in the Public Benefit Conveyance of property at Fort Lawton for affordable housing and related social service purposes; and

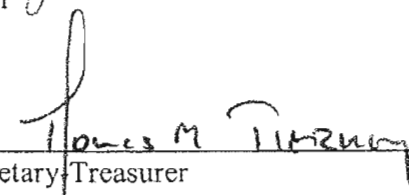
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, as follows:

Section 1. The Executive Director of the Authority, or his designee, is hereby authorized and directed to submit a Notice of Interest to the City of Seattle for Public Benefit Conveyance of surplus property at Fort Lawton.

ADOPTED by a majority of the members of the Board of Commissioners and signed by me in open session in authentication of its passage this 12th day of December, 2006.


Chair

CERTIFIED BY:


Secretary/Treasurer

Memorandum of Understanding
Among
The Housing Authority of the City of Seattle (SHA),
Habitat for Humanity of Seattle and South King County (Habitat),
and
YWCA of Seattle, King County, Snohomish County (YWCA)
for
Submission of Notice of Interest to City of Seattle
for Public Benefit Conveyance for property at Ft. Lawton

1. Purpose. This document, dated January 8, 2007 ("Effective Date"), shall serve as a Memorandum of Understanding ("MOU") among the parties named in the title of this document for the Submission of Notice of Interest ("NOI") to the City of Seattle for Public Benefit Conveyance for property at Fort Lawton. This MOU defines the roles, responsibilities of each party, and sets forth the deadlines necessary for complying with the requirements of NOI.
2. Roles and responsibilities. The parties intend to undertake the development and operation of the Fort Lawton project in accordance with the respective roles outlined below. This MOU is not, however, intended to legally bind any of the parties to any of the undertakings listed below; nor does it commit any party to either proceed with this project or provide project funding, facilities, or services.

SHA is the lead agency, and is responsible, in general terms, for preparing and submitting the NOI application, site planning, financial planning, and coordination among the partners. The other parties are responsible, in general terms, for providing timely information and coordination with SHA. Roles and responsibilities, including deadlines, are further described in Attachment A.

In case the subject NOI submittal is selected by the City of Seattle as the proposal which shall be pursued for the development of the Fort Lawton site, the parties hereby agree to jointly negotiate a final development plan among themselves and with the City of Seattle. All terms of any such development plan shall be set forth in a binding Memorandum of Agreement among all parties and the City of Seattle. At this early stage of the planning process, it is understood that:

- a) SHA shall be the master developer of the entire site and shall, in that capacity, finance and manage the entitlement process resulting in a site that may include new infrastructure, and may accommodate a mix of homeownership and rental units. Further, SHA shall be the developer, owner, and manager of certain affordable housing units to be built at the site. Furthermore, SHA shall be responsible for enforcing design standards for all the site's builders, and shall manage the transfer/sale of land to development partners and private builders.

- b) YWCA shall act as a development partner, and shall finance, build, operate, and service up to 60 housing units for homeless families;
- c) Habitat for Humanity shall act as a development partner, and shall finance and build up to 60 self-help homeowner units.

3. General Provisions.

- a) Length of term. This MOU is effective as of the Effective Date henceforth, until changed.

- b) Any party desiring to make a change to this MOU shall provide a fourteen (14) days written notice to the other parties. Amendments shall be deemed accepted when all parties to this MOU have agreed by signature on the Amendment. Whenever notice is required to be given under this MOU, it shall be given in writing and sent by electronic mail to the following addresses, or to such other addresses as any party may hereafter designate in writing:

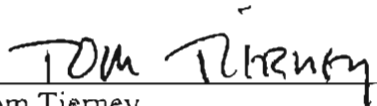
To SHA: PFitzgerald@seattlehousing.org
LHall@seattlehousing.org

To Habitat: TGaylord@seattle-habitat.org


To YWCA: SSherb@ywcaworks.org

//signature pages to follow//

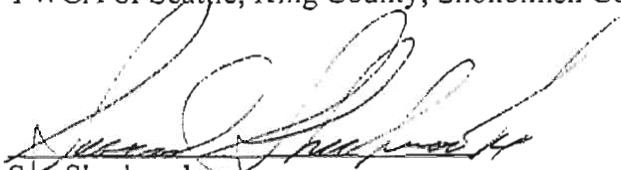
Housing Authority of the City of Seattle:


Tom Tierney
Executive Director
120 6th Ave N, P.O. Box 19028
Seattle, WA 98109

Habitat for Humanity Seattle/South King County:


Dorothy Bullitt
Executive Director
15439 53rd Avenue South Suite B
Tukwila, WA 98188

YWCA of Seattle, King County, Snohomish County:


Stie Sherbrooke
Chief Executive Officer
1118 5th Avenue
Seattle, WA 98101

**Memorandum of Understanding
Among
The Housing Authority of the City of Seattle (SHA),
Habitat for Humanity (Habitat),
and
YWCA of Seattle, King County, Snohomish County (YWCA)
for
Submission of Notice of Interest to City of Seattle
for Public Benefit Conveyance for property at Ft. Lawton**

ATTACHMENT “A”

Partners, Roles and Development Program:

Agency	Role	Program
SHA	Lead agency, Master Developer	<ul style="list-style-type: none"> • Prepare master plan for 38-acre Fort Lawton site; • Negotiate with City, development partners, and stakeholders final plan; • Secure financing for development of entire site, including infrastructure, and for development of certain affordable rental housing units; • Conduct entire entitlement process; • Construct new infrastructure and prepare buildable lots; • Prepare design guidelines • Sell land areas designated for private development to builders; • Establish legal entities (associations) responsible for site’s long-term operation; • Build and operate affordable rental housing units (exact number TBD).
YWCA	Development partner	<ul style="list-style-type: none"> • Coordinate with Master Developer and City throughout the development process; • Prepare plan and secure financing for up to 60 housing units for homeless families; • Build and operate up to 60 units of homeless family housing.

Habitat for Humanity	Development Partner	<ul style="list-style-type: none"> • Coordinate with Master Developer and City throughout the development process; • Prepare plan and secure financing for up to 60 housing units of self-help homeownership units; • Manage the construction, family selection, and sale of up to 60 self-help ownership units.
----------------------	---------------------	---

Deadlines:

Who	What	When
All parties	Prepare draft applications with all required information, as described in "Instructions to Public benefit conveyance Representatives for Completing Notices of Interest for Surplus Property at fort Lawton," available at http://www.seattle.gov/neighborhoods/fortlawton/FortLawtonNOIInstructionsforPBC.pdf	1/3/2007
All parties	Send electronic versions of draft application documentation to each party via email for review	1/3/2007
Habitat	Send six (6) complete NOI packages to SHA. All documentation to be printed on 8 ½ x 11" white, 3-hole punched paper	1/5/2007
YWCA	Send eight (8) complete NOI packages to SHA. All documentation to be printed on 8 ½ x 11" white, 3-hole punched paper	1/5/2007
SHA	Submit 1 original and 4 additional copies of joint NOI (SHA, Habitat/HCLT, YWCA) to City of Seattle	1/10/2007
Habitat	Submit Habitat (with Homestead Community Land Trust) NOI to City of Seattle	1/10/2007
YWCA	Submit YWCA NOI to City of Seattle	1/10/2007
All parties	Determine next steps following City of Seattle decision on NOI	TBD

FORT LAWTON SITE OPPORTUNITIES AND CONSTRAINTS

OVERVIEW

The Fort Lawton site is situated adjacent to Discovery Park in the Magnolia community. Redevelopment of this property for any use would begin with a thorough review of the variety of opportunities and constraints that could shape the eventual use of this important property. As Master Developer, SHA would conduct a detailed analysis of these issues together with the local stakeholders and agencies in order to flush out what opportunities might best meet their long term visions. As part of this proposal, SHA has conducted some background research to familiarize our team with some of the key issues at Fort Lawton. Following is an overview of some of the initial findings. We would expect this analysis to broaden extensively once the planning process begins and would draw on the experiences and knowledge of key stakeholders and agencies. (Refer to the two attached Site studies for a graphic summary of these issues.)

SITE PHYSICAL CONSIDERATIONS

The property is oriented with the longest dimensions north/south and narrowest dimensions east/west, except for an approximate 700 foot arm extending west at the northwest corner of the site. Topographically the site slopes gently toward the north and east. Over the years of its military use, the property has been cleared and severely regraded into a series of terraced, flat sites for buildings, large parking lots and a small parade ground. While this provided for the efficient use by the military, the regrading severely interrupted natural drainage and vegetation. The significant cuts and areas of fill — while apparently stable in their current uses — could be unsuitable for new structures without substantial engineering mitigation.

SITE VEGETATION

One considerable area of cut and fill is located along the north property line. The resulting steep slopes have been naturally reforested with deciduous trees, predominantly in alder and wild understory such as blackberries. A single large maple located near the center of the site and the nearby two mid-sized evergreens are the only significant free-standing trees on the site. The only significant contiguous stand of trees are the mature evergreens, mostly Douglas Fir, located on the east and west sides of Texas Way as it enters the site from Washington Avenue at the south. This stand of trees proceeds north as far as the north edge of the historic, military cemetery, which is a part of the land parcel being used by the government. Totaling approximately 3.8 acres and bifurcated by Texas Way, this stand is primarily an extension of the forested eastern portion of Discovery Park. As mentioned earlier, the remaining 85% of the site has been stripped of the majority of its vegetation. The bulk of the site is either lawn or asphalt pavement with minor trees, bushes, and other landscaping adjacent to the buildings.

A thorough analysis of existing vegetation of the size, genus, health and potential for survival should be completed at the start of the planning process. Strategies that may be

considered as part of the final landscape development plan could include the possible restoration of natural drainage, protection of existing significant trees, planting of new trees, protection and buffering of natural slopes and sensitive areas, appropriate buffering of adjacent land uses, and sensitive integration of any new construction on the site into the natural context.

WEATHER EXPOSURE

Fort Lawton has excellent solar exposure, due to the gentle nature of the topography and the lack of significant amounts of vegetation. The predominant winds are from the southwest. The site is fairly protected from these southwest winds because the adjacent property to the southwest rises significantly above Fort Lawton, and is covered predominantly with a mature northwest evergreen forest. The site has no protection from cold dry winds from the north, which occur predominantly during winter months.

HABITAT

City of Seattle Habitat maps identify two areas of native habitat on the site. The steep, regraded slope along the north edge of the site, which is covered in alder and natural understory, supports small animal life, such as raccoons, coyotes, birds and rodents. This area is approximately five acres in area. Except at the west end of the ravine, a steeply sloped width of approximately 100 feet is completely surrounded by either military uses or by existing single-family neighborhoods. It is thus isolated from a continuous riparian relationship with other habitat areas. More significant is the 3.8 acre habitat area located between Texas Way and the east edge of the historic, military cemetery. This area shares an approximate 500 foot border with the forested edge of Fort Lawton, and is an integrated part of that habitat area.

The most significant habitat area impacting the site is the heron nesting area (rookery) located to the north and east of the property. On the eastern edge, the only direct frontage of the rookery is an approximate 150 foot arm, which fronts on 36th Avenue West. Overall, this is the largest heron rookery within the City of Seattle. Considerable community and City effort has been expended to restore and enhance this valuable natural asset. Studies are now under way at the City on the potential of establishing a 500 foot buffer area around the rookery. This buffer could cover the majority of the Fort Lawton site. The City is also contemplating a seasonal development moratorium period to protect the rookery during the heron mating and nesting seasons. Heron Habitat Helpers, the organization which has been pivotal in the protection and enhancement of the rookery, together with the City of Seattle, will be key stakeholders in the discussions relating to the rookery and contemplated development on the subject site.



VIEW IMPLICATIONS

Because of the slight downward slope of the Fort Lawton site towards the north, there are excellent views toward the north of Shilshole Marina, Golden Gardens City Park, and Puget Sound, north towards Whidbey Island. While the site is visible from Ballard, located north of the site, it is not anticipated that any construction on the site would have significant impact upon those views because any new buildings would not rise above the existing tree line. Development on the site should not block any existing views to the north from adjacent homes to the east.



ADJACENT NEIGHBORHOOD

The adjacent existing neighborhood to the east and north consists mostly of two-story single-family and duplex homes. 36th Avenue West runs the full length of Fort Lawton's eastern property line, and it has numerous curb-cuts providing access to the homes along its eastern edge with a few infrequently used access points to Fort Lawton. A high ornamental metal fence runs along this eastern property line, and evergreens partially screen the neighborhood from Fort Lawton. Upon maturity, this evergreen screen should fully block any view of the site from 36th Avenue West and the neighborhood.



Site access and traffic impacts may be one important planning issue for neighbors. All of the on-site activities of the military are currently accessed solely from Washington Avenue on the south via Texas Way. Texas Way is a through street, providing access to Fort Lawton and neighborhoods beyond the site, including public bus transit. Currently, daily site access to Fort Laughton is mainly from Texas Way, with the gates from 36th Avenue West rarely used. This isolates the adjacent neighborhood to the east and north, with its sole access being 36th Avenue West. The current multi-street intersections at the south, involving West Government Way, Washington Avenue, 36th Avenue West, and

Texas Way, do not meet City of Seattle street standards for distances of adjacency. A resolution of these access and traffic issues will necessarily involve participation by members of the neighborhood, the project proponent, and City Staff.

ZONING AND LAND USE CONTROLS

Fort Lawton is currently zoned SF 7200, a low-density single-family zone, which is not uncommonly associated with park and public facility lands in Seattle. The neighborhood to the north is also zoned SF 7200, while the neighborhood to the east is zoned SF 5000. New residential development on the site could pursue the Planned Residential Development (PRD) provisions of the Seattle Municipal Code (SMC 23.44.034) as the parcel is over the 2-acre minimum size threshold. The PRD provisions are intended to *"...enhance and preserve natural features, encourage the construction of affordable housing, allow for development and design flexibility, and protect and prevent harm in environmentally critical areas."* The Fort Lawton site matches squarely with that intent.

The PRD provisions also allow flexibility in overall site design (e.g., townhouses at L1 density allowed), and provide for up to 20% additional density for affordable housing and/or usable open space, day care, and/ or recreational space. However, the PRD also includes provisions that limit the scale of development adjacent to neighboring properties (i.e. only single-family structures within 100 feet of exterior property lines, and a set back minimum of 20 feet from that property line.) Moreover, certain Environmentally Critical Areas identified by the City of Seattle (see below) are excluded from the buildable area of a PRD. (SHA commissioned a geotechnical engineer to review available information on the site's overall geological conditions. See below for additional information.)

Fort Lawton presents two identified Environmentally Critical Areas (ECAs, SMC Ch. 25.09). Steep slopes and landslide-prone areas on the site are both indicated on City of Seattle Department of Planning and Development (DPD) ECA maps. Certain provisions and restrictions (such as buffers and/or additional geotechnical engineering) may apply to proposed development in these critical areas.

In addition, the site may become subject to wildlife habitat conservation provisions of the Seattle Municipal Code (25.09.200). Moreover, if the City were to adopt a "species habitat management plan" by DPD Director's Rule (per 25.09.200), any number of restrictions or conditions might be placed on a development proposal. These could include, but are not limited to:

- Establishment of buffer zones;
- Preservation of important vegetation and habitat features;
- Limitation of access to habitat areas;
- Seasonal restriction of construction activities. (25.09.200.D)

In summary, the PRD provisions would provide flexibility to design a sensitive site response to conditions on the site. Nonetheless, the presence of the ECAs and habitat conservation provisions of the SMC would impact the site's net development capacity.



Neal Peirce: *Time* magazine called *Washington Post* columnist Neal Peirce "the only national chronicler of grass-roots America." His weekly column, syndicated through The Washington Post Writers Group since 1978, appears in over 50 newspapers including the *Seattle Times*. Peirce has received The Distinguished Urban Journalism Award from the National Urban Coalition. The American Political Science Association chose Peirce as recipient of the 1986 Carey McWilliams Award "to honor a major journalistic contribution to our understanding of politics."



September 24, 2006

HIGH POINT IS MAKING NEWS

The Washington Post

An Entire 'Green' Community: Seattle's 21st Century Model

by Neal Peirce

SEATTLE — Not just a few "green" homes but an entire "green" community? Lovely old trees, creative plantings, sidewalks and streets tied to a pathbreaking "natural" water drainage system? Energy-efficient new condos and townhomes, both market rate and public housing, all so attractive you can't tell which is which? Parks, vistas, a strong neighborhood feeling?

It's all happening in the West Seattle neighborhood of High Point, replacing a hideous old public housing project of barracks-like structures originally erected for "Rosie the Riveter" defense plant workers at the start of World War II.

High Point is one of a nationwide series of "HOPE VI" projects, inaugurated by Housing and Urban Development Secretary Henry Cisneros during the Clinton presidency — a program the Bush administration is strangling fiscally.

HOPE VI's initial goal was a radical remake, with a mix of incomes and classes, of sites where large-scale public housing had degenerated into appalling concentrations of poverty and crime.

High Point fulfills that goal. The new homes, mixed subsidized and market rate in each block, have many front porches for "eyes on the street" and are subtly positioned to create friendly common spaces. In place of the cul-de-sacs and looped roadways of the isolated old public housing project with its limited entryways, the streets have been realigned to reconnect with the West Seattle street grid. With artful selection of building designs and colors, there's no feel of repetitiveness or mass construction.



But much more is happening at this site six miles from downtown Seattle and endowed with dramatic overlook views of the city and Elliott Bay. In a 21st century demanding a radically reduced human footprint — in energy consumption, in greenhouse gases emitted and in preserving natural systems — High Point aims high.

The new residences, both those constructed by private builders and those by the Seattle Housing

Authority, feature an array of high-performance windows, lighting and appliances plus insulation. Most are Energy Star-qualified.

But all 34 blocks of the project (eventually 1,600 units) have also been turned into a natural drainage system, the largest in the U.S. The object: to protect Longfellow Creek, Seattle's most productive salmon-spawning stream. In the old neighborhood, gutters and big drainage pipes carried storm water including spilled oil, pesticides and other pollutants from the streets directly into the creek.

In the carefully engineered new High Point, streets tilt slightly toward one side where shallow swales, planted with a variety of native and drought-tolerant shrubs and trees and grasses, mimic traditional sidewalk planting strips. Layered by crews with about three feet of compost, much like the floor of a forest, the swales function as a natural filter for toxins.

Adding to the absorption rate of rainfall, most of the new streets and sidewalks are made of porous, rice-cake textured concrete. And the streets themselves, unlike the big local streets of most current-day projects, are narrow, both to reduce runoff and create a friendly, intimate neighborhood feel.

Stormwater flowing into Longfellow Creek will be reduced roughly 65 percent, and there is a big retention pond — itself made into a charming park with trails, wildlife and childrens' playground — to accommodate especially heavy downfalls.

The entire effect is captivating — enhanced by about 100 high Douglas fir, western red cedar and other mature trees that were identified by an arborist before the old project's deconstruction. Contractors who harmed the trees were fined, and new blocks were painstakingly "built around" them.

Who gets credit for all this? First, the Seattle Housing Authority and its remarkably skilled designer-planners (proof, Virginia, that government agencies can excel!) And second, the project's designated master planner — Mithun, a Seattle-based architecture-planning firm that focuses on environmentally sensitive design. The two organizations planned the new High Point following extensive meetings with hundreds of civic and city leaders and businesses, as well as High Point's residents.

Even included: 35 "Breathe Easy" rental homes for asthma victims, engineered for airtight drywall construction, hardwood floors and improved ventilation.

It proved a major balancing act, says architect Bert Gregory, Mithun's president, to juggle every consideration from trees to elevations, house sizes to water drainage engineering. As opposed to 20th century "silo" approaches — architects, street planners, water system engineers handing parts of a job off to each other sequentially — the 21st century, says Gregory, demands a far more collaborative approach.

Is it demanding? Yes. But, he adds, the merging of disciplines, to reinforce community and environmental excellence, inspired him and his staff, indeed "touched our souls."

One wonders: Is this complex model one bottom-line housing production firms and government bureaucracies across the country will embrace? The clear answer: Not easily, not quickly. But at the same time: Think of the exciting 21st century communities we could have if we insisted on High Point-style imagination and quality all across America.

The Housing Authority
of the
City of Seattle, Washington

**Comprehensive
Annual Financial
Report**

For the Fiscal Year Ended
September 30, 2004



HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2004

Issued by
Department of Finance & Information Technology
Dick Woo, Director

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Comprehensive Annual Financial Report

As of and for the year ended September 30, 2004

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**The Housing Authority of the
City of Seattle, Washington**

Introductory Section

Section I

HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
Principal Officials

Commissioners as of September 30, 2004

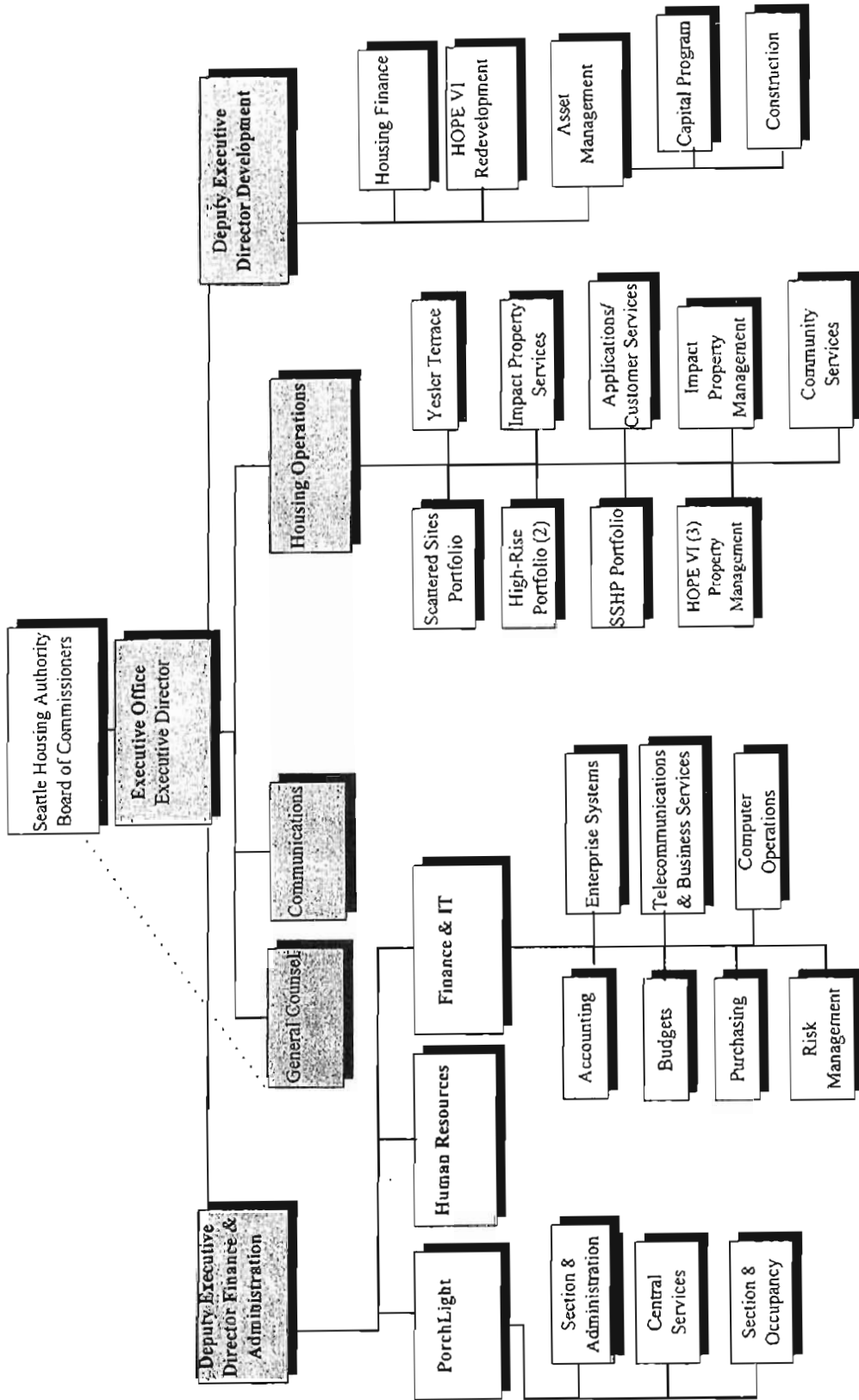
<u>Name</u>	<u>Term Expires</u>
David Bley, Commissioner	March 20, 2008
Bettylou Valentine, Commissioner	March 20, 2007
Al Winston Jr., Commissioner	October 1, 2006
Peter Moy, Commissioner	March 20, 2005
Judith Fay, Commissioner	March 20, 2006
Marie Cook, Commissioner	October 1, 2006
Jennifer Potter, Commissioner	March 20, 2007

Administrative Staff

Tom Tierney, Secretary-Treasurer/Executive Director

Dick Woo, Director, Finance & Information Technology

SEATTLE HOUSING AUTHORITY ORGANIZATION CHART





Location
120 Sixth Avenue North, Seattle, Washington
Mailing Address
P.O. Box 19028, Seattle, Washington 98109-1028
Telephone: 206 615-3300
TDD: 1-800-833-6384 www.seattlehousing.org

January 7, 2005

Members of the Board of Commissioners
Housing Authority of the City of Seattle, Washington

Introduction

We are pleased to present the Seattle Housing Authority Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2004. This report was prepared by the Authority's Finance staff, and was audited by the international public accounting firm of KPMG LLP.

The data presented in this report is the responsibility of the management of the Authority. To the best of our knowledge and belief, the data as presented is accurate in all material aspects; is presented in a manner designed to fairly state the financial position and results of operations of the Authority; and all necessary disclosures have been included to enable the reader to gain a complete understanding of the Authority's financial affairs.

The CAFR is presented in three sections; introductory, financial, and statistical. The introductory section includes this transmittal letter, the Authority's organizational chart, a list of principal officials, and the Government Finance Officers Association's (GFOA) Certificate of Achievement. The financial section includes the independent auditors' report on the basic financial statements, management's discussion and analysis, the basic financial statements and the combining, individual fund financial statements and schedules. The statistical section presents, on a multiyear basis, selected financial and demographic information for the Authority and its clients.

This report includes all funds and component units of the Authority. The Authority is an independent municipal entity created by the City of Seattle in 1939 pursuant to state law and the National Housing Act of 1937. Although it maintains close ties with the City in several respects, the Authority is not a component unit of the City, as defined by the pronouncements of the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Authority, has no responsibility to fund its deficits or receive its surpluses, and has not guaranteed the Authority's debt.

The governing body of the Authority is its Board of Commissioners ("Board") and is comprised of seven members appointed by the Mayor of the City of Seattle. The Board appoints an Executive Director to administer the affairs of the Authority. The primary source of external funding for the Authority is the U.S. Department of Housing and Urban Development ("HUD"), which oversees the expenditures of most of the Low Rent and Section 8 funds. The primary objective of the Authority is to provide decent, safe and affordable housing for families who, due to economic hardship and/or disabilities, find it difficult or impossible to obtain housing in the private real estate market. A second objective is to assist these families in achieving self sufficiency. To accomplish these objectives, the Authority participates in a number of programs which are discussed in the Management's Discussion and Analysis and in the Notes to the Basic Financial Statements sections of this report.

Economic Condition and Outlook

The Authority's financial position is directly affected by the level of Federal appropriations for public housing operations and modernization. For the past several years, HUD has provided slightly less than 100% of the full operating subsidy required for the low rent public housing program nationwide. For fiscal year 2004, the operating subsidy was funded at 94.7%. However, the Authority's fiscal year 2005 operating subsidy is funded at 98.1%, while the operating subsidy level for fiscal year 2006 is expected to be less predictable due to potential changes in HUD's funding formula and fiscal year.

To implement the Authority's long-range plan for redeveloping several of its severely distressed public housing communities, the Authority has applied for and received HUD HOPE VI Urban Revitalization grant awards for the redevelopment of its Holly Park, Roxbury, High Point, and Rainier Vista communities. As part of the complete redevelopment of the Holly Park community which began in 1997, 871 units of severely distressed public housing units have been demolished in three phases. Upon completion, the formerly blighted community will be replaced with over 1,500 units of mixed-income rental and for-sale housing units, including 318 units of elderly assisted and independent living housing, and a campus of community facilities.

Phase one of the Holly Park redevelopment has been operating successfully since 1999 and consists of 305 units of newly constructed mixed-income rental housing and a new three building community complex which houses a neighborhood library, satellite college campus, internet-linked learning center, and childcare facilities. In addition, 148 units of single family homes were completed and sold as part of a homeownership program.

Phase two of the Holly Park redevelopment is substantially complete. This phase comprises of 96 units of mixed-income town homes located adjacent to a 318 unit "Elder Village", an assortment of senior housing complexes developed by not-for-profit entities with the assistance of the Authority. The Elder Village includes an assisted-living complex, an independent living apartment, and a HUD assisted Section 202 facility for frail elderly residents. The rental housing development in phase two which was completed in 2001, complements the 166 units of for-sale homes being built by the Authority and private developers. As of late 2004, only 21 for sale lots remained to be sold to private builders.

All Holly Park phase three rental housing units are expected to be completed in early 2005. Over the next several years, the Authority will have replaced all of the original public housing units with mixed income rental and homeownership units on site at the NewHolly community and at locations throughout the city, developed directly by the Authority and in partnership with not-for-profit housing agencies.

The Authority has also begun the redevelopment of its public housing communities at High Point and Rainier Vista. Upon completion of the redevelopment work which is scheduled in two phases over the next several years, the original public housing units located in these two communities will be replaced by almost 1,000 brand new affordable tax credit and public housing rental units. These two redeveloped communities will be complemented by the addition of for-sale homes, elderly assisted-living apartments, and community facilities such as public libraries, health clinics, and neighborhood grocery stores. Using its HOPE VI grant awards, the Authority is able to leverage low-income housing tax credit investments, tax exempt bond financing, and State grants to carry out the much needed revitalization of Rainier Vista and High Point. The Authority will complete phase one of the rental housing redevelopment in 2005, with phase two work beginning in mid- to late 2005.

The Authority has been highly successful over the past several years in competing for HUD capital dollars needed to modernize and redevelop its communities and their aging housing stock. In addition to the HUD Capital Projects Fund awards which averaged \$15 million annually, the Authority has received over \$140 million in HUD HOPE VI urban revitalization grants. Using these HUD funds, the Authority has succeeded in leveraging substantial amounts of other public and private financing for its redevelopment projects located in the neighborhoods of Roxbury, Holly Park, Rainier Vista, and High Point. The Authority has completed the Roxbury project, started work on Rainier Vista and High Point, and is well on its way to completing the final phase of the redevelopment at Holly Park.

The Authority plans to supplement its operating subsidy by actively competing for additional Federal funds for modernization, redevelopment and resident support activities. In fiscal year 2004, the Authority was awarded approximately \$13.6 million in HUD capital project funds for the modernization and improvement of public housing properties and various Resident Opportunities and Self Sufficiency (ROSS) grants. Although the Authority continues to depend upon HUD subsidies for its operations, rental income from its traditional property portfolio and from its debt-financed properties are becoming a significant and increasing portion of the Authority's operating revenue. For fiscal year 2005, rental income from all properties is expected to total \$18.5 million of the Authority's operating revenue. Additionally, each of the redeveloped mixed-income communities is expected to be self-sustaining once they are fully operational. Over time, the Authority plans to gradually reduce its traditional reliance on Federal support.

The economic condition in the Seattle metropolitan area generally tracks the national trend. While the economic down turn that began in 2001 has had a substantial impact on the businesses and employment employers in the Pacific Northwest, signs of a general recovery in terms of increased profitability, consumer spending, home sales, and employment have resurfaced in 2004. As of September 30, 2004 the unemployment rate in the Greater Seattle area remains high at 5.6%. Many of the Authority's residents and Section 8 participants who are employable have reported difficulty in finding jobs.

The Authority has continued to take an active asset management approach to managing its properties, treating each of them as a distinctive "product", with the goal of efficiently utilizing each property to its fullest potential for meeting our mission. This means the Authority will be reviewing the operations of each property to ensure that proposed capital improvements are good investments and the Authority's assets are managed effectively to fulfill the agency's mission.

The Authority is one of about 30 housing authorities across the country participating in the U.S. Department of Housing and Urban Development's (HUD) Moving to Work (MTW) Demonstration Program. Under this program, the Authority has a contract with HUD which exempts it from a multitude of HUD regulations and reporting requirements, and is allowed significant flexibility to combine its HUD funding for reallocation among its capital and operating programs. The Authority is taking full advantage of its participation in this program to test innovative methods designed to improve its delivery of housing services and to better meet local needs. The Authority will continue to take full advantage of its MTW participation to position itself as a successful asset manager for the 21st century. This will include redeveloping selected properties into self-sustaining mixed-income communities, evaluating service delivery options to ensure the Authority's costs are consistent with the best practices of the private sector, and utilizing cost standards in the budgeting process.

In 2001, the Authority's Board of Commissioners established a goal of acquiring 200 units of housing per year throughout the city. Over the past three years, the Authority has made numerous acquisitions pursuant to this goal. The stated goal is in addition to the Authority's commitment to replace low income

housing as a result of HUD funded revitalization activities such as the HOPE VI mixed-income housing development program.

Due to the dwindling housing redevelopment dollars at the Federal level, the Authority plans to carry out the majority of its current and future redevelopment activities on a mixed-financing basis. This will involve using funds leveraged from the Federal, State, and local governments, the sale of Federal low-income housing tax credits, and utilizing the Authority's tax exempt debt financing capacity. The Authority also plans to actively review its existing real estate holdings to ensure that all of its assets are managed in a cost effective and efficient fashion and are contributing to its overall mission of creating and sustaining decent, safe and affordable living environments for the low income people of Seattle.

Financial Information

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs and benefits require estimates and the exercise of judgments by management.

As a recipient of Federal and State financial assistance, the Authority is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the compliance staff of the Authority.

Single Audit: In compliance with the Single Audit Act Amendments of 1996, tests are made to determine the adequacy of the Authority's internal control structure, including that portion relative to Federal financial assistance programs, as well as to determine whether the Authority has complied with applicable laws and regulations. The Authority's single audit was carried out by the international public accounting firm of KPMG, LLP. The audit for the fiscal year ended September 30, 2004 indicated no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Control: The objective of budgetary controls maintained by the Authority is to ensure compliance with legal provisions embodied in the annual budgets approved by the Board of Commissioners.

Activities of the Operating Fund, certain Low Rent, Section 8, Senior Housing, Local Housing, and certain Nonmajor Funds are included in the Authority's annual budgeting process. The annual budgets are proposed by the Executive Director and submitted to the Board of Commissioners for approval. In accordance with the Authority's Moving to Work contract with HUD, the Authority's Low Rent, Capital Projects, and Section 8 program budgets are no longer submitted to HUD for approval. In their place, the Authority prepares an annual Moving to Work Demonstration Plan which is submitted to HUD for review and comment. During the year, budget revisions may be submitted to the Authority's Executive Director for approval as a result of changes in operations and estimates. Under the Authority's Moving to Work contract, HUD approval for Low Rent, Section 8, and Capital Project program related budget revisions are no longer required.

The Authority's budgetary controls are established at the account class or function level for all funds. Additional budget controls are set at the department level where revenue and expenses are reported on a monthly basis and reviewed formally during scheduled quarterly financial and portfolio review sessions attended by department managers and directors.

Component Units: The Authority has seven discretely presented component units as of September 30, 2004. Holly Park Limited Partnership was formed to develop and manage the operations of Phase I of the Holly Park Redevelopment Project. Othello Street Limited Partnership was formed to develop and manage Phase II of the Holly Park Redevelopment Project. Ravenna School Limited Partnership was formed with the purpose of rehabilitating Ravenna School Apartments under the Senior Housing program using low-income tax credits. Desdemona Limited Partnership was formed to develop and manage Phase III of the Holly Park Redevelopment Project. Escallonia Limited Partnership was formed to develop and manage Phase I of the Rainier Vista Redevelopment Project. High Point Limited North Limited Partnership was formed to develop and manage Phase I of the High Point Redevelopment Project. Ritz Apartments Limited Partnership was formed to rehabilitate and manage the Ritz Apartment building. All seven partnerships have a December 31st year end.

Cash Management: All funds invested by the Authority during fiscal year 2004 were placed in HUD approved investments, which are generally limited to U.S. Treasury, agencies, certificates of deposit, repurchase agreements, and the Washington State Local Government Investment Pool. The average yield on these investments was 1.9% during fiscal year 2004.

Risk Management: The Authority employs two professionally certified risk management staff and utilizes insurance and claims consultants to actively manage property, liability, and workers' compensation claims as well as other risks inherent in the Authority's normal course of business. The Authority is covered by the State of Washington workers' compensation program and maintains property insurance coverage in the amount of \$100 million with a deductible of \$50,000 per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) to obtain stable and affordable general liability coverage; the Authority maintains general liability coverage at a combined limit of \$15 million, subject to a deductible of \$250,000 per occurrence and an annual stop loss aggregate of \$500,000. The Authority has continued to designate \$800,000 of its Low Rent fund balance as an insurance reserve and maintains a number of additional insurance policies in order to mitigate other business risks.

The Authority has, for the past several years, been the recipient of a nationwide Outstanding Risk Control Program Award from HARRG. In addition to the insurance coverage described above, the Authority's policy provides earthquake coverage of \$1 million per occurrence with a deductible of 5%. The Authority will continue to work diligently and prudently to balance our risks with the cost and availability of insurance coverage in the market place.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2003. This was the seventh consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

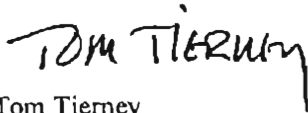
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In 1999, after six straight years of designation as a high performing housing authority under HUD's Public Housing Management Assessment Program (PHMAP), the Authority became one of six participants under contract with HUD in its Moving to Work (MTW) Demonstration Program. Under this program, the Authority will retain its perfect score of 100, received under PHMAP, for purposes of competitive HUD grant applications.

Acknowledgments: The preparation of this report has been accomplished through the hard work of the Finance Department staff and the support of other staff members throughout the Seattle Housing Authority. We wish to thank the management and staff of KPMG LLP who provided the necessary expertise and technical assistance in organizing this report.

We would also like to take this opportunity, on behalf of the staff and residents of the Seattle Housing Authority, to acknowledge the members of the Board of Commissioners for their tireless support and guidance.

Respectfully submitted,

A handwritten signature in black ink that reads "TOM TIERNEY". The signature is written in a cursive, slightly slanted style.

Tom Tierney
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to:

The Housing Authority
of the City of Seattle,
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zalkow

President

Jeffrey R. Emer

Executive Director

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**The Housing Authority of the
City of Seattle, Washington**

Financial Section

Section II



KPMG LLP
Suite 900
801 Second Avenue
Seattle, WA 98104

Independent Auditors' Report

The Board of Commissioners
Housing Authority of the City of Seattle:

We have audited the accompanying financial statements of each major fund, the aggregate remaining fund information, and the aggregate discretely presented component units of the Housing Authority of the City of Seattle, Washington (the Authority) as of and for the year ended September 30, 2004, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Holly Park Limited Partnership, the Ravenna School Limited Partnership, the Othello Street Limited Partnership, the Desdemona Limited Partnership, or the Escallonia Limited Partnership, discretely presented component units of the Housing Authority of the City of Seattle, which represent 77 percent of the assets and 100 percent of the revenues of the discretely presented component units as of the for the year ended December 31, 2003. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, the aggregate remaining fund information, and the aggregate discretely presented component units of the Authority as of September 30, 2004, and the respective changes in its financial position and its cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2005 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audit.

The management's discussion and analysis on pages 3 through 9, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, combining non-major fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The cost certificates for project WA19P00150101 and WA19R00150102 are supplemental information required by HUD. The combining non-major fund financial statements, budgetary comparison information and cost certificates have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

January 7, 2005

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The Housing Authority of the City of Seattle, Washington (the Authority) is proud to present its basic financial statements for the fiscal year ended September 30, 2004 which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires the inclusion of three basic financial statements: The Statement of Net Assets (balance sheet); the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. In addition, GAAP requires the inclusion of a Management's Discussion and Analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the basic financial statements.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses including depreciation are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended September 30, 2004 with comparative data from the year ended September 30, 2003. Please read it in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded liabilities at September 30, 2004 by \$283.1 million (net assets). Of this amount, \$49.4 million (unrestricted net assets) may be used to meet the Authority's ongoing obligations.
- Total net assets increased by \$23.7 million. This increase is primarily attributed to increases in capital assets acquired using federal grants received for the rehabilitation and redevelopment of the Authority's properties.
- Capital assets increased from \$280.5 million to \$300.7 million. During the year, the Authority acquired several properties which are accounted for in the Local Housing fund and the Non-Major funds and continued to capitalize costs incurred associated with the construction of Hope VI redevelopment projects.

- Notes receivable increased from \$43.4 million to \$65.2 million. The Authority has made loans to other low-income housing providers and to its component units that are redeveloping housing communities under the HOPE VI Redevelopment program.
- The Authority's total debt increased from \$103.2 million to \$118.1 million during the current fiscal year. The increase was due primarily to the issuance of additional tax-exempt bonds used for property acquisitions made during the year.

FINANCIAL ANALYSIS

Statement of Net Assets

The statement of net assets presents the assets, liabilities, and net assets of the Authority at the end of the fiscal year. The purpose of the statement of net assets is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, liabilities and net assets (assets minus liabilities). Also shown is the sum of total liabilities and net assets which equals total assets.

Total assets of the Authority at September 30, 2004 and September 30, 2003 amounted to \$448,733,166 and \$400,432,757, respectively. Current assets are comprised of several categories. Equity in pooled cash and cash equivalents and investments include the Authority's cash and investments. Accounts receivable include tenant receivables and receivables from other governments. Prepaid expenses and inventories are also assets of the Authority. The noncurrent assets are certain investments, capital assets and notes receivable. Capital assets include land, buildings, construction in progress, and equipment; and are shown net of accumulated depreciation.

Total liabilities of the Authority are \$165,595,129 and \$141,010,522 at September 30, 2004 and September 30, 2003, respectively, and also include a current and noncurrent portion. Current liabilities include accounts payable and other accrued liabilities, funds held for others, deferred revenue, and the current portions of long term debt. A liability is considered to be current if it is due within one year. Noncurrent liabilities are made up of the long-term portion of the notes and bonds payable.

Net assets represent the Authority's equity, a portion of which is restricted for certain uses. Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt shows the Authority's equity in land, structures, construction in progress and equipment, net of related capital debt outstanding. The next net asset category is restricted net assets. These assets have external limitations on the way in which they may be used. The last category is unrestricted net assets. They are available to use for any lawful and prudent purpose of the Authority.

Condensed Statement of Net Assets

	September 30, 2004	September 30, 2003
Assets:		
Current assets	\$ 44,835,431	47,741,785
Noncurrent investments	27,251,021	28,840,530
Capital assets, net	300,731,249	280,495,038
Notes and other noncurrent receivables	75,915,465	43,355,404
Total assets	\$ 448,733,166	400,432,757
Liabilities:		
Current liabilities	\$ 54,657,035	45,751,315
Noncurrent liabilities	110,938,094	95,259,207
Total liabilities	165,595,129	141,010,522
Net assets:		
Invested in capital assets, net of related debt	204,283,445	177,298,605
Restricted	29,451,417	27,108,685
Unrestricted	49,403,175	55,014,945
Total net assets	283,138,037	259,422,235
Total liabilities and net assets	\$ 448,733,166	400,432,757

Statement of Revenues, Expenses, and Changes in Net Assets

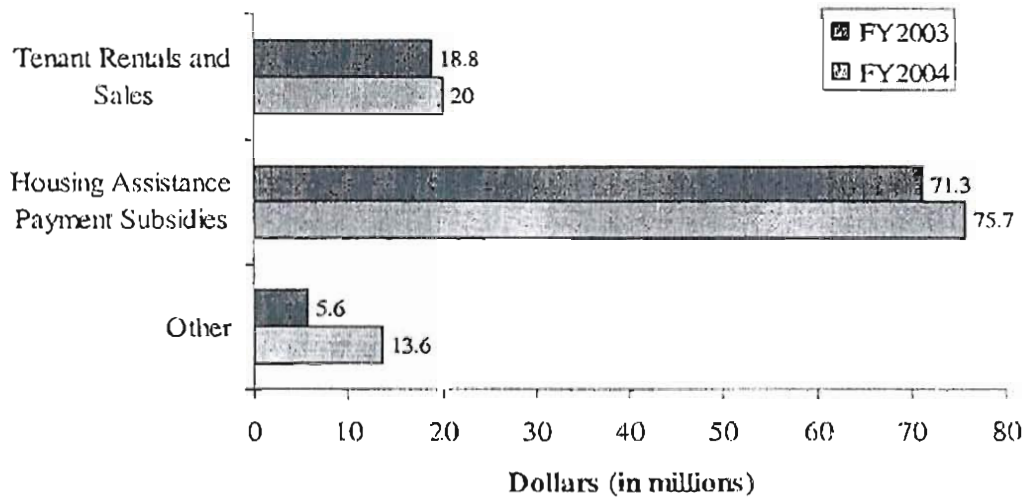
The purpose of the statement of revenues, expenses and changes in net assets is to present the revenues earned by the Authority, both operating and nonoperating, and the expenses incurred, operating and nonoperating and any other revenues, expenses, gains, and losses received or spent by the Authority. Generally, operating revenues are amounts received for providing housing to the Authority's tenants. Operating expenses are those paid to maintain the housing units and provide other services for the tenants of the Authority. Nonoperating revenues are funds received for which goods and services are not provided. Capital contributions represent funds received from HUD for Hope VI redevelopment and other capital activities.

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	Years ended	
	September 30, 2004	September 30, 2003
Operating revenues		
Tenant rentals and sales	\$ 19,990,759	18,776,018
Housing assistance payment subsidies	75,725,763	71,278,909
Other	13,619,504	5,622,755
Total operating revenues	<u>109,336,026</u>	<u>95,677,682</u>
Operating expenses		
Administration	26,024,065	28,035,895
Tenant services	2,242,826	2,877,693
Utility services	5,177,870	5,254,899
Maintenance	18,133,133	16,275,910
Housing assistance payments	71,889,208	65,156,211
Other	1,712,092	8,436,704
Depreciation and amortization	11,166,605	10,199,726
Total operating expenses	<u>136,345,799</u>	<u>136,237,038</u>
Operating loss	(27,009,773)	(40,559,356)
Net nonoperating revenues		
Intergovernmental	17,347,758	17,701,294
Interest expense	(4,811,281)	(4,002,391)
Interest income	2,422,737	2,079,480
Disposition of assets	(5,070,867)	(9,272,216)
Total nonoperating revenue	<u>9,888,347</u>	<u>6,506,167</u>
Change in assets before contributions	(17,121,426)	(34,053,189)
Capital contributions	<u>40,837,228</u>	<u>45,193,125</u>
Increase in net assets	23,715,802	11,139,936
Net assets, beginning of year	<u>259,422,235</u>	<u>248,282,299</u>
Net assets, end of year	<u>\$ 283,138,037</u>	<u>259,422,235</u>

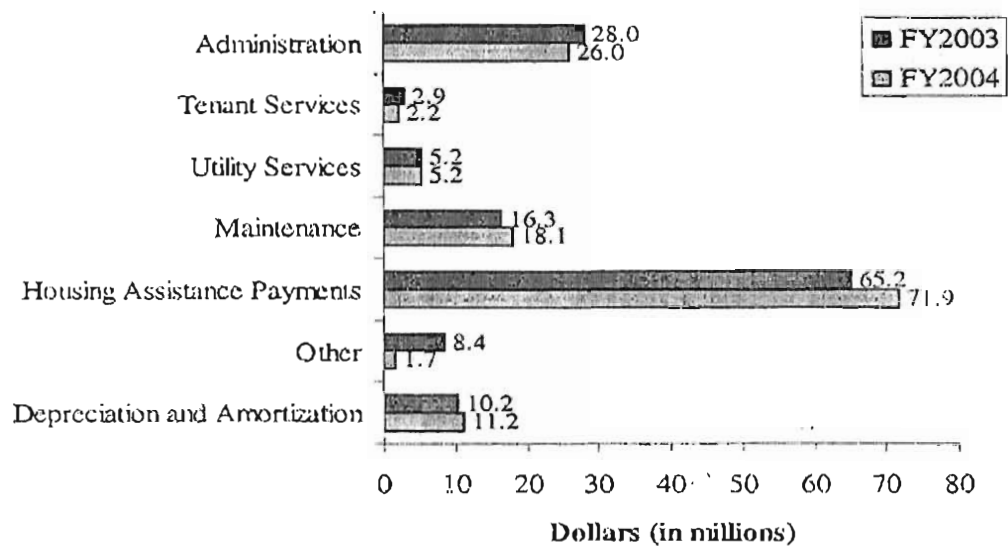
Operating revenues are shown in detail in the chart below:

Operating Revenues - Fiscal Years 2003 and 2004



Operating expenses are shown in detail in the chart below:

Operating Expenses - Fiscal Years 2003 and 2004



CAPITAL ASSET AND DEBT ADMINISTRATION

The Authority continued to add to its capital assets during fiscal 2004. The Authority purchased five apartment buildings with a total of 108 units, one triplex, three single-family homes, four commercial properties, two vacant lots and two four-plexes for a total of 123 new housing units.

The table below shows the Authority’s capital assets, net of depreciation, at the end of the fiscal year as compared to the end of the previous fiscal year.

	<u>September 30, 2004</u>	<u>September 30, 2003</u>
Land	\$ 64,007,810	59,559,721
Structures	169,172,653	165,039,529
Equipment	2,587,214	2,928,365
Construction in progress	<u>64,963,572</u>	<u>52,967,423</u>
	<u>\$ 300,731,249</u>	<u>280,495,038</u>

During the year, the Authority issued notes to finance the purchase of housing units and construction of commercial space at the Rainier Vista and Yesler Terrace and HOPE VI Redevelopment projects at New Holly, Rainier Vista and High Point.

Note six to the Authority’s basic financial statements provides additional detail regarding the changes in capital assets during the fiscal year.

In addition, the Authority issued two series of bonds totaling approximately \$5.7 million to finance the purchases of additional housing units at Main Street Apartments and Yesler Court and to refinance Lake City Commons and Bayview Tower. Shown in the table below is the outstanding debt at the end of the fiscal year as compared to the end of the previous fiscal year.

	<u>September 30, 2004</u>	<u>September 30, 2003</u>
Notes payable	\$ 55,671,215	45,576,188
Bonds payable	<u>62,439,614</u>	<u>57,620,244</u>
	<u>\$ 118,110,829</u>	<u>103,196,432</u>

Note seven to the Authority’s basic financial statements provides additional detail regarding the debt changes during the fiscal year.

ECONOMIC FACTORS AFFECTING THE AUTHORITY’S FUTURE

Federal appropriation level for HUD programs such as Section 8 and Public Housing Operating Subsidies and the various capital programs continues to have a major impact on the Authority’s financial position. Federal housing dollars make up the largest source of revenue for the Authority. During fiscal year 2004, the Authority earned nearly \$93.1 million in federal dollars for its operating programs and \$40.8 million for its capital projects. This represents approximately 88% of total Authority revenues and contributions for the year. In addition, a majority of the Authority’s \$300.7 million of capital assets as of September 30,

2004 were acquired or developed over the years with the assistance of HUD financial support. Such assistance typically comes with use restrictions and generally limits the Authority's ability to encumber or leverage debt financing against the HUD properties in its portfolio.

Over the next several years, housing authorities across the country are challenged with the prospect of a continued decline in federal support. Factors contributing to the funding uncertainty are attributable to the record federal budget deficit, the significant expenditures associated with military actions abroad, and the Administration's changed priorities for affordable rental housing and subsidies.

Cost of housing in the Greater Seattle area is the highest in the State and is among the most expensive in the nation. The economic downturn has continued to fuel the need for affordable housing. During the past year, the Federal Reserve approved a series of quarter point federal funds rate increases, in attempt to head off inflationary pressures. Long-term interest rates remain low by historic standards and the Authority plans to continue to expand and improve its affordable housing stock through tax-exempt debt financing.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for addition information should be addressed to Janet Hayes, Corporate Controller, at 120 Sixth Avenue North, Seattle, WA 98109.

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Basic Financial Statements

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Net Assets

September 30, 2004

	<u>Operating Fund</u>	<u>Low Rent Fund</u>	<u>Section 8 Fund</u>
Assets			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 32,622	501,474	—
Restricted cash	—	851,367	719,643
Equity in pooled investments	1,057,866	26,182	1,860,626
Accounts receivable:			
Tenant rentals and service charges	—	174,871	—
Other	632,831	220,494	394,884
Due from:			
Other funds	2,621,937	1,377,586	2,029,899
Other governments	—	11,134,769	1,913,569
Inventory and prepaid items	32,705	361,439	31,334
Restricted investments	3,581	642,093	—
Net investment in direct financing, current portion	—	—	—
Deferred charges	855,201	—	—
Other	208,125	64,902	—
Total current assets	<u>5,444,868</u>	<u>15,355,177</u>	<u>6,949,955</u>
Noncurrent assets:			
Equity in pooled investments	621,287	15,376	1,092,749
Restricted investments	605,493	377,102	—
Due from other funds	160,856	10,583,511	—
Net investment in direct financing	—	—	—
Capital assets:			
Land	6,743,560	21,726,828	—
Structures	13,556,336	191,937,819	—
Equipment	1,721,170	9,804,293	451,076
Construction in progress	1,340,795	62,924,466	551,661
Less accumulated depreciation	<u>(5,479,351)</u>	<u>(138,616,310)</u>	<u>(288,603)</u>
Capital assets, net	17,882,510	147,777,096	714,134
Notes receivable	—	210,000	—
Notes receivable from component units	—	52,767,272	—
Total noncurrent assets	<u>19,270,146</u>	<u>211,730,357</u>	<u>1,806,883</u>
Total assets	<u>\$ 24,715,014</u>	<u>227,085,534</u>	<u>8,756,838</u>

See accompanying notes to basic financial statements.

Exhibit A-1

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	835,029	250	344,494	1,713,869	4,174,928
	1,257,916	—	295,702	3,124,628	1,717,818
	—	727,372	763,821	4,435,867	—
	156,970	4,450	19,423	355,714	25,883
	80,283	92,216	2,463,525	3,884,233	21,176
	—	1,817,054	3,236,564	11,083,040	—
	—	—	204,437	13,252,775	—
	122,293	9,158	101,698	658,627	97,415
	1,563,937	43,218	623,991	2,876,820	24,255,099
	675,990	—	—	675,990	—
	1,445,499	—	200,141	2,500,841	949,284
	—	—	—	273,027	—
	<u>6,137,917</u>	<u>2,693,718</u>	<u>8,253,796</u>	<u>44,835,431</u>	<u>31,241,603</u>
	—	427,187	448,593	2,605,192	—
	22,514,504	25,382	792,844	24,315,325	52,690,839
	—	—	—	10,744,367	—
	330,504	—	—	330,504	—
	17,691,960	10,996,397	6,849,065	64,007,810	—
	55,363,282	44,463,296	17,770,501	323,091,234	55,029,306
	59,559	800,218	660,187	13,496,503	1,842,001
	90,810	—	55,840	64,963,572	14,268,657
	(3,888,577)	(11,796,443)	(4,758,586)	(164,827,870)	(7,283,938)
	<u>69,317,034</u>	<u>44,463,468</u>	<u>20,577,007</u>	<u>300,731,249</u>	<u>63,856,026</u>
	133,176	—	11,430,923	11,774,099	—
	—	131,115	498,612	53,396,999	—
	<u>92,295,218</u>	<u>45,047,152</u>	<u>33,747,979</u>	<u>403,897,735</u>	<u>116,546,865</u>
\$	<u>98,433,135</u>	<u>47,740,870</u>	<u>42,001,775</u>	<u>448,733,166</u>	<u>147,788,468</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Net Assets

September 30, 2004

Liabilities and Net Assets	Operating Fund	Low Rent Fund	Section 8 Fund
	<u> </u>	<u> </u>	<u> </u>
Current liabilities:			
Accounts payable:			
Vendors and contractors	\$ 751,379	11,490,107	302,436
Other	14,090	2,459,729	719,643
Accrued liabilities	498,263	1,343,355	193,469
Due to other funds	—	10,100,286	20,847
Current portion of long-term debt	1,725,493	8,116,187	—
Deferred revenue	—	1,460,000	103,752
	<u>2,989,225</u>	<u>34,969,664</u>	<u>1,340,147</u>
Total current liabilities			
Noncurrent liabilities:			
Due to other funds	—	—	—
Security deposits	5,575	767,403	—
Long-term debt, less current portion:			
Notes payable	899,216	7,982,650	—
Bonds payable	8,412,565	—	—
Accrued compensated absences	9,701	1,114,592	240,472
	<u>9,327,057</u>	<u>9,864,645</u>	<u>240,472</u>
Total noncurrent liabilities			
Total liabilities	<u>12,316,282</u>	<u>44,834,309</u>	<u>1,580,619</u>
Net assets:			
Invested in capital assets, net of related debt	6,845,236	131,678,257	714,134
Restricted for debt service	609,074	1,793,449	—
Unrestricted (deficit)	4,944,422	48,779,519	6,462,085
	<u>12,398,732</u>	<u>182,251,225</u>	<u>7,176,219</u>
Total net assets			
Total liabilities and net assets	<u>\$ 24,715,014</u>	<u>227,085,534</u>	<u>8,756,838</u>

See accompanying notes to basic financial statements.

Exhibit A-1, Cont.

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	108,982	93,535	329,007	13,075,446	2,283,182
	12,819	1,294	60,813	3,268,388	1,752,551
	774,102	85,880	830,996	3,726,065	1,666,848
	143,530	—	818,377	11,083,040	—
	6,876,882	—	4,885,634	21,604,196	3,967,085
	5,471	—	330,677	1,899,900	—
	<u>7,921,786</u>	<u>180,709</u>	<u>7,255,504</u>	<u>54,657,035</u>	<u>9,669,666</u>
	3,276,487	—	7,467,880	10,744,367	—
	263,981	68,600	45,184	1,150,743	102,075
	25,498,934	—	679,625	35,060,425	36,854,912
	47,249,638	—	5,784,005	61,446,208	84,555,000
	48	106,505	1,065,033	2,536,351	—
	<u>76,289,088</u>	<u>175,105</u>	<u>15,041,727</u>	<u>110,938,094</u>	<u>121,511,987</u>
	<u>84,210,874</u>	<u>355,814</u>	<u>22,297,231</u>	<u>165,595,129</u>	<u>131,181,653</u>
	11,354,607	44,463,468	9,227,743	204,283,445	15,479,029
	25,336,357	—	1,712,537	29,451,417	4,289,117
	(22,468,703)	2,921,588	8,764,264	49,403,175	(3,161,331)
	<u>14,222,261</u>	<u>47,385,056</u>	<u>19,704,544</u>	<u>283,138,037</u>	<u>16,606,815</u>
\$	<u>98,433,135</u>	<u>47,740,870</u>	<u>42,001,775</u>	<u>448,733,166</u>	<u>147,788,468</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Statements of Revenues, Expenses and Changes in Fund Net Assets
Year ended September 30, 2004

	<u>Operating Fund</u>	<u>Low Rent Fund</u>	<u>Section 8 Fund</u>
Operating revenues:			
Tenant rentals and sales	\$ —	9,651,974	—
Housing assistance payment subsidies	—	—	75,725,763
Other	2,991,317	2,506,595	822
Total operating revenues	<u>2,991,317</u>	<u>12,158,569</u>	<u>75,726,585</u>
Operating expenses:			
Administration	635,848	14,032,303	5,828,235
Tenant services	196,216	1,304,550	18,866
Utility services	178,771	3,786,636	—
Maintenance	515,249	12,873,044	664,120
Housing assistance payments	—	—	71,889,208
Other	45,971	613,487	43,187
Depreciation and amortization	796,028	7,358,667	83,249
Total operating expense	<u>2,368,083</u>	<u>39,968,687</u>	<u>78,526,865</u>
Operating income (loss)	623,234	(27,810,118)	(2,800,280)
Nonoperating revenue (expense):			
Intergovernmental	—	15,079,571	—
Interest expense	(604,153)	(17,598)	—
Interest income	173,167	25,131	119,671
Disposition of assets	—	(3,876,167)	—
Total nonoperating revenue (expenses)	<u>(430,986)</u>	<u>11,210,937</u>	<u>119,671</u>
Change in net assets before contributions and transfers	192,248	(16,599,181)	(2,680,609)
Contributions:			
Capital contributions	—	40,837,228	—
Partners' contribution	—	—	—
Total contributions	<u>—</u>	<u>40,837,228</u>	<u>—</u>
Transfers:			
Transfers in	2,730,507	15,539,559	—
Transfers out	—	(16,089,500)	(1,719,848)
Total transfers	<u>2,730,507</u>	<u>(549,941)</u>	<u>(1,719,848)</u>
Change in net assets	<u>2,922,755</u>	<u>23,688,106</u>	<u>(4,400,457)</u>
Total net assets at beginning of year	<u>9,475,977</u>	<u>158,563,119</u>	<u>11,576,676</u>
Total net assets at end of year	<u>\$ 12,398,732</u>	<u>182,251,225</u>	<u>7,176,219</u>

See accompanying notes to basic financial statements.

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	5,594,153	4,277,369	467,263	19,990,759	2,471,498
	—	—	—	75,725,763	—
	220,505	115,455	7,784,810	13,619,504	39,732
	<u>5,814,658</u>	<u>4,392,824</u>	<u>8,252,073</u>	<u>109,336,026</u>	<u>2,511,230</u>
	1,127,022	1,813,656	2,587,001	26,024,065	891,752
	—	5,167	718,027	2,242,826	—
	562,195	422,501	227,767	5,177,870	134,156
	1,263,552	1,368,812	1,448,356	18,133,133	624,823
	—	—	—	71,889,208	—
	687,763	256,704	64,980	1,712,092	39,595
	1,430,688	800,558	697,415	11,166,605	1,886,167
	<u>5,071,220</u>	<u>4,667,398</u>	<u>5,743,546</u>	<u>136,345,799</u>	<u>3,576,493</u>
	743,438	(274,574)	2,508,527	(27,009,773)	(1,065,263)
	29,690	—	2,238,497	17,347,758	—
	(3,747,669)	—	(441,861)	(4,811,281)	(1,736,162)
	1,168,301	44,730	891,737	2,422,737	62,163
	171,925	—	(1,366,625)	(5,070,867)	—
	<u>(2,377,753)</u>	<u>44,730</u>	<u>1,321,748</u>	<u>9,888,347</u>	<u>(1,673,999)</u>
	(1,634,315)	(229,844)	3,830,275	(17,121,426)	(2,739,262)
	—	—	—	40,837,228	—
	—	—	—	—	759,714
	—	—	—	40,837,228	759,714
	2,935,249	—	18,974,412	40,179,727	—
	—	—	(22,370,379)	(40,179,727)	—
	2,935,249	—	(3,395,967)	—	—
	<u>1,300,934</u>	<u>(229,844)</u>	<u>434,308</u>	<u>23,715,802</u>	<u>(1,979,548)</u>
	12,921,327	47,614,900	19,270,236	259,422,235	18,586,363
\$	<u>14,222,261</u>	<u>47,385,056</u>	<u>19,704,544</u>	<u>283,138,037</u>	<u>16,606,815</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Cash Flows
Year ended September 30, 2004

	<u>Operating Fund</u>	<u>Low Rent Fund</u>	<u>Section 8 Fund</u>
Cash flows from operating activities:			
Receipts from residents	\$ —	10,093,633	—
Receipts from other sources	3,078,144	3,302,793	76,409,919
Receipts from other funds	—	8,687,229	1,053,670
Advances from affiliates	—	—	—
Payments to vendors	(1,187,776)	(25,917,009)	(75,135,654)
Payments to employees	(335,246)	(8,814,176)	(3,367,447)
Payments to other funds	<u>(1,662,610)</u>	<u>(7,836,550)</u>	<u>(554,345)</u>
Net cash provided by (used in) operating activities	<u>(107,488)</u>	<u>(20,484,080)</u>	<u>(1,593,857)</u>
Cash flows from noncapital financing activities:			
Operating grants received	—	14,583,187	—
Transfer from other funds	2,730,507	15,539,559	—
Transfer to other funds	—	<u>(16,089,500)</u>	<u>(1,719,848)</u>
Net cash provided by (used in) noncapital financing activities	<u>2,730,507</u>	<u>14,033,246</u>	<u>(1,719,848)</u>
Cash flows from capital and related financing activities:			
Capital and partner contributions	—	42,609,434	—
Acquisition and construction of capital assets	(2,670,160)	(53,655,730)	(676,947)
Proceeds from dispositions of property and equipment	—	33,136,329	—
Payment on notes receivable	—	1,493,774	849,838
Issuance of notes receivable	—	(19,984,226)	—
Proceeds from long-term borrowings	1,355,787	9,301,659	—
Mortgage costs paid	—	—	—
Payments on notes and bonds	(363,530)	(8,639,877)	—
Interest payments	<u>(607,475)</u>	<u>(252,809)</u>	<u>(5,793)</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,285,378)</u>	<u>4,008,554</u>	<u>167,098</u>
Cash flows from investing activities:			
Interest received	158,529	132,114	123,007
Increase in net investment of direct financing	—	—	—
Maturity of investment securities	2,529,322	5,384,984	8,026,236
Purchases of investment securities	<u>(3,042,266)</u>	<u>(3,394,485)</u>	<u>(5,155,325)</u>
Net cash provided by (used in) investing activities	<u>(354,415)</u>	<u>2,122,613</u>	<u>2,993,918</u>
Increase (decrease) in cash and cash equivalents	<u>(16,774)</u>	<u>(319,667)</u>	<u>(152,689)</u>
Cash and cash equivalents at beginning of year	<u>49,396</u>	<u>1,672,508</u>	<u>872,332</u>
Cash and cash equivalents at end of year	\$ <u>32,622</u>	\$ <u>1,352,841</u>	\$ <u>719,643</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating Income (loss)	\$ 623,234	(27,810,118)	(2,800,280)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	796,028	7,358,667	83,249
Changes in assets and liabilities:			
Accounts receivable	(1,627,498)	1,583,434	1,182,285
Inventory and prepaid items	459	(5,798)	3,719
Deferred charges	—	—	—
Accounts payable	597,946	(1,519,744)	(45,701)
Accrued compensated absences	(39,167)	(124,020)	(17,129)
Other	<u>(458,490)</u>	<u>33,499</u>	<u>—</u>
Total adjustments	<u>(730,722)</u>	<u>7,326,038</u>	<u>1,206,423</u>
Net cash provided by (used in) operating activities	\$ <u>(107,488)</u>	\$ <u>(20,484,080)</u>	\$ <u>(1,593,857)</u>

See accompanying notes to basic financial statements.

	Local Housing Fund	Senior Housing Fund	Non-Major Funds	Primary Government Total	Component Units
\$	5,646,805	4,351,074	472,406	20,563,918	2,465,222
	300,715	53,409	7,611,533	90,756,513	1,218,456
	721,604	—	1,842,301	12,304,804	—
	—	—	—	—	733,035
	(3,430,197)	(2,765,803)	(2,746,550)	(111,182,989)	397,970
	(375,139)	(1,049,760)	(1,832,737)	(15,774,505)	(675,562)
	—	(336,779)	(2,375,953)	(12,766,237)	—
	<u>2,863,788</u>	<u>252,141</u>	<u>2,971,000</u>	<u>(16,098,496)</u>	<u>4,139,121</u>
	29,690	—	2,129,981	16,742,858	—
	2,935,249	—	18,974,412	40,179,727	—
	—	—	(22,370,379)	(40,179,727)	—
	<u>2,964,939</u>	<u>—</u>	<u>(1,265,986)</u>	<u>16,742,858</u>	<u>—</u>
	—	—	—	42,609,434	759,714
	(12,921,450)	(678,375)	(16,278,252)	(86,880,914)	(12,228,230)
	2,201,603	—	14,908,544	50,246,476	—
	39,770	—	52,074	2,435,456	—
	—	—	(3,676,818)	(23,661,044)	—
	12,079,937	—	5,094,451	27,831,834	64,305,065
	—	—	—	—	(274,600)
	(2,840,388)	—	(1,073,642)	(12,917,437)	(110,000)
	<u>(3,647,826)</u>	<u>—</u>	<u>(459,301)</u>	<u>(4,973,204)</u>	<u>(727,828)</u>
	<u>(5,088,354)</u>	<u>(678,375)</u>	<u>(1,432,944)</u>	<u>(5,309,399)</u>	<u>51,724,121</u>
	1,198,700	42,776	132,738	1,787,864	62,163
	(1,040,000)	—	—	(1,040,000)	—
	4,379,551	1,591,807	5,535,659	27,447,559	4,170,660
	<u>(4,770,073)</u>	<u>(1,208,349)</u>	<u>(5,622,496)</u>	<u>(23,192,994)</u>	<u>(56,721,575)</u>
	<u>(231,822)</u>	<u>426,234</u>	<u>45,901</u>	<u>5,002,429</u>	<u>(52,488,752)</u>
	508,551	—	317,971	337,392	3,374,490
	1,584,394	250	322,225	4,501,105	2,518,256
\$	<u>2,092,945</u>	<u>250</u>	<u>640,196</u>	<u>4,838,497</u>	<u>5,892,746</u>
\$	743,438	(274,574)	2,508,527	(27,009,773)	(1,065,263)
	1,430,688	800,558	697,415	11,166,605	1,886,167
	753,071	(352,336)	(757,363)	781,593	61,147
	17,225	(1,374)	61,473	75,704	(27,937)
	—	—	—	—	—
	(35,148)	63,995	461,275	(477,377)	2,897,394
	122	12,197	89,599	(78,398)	—
	<u>(45,608)</u>	<u>3,675</u>	<u>(89,926)</u>	<u>(556,850)</u>	<u>387,613</u>
	<u>2,120,350</u>	<u>526,715</u>	<u>462,473</u>	<u>10,911,277</u>	<u>5,204,384</u>
\$	<u>2,863,788</u>	<u>252,141</u>	<u>2,971,000</u>	<u>(16,098,496)</u>	<u>4,139,121</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2004

(1) Summary of Significant Accounting Policies

(a) *Organization and Program Descriptions*

The Housing Authority of the City of Seattle (Authority) was created in 1939 as a municipal corporation which derives its powers from Washington State (State) Law RCW 35.82. The Authority was created for the acquisition, development, modernization, operation, and administration of public housing programs. The primary purpose of the Authority is to provide safe, decent, sanitary, and affordable housing to low-income and elderly families in Seattle, Washington, and to operate its housing programs in accordance with Federal and State laws and regulations. The Authority's programs are administered through the U.S. Department of Housing and Urban Development (HUD) under provisions of the U.S. Housing Act of 1937, as amended.

The Authority, recognized by HUD as a high performing large housing authority, was selected to participate in HUD's newly created Moving to Work (MTW) Demonstration Program effective on January 13, 1999. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements, and significant flexibility to combine its HUD funding for reallocation among the Authority's administrative, capital, and development activities.

The Authority's primary operations are comprised of a number of housing and grant programs as follows:

The Public Housing Program – which is recorded in the Low Rent fund, operates under HUD's Annual Contributions Contract (ACC) SF-151 and consists of the operations of low-rent public housing properties totaling 5,481 units. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. The properties are acquired, developed, and modernized under HUD's Capital Funds Program and through HUD Hope VI Urban Revitalization Grants. Financing for the properties is obtained through bond issues and grants. Funding of the program is provided by Federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

The Section 8 Fund – consists of several Section 8 housing programs including the Section 8 Housing Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program and the Moderate Rehabilitation program. The Housing Choice Voucher program provides rental housing assistance subsidies in support of 7,861 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

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The Section 8 New Construction and Substantial Rehabilitation program also operates under HUD's ACCs and consists of the operations of 3 housing developments totaling 181 units. The purpose of the program is to construct or purchase and rehabilitate rental housing units to provide decent and affordable housing to low-income, elderly and handicapped individuals whereby rental assistance is provided by HUD. The developments are maintained and managed by the Authority. The Authority also administers the rental assistance payments for 7 privately owned projects with 513 units under this program. The Authority earns a fee for administering the annual contributions from HUD. Funding of the program is provided by Federal housing assistance contributions and tenant rentals.

The Section 8 Moderate Rehabilitation program operates under HUD's ACC S-0068K and consists of the operations of 760 privately-owned family housing units. The purpose of the program is to rehabilitate substandard rental housing units and provide decent and affordable housing to low-income families whereby rental assistance is provided by HUD. The associated developments are maintained and managed by private landlords. Funding of the program is provided by Federal housing assistance contributions.

The Seattle Senior Housing Fund – operates approximately 1,000 of the 1,091 units acquired and developed under a 1981 City bond issue. The purpose of this program is to provide low rent housing for the elderly, handicapped and disabled. Funding for the management and operation of these nonsubsidized housing units is provided exclusively from rent income.

The Local Housing Fund – operates approximately 773 units of low-income housing. These projects are financed primarily through bond issues and receive no external funding. On-site management for these units may be done by the Authority or contracted with other management companies.

The basic financial statements of the Housing Authority of the City of Seattle have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are described below.

(b) Reporting Entity

The governing body of the Authority is its Board of Commissioners (Board), composed of seven members appointed by the Mayor of the City of Seattle (City). The Authority is not financially dependent on the City and is not considered a component unit of the City.

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

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Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blending involves merging the component unit data and data with the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government. There are two situations where blending is allowed: (1) when the board of the component unit is substantially the same as that of the primary government and (2) when the component unit serves the primary government exclusively, or almost exclusively.

As of and for the year ended September 30, 2004, the Authority has seven component units, the Holly Park Limited Partnership (HPLP), the Ravenna School Limited Partnership (RSLP), the Othello Street Limited Partnership (OSLP), Desdemona Limited Partnership (DLP), the Escallonia Limited Partnership (ELP), the High Point North Limited Partnership (HPNLP), and the Ritz Apartments Limited Partnership (RALP).

The HPLP is a legally separate entity that was formed to develop and manage the operations of the rental units in phase one of the Holly Park redevelopment project. The Holly Park redevelopment project includes the demolition of the existing Seattle Housing Authority owned and managed Holly Park Public Housing Project and the building of new rental and home ownership housing units, new streets and infrastructure. Development activities are complete and the HPLP will continue to operate and manage the rental units. The HPLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is shown as a discretely presented component unit. The Authority has leased the land for the Holly Park redevelopment project to the HPLP for a nominal amount under a noncancelable operating lease. The Authority's current investment in the partnership totals \$208,011 as of September 30, 2004. The Authority is the 0.1% general partner of the HPLP and is obligated to fund operating or other cash short falls up to \$750,000.

The Authority has agreements with the HPLP for providing social services to public housing residents and for providing management services to the partnership. Under the terms of the agreements, the Authority will earn 30% of net cash flows and up to 50%, of cash flows of the partnership, respectively. As of September 30, 2004, the HPLP did not have positive cash flows; therefore, no fees were earned.

The RSLP is a legally separate entity formed in 1998 to take advantage of low-income housing tax credits needed to finance the planned rehabilitation of the Ravenna School Apartments. The 39-unit apartment complex, owned by the Authority under its Senior Housing Program, has been leased to RSLP for a nominal amount under a 99-year operating lease. The Authority is the 0.01% general partner of the RSLP and also serves as developer of the \$1.5 million rehabilitation project. In addition, the Authority will continue to serve as property manager of the Ravenna School Apartments. In July 1999, a tax credit investor was formally admitted as a limited partner to the RSLP. The RSLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is shown as a discretely presented component unit. The project was completed during fiscal year 2000. Authority is the 0.01% general partner and is obligated to fund operating deficits by contributing or loaning funds to the partnership.

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The OSLP is a separate legal entity created on September 9, 1999 to undertake phase two of the redevelopment activities at the Holly Park community. Development activities are completed and the OSLP will continue to operate and manage the rental units. The Authority participates as the 0.01% managing general partner of the OSLP. During fiscal year 2000, a tax credit investor was admitted to the Partnership as a 99.99% limited partner. The OSLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase two of the Holly Park redevelopment project to the OSLP for a nominal amount under a noncancelable operating lease. The Authority is the 0.01% general partner of the OSLP and is obligated to fund an operating deficit up to \$250,000. As of September 30, 2004, the OSLP owed the Authority for developer fees in the amount of \$201,315.

The DLP is a separate legal entity created on May 10, 2002 to undertake phase three of the redevelopment activities at the Holly Park community. The DLP admitted a partner to this partnership on August 7, 2003. The DLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase three of the Holly Park redevelopment project to the DLP for a nominal amount under a noncancelable operating lease. The Authority is the 0.01% general partner of the DLP and is obligated to fund an operating deficit without limitation as to amount. As of September 30, 2004, the DLP owed the Authority for developer fees in the amount of \$294,580.

The ELP is a separate legal entity created on May 10, 2002 to undertake phase one of the redevelopment activities at the Rainier Vista community. During fiscal year 2004, the ELP admitted a tax credit investor, to the Partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the ELP. The ELP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase one of the Rainier Vista redevelopment project to the ELP for a nominal amount under a noncancelable operating lease. The Authority is obligated to fund operating or other cash short falls up to \$500,000, with the obligated amount gradually decreasing to zero over the project's first three years of operations.

The HPNLP is a separate legal entity created on October 31, 2003 to undertake phase one of the redevelopment activities at the High Point community. During fiscal year 2004, the HPNLP admitted a tax credit investor, to the Partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the HPNLP. The HPNLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase one of the High Point redevelopment project to the HPNLP for a nominal amount under a noncancelable operating lease. The Authority is obligated to fund operating or other cash short falls of the partnership. The amount the Authority is obligated to fund is unlimited prior to the project's stabilization date as defined in the limited partnership agreement, and is limited to \$1,200,000 after the project's stabilization date. The amount is further limited to \$750,000 after 10 consecutive years of the partnership's operating subsidy being fully funded.

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The RALP is a separate legal entity created on August 12, 2004 to undertake rehabilitation of the Ritz Apartments. During fiscal year 2004, the RALP admitted a tax credit investor, to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the RALP. The RALP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the building to RALP under a capital lease. The partnership agreement does not specify the obligation of the general partner in regards to funding operating shortfalls.

All seven component units have a December 31 year-end. The component units financial statements are presented as of December 31, 2003 and may be obtained by contacting the Authority. The RALP was not in existence as of December 31, 2003, therefore financial statements are not available.

As the general partner of the component units, the Authority's liability is not limited to its initial investment and/or any future funding requirement.

(c) *New Accounting Standards to be Adopted in future years*

During the year ending September 30, 2004, three new statements were issued by the Government Accounting Standards Board (GASB) that will impact the Authority's financial reporting in future years. Statement No. 40 – *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3* is effective for period beginning after June 14, 2004. Statement No. 42 – *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* is effective for periods beginning after December 15, 2004. Statement No. 44 – *Economic Conditions Reporting: The Statistical Section* is effective for periods beginning after June 15, 2005.

Also during the year, Statement No. 43 – *Financial Reporting for Postemployment Benefits Other Than Pension Plans* and Statement No. 45 – *Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* were issued. These statements do not impact the Authority because Authority does not offer any postemployment benefits at this time.

(d) *Fund Financial Statements*

Fund financial statements report detailed information about the Authority. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets, revenues, and expenses. The focus of the fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund or if the total assets, liabilities, revenues, or expenses of that individual enterprise fund are at least 10% of the corresponding total for all enterprise funds. Major funds of the Authority are Operating, Low Rent, Section 8, Local Housing, and Senior Housing funds. The Operating fund accounts for all financial resources of the general agency, except those required to be accounted for in another fund. The Low Rent fund accounts for the Public Housing program which includes Capital Funds program and Hop VI redevelopment projects funded by HUD. The Section 8 fund accounts for the Section 8 Housing

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Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program and the Moderate Rehabilitation program. The Senior Housing fund accounts for the Seattle Senior Housing program and the Local Housing fund accounts for housing acquired without funding from HUD or other governments.

(e) ***Basis of Accounting***

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation of assets is recognized in the statements of revenues, expenses and net assets. All assets and liabilities associated with the operation of the Authority are included in the statement of net assets. The principal operating revenues of the Authority are rental revenues received from residents. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Operating expenses for the Authority include the costs of operating housing units, administrative expenses and depreciation on capital assets. Intergovernmental revenues (operating subsidies) and housing assistance payments from HUD are received by the Authority for each unit rented to qualified tenants in the public housing and Section 8 programs. As these payments represent grant receipts in a proprietary fund, the amounts are classified as nonoperating revenues when earned. All other revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses or as contributions of capital.

The Authority reports deferred revenue on its statement of net assets. Deferred revenues arise when potential revenue has not been earned in the current period. Deferred revenues also arise when resources are received by the Authority before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements and/or the occurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met or when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets and revenue is recognized.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, all proprietary funds must follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, subsequent to that date, proprietary funds must either choose (1) not to apply all new FASB standards (including amendments of earlier pronouncements), or (2) to continue to follow all new FASB pronouncements (unless they conflict with GASB guidance). The Authority has chosen not to apply new FASB standards subsequent to November 30, 1989.

(f) ***Budgets***

Budgets are adopted on a GAAP basis of accounting. Annual appropriated budgets are adopted and all annual appropriations lapse at the Authority's year-end. Encumbrance accounting is not employed as an extension of formal budgetary control.

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(g) Pooled Cash and Investments

The Authority accounts for its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires that most investments be reported at fair value. Fair value is determined based on quoted market prices for the investments. All of the Authority's investments are reported at fair value.

The Authority pools all cash and investments for the purpose of increasing its percentage of funds invested and average yield. The Authority has established separate investment pools for cash and cash equivalents and investments. These investment pools are displayed on the statement of net assets as "Equity in pooled cash and cash equivalents" and "Equity in pooled investments," respectively.

Income is allocated to the individual funds based on the fund's daily ownership percentage of the pooled balances. The Authority's policy is to classify pooled investments with an original maturity when purchased of 3 months or less as cash equivalents.

The Authority is authorized by HUD and its Board to invest in time deposits, certificates of deposit and obligations of the U.S. Government or its agencies and to enter into repurchase agreements. Repurchase agreements are secured by U.S. Treasury securities with a market value equal to or greater than the amount of the repurchase agreements. The Authority's investment policies provide for the ability to sell investments prior to the investments' contractual maturity.

(h) Accounts Receivable – other

Other accounts receivable represent various receivables including accrued interest on investments, accrued interest on notes receivable, receivables from other housing authorities for Section 8 Portability payments, receivables from component units for developer fees, and receivables from other funds that the Authority manages, but does not own.

(i) Inventories and Prepaid Items

Inventories are stated at cost and consist of expendable materials and supplies. Inventory items are expensed using the first-in, first-out method. Office supplies are expensed using a moving weighted average cost method. Maintenance materials are expensed using the first-in, first-out method. Prepaid items are for payments made by the Authority in the current year for services occurring in a subsequent fiscal year.

(j) Net investment in direct financing

The Authority has leased the building and related land of the Ritz Apartments to the Ritz Apartments Limited Partnership, a discretely presented component unit. The lease was determined to be a direct financing lease as it meets the following three criteria: (a) the fair value of the property is the same as its carrying amount, (b) the lease includes a bargain purchase clause and (c) collectibility of the minimum lease payments is reasonably predictable. The investment is shown as the net amount of the minimum lease payments and the unearned income.

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(k) *Deferred Charges*

Deferred charges consist of debt issuance costs and bond discounts, which are amortized over the term of the related note or bond.

(l) *Capital Assets and Depreciation*

Capital assets are stated at historical cost. Maintenance and repairs are charged to current period operating expenses while improvements are capitalized. Upon retirement or other disposition of property and equipment the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operating revenues and expenses. All capital assets with a value greater than \$1,000 and a useful life of over one year are capitalized. Assets acquired through contribution are recorded at the fair value on the date donated.

Capital assets are generally depreciated on the straight-line method over estimated useful lives as follows:

Structures	40 to 75 years
Equipment	3 to 10 years

(m) *Accounts Payable – other*

Other accounts payable includes payables for escrow accounts related to construction activities and the Section 8 Family Self-sufficiency program as well as miscellaneous payables related to payroll.

(n) *Interfund Accounts*

The Authority maintains a master paying and receiving account. All cash receipts and disbursements flow through this master account, except for disbursements to landlords under the Section 8 programs, which flow through a separate checking account. Other interfund activity includes interfund charges such as intercompany rent which cannot be eliminated. Interfund payables and receivables are used to account for ownership of the funds with the borrowing funds paying interest at the three-month Treasury Bill rate for borrowings in excess of \$5,000.

(o) *Compensated Absences*

Employees earn annual vacations at the rate of 96 hours per year. Additional lump sum hours are added on an annual basis on the employees' anniversary date. Unused vacation is allowed to accumulate to a maximum of 240 or 360 hours depending on the employees' date of hire. Employees are paid for all accumulated vacation pay upon termination.

The Authority recognizes and compensates employees for nine traditional holidays. Holiday pay is recorded as an expense when incurred.

Employees earn sick leave at a rate of 96 hours per year. Sick leave is allowed to accumulate with no maximum. Employees are compensated for accumulated unused sick leave at the rate of 25% upon termination, permanent disability or death.

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Accruals are recorded at year-end for unused annual leave and unused sick leave based on balances of hours as of September 30, 2004.

(p) Management Fees

For the year ended September 30, 2004, the Bay View Tower Enterprise fund paid the Authority management fees of \$34,154, which is equal to 4.0% of net rental revenues received. Market House fund paid the Authority \$19,966, which is equal to 4.5% of net rental revenues. Market Terrace paid the Authority management fees of \$11,561 which is equal to \$1,051 per month. Such management fees are accounted for in the Authority's Operating fund. HUD regulates the amount of management fees that can be paid.

(q) Payments in Lieu of Taxes

Pursuant to an agreement between the Authority and the City of Seattle, the Low Rent fund and the Bay View Tower fund may make payments in lieu of taxes (PILOT). PILOT may also be provided to other taxing districts in which property is owned. For the year ending September 30, 2004 the Authority paid PILOT in the amount of \$215,034 from the Low Rent fund.

(r) Income Taxes

Income received or generated by the Authority is not subject to federal income tax pursuant to Internal Revenue Code Section 115. The Authority is exempt from state and local property taxes.

(s) Pension Plans

The Authority reports pensions in accordance with Statement No. 27 of the Governmental Accounting Standards Board (GASB 27), *Accounting for Pensions by State and Local Governmental Employers*. GASB 27 requires the Authority to record a net pension obligation (benefit) for the difference between the required and actual employer contributions to its pension plans.

(t) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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(2) **Deposits and Investments**

(a) *Deposits*

As of September 30, 2004, the Authority's carrying amount of deposits was \$4,838,497 and the bank balance was \$4,940,115. The bank deposits are held with financial institutions and are entirely insured or collateralized and are classified as equity in pooled cash and cash equivalents on the statement of net assets. All deposits in excess of the FDIC insurance limit of \$100,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington. In addition to bank deposits, the Authority has \$2,500 held at the U.S. Post Office and \$5,137 in petty cash funds. All deposits are considered in risk category (1) as defined below.

(b) *Investments*

The Authority's investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return while conforming to all applicable statutes and regulations. The Authority has established a maximum maturity of three years for operating reserves and a maximum maturity of five years for replacement reserves.

Investments are categorized as either (1) insured or registered, and held by the Authority or its agent in the Authority's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name, or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name. As of September 30, 2004, all investments were held in categories (1), (2), or (3), or are not classified since the investments are not evidenced by securities that exist in physical or book entry form.

Investments in U.S. Treasury-backed short-term money market funds are investments held by the trustee in the Authority's name for bond issues in the Local Housing and Nonmajor funds.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying amount</u>	<u>Fair value</u>
U.S. Government and Agency Securities	\$ 22,530,295	—	—	22,530,295	22,530,295
Yield Agreement in Trust	—	2,134,840	112,677	2,247,517	2,247,517
Washington State Local Government Investment Pool	—	—	—	3,987,541	3,987,541
U.S. Treasury Money Market Investments	—	—	—	3,467,851	3,467,851
Certificates of Deposit	2,000,000	—	—	2,000,000	2,000,000
Other	—	—	—	—	—
Total investments	\$ 24,530,295	2,134,840	112,677	34,233,204	34,233,204

The Washington State Local Government Investment Pool and the U.S. Treasury Money Market Investments are not categorized because the investments are not evidenced by securities that exist in physical or book entry form.

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The Authority invests a portion of its funds with the Washington State Local Government Investment Pool (LGIP) managed by the State Treasurer's office. The investments in this pool are comprised of repurchase agreements, government securities, and certificates of deposit. The LGIP operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. As such the LGIP uses amortized cost to report net assets and share prices since that amount approximates fair value.

Since the Authority reports all of its investment at fair value, no additional disclosure is required under Government Accounting Standards Board Technical Bulletin No. 2003-1.

For the year ended September 30, 2004, the Authority made the following noncash adjustments to reflect the change in fair value of investments:

	<u>Amount</u>
Fund:	
Operating Fund	\$ 1,609
Low Rent Fund	392
Section 8	1,064
Local Housing Fund	967,284
Senior Housing Fund	1,168
Nonmajor Funds	<u>1,159</u>
Total increase in fair value	<u>\$ 972,676</u>

The Authority intends to adhere fully to its investment policy which expressly prohibits the making of speculative or leveraged investments and requires that all investments be made prudently and with due care to ensure compliance with all statutes and regulations.

The Authority restricts its participation in money market mutual funds to those investing only in U.S. Treasury securities. However, the Authority's indirect exposure to any risks arising from derivative instruments utilized by such funds and programs are unknown.

(c) **Component Unit Deposits**

As of December 31, 2003, the component unit's carrying amount of deposits was \$5,892,746 and the bank balance was \$7,543,974. The bank balances held with financial institutions are entirely insured or collateralized and are classified as equity in pooled cash and cash equivalents on the statement of net assets. All deposits in excess of the FDIC insurance limit of \$100,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington.

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(d) Component Unit Investments

As of December 31, 2003, investments of \$76,945,938 were held in trust and restricted for the development of the component units' redevelopment projects and for the payment of principal and interest on the component units' bonds. The investments are guaranteed investment contracts collateralized by government investment securities. Investments are categorized as either (1) insured or registered, and held by the component unit or its agent in the component unit's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the component unit's name, or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the component unit's name. As of December 31, 2003, all investments were held in category (2) or (3).

	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying amount</u>	<u>Fair value</u>
Yield Agreement in Trust	\$ —	53,279,104	53,279,104	53,279,104
U.S. Treasury Money Market Investments	23,666,834	—	23,666,834	23,666,834
Total investments	\$ <u>23,666,834</u>	<u>53,279,104</u>	<u>76,945,938</u>	<u>76,945,938</u>

(3) Net Investment in Direct Financing

The Authority has leased the building and land of the Ritz Apartments to the Ritz Apartments Limited Partnership. The interest rate on the lease is 3% and the term of the lease is 75 years and will be paid according to a two-year schedule. The payment schedule on the lease is presented below:

	<u>Payment amount</u>	<u>Carrying amount</u>	<u>Unearned income</u>
2005	\$ 675,990	675,990	—
2006	364,010	330,504	33,506
	\$ <u>1,040,000</u>	<u>1,006,494</u>	<u>33,506</u>

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(4) Restricted Assets

(a) Security Deposits

Upon moving into a project, tenants are required to pay a security deposit, which is refundable when the tenant vacates the apartment, provided the apartment's physical condition is satisfactory. The Authority held security deposits for residential tenants as well as commercial tenants as of September 30, 2004 as shown in the schedule below:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Operating fund	\$ —	5,575	5,575
Low Rent fund	697,261	70,142	767,403
Local Housing fund	263,981	—	263,981
Senior Housing fund	68,600	—	68,600
Nonmajor funds	45,184	—	45,184
Total security deposits	\$ <u>1,075,026</u>	<u>75,717</u>	<u>1,150,743</u>

(b) Required Reserves – Market House and Market Terrace funds

HUD requires the Market House and Market Terrace funds to maintain restricted investments equal to the required reserves. HUD must approve any release or disbursement of reserve funds in advance. Restricted investments for required reserves of \$217,388, and \$15,520 were held in the Market House fund and Market Terrace fund as of September 30, 2004.

(c) Bond Trust Funds and Mortgage reserves

As of September 30, 2004, funds held for bond trust funds and mortgage reserves are shown below:

	<u>Balance</u>
Operating fund:	
Investments are held in the Operating fund in trust for the Wakefield/PorchLight bonds and are restricted for the payment of principal and interest. The investments consist of notes, mortgages, and contracts and bear interest at approximately 7.3%.	\$ 603,499
Local housing and nonmajor funds:	
Cash and investments for the Villa Park bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bear interest at approximately 0.8%.	279,992
Investments for the Telemark bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bear interest at approximately 0.6%.	224,230

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	<u>Balance</u>
Investments for the Wedgwood bonds are restricted for the payment of bond principal and interest. Such investments consist of Government National Mortgage Association securities (GNMA) and bear interest at approximately 5.4%.	\$ 17,643,136
Investments of \$78,392 are held in the Local Housing fund and investments of \$141,519 are held in the nonmajor fund for the Market Terrace and Mary Avenue bonds. These funds are restricted for the payment of principal and interest and consist of money market funds bearing interest at approximately 0.5%.	219,911
Investments for the Montridge bonds are restricted for the payment of principal and interest. The investments consist of money market funds and bear interest at approximately 0.6%.	132,820
Investments for the Replacement Housing bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest of approximately 3.9%.	753,636
Investments for the Longfellow Creek bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest of approximately 0.6%.	472,551
Investments for the Wisteria Court bonds are restricted for the payment of principal and interest. The investments consist of GNMA securities and bear interest of approximately 5.2%.	4,141,274
Reserves are held for capital replacement for properties covered by the Replacement Housing bonds in money market accounts that bear 0.3% interest.	152,076
Reserves are held in restricted cash accounts for the mortgage on Wedgwood Estates and bear interest of approximately 0.4%.	448,690
Reserves are held in restricted cash accounts for the mortgage on Wisteria Court Apartments and bear interest of approximately 0.3%.	185,923
Investments are held for the Yesler Community Center Replacement Housing bonds and are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest at approximately 0.4%.	196,072
Investments are held for the Bayview Tower and Lake City Commons bonds. These funds are restricted for the payment of principal and interest and consist of money market funds bearing interest at approximately 1.0%.	752,780

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September 30, 2004

	<u>Balance</u>
Investments consisting of notes, mortgages, and contracts are held in trust for the Market House fund and are restricted for the payment of the principal and interest of the Multifamily Revenue Bonds, Series 1994. Interest rates range from 4.0% to 5.3%.	\$ 593,591
Restricted cash is held for the payment of principal and interest related to the mortgage on Main Street place II in a non-interest bearing account.	26,367
Restricted cash is held in money market accounts bearing interest at a rate of 1% for Levy properties for operating reserves and replacement reserves.	32,650
Replacement reserves are held for the Bayview Tower and Lake City Commons in money market funds bearing interest at 0.3%.	<u>250,060</u>
Total for all funds	<u>\$ 27,109,258</u>

(d) Other Restricted Funds

As of September 30, 2004, restricted cash amounts of \$906,661 are held in trust for the Family Self Sufficiency (FSS) program. Families in the Section 8 and Low Rent programs may sign up for the FSS program and any rent increase due to an increase in income may be deposited into an escrow account. The tenant may request reimbursement from the trust account for certain allowable expenditures.

Investments of \$251,792 are held in trust for the Tenant Trust Account program. Eligible public housing households in the Low Rent fund receive 30% of their monthly base rent amount over \$350 deposited to a Tenant Trust Account which may be used to enhance their ability to become economically self-sufficient and independent.

Restricted cash amounts of \$351,080 and \$1,062 are held in the Low Rent fund for retainage related to the Hope VI Development grants and other Capital programs, and Local Housing fund, respectively.

Restricted cash in the amount of \$49,961 are held in the Low Rent fund for the Individual Development Account (IDA) Program. This program is available to residents of Rainier Vista and offers participants a two to one match on their savings in the plan up to a maximum match of \$4,000. The program is funded by the Office of Trade and Economic Development.

Restricted cash in the amount of \$263,308 are held in the Low Rent fund for the Jobs Plus Program. This program offers a financial incentive to residents of Rainier Vista who are employed in the form of a savings account. Amounts equal to rent increases are credited to the account by the Authority and may be used for home ownership, continuing education, college education or small business.

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(5) Notes Receivable

(a) Low Rent Fund

	<u>Balance September 30, 2004</u>
Due from Neighborhood House for the purchase of property at Rainier Vista. The note bears no interest and matures on or before August 31, 2054.	\$ 210,000
Local housing fund:	
Due from Housing Resources Group (HRG) related to the sale of the Cambridge building in July 2001 by the Local Housing fund. The note is secured by a deed of trust, bears interest at a rate of 5.6% and is payable May 1, 2007.	133,176
Nonmajor funds:	
Due from Stone View Village I Limited Partnership and Stone View Village II Limited Partnership. The notes bear interest at rates ranging from 0.5% to the lowest applicable federal rate as determined under the Internal Revenue Code of 1986 and all interest and principal is due in March and April of 2039.	1,373,835
Due from Lutheran Alliance to Create Housing (LATCH) Roxbury Limited Partnership. The note bears no interest for the first 30 years. Interest accrues beginning February 1, 2030 at 2% with annual payments of \$73,388 until the note matures on January 31, 2050.	1,200,000
Two notes due from the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, and the Lakeview Apartments Limited Partnership. The note in the amount of \$494,600 bears interest at 3% annually and all interest and principal is due December 2040, if the project is operated according to the loan regulatory agreement. The note in the amount of \$42,405 bears interest at 6% annually and is due January 2016. Principal and interest payments of \$5,058 are due annually.	537,005
Due from the Plymouth Housing Group (PHG), a Washington nonprofit corporation. The loan bears interest at 1% annually and all principal and interest are due January 2041. Provided the borrower complies with the loan regulatory agreement, all principal and interest will be forgiven January 2041.	856,912

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	<u>Balance September 30, 2004</u>
Two notes due from the Mount Baker Housing Association for the Starlighter Apartments which are secured by a deed of trust on the property. The note in the amount of \$270,000 bears interest at an annual rate of 1%, which is deferred until October 31, 2040 at which time the loan will be forgiven if the project is operated in accordance with the loan agreement. The note in the amount of \$19,967 bears interest at 1% and requires monthly payment amounts of \$318 for ten years until the note is repaid. If the Section 8 program is discontinued by the federal government, the full amount of principal and interest shall be forgiven.	\$ 289,967
Due from the Retirement Housing Foundation. The note requires annual payments and is payable in full by December, 2016. The interest rate is approximately 3.27%.	1,250,000
Due from Emerald City Day Care for operating expenses during initial operations. Payments begin in year five of their lease which ends November 30, 2004. The note matures November 30, 2009.	30,684
Due from Madison Housing Partners Phase I, LLC and Madison Housing Partners Phase II, LLC. The notes are for the Views at Madison Apartments I and Views at Madison II, respectively and are secured by deeds of trust on the properties. Both notes bear interest at an annual rate of 1.0% and are payable December 31, 2042.	826,106
Due from the Seattle Chinatown International District Public Development Authority (SCIDPDA). The note bears interest at a rate of 1% per annum and all interest and principal are due on the maturity date of December 31, 2043.	1,622,881
Two notes due from the LIHI NW 85th LLC which are secured by a deed of trust on the property. One of the \$500,000 notes bears interest at 1% per annum and is payable in full on December 31, 2042 provided that the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement. The other note bears interest at 3% per annum. The balance of principal and accrued interest as of December 31, 2004 shall be amortized over a period of 20 years beginning on January 1, 2005. Payments of \$2,942 will be required monthly until final maturity on December 31, 2025.	1,000,000

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	<u>Balance September 30, 2004</u>
Due from the Andover Court Associates LLC and secured by a deed of trust on the property. The note bears interest at 1% per annum and is payable in full on the maturity date of March 31, 2043 provided that the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement.	\$ 743,179
Due from LIHI Meadowbrook Associates, LLC in the amount of \$600,000. The note bears interest of 1% per annum. The balance of principal and accrued interest is due in full on the maturity date of December 31, 2052.	600,000
Due from HRG for the purchase of Judkins Park Apartments. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of February 29, 2044.	400,340
Due from the Archdiocesan Housing Authority and ML King Housing Limited Partnership. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of July 31, 2044.	266,013
Due from Community Psychiatric Clinic for the purchase of two properties. The notes bear no interest and mature November 30, 2013 with annual payments required.	<u>434,001</u>
Total for all funds	<u>\$ 11,774,099</u>

(b) Notes Receivable from Component Units

The Authority has a note receivable in the amount of \$18,440,699 from the Holly Park Limited Partnership for phase one of the Holly Park redevelopment project. The note bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning July 1, 1999. Remaining interest and principal are due on March 1, 2038. As of September 30, 2004, the amount of interest payable on the note to the Authority was \$184,407.

The Authority also has two loans to the Ravenna School Limited Partnership. Both loans bear an interest rate of 1% after the first 15 years and are to be repaid by December 31, 2049. One of the loans is from the nonmajor funds in the amount of \$398,612 and the other loan is from the Senior Housing program in the amount of \$131,115. As of September 30, 2004, the amount of interest payable on the notes to the Authority was \$2,657.

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Notes to Basic Financial Statements

September 30, 2004

The Authority has a note receivable in the amount of \$6,195,384 from the Othello Street Limited Partnership for phase two of the Holly Park redevelopment project. The note bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning July 1, 2000. Remaining interest and principal are due on July 1, 2051. As of September 30, 2004, the amount of interest payable on the notes to the Authority was \$265,341.

The Authority has two notes receivable from the Desdemona Limited Partnership (DLP) for phase three of the Holly Park Redevelopment project. The note in the amount of \$8,335,227 bears interest at 3.0% per annum and interest only payments on the outstanding principal balance are due to the Authority from available net cash flow beginning March 1, 2006. The note in the amount of \$5,174,000 bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning March 1, 2006. Remaining interest and principal on both notes are due on March 1, 2058. As of September 30, 2004, the amount of interest payable on the notes to the Authority was \$381,853.

The Authority has three notes receivable in the amounts of \$7,326,434, \$1,461,183 and \$906,325 from Escallonia Limited Partnership (ELP) as of September 30, 2004. The notes bear noncompounding interest at 1% per annum and mature in fiscal year 2044. Interest payments are due annually from available net cash flow beginning in the current fiscal year. Principal and any remaining unpaid interest are due at maturity. The Authority also has a non-interest bearing short-term note receivable in the amount of and \$299,826 from ELP as of September 30, 2004 payable from available net cash flows. As of September 30, 2004, the amount of interest payable on the notes to the Authority was \$161,996.

The Authority has notes receivable in the amounts of \$771,188 and \$2,373,268 from High Point North Limited Partnership (HPNLP) as of September 30, 2004. The notes bear compounding interest at 1% per annum and mature in fiscal year 2054. Interest payments are due annually from available net cash flow beginning in the current fiscal year. Principal and any remaining unpaid interest are due at maturity. The Authority also has a non-interest bearing short-term note receivable in the amount of \$1,483,738 from HPNLP as of September 30, 2004 payable from available net cash flows. As of September 30, 2004, the amount of interest payable on the notes to the Authority was \$79,039.

The Authority has a note receivable from the Ritz Apartments Limited Partnership (RALP) in the amount of \$100,000 as of September 30, 2004. The note bears interest at 1% per annum and matures on March 30, 2054. Interest and principal are due annually from available cash flow in the year beginning October 1, 2005. As of September 30, 2004, the amount of interest payable on the note to the Authority was \$83.

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Notes to Basic Financial Statements

September 30, 2004

(6) Capital Assets

The following is a summary of changes in capital assets of the Authority for the year ended September 30, 2004:

	<u>Balance October 1, 2003</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2004</u>
Capital assets, not being depreciated:				
Land	\$ 59,559,721	6,370,330	(1,922,241)	64,007,810
Construction in Progress	<u>52,967,423</u>	<u>60,951,580</u>	<u>(48,955,431)</u>	<u>64,963,572</u>
Total capital assets not being depreciated	<u>112,527,144</u>	<u>67,321,910</u>	<u>(50,877,672)</u>	<u>128,971,382</u>
Depreciable capital assets:				
Structures	326,887,128	18,264,050	(22,059,944)	323,091,234
Equipment	<u>12,591,942</u>	<u>1,294,954</u>	<u>(390,393)</u>	<u>13,496,503</u>
	<u>339,479,070</u>	<u>19,559,004</u>	<u>(22,450,337)</u>	<u>336,587,737</u>
Less accumulated depreciation for:				
Structures	(161,847,599)	(9,971,366)	17,900,384	(153,918,581)
Equipment	<u>(9,663,577)</u>	<u>(1,470,037)</u>	<u>224,325</u>	<u>(10,909,289)</u>
Total accumulated depreciation	<u>(171,511,176)</u>	<u>(11,441,403)</u>	<u>18,124,709</u>	<u>(164,827,870)</u>
Total capital assets, being depreciated, net	<u>167,967,894</u>	<u>8,117,601</u>	<u>(4,325,628)</u>	<u>171,759,867</u>
Total capital assets, net	\$ <u><u>280,495,038</u></u>	\$ <u><u>75,439,511</u></u>	\$ <u><u>(55,203,300)</u></u>	\$ <u><u>300,731,249</u></u>

The following is a summary of capital assets by major fund for the Authority as of September 30, 2004:

	<u>Operating</u>	<u>Low rent</u>	<u>Section 8</u>	<u>Local Housing</u>
Land	\$ 6,743,560	21,726,828	--	17,691,960
Structures	13,556,336	191,937,819	—	55,363,282
Equipment	1,721,170	9,804,293	451,076	59,559
Construction in progress	1,340,795	62,924,466	551,661	90,810
Accumulated depreciation	<u>(5,479,351)</u>	<u>(138,616,310)</u>	<u>(288,603)</u>	<u>(3,888,577)</u>
Total	\$ <u><u>17,882,510</u></u>	\$ <u><u>147,777,096</u></u>	\$ <u><u>714,134</u></u>	\$ <u><u>69,317,034</u></u>

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Notes to Basic Financial Statements

September 30, 2004

	<u>Senior Housing</u>	<u>Nonmajor funds</u>	<u>Total</u>
Land	\$ 10,996,397	6,849,065	64,007,810
Structures	44,463,296	17,770,501	323,091,234
Equipment	800,218	660,187	13,496,503
Construction in progress	—	55,840	64,963,572
Accumulated depreciation	<u>(11,796,443)</u>	<u>(4,758,586)</u>	<u>(164,827,870)</u>
Total	\$ <u>44,463,468</u>	<u>20,577,007</u>	<u>300,731,249</u>

The following is a summary of changes in capital assets of the Operating fund for the year ended September 30, 2004:

	<u>Balance October 1, 2003</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2004</u>
Capital assets, not being depreciated:				
Land	\$ 6,743,560	—	—	6,743,560
Construction in Progress	<u>—</u>	<u>1,340,795</u>	<u>—</u>	<u>1,340,795</u>
Total capital assets not being depreciated	<u>6,743,560</u>	<u>1,340,795</u>	<u>—</u>	<u>8,084,355</u>
Depreciable capital assets:				
Structures	12,256,856	1,299,480	—	13,556,336
Equipment	<u>1,691,285</u>	<u>29,885</u>	<u>—</u>	<u>1,721,170</u>
	<u>13,948,141</u>	<u>1,329,365</u>	<u>—</u>	<u>15,277,506</u>
Less accumulated depreciation for:				
Structures	(3,484,434)	(599,133)	—	(4,083,567)
Equipment	<u>(1,209,745)</u>	<u>(186,039)</u>	<u>—</u>	<u>(1,395,784)</u>
Total accumulated depreciation	<u>(4,694,179)</u>	<u>(785,172)</u>	<u>—</u>	<u>(5,479,351)</u>
Total capital assets, being depreciated, net	<u>9,253,962</u>	<u>544,193</u>	<u>—</u>	<u>9,798,155</u>
Total capital assets, net	\$ <u>15,997,522</u>	<u>1,884,988</u>	<u>—</u>	<u>17,882,510</u>

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of changes in capital assets of the Low Rent fund for the year ended September 30, 2004:

	<u>Balance October 1, 2003</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2004</u>
Capital assets, not being depreciated:				
Land	\$ 21,642,916	136,201	(52,289)	21,726,828
Construction in Progress	52,943,683	46,867,690	(36,886,907)	62,924,466
Total capital assets not being depreciated	<u>74,586,599</u>	<u>47,003,891</u>	<u>(36,939,196)</u>	<u>84,651,294</u>
Depreciable capital assets:				
Structures	204,092,988	5,593,095	(17,748,264)	191,937,819
Equipment	9,115,111	1,058,744	(369,562)	9,804,293
	<u>213,208,099</u>	<u>6,651,839</u>	<u>(18,117,826)</u>	<u>201,742,112</u>
Less accumulated depreciation for:				
Structures	(141,391,434)	(6,275,109)	17,263,082	(130,403,461)
Equipment	(7,334,811)	(1,083,557)	205,519	(8,212,849)
Total accumulated depreciation	<u>(148,726,245)</u>	<u>(7,358,666)</u>	<u>17,468,601</u>	<u>(138,616,310)</u>
Total capital assets, being depreciated, net	<u>64,481,854</u>	<u>(706,827)</u>	<u>(649,225)</u>	<u>63,125,802</u>
Total capital assets, net	<u>\$ 139,068,453</u>	<u>46,297,064</u>	<u>(37,588,421)</u>	<u>147,777,096</u>

Included in the construction in progress dispositions and transfers for the Low Rent fund are \$3.6 million of infrastructure costs for roads and sewers that were transferred back to the City of Seattle related to the Hope VI Redevelopment project at Holly Park. Also included in this category are dispositions of \$12 million for the Holly Park homes that the Authority built and subsequently sold as another part of the redevelopment project, \$13.0 million in dispositions from the Capital Projects program to expense uncapitalizable cost, and approximately \$6.0 million of transfers to other funds. Dispositions of structures for the Low Rent fund includes demolition of units at High Point in the amount \$12.5 million, carried out as part of the Hope VI redevelopment activities at the site as well as the write-off of soft costs and other noncapitalizable items.

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of changes in capital assets of the Section 8 fund for the year ended September 30, 2004:

	<u>Balance October 1, 2003</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2004</u>
Capital assets, not being depreciated:				
Construction in Progress	\$ —	551,661	—	551,661
Depreciable capital assets:				
Equipment	325,790	125,286	—	451,076
Accumulated depreciation	(205,354)	(83,249)	—	(288,603)
Total capital assets, depreciated net	<u>120,436</u>	<u>42,037</u>	<u>—</u>	<u>162,473</u>
Total capital assets, net	\$ <u>120,436</u>	<u>593,698</u>	<u>—</u>	<u>714,134</u>

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of changes in capital assets of the Local Housing fund for the year ended September 30, 2004:

	<u>Balance October 1, 2003</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2004</u>
Capital assets, not being depreciated:				
Land	\$ 13,922,763	4,047,752	(278,555)	17,691,960
Construction in Progress	23,740	67,070	—	90,810
Total capital assets not being depreciated	<u>13,946,503</u>	<u>4,114,822</u>	<u>(278,555)</u>	<u>17,782,770</u>
Depreciable capital assets:				
Structures	47,960,612	8,796,780	(1,394,110)	55,363,282
Equipment	49,711	9,848	..	59,559
	<u>48,010,323</u>	<u>8,806,628</u>	<u>(1,394,110)</u>	<u>55,422,841</u>
Less accumulated depreciation for:				
Structures	(2,137,708)	(1,723,870)	23,204	(3,838,374)
Equipment	(49,190)	(1,013)	—	(50,203)
Total accumulated depreciation	<u>(2,186,898)</u>	<u>(1,724,883)</u>	<u>23,204</u>	<u>(3,888,577)</u>
Total capital assets, being depreciated, net	<u>45,823,425</u>	<u>7,081,745</u>	<u>(1,370,906)</u>	<u>51,534,264</u>
Total capital assets, net	\$ <u><u>59,769,928</u></u>	<u><u>11,196,567</u></u>	<u><u>(1,649,461)</u></u>	<u><u>69,317,034</u></u>

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The following is a summary of changes in capital assets of the Senior Housing fund for the year ended September 30, 2004:

	Balance October 1, 2003	Additions and transfers in	Dispositions and transfers out	Balance September 30, 2004
Capital assets, not being depreciated:				
Land	\$ 10,996,397	—	—	10,996,397
Construction in Progress	—	—	—	—
Total capital assets not being depreciated	<u>10,996,397</u>	<u>—</u>	<u>—</u>	<u>10,996,397</u>
Depreciable capital assets:				
Structures	43,820,009	643,287	—	44,463,296
Equipment	780,467	35,088	(15,337)	800,218
	<u>44,600,476</u>	<u>678,375</u>	<u>(15,337)</u>	<u>45,263,514</u>
Less accumulated depreciation for:				
Structures	(10,366,187)	(740,450)	—	(11,106,637)
Equipment	(645,036)	(60,107)	15,337	(689,806)
Total accumulated depreciation	<u>(11,011,223)</u>	<u>(800,557)</u>	<u>15,337</u>	<u>(11,796,443)</u>
Total capital assets, being depreciated, net	<u>33,589,253</u>	<u>(122,182)</u>	<u>—</u>	<u>33,467,071</u>
Total capital assets, net	\$ <u><u>44,585,650</u></u>	<u><u>(122,182)</u></u>	<u><u>—</u></u>	<u><u>44,463,468</u></u>

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of changes in capital assets of the nonmajor funds for the year ended September 30, 2004:

	Balance October 1, 2003	Additions and transfers in	Dispositions and transfers out	Balance September 30, 2004
Capital assets, not being depreciated:				
Land	\$ 6,254,085	2,186,377	(1,591,397)	6,849,065
Construction in Progress	—	12,124,364	(12,068,524)	55,840
Total capital assets not being depreciated	<u>6,254,085</u>	<u>14,310,741</u>	<u>(13,659,921)</u>	<u>6,904,905</u>
Depreciable capital assets:				
Structures	18,756,663	1,931,408	(2,917,570)	17,770,501
Equipment	629,578	36,103	(5,494)	660,187
	<u>19,386,241</u>	<u>1,967,511</u>	<u>(2,923,064)</u>	<u>18,430,688</u>
Less accumulated depreciation for:				
Structures	(4,467,836)	(632,804)	614,098	(4,486,542)
Equipment	(219,441)	(56,072)	3,469	(272,044)
Total accumulated depreciation	<u>(4,687,277)</u>	<u>(688,876)</u>	<u>617,567</u>	<u>(4,758,586)</u>
Total capital assets, being depreciated, net	<u>14,698,964</u>	<u>1,278,635</u>	<u>(2,305,497)</u>	<u>13,672,102</u>
Total capital assets, net	<u>\$ 20,953,049</u>	<u>15,589,376</u>	<u>(15,965,418)</u>	<u>20,577,007</u>

The Home Ownership fund within the nonmajor funds had transfers in and dispositions related to home and land sales at the Holly Park Redevelopment project within the Low Rent fund.

Substantial restrictions are imposed by HUD, as well as by state and local governments, on the use and collateralization of the Authority's capital assets.

Construction in Progress

Capital improvements made on the Authority's Low Rent housing stock are financed by grant funds provided by HUD under Capital Grants and the Urban Revitalization Demonstration Grant (URD/HOPE VI). The funds provided through these programs are used to rehabilitate the housing stock, which extends the useful life of the buildings. Capital grants are awarded annually based on a comprehensive modernization plan submitted by the Authority. Hope VI grants are awarded based on a specific application request. The Authority's construction in progress in the Low Rent program consists of the costs for modernization of public housing units. When modernization grants are completed, HUD issues a modernization cost certificate for each grant at which time construction in progress for that grant is recorded in the building category.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

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The following schedule shows the significant components of the construction in progress in the Low Rent fund as of September 30, 2004:

Low Rent fund:	
Public Housing	\$ 247,827
Modernization funds – Capital Grants	16,765,046
Modernization funds – URD/HOPE VI grants	<u>45,911,593</u>
Total construction in progress	<u>\$ 62,924,466</u>

Component Units

The following is a summary of changes in the capital assets of the Authority's component units for the year ended December 31, 2003:

	Balance January 1, 2003	Additions and transfers in	Dispositions and transfers out	Balance December 31, 2003
Capital assets, not being depreciated:				
Construction in Progress	\$ 2,040,427	12,228,230	—	14,268,657
Total capital assets not being depreciated	<u>2,040,427</u>	<u>12,228,230</u>	<u>—</u>	<u>14,268,657</u>
Depreciable capital assets:				
Structures	55,029,306	—	—	55,029,306
Equipment	1,842,001	—	—	1,842,001
	<u>56,871,307</u>	<u>—</u>	<u>—</u>	<u>56,871,307</u>
Less accumulated depreciation for:				
Structures	(4,709,416)	(1,581,206)	—	(6,290,622)
Equipment	(709,040)	(284,276)	—	(993,316)
Total accumulated depreciation	<u>(5,418,456)</u>	<u>(1,865,482)</u>	<u>—</u>	<u>(7,283,938)</u>
Total capital assets, being depreciated, net	<u>51,452,851</u>	<u>(1,865,482)</u>	<u>—</u>	<u>49,587,369</u>
Total capital assets, net	<u>\$ 53,493,278</u>	<u>10,362,748</u>	<u>—</u>	<u>63,856,026</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2004

(7) **Long-Term Debt**

(a) The following is a summary of changes in the Authority's long-term debt for the year ended September 30, 2004:

	Balance October 1, 2003	Additions	Retirements	Balance September 30, 2004	Due within one year
Operating fund:					
Line of credit payable for Wallingford site and North Maintenance facility replacement site. Interest is payable monthly at the rate of 59% of Key Bank's prime rate or 2.80% as of September 30, 2004.	\$ 203,985	—	—	203,985	203,985
Loan payable for PorchLight facility, due in 2010. Interest is payable monthly at the rate of 64% of Bank of America's prime rate or 3.04% as of September 30, 2004.	1,105,677	—	203,231	902,446	203,230
Loan payable to the City of Seattle for the Epstein Building remodel financed by HUD Community Development Block Grant funds. The loan will be fully forgiven on December 31, 2017 if the property is kept for low income use.	—	200,000	—	200,000	—
Line of credit payable for Gamelin House. Interest is payable at the rate of 59% of Key Bank's prime rate or 2.80% as of September 30, 2004.	—	1,155,787	—	1,155,787	1,155,787
Total notes payable	<u>1,309,662</u>	<u>1,355,787</u>	<u>203,231</u>	<u>2,462,218</u>	<u>1,563,002</u>
Bonds payable for the Wakefield Building and the PorchLight Building in annual payments of approximately \$600,000 including interest at rates of 2.85% to 6.1%; final due date of May 1, 2032. The bonds are secured by a deed of trust on the Wakefield and PorchLight buildings.	8,230,000	—	130,000	8,100,000	130,000
Bonds payable for the Wallingford property in annual payments of \$64,716 including interest at 7%; final due date is January 11, 2015. The bonds are secured by a pledge of the general revenues of the Authority.	505,355	—	30,299	475,056	32,491
Total bonds payable	<u>8,735,355</u>	<u>—</u>	<u>160,299</u>	<u>8,575,056</u>	<u>162,491</u>
Accrued compensated absences	48,936	340	39,507	9,769	68
Total long-term obligations	<u>10,093,953</u>	<u>1,356,127</u>	<u>403,037</u>	<u>11,047,043</u>	<u>1,725,561</u>

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September 30, 2004

	<u>Balance October 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
Low rent fund:					
Note payable to the City of Seattle for the Yesler Terrace gymnasium improvements financed by HUD Community Development Block Grant funds. The loan will be fully forgiven on December 31, 2007 (10 years) if the property is kept for low-income use. \$	149,426	—	—	149,426	—
Notes payable issued in 1998 to the City of Seattle's General Fund, Urban Renewal and Capital Facilities Fund. Interest accrues at 1% simple interest per year and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	2,417,263	—	—	2,417,263	—
Note payable to the City of Seattle's Housing Development Fund. Interest accrues at 1% simple interest per year and is payable on or before September 11, 2040.	1,700,000	—	—	1,700,000	—
Notes payable to the City of Seattle's Cumulative Reserve Fund and HOME Program. Interest accrues at 1% simple interest per year up to the 20th year and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal and interest payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance and accrued interest will be forgiven.	2,800,000	—	—	2,800,000	—
Line of credit payable to Key Bank for NewHolly Phase II of the Hope VI For Sale home program. Construction loan with maximum borrowing amount of \$10 million. Amounts are borrowed for construction expenditures and are repaid as homes are sold. The rate is prime rate minus 2.25% with a floor of 2.95%. The line matures and all principal and interest are due October 1, 2005.	4,292,877	—	4,292,877	—	—

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September 30, 2004

	Balance October 1, 2003	Additions	Retirements	Balance September 30, 2004	Due within one year
Line of credit payable to Bank of America for NewHolly Phase III. The maximum borrowing amount is \$10 million. The rate is 65% of the Bank's prime rate or 3.09% as of September 30, 2004. The line matures and all principal and interest are due January 24, 2006.	\$ 4,077,489	269,511	4,347,000	—	—
Line of credit payable to Bank of America for Rainier Vista redevelopment infrastructure. The maximum borrowing amount is \$10 million. The rate is 65% of the Bank's prime rate or 3.09% as of September 30, 2004. The line matures and all principal and interest are due January 24, 2006. Payment is expected prior to September 30, 2005.	—	3,229,814	—	3,229,814	3,229,814
Line of credit payable to Bank of America for High Point redevelopment infrastructure. The maximum borrowing amount is \$10 million. The rate is 65% of the Bank's prime rate or 3.09% as of September 30, 2004. The line matures and all principal and interest are due January 24, 2006. Payment is expected prior to September 30, 2005.	—	4,545,869	—	4,545,869	4,545,869
Notes payable to the City of Seattle's HOME Program. Interest accrues at 1% simple interest per annum from the date of each advance and is payable on or before August 7, 2005.	—	816,000	—	816,000	—
Note payable to the City of Seattle for Yesler community room improvements financed by Human Services Department Community Development Block Grant funds. The loan will be fully forgiven on March 31, 2009 (5 years) if the property is kept for low-income use.	—	99,961	—	99,961	—
Line of credit for purchase of scattered site replacement at 4818 SW Delridge. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	—	340,504	—	340,504	340,504
Total notes payable	15,437,055	9,301,659	8,639,877	16,098,837	8,116,187
Accrued compensated absences	1,320,721	283,215	407,236	1,195,700	82,108
Total long-term obligations	16,757,776	9,584,874	9,047,113	17,295,537	8,198,295

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September 30, 2004

	Balance October 1, 2003	Additions	Retirements	Balance September 30, 2004	Due within one year
Section 8 fund:					
Accrued compensated absences	\$ 265,218	8,139	25,268	248,089	7,617
Total long-term obligations	265,218	8,139	25,268	248,089	7,617
Local housing fund:					
Note payable to the State of Washington for the Villa Park Project. Interest accrues at 1% per year compounded monthly with 50 annual payments of \$27,698. The note is secured by a deed of trust on the property.	999,760	—	17,701	982,059	17,877
Note payable to the City for the Villa Park Apartments. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with debt covenants for 75 years, the unpaid principal balance will be forgiven. The note is secured by a deed of trust on the property.	1,785,723	—		1,785,723	—
Mortgage Loan for Wedgewood Estates payable to Prudential. Term is 35 years with final maturity August 1, 2036. The interest rate is 5.72% with monthly payments of \$94,774. The loan is guaranteed with FHA Insurance.	16,843,776	—	178,454	16,665,322	188,932
Line of credit for Lake City Commons. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612 or 3.49% on September 30, 2004.	512,119	1,530,499	2,042,618	—	—
Line of credit for Westwood Heights East 4plex. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612 or 3.49% on September 30, 2004.	297,920	587,617		885,537	885,537
Mortgage Loan for Wisteria Court payable to Prudential. Term is 35 years with final maturity August 1, 2038. The interest rate is 5.51% with monthly payments of \$21,114. The loan is guaranteed with FHA Insurance.	3,927,000	—	34,701	3,892,299	39,905
Line of credit for Wisteria Court. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	—	1,044,032	—	1,044,032	1,044,032

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Notes to Basic Financial Statements

September 30, 2004

	Balance October 1, 2003	Additions	Retirements	Balance September 30, 2004	Due within one year
Line of credit for Main Street Properties. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	\$ —	985,055	—	985,055	985,055
Mortgage loan payable to CS Capital for the purchase of Main Street Properties bearing interest at a rate of 6% with maturity date of November 1, 2012. The mortgage is secured by a deed of trust on the property.	—	1,941,974	5,873	1,936,101	25,403
Line of credit for Aldercrest Apartments. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	—	1,985,117	—	1,985,117	1,985,117
Line of credit for Ritz Apartments. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	—	1,027,711	—	1,027,711	1,027,711
Other notes payable	509,547	—	—	509,547	—
Total notes payable	<u>24,875,845</u>	<u>9,102,005</u>	<u>2,279,347</u>	<u>31,698,503</u>	<u>6,199,569</u>
Bonds payable for the Villa Park Apartments in annual payments of \$25,000 to \$1,065,000 plus interest at rates of 4.5% to 6.5%; final due date November 1, 2026. The bonds are secured by a pledge of general revenues of the Authority, and a deed of trust on the Villa Park Apartments.	1,785,000	—	35,000	1,750,000	35,000
Bonds payable for Telemark Apartments, Stone Avenue Townhomes and 532 N 104th St Townhomes in the Local Housing Fund. Annual payments are \$25,000 to \$420,000 plus interest at rates of 3.5% to 6.125%; final due date is June 1, 2031. The bonds are secured by a deed of trust on the property.	2,880,000	—	30,000	2,850,000	35,000
Variable rate bonds payable for Wedgewood Estates in the amount of \$3,750,000. The interest rate is 10 basis points plus the Bond Market Association Swap Index (average of 7 day high grade bonds) and was 1.75% on September 30, 2004. Annual payments are made from cash flow on the project with final due date before August 2006. Bonds are secured by a Letter of Credit with KeyBank.	3,490,000	—	135,000	3,355,000	140,000

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September 30, 2004

	<u>Balance October 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
Fixed rate bonds payable for Wedgewood Estates in the amount of \$17,185,000. Annual payments are \$160,000 to \$1,110,000 plus interest at rates of 3.25% to 5.6%; with final due date of August 20, 2036. The bond proceeds are invested in GNMA certificates to secure the bond repayment.	\$ 16,835,000	—	195,000	16,640,000	200,000
Fixed rate bonds payable for Market Terrace and Mary Avenue townhomes in the amount of \$3,145,000. Annual payments are \$45,000 to \$415,000 plus interest rates of 2.35% to 5.8% with final due date of August 31, 2032. The bonds are secured by a deed of trust on the properties.	1,105,060	—	16,041	1,089,019	16,041
Fixed rate bonds payable for Montridge Arms Apartments in the amount of \$1,830,000. Annual payments are \$25,000 to \$125,000 plus interest at rates of 2.5% to 6.0% with final due date of February 1, 2032. The bonds are secured by a deed of trust on the property.	1,805,000	—	25,000	1,780,000	30,000
Fixed rate bonds payable for Longfellow Creek Apartments in the amount of \$3,685,000. Annual payments are \$15,000 to \$235,000 plus interest at rates of 1.9% to 5.35% with final due date of October 1, 2033. The bonds are secured by a pledge of the general revenue of the Authority and certain revenues, and receipts available from the property.	3,685,000	—	—	3,685,000	15,000
Fixed rate bonds payable for HOPE VI replacement housing properties of Lam Bow, Roxbury Apartments and various units purchased from Decker properties in the amount of \$10,000,000. Annual payments are \$125,000 to \$695,000 plus interest rates at 6.125% with final due date of December 1, 2032. The bonds are secured by the general revenue of the Authority and certain revenues and receipts available from the property.	10,000,000	—	125,000	9,875,000	130,000
Fixed rate bonds payable for Wisteria Court Apartments in the amount of \$3,925,000. Annual payments are \$45,000 to \$245,000 plus interest at rates of 1.2% to 5.3% with final due date of October 20, 2038. The bond proceeds are invested in GNMA certificates to secure the bond repayment.	3,925,000	—	—	3,925,000	45,000

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September 30, 2004

	Balance October 1, 2003	Additions	Retirements	Balance September 30, 2004	Due within one year
Fixed rate bonds payable for Main Street Apartments and Yesler Court bearing interest at a rate of 2.15% to 5.85% with final due date of March 31, 2034. The bonds are secured by a pledge of the project revenues. \$	—	1,965,000	—	1,965,000	15,000
Fixed rate bonds payable for the refinance of Bayview and Lake City Commons bearing interest at a rate of 2.15% to 5.8% with final due date of August 1, 2034. The bonds are secured by deeds of trust on the properties.	—	1,012,932	—	1,012,932	16,272
Total bonds payable	45,510,060	2,977,932	561,041	47,926,951	677,313
Accrued compensated absences	509	592	470	631	583
Total long-term obligations	70,386,414	12,080,529	2,840,858	79,626,085	6,877,465
Senior housing fund:					
Accrued compensated absences	99,184	16,539	4,342	111,381	4,876
Total long-term obligations	99,184	16,539	4,342	111,381	4,876
Nonmajor funds:					
Mortgage for the Bay View Tower fund payable in monthly installments of \$18,628, including interest at 7% through September 2008. The mortgage is collateralized by a first deed of trust on Bay View Tower's land, building and equipment, the related Housing Assistance Payment Contract with HUD, and the fund's replacement reserve balance.	914,352	—	914,352	—	—
Note payable to the City for the Beacon House Project. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	329,260	—	—	329,260	—
Line of credit payable for South Park Maintenance facility. Interest is payable monthly at the rate of 59% of Key Bank's prime rate or 2.80% on September 30, 2004	1,289,652	—	—	1,289,652	1,289,652
Line of credit payable for various properties in the Development fund including the Salvation Army building. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	1,306,150	2,011,342	—	3,317,492	3,317,492

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Notes to Basic Financial Statements

September 30, 2004

	<u>Balance October 1, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2004</u>	<u>Due within one year</u>
Mortgage loan payable to CW Capital for the purchase of Main Street Properties bearing interest at a rate of 6% with maturity date of November 1, 2012. The mortgage is secured by a deed of trust on the property.	\$ --	239,293	—	239,293	3,140
Line of credit for Main Street Properties. Interest is payable monthly at the rate of 65% of Key Bank's prime rate plus 0.612% or 3.49% on September 30, 2004.	—	121,748	—	121,748	121,748
Other notes payable	114,212	—	—	114,212	—
Total notes payable	<u>3,953,626</u>	<u>2,372,383</u>	<u>914,352</u>	<u>5,411,657</u>	<u>4,732,032</u>
Bonds payable to a bank for the Market House project bearing interest at rates from 4% to 8% (plus McKinney Act payments to HUD of 2.5% to 3.5%) with maturity dates through February 2015. The bonds are collateralized by a deed of trust on the project's land and building, the project's housing assistance payment contract with HUD, and all revenues, rents, profits or sale proceeds accruing to the project.	1,379,889	—	130,331	1,249,558	80,915
Fixed rate bonds payable for Market Terrace and Mary Avenue townhomes in the amount of \$3,145,000. Annual payments are \$45,000 to \$415,000 plus interest at rates of 2.35% to 5.8% with final due date of August 31, 2032. The bonds are secured by a deed of trust on the properties.	1,994,940	—	28,959	1,965,981	28,959
Fixed rate bonds payable for the refinance of Bayview and Lake City Commons bearing interest at a rate of 2.15% to 5.8% with final due date of August 1, 2034. The bonds are secured by deeds of trust on the properties.	—	2,722,068	—	2,722,068	43,728
Total bonds payable	<u>3,374,829</u>	<u>2,722,068</u>	<u>159,290</u>	<u>5,937,607</u>	<u>153,602</u>
Accrued compensated absences	<u>1,006,711</u>	<u>129,053</u>	<u>36,140</u>	<u>1,099,624</u>	<u>34,591</u>
Total long-term obligations	<u>8,335,166</u>	<u>5,223,504</u>	<u>1,109,782</u>	<u>12,448,888</u>	<u>4,920,225</u>
Primary government total notes payable	<u>45,576,188</u>	<u>22,131,834</u>	<u>12,036,807</u>	<u>55,671,215</u>	<u>20,610,790</u>
Primary government total bonds payable	<u>57,620,244</u>	<u>5,700,000</u>	<u>880,630</u>	<u>62,439,614</u>	<u>993,406</u>
Primary government accrued compensated absences	<u>2,741,279</u>	<u>437,878</u>	<u>512,963</u>	<u>2,666,194</u>	<u>129,843</u>
Primary government total-long term obligations	<u>\$ 105,937,711</u>	<u>28,269,712</u>	<u>13,430,400</u>	<u>120,777,023</u>	<u>21,734,039</u>

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of debt service requirements of the Authority for long-term obligations as of September 30, 2004:

	Bonds	Notes	Total	
			Principal	Interest
2005	\$ 4,460,041	22,628,215	21,604,196	5,484,060
2006	4,577,623	1,902,658	1,626,517	4,853,764
2007	4,538,530	2,045,905	1,790,723	4,793,712
2008	4,527,660	1,890,300	1,689,798	4,728,162
2009	4,537,901	1,870,564	1,748,442	4,660,023
2010 - 2014	22,770,853	10,314,584	11,171,076	21,914,361
2015 - 2019	22,313,751	7,781,716	11,774,958	18,320,509
2020 - 2024	20,838,994	7,581,716	13,565,736	14,854,974
2025 - 2029	20,059,387	7,581,716	17,087,911	10,553,192
2030 - 2034	16,899,326	8,091,264	19,928,499	5,062,091
2035 - 2039	3,435,284	7,933,658	10,455,478	913,464
2040 - 2044	—	4,823,647	4,743,395	80,252
2045 - 2049	—	151,616	108,100	43,516
2050 - 2053	—	847,434	816,000	31,434
Total requirements	\$ 128,959,350	85,444,993	118,110,829	96,293,514

The following is a summary of debt service requirements for long-term obligations as of September 30, 2004 for the Operating fund:

	Bonds	Notes	Total	
			Principal	Interest
2005	\$ 668,074	1,624,141	1,725,493	566,722
2006	667,874	222,942	373,070	517,746
2007	667,136	216,763	380,589	503,310
2008	665,836	210,585	388,290	488,131
2009	668,876	90,887	287,482	472,281
2010 - 2014	3,339,871	—	1,161,099	2,178,772
2015 - 2019	3,041,112	200,000	1,406,251	1,834,861
2020 - 2024	3,019,050	—	1,585,000	1,434,050
2025 - 2029	3,014,565	—	2,120,000	894,565
2030 - 2034	1,810,385	—	1,610,000	200,385
Total requirements	\$ 17,562,779	2,565,318	11,037,274	9,090,823

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September 30, 2004

The following is a summary of debt service requirements for long-term obligations as of September 30, 2004 for the Low Rent fund:

	Notes	Total	
		Principal	Interest
2005	\$ 8,418,729	8,116,187	302,542
2006	77,333	—	77,333
2007	226,759	149,426	77,333
2008	77,333	—	77,333
2009	177,294	99,961	77,333
2010 – 2014	386,665	—	386,665
2015 – 2019	386,665	—	386,665
2020 – 2024	386,665	—	386,665
2025 – 2029	386,665	—	386,665
2030 – 2034	386,665	—	386,665
2035 – 2039	2,759,251	2,417,263	341,988
2040 – 2044	4,570,945	4,500,000	70,945
2045 – 2049	40,800	—	40,800
2050 – 2054	847,434	816,000	31,434
Total requirements	\$ 19,129,203	16,098,837	3,030,366

The following is a summary of debt service requirements for long-term obligations as of September 30, 2004 for the Local Housing fund:

	Bonds	Notes	Total	
			Principal	Interest
2005	\$ 3,283,051	7,697,612	6,876,882	4,103,781
2006	3,348,197	1,581,481	1,052,688	3,876,990
2007	3,356,087	1,581,481	1,108,687	3,828,881
2008	3,348,273	1,581,481	1,152,081	3,777,673
2009	3,352,450	1,581,481	1,211,651	3,722,280
2010 – 2014	16,853,503	9,322,530	8,738,899	17,437,134
2015 – 2019	16,939,059	7,195,051	9,122,814	15,011,296
2020 – 2024	16,176,688	7,195,051	11,164,433	12,207,306
2025 – 2029	15,402,050	7,195,051	13,893,657	8,703,444
2030 – 2034	13,588,213	7,704,599	17,028,164	4,264,648
2035 – 2039	3,435,284	5,174,407	8,038,215	571,476
2040 – 2044	—	138,490	129,183	9,307
2045 – 2049	—	110,816	108,100	2,716
2050 – 2053	—	—	—	—
Total requirements	\$ 99,082,855	58,059,531	79,625,454	77,516,932

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Notes to Basic Financial Statements

September 30, 2004

The following is a summary of debt service requirements for long-term obligations as of September 30, 2004 for the nonmajor funds:

	Bonds	Notes	Total	
			Principal	Interest
2005	\$ 508,916	4,887,733	4,885,634	511,015
2006	561,552	20,902	200,759	381,695
2007	515,305	20,902	152,021	384,186
2008	513,553	20,901	149,427	385,027
2009	516,576	20,902	149,348	388,130
2010 – 2014	2,577,480	605,389	1,271,078	1,911,791
2015 – 2019	2,333,580	—	1,245,893	1,087,687
2020 – 2024	1,643,254	—	816,303	826,951
2025 – 2029	1,642,772	—	1,074,254	568,518
2030 – 2034	1,500,728	—	1,290,335	210,393
2035 – 2039	—	—	—	—
2040 – 2044	—	114,212	114,212	—
2045 – 2048	—	—	—	—
Total requirements	\$ 12,313,716	5,690,941	11,349,264	6,655,393

For variable rate issues, the Authority estimated interest payments based on the interest rates in effect at the end of the fiscal year.

There are several limitations and restrictions contained in the various debt instruments primarily requiring the Authority to maintain certain levels of low-income tenants. Authority management believes it is in compliance with all significant limitations and restrictions.

(b) Debt Refinancing

On August 1, 2004 the Authority issued \$3,735,000 of tax-exempt revenue bonds with an average interest rate of 5.9%. The net proceeds of \$2,811,229 were used to refund approximately \$763,611 of the Bayview Tower mortgage with a fixed interest rate at 7% and to refund Lake City Commons \$2,042,618 line of credit balance with a variable rate of 59% of Key Bank's prime rate of 2.80% as of September 30, 2004. The mortgage and line of credit are considered to be defeased and the liabilities have been removed from the debt schedule.

The Authority did not reduce its aggregate debt service payments, but reduced monthly debt service payments over the next 30 years and obtained an economic gain with a present value of approximately \$761,067.

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Notes to Basic Financial Statements

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(c) Other Borrowings

The Authority has a \$6 million line of credit, which provides the Authority with a ready means of short-term financing. The line of credit bears interest at 59% of the bank's prime rate or 2.80% at September 30, 2004. The line of credit matures August 2005. The total amount outstanding at the end of the fiscal year was \$2,649,424 of which \$1,359,772 was recorded in the Operating fund, and \$1,289,652 in the nonmajor funds. During the current fiscal year, the Authority's line of credit was used to provide interim financing for construction of the Authority's share of Gamelin House at Rainier Vista. Other property purchases were transferred to the real property line of credit.

The Authority also has a \$10 million revolving real property line of credit in order to provide a ready means of financing property acquisitions. The line of credit bears interest at 65% of the bank's prime rate plus 0.612% or equivalent rate of 3.49% at September 30, 2004. The commitment expires in August 2008 and may be extended by the Executive Director of the Authority to a date not later than five years after the original maturity date with the consent of the bank. As of September 30, 2004, the Authority had drawn \$9,707,196 million against the line. Draws on the line were made during the year to provide interim financing for The Ritz Apartments, three of the fourplexes at Westwood Heights East, the Holze property, the Chambers property, the High Point Head Start building, a vacant lot at Kenyon & 39th, the Salvation Army building, Main Street Place, the Mobley House, Alder Crest Apartments, the High Point substation, Wisteria Court, and a triplex for scattered site replacement. In addition, the Columbia Tow Yard was transferred from the operating line of credit. The High Point Head Start building was repaid and not part of the year end balance.

During the year, the Authority established a \$10 million revolving infrastructure line of credit in order to finance construction costs at the Holly Park, Rainier Vista, and High Point redevelopment projects. The line of credit bears interest at 65% of the bank's prime rate on the drawn balance of the line, and 15 basis points on the unused portion of the line or 3.09% as of September 30, 2004. As of September 30, 2004, Holly Park had no outstanding balance drawn from the line, while High Point and Rainier Vista had drawn \$4,545,869 and \$3,229,814 from the line respectively.

(d) Conduit Debt

The Authority has issued special revenue bonds to provide financial assistance to not-for-profit agencies and private developers for the purpose of constructing low-income housing. The bonds are limited obligation bonds of the Authority and are payable solely from project revenue. These nonrecourse conduit bonds are secured by the property financed and are often collateralized by a letter of credit issued by a major bank. The Authority is not obligated in any manner and accordingly the bonds have not been recorded in the accompanying financial statements.

As of September 30, 2004, there were 46 series of these special revenue bonds outstanding. The aggregate principal amount payable for the series issued after September 30, 1996 was \$223,713,739. The aggregate principal amount payable for the 16 series issued prior to October 1, 1996 could not be determined; their original issue amount totaled \$59,738,554.

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(e) *Component Unit Debt*

The Holly Park Limited Partnership (HPLP) has \$5,260,000 in bonds outstanding at December 31, 2003. The bonds were issued by the Authority on behalf of the component unit and are secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest on the bonds is due every six months at a fixed rate comprised of 12 serial bonds with different rates (4.7% – 5.9%). The bonds mature on January 1, 2030.

As of December 31, 2003, HPLP has other long-term debt totaling \$20,140,699. Of this, \$18,440,699 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow beginning July 1, 1999. For the year ending September 30, 2004, no interest payments were made to the Authority. The remaining \$1,700,000 represents a loan from the Washington State Office of Community Trade & Economic Development. The loan accrues no interest and is secured by a lien on the Partnership's property and matures on December 31, 2040.

The Ravenna School Limited Partnership has outstanding debt in the amount of \$529,727 payable to the Authority at December 31, 2003. Two notes for \$131,115 and \$398,612 are payable by December 31, 2039 and bear interest at 1% per year.

The Othello Street Limited Partnership (OSLP) has bonds outstanding at December 31, 2003 of \$2,415,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. The bonds bear interest at 7.0% per year and mature on January 1, 2032.

As of December 31, 2003, OSLP has other long-term debt totaling \$8,195,384. Of this, \$6,195,384 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow. As of September 30, 2004, no interest payments had been made to the Authority. The remaining \$2,000,000 represents a loan from the Washington State Office of Assistance Program. Payments of principal and interest are deferred for 30 years until December 31, 2032, with interest accruing at 1% per annum during the deferral period. Beginning December 31, 2032, all unpaid principal and accrued interest will be paid over 20 years with annual payments of \$149,383.

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The Desdemona Limited Partnership (DLP) has bonds outstanding at December 31, 2003 of \$22,500,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. At December 31, 2003, the interest rate on the \$7,980,000 fixed rate bonds ranged from 3.10% to 6.25% based on the maturity schedule in the First Supplemental Trust Indenture. At December 31, 2003, the interest rate on the \$14,520,000 variable rate bonds was 1.35%. The fixed rate bonds mature on December 1, 2035. The variable rate bonds mature on December 1, 2034.

As of December 31, 2003, DLP has other long-term debt totaling \$7,968,514 secured by liens on the Partnership's property. Of this, \$5,968,514 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow. As of September 30, 2004, no interest payments had been made to the Authority. The remaining \$2,000,000 represents a loan from the State of Washington Department of Community, Trade and Economic Development, Office of Community Development. Payments of principal and interest are deferred for 10 years until December 1, 2015, with interest accruing at 1% per annum during the deferral period. Beginning December 1, 2015, all unpaid principal and accrued interest will be paid over 20 years with annual payments of \$22,104 for the first ten years and \$122,060 for the remaining 10 years with the final payment due on or before October 1, 2045.

The Escallonia Limited Partnership (ELP) has bonds outstanding at December 31, 2003 totaling \$22,500,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Rainier Vista redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at a fixed rate of 4.13% on \$5,275,000 of the bonds, and at the variable bond marketing association (BMA) rate (not to exceed 8%) for the remaining amount of the bonds. The bonds mature on December 1, 2036.

As of December 31, 2003, ELP has other long-term debt totaling \$3,077,092 of general partner loans made by the Authority and secured by liens on the Partnership's property. These loans accrue noncompounding interest at the annual rate of 1% and mature in fiscal year 2044. Interest only payments on the loans are due to the general partner from available net cash flow. As of September 30, 2004, no interest payments had been made to the Authority.

The High Point North Limited Partnership (HPNLP) has bonds outstanding at December 31, 2003 totaling \$32,000,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Bank of America and secured by a deed of trust on the Limited Partnership's leasehold interest in the Rainier Vista redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at the variable bond marketing association (BMA) rate at December 31, 2003. The bonds mature on June 10, 2036.

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As of December 31, 2003, HPNLP has other long-term debt totaling \$790,581 of general partner loans made by the Authority and secured by liens on the Partnership's property. These loans accrue compounding interest at the annual rate of 1% and mature in fiscal year 2054. Interest only payments on the loans are due to the general partner from available net cash flow. As of September 30, 2004, no interest payments had been made to the Authority.

The following is a summary of changes in long-term obligations for the component units:

	Balance January 1, 2003	Additions	Retirements	Balance December 31, 2003	Due within one year
Loans payable to primary government from Holly Park Limited Partnership	\$ 18,440,699	—	—	18,440,699	—
Loan payable to Washington State Office of Community Trade & Economic Development from Holly Park Limited Partnership	1,700,000	—	—	1,700,000	—
Loans payable to primary government from Ravenna School Limited Partnership	529,727	—	—	529,727	—
Loans payable to primary government from Othello Street Limited Partnership	6,195,384	—	—	6,195,384	—
Loan payable to Washington State Office of Assistance Program from Othello Street Limited Partnership	2,000,000	—	—	2,000,000	—
Loans payable to primary government from Desdemona Limited Partnership	1,112,267	4,856,247	—	5,968,514	3,847,085
Loan payable to Washington State Housing Trust fund from Desdemona Limited Partnership	—	2,000,000	—	2,000,000	—
Loans payable to primary government from Escallonia Limited Partnership	868,855	2,208,237	—	3,077,092	—
Bond Anticipation note from Escallonia Limited Partnership	50,000	—	50,000	—	—
Loans payable to primary government from High Point North Limited Partnership	—	790,581	—	790,581	—
Total notes payable	<u>30,896,932</u>	<u>9,855,065</u>	<u>50,000</u>	<u>40,701,997</u>	<u>3,847,085</u>
Bonds payable - Holly Park Limited Partnership	5,345,000	—	85,000	5,260,000	90,000
Bonds payable - Othello Street Limited Partnership	2,440,000	—	25,000	2,415,000	30,000
Bonds payable - Desdemona Limited Partnership	22,500,000	—	—	22,500,000	—
Bonds payable - Escallonia Limited Partnership	—	22,500,000	—	22,500,000	—
Bonds payable - High Point North Limited Partnership	—	32,000,000	—	32,000,000	—
Total bonds payable	<u>30,285,000</u>	<u>54,500,000</u>	<u>110,000</u>	<u>84,675,000</u>	<u>120,000</u>
Total long term obligations	<u>\$ 61,181,932</u>	<u>64,355,065</u>	<u>160,000</u>	<u>125,376,997</u>	<u>3,967,085</u>

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Principal maturities of long-term obligations of the component units as of December 31, 2003 are as follows:

	<u>Bonds</u>	<u>Notes</u>	<u>Total Principal</u>	<u>Total Interest</u>
2004	\$ 2,009,163	4,344,858	3,967,085	2,386,936
2005	2,002,518	497,852	120,000	2,380,370
2006	2,115,653	497,932	240,000	2,373,585
2007	2,119,693	498,012	255,000	2,362,705
2008	2,117,423	498,094	265,000	2,350,517
2009 – 2013	10,586,866	2,491,719	1,550,000	11,528,585
2014 – 2018	10,579,296	2,670,714	2,045,000	11,205,010
2019 – 2023	10,575,247	2,717,194	2,750,000	10,542,441
2024 – 2028	10,549,768	3,026,774	4,095,000	9,481,542
2029 – 2033	9,189,608	3,306,082	4,245,000	8,250,690
2034 – 2038	72,631,960	21,895,747	89,530,699	4,997,008
2039 – 2043	—	4,897,916	3,229,727	1,668,189
2044 – 2048	—	2,220,332	600,000	1,620,332
2049 – 2053	—	7,904,419	6,495,384	1,409,035
2054 – 2058	—	7,175,471	5,989,102	1,186,369
Total requirements	\$ <u>134,477,195</u>	<u>64,643,116</u>	<u>125,376,997</u>	<u>73,743,314</u>

(8) Interfund Receivable/Payable Accounts

The Authority maintains interfund receivable and payable accounts for all housing projects and funds that it administers. Balances at September 30, 2004 are comprised of cash pool allocations to the participating programs. Interfund balances are shown with current and noncurrent portions. Current portions of the interfund balances represent normal operations and are expected to be repaid in less than one year.

Current portions of the interfund receivable and payable balances as of September 30, 2004 are as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>	<u>Net receivable (payable)</u>
Operating fund	\$ 2,621,937	—	2,621,937
Low Rent fund	1,377,586	(10,100,286)	(8,722,700)
Section 8 fund	2,029,899	(20,847)	2,009,052
Local Housing fund	—	(143,530)	(143,530)
Senior Housing fund	1,817,054	—	1,817,054
Nonmajor funds	3,236,564	(818,377)	2,418,187
Net current interfund balances	\$ <u>11,083,040</u>	<u>(11,083,040)</u>	<u>—</u>

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Noncurrent portions of the interfund receivable and payable balances as of September 30, 2004 are as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>	<u>Net receivable (payable)</u>
Operating fund	\$ 160,856	—	160,856
Low Rent fund	10,583,511	—	10,583,511
Section 8 fund	—	—	—
Local Housing fund	—	(3,276,487)	(3,276,487)
Senior Housing fund	—	—	—
Nonmajor funds	—	(7,467,880)	(7,467,880)
	<u>—</u>	<u>(7,467,880)</u>	<u>(7,467,880)</u>
Net noncurrent interfund balances	\$ <u>10,744,367</u>	<u>(10,744,367)</u>	<u>—</u>

During the year the Authority had an increase of interfund activity representing transactions that were expected to span longer than one year. Low Rent fund has loaned approximately \$3.2 million to the Local Housing fund to finance the purchase of several housing properties and for operating shortfalls on newly acquired properties. Low Rent fund has also loaned approximately \$7.4 million to the Development fund in the nonmajor fund group to help finance property purchases and to make loans to not-for-profit partners to help them in support of low-income housing developments. The Authority intends to sell the properties held in the Development fund or redevelop them for new affordable housing with permanent financing.

Transfers between funds during the fiscal year 2004 were as follows:

	<u>Transfers from:</u>			
	<u>Low rent</u>	<u>Section 8</u>	<u>Nonmajor</u>	<u>Total</u>
Transfers to:				
Operating fund	\$ 1,382,181	870,010	478,316	2,730,507
Low Rent fund	—	—	15,539,559	15,539,559
Local Housing fund	148	—	2,935,101	2,935,249
Senior Housing fund	—	—	—	—
Nonmajor funds	<u>14,707,171</u>	<u>849,838</u>	<u>3,417,403</u>	<u>18,974,412</u>
Total transfers	\$ <u>16,089,500</u>	<u>1,719,848</u>	<u>22,370,379</u>	<u>40,179,727</u>

Transfers are used to move unrestricted revenues from the fund that collects them to finance various programs accounted for in other funds in accordance with budgetary authorizations and as allowed under the Authority's participation in the Move to Work program.

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During the year ending September 30, 2004, the Authority's Hope VI Redevelopment program within the Low Rent fund transferred approximately \$12.0 million to the Home Ownership fund under the nonmajor funds. This amount represents the value of the land and homes that were sold as a part of the Holly Park Redevelopment project. Subsequently, the Home Ownership fund transferred back \$14.0 million to the Hope VI Redevelopment program within the Low Rent fund. This represents the net proceeds from the Holly Park home sales and will be used by the Hope VI program to fund the remaining portion of the redevelopment project.

(9) Pension Plans

Substantially all of the Authority's full-time and qualifying part-time employees participate in the Washington State Public Employees Retirement system (PERS), a defined benefit cost-sharing multiple-employer public employee retirement system.

(a) *Plan Description*

The State legislature established PERS in 1947 under RCW Chapter 41.40. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local government. Approximately 50% of PERS members are State employees. PERS contains three tiers (Plans). Participants who joined the system by September 30, 1977, are enrolled in Plan I, while those joining thereafter are enrolled in Plan II. Plan III applies to all employees joining after September 1, 2002 and Employees in Plan II were allowed to transfer to Plan III during the period of September 1, 2002 and May 31, 2003. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service. Plan III members are vested after 10 years for new employees and 5 years for employees transferring from Plan II to Plan III.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual retirement benefit is 2% of the final average salary per year of service, capped at 60%. Final average salary is based on the 24 consecutive highest-paid months.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service. The annual retirement benefit is 2% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan II retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually.

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Plan III members may retire at the age of 65 with at least 10 years of service, or 5 years of service including one year of service after reaching age 55, or 5 years of service under Plan II. The annual retirement benefit is 1% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan III retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually. There is also a defined contribution component of this plan and the amount varies between 5% and 15% depending on the option chosen by the employee.

The Authority's payroll covered under PERS was \$22,403,245 for the year ended September 30, 2004. Total payroll for the year ended September 30, 2004 was \$26,976,956.

(b) Contributions

Each biennium the legislature establishes Plan I and Plan III employer contribution rates and Plan II employer and employee contribution rates. Employee contribution rates for Plan I are established by legislative statute and do not vary from year to year. Employer rates for Plan I are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan II and for Plan III are developed by the Office of the State Actuary to fully fund the system. The methods used to determine the contribution requirements were established under State statute. All employers are required to contribute at the level established by the legislature and the Office of the State Actuary.

The actual contribution rates were changed during the year. Until September 1, 2004, employer and employee rates in effect were 1.41% and 6.00% respectively, under Plan I and 1.41% and 1.18%, respectively under Plan II. Plan III employer rates were 1.41%.

The employer and employee contributions expressed as a percentage of total payroll covered by PERS as of September 30, 2004 were:

	PERS Plan I required	PERS Plan II required	PERS Plan III required
Employer	1.38%	1.38%	1.38%
Employee	6.00	1.18	varies
	7.38%	2.56%	varies

The employer and employee contributions for the years ended September 30, 2004 were:

	PERS Plan I required	PERS Plan II required	PERS Plan III required
Employer	\$ 28,236	308,392	37,877
Employee	121,145	260,264	176,788
	\$ 149,381	568,656	214,665

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The Authority's actuarially determined employer contribution requirement represents approximately 0.33% of the total for all employees covered by PERS.

The following is a three-year summary of the Authority's employee and employer contributions for payroll covered under PERS:

	<u>Total covered payroll</u>	<u>Required employee contributions</u>	<u>Actual contributions as a percentage of required contributions</u>	<u>Employer contributions</u>	<u>Actual contributions as a percentage of required contributions</u>	<u>Employee contributions as a percentage of covered payroll</u>	<u>Employer contributions as a percentage of Covered payroll</u>	<u>Net pension obligation (benefit)</u>
2001	\$ 22,403,245	558,197	100%	\$ 374,505	100%	2.49%	1.67%	—
2003	22,097,379	407,598	100	357,087	100	1.84	1.62	—
2002	20,970,276	321,486	100	392,885	100	1.53	1.87	—

Six-year historical trend information showing PERS' progress in accumulating sufficient assets to pay benefits when due is presented in the PERS December 31, 2003 combined actuarial valuation report. Such report can be obtained from the Washington State Department of Retirement Systems at 402 Legion Way, Olympia, WA 98504.

(10) Deferred Compensation Plan

The Authority, in conjunction with the State of Washington, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is managed by the Washington State Department of Retirement Systems. In June 1998, the State of Washington Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to Government Accounting Standards Board (GASB) Statement 32, since the Authority is not the owner of these assets, the plan assets and liabilities are not reported as part of the Authority.

The Authority has a deferred compensation plan (Plan) for senior level employees. This Plan was created in accordance with 26 U.S.C. 83 and Treasury Regulation 1.83-7 and is administered by the Authority's Board of Commissioners. As a defined contribution plan, the Plan entitles senior level employees to purchase shares of selected funds, bonds or other investments. The vesting in the award is determined by the Authority's Board of Commissioners. The purchase price on award is no less than 25% of such award. At September 30, 2004, the awards under the Plan have not been significant.

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(11) Risk Management

The Authority maintains insurance against most normal hazards. Property insurance coverage is at a limit of \$100 million with a deductible of \$50,000. Earthquake insurance coverage is \$1 million per occurrence with a deductible of 5% per location per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is \$15 million per year with a deductible of \$250,000 per occurrence, subject to annual stop loss aggregate of \$500,000. The Authority also maintains a number of other insurance policies necessary and appropriate in the normal course of business including employee fidelity and directors and officers insurance. The amount of settlements has not exceeded insurance coverage for each year of the past three fiscal years.

The Authority's economic risk as a participant in HARRG is limited to the Authority's initial surplus contribution of \$90,000 and the payment of annual premiums for its general liability insurance coverage. Although the underwriting experience of HARRG may result in increased annual premium charges and/or assessments against each participant's surplus contribution account, the Authority's exposure to any net loss allocation is restricted to its surplus contribution account balance. Based on the results of HARRG's latest annual independent actuarial study performed in accordance with GASB Statement No. 10, the level of reserve maintained by HARRG has been determined to be adequate to cover estimated claim liabilities.

The Authority has elected to pay for its employment security coverage via quarterly reimbursements to the Washington State Department of Employment Security. This reimbursable method of payment is in lieu of unemployment taxes and the election is authorized for all political subdivisions under Washington State Law (RCW 50.44.060).

(12) Contingencies

In connection with various Federal and State grant programs, the Authority is obligated to administer related programs and spend the grant monies in accordance with regulatory restrictions, and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amount, if any, to be immaterial.

As of September 30, 2004, the Authority and its component units have outstanding construction contracts and other commitments totaling approximately \$89.9 million. These commitments are primarily related to the implementation of redevelopment activities and capital projects funded by Federal, State and local financial assistance, tax-exempt bonds and tax credit equity contributions.

The Authority is also contingently liable in connection with claims and contracts arising in the normal course of its activities. Authority management is of the opinion that the outcome of such matters will not have a material effect on the accompanying financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event such contributions were significantly reduced, the Authority would need to seek other funding sources to maintain operations at current levels.

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(13) Required Individual Fund Disclosures

The following expense categories had excess expenses over appropriations at the legal level of control for the years ended September 30, 2004:

Function	Operating fund	Low rent fund	Section 8	Local housing fund	Senior housing fund	Nonmajor funds
Administration	\$ (78,568)	(49,558)	(155,066)	(108,530)	(68,112)	—
Tenant services	—	—	(16,112)	—	—	(3,578)
Utility services	(2,856)	—	—	(231,832)	—	(21,595)
Maintenance	(3,327)	—	(281,082)	(447,732)	—	(380,034)
Housing assistance payments	—	—	(4,933,413)	—	—	—
Other	(45,971)	(382,590)	(9,703)	(637,730)	(143,756)	(24,531)
Depreciation and amortization	(173,116)	—	(70,675)	(665,654)	(131,552)	(120,449)

The Authority's budgetary controls are established at the function, department, and fund level. Budget variances are monitored throughout the year through the use of monthly management budget reports and discussed at quarterly financial review sessions held with department directors. The Authority does not fund its programs through the use of appropriations and does not prohibit excess expense over budget. Expense controls are in place to ensure budget variances are monitored and addressed in a timely manner. All expenses must be approved in accordance with the Authority's expense authorization policy and expenses in excess of \$500 require review and approval of the Authority's budget staff.

During the year, Section 8 housing assistance payment expenses exceeded the budgeted amount by \$4.9 million. Of the \$4.9 million, \$4.75 million, or 97% of the unfavorable variance was the result of higher housing choice voucher payments than what was received from HUD. This is a national trend and the Authority has taken steps to reduce the number of vouchers issued while ensuring choice and affordability for Section 8 program participants.

Budgets for depreciation and amortization within the Operating fund and the Local Housing fund did not include amounts for depreciation on the newly acquired properties. This accounts for the significant variances between budget and actual in that category.

As of September 30, 2004 the Impact Property Services fund, in the nonmajor fund group, has had a deficit net asset balance of \$582,939. This fund performs maintenance work upon request and charges other SHA funds as well as external customers for their work. The Authority has adjusted the billings and expects this deficit to be eliminated in future years.

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(14) Discretely Presented Component Units Condensed Financial Information

	Condensed Balance Sheet						Total
	Holly Park Limited Partnership	Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	High Point North Limited Partnership	
Total assets	\$ 37,091,151	1,349,118	16,466,402	31,888,393	26,860,847	34,132,557	147,788,468
Capital assets, net	33,535,531	1,228,817	14,823,021	8,114,048	4,328,414	1,826,195	63,856,026
Total liabilities	26,153,030	623,163	11,401,377	31,128,679	27,742,847	34,132,557	131,181,653
Notes due to primary government	18,440,699	529,727	6,195,384	5,968,514	3,077,092	790,581	35,001,997
Bonds and other long term liabilities outstanding	6,960,000	—	4,415,000	24,500,000	22,500,000	32,000,000	90,375,000
Net assets invested in capital assets	8,134,832	699,090	4,212,637	145,534	1,251,322	1,035,614	15,479,029
Net assets restricted for debt service	2,879,377	—	778,667	614,180	16,893	—	4,289,117
Unrestricted net assets	(76,088)	26,865	73,721	—	(2,150,215)	(1,035,614)	(3,161,331)
Total net assets	10,938,121	725,955	5,065,025	759,714	(882,000)	—	16,606,815

	Condensed Income Statement					Total
	Holly Park Limited Partnership	Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	
Operating revenue	\$ 1,741,495	170,685	599,050	—	—	2,511,230
Operating expenses	2,507,842	229,080	839,553	—	18	3,576,493
Depreciation/amortization	1,335,740	58,213	492,214	—	—	1,886,167
Operating loss	(766,347)	(58,395)	(240,503)	—	(18)	(1,065,263)
Change in net assets	(1,200,348)	(64,310)	(592,586)	—	(882,018)	(2,739,262)
Beginning net assets	12,138,469	790,265	5,657,611	—	18	18,586,363
Ending net assets	10,938,121	725,955	5,065,025	759,714	(882,000)	16,606,815

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**Combining Fund Statements
and Schedules**

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Other	\$ 2,420,439	2,991,317	570,878
Total operating revenues	<u>2,420,439</u>	<u>2,991,317</u>	<u>570,878</u>
Operating expenses:			
Administration	557,280	635,848	(78,568)
Tenant services	265,021	196,216	68,805
Utility services	175,915	178,771	(2,856)
Maintenance	511,922	515,249	(3,327)
Other	—	45,971	(45,971)
Depreciation and amortization	622,912	796,028	(173,116)
Total operating expenses	<u>2,133,050</u>	<u>2,368,083</u>	<u>(235,033)</u>
Operating income	<u>287,389</u>	<u>623,234</u>	<u>335,845</u>
Nonoperating revenue (expense):			
Interest expense	(710,511)	(604,153)	106,358
Interest income	57,118	173,167	116,049
Total nonoperating loss	<u>(653,393)</u>	<u>(430,986)</u>	<u>222,407</u>
Change in net assets before transfers	(366,004)	192,248	558,252
Transfers in	2,730,507	2,730,507	—
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>
Change in net assets	2,364,503	2,922,755	558,252
Net assets at beginning of year	<u>9,475,977</u>	<u>9,475,977</u>	<u>—</u>
Net assets at end of year	<u>\$ 11,840,480</u>	<u>12,398,732</u>	<u>558,252</u>

LOW RENT FUND

Public Housing Fund - To account for the operations of the Public Housing program which consists of 5,481 units. The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions, operating subsidies, and tenant rentals.

Capital Project Funds - To account for financial resources to be used for the acquisition, development or modernization of major capital facilities, and include the following:

<u>Modernization Project Funds</u>	<u>Project No.</u>	<u>Program Status</u>	<u>Program Financing</u>
Capital Funds Program	WA19P00150101	Complete	Grant
Capital Funds Program	WA19P00150102	Incomplete	Grant
Capital Funds Program	WA19R00150102	Incomplete	Grant
Capital Funds Program	WA19P00150103	Incomplete	Grant
Capital Funds Program	WA19P00150203	Incomplete	Grant
Capital Funds Program	WA19R00150103	Incomplete	Grant

Completed and approved Capital Project Funds are not included in the accompanying financial statement schedules where such funds are inactive and have been closed out.

Hope VI Redevelopment Funds - To account for financial resources to be used for the redevelopment projects under HUD's Urban Revitalization Demonstration Fund and include the following:

<u>Development Project Funds</u>	<u>Project No.</u>	<u>Program Status</u>	<u>Program Financing</u>
Urban Revitalization Demonstration Fund:			
Holly Park Redevelopment Project	WA19URD0011195	Incomplete	Grant
Roxbury Implementation	WA19URD001198	Complete	Grant
Rainier Vista Implementation	WA19URD0011199	Incomplete	Grant
Highpoint Demolition and Relocation	WA19URD001D101	Incomplete	Grant
Highpoint Implementation	WA19URD0011100	Incomplete	Grant

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Low Rent Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating revenues:			
Tenant rentals and sales	\$ 9,837,614	9,651,974	(185,640)
Other	<u>1,156,154</u>	<u>2,496,515</u>	<u>1,340,361</u>
Total operating revenues	<u>10,993,768</u>	<u>12,148,489</u>	<u>1,154,721</u>
Operating expenses:			
Administration	10,722,056	10,771,614	(49,558)
Tenant services	1,535,347	1,304,550	230,797
Utility services	4,018,690	3,786,636	232,054
Maintenance	10,921,929	10,520,187	401,742
Other	140,714	523,304	(382,590)
Depreciation and amortization	<u>8,699,484</u>	<u>7,358,667</u>	<u>1,340,817</u>
Total operating expenses	<u>36,038,220</u>	<u>34,264,958</u>	<u>1,773,262</u>
Operating loss	<u>(25,044,452)</u>	<u>(22,116,469)</u>	<u>2,927,983</u>
Nonoperating revenue:			
Intergovernmental	14,021,545	15,079,571	1,058,026
Interest expense	—	(17,598)	(17,598)
Interest income	60,979	10,210	(50,769)
Disposition of assets	<u>---</u>	<u>(3,876,167)</u>	<u>(3,876,167)</u>
Total nonoperating revenue	<u>14,082,524</u>	<u>11,196,016</u>	<u>(2,886,508)</u>
Change in assets before transfers	<u>(10,961,928)</u>	<u>(10,920,453)</u>	<u>41,475</u>
Transfers:			
Transfers in	10,619,163	10,619,163	—
Transfers out	<u>(1,966,424)</u>	<u>(1,966,424)</u>	<u>—</u>
Total transfers	<u>8,652,739</u>	<u>8,652,739</u>	<u>—</u>
Net loss	<u>(2,309,189)</u>	<u>(2,267,714)</u>	<u>41,475</u>
Net assets at beginning of year	<u>94,322,372</u>	<u>94,322,372</u>	<u>—</u>
Net assets at end of year	<u>\$ 92,013,183</u>	<u>92,054,658</u>	<u>41,475</u>

SECTION 8 FUND

Section 8 Moderate Rehabilitation Fund - To account for the operations of the Section 8 Moderate Rehabilitation program which provides rental assistance to 760 residents living in privately owned housing units. Funding for the program is provided by federal housing assistance contributions.

Section 8 Housing Choice Voucher Fund - To account for the operations of the Section 8 Voucher program which provides rental assistance to 7,861 residents living in privately owned housing units. Funding for the program is provided by federal housing assistance contributions.

New Construction and Substantial Rehabilitation Fund - To account for the operations of the Section 8 New Construction and Substantial Rehabilitation program which provides rental assistance to 513 units in privately owned buildings. Funding for the program is provided by federal housing assistance contributions.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Section 8 Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Housing assistance payment subsidies	\$ 75,062,238	75,725,763	663,525
Other	—	822	822
Total operating revenues	<u>75,062,238</u>	<u>75,726,585</u>	<u>664,347</u>
Operating expenses:			
Administration	5,673,169	5,828,235	(155,066)
Tenant services	2,754	18,866	(16,112)
Maintenance	383,038	664,120	(281,082)
Housing assistance payments	66,955,795	71,889,208	(4,933,413)
Other	33,484	43,187	(9,703)
Depreciation and amortization	12,574	83,249	(70,675)
Total operating expenses	<u>73,060,814</u>	<u>78,526,865</u>	<u>(5,466,051)</u>
Operating income (loss)	<u>2,001,424</u>	<u>(2,800,280)</u>	<u>(4,801,704)</u>
Nonoperating revenue:			
Interest income	191,714	119,671	(72,043)
Total nonoperating revenue	<u>191,714</u>	<u>119,671</u>	<u>(72,043)</u>
Change in net assets before transfers	2,193,138	(2,680,609)	(4,873,747)
Transfers out	<u>(1,719,848)</u>	<u>(1,719,848)</u>	<u>—</u>
Change in net assets	473,290	(4,400,457)	(4,873,747)
Net assets at beginning of year	<u>11,576,676</u>	<u>11,576,676</u>	<u>—</u>
Net assets at end of year	<u>\$ 12,049,966</u>	<u>7,176,219</u>	<u>(4,873,747)</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Local Housing Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 6,168,778	5,594,153	(574,625)
Other	110,031	220,505	110,474
Total operating revenues	<u>6,278,809</u>	<u>5,814,658</u>	<u>(464,151)</u>
Operating expenses:			
Administration	1,018,492	1,127,022	(108,530)
Tenant services	300	—	300
Utility services	330,363	562,195	(231,832)
Maintenance	815,820	1,263,552	(447,732)
Other	50,033	687,763	(637,730)
Depreciation and amortization	765,034	1,430,688	(665,654)
Total operating expenses	<u>2,980,042</u>	<u>5,071,220</u>	<u>(2,091,178)</u>
Operating income	<u>3,298,767</u>	<u>743,438</u>	<u>(2,555,329)</u>
Nonoperating revenue (expense):			
Intergovernmental	35,958	29,690	(6,268)
Interest expense	(3,100,468)	(3,747,669)	(647,201)
Interest income	1,063,650	1,168,301	104,651
Disposition of assets	—	171,925	171,925
Total nonoperating loss	<u>(2,000,860)</u>	<u>(2,377,753)</u>	<u>(376,893)</u>
Change in net assets before transfers	1,297,907	(1,634,315)	(2,932,222)
Transfers in	2,935,249	2,935,249	—
Change in net assets	<u>4,233,156</u>	<u>1,300,934</u>	<u>(2,932,222)</u>
Net assets at beginning of year	<u>12,921,327</u>	<u>12,921,327</u>	<u>—</u>
Net assets at end of year	<u>\$ 17,154,483</u>	<u>14,222,261</u>	<u>(2,932,222)</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Senior Housing Fund
 Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 4,158,958	4,277,369	118,411
Other	150,870	115,455	(35,415)
Total operating revenues	<u>4,309,828</u>	<u>4,392,824</u>	<u>82,996</u>
Operating expenses:			
Administration	1,745,544	1,813,656	(68,112)
Tenant services	13,123	5,167	7,956
Utility services	441,959	422,501	19,458
Maintenance	1,573,649	1,368,812	204,837
Other	112,948	256,704	(143,756)
Depreciation and amortization	669,006	800,558	(131,552)
Total operating expenses	<u>4,556,229</u>	<u>4,667,398</u>	<u>(111,169)</u>
Operating loss	<u>(246,401)</u>	<u>(274,574)</u>	<u>(28,173)</u>
Nonoperating revenue:			
Interest income	21,228	44,730	23,502
Total nonoperating revenue	<u>21,228</u>	<u>44,730</u>	<u>23,502</u>
Change in net assets	(225,173)	(229,844)	(4,671)
Net assets at beginning of year	<u>47,614,900</u>	<u>47,614,900</u>	—
Net assets at end of year	<u>\$ 47,389,727</u>	<u>47,385,056</u>	<u>(4,671)</u>

NON-MAJOR FUNDS

Bay View Tower Fund - To account for the operations of the Bay View Tower apartment complex, which houses low income families.

Market House Fund - To account for the operations of the Market House apartment complex, which houses low income families.

Market Terrace Fund - To account for the operations of the Market Terrace apartment complex, which houses low income families.

Levy Fund - To account for the operations of rental units developed and assisted under the City of Seattle's Large Family Housing Levy program.

Referendum 37 Fund - To account for the operations of rental units which house physically and mentally disabled individuals.

Development Fund - To account for housing development activities for use as new and replacement housing for low-income residents. Also includes the Campus of Learners Foundation which was formed to raise fund for the Campus of Learners facility at Holly Park.

Home Ownership Fund - To account for home sales at Holly Park.

Community Facilities Fund – To account for the operations of the community facilities at New Holly.

Impact Property Services Fund (formerly Special Services) – To account for the operations of the solid waste, janitorial, landscaping and building maintenance services provided to the Authority's various locations as well as external customers.

Drug Elimination Grants Fund - To account for a drug abuse prevention program for residents which includes funding for additional police officers and a youth sports program. Funding for the program is provided by federal grants.

Manpower Demonstration Research Fund - To account for the operations of the Job Plus Demonstration program which has a minimum goal of tripling the employment rate among SHA residents. Funding is provided by the Manpower Demonstration Research Corporation.

Service Coordinator Fund - To account for the operations of a program that provides case management and community activities to elderly and disabled residents of Public Housing. Funding is provided by federal grants.

Neighborhood Network – To account for the operations of a learning center at Yesler Terrace community where users have access to computers, the Internet and training in order to achieve user defined self-sufficiency objectives.

Move to Work – To account for the operations of a grant to cover the additional expenses of the Authority's participation in the Moving to Work program and to cover costs of retaining needed external consulting expertise to maximize the effectiveness of this program. Funding is provided by a one time Federal grant.

Resident Service Delivery Model Grant (ROSS) – To account for the operations of a grant that offers services such as assessment, case management, training and support referrals, job placement, and career advancement which provide a foundation to obtain and maintain unsubsidized employment at a living wage.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Non-Major Funds
 Combining Statement of Net Assets
 September 30, 2004

Assets	Bay View Tower	Market House	Market Terrace	Levy	Referendum 37	Development
Current assets:						
Equity in pooled cash and cash equivalents	\$ —	—	87,023	—	—	115,220
Restricted cash	216,414	8,710	23,535	32,650	1,482	12,891
Equity in pooled investments	570,837	—	—	8,584	86,866	—
Accounts receivable:						
Tenant rentals and service charges	2,709	1,214	—	—	—	15,500
Other	1,308	4,360	—	9,436	199	2,187,682
Due from:						
Other funds	—	—	851	659	205,658	—
Other governments	—	—	—	—	—	—
Inventory and prepaid items	674	402	30	—	88	5,835
Restricted investments	463,737	18,357	141,519	378	—	—
Deferred charges	110,421	9,259	80,255	—	—	206
Total current assets	1,366,100	42,302	333,233	51,707	294,293	2,337,334
Noncurrent assets:						
Equity in pooled investments	335,254	—	—	5,041	51,016	—
Restricted investments	—	792,622	—	222	—	—
Capital assets:						
Land	222,336	675,659	1,064,205	91,000	54,600	4,741,265
Structures	3,476,878	2,862,731	1,744,033	494,545	491,850	3,062,949
Construction in progress	44,192	—	—	—	—	11,648
Equipment	9,197	7,850	—	—	—	1,647
Less accumulated depreciation	(2,057,094)	(795,544)	(94,468)	(134,969)	(323,869)	(109,520)
Notes receivable	—	—	—	—	434,001	10,966,238
Notes receivable from component units	—	—	—	—	—	498,612
Total noncurrent assets	2,030,763	3,543,318	2,713,770	455,839	707,598	19,172,839
Total assets	\$ 3,396,863	3,585,620	3,047,003	507,546	1,001,891	21,510,173

	Home Ownership	Community Facilities	Impact Property Services	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Ross Grant	Total Non-Major Funds
\$	—	141,751	300	200	—	—	—	—	344,494
	—	—	—	—	—	—	—	—	295,702
	—	—	97,534	—	—	—	—	—	763,821
	—	—	—	—	—	—	—	—	19,423
	—	73,870	186,670	—	—	—	—	—	2,463,525
	11,399	2,577,425	413,945	21,406	—	—	5,221	—	3,236,564
	—	—	—	—	163,786	15,199	—	25,452	204,437
	—	1,016	93,653	—	—	—	—	—	101,698
	—	—	—	—	—	—	—	—	623,991
	—	—	—	—	—	—	—	—	200,141
	<u>11,399</u>	<u>2,794,062</u>	<u>792,102</u>	<u>21,606</u>	<u>163,786</u>	<u>15,199</u>	<u>5,221</u>	<u>25,452</u>	<u>8,253,796</u>
	—	—	57,282	—	—	—	—	—	448,593
	—	—	—	—	—	—	—	—	792,844
	—	—	—	—	—	—	—	—	6,849,065
	—	5,637,515	—	—	—	—	—	—	17,770,501
	—	—	—	—	—	—	—	—	55,840
	—	100,250	541,243	—	—	—	—	—	660,187
	—	(1,036,641)	(206,481)	—	—	—	—	—	(4,758,586)
	—	30,684	—	—	—	—	—	—	11,430,923
	—	—	—	—	—	—	—	—	498,612
	—	<u>4,731,808</u>	<u>392,044</u>	—	—	—	—	—	<u>33,747,979</u>
\$	<u>11,399</u>	<u>7,525,870</u>	<u>1,184,146</u>	<u>21,606</u>	<u>163,786</u>	<u>15,199</u>	<u>5,221</u>	<u>25,452</u>	<u>42,001,775</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Non-Major Funds

Combining Statement of Net Assets

September 30, 2004

Liabilities and Net Assets	Bay View Tower	Market House	Market Terrace	Levy	Referendum 37	Development
Current liabilities:						
Liabilities:						
Accounts payable:						
Vendors and contractors	\$ 10,788	3,703	94	465	185	95,638
Other	5,121	2,880	—	656	—	22,933
Accrued liabilities	31,008	4,750	18,387	333	491	46,773
Due to other funds	246,601	27,853	—	—	—	372,220
Current portion of long-term debt	43,728	80,915	28,959	—	—	4,732,032
Deferred revenue	—	—	—	—	310,754	500
Total current liabilities	337,246	120,101	47,440	1,454	311,430	5,270,096
Noncurrent liabilities:						
Due to other funds	—	—	—	—	—	7,467,880
Security deposits	16,366	8,710	8,035	600	1,482	9,991
Long-term debt, less current portion:						
Notes payable	—	—	—	443,472	—	236,153
Bonds payable	2,678,340	1,168,643	1,937,022	—	—	—
Accrued compensated absences	6,344	230	—	54	189	\$6,542
Total noncurrent liabilities	2,701,050	1,177,583	1,945,057	444,126	1,671	7,770,566
Total liabilities	3,038,296	1,297,684	1,992,497	445,580	313,101	13,040,662
Net assets:						
Investment in capital assets, net of related debt	(1,026,559)	1,501,138	747,789	7,104	222,581	2,739,804
Restricted for debt service	680,151	819,689	165,074	33,250	1,482	12,891
Unrestricted	704,975	(32,891)	141,643	21,612	464,727	5,716,816
Total net assets	358,567	2,287,936	1,054,506	61,966	688,790	8,469,511
Total liabilities and net assets	\$ 3,396,863	3,585,620	3,047,003	507,546	1,001,891	21,510,173

	Home Ownership	Community Facilities	Impact Property Services	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Ross Grant	Total Non-Major Funds
\$	600	155,948	48,311	—	13,275	—	—	—	329,007
	—	310	28,913	—	—	—	—	—	60,813
	9,598	—	689,388	10,809	6,115	2,726	—	10,618	830,996
	—	—	—	—	144,396	12,473	—	14,834	818,377
	—	—	—	—	—	—	—	—	4,885,634
	—	3,405	—	10,797	—	—	5,221	—	330,677
	<u>10,198</u>	<u>159,663</u>	<u>766,612</u>	<u>21,606</u>	<u>163,786</u>	<u>15,199</u>	<u>5,221</u>	<u>25,452</u>	<u>7,255,504</u>
	—	—	—	—	—	—	—	—	7,467,880
	—	—	—	—	—	—	—	—	45,184
	—	—	—	—	—	—	—	—	679,625
	—	—	—	—	—	—	—	—	5,784,005
	<u>1,201</u>	<u>—</u>	<u>1,000,473</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,065,093</u>
	<u>1,201</u>	<u>—</u>	<u>1,000,473</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>15,041,727</u>
	<u>11,399</u>	<u>159,663</u>	<u>1,767,085</u>	<u>21,606</u>	<u>163,786</u>	<u>15,199</u>	<u>5,221</u>	<u>25,452</u>	<u>22,297,131</u>
	—	4,701,124	334,762	—	—	—	—	—	9,227,743
	—	—	—	—	—	—	—	—	1,712,537
	—	2,665,083	(917,701)	—	—	—	—	—	8,764,264
	—	7,366,207	(382,939)	—	—	—	—	—	19,704,544
\$	<u>11,399</u>	<u>7,525,870</u>	<u>1,184,146</u>	<u>21,606</u>	<u>163,786</u>	<u>15,199</u>	<u>5,221</u>	<u>25,452</u>	<u>42,001,775</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Non-Major Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Year ended September 30, 2004

	<u>Bay View Tower</u>	<u>Market House</u>	<u>Market Terrace</u>	<u>Levy</u>	<u>Referendum 37</u>	<u>Development</u>
Operating revenues:						
Tenant rentals and sales	\$ 185,595	94,274	81,721	12,914	50,063	42,696
Other	2,149	1,187	2,999	102	2,068	370,840
Total operating revenues	<u>187,744</u>	<u>95,461</u>	<u>84,720</u>	<u>13,016</u>	<u>52,131</u>	<u>413,536</u>
Operating expenses:						
Administration	165,474	119,590	31,760	8,468	14,709	901,753
Tenant services	19,369	1,334	—	3,881	5	1,459
Utility services	74,604	35,273	11,353	7,069	3,636	21,411
Maintenance	143,341	78,128	24,136	7,294	11,498	64,812
Other	429	213	7,014	3	80	33,731
Depreciation and amortization	121,948	54,304	46,559	12,364	45,943	160,925
Total operating expenses	<u>525,165</u>	<u>288,842</u>	<u>120,822</u>	<u>39,079</u>	<u>75,871</u>	<u>1,184,091</u>
Operating income (loss)	<u>(337,421)</u>	<u>(193,381)</u>	<u>(36,102)</u>	<u>(26,063)</u>	<u>(23,740)</u>	<u>(770,555)</u>
Nonoperating income (expense):						
Intergovernmental	668,259	349,425	183,181	9,896	—	—
Interest expense	(78,439)	(105,249)	(109,091)	—	—	(148,147)
Interest income	14,663	31,308	2,009	510	3,197	838,651
Disposition of assets	—	—	—	—	175,930	(1,541,530)
Total nonoperating income (expense)	<u>604,483</u>	<u>275,484</u>	<u>76,099</u>	<u>10,406</u>	<u>179,127</u>	<u>(851,026)</u>
Change in net assets before transfers	<u>267,062</u>	<u>82,103</u>	<u>39,997</u>	<u>(15,657)</u>	<u>155,387</u>	<u>(1,621,581)</u>
Transfers in (out):						
Transfers in	—	—	—	—	—	3,473,809
Transfers out	(1,870,640)	—	—	(1,590,458)	(265,135)	—
Net transfers in (out)	<u>(1,870,640)</u>	<u>—</u>	<u>—</u>	<u>(1,590,458)</u>	<u>(265,135)</u>	<u>3,473,809</u>
Change in net assets	<u>(1,603,578)</u>	<u>82,103</u>	<u>39,997</u>	<u>(1,606,115)</u>	<u>(109,748)</u>	<u>1,852,228</u>
Total net assets at beginning of year	<u>1,962,145</u>	<u>2,205,833</u>	<u>1,014,509</u>	<u>1,668,081</u>	<u>798,538</u>	<u>6,617,283</u>
Total net assets at end of year	<u>\$ 358,567</u>	<u>2,287,936</u>	<u>1,054,506</u>	<u>61,966</u>	<u>688,790</u>	<u>8,469,511</u>

	Home Ownership	Community Facilities	Impact Property Services	Drug Elimination Grants	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Ross Grant	Total Non-Major Funds
\$	—	—	—	—	—	—	—	—	—	467,263
	<u>6,144,642</u>	<u>307,763</u>	<u>949,745</u>	<u>—</u>	<u>3,315</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>7,784,810</u>
	<u>6,144,642</u>	<u>307,763</u>	<u>949,745</u>	<u>—</u>	<u>3,315</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,252,073</u>
	388,094	154,155	432,398	12,526	3,183	133,473	6,814	17,642	196,962	2,587,001
	—	46,473	—	244,552	132	364,552	35,745	—	525	718,027
	7,533	66,888	—	—	—	—	—	—	—	227,767
	—	171,613	947,534	—	—	—	—	—	—	1,448,356
	—	—	8,565	—	—	3,918	5,806	5,221	—	64,980
	—	210,834	44,538	—	—	—	—	—	—	697,415
	<u>395,627</u>	<u>649,963</u>	<u>1,433,035</u>	<u>257,078</u>	<u>3,315</u>	<u>501,943</u>	<u>48,365</u>	<u>22,863</u>	<u>197,487</u>	<u>5,743,546</u>
	5,749,015	(342,200)	(483,290)	(257,078)	—	(501,943)	(48,365)	(22,863)	(197,487)	2,508,527
	—	—	—	257,078	—	501,943	48,365	22,863	197,487	2,238,497
	—	—	(933)	—	—	—	—	—	—	(441,861)
	—	1,213	186	—	—	—	—	—	—	891,737
	—	—	(1,025)	—	—	—	—	—	—	(1,366,625)
	—	<u>1,213</u>	<u>(1,774)</u>	<u>257,078</u>	<u>—</u>	<u>501,943</u>	<u>48,365</u>	<u>22,863</u>	<u>197,487</u>	<u>1,321,748</u>
	<u>5,749,015</u>	<u>(340,987)</u>	<u>(485,064)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,830,275</u>
	12,814,733	2,285,870	400,000	—	—	—	—	—	—	18,974,412
	(18,644,146)	—	—	—	—	—	—	—	—	(22,370,379)
	<u>(5,829,413)</u>	<u>2,285,870</u>	<u>400,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,395,967)</u>
	(80,398)	1,944,883	(85,064)	—	—	—	—	—	—	434,308
	<u>80,398</u>	<u>5,421,324</u>	<u>(497,875)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,270,236</u>
\$	<u>—</u>	<u>7,366,207</u>	<u>(582,939)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>19,704,544</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Non-Major Funds
 Combining Statement of Cash Flows
 Year ended September 30, 2004

	Bay View Tower	Market House	Market Terrace	Levy	Referendum 37	Development
Cash flows from operating activities:						
Receipts from residents	\$ 190,491	96,136	88,101	13,016	51,574	33,088
Receipts from other sources	10,364	26,145	1,232	(830)	1,686	197,787
Receipts from other funds	357,319	—	—	50,262	—	1,637,224
Payments to vendors	(453,497)	(185,782)	(70,974)	(22,399)	(42,531)	(352,999)
Payments to employees	(75,474)	(44,500)	(6,813)	(6,710)	(9,153)	(561,479)
Payments to other funds	—	(64,632)	(28,315)	—	(74,889)	—
Net cash provided by (used in) operating activities	29,203	(172,633)	(16,769)	33,339	(73,313)	953,621
Cash flows from noncapital financing activities:						
Opening grants received (paid)	668,259	344,391	183,181	9,896	—	—
Transfer from other funds	—	—	—	—	—	3,473,809
Transfer to other funds	(1,870,640)	—	—	(1,590,458)	(265,135)	—
Net cash provided by (used in) noncapital financing activities	(1,202,381)	344,391	183,181	(1,580,562)	(265,135)	3,473,809
Cash flows from capital and related financing activities:						
Purchases of property and equipment	(44,192)	—	—	—	—	(4,002,903)
Proceeds from dispositions of property and equipment	—	—	—	1,538,386	765,586	524,794
Payments on notes receivable	—	—	—	—	48,222	3,852
Issuance of notes	—	—	—	—	(482,223)	(3,183,418)
Proceeds from long-term borrowings	2,722,068	—	—	—	—	2,372,383
Payments of notes and bonds	(914,352)	(130,331)	(28,959)	—	—	—
Interest payments	(58,783)	(107,626)	(109,219)	—	—	(167,622)
Net cash provided by (used in) capital and related financing activities	1,704,739	(237,957)	(138,178)	1,538,386	331,585	(4,452,014)
Cash flows from investing activities:						
Interest received	13,439	47,508	2,009	530	3,097	49,622
Maturity of investment securities	3,665,388	832,114	138,843	59,499	386,742	—
Change in fair value of investments	—	—	—	—	—	—
Purchases of investment securities	(4,009,604)	(813,434)	(138,911)	(18,542)	(182,661)	—
Net cash provided by (used in) investing activities	(330,777)	66,188	1,841	41,487	7,178	49,622
Increase (decrease) in cash and cash equivalents	200,784	(11)	30,175	32,650	315	24,138
Cash and cash equivalents at beginning of year	15,630	8,721	80,403	—	1,167	103,973
Cash and cash equivalents at end of year	\$ 216,414	8,710	110,578	32,650	1,482	128,111
Reconciliation of operating income to net cash provided by (used in) operations:						
Operating income (loss)	\$ (337,421)	(193,381)	(36,102)	(26,063)	(23,740)	(770,555)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:						
Depreciation and amortization	121,948	54,304	46,559	12,364	45,943	160,925
Change in assets and liabilities:						
Accounts and interfund receivables	359,318	(35,150)	(28,313)	49,425	(74,593)	1,448,694
Inventory and prepaid items	(529)	(342)	—	—	(23)	(1,985)
Accounts payable	(11,577)	2,370	350	(2,001)	(21,661)	114,013
Accrued compensated absences	(2,607)	(423)	—	(386)	(81)	(3,044)
Other	(99,929)	(11)	737	—	842	5,573
Net cash provided by (used in) operating activities	\$ 29,203	(172,633)	(16,769)	33,339	(73,313)	953,621

	Home Ownership	Community Facilities	Impact Property Services	Drug Elimination Grants	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Ross Grant	Total Non-Major Funds
\$	—	—	—	—	—	—	—	—	—	472,406
	6,144,642	346,508	883,999	—	—	—	—	—	—	7,611,533
	—	—	(360,286)	—	3,314	142,362	12,106	—	—	1,842,301
	(205,641)	(122,837)	(525,966)	(281,552)	(3,314)	(393,764)	(43,503)	—	(41,791)	(2,746,550)
	(98,189)	(180,537)	(554,644)	(10,931)	—	(100,540)	(5,026)	(22,863)	(155,878)	(1,832,737)
	(11,399)	(2,173,844)	—	(13,793)	—	—	—	(5,221)	(3,860)	(2,375,953)
	<u>5,829,413</u>	<u>(2,130,710)</u>	<u>(556,897)</u>	<u>(306,276)</u>	<u>—</u>	<u>(351,942)</u>	<u>(36,423)</u>	<u>(28,084)</u>	<u>(201,529)</u>	<u>2,971,000</u>
	—	—	—	306,276	—	351,942	36,423	28,084	201,529	2,129,981
	12,814,733	2,285,870	400,000	—	—	—	—	—	—	18,974,412
	<u>(18,644,146)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(22,370,379)</u>
	<u>(5,829,413)</u>	<u>2,285,870</u>	<u>400,000</u>	<u>306,276</u>	<u>—</u>	<u>351,942</u>	<u>36,423</u>	<u>28,084</u>	<u>201,529</u>	<u>(1,265,986)</u>
	(12,079,778)	(115,276)	(36,103)	—	—	—	—	—	—	(16,278,252)
	12,079,778	—	—	—	—	—	—	—	—	14,908,544
	—	—	—	—	—	—	—	—	—	52,074
	—	(11,177)	—	—	—	—	—	—	—	(3,676,818)
	—	—	—	—	—	—	—	—	—	5,094,451
	—	—	—	—	—	—	—	—	—	(1,073,642)
	—	—	(16,049)	—	—	—	—	—	—	(459,301)
	—	(126,453)	(52,152)	—	—	—	—	—	—	(1,432,944)
	—	1,213	15,220	—	—	—	—	—	—	132,738
	—	—	453,073	—	—	—	—	—	—	5,535,659
	—	—	(259,344)	—	—	—	—	—	—	(5,622,496)
	—	1,213	209,049	—	—	—	—	—	—	45,901
	—	29,920	—	—	—	—	—	—	—	317,971
	—	111,831	300	—	200	—	—	—	—	322,225
\$	<u>—</u>	<u>141,751</u>	<u>300</u>	<u>—</u>	<u>200</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>640,196</u>
\$	5,749,015	(342,200)	(483,290)	(257,078)	—	(501,943)	(48,365)	(22,863)	(197,487)	2,508,527
	—	210,834	44,538	—	—	—	—	—	—	697,415
	(11,399)	(2,137,961)	(462,293)	(13,793)	3,314	142,362	12,107	(5,221)	(3,860)	(757,363)
	83,695	(1,016)	(18,327)	—	—	—	—	—	—	61,473
	6,901	136,771	264,222	(35,405)	—	7,639	(165)	—	(182)	461,275
	1,201	—	98,253	—	(3,314)	—	—	—	—	89,599
	—	2,862	—	—	—	—	—	—	—	(89,926)
\$	<u>5,829,413</u>	<u>(2,130,710)</u>	<u>(556,897)</u>	<u>(306,276)</u>	<u>—</u>	<u>(351,942)</u>	<u>(36,423)</u>	<u>(28,084)</u>	<u>(201,529)</u>	<u>2,971,000</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Non-Major Funds

Statement of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Year ended September 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 1,034,420	467,263	(567,157)
Other	5,642	1,329,090	1,323,448
Total operating revenues	<u>1,040,062</u>	<u>1,796,353</u>	<u>756,291</u>
Operating expenses:			
Administration	1,707,216	1,674,152	33,064
Tenant services	22,470	26,048	(3,578)
Utility services	131,751	153,346	(21,595)
Maintenance	896,709	1,276,743	(380,034)
Other	25,504	50,035	(24,531)
Depreciation and amortization	366,132	486,581	(120,449)
Total operating expenses	<u>3,149,782</u>	<u>3,666,905</u>	<u>(517,123)</u>
Operating loss	<u>(2,109,720)</u>	<u>(1,870,552)</u>	<u>239,168</u>
Nonoperating income (expense):			
Intergovernmental	1,167,317	1,210,761	43,444
Interest expense	(235,635)	(441,861)	(206,226)
Interest income	338,748	890,524	551,776
Disposition of assets	—	(1,366,625)	(1,366,625)
Total nonoperating income	<u>1,270,430</u>	<u>292,799</u>	<u>(977,631)</u>
Loss before transfers	<u>(839,290)</u>	<u>(1,577,753)</u>	<u>(738,463)</u>
Transfers:			
Transfers in	3,873,809	3,873,809	—
Transfers out	(3,726,233)	(3,726,233)	—
Total transfers	<u>147,576</u>	<u>147,576</u>	<u>—</u>
Change in net assets	<u>(691,714)</u>	<u>(1,430,177)</u>	<u>(738,463)</u>
Net assets at beginning of year	<u>12,761,929</u>	<u>12,761,929</u>	<u>—</u>
Net assets at end of year	<u>\$ 12,070,215</u>	<u>11,331,752</u>	<u>(738,463)</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Combining Fund Statements and Schedules

September 30, 2003

Budgets and Budgetary Accounting

The Authority is required by the Federal government, its fiscal agents and grantors to adopt annual appropriated operating budgets for the Operating Fund, and all programs except for Capital programs within the Low Rent program, and certain grants in the other Nonmajor funds. All annual appropriations lapse at fiscal year-end. Annual operating budgets are not prepared and, therefore, are not included in this report for the following programs:

- Non-Major Fund (Home Ownership, Community Facilities, Drug Elimination Grant, Manpower Demonstration Research, Service Coordinator, Resident Services Delivery Model Grant, Welfare to Work, and Move to Work Program) - Budgets for these Non-Major funds are approved for the length of the individual programs or grants. Appropriations are authorized at the fund and expenditure category level, and effective budgetary control is achieved through the programs' or grants' periodic budgeting and reporting requirements.
- Low Rent Fund - Budgets for Capital Projects and HOPE VI Redevelopment projects within the Low Rent fund are approved for the length of the individual project rather than on an annual basis. Appropriations are authorized at the fund and expenditure category level, and effective budgetary control is achieved through the projects' periodic budgeting and reporting requirements.

The budgetary cycle is as follows:

- All budgets are prepared by the Authority's Department of Finance on a GAAP basis.
- Budgets for the Low Rent program are prepared for the upcoming fiscal year by the end of the current fiscal year and are approved by the Authority's Executive Director and its Board. During the year, appropriations can be adjusted as a result of revised estimates by the Authority and must be approved by the Executive Director. In accordance with the Authority's Moving to Work contract with HUD, the Authority's Low Rent operations and Capital budgets and the Section 8 program are no longer submitted to HUD for approval. In their place, the Authority prepares an annual Moving to Work Demonstration Plan, which is submitted to HUD for review and comment. Major budget revisions for programs authorized under the Authority's adopted annual budget are made with the approval of the Finance Director and the Executive Director, who serves as the Secretary/Treasurer of the Board. Such revisions are normally the result of changes in operations and estimates and do not require the approval of the Board of Commissioners. However, major budget revisions are presented to the Board on a case-by-case basis for ratification.
- The budget for the Section 8 program is prepared for the upcoming fiscal year as a part of the Authority's annual budget process. The Authority's Executive Director and its Board approve the budget.
- Budgetary control is at the function level for all funds.

A reconciliation of revenues, expenses and net operating income or loss for budgeted and unbudgeted funds within the Low Rent Program is presented below:

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Loss</u>
Budgeted Low Rent Programs	\$ 12,148,489	34,264,958	(22,116,469)
Unbudgeted Low Rent Programs:			
Capital projects	—	4,852,506	(4,852,506)
Hope VI Redevelopment	10,080	851,223	(841,143)
Totals	<u>\$ 12,158,159</u>	<u>39,968,687</u>	<u>(27,810,118)</u>

A reconciliation of revenues, expenses and net operating income or loss for budgeted and unbudgeted Non-Major funds is presented below:

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income (loss)</u>
Budgeted Non-Major Funds	\$ 1,796,353	3,666,905	(1,870,552)
Unbudgeted Non-Major Funds:			
Home Ownership	6,144,642	395,627	5,749,015
Community Facilities	307,763	649,963	(342,200)
Drug Elimination Grants	—	257,078	(257,078)
Manpower Demonstration	3,315	3,315	—
Service Coordinator	—	501,943	(501,943)
Neighborhood Network	—	48,365	(48,365)
Move to Work	—	22,863	(22,863)
Ross Grant	—	197,487	(197,487)
Totals	<u>\$ 8,252,073</u>	<u>5,743,546</u>	<u>2,508,527</u>

During the year, the Authority made no budget revisions, which require supplemental budget action at the Board level.

COMPONENT UNITS

The following funds do not qualify for blending and are therefore classified as discretely presented component units of the Authority:

Holly Park Limited Partnership - which is reported as an Enterprise Fund, owns and operates NewHolly, phase one. NewHolly is a housing development which was funded in part by Hope VI grants.

Ravenna School Limited Partnership – which is reported as an Enterprise Fund, owns and operates Ravenna School, a senior housing community.

Othello Street Limited Partnership – which is reported as an Enterprise Fund, owns and operates NewHolly, phase two. NewHolly is a housing development which was funded in part by Hope VI grants.

Desdemona Limited Partnership – which is reported as an Enterprise Fund, owns and operates NewHolly, phase three. NewHolly is a housing development which was funded in part by Hope VI grants.

Escallonia Limited Partnership – which is reported as an Enterprise Fund, owns and operates Rainier Vista, phase one. Rainier Vista is a housing development which was funded in part by Hope VI grants.

High Point North Limited Partnership – which is reported as an Enterprise Fund, owns and operates High Point North, phase one. High Point North is a housing development which was funded in part by Hope VI grants.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Combining Statement of Net Assets – Component Units

December 31, 2003

	<u>Holly Park Limited Partnership</u>	<u>Ravenna School Limited Partnership</u>	<u>Othello Street Limited Partnership</u>
Assets			
Current assets:			
Equity in cash and cash equivalents	\$ 348,170	12,981	326,065
Restricted cash and cash equivalents	1,457,700	72,432	187,686
Accounts receivable:			
Tenant rentals and service charges	16,676	303	8,904
Other	—	5,053	—
Inventory and prepaid items	61,263	8,633	27,519
Restricted investments	1,105,352	—	614,231
Deferred charges	174,809	20,899	478,976
Total current assets	<u>3,163,970</u>	<u>120,301</u>	<u>1,643,381</u>
Noncurrent assets:			
Restricted investments	391,650	—	—
Capital assets:			
Structures	37,945,355	1,426,514	15,657,437
Construction in progress	—	—	—
Equipment	1,440,099	32,071	369,831
Accumulated depreciation	<u>(5,849,923)</u>	<u>(229,768)</u>	<u>(1,204,247)</u>
Total noncurrent assets	<u>33,927,181</u>	<u>1,228,817</u>	<u>14,823,021</u>
Total assets	<u>\$ 37,091,151</u>	<u>1,349,118</u>	<u>16,466,402</u>
Liabilities and Net Assets			
Current liabilities:			
Liabilities:			
Accounts payable:			
Vendors and contractors	\$ 333,275	4,286	50,335
Other	7,555	62,022	353,414
Accrued liabilities	336,176	23,628	363,994
Current portion of long-term debt	90,000	—	30,000
Total current liabilities	<u>767,006</u>	<u>89,936</u>	<u>797,743</u>
Noncurrent liabilities:			
Security deposits	75,325	3,500	23,250
Long-term debt, less current portion:			
Notes payable to primary government	18,440,699	529,727	6,195,384
Notes payable	1,700,000	—	2,000,000
Bonds payable	5,170,000	—	2,385,000
Total noncurrent liabilities	<u>25,386,024</u>	<u>533,227</u>	<u>10,603,634</u>
Total liabilities	<u>26,153,030</u>	<u>623,163</u>	<u>11,401,377</u>
Net assets:			
Invested in capital assets, net of related debt	8,134,832	699,090	4,212,637
Restricted for debt service	2,879,377	—	778,667
Unrestricted	<u>(76,088)</u>	<u>26,865</u>	<u>73,721</u>
Total net assets	<u>10,938,121</u>	<u>725,955</u>	<u>5,065,025</u>
Total liabilities and net assets	<u>\$ 37,091,151</u>	<u>1,349,118</u>	<u>16,466,402</u>

Exhibit H-1

	Desdemona Limited Partnership	Escallonla Limited Partnership	High Point North Limited Partnership	Total
\$	3,456,533	15,540	15,639	4,174,928
	—	—	—	1,717,818
	—	—	—	25,883
	—	—	16,123	21,176
				97,415
	18,623	22,516,893	—	24,255,099
	—	—	274,600	949,284
	3,475,156	22,532,433	306,362	31,241,603
	20,299,189	—	32,000,000	52,690,839
	—	—	—	55,029,306
	8,114,048	4,328,414	1,826,195	14,268,657
	—	—	—	1,842,001
	—	—	—	(7,283,938)
	28,413,237	4,328,414	33,826,195	116,546,865
\$	31,888,393	26,860,847	34,132,557	147,788,468
\$	341,386	529,517	1,024,383	2,283,182
	294,581	733,035	301,944	1,752,551
	24,198	903,203	15,649	1,666,848
	3,847,085	—	—	3,967,085
	4,507,250	2,165,755	1,341,976	9,669,666
				102,075
	2,121,429	3,077,092	790,581	31,154,912
	2,000,000	—	—	5,700,000
	22,500,000	22,500,000	32,000,000	84,555,000
	26,621,429	25,577,092	32,790,581	121,511,987
	31,128,679	27,742,847	34,132,557	131,181,653
	145,534	1,251,322	1,035,614	15,479,029
	614,180	16,893	—	4,289,117
	—	(2,150,215)	(1,035,614)	(3,161,331)
	759,714	(882,000)	—	16,606,815
\$	31,888,393	26,860,847	34,132,557	147,788,468

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Combining Statement of Revenues, Expenses and Changes in Net Assets -
 Component Units
 Year ended December 31, 2003

	Holly Park Limited Partnership	Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonja Limited Partnership	Total
Operating revenues:						
Rental income	\$ 1,712,380	169,160	589,958	—	—	2,471,498
Other	29,115	1,525	9,092	—	—	39,732
Total operating revenues	<u>1,741,495</u>	<u>170,685</u>	<u>599,050</u>	<u>—</u>	<u>—</u>	<u>2,511,230</u>
Operating expenses:						
Administration	616,637	88,102	187,013	—	—	891,752
Utility services	75,232	22,016	36,908	—	—	134,156
Maintenance	471,016	60,749	93,058	—	—	624,823
Other	9,217	—	30,360	—	18	39,595
Depreciation and amortization	1,335,740	58,213	492,214	—	—	1,886,167
Total operating expenses	<u>2,507,842</u>	<u>229,080</u>	<u>839,553</u>	<u>—</u>	<u>18</u>	<u>3,376,493</u>
Operating loss	<u>(766,347)</u>	<u>(88,395)</u>	<u>(240,503)</u>	<u>—</u>	<u>(18)</u>	<u>(1,065,263)</u>
Nonoperating revenue (expense):						
Interest expense	(490,027)	(6,646)	(357,489)	—	(882,000)	(1,736,162)
Interest income	56,026	731	5,406	—	—	62,163
Total nonoperating revenue (expense)	<u>(434,001)</u>	<u>(5,915)</u>	<u>(352,083)</u>	<u>—</u>	<u>(882,000)</u>	<u>(1,673,999)</u>
Change in net assets before contributions	<u>(1,200,348)</u>	<u>(64,310)</u>	<u>(592,586)</u>	<u>—</u>	<u>(882,018)</u>	<u>(2,739,262)</u>
Partners' contribution	<u>—</u>	<u>—</u>	<u>—</u>	<u>759,714</u>	<u>—</u>	<u>759,714</u>
Change in net assets	<u>(1,200,348)</u>	<u>(64,310)</u>	<u>(592,586)</u>	<u>759,714</u>	<u>(882,018)</u>	<u>(1,979,548)</u>
Total net assets, beginning of year	<u>12,138,469</u>	<u>790,265</u>	<u>5,657,611</u>	<u>—</u>	<u>18</u>	<u>18,586,363</u>
Total net assets, end of year	<u>\$ 10,938,121</u>	<u>725,955</u>	<u>5,065,025</u>	<u>759,714</u>	<u>(882,000)</u>	<u>16,606,815</u>

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HOUSING AUTHORITY OF THE CITY OF SEATTLE

Component Units

Combining Statement of Cash Flows

Year ended December 31, 2003

	<u>Holly Park Ltd Partnership</u>	<u>Ravenna School Ltd Partnership</u>	<u>Othello Street Ltd Partnership</u>
Cash flows from operating activities:			
Receipts from residents	\$ 1,706,767	169,853	588,602
Receipts from other sources	29,127	28,675	9,092
Advances from affiliates	—	—	—
Payments to vendors	(581,239)	(151,687)	(194,957)
Payments to employees	(496,494)	(45,211)	(133,857)
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	658,161	1,630	268,880
Cash flows from capital and related financing activities:			
Acquisition & Construction of capital assets	—	—	—
Increase in outstanding debt	—	—	—
Principal paid on outstanding debt	(85,000)	—	(25,000)
Mortgage costs paid	—	—	—
Interest paid	(535,862)	(1,349)	(190,617)
Contributions from partner	—	—	—
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) capital and related financing activities	(620,862)	(1,349)	(215,617)
Cash flows from investing activities:			
Investments purchased	(47,357)	—	(486,964)
Proceeds for maturities of investments	123,194	—	194,917
Interest received	56,026	731	5,406
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) investing activities	131,863	731	(286,641)
Net increase (decrease) in cash and cash equivalents	169,162	1,012	(233,378)
Cash and cash equivalents beginning of year	<hr/>	<hr/>	<hr/>
	1,636,708	84,401	747,129
Cash and cash equivalents end of year	<hr/>	<hr/>	<hr/>
	\$ 1,805,870	85,413	513,751
Reconciliation of operating income to net cash provided by (used in) operations:			
Operating loss	\$ (766,347)	(58,395)	(240,503)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,335,740	58,213	492,214
Change in assets and liabilities:			
Accounts receivable	17,010	27,543	314
Inventory and prepaid items	(18,589)	(8,319)	(1,029)
Accounts payable	90,347	(17,712)	18,584
Other	—	300	(700)
	<hr/>	<hr/>	<hr/>
Total adjustments	1,424,508	60,025	509,383
Net cash used in operating activities	<hr/>	<hr/>	<hr/>
	\$ 658,161	1,630	268,880

Exhibit H-3

	Desdemona Ltd Partnership	Escallonla Ltd Partnership	High Point North Ltd Partnership	Total
\$	—	—	—	2,465,222
	600,860	550,702	—	1,218,456
	—	733,035	—	733,035
	—	—	1,325,853	397,970
	—	—	—	(675,562)
	<u>600,860</u>	<u>1,283,737</u>	<u>1,325,853</u>	<u>4,139,121</u>
	(6,942,476)	(3,459,559)	(1,826,195)	(12,228,230)
	6,856,247	24,658,237	32,790,581	64,305,065
	—	—	—	(110,000)
	—	—	(274,600)	(274,600)
	—	—	—	(727,828)
	<u>759,714</u>	<u>—</u>	<u>—</u>	<u>759,714</u>
	<u>673,485</u>	<u>21,198,678</u>	<u>30,689,786</u>	<u>51,724,121</u>
	(1,645,199)	(22,542,055)	(32,000,000)	(56,721,575)
	3,827,387	25,162	—	4,170,660
	—	—	—	62,163
	<u>2,182,188</u>	<u>(22,516,893)</u>	<u>(32,000,000)</u>	<u>(52,488,752)</u>
	3,456,533	(34,478)	15,639	3,374,490
	—	50,018	—	2,518,256
\$	<u>3,456,533</u>	<u>15,540</u>	<u>15,639</u>	<u>5,892,746</u>
			—	
\$	—	(18)	—	(1,065,263)
	—	—	—	1,886,167
	16,280	—	—	61,147
	—	—	—	(27,937)
	217,770	1,262,552	1,325,853	2,897,394
	<u>366,810</u>	<u>21,203</u>	<u>—</u>	<u>387,613</u>
	<u>600,860</u>	<u>1,283,755</u>	<u>1,325,853</u>	<u>5,204,384</u>
\$	<u>600,860</u>	<u>1,283,737</u>	<u>1,325,853</u>	<u>4,139,121</u>

**Actual Modernization
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0044 (exp. 04/30/2004)
OMB Approval No. 2577-0157 (exp. 12/31/99)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name: SEATTLE HOUSING AUTHORITY	Modernization Project Number: WA19-P001501-01
--	---

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 14,729,498.00
B. Funds Disbursed	\$ 14,729,498.00
C. Funds Expended (Actual Modernization Cost)	\$ 14,729,498.00
D. Amount to be Recaptured (A-C)	\$ --0--
E. Excess of Funds Disbursed (B-C)	\$ --0--

2. That all modernization work in connection with this Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired;

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X *Thomas M. Tierney*
THOMAS M TIERNEY, EXECUTIVE DIRECTOR **AUGUST 17th, 2004**

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X *[Signature]*

[Signature]

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

form HUD-50001 (10/96)
ref Handbook 7485.1 8.3

**Actual Modernization
Cost Certificate**

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0044 (exp. 04/30/2004)
OMB Approval No. 2577-0157 (exp. 12/31/99)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to this collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name: SEATTLE HOUSING AUTHORITY	Modernization Project Number: WA19-R001501-02
--	---

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 151,573.00
B. Funds Disbursed	\$ 151,573.00
C. Funds Expended (Actual Modernization Cost)	\$ 151,573.00
D. Amount to be Recaptured (A-C)	\$ ---0---
E. Excess of Funds Disbursed (B-C)	\$ ---0---

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1612-31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X *Thomas M. Tierney*
THOMAS M TIERNEY, EXECUTIVE DIRECTOR **AUGUST 17th, 2004**

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X *[Signature]*

[Signature]

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

Form HUD-53001 (10/96)
rel Handbooks 7485.1 & 3

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**The Housing Authority of the
City of Seattle, Washington**

**Statistical Section
(Unaudited)**

Section III

STATISTICAL SECTION

This section provides additional information regarding the Authority in the following categories:

Financial Information
Demographics

Tables 1 - 6
Tables 7 - 8

This information was compiled by the Authority.

Table 1

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Fund Expenses by Function
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Admini- stration	Tenant Services	Utilities	Maintenance	Other	(1) Depreciation & Amortization	Total
1995	\$ 342,321	577,279	42,701	116,142	202,517	—	1,280,960
1996	683,680	485,570	56,693	141,959	4,793	—	1,372,695
1997	342,234	337,047	59,293	146,032	180,924	—	1,065,530
1998	338,438	563,001	55,111	188,323	12,130	—	1,157,003
1999	574,945	505,131	53,985	240,704	9,541	—	1,384,306
2000	546,788	401,712	57,373	232,142	39,269	—	1,277,284
2001	676,433	529,297	69,111	186,994	9,355	—	1,471,190
2002	624,968	321,036	124,805	229,443	30,086	673,624	2,003,962
2003	692,646	330,295	178,976	349,717	25,533	831,323	2,408,490
2004	635,848	196,216	178,771	515,249	45,971	796,028	2,368,083

(1) Depreciation was not required under the previous Government Fund Reporting Model

Table 2

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Expenses by Function - Primary Government
 Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Admini- stration</u>	<u>Tenant Services</u>	<u>Utilities</u>	<u>Housing Assistance Payments</u>	<u>Maintenance</u>	<u>Depreciation & Amortization</u>	<u>Other</u>	<u>Total</u>
2002	\$ 28,309,341	2,975,192	5,781,141	53,824,569	15,054,315	9,809,050	3,909,637	119,663,245
2003	28,035,895	2,877,693	5,254,899	65,156,211	16,275,910	10,199,726	8,436,704	136,237,038
2004	26,024,065	2,242,826	5,177,870	71,889,208	18,133,133	11,166,605	1,712,092	136,345,799

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Revenues By Source - Primary Government
 Last Ten Fiscal Years (Unaudited)

Year	Tenant Rentals and Sales		Housing Assistance Payment Subsidies		Other		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Total
2002	\$ 17,198,871	19.0%	67,010,540	74.2%	6,079,556	6.7%	90,288,967	100.0%
2003	18,776,018	19.6%	71,278,909	74.5%	5,622,755	5.9%	95,677,682	100.0%
2004	19,990,759	18.3%	75,725,763	69.3%	13,619,504	12.5%	109,336,026	100.0%

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

Table 4

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Nonoperating Revenues By Source - Primary Government
 Last Ten Fiscal Years (Unaudited)

<u>Year</u>	<u>Intergovernmental</u>		<u>Interest Income</u>		<u>Total</u>	
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Total</u>
2002	\$ 17,954,601	84.5%	3,295,317	15.5%	21,249,918	100.0%
2003	17,701,294	89.5%	2,079,480	10.5%	19,780,774	100.0%
2004	17,347,758	87.7%	2,422,737	12.3%	19,770,495	100.0%

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

Table 5

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Schedule of General Revenue Bond Coverage
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Service		Total Debt Service	General Expense (1)	Ratio of Debt Service to General Expenses
	Principal	Interest			
<u>Villa Park 1996 Bonds</u>					
1997	\$ —	55,867	55,867	—	0.0
1998	—	111,061	111,061	179,893	0.6
1999	25,000	120,126	145,126	224,131	0.6
2000	30,000	118,740	148,740	427,576	0.3
2001	30,000	117,275	147,275	466,989	0.3
2002	30,000	116,103	146,103	1,667,735	0.1
2003	30,000	114,873	144,873	178,085	0.8
2004	35,000	113,147	148,147	179,791	0.8
<u>Wakefield 2000 Bonds for Wallingford</u>					
2000	15,468	27,676	43,144	902,551	0.0
2001	24,588	40,128	64,716	930,351	0.1
2002	26,353	38,363	64,716	1,330,338	0.0
2003	28,236	36,480	64,716	773,846	0.1
2004	30,299	34,417	64,716	854,780	0.1
<u>Telemark 2001 Bonds</u>					
2001	—	48,753	48,753	66,129	0.7
2002	25,000	173,479	198,479	119,772	1.7
2003	30,000	172,896	202,896	89,037	2.3
2004	30,000	171,756	201,756	128,387	1.6
<u>Wedgewood 2001 Variable rate bonds</u>					
2001	—	20,153	20,153	192,937	0.1
2002	130,000	59,814	189,814	1,241,767	0.2
2003	130,000	44,802	174,802	979,865	0.2
2004	135,000	39,831	174,831	897,686	0.2
<u>Wakefield/Porchlight 2002 Bonds</u>					
2002	—	218,151	218,151	1,330,338	0.2
2003	100,000	479,398	579,398	773,846	0.7
2004	130,000	477,972	607,972	854,780	0.7
<u>Mary Avenue 2002 Bonds</u>					
2002	—	4,344	4,344	19,508	0.2
2003	16,041	58,697	74,738	38,572	1.9
2004	16,041	60,500	76,541	69,941	1.1
<u>Montridge Arms 2002 Bonds</u>					
2002	—	65,290	65,290	53,879	1.2
2003	25,000	103,690	128,690	97,468	1.3
2004	25,000	102,965	127,965	105,846	1.2
<u>Market Terrace 2002 Bonds</u>					
2002	—	7,841	7,841	13,435	0.6
2003	28,959	105,966	134,925	100,467	1.3
2004	28,959	109,219	138,178	74,263	1.9

Table 5, cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Schedule of General Revenue Bond Coverage
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Service		Total Debt Service	General Expense (1)	Ratio of Debt Service to General Expenses
	Principal	Interest			
<u>Longfellow Creek 2003 Bonds</u>					
2003	\$ —	47,745	47,745	87,830	0.5
2004	—	143,739	143,739	496,191	0.3
<u>HOPE VI Replacement Housing 2003 Bonds</u>					
2003	125,000	597,188	722,188	640,643	1.1
2004	125,000	608,672	733,672	674,351	1.1
<u>Bayview/Lake City Commons 2004 Bonds</u>					
2004	—	30,850	30,850	554,377	0.1
<u>Yesler Community Replacement 2004 Bonds</u>					
2004	—	50,568	50,568	23,565	2.1

Table 6

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Schedule of Debt Service Coverage
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Service		Total Debt Service	Gross Revenues (1)	Operating Expense (2)	Net Revenue Available for Debt Service	Debt Service Coverage Ratio
	Principal	Interest					
<u>Market House 1982 and 1994 Bonds</u>							
1995	\$ 50,000	145,862	195,862	576,691	253,191	323,500	1.7
1996	155,000	157,925	312,925	520,244	282,354	237,890	0.8
1997	160,000	143,352	303,352	534,096	210,381	323,715	1.1
1998	165,000	140,975	305,975	493,042	219,014	274,028	0.9
1999	175,000	131,730	306,730	501,942	207,894	294,048	1.0
2000	110,497	125,613	236,110	490,991	228,627	262,364	1.1
2001	122,445	116,885	239,330	500,295	231,315	268,980	1.1
2002	127,143	109,684	236,827	489,739	239,849	249,890	1.1
2003	129,612	104,090	233,702	463,893	229,409	234,484	1.0
2004	130,331	104,423	234,754	476,194	234,538	241,656	1.0

(1) Gross revenues include operating revenues, subsidy, and interest income.

(2) Expenses include all operating expenses except depreciation and amortization.

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HOUSING AUTHORITY OF THE CITY OF SEATTLE

Tenant Demographics: Population Statistics
Last Ten Fiscal Years (Unaudited)

Calendar Year (2)	Public Housing Program				Total Number of Tenants	(1) Handicapped/ Disabled
	Adults	Elderly	(1) Handicapped/ Disabled	Minors		
1995	3,441	873	3,939	4,853	13,106	—
1996	3,480	781	3,897	4,719	12,877	—
1997	2,907	638	3,623	4,332	11,500	—
1998	5,457	1,696	—	3,949	11,102	3,395
1999	5,569	1,679	—	3,921	11,169	3,231
2000	5,641	1,642	—	4,014	11,297	3,164
2001	5,109	1,589	—	3,346	10,044	3,047
2002	5,214	1,875	—	2,583	9,672	1,993
2003	5,024	1,354	—	2,936	9,314	1,899
2004	5,308	1,406	—	2,945	9,659	1,818

Calendar Year (2)	Section 8 Program				Total Number of Tenants	(1) Handicapped/ Disabled
	Adults	Elderly	(1) Handicapped/ Disabled	Minors		
1995	2,654	383	1,338	3,844	8,219	—
1996	2,834	380	1,415	3,825	8,454	—
1997	2,765	938	1,443	4,063	9,209	—
1998	4,253	1,019	—	4,374	9,646	1,858
1999	4,714	1,041	—	4,500	10,255	2,188
2000	5,251	1,061	—	4,994	11,306	2,315
2001	4,940	1,003	—	5,218	11,161	2,419
2002	6,285	1,150	—	5,784	13,219	2,160
2003	6,584	1,131	—	6,310	14,025	2,128
2004	6,732	1,158	—	6,210	14,100	2,168

Table 7

Senior and Local Housing Programs					
Adults	Elderly	(1) Handicapped/ Disabled	Minors	Total Number of Tenants	(1) Handicapped/ Disabled
26	829	386	—	1,241	—
38	822	368	—	1,228	—
85	935	232	—	1,252	—
306	937	—	—	1,243	387
319	927	—	—	1,246	413
349	903	—	—	1,252	461
195	884	—	—	1,079	404
276	761	—	—	1,037	147
572	867	—	186	1,625	266
596	899	—	222	1,717	240
Agency Wide Totals					
Adults	Elderly	Handicapped/ Disabled	Minors	Total Number of Tenants	(1) Handicapped/ Disabled
6,121	2,085	5,663	8,697	22,566	—
6,352	1,983	5,680	8,544	22,559	—
5,757	2,511	5,298	8,395	21,961	—
10,016	3,652	—	8,323	21,991	5,640
10,602	3,647	—	8,421	22,670	5,832
11,241	3,606	—	9,008	23,855	5,940
10,244	3,476	—	8,564	22,284	5,870
11,775	3,786	—	8,367	23,928	4,300
12,180	3,352	—	9,432	24,964	4,293
12,636	3,463	—	9,377	25,476	4,226

(1) Prior to 1997, handicapped and disabled were excluded from the adult, elderly and minor categories. For greater clarity, in fiscal years 1998 and after, handicapped and disabled are separately reported.

(2) 2001 data is presented on a fiscal year basis rather than calendar year.

Table 8

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Property Characteristics and Dwelling Unit Composition

September 30, 2004 (Unaudited)

Public Housing			
Name of Development	Address	Number of Units	Year Built or Acquired
Ballard House	2445 NW 57th Street	79	1969
Barton Place	9201 Rainier Avenue S.	90	1971
Beacon Tower	1311 S. Massachusetts	108	1971
Bell Tower	2215 - 1st Avenue	119	1970
Cal-Mor Circle	6420 California Avenue SW	74	1969
Capitol Park	525 - 14th Avenue E.	125	1971
Cedarvale House	11050 - 8th Avenue NE	118	1971
Cedarvale Village	11050 - 8th Avenue NE	24	1971
Center Park	2121 - 26th Avenue S.	137	1969
Center West	533 - 3rd Avenue W.	91	1969
Denny Terrace	100 Melrose Avenue E.	221	1969
Greenlake Plaza	505 NE 70th Street	130	1970
Harvard Court	610 Harvard Avenue E.	80	1969
High Point	3000 SW Graham Street	327	1942
Holly Court	3804 S. Myrtle	97	1979
International Terrace	202 - 6th Avenue S.	100	1972
Jackson Park House	14396 - 30th Avenue NE	71	1970
Jackson Park Village	14396 - 30th Avenue NE	41	1970
Jefferson Terrace	800 Jefferson Street	299	1967
Lake City House	12546 - 33rd Avenue NE	115	1971
Lictonwood	9009 Greenwood Avenue N.	81	1971
Longfellow Creek	5915 Delridge Way SW	30	2003
NewHolly	7050 - 32nd Avenue S.	401	1999
Olive Ridge	1700 - 17th Avenue	107	1969
Olympic West	110 W. Olympic Place	75	1971
Queen Anne Heights	1212 Queen Anne Avenue N.	52	1971
Rainier Vista	4500 Martin Luther King Jr. Way S.	205	1942
Ross Manor	1420 Western Avenue	100	1983
Scattered Sites	Various	789	various
Stewart Manor	6339 - 34th Avenue	74	1969
Tri-Court	720 N. 143rd	87	1971
University House	4700 - 12th Avenue NE	101	1972
University West	4544 - 7th Avenue NE	113	1971
Westwood Heights	9455 27th Avenue SW	130	1971
West Town View	1407 2nd Avenue W	59	1978
Wisteria Court	7544 24th Ave SW	20	2003
Yesler Terrace	903 E. Yesler Way	561	1941
Partnership units	Various	50	various
Total units - Public Housing		5,481	

(Continued)

Table 8, cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Property Characteristics and Dwelling Unit Composition

September 30, 2004 (Unaudited)

Section 8			
Name of Development	Address	Number of Units	Year Built or Acquired
Housing Choice Vouchers	various	7,861	various
Moderate Rehabilitation	various	760	various
Bay View Tower	2614 - 4th Ave	100	1978
Market House	1531 - 1st Ave	51	1984
Market Terrace	1115 NW Market St	30	2002
Total number of Section 8 Units		8,802	

Senior Housing			
Name of Development	Address	Number of Units	Year Built or Acquired
Bitter Lake Manor	620 N. 130th	72	1984
Blakeley Manor	2401 NE Blakeley	70	1984
Carroll Terrace	600 - 5th Avenue W.	26	1985
Columbia Place	4628 S. Holly	65	1984
Daybreak	1515 2nd Ave N.	3	1986
Fort Lawton Place	3401 W. Government Way	24	1984
Fremont Place	4601 Phinney Avenue N.	31	1984
Gideon-Mathews Gardens	323 - 25th Avenue S.	45	1986
Heritage House	1533 Western Avenue	62	1990
Island View	3031 California Avenue SW	48	1984
Keystone House	3515 Woodland Park N.	32	1986
Leschi House	1011 S. Weller	34	1988
Michaelson Manor	320 W. Roy	57	1985
Nelson Manor	220 NW 58th	32	1985
Olmsted Manor	501 NE Ravenna Blvd.	35	1985
Phinney Terrace	6561 Phinney Avenue N.	51	1984
Pinchurst Court	12702 15th Avenue NE	73	1983
Pleasant Valley Plaza	3801 34th Avenue W.	41	1984
Primeau Place	308 - 14th Avenue E.	53	1984
Ravenna School Apartments	6564 Ravenna Avenue NE	39	1986
Reunion House	530 - 10th Avenue E.	28	1984
Schwabacher House	1715 NW 59th Street	44	1984
South Park Manor	520 S. Cloverdale	27	1984
Sunrise Manor	1530 NW 57th Street	32	1985
Wildwood Glen	4501 SW Wildwood	24	1983
Willis House	6341 - 5th Ave NE	42	1984
Total number of Senior Housing units		1,090	

(Continued)

Table 8, Cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Property Characteristics and Dwelling Unit Composition

September 30, 2004 (Unaudited)

Other Housing Programs			
Name of Development	Address	Number of Units	Year Built or Acquired
104th St Townhomes	528 N 104th	3	2001
Aldercrest	6520 35th Ave SW	36	2004
Coach House	1056 N. 35th Street	8	1997
Fir Street Townhomes	various	7	2003
Lake City Commons	12745 30th Ave NE	15	2003
Lam Bow Apartments	6935 Delridge Way SW	51	2003
Levy Program	various	19	various
Longfellow Creek Apartments	5915 Delridge Way SW	54	2003
Main Place II	308 22nd Ave S	25	2004
Main Street Apartments	2035 S Main St	11	2004
Mary Avenue Townhomes	8550-84 Mary Ave NW	8	2002
MLK Townhomes	various	6	2003
Montridge Arms Apartments	9000 27th Ave SW	33	2002
Norman Street Townhomes	various	15	2003
Referendum 37	various	8	various
Ritz Apartments	1302 E Yesler Way	30	2004
South of Holly redevelopment	various	8	2003
Spruce Street Townhomes	various	10	2003
Stone Ave Townhomes	8514 Stone Ave N	4	2001
Telemark Apartments	2850 NW 56th St	24	1999
Villa Park Townhomes	9111 50th Avenue S.	43	1995
Wedgewood Estates	3716 NE 75th	204	2001
Westwood Heights East Apts	9440 27th Ave SW	42	2003
Westwood Heights Fourplexes	9940 27th Ave SW	24	2002-2003
Wisteria Court	7544 24th Ave SW	76	2003
Yester Court	114 23rd Ave	9	2004
	Total number other units	773	
	Total number of units - All Programs	16,146	

The Housing Authority
of the
City of Seattle, Washington

**Comprehensive
Annual Financial
Report**

For the Fiscal Year Ended
September 30, 2005



**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Comprehensive Annual Financial Report

September 30, 2005

Issued by
Department of Finance & Administrative Services
Dick Woo, Director

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Comprehensive Annual Financial Report

September 30, 2005

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**The Housing Authority of the
City of Seattle, Washington**

Introductory Section

Section I

HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON
Principal Officials

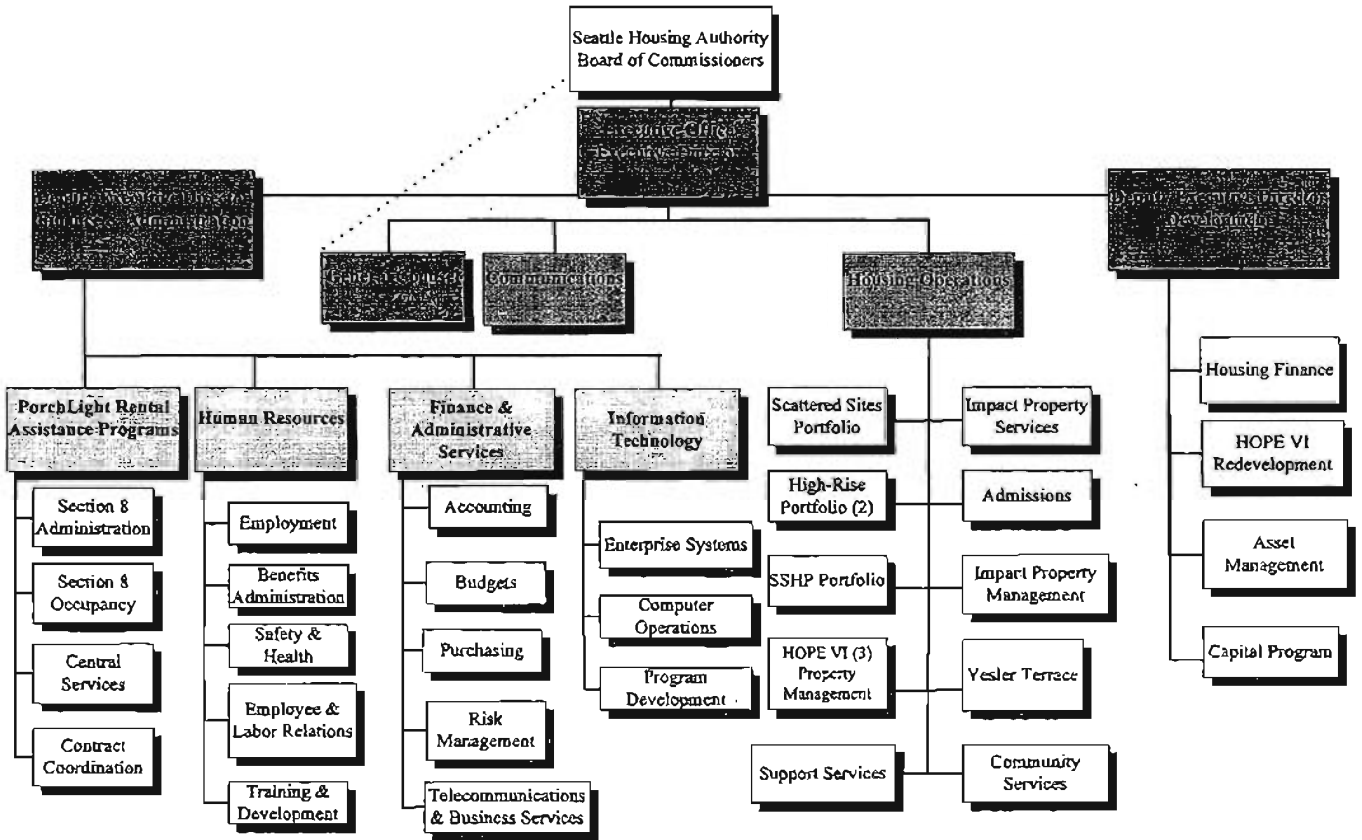
Commissioners as of September 30, 2005

<u>Name</u>	<u>Term expires</u>
Bettylou Valentine, Chair	March 20, 2007
David Bley, Vice Chair	March 20, 2008
Al Winston Jr., Commissioner	October 1, 2006
Katie Hong, Commissioner	March 20, 2009
Judith Fay, Commissioner	March 20, 2006
Marie Cook, Commissioner	October 1, 2006
Jennifer Potter, Commissioner	March 20, 2007

Administrative Staff

Tom Tierney, Secretary-Treasurer/Executive Director
Dick Woo, Director, Finance & Administrative Services

SEATTLE HOUSING AUTHORITY ORGANIZATION CHART



**Location**

120 Sixth Avenue North, Seattle, Washington

Mailing Address

P.O. Box 19028, Seattle, Washington 98109-1028

Telephone: 206 615-3300

TDD: 1-800-833-6384 www.seattlehousing.org

January 6, 2006

Members of the Board of Commissioners
Housing Authority of the City of Seattle, Washington:

Introduction

We are pleased to present the Seattle Housing Authority Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2005. This report was prepared by the Authority's Finance staff, and was audited by the international public accounting firm of KPMG LLP.

The data presented in this report are the responsibility of the management of the Authority. To the best of our knowledge and belief, the data as presented are accurate in all material aspects; are presented in a manner designed to fairly state the financial position and results of operations of the Authority; and all necessary disclosures have been included to enable the reader to gain a complete understanding of the Authority's financial affairs.

The CAFR is presented in three sections; introductory, financial, and statistical. The introductory section includes this transmittal letter, the Authority's organizational chart, a list of principal officials, and the Government Finance Officers Association's (GFOA) Certificate of Achievement. The financial section includes the independent auditors' report on the basic financial statements, management's discussion and analysis, the basic financial statements and the combining, individual fund financial statements and schedules. The statistical section presents, on a multiyear basis, selected financial and demographic information for the Authority and its clients.

This report includes all funds and component units of the Authority. The Authority is an independent municipal entity created by the City of Seattle in 1939 pursuant to state law and the National Housing Act of 1937. Although it maintains close ties with the City in several respects, the Authority is not a component unit of the City, as defined by the pronouncements of the Governmental Accounting Standards Board, since the City is not financially accountable for the operations of the Authority, has no responsibility to fund its deficits or receive its surpluses, and has not guaranteed the Authority's debt.

The governing body of the Authority is its Board of Commissioners (Board) and is composed of seven members appointed by the Mayor of the City of Seattle. The Board appoints an Executive Director to administer the affairs of the Authority. The primary source of external funding for the Authority is the U.S. Department of Housing and Urban Development (HUD), which oversees the expenditures of most of the Low Rent and Section 8 funds. The primary objective of the Authority is to provide decent, safe and affordable housing for families who, due to economic hardship and/or disabilities, find it difficult or impossible to obtain housing in the private real estate market. A second objective is to assist these families in achieving self sufficiency. To accomplish these objectives, the Authority participates in a number of programs which are discussed in the Management's Discussion and Analysis and in the Notes to the Basic Financial Statements sections of this report.

Economic Condition and Outlook

The economic condition in the Seattle metropolitan area generally tracks the national trend. While the economic downturn that began in 2001 has had a substantial impact on businesses and employment in the Pacific Northwest, signs of a general recovery in terms of increased profitability, consumer spending, home sales, and employment have resurfaced in 2005. The housing market in the Puget Sound region remains robust, with sale of new and existing homes continuing at a strong pace forecasted for 2006, despite the double digit price appreciation experienced over the past several years. It is worth noting that long-term interest rates are staying substantially below the short term rates which have increased repeatedly during the past two years. Banking prime rate increased to 7.25% as of the end of the 2005 calendar year, the result of 13 consecutive rate increases by the Federal Reserve since June 2004. As of September 2005, the unemployment rate in the Greater Seattle area has fallen to 5.1% from 5.6% a year ago, well below the statewide average of 5.7%.

The Authority's financial position is directly affected by the level of Federal appropriations for public housing operations and modernization. For the past several years, HUD has provided slightly less than 100% of the full operating subsidy required for the low rent public housing program nationwide. For fiscal year 2005, the Authority's operating subsidy is funded at 98.1%, while the operating subsidy level for fiscal year 2006 could be further reduced due to potential changes in HUD's funding availability and HUD's conversion to a calendar year basis for funding housing authorities.

To implement the Authority's long-range plan for redeveloping several of its severely distressed public housing communities, the Authority has applied for and received HUD HOPE VI Urban Revitalization grant awards for the redevelopment of its Holly Park and Rainier Vista communities in southeast Seattle, and the Roxbury and High Point communities in southwest Seattle.

In 2004, SHA completed the redevelopment of the Roxbury House and Village. The house has been renamed Westwood Heights, reconfigured from 150 to 130 units and designated for elderly households. The village has been replaced by a mixed-income community of 45 units for families, of which 15 are public housing for extremely low income households. The other 65 public housing units that were demolished or combined to make larger units have been replaced elsewhere in Seattle.

As of May 31, 2005, construction and lease up of the new rental housing units at all three phases of NewHolly is complete. This former community of 871 severely distressed public housing units has been transformed to a mixed-income community with 938 rental units serving families, individuals and elderly and disabled households, plus over four hundred homeownership units and a wide variety of community facilities and service providers.

As of September 30, 2005, the first phase of Rainier Vista redevelopment with 184 units of new rental housing for people with a mix of incomes is largely complete. These units are complemented on site by 78 units of low-income elderly housing and an elder care program operated by Providence Health System-Washington. In addition, 50 units of housing for people with disabilities are being developed by Housing Resources Group and AIDS Housing of Washington. These units are slated for completion in early 2006. Residents in the redeveloped Rainier Vista community also have access to a computer lab, community meeting space and early childhood education classrooms located in a new community facility developed by Neighborhood House, a service provider partner of the Authority for over 60 years. Completion of the second phase of Rainier Vista redevelopment is expected in 2009 just ahead of completion of the Regional Sound Transit light rail system which will run on a major arterial that bisects Rainier Vista and along the eastern edge of NewHolly.

The Authority has begun the first of a two-phase redevelopment at the High Point community, with 95 of 244 rental units completed as of September 30, 2005. Full lease up of the brand new mixed income rental

housing units is expected in spring 2006. Over the next several years, the Authority will carry out phase two of the High Point redevelopment. Upon completion scheduled for 2009, the entire site will be transformed from a 716-unit public housing community into a vibrant mixed-income community integrated into adjacent southwest Seattle neighborhoods. The more than 600 brand new affordable rental housing units located at High Point will be complemented by 1,000 for-sale homes, elderly assisted-living apartments, as well as community facilities such as a public library, health clinic, community center and grocery store.

For the past two years, the Authority has been planning the rehabilitation of most of its public housing high-rise buildings by leveraging HUD capital subsidy with private investments, such as low-income housing tax credits and private activity tax exempt bonds. The Authority's intent is to rehabilitate major building systems and address deferred maintenance in about 20-25 high-rise buildings, with more than 2,000 units in three phases over the next several years. In 2005, the Authority named the program "homeWorks," hired a project manager, contracted with an architectural and engineering team and a General Contractor/Construction Manager, and completed financing for the first phase of the project. Rehabilitation work for phase one, which includes seven buildings, will begin in early 2006, with completion scheduled in 2007.

The Authority is also reconfiguring its 780-unit scattered site portfolio of public housing to improve operational efficiency. Over a three-year period, beginning in 2005, the Authority will sell and replace about 200 housing units. The reconfiguration will result in a higher percentage of small multifamily properties and fewer single family and multiplex properties. The change is expected to reduce per unit management and maintenance costs in this portfolio without reducing housing choice for low-income families.

The Authority believes that its redevelopment and revitalization efforts contribute positively to all Seattle neighborhoods touched by its housing portfolio. The redevelopment activities of the Authority have and will continue to stimulate and leverage public and private investments in neighborhoods throughout the city. Benefits to the Authority's residents, Section 8 Program participants, and the greater Seattle community are being felt in the form of public improvements such as parks, libraries, and community centers; increased private investments in local business enterprises leading to greater job opportunities; and increased goods and services for neighborhood residents. In all of the redevelopment activities to date, the Authority has committed to replace all units affordable to low-income households, and is on track to meet those commitments.

The Authority has been highly successful over the past ten years competing for HUD capital dollars to modernize and redevelop its communities and their aging housing stock. In addition to the formula-based HUD Capital Projects Grant awards, the Authority has received over \$140 million in HUD HOPE VI urban revitalization grants. Using these HUD funds as leverage, the Authority has succeeded in obtaining significant amounts of other public and private funding for its redevelopment activities. Due to the uncertainties of capital funds at the Federal level, the Authority will continue to carry out the majority of its current and future redevelopment activities on a mixed-financing basis. This will involve using a combination of funds leveraged from the Federal, State, and local governments, the sale of Federal low-income housing tax credits, and utilizing the Authority's tax exempt debt financing capacity.

The Authority has continued to take an active asset management approach to managing its properties, treating each of them as a distinctive "product," with the goal of efficiently utilizing each property to its fullest potential for meeting our mission. This means the Authority is actively reviewing its existing real estate holdings to ensure that all of its assets are managed in a cost effective and efficient fashion and are contributing to its overall mission of creating and sustaining decent, safe and affordable living environments for the low income people of Seattle.

The Authority will continue to supplement its operating revenues and HUD subsidies by actively competing for additional Federal funds for modernization, redevelopment and resident support activities. For fiscal year 2006, the Authority has been awarded approximately \$13 million in HUD public housing capital project grant funds for the modernization and improvement of public housing properties, along with various Resident Opportunities and Self Sufficiency (ROSS) grants. Although the Authority continues to depend upon HUD subsidies for its operations, rental income from its traditional property portfolio and from its debt-financed properties are becoming a significant and increasing portion of the Authority's operating revenues. For fiscal year 2006, rental income from all properties is expected to total \$20.6 million, representing approximately 17% of the Authority's operating revenues. Over time, the Authority plans to gradually reduce its traditional reliance on Federal support.

In May 2005, The Authority's Board of Commissioners adopted a Five-Year Strategic Plan entitled *Remaining Committed in Times of Change*. This plan articulates ways in which SHA can maintain its significant housing stock for extremely low income households in the face of long-term trends of declining federal resources. Included in the strategic direction of *remaining committed to our mission in times of change* is the goal of expanding the Authority's housing options to also serve the needs of residents across the income spectrum from 30 to 80 percent of area median income and to increase, over the next five years, by 1,000 the number of affordable housing units owned or managed by the Authority.

In 1999, after six straight years of designation as a high performing housing authority under HUD's Public Housing Management Assessment Program (PHMAP), the Authority became one of the first six housing authorities selected by HUD to participate in its new Moving to Work (MTW) Demonstration Program. Under this program, the Authority will retain its perfect score of 100, received under PHMAP, for purposes of competitive HUD grant applications. Currently, the Authority is one of about 30 housing authorities across the country participating in MTW. Under this program, the Authority has a contract with HUD which exempts it from a multitude of HUD regulations and reporting requirements, and is allowed significant flexibility to combine its HUD funding for reallocation among its capital and operating programs. The Authority is taking full advantage of its participation in this program to test innovative methods designed to improve its delivery of housing services and to better meet local needs. The Authority will continue to take full advantage of its MTW participation to position itself as a successful asset manager for the 21st century. This will include redeveloping selected properties into self-sustaining mixed-income communities, evaluating service delivery options to ensure the Authority's costs are consistent with the best practices of the private sector, and utilizing cost standards in the budgeting process.

Currently, the Authority's MTW agreement with HUD expires on September 30, 2006. The Authority has applied for a three-year extension pursuant to the fiscal year 2006 Appropriations law (Section 320 of P.L. 109-115) which requires HUD to extend agreements set to expire in 2006 upon housing authority request.

Financial Information

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs and benefits require estimates and the exercise of judgments by management.

As a recipient of Federal and State financial assistance, the Authority is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the compliance staff of the Authority.

Single Audit: In compliance with the Single Audit Act Amendments of 1996, tests are made to determine the adequacy of the Authority's internal control structure, including that portion relative to Federal financial assistance programs, as well as to determine whether the Authority has complied with applicable laws and regulations. The Authority's single audit was carried out by the international public accounting firm of KPMG, LLP. The audit for the fiscal year ended September 30, 2005 indicated no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Control: The objective of budgetary controls maintained by the Authority is to ensure compliance with legal provisions embodied in the annual budgets approved by the Board of Commissioners.

Activities of the Operating Fund, certain Low Rent, Section 8, Senior Housing, Local Housing, and certain Nonmajor Funds are included in the Authority's annual budgeting process. The annual budgets are proposed by the Executive Director and submitted to the Board of Commissioners for approval. In accordance with the Authority's Moving to Work contract with HUD, the Authority's Low Rent, Capital Projects, and Section 8 program budgets are no longer submitted to HUD for approval. In their place, the Authority prepares an annual Moving to Work Demonstration Plan which is submitted to HUD for review and comment. During the year, budget revisions may be submitted to the Authority's Executive Director for approval as a result of changes in operations and estimates. Under the Authority's Moving to Work contract, HUD approval for Low Rent, Section 8, and Capital Project program related budget revisions are no longer required.

The Authority's budgetary controls are established at the account class or function level for all funds. Additional budget controls are set at the department level where revenue and expenses are reported on a monthly basis and reviewed formally during scheduled quarterly financial and portfolio review sessions attended by department managers and directors.

Component Units: The Authority has nine discretely presented component units as of September 30, 2005. Holly Park Limited Partnership was formed to develop and manage the operations of Phase I of the Holly Park Redevelopment Project. Othello Street Limited Partnership was formed to develop and manage Phase II of the Holly Park Redevelopment Project. Ravenna School Limited Partnership was formed with the purpose of rehabilitating Ravenna School Apartments under the Senior Housing program using low-income tax credits. Desdemona Limited Partnership was formed to develop and manage Phase III of the Holly Park Redevelopment Project. Escallonia Limited Partnership was formed to develop and manage Phase I of the Rainier Vista Redevelopment Project. High Point Limited North Limited Partnership was formed to develop and manage Phase I of the High Point Redevelopment Project. Ritz Apartments Limited Partnership was formed to rehabilitate and manage the Ritz Apartment building. Aldercrest Apartments Limited Partnership was formed to rehabilitate and manage the Aldercrest Apartment building. High Rise Rehabilitation Phase I Limited Partnership was formed to rehabilitate and manage seven public housing high rise buildings. All nine partnerships have a December 31st year end.

Cash Management: All funds invested by the Authority during fiscal year 2005 were placed in HUD approved investments, which are generally limited to U.S. Treasury, agencies, certificates of deposit, repurchase agreements, and the Washington State Local Government Investment Pool. The average yield on these investments was 2.99% during fiscal year 2005.

Risk Management: The Authority employs two professionally certified risk management staff and utilizes insurance and claims consultants to actively manage property, liability, and workers' compensation claims as well as other risks inherent in the Authority's normal course of business. The Authority is covered by the State of Washington workers' compensation program and maintains property insurance coverage in the

amount of \$100 million with a deductible of \$50,000 per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) to obtain stable and affordable general liability coverage; the Authority maintains general liability coverage at a combined limit of \$15 million, subject to a deductible of \$250,000 per occurrence and an annual stop loss aggregate of \$500,000. The Authority has continued to designate \$800,000 of its Low Rent fund balance as an insurance reserve and maintains a number of additional insurance policies in order to mitigate other business risks.

The Authority has, for the past several years, been the recipient of a nationwide Outstanding Risk Control Program Award from HARRG. In addition to the insurance coverage described above, the Authority's policy provides earthquake coverage of \$1 million per occurrence with a deductible of 5%. The Authority will continue to work diligently and prudently to balance our risks with the cost and availability of insurance coverage in the market place.

Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2004. This was the eighth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

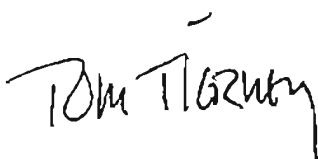
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

In 1999, after six straight years of designation as a high performing housing authority under HUD's Public Housing Management Assessment Program (PHMAP), the Authority became one of six participants under contract with HUD in its Moving to Work (MTW) Demonstration Program. Under this program, the Authority will retain its perfect score of 100, received under PHMAP, for purposes of competitive HUD grant applications.

Acknowledgments: The preparation of this report has been accomplished through the hard work of the Finance Department staff and the support of other staff members throughout the Seattle Housing Authority. We wish to thank the management and staff of KPMG LLP who provided the necessary expertise and technical assistance in organizing this report.

We would also like to take this opportunity, on behalf of the staff and residents of the Seattle Housing Authority, to acknowledge the members of the Board of Commissioners for their tireless support and guidance.

Respectfully submitted,



Tom Tierney
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Housing Authority of the
City of Seattle, Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

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**The Housing Authority of the
City of Seattle, Washington**

Financial Section

Section II



KPMG LLP
Suite 900
801 Second Avenue
Seattle, WA 98104

Independent Auditors' Report

The Board of Commissioners
Housing Authority of the City of Seattle:

We have audited the accompanying financial statements of business-type activities, each major fund, the aggregate remaining fund information, and the aggregate discretely presented component units of the Housing Authority of the City of Seattle, Washington (the Authority) as of and for the year ended September 30, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units of the Housing Authority of the City of Seattle, which represent 100 percent of the assets and 100 percent of the revenues of the discretely presented component units as of the for the year ended September 30, 2005. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities, each major fund, the aggregate remaining fund information, and the aggregate discretely presented component units of the Authority as of September 30, 2005, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 6, 2006 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, combining non-major fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The cost certificates for project WA19URD001D101 and WA19P00150102 are supplemental information required by HUD. The combining non-major fund financial statements, budgetary comparison information and cost certificates have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

January 6, 2006

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Overview of the Financial Statements

The Housing Authority of the City of Seattle, Washington (the Authority) is proud to present its basic financial statements for the fiscal year ended September 30, 2005 which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires the inclusion of three basic financial statements: The Statement of Net Assets (balance sheet); the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. In addition, GAAP requires the inclusion of a Management's Discussion and Analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that explain some of the information in the basic financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the basic financial statements.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses including depreciation are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended September 30, 2005 with comparative data from the year ended September 30, 2004. Please read it in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

Financial Highlights

- Assets of the Authority exceeded liabilities at September 30, 2005 by \$329.8 million (net assets). Of this amount, \$80.4 million (unrestricted net assets) may be used to meet the Authority's ongoing obligations.
- Total net assets increased by \$46.6 million. This increase is primarily attributed to increases in other income as a result of sales of land and properties.
- Capital assets increased from \$300.7 million to \$314.1 million. During the year, the Authority acquired several properties which are accounted for in the Low Rent fund, the Local Housing fund and the Non-Major funds and continued to capitalize costs incurred associated with the construction of Hope VI redevelopment projects.
- Notes receivable increased from \$65.2 million to \$79.8 million. The Authority has made loans to other low-income housing providers and to its component units that are redeveloping housing communities under the HOPE VI Redevelopment program.
- The Authority's total debt decreased from \$118.1 million to \$111.6 million during the current fiscal year. The decrease was due to the sales of properties on the Non-major funds during the year and payments on existing debts.

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Financial Analysis

Statement of Net Assets

The statement of net assets presents the assets, liabilities, and net assets of the Authority at the end of the fiscal year. The purpose of the statement of net assets is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, liabilities and net assets (assets minus liabilities). Also shown is the sum of total liabilities and net assets which equals total assets.

Total assets of the Authority at September 30, 2005 and September 30, 2004 amounted to \$482,748,849 and \$448,733,166, respectively. Current assets are comprised of several categories. Equity in pooled cash and cash equivalents and investments include the Authority's cash and investments. Accounts receivable include tenant receivables, receivables from other governments and receivables from component units. Prepaid expenses, deferred charges and inventories are also assets of the Authority. The noncurrent assets are certain investments, capital assets and notes receivable. Capital assets include land, buildings, construction in progress, and equipment; and are shown net of accumulated depreciation.

Total liabilities of the Authority are \$152,969,762 and \$165,595,129 at September 30, 2005 and September 30, 2004, respectively, and also include a current and noncurrent portion. Current liabilities include accounts payable and other accrued liabilities, funds held for others, deferred revenue, short term borrowings, and the current portions of long term debt. A liability is considered to be current if it is due within one year. Noncurrent liabilities are made up of the long-term portion of the notes and bonds payable.

Net assets represent the Authority's equity, a portion of which is restricted for certain uses. Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt shows the Authority's equity in land, structures, construction in progress and equipment, net of related capital debt outstanding. The next net asset category is restricted net assets. These assets have external limitations on the way in which they may be used. The last category is unrestricted net assets. They are available to use for any lawful and prudent purpose of the Authority.

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Condensed Statement of Net Assets

	September 30	
	2005	2004
Assets:		
Current assets	\$ 51,911,562	44,835,431
Noncurrent investments	22,841,313	27,251,021
Capital assets, net	314,126,900	300,731,249
Notes receivable	79,769,372	65,171,098
Other noncurrent receivables	14,099,702	10,744,367
Total assets	\$ 482,748,849	448,733,166
Liabilities:		
Current liabilities	\$ 48,154,378	54,657,035
Noncurrent liabilities	104,815,384	110,938,094
Total liabilities	152,969,762	165,595,129
Net assets:		
Invested in capital assets, net of related debt	223,381,297	204,283,445
Restricted	26,042,019	29,451,417
Unrestricted	80,355,771	49,403,175
Total net assets	329,779,087	283,138,037
Total liabilities and net assets	\$ 482,748,849	448,733,166

Statement of Revenues, Expenses, and Changes in Net Assets

The purpose of the statement of revenues, expenses and changes in net assets is to present the revenues earned by the Authority, both operating and nonoperating, and the expenses incurred, operating and nonoperating and any other revenues, expenses, gains, and losses received or spent by the Authority. Generally, operating revenues are amounts received for providing housing to the Authority's tenants. Operating expenses are those paid to maintain the housing units and provide other services for the tenants of the Authority. Nonoperating revenues are funds received for which goods and services are not provided. Capital contributions represent funds received from HUD for Hope VI redevelopment and other capital activities.

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	Years ended September 30	
	2005	2004
Operating revenues:		
Tenant rentals and sales	\$ 20,697,641	19,990,759
Housing assistance payment subsidies	80,263,996	75,725,763
Other	49,240,885	13,619,504
Total operating revenues	150,202,522	109,336,026
Operating expenses:		
Administration	29,152,797	26,024,065
Tenant services	2,436,512	2,242,826
Utility services	4,922,362	5,177,870
Maintenance	17,281,723	18,133,133
Housing assistance payments	68,212,519	71,889,208
Other	3,413,099	1,712,092
Depreciation and amortization	11,656,022	11,166,605
Total operating expenses	137,075,034	136,345,799
Operating income (loss)	13,127,488	(27,009,773)
Net nonoperating revenues:		
Intergovernmental	16,668,848	17,347,758
Interest expense	(5,510,982)	(4,811,281)
Interest income	3,190,698	1,450,061
Change in fair value of investments	(718,763)	972,676
Disposition of assets	(1,932,491)	(5,070,867)
Total nonoperating revenue	11,697,310	9,888,347
Change in assets before contributions	24,824,798	(17,121,426)
Capital contributions	21,816,252	40,837,228
Increase in net assets	46,641,050	23,715,802
Net assets, beginning of year	283,138,037	259,422,235
Net assets, end of year	\$ 329,779,087	283,138,037

During fiscal year 2005, other operating revenues increased by \$35.6 million. This increase was primarily a result of the scattered site sales in the low rent fund of \$13.4 million and the land sales in the Home Ownership program in the Non major funds of \$20.2 million.

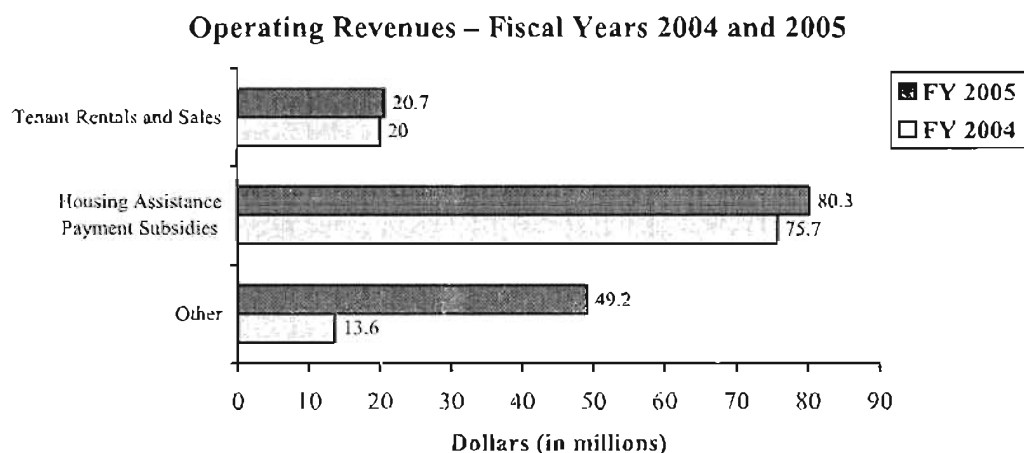
**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

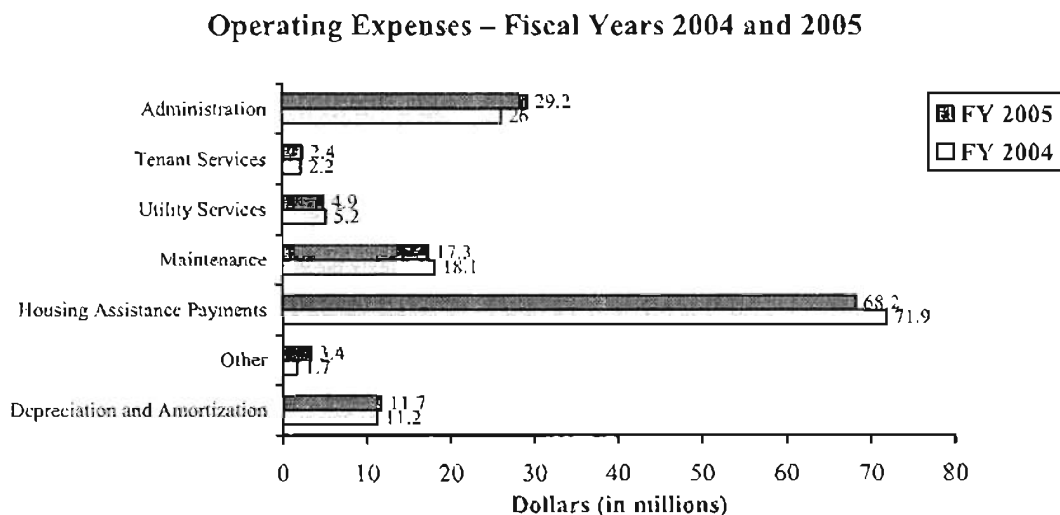
September 30, 2005

Capital contributions in fiscal year 2005 were lower than the previous year. Proceeds from Hope VI redevelopment grants were \$5.7 million during fiscal year 2005 compared to \$22.8 million in fiscal year 2004 and proceeds from HUD Capital grants in fiscal year 2005 were \$2.6 million lower than the previous year.

Operating revenues are shown in detail in the chart below:



Operating expenses are shown in detail in the chart below:



**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Capital Asset and Debt Administration

The Authority continued to add to its capital assets during fiscal 2005 and began a project to realign scattered site properties in the Low Rent program. The Authority purchased a six unit apartment building in the Local Housing fund, six properties for future development (one in the Low Rent fund and five in the Nonmajor funds), and one condo unit for management offices in the Operating fund. In addition, within the Low Rent fund, the Authority is selling public housing scattered site properties which are primarily single family and duplex units and replacing them with larger buildings that are more efficient and less costly to manage and operate. During the year, the Authority sold 44 properties with 62 units and purchased one 24 unit apartment building, one 10-unit building, one 6-plex building and one 4-plex building. Other property dispositions include South Park and Wallingford maintenance sites and Market House.

The table below shows the Authority's capital assets, net of depreciation, at the end of the fiscal year as compared to the end of the previous fiscal year.

	September 30	
	2005	2004
Land	\$ 63,725,794	64,007,810
Structures	170,466,760	169,172,653
Equipment	2,850,806	2,587,214
Construction in progress	77,083,540	64,963,572
	<u>\$ 314,126,900</u>	<u>300,731,249</u>

Note six to the Authority's basic financial statements provides additional detail regarding the changes in capital assets during the fiscal year.

In addition, the Authority continued to use short-term borrowings to finance property acquisitions in the Nonmajor funds and reduced long term borrowings. Shown in the table below is the outstanding debt at the end of the fiscal year as compared to the end of the previous fiscal year.

	September 30	
	2005	2004
Short-term borrowings	\$ 17,071,307	20,132,303
Notes payable	34,244,424	35,538,912
Bonds payable	60,277,566	62,439,614
	<u>\$ 111,593,297</u>	<u>118,110,829</u>

Notes seven and eight to the Authority's basic financial statements provide additional detail regarding the debt changes during the fiscal year.

**HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

Management's Discussion and Analysis

September 30, 2005

Economic Factors Affecting the Authority's Future

Federal appropriation level for HUD programs such as Section 8 and Public Housing Operating Subsidies and the various capital programs continues to have a major impact on the Authority's financial position. Federal housing dollars make up the largest source of revenue for the Authority. During fiscal year 2005, the Authority earned nearly \$96.9 million in federal dollars for its operating programs and \$21.8 million for its capital projects. This represents approximately 75% of total Authority revenues and contributions for the year. In addition, a majority of the Authority's \$314.1 million of capital assets as of September 30, 2005 were acquired or developed over the years with the assistance of HUD financial support. Such assistance typically comes with use restrictions and generally limits the Authority's ability to encumber or leverage debt financing against the HUD properties in its portfolio.

Over the next several years, housing authorities across the country are challenged with the prospect of a continued decline in federal support. Factors contributing to the funding uncertainty are attributable to the record federal budget deficit, significant expenditures associated with Katrina related disaster relief and continued military actions abroad, and the Administration's changed priorities for affordable rental housing and subsidies.

Cost of housing in the Greater Seattle area is the highest in the State and is among the most expensive in the nation. The continued economic recovery in this region and favorable mortgage rates have contributed to sustaining double digit appreciation rates for residential property values which, in turn, have continued to fuel the need for affordable rental housing. During the past eighteen months, the Federal Reserve has approved thirteen consecutive federal funds rate increases, in an attempt to address inflationary pressures. As of December 13, 2005, the Prime Rate applicable to the Authority stands at 7.25 percent. However, long-term interest rates remain low by historic standards and the Authority plans to continue to expand and improve its affordable housing stock through tax-exempt debt financing.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for addition information should be addressed to Janet Hayes, Corporate Controller, at 120 Sixth Avenue North, Seattle, WA 98109.

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Basic Financial Statements

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Net Assets

September 30, 2005

	Operating Fund	Low Rent Fund	Section 8 Fund
Assets			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 31,529	624,292	—
Restricted cash	35,000	391,968	490,995
Equity in pooled investments	3,049,158	8,172,658	7,882,428
Accounts receivable:			
Tenant rentals and service charges	—	173,057	—
Other	220,493	1,194,389	379,192
Due from:			
Other funds	371,541	2,872,501	934,849
Other governments	—	1,869,811	405,741
Affiliates	124,175	167,737	—
Inventory and prepaid items	37,876	269,537	38,770
Restricted investments	7,613	1,258,743	—
Net investment in direct financing lease	—	—	—
Deferred charges	832,008	—	—
Other	207,082	—	—
Total current assets	4,916,475	16,994,693	10,131,975
Noncurrent assets:			
Equity in pooled investments	104,057	278,901	268,997
Restricted investments	603,668	42,956	—
Due from other funds	429,475	8,797,404	—
Other	—	845	—
Capital assets:			
Land	5,945,180	22,613,632	—
Structures	17,089,834	198,276,957	—
Equipment	1,721,170	10,621,204	1,138,953
Construction in progress	242,198	75,982,965	365,659
Less accumulated depreciation	(6,117,501)	(143,169,913)	(527,657)
Capital assets, net	18,880,881	164,324,845	976,955
Notes receivable	—	570,000	—
Notes receivable from component units	—	65,020,853	—
Total noncurrent assets	20,018,081	239,035,804	1,245,952
Total assets	\$ 24,934,556	256,030,497	11,377,927

See accompanying notes to basic financial statements.

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	351,839	250	251,903	1,259,813	6,425,205
	1,418,579	—	333,822	2,670,364	22,816,943
	—	2,200,002	488,926	21,793,172	--
	180,168	4,764	25,752	383,741	77,996
	182,884	124,100	755,808	2,856,866	254,576
	—	878,747	3,216,804	8,274,442	--
	—	—	10,025	2,285,577	—
	—	—	4,921,489	5,213,401	—
	112,214	9,076	90,792	558,265	77,711
	1,661,195	67,498	540,478	3,535,527	1,191,245
	466,494	—	—	466,494	—
	1,401,379	—	173,431	2,406,818	770,768
	—	—	—	207,082	—
	<u>5,774,752</u>	<u>3,284,437</u>	<u>10,809,230</u>	<u>51,911,562</u>	<u>31,614,444</u>
	—	75,078	16,686	743,719	—
	21,443,854	2,303	4,813	22,097,594	21,918,250
	—	—	—	9,226,879	—
	—	—	4,871,978	4,872,823	—
	17,759,100	10,996,397	6,411,485	63,725,794	173,265
	55,405,990	44,959,713	14,786,157	330,518,651	90,886,670
	66,452	800,218	708,984	15,056,981	1,843,590
	—	92,094	400,624	77,083,540	43,576,600
	(5,332,855)	(12,682,579)	(4,427,561)	(172,258,066)	(9,439,572)
	<u>67,898,687</u>	<u>44,165,843</u>	<u>17,879,689</u>	<u>314,126,900</u>	<u>127,040,553</u>
	91,180	—	13,362,612	14,023,792	—
	—	131,115	593,612	65,745,580	—
	<u>89,433,721</u>	<u>44,374,339</u>	<u>36,729,390</u>	<u>430,837,287</u>	<u>148,958,803</u>
\$	<u>95,208,473</u>	<u>47,658,776</u>	<u>47,538,620</u>	<u>482,748,849</u>	<u>180,573,247</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Net Assets

September 30, 2005

	<u>Operating Fund</u>	<u>Low Rent Fund</u>	<u>Section 8 Fund</u>
Liabilities and Net Assets			
Current liabilities:			
Accounts payable:			
Vendors and contractors	\$ 91,392	9,339,138	224,235
Other	11,323	2,608,905	2,238,846
Accrued liabilities	360,257	1,789,692	234,772
Due to other funds	1,111,399	4,716,949	—
Short term borrowings	1,490,000	2,247,476	—
Current portion of long-term debt	373,070	—	—
Deferred revenue	—	1,460,000	—
	<u>3,437,441</u>	<u>22,162,160</u>	<u>2,697,853</u>
Total current liabilities			
Noncurrent liabilities:			
Due to other funds	—	—	—
Security deposits	7,578	1,050,412	—
Long term payables and liabilities	—	—	—
Long-term debt, less current portion:			
Notes payable	695,986	7,166,650	—
Bonds payable	8,242,725	—	—
Accrued compensated absences	3,949	383,887	172,448
	<u>8,950,238</u>	<u>8,600,949</u>	<u>172,448</u>
Total noncurrent liabilities			
	<u>12,387,679</u>	<u>30,763,109</u>	<u>2,870,301</u>
Total liabilities			
Net assets:			
Invested in capital assets, net of related debt	8,079,100	154,910,718	976,955
Restricted for debt service	646,281	—	—
Unrestricted (deficit)	3,821,496	70,356,670	7,530,671
	<u>12,546,877</u>	<u>225,267,388</u>	<u>8,507,626</u>
Total net assets			
	<u>24,934,556</u>	<u>256,030,497</u>	<u>11,377,927</u>
Total liabilities and net assets			

See accompanying notes to basic financial statements.

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	36,350	150,124	168,248	10,009,487	7,581,612
	33,617	1,823	79,934	4,974,448	2,154,624
	803,659	75,304	916,048	4,179,732	2,509,050
	2,047,239	—	398,855	8,274,442	—
	6,158,898	—	7,174,933	17,071,307	—
	1,052,687	—	82,884	1,508,641	720,000
	5,217	—	671,104	2,136,321	—
	<u>10,137,667</u>	<u>227,251</u>	<u>9,492,006</u>	<u>48,154,378</u>	<u>12,965,286</u>
	2,089,742	—	7,137,137	9,226,879	—
	281,906	69,801	41,408	1,451,105	135,137
	—	—	—	—	1,016,606
	25,211,698	—	676,289	33,750,623	66,111,011
	46,484,186	—	4,535,815	59,262,726	84,435,000
	7,671	66,163	489,933	1,124,051	—
	<u>74,075,203</u>	<u>135,964</u>	<u>12,880,582</u>	<u>104,815,384</u>	<u>151,697,754</u>
	<u>84,212,870</u>	<u>363,215</u>	<u>22,372,588</u>	<u>152,969,762</u>	<u>164,663,040</u>
	9,838,913	44,165,843	5,409,768	223,381,297	29,403,067
	24,523,628	—	872,110	26,042,019	45,709,931
	(23,366,938)	3,129,718	18,884,154	80,355,771	(59,202,791)
	<u>10,995,603</u>	<u>47,295,561</u>	<u>25,166,032</u>	<u>329,779,087</u>	<u>15,910,207</u>
\$	<u>95,208,473</u>	<u>47,658,776</u>	<u>47,538,620</u>	<u>482,748,849</u>	<u>180,573,247</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Statements of Revenues, Expenses and Changes in Fund Net Assets
Year ended September 30, 2005

	<u>Operating Fund</u>	<u>Low Rent Fund</u>	<u>Section 8 Fund</u>
Operating revenues:			
Tenant rentals and sales	\$ —	9,838,143	—
Housing assistance payment subsidies	—	—	80,263,996
Other	2,488,435	16,422,440	5,479
Total operating revenues	<u>2,488,435</u>	<u>26,260,583</u>	<u>80,269,475</u>
Operating expenses:			
Administration	714,220	16,193,810	5,820,967
Tenant services	264,111	1,915,491	1,813
Utility services	193,273	3,616,649	—
Maintenance	484,013	11,541,082	866,648
Housing assistance payments	—	—	68,212,519
Other	343,861	1,664,204	177,807
Depreciation and amortization	650,229	7,742,488	253,603
Total operating expense	<u>2,649,707</u>	<u>42,673,724</u>	<u>75,333,357</u>
Operating income (loss)	(161,272)	(16,413,141)	4,936,118
Nonoperating revenue (expense):			
Intergovernmental	—	15,076,877	—
Interest expense	(694,448)	(4,947)	—
Interest income	210,633	197,593	223,642
Change in fair value of investments	(1,299)	(4,011)	(3,353)
Disposition of assets	—	—	—
Total nonoperating revenue (expenses)	<u>(485,114)</u>	<u>15,265,512</u>	<u>220,289</u>
Change in net assets before contributions and transfers	(646,386)	(1,147,629)	5,156,407
Contributions:			
Capital contributions	—	21,816,252	—
Partners' contribution	—	—	—
Total contributions	<u>—</u>	<u>21,816,252</u>	<u>—</u>
Transfers:			
Transfers in	797,912	27,221,726	—
Transfers out	(3,381)	(4,874,186)	(3,825,000)
Total transfers	<u>794,531</u>	<u>22,347,540</u>	<u>(3,825,000)</u>
Change in net assets	<u>148,145</u>	<u>43,016,163</u>	<u>1,331,407</u>
Total net assets at beginning of year	<u>12,398,732</u>	<u>182,251,225</u>	<u>7,176,219</u>
Total net assets at end of year	<u>\$ 12,546,877</u>	<u>225,267,388</u>	<u>8,507,626</u>

See accompanying notes to basic financial statements.

	<u>Local Housing Fund</u>	<u>Senior Housing Fund</u>	<u>Non-Major Funds</u>	<u>Primary Government Total</u>	<u>Component Units</u>
\$	6,141,742	4,292,982	424,774	20,697,641	2,677,996
	—	—	—	80,263,996	—
	<u>238,895</u>	<u>150,049</u>	<u>29,935,587</u>	<u>49,240,885</u>	<u>226,781</u>
	<u>6,380,637</u>	<u>4,443,031</u>	<u>30,360,361</u>	<u>150,202,522</u>	<u>2,904,777</u>
	1,302,730	1,770,175	3,350,895	29,152,797	1,177,794
	100	7,834	247,163	2,436,512	—
	471,291	428,705	212,444	4,922,362	141,452
	1,126,728	1,308,127	1,955,125	17,281,723	677,265
	—	—	—	68,212,519	—
	529,608	201,993	495,626	3,413,099	8,270
	1,543,074	886,136	580,492	11,656,022	2,176,321
	<u>4,973,531</u>	<u>4,602,970</u>	<u>6,841,745</u>	<u>137,075,034</u>	<u>4,181,102</u>
	1,407,106	(159,939)	23,518,616	13,127,488	(1,276,325)
	—	—	1,591,971	16,668,848	—
	(4,066,582)	—	(745,005)	(5,510,982)	(769,303)
	1,171,877	68,027	1,318,926	3,190,698	798,750
	(708,868)	(964)	(268)	(718,763)	—
	<u>(1,046,191)</u>	<u>—</u>	<u>(886,300)</u>	<u>(1,932,491)</u>	<u>—</u>
	<u>(4,649,764)</u>	<u>67,063</u>	<u>1,279,324</u>	<u>11,697,310</u>	<u>29,447</u>
	(3,242,658)	(92,876)	24,797,940	24,824,798	(1,246,878)
	—	—	—	21,816,252	—
	—	—	—	—	550,270
	—	—	—	21,816,252	550,270
	16,000	3,381	6,844,460	34,883,479	—
	—	—	(26,180,912)	(34,883,479)	—
	<u>16,000</u>	<u>3,381</u>	<u>(19,336,452)</u>	<u>—</u>	<u>—</u>
	<u>(3,226,658)</u>	<u>(89,495)</u>	<u>5,461,488</u>	<u>46,641,050</u>	<u>(696,608)</u>
	14,222,261	47,385,056	19,704,544	283,138,037	16,606,815
\$	<u>10,995,603</u>	<u>47,295,561</u>	<u>25,166,032</u>	<u>329,779,087</u>	<u>15,910,207</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Statements of Cash Flows
Year ended September 30, 2005

	Operating Fund	Low Rent Fund	Section 8 Fund
Cash flows from operating activities:			
Receipts from residents	\$ —	10,020,178	—
Receipts from other sources	2,965,198	2,913,953	83,431,042
Receipts from other funds	3,093,176	(1,581,216)	1,508,397
Advances from affiliates	—	—	—
Payments to vendors	(2,306,389)	(29,181,493)	(3,883,425)
Housing assistance payment	—	—	(68,212,519)
Payments to employees	(519,980)	(8,139,087)	(3,325,031)
Payments to other funds	—	(3,510,929)	(434,194)
Net cash provided by (used in) operating activities	<u>3,232,005</u>	<u>(29,478,594)</u>	<u>9,084,270</u>
Cash flows from noncapital financing activities:			
Operating grants received	—	15,027,544	—
Transfer from other funds	797,912	27,221,726	—
Transfer to other funds	(3,381)	(4,874,186)	(3,825,000)
Net cash provided by (used in) noncapital financing activities	<u>794,531</u>	<u>37,375,084</u>	<u>(3,825,000)</u>
Cash flows from capital and related financing activities:			
Capital and partner contributions	—	31,130,545	—
Acquisition and construction of capital assets	(2,455,899)	(40,436,136)	(516,424)
Proceeds from dispositions of property and equipment	652,390	28,833,368	—
Proceeds from long-term borrowings	2,558,514	10,961,499	—
Mortgage costs paid	—	—	—
Payments on notes and bonds	(2,794,007)	(17,646,210)	—
Interest payments	(696,646)	(30,214)	—
Net cash provided by (used in) capital and related financing activities	<u>(2,735,648)</u>	<u>12,812,852</u>	<u>(516,424)</u>
Cash flows from investing activities:			
Interest received	218,248	214,946	226,557
Decrease in net investment of direct financing	—	—	—
Maturity of investment securities	29,274,855	78,328,280	59,387,875
Purchases of investment securities	(30,750,084)	(86,975,570)	(64,585,926)
Payment on notes receivable	—	(237,982)	—
Issuance of notes receivable	—	(12,375,597)	—
Net cash provided by (used in) investing activities	<u>(1,256,981)</u>	<u>(21,045,923)</u>	<u>(4,971,494)</u>
Increase (decrease) in cash and cash equivalents	33,907	(336,581)	(228,648)
Cash and cash equivalents at beginning of year	32,622	1,352,841	719,643
Cash and cash equivalents at end of year	<u>\$ 66,529</u>	<u>1,016,260</u>	<u>490,995</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (161,272)	(16,413,141)	4,936,118
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	650,229	7,742,488	253,603
(Gain) loss on sale of property	165,761	(12,687,473)	—
Changes in assets and liabilities:			
Accounts receivable	3,372,428	(6,228,169)	3,699,429
Inventory and prepaid items	(5,172)	91,904	(7,436)
Accounts payable	(805,790)	(1,677,224)	255,340
Accrued compensated absences	1,479	(362,771)	50,968
Other	14,342	55,792	(103,752)
Total adjustments	<u>3,393,277</u>	<u>(13,065,453)</u>	<u>4,148,152</u>
Net cash provided by (used in) operating activities	<u>\$ 3,232,005</u>	<u>(29,478,594)</u>	<u>9,084,270</u>
Noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ (1,299)	(4,011)	(3,353)

See accompanying notes to basic financial statements.

	Local Housing Fund	Senior Housing Fund	Non-Major Funds	Primary Government Total	Component Units
\$	6,069,677	4,354,403	422,679	20,866,937	2,398,414
	80,128	72,166	3,394,213	92,856,700	9,890,977
	716,964	938,307	1,141,437	5,817,065	—
	—	—	—	—	29,431
	(2,880,586)	(2,636,079)	(4,105,242)	(44,993,214)	(4,094,746)
	—	—	—	(68,212,519)	—
	(494,904)	(1,088,385)	(2,592,636)	(16,160,023)	(608,768)
	—	—	(1,871,942)	(5,817,065)	—
	<u>3,491,279</u>	<u>1,640,412</u>	<u>(3,611,491)</u>	<u>(15,642,119)</u>	<u>7,615,308</u>
	—	—	1,786,382	16,813,926	—
	16,000	3,381	6,844,460	34,883,479	—
	—	—	(26,180,912)	(34,883,479)	—
	<u>16,000</u>	<u>3,381</u>	<u>(17,550,070)</u>	<u>16,813,926</u>	<u>—</u>
	—	—	—	31,130,545	550,270
	(1,115,594)	(588,511)	(6,434,230)	(51,546,794)	(65,340,161)
	408	—	27,294,189	56,780,355	—
	3,352,067	—	5,336,919	22,208,999	26,009,014
	—	—	—	—	(116,770)
	(4,070,052)	—	(4,216,262)	(28,726,531)	(120,090)
	(4,084,475)	(12,767)	(859,394)	(5,683,496)	116,548
	<u>(5,917,646)</u>	<u>(601,278)</u>	<u>21,121,222</u>	<u>24,163,078</u>	<u>(38,901,099)</u>
	530,562	79,205	434,210	1,703,728	798,750
	540,000	—	—	540,000	—
	6,139,437	23,610,119	14,850,638	211,591,204	60,615,464
	(5,164,156)	(24,731,839)	(13,272,291)	(225,479,866)	(6,779,021)
	41,997	—	6,137	(189,848)	—
	—	—	(2,032,826)	(14,408,423)	—
	<u>2,087,840</u>	<u>(1,042,515)</u>	<u>(14,132)</u>	<u>(26,243,205)</u>	<u>54,635,193</u>
	(322,527)	—	(54,471)	(908,320)	23,349,402
	2,092,945	250	640,196	4,838,497	5,892,746
\$	<u>1,770,418</u>	<u>250</u>	<u>585,725</u>	<u>3,930,177</u>	<u>29,242,148</u>
\$	1,407,106	(159,939)	23,518,616	13,127,488	(1,276,325)
	1,543,074	886,136	580,492	11,656,022	2,176,321
	—	—	(19,622,592)	(32,144,304)	—
	589,782	906,736	(7,823,914)	(5,483,708)	(261,136)
	10,079	82	10,905	100,362	19,704
	(78,626)	5,058	(559,076)	(2,860,318)	6,648,861
	13,808	1,138	(75,032)	(370,410)	—
	6,056	1,201	359,110	332,749	307,883
	<u>2,084,173</u>	<u>1,800,351</u>	<u>(27,130,107)</u>	<u>(28,769,607)</u>	<u>8,891,633</u>
\$	<u>3,491,279</u>	<u>1,640,412</u>	<u>(3,611,491)</u>	<u>(15,642,119)</u>	<u>7,615,308</u>
\$	(708,868)	(964)	(268)	(718,763)	—

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

(1) Summary of Significant Accounting Policies

(a) *Organization and Program Descriptions*

The Housing Authority of the City of Seattle (Authority) was created in 1939 as a municipal corporation which derives its powers from Washington State (State) Law RCW 35.82. The Authority was created for the acquisition, development, modernization, operation, and administration of public housing programs. The primary purpose of the Authority is to provide safe, decent, sanitary, and affordable housing to low-income and elderly families in Seattle, Washington, and to operate its housing programs in accordance with federal and state laws and regulations. The Authority's programs are administered through the U.S. Department of Housing and Urban Development (HUD) under provisions of the U.S. Housing Act of 1937, as amended.

The Authority, recognized by HUD as a high performing large housing authority, was selected to participate in HUD's Moving to Work (MTW) Demonstration Program effective on January 13, 1999. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements, and significant flexibility to combine its HUD funding for reallocation among the Authority's administrative, capital, and development activities.

The Authority's primary operations are comprised of a number of housing and grant programs as follows:

The Public Housing Program – which is recorded in the Low Rent fund, operates under HUD's Annual Contributions Contract (ACC) SF-151 and consists of the operations of low-rent public housing properties totaling 5,441 units. The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. The properties are acquired, developed, and modernized under HUD's Capital Funds Program and through HUD Hope VI Urban Revitalization Grants. Financing for the properties is obtained through bond issues and grants. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

The Section 8 Fund – consists of several Section 8 housing programs including the Section 8 Housing Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program and the Moderate Rehabilitation program. The Housing Choice Voucher program provides rental housing assistance subsidies in support of 8,309 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

The purpose of the Section 8 New Construction and Substantial Rehabilitation program is to construct or purchase and rehabilitate rental housing units to provide decent and affordable housing to low-income, elderly and handicapped individuals whereby rental assistance is provided by HUD. The Authority's program consists of two segments. The Authority administers the rental assistance payments for 7 privately owned projects with 513 units under this program which are reported in the Section 8 fund. The Authority earns a fee for administering the annual contributions from HUD. Funding of the program is provided by federal housing assistance contributions and tenant rentals. Within the non-major funds, the Authority also owns two housing developments totaling 130 units.

The Section 8 Moderate Rehabilitation program operates under HUD's ACC S-0068K and consists of the operations of 760 privately-owned family housing units. The purpose of the program is to rehabilitate substandard rental housing units and provide decent and affordable housing to low-income families whereby rental assistance is provided by HUD. The associated developments are maintained and managed by private landlords. Funding of the program is provided by federal housing assistance contributions.

The Seattle Senior Housing Fund – operates approximately 1,000 of the 1,091 units acquired and developed under a 1981 City bond issue. The purpose of this program is to provide low rent housing for the elderly, handicapped and disabled. Funding for the management and operation of these nonsubsidized housing units is provided exclusively from rent income.

The Local Housing Fund – operates approximately 778 units of low-income housing. These projects are financed primarily through bond issues and receive no external funding. On-site management for these units may be done by the Authority or contracted with other management companies.

The basic financial statements of the Housing Authority of the City of Seattle have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are described below.

(b) Reporting Entity

The governing body of the Authority is its Board of Commissioners (Board), composed of seven members appointed by the Mayor of the City of Seattle (City). The Authority is not financially dependent on the City and is not considered a component unit of the City.

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blending involves merging the component unit data and data with the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government. There are two situations where blending is allowed: (1) when the board of the component unit is substantially the same as that of the primary government and (2) when the component unit serves the primary government exclusively, or almost exclusively.

As of and for the year ended September 30, 2005, the Authority has nine component units, the Holly Park Limited Partnership (HPLP), the Ravenna School Limited Partnership (RSLP), the Othello Street Limited Partnership (OSLP), Desdemona Limited Partnership (DLP), the Escallonia Limited Partnership (ELP), the High Point North Limited Partnership (HPNLP), the Ritz Apartments Limited Partnership (RALP), the Aldercrest Apartments Limited Partnership (AALP), and the High Rise Rehabilitation Phase I Limited Partnership (HRRILP).

The HPLP is a legally separate entity that was formed to develop and manage the operations of the rental units in phase one of the Holly Park redevelopment project. The Holly Park redevelopment project includes the demolition of the existing Seattle Housing Authority owned and managed Holly Park Public Housing Project and the building of new rental and home ownership housing units, new streets and infrastructure. Development activities are complete and the HPLP will continue to operate and manage the rental units. The HPLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is shown as a discretely presented component unit. The Authority has leased the land for the Holly Park redevelopment project to the HPLP for a nominal amount under a noncancelable operating lease. The Authority is the 0.1% general partner of the HPLP and is obligated to fund operating or other cash short falls up to \$750,000.

The Authority has agreements with the HPLP for providing social services to public housing residents and for providing management services to the partnership. Under the terms of the agreements, the Authority will earn 30% of net cash flows and up to 50%, of cash flows of the partnership, respectively. As of September 30, 2005, the HPLP did not have remaining positive cash flows; therefore, no fees were earned.

The RSLP is a legally separate entity formed in 1998 to take advantage of low-income housing tax credits needed to finance the planned rehabilitation of the Ravenna School Apartments. The 39-unit apartment complex, owned by the Authority under its Senior Housing Program, has been leased to RSLP for a nominal amount under a 99-year operating lease. The Authority is the 0.01% general partner of the RSLP and also serves as developer of the \$1.5 million rehabilitation project. In addition, the Authority will continue to serve as property manager of the Ravenna School Apartments. In July 1999, a tax credit investor was formally admitted as a limited partner to the RSLP. The RSLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is shown as a discretely presented component unit. The project was completed during fiscal year 2000. The Authority is the 0.01% general partner and is obligated to fund operating deficits by contributing or loaning funds to the partnership.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

The OSLP is a separate legal entity created on September 9, 1999 to undertake phase two of the redevelopment activities at the Holly Park community. Development activities are completed and the OSLP will continue to operate and manage the rental units. The Authority participates as the 0.01% managing general partner of the OSLP. During fiscal year 2000, a tax credit investor was admitted to the Partnership as a 99.99% limited partner. The OSLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase two of the Holly Park redevelopment project to the OSLP for a nominal amount under a noncancelable operating lease. The Authority is the 0.01% general partner of the OSLP and is obligated to fund an operating deficit up to \$250,000. As of September 30, 2005, the OSLP owed the Authority for developer fees in the amount of \$161,346.

The DLP is a separate legal entity created on May 10, 2002 to undertake phase three of the redevelopment activities at the Holly Park community. Development activities are completed and the DLP will continue to operate and manage the rental units. The DLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase three of the Holly Park redevelopment project to the DLP for a nominal amount under a noncancelable operating lease. The Authority is the 0.01% general partner of the DLP and is obligated to fund an operating deficit without limitation as to amount. As of September 30, 2005, the DLP owed the Authority for developer fees in the amount of \$2,860,000.

The ELP is a separate legal entity created on May 10, 2002 to undertake phase one of the redevelopment activities at the Rainier Vista community. Development activities are substantially complete and the ELP will continue to operate and manage the rental units. The Authority participates as the 0.01% managing general partner of the ELP. The ELP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase one of the Rainier Vista redevelopment project to the ELP for a nominal amount under a noncancelable operating lease. The Authority is obligated to fund operating or other cash short falls up to \$500,000, with the obligated amount gradually decreasing to zero over the project's first three years of operations. As of September 30, 2005, the ELP owed the Authority for developer fees in the amount of \$2,860,000.

The HPNLP is a separate legal entity created on October 31, 2003 to undertake phase one of the redevelopment activities at the High Point community. The Authority participates as the 0.01% managing general partner of the HPNLP. The HPNLP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the land for phase one of the High Point redevelopment project to the HPNLP for a nominal amount under a noncancelable operating lease. The Authority is obligated to fund operating or other cash short falls of the partnership. The amount the Authority is obligated to fund is unlimited prior to the project's stabilization date as defined in the limited partnership agreement, and is limited to \$1,200,000 after the project's stabilization date. The amount is further limited to \$750,000 after 10 consecutive years of the partnership's operating subsidy being fully funded. As of September 30, 2005, the HPNLP owed the Authority for developer fees in the amount of \$1,380,814.

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The RALP is a separate legal entity created on August 12, 2004 to undertake rehabilitation of the Ritz Apartments. During fiscal year 2005, the RALP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the RALP. The RALP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit. The Authority has leased the building to RALP under a capital lease. The partnership agreement does not specify the obligation of the general partner in regards to funding operating shortfalls.

The AALP is a separate legal entity created on January 1, 2005 to undertake rehabilitation of the Aldercrest Apartments. The AALP expects to admit a partner to this partnership during fiscal year 2006. The AALP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit.

The HRRILP is a separate legal entity created on July 26, 2005 to undertake phase one of a three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority and presented in the Low Rent Fund. Each phase of the project will cover seven buildings which will be transferred to the component unit upon closing of the financing agreements. The Authority participates as the 0.01% managing partner. The HRRILP is fiscally dependent on the Authority, does not serve the primary government exclusively, or almost exclusively, and therefore is presented as a discretely presented component unit.

All nine component units have a December 31 year-end. The component units financial statements are presented as of December 31, 2004 and may be obtained by contacting the Authority. The AALP and the HRRILP were not in existence as of December 31, 2004, therefore financial statements are not available.

As the general partner of the component units, the Authority's liability is not limited to its initial investment and/or any future funding requirement.

(c) *New Accounting Standards Adopted*

Effective October 1, 2004, the Authority adopted a new statement issued by the Government Accounting Standards Board (GASB). GASB Statement No. 40 – *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3* modifies certain disclosure requirements of GASB Statement No. 3.

(d) *New Accounting Standards to be Adopted in Future Years*

During the year ending September 30, 2004, two new statements were issued by the Government Accounting Standards Board (GASB) that will impact the Authority's financial reporting in future years. Statement No. 42 – *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* is effective for periods beginning after December 15, 2004. Statement No. 44 – *Economic Conditions Reporting: The Statistical Section* is effective for periods beginning after June 15, 2005.

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Also during the year ending September 30, 2005, two additional statements were issued that may impact the Authority's financial reporting in future years. GASB Statement No. 46 – *Net Assets Restricted by Enabling Legislation*, effective for fiscal years beginning after June 15, 2005 and GASB Statement No. 47, *Accounting for Termination Benefits*.

(e) ***Fund Financial Statements***

Fund financial statements report detailed information about the Authority. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets, revenues, and expenses. The focus of the fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

A fund is considered major if it is the primary operating fund or if the total assets, liabilities, revenues, or expenses of that individual enterprise fund are at least 10% of the corresponding total for all enterprise funds. Major funds of the Authority are Operating, Low Rent, Section 8, Local Housing, and Senior Housing funds. The Operating fund accounts for all financial resources of the general agency, except those required to be accounted for in another fund. The Low Rent fund accounts for the Public Housing program which includes Capital Funds program and Hope VI redevelopment projects funded by HUD. The Section 8 fund accounts for the Section 8 Housing Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program and the Moderate Rehabilitation program. The Senior Housing fund accounts for the Seattle Senior Housing program and the Local Housing fund accounts for housing acquired without funding from HUD or other governments.

(f) ***Basis of Accounting***

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting whereby all revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation of assets is recognized in the statements of revenues, expenses and net assets. All assets and liabilities associated with the operation of the Authority are included in the statement of net assets. The principal operating revenues of the Authority are rental revenues received from residents. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Gains from sale of capital assets are included in operating revenues – other. Operating expenses for the Authority include the costs of operating housing units, administrative expenses, depreciation and loss from sale of capital assets. Intergovernmental revenues (operating subsidies) and housing assistance payments from HUD are received by the Authority for each unit rented to qualified tenants in the public housing and Section 8 programs. As these payments represent grant receipts in a proprietary fund, the amounts are classified as nonoperating revenues when earned. All other revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses or as contributions of capital.

The Authority reports deferred revenue on its statement of net assets. Deferred revenues arise when potential revenue has not been earned in the current period. Deferred revenues also arise when resources are received by the Authority before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements and/or the occurrence of qualifying

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expenditures. In subsequent periods, when both the revenue recognition criteria are met or when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets and revenue is recognized.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, all proprietary funds must follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, subsequent to that date, proprietary funds must either choose (1) not to apply all new FASB standards (including amendments of earlier pronouncements), or (2) to continue to follow all new FASB pronouncements (unless they conflict with GASB guidance). The Authority has chosen not to apply new FASB standards subsequent to November 30, 1989.

(g) Budgets

Budgets are adopted on a GAAP basis of accounting. Annual appropriated budgets are adopted and all annual appropriations lapse at the Authority's year-end. Encumbrance accounting is not employed as an extension of formal budgetary control.

(h) Pooled Cash and Investments

The Authority accounts for its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires that most investments be reported at fair value. Fair value is determined based on quoted market prices for the investments. All of the Authority's investments are reported at fair value.

The Authority pools all cash and investments for the purpose of increasing its percentage of funds invested and average yield. The Authority has established separate investment pools for cash and cash equivalents and investments. These investment pools are displayed on the statement of net assets as "Equity in pooled cash and cash equivalents" and "Equity in pooled investments," respectively.

Income is allocated to the individual funds based on the fund's daily ownership percentage of the pooled balances. The Authority's policy is to classify pooled investments with an original maturity when purchased of 3 months or less as cash equivalents.

The Authority is authorized by HUD and its Board to invest in time deposits, certificates of deposit and obligations of the U.S. Government or its agencies and to enter into repurchase agreements. Repurchase agreements are secured by U.S. Treasury securities with a market value equal to or greater than the amount of the repurchase agreements. The Authority's investment policies provide for the ability to sell investments prior to the investments' contractual maturity.

(i) Accounts Receivable – Other

Other accounts receivable represent various receivables including accrued interest on investments, accrued interest on notes receivable, receivables from other housing authorities for Section 8 Portability payments, receivables from component units for developer fees, and receivables from other funds that the Authority manages, but does not own.

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(j) Inventories and Prepaid Items

Inventories are stated at cost and consist of expendable materials and supplies. Inventory items are expensed using the first-in, first-out method. Office supplies are expensed using a moving weighted average cost method. Maintenance materials are expensed using the first-in, first-out method. Prepaid items are for payments made by the Authority in the current year for services occurring in a subsequent fiscal year.

(k) Net Investment in Direct Financing

The Authority has leased the building and related land of the Ritz Apartments to the Ritz Apartments Limited Partnership, a discretely presented component unit. The lease was determined to be a direct financing lease as it meets the following three criteria: (a) the fair value of the property is the same as its carrying amount, (b) the lease includes a bargain purchase clause and (c) collectibility of the minimum lease payments is reasonably predictable. The investment is shown as the net amount of the minimum lease payments and the unearned income.

(l) Deferred Charges

Deferred charges consist of debt issuance costs and bond discounts, which are amortized over the term of the related note or bond.

(m) Capital Assets and Depreciation

Capital assets are stated at historical cost. Maintenance and repairs are charged to current period operating expenses while improvements are capitalized. Upon retirement or other disposition of property and equipment the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in operating revenues and expenses. All capital assets with a value greater than \$1,000 and a useful life of over one year are capitalized. Assets acquired through contribution are recorded at the fair value on the date donated.

Capital assets are generally depreciated on the straight-line method over estimated useful lives as follows:

Structures	40 to 75 years
Equipment	3 to 10 years

(n) Accounts Payable – Other

Other accounts payable includes payables for escrow accounts related to construction activities and the Section 8 Family Self-sufficiency program as well as miscellaneous payables related to payroll.

(o) Interfund Accounts

The Authority maintains a master paying and receiving account. All cash receipts and disbursements flow through this master account, except for disbursements to landlords under the Section 8 programs, which flow through a separate checking account. Other interfund activity includes interfund charges such as intercompany rent which cannot be eliminated. Interfund payables and

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receivables are used to account for ownership of the funds with the borrowing funds paying interest at the three-month Treasury Bill rate for borrowings in excess of \$5,000.

(p) *Compensated Absences*

Employees earn annual vacations at the rate of 96 hours per year. Additional lump sum hours are added on an annual basis on the employees' anniversary date. Unused vacation is allowed to accumulate to a maximum of 240 or 360 hours depending on the employees' date of hire. Employees are paid for all accumulated vacation pay upon termination.

The Authority recognizes and compensates employees for nine traditional holidays. Holiday pay is recorded as an expense when incurred.

Employees earn sick leave at a rate of 96 hours per year. Sick leave is allowed to accumulate with no maximum. Employees are compensated for accumulated unused sick leave at the rate of 25% upon termination, permanent disability or death.

Accruals are recorded at year-end for unused annual leave and unused sick leave based on balances of hours as of September 30, 2005.

(q) *Management Fees*

For the year ended September 30, 2005, the Bay View Tower fund paid the Authority management fees of \$35,206 which is equal to 4% of net rental revenues received. Market House fund paid the Authority \$15,110, which is equal to 4.5% of net rental revenues. Market Terrace paid the Authority management fees of \$12,612 which is equal to \$1,051 per month. Such management fees are accounted for in the Authority's Operating fund. HUD regulates the amount of management fees that can be paid.

(r) *Payments in Lieu of Taxes*

Pursuant to an agreement between the Authority and the City of Seattle, the Low Rent fund and the Bay View Tower fund may make payments in lieu of taxes (PILOT). PILOT may also be provided to other taxing districts in which property is owned. For the year ending September 30, 2005 the Authority paid PILOT in the amount of \$209,394 from the Low Rent fund.

(s) *Income Taxes*

Income received or generated by the Authority is not subject to federal income tax pursuant to Internal Revenue Code Section 115. The Authority is exempt from state and local property taxes. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients pursuant to section 103(a) of the Internal Revenue code of 1986, as amended. Contributions to the Authority are tax deductible contributions pursuant to sections 170(b)(1)(A)(v) and 170 (c)(1) of the Internal Revenue Code of 1986, as amended.

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(1) ***Pension Plans***

The Authority reports pensions in accordance with Statement No. 27 of the Governmental Accounting Standards Board (GASB 27), *Accounting for Pensions by State and Local Governmental Employers*. GASB 27 requires the Authority to record a net pension obligation (benefit) for the difference between the required and actual employer contributions to its pension plans. The Authority funds all required contributions.

(u) ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(2) **Deposits and Investments**

(a) ***Deposits***

As of September 30, 2005, the Authority's carrying amount of deposits was \$3,922,743 and the bank balance was \$3,970,702. The bank deposits are held with financial institutions and are entirely insured or collateralized and are classified as equity in pooled cash and cash equivalents on the statement of net assets. All deposits in excess of the FDIC insurance limit of \$100,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington. In addition to bank deposits, the Authority has \$2,500 held at the U.S. Post Office and \$4,934 in petty cash funds. All deposits are either insured or registered and held by in the Authority's name.

(b) ***Investments***

The Authority's investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return while conforming to all applicable statutes and regulations. The Authority has established a maximum maturity of three years for operating reserves and a maximum maturity of five years for replacement reserves. Bond reserves may have maturities that match the bond maturity.

The Authority invests a portion of its funds with the Washington State Local Government Investment Pool (LGIP) managed by the State Treasurer's office. The investments in this pool are comprised of repurchase agreements, government securities, and certificates of deposit. The LGIP operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. As such the LGIP uses amortized cost to report net assets and share prices since that amount approximates fair value.

Since the Authority reports all of its investment at fair value, no additional disclosure is required under Government Accounting Standards Board Technical Bulletin No. 2003-1.

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The Authority intends to adhere fully to its investment policy which expressly prohibits the making of speculative or leveraged investments and requires that all investments be made prudently and with due care to ensure compliance with all statutes and regulations.

The Authority restricts its participation in money market mutual funds to those investing only in U.S. Treasury securities. However, the Authority's indirect exposure to any risks arising from derivative instruments utilized by such funds and programs are unknown.

Custodial Risk

Custodial risk for investments is the risk that in the event of failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investments. As of September 30, 2005, all investments were insured or registered, and held by the Authority or its agent in the Authority's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name, or investment pools that are not classified since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, the investments are not exposed to custodial risk.

The Washington State Local Government Investment Pool and the U.S. Treasury Money Market Investments are not categorized because the investments are not evidenced by securities that exist in physical or book entry form.

Investments in U.S. Treasury-backed short-term money market funds are investments held by the trustee in the Authority's name for bond issues in the Local Housing and non-major funds.

Concentration of Credit Risk, Credit Risk and Interest Rate Risk

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in a mutual funds, or external investment pools).

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a national statistical rating organization such as Standard and Poor's (S&P). The Authority policy provides that investments in corporate bonds and other fixed income securities must have a rating of A or better.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority selects investments of varied maturities to mitigate this risk.

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The following chart shows the Authorities exposure to these risks:

	<u>S&P Credit rating</u>	<u>N/A or less than 1 year</u>	<u>1-5 years</u>	<u>More than 10 years</u>	<u>Total</u>
Money market funds	n/a	\$ 2,900,888	—	—	2,900,888
US Government securities	n/a	—	—	20,587,198	20,587,198
US Agency securities	AAA	987,970	900,057	—	1,888,027
Certificates of deposit	n/a	1,000,000	—	—	1,000,000
Yield agreements	n/a	—	—	1,342,218	1,342,218
Private debt obligations	n/a	117,855	—	—	117,855
State investment pool	n/a	20,333,826	—	—	20,333,826
Total investments		\$ <u>25,340,539</u>	<u>900,057</u>	<u>21,929,416</u>	<u>48,170,012</u>

(c) Component Unit Deposits

As of December 31, 2004, the component unit's carrying amount of deposits was \$29,242,148 and the bank balance was \$29,972,017. The bank balances held with financial institutions are entirely insured or collateralized and are classified as equity in pooled cash and cash equivalents on the statement of net assets. All deposits in excess of the FDIC insurance limit of \$100,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington.

(d) Component Unit Investments

As of December 31, 2004, investments of \$23,109,495 were held in trust and restricted for the development of the component units' redevelopment projects and for the payment of principal and interest on the component units' bonds.

Custodial Risk

The investments of the component units are guaranteed investment contracts collateralized by government investment securities. As of December 31, 2004, all investments were insured or registered, and held by the component unit or its agent in the component unit's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the component unit's name. Therefore the investments are not exposed to custodial risk.

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The Component units of the Authority are subject to the same concentration of credit risk, credit risk and interest rate risk as the Authority. The chart below shows the exposure to these risks:

	<u>S&P Credit rating</u>	<u>N/A or less than 1 year</u>	<u>1-5 years</u>	<u>More than 10 years</u>	<u>Total</u>
Money market funds	n/a	\$ 1,191,245	—	—	1,191,245
Yield agreements	n/a	—	—	21,526,600	21,526,600
Private debt obligations	n/a	—	—	391,650	391,650
Total investments		<u>\$ 1,191,245</u>	<u>—</u>	<u>21,918,250</u>	<u>23,109,495</u>

(3) Net Investment in Direct Financing Lease

The Authority has leased the building and land of the Ritz Apartments to the Ritz Apartments Limited Partnership. The interest rate on the lease is 3% and the term of the lease is 75 years and will be paid according to a two-year schedule which began in fiscal year 2004. The future payment schedule on the lease is presented below:

	<u>Payment amount</u>	<u>Carrying amount</u>	<u>Unearned income</u>
2006	\$ 500,000	466,494	33,506

(4) Restricted Assets

(a) Security Deposits

Upon moving into a project, tenants are required to pay a security deposit, which is refundable when the tenant vacates the apartment, provided the apartment's physical condition is satisfactory. The Authority held security deposits for residential tenants as well as commercial tenants as of September 30, 2005 as shown in the schedule below:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Operating fund	\$ —	7,578	7,578
Low Rent fund	694,270	356,142	1,050,412
Local Housing fund	281,906	—	281,906
Senior Housing fund	69,801	—	69,801
Non-major funds	27,164	14,244	41,408
Total security deposits	<u>\$ 1,073,141</u>	<u>377,964</u>	<u>1,451,105</u>

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(b) Bond Trust Funds and Mortgage Reserves

As of September 30, 2005, funds held for bond trust funds and mortgage reserves are shown below:

	Balance
Operating fund:	
Investments are held in the Operating fund in trust for the Wakefield/PorchLight bonds and are restricted for the payment of principal and interest. The investments consist of notes, mortgages, and contracts and bear interest at approximately 5.2%.	\$ 603,703
Low Rent fund:	
Cash is held for replacement reserves on the public housing units of the Othello Limited Partnership. Interest is paid at approximately 1.76%.	45,707
Local Housing and non-major funds:	
Cash and investments for the Villa Park bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bear interest at approximately 3.04%.	149,326
Investments for the Telemark bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bear interest at approximately 0.9%.	226,163
Investments for the Wedgwood bonds are restricted for the payment of bond principal and interest. Such investments consist of Government National Mortgage Association securities (GNMA) and bear interest at approximately 5.4%.	16,833,975
Investments of \$78,806 are held in the Local Housing fund and investments of \$142,269 are held in the non-major fund for the Market Terrace and Mary Avenue bonds. These funds are restricted for the payment of principal and interest and consist of money market funds bearing interest at approximately 2.96%.	221,075
Investments for the Montridge bonds are restricted for the payment of principal and interest. The investments consist of money market funds and bear interest at approximately 3.04%.	132,351

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	Balance
Investments for the Replacement Housing bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest of approximately 3.48%.	\$ 754,186
Investments for the Longfellow Creek bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest of approximately 2.96%.	493,453
Investments for the Wisteria Court bonds are restricted for the payment of principal and interest. The investments consist of GNMA securities and bear interest of approximately 5.23%.	4,013,720
Reserves are held in restricted cash accounts for the mortgage on Wedgwood Estates and bear interest of approximately 0.4%.	525,800
Reserves are held in restricted cash accounts for the mortgage on Wisteria Court Apartments and bear interest of approximately 0.3%.	210,673
Investments are held for the Yesler Community Center Replacement Housing bonds and are restricted for the payment of principal and interest. The investments consist of notes, mortgages and contracts and bear interest at approximately 2.96%.	215,527
Investments are held for the Bayview Tower and Lake City Commons bonds. These funds are restricted for the payment of principal and interest and consist of money market funds bearing interest at approximately 1.8%.	464,720
Restricted cash is held for the payment of principal and interest of the mortgage on Main Street Place II and bears interest of approximately 0.02%.	25,695
Restricted cash is held for the payment of remaining project costs for Longfellow Creek bonds. The investments consist of money market funds and bear interest at approximately 2.9%.	92,548
Restricted cash is held for Bayview Tower and Lake City Commons bonds remaining capital projects and replacement reserves. The investments consist of money market funds and bear interest at approximately 1.8%.	288,286
Replacement reserves are held for the Bayview Tower and Lake City Commons in money market funds bearing interest at 0.3%.	145,159
Reserves are held in restricted cash accounts for the capital replacement and operations of Villa Park and bear interest of approximately 1.0%.	149,343
Reserves are held in restricted cash accounts for the capital replacement and operations of Telemark, Mary Avenue, Montridge, Longfellow Creek, Main St Apts, and Yesler Court bearing interest of approximately 1.0%.	80,048
Restricted cash is held in money market accounts bearing interest at a rate of 1% for Levy properties for operating reserves and replacement reserves.	34,578
Total for all funds	\$ 25,706,036

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(c) *Other Restricted Funds*

Restricted cash in the amount of \$35,000 in the Operating fund is held in escrow for the purchase of property which is expected to close in fiscal year 2006.

As of September 30, 2005, restricted cash amounts of \$626,590 are held in trust for the Family Self Sufficiency (FSS) program. Families in the Section 8 and Low Rent programs may sign up for the FSS program and any rent increase due to an increase in income may be deposited into an escrow account. The tenant may request reimbursement from the trust account for certain allowable expenditures.

Investments of \$251,287 are held in trust for the Tenant Trust Account program. Eligible public housing households in the Low Rent fund receive 30% of their monthly base rent amount over \$350 deposited to a Tenant Trust Account which may be used to enhance their ability to become economically self-sufficient and independent.

Restricted cash amounts of \$133,190 is held in the Low Rent fund for retainage related to the Hope VI Development grants and other Capital programs.

Restricted cash in the amount of \$77,476 is held in the Low Rent fund for the Jobs Plus Program. This program offers a financial incentive to residents of Rainier Vista who are employed in the form of a savings account. Amounts equal to rent increases are credited to the account by the Authority and may be used for home ownership, continuing education, college education or small business.

HUD requires the Market Terrace fund, which is in the non-major fund group, to maintain restricted investments equal to the required reserves. HUD must approve any release or disbursement of reserve funds in advance. Restricted investments for required reserves of \$22,801, were held in the Market Terrace fund as of September 30, 2005.

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(5) Notes Receivable

(a) Primary Government

	<u>Balance September 30, 2005</u>
Low Rent fund:	
Due from Neighborhood House for the purchase of property at Rainier Vista. The note bears no interest and matures on or before August 31, 2054.	\$ 210,000
Due from Habitat For Humanity of Seattle/King County and secured by a deed of Trust. The note bears interest at 6% annually, commencing 30 days after the Certificate of Occupancy is issued on the last unit to be constructed. Principal of \$45,000 will be paid upon the sale of each unit, along with a proportionate share of interest.	360,000
Local Housing fund:	
Due from Housing Resources Group (HRG) related to the sale of the Cambridge building in July 2001 by the Local Housing fund. The note is secured by a deed of trust, bears interest at a rate of 5.6% and is payable May 1, 2007.	91,180
Non-major funds:	
Due from Stone View Village I Limited Partnership and Stone View Village II Limited Partnership. The notes bear interest at rates ranging from 0.5% to the lowest applicable federal rate as determined under the Internal Revenue Code of 1986 and all interest and principal is due in March and April of 2039.	1,373,835
Due from Lutheran Alliance to Create Housing (LATCH) Roxbury Limited Partnership. The note bears no interest for the first 30 years. Interest accrues beginning February 1, 2030 at 2% with annual payments of \$73,388 until the note matures on January 31, 2050.	1,200,000
Two notes due from the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, and the Lakeview Apartments Limited Partnership. The note in the amount of \$494,600 bears interest at 3% annually and all interest and principal is due December 2040, if the project is operated according to the loan regulatory agreement. The note in the amount of \$39,981 bears interest at 6% annually and is due January 2016. Principal and interest payments of \$5,058 are due annually.	534,491
Due from the Plymouth Housing Group (PHG), a Washington nonprofit corporation. The loan bears interest at 1% annually and all principal and interest are due January 2041. Provided the borrower complies with the loan regulatory agreement, all principal and interest will be forgiven January 2041.	856,912

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Notes to Basic Financial Statements

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	Balance September 30, 2005
<p>Two notes due from the Mount Baker Housing Association for the Starlighter Apartments which are secured by a deed of trust on the property. The note in the amount of \$270,000 bears interest at an annual rate of 1%, which is deferred until October 31, 2040 at which time the loan will be forgiven if the project is operated in accordance with the loan agreement. The note in the amount of \$16,343 bears interest at 1% and requires monthly payment amounts of \$318 for ten years until the note is repaid. If the Section 8 program is discontinued by the federal government, the full amount of principal and interest shall be forgiven.</p>	<hr style="width: 100%;"/> \$ 286,343
<p>Due from the Retirement Housing Foundation. The note requires annual payments and is payable in full by December, 2016. The interest rate is approximately 3.27%.</p>	1,250,000
<p>Due from Emerald City Day Care for operating expenses during initial operations. Payments begin in year five of their lease which ends November 30, 2004. The note matures November 30, 2009.</p>	30,684
<p>Due from Madison Housing Partners Phase I, LLC and Madison Housing Partners Phase II, LLC. The notes are for the Views at Madison Apartments I and Views at Madison II, respectively and are secured by deeds of trust on the properties. Both notes bear interest at an annual rate of 1.0% and are payable December 31, 2042.</p>	826,106
<p>Due from the Seattle Chinatown International District Public Development Authority (SCIDPDA). The note bears interest at a rate of 1% per annum and all interest and principal are due on the maturity date of December 31, 2043.</p>	1,622,881
<p>Two notes due from the LIHI NW 85th LLC which are secured by a deed of trust on the property. One of the \$500,000 notes bears interest at 1% per annum and is payable in full on December 31, 2042 provided that the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement. The other note bears interest at 3% per annum. The balance of principal and accrued interest as of December 31, 2004 shall be amortized over a period of 20 years beginning on January 1, 2005. Payments of \$2,942 will be required monthly until final maturity on December 31, 2025.</p>	1,000,000

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	<u>Balance September 30, 2005</u>
Due from the Andover Court Associates LLC and secured by a deed of trust on the property. The note bears interest at 1% per annum and is payable in full on the maturity date of March 31, 2043 provided that the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement.	\$ 743,179
Due from LIHI Meadowbrook Associates, LLC in the amount of \$600,000. The note bears interest of 1% per annum. The balance of principal and accrued interest is due in full on the maturity date of December 31, 2052.	600,000
Due from HRG for the purchase of Judkins Park Apartments. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of February 29, 2044.	400,340
Due from the Archdiocesan Housing Authority and ML King Housing Limited Partnership. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of July 31, 2044.	266,013
Due from Community Psychiatric Clinic for the purchase of two properties. The notes bear no interest and mature November 30, 2013 with annual payments required.	434,001
Due from Kateri House Association. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and accrued interest are due when the title is transferred or the property is sold.	83,793
Due from Main Street Interim LLC. The note is secured by a deed of trust and bears interest at 1% and matures December 1, 2054. Principal and interest are due on the maturity date.	1,055,568
Due from Denny Park LLC. The note is secured by a deed of trust on the property and bears interest at 1%. Interest and principal are payable on the maturity date of September 3, 2044.	250,000
Due from CHHIPS Pantages Apartments LLC. Note is secured by a deed of trust and bears interest at 1%. Interest and principal are payable on the maturity date of August 16, 2044.	<u>548,466</u>
Total for all funds	\$ <u><u>14,023,792</u></u>

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(b) Notes Receivable from Component Units

The Authority has a note receivable in the amount of \$18,440,699 from the Holly Park Limited Partnership for phase one of the Holly Park redevelopment project. The note bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning July 1, 1999. Remaining interest and principal are due on March 1, 2038. As of September 30, 2005, the amount of interest payable on the note to the Authority was \$286,681.

The Authority also has two loans to the Ravenna School Limited Partnership. Both loans bear an interest rate of 1% after the first 15 years and are to be repaid by December 31, 2049. One of the loans is from the non-major funds in the amount of \$398,612 and the other loan is from the Senior Housing program in the amount of \$131,115. As of September 30, 2005, the amount of interest payable on the notes to the Authority was \$32,898.

The Authority has a note receivable in the amount of \$6,195,384 from the Othello Street Limited Partnership for phase two of the Holly Park redevelopment project. The note bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning July 1, 2000. Remaining interest and principal are due on July 1, 2051. As of September 30, 2005, the amount of interest payable on the notes to the Authority was \$327,295.

The Authority has two notes receivable from the Desdemona Limited Partnership (DLP) for phase three of the Holly Park Redevelopment project. The note in the amount of \$10,149,991 bears interest at 3.0% per annum and interest only payments on the outstanding principal balance are due to the Authority from available net cash flow beginning March 1, 2006. The note in the amount of \$2,739,144 bears interest at 1% per annum and interest only payments on the outstanding principal balances are due to the Authority from available net cash flow beginning March 1, 2006. Remaining interest and principal on both notes are due on March 1, 2058. As of September 30, 2005, the amount of interest payable on the notes to the Authority was \$713,744. The Authority also has a non-interest bearing note receivable in the amount of \$548,724 from DLP as of September 30, 2005 payable from available cash flows.

The Authority has two notes receivable in the amounts of \$12,732,290, and \$5,142,755 from Escallonia Limited Partnership (ELP) as of September 30, 2005. The notes bear noncompounding interest at 1% per annum and mature in fiscal year 2044. Interest payments are due annually from available net cash flow beginning in the current fiscal year. Principal and any remaining unpaid interest are due at maturity. The Authority also has a non-interest bearing short-term note receivable in the amount of \$299,826 from ELP as of September 30, 2005 payable from available net cash flows. As of September 30, 2005, the amount of interest payable on the notes to the Authority was \$377,991.

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Notes to Basic Financial Statements

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The Authority has notes receivable in the amounts of \$8,447,933 and \$86,125 from High Point North Limited Partnership (HPNLP) as of September 30, 2005. The notes bear compounding interest at 1% per annum and mature in fiscal year 2054. Interest payments are due annually from available net cash flow beginning in the current fiscal year. Principal and any remaining unpaid interest are due at maturity. The Authority also has a non-interest bearing short-term note receivable in the amount of \$237,982 from HPNLP as of September 30, 2005 payable from available net cash flows. As of September 30, 2005, the amount of interest payable on the notes to the Authority was \$316,945.

The Authority has a note receivable from the Ritz Apartments Limited Partnership (RALP) in the amount of \$195,000 as of September 30, 2005. The note bears interest at 1% per annum and matures on March 30, 2054. Interest and principal are due annually from available cash flow in the year beginning October 1, 2005. As of September 30, 2005, the amount of interest payable on the note to the Authority was \$1,398.

(6) Capital Assets

The following is a summary of changes in capital assets of the Authority for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Land	\$ 64,007,810	3,726,393	(4,008,409)	63,725,794
Construction in progress	64,963,572	45,635,321	(33,515,353)	77,083,540
Total capital assets not being depreciated	<u>128,971,382</u>	<u>49,361,714</u>	<u>(37,523,762)</u>	<u>140,809,334</u>
Depreciable capital assets:				
Structures	323,091,234	17,488,766	(10,061,349)	330,518,651
Equipment	13,496,503	1,761,157	(200,679)	15,056,981
	<u>336,587,737</u>	<u>19,249,923</u>	<u>(10,262,028)</u>	<u>345,575,632</u>
Less accumulated depreciation for:				
Structures	(153,918,581)	(10,093,982)	3,960,672	(160,051,891)
Equipment	(10,909,289)	(1,488,610)	191,724	(12,206,175)
Total accumulated depreciation	<u>(164,827,870)</u>	<u>(11,582,592)</u>	<u>4,152,396</u>	<u>(172,258,066)</u>
Total capital assets, being depreciated, net	<u>171,759,867</u>	<u>7,667,331</u>	<u>(6,109,632)</u>	<u>173,317,566</u>
Total capital assets, net	<u>\$ 300,731,249</u>	<u>57,029,045</u>	<u>(43,633,394)</u>	<u>314,126,900</u>

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Notes to Basic Financial Statements

September 30, 2005

The following is a summary of changes in capital assets of the Operating fund for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Land	\$ 6,743,560	—	(798,380)	5,945,180
Construction in progress	<u>1,340,795</u>	<u>2,277,160</u>	<u>(3,375,757)</u>	<u>242,198</u>
Total capital assets not being depreciated	<u>8,084,355</u>	<u>2,277,160</u>	<u>(4,174,137)</u>	<u>6,187,378</u>
Depreciable capital assets:				
Structures	13,556,336	3,554,495	(20,997)	17,089,834
Equipment	<u>1,721,170</u>	<u>—</u>	<u>—</u>	<u>1,721,170</u>
	<u>15,277,506</u>	<u>3,554,495</u>	<u>(20,997)</u>	<u>18,811,004</u>
Less accumulated depreciation for:				
Structures	(4,083,567)	(545,366)	1,225	(4,627,708)
Equipment	<u>(1,395,784)</u>	<u>(94,009)</u>	<u>—</u>	<u>(1,489,793)</u>
Total accumulated depreciation	<u>(5,479,351)</u>	<u>(639,375)</u>	<u>1,225</u>	<u>(6,117,501)</u>
Total capital assets, being depreciated, net	<u>9,798,155</u>	<u>2,915,120</u>	<u>(19,772)</u>	<u>12,693,503</u>
Total capital assets, net	\$ <u><u>17,882,510</u></u>	\$ <u><u>5,192,280</u></u>	\$ <u><u>(4,193,909)</u></u>	\$ <u><u>18,880,881</u></u>

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The following is a summary of changes in capital assets of the Low Rent fund for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Land	\$ 21,726,828	2,495,352	(1,608,548)	22,613,632
Construction in progress	<u>62,924,466</u>	<u>25,780,918</u>	<u>(12,722,419)</u>	<u>75,982,965</u>
Total capital assets not being depreciated	<u>84,651,294</u>	<u>28,276,270</u>	<u>(14,330,967)</u>	<u>98,596,597</u>
Depreciable capital assets:				
Structures	191,937,819	11,255,950	(4,916,812)	198,276,957
Equipment	<u>9,804,293</u>	<u>995,191</u>	<u>(178,280)</u>	<u>10,621,204</u>
	<u>201,742,112</u>	<u>12,251,141</u>	<u>(5,095,092)</u>	<u>208,898,161</u>
Less accumulated depreciation for:				
Structures	(130,403,461)	(6,713,775)	3,019,560	(134,097,676)
Equipment	<u>(8,212,849)</u>	<u>(1,028,713)</u>	<u>169,325</u>	<u>(9,072,237)</u>
Total accumulated depreciation	<u>(138,616,310)</u>	<u>(7,742,488)</u>	<u>3,188,885</u>	<u>(143,169,913)</u>
Total capital assets, being depreciated, net	<u>63,125,802</u>	<u>4,508,653</u>	<u>(1,906,207)</u>	<u>65,728,248</u>
Total capital assets, net	<u>\$ 147,777,096</u>	<u>32,784,923</u>	<u>(16,237,174)</u>	<u>164,324,845</u>

During the year, the Authority began a project to sell scattered sites that were primarily single family and duplex units and replace them with larger buildings that are more efficiently managed and less costly to operate. The Authority sold 22 buildings with 62 units and acquired four buildings with 44 units.

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The following is a summary of changes in capital assets of the Section 8 fund for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 551,661	506,086	(692,088)	365,659
Depreciable capital assets:				
Equipment	451,076	702,426	(14,549)	1,138,953
Accumulated depreciation	<u>(288,603)</u>	<u>(253,603)</u>	<u>14,549</u>	<u>(527,657)</u>
Total capital assets, depreciated net	<u>162,473</u>	<u>448,823</u>	<u>—</u>	<u>611,296</u>
Total capital assets, net	\$ <u>714,134</u>	<u>954,909</u>	<u>(692,088)</u>	<u>976,955</u>

The following is a summary of changes in capital assets of the Local Housing fund for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Land	\$ 17,691,960	67,140	—	17,759,100
Construction in progress	90,810	75,176	(165,986)	—
Total capital assets not being depreciated	<u>17,782,770</u>	<u>142,316</u>	<u>(165,986)</u>	<u>17,759,100</u>
Depreciable capital assets:				
Structures	55,363,282	1,132,370	(1,089,662)	55,405,990
Equipment	59,559	6,893	—	66,452
	<u>55,422,841</u>	<u>1,139,263</u>	<u>(1,089,662)</u>	<u>55,472,442</u>
Less accumulated depreciation for:				
Structures	(3,838,374)	(1,483,706)	43,063	(5,279,017)
Equipment	<u>(50,203)</u>	<u>(3,635)</u>	<u>—</u>	<u>(53,838)</u>
Total accumulated depreciation	<u>(3,888,577)</u>	<u>(1,487,341)</u>	<u>43,063</u>	<u>(5,332,855)</u>
Total capital assets, being depreciated, net	<u>51,534,264</u>	<u>(348,078)</u>	<u>(1,046,599)</u>	<u>50,139,587</u>
Total capital assets, net	\$ <u>69,317,034</u>	<u>(205,762)</u>	<u>(1,212,585)</u>	<u>67,898,687</u>

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The following is a summary of changes in capital assets of the Senior Housing fund for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions and transfers in</u>	<u>Dispositions and transfers out</u>	<u>Balance September 30, 2005</u>
Capital assets, not being depreciated:				
Land	\$ 10,996,397	—	—	10,996,397
Construction in progress	—	92,094	—	92,094
Total capital assets not being depreciated	<u>10,996,397</u>	<u>92,094</u>	<u>—</u>	<u>11,088,491</u>
Depreciable capital assets:				
Structures	44,463,296	496,417	—	44,959,713
Equipment	800,218	—	—	800,218
	<u>45,263,514</u>	<u>496,417</u>	<u>—</u>	<u>45,759,931</u>
Less accumulated depreciation for:				
Structures	(11,106,637)	(841,295)	—	(11,947,932)
Equipment	(689,806)	(44,841)	—	(734,647)
Total accumulated depreciation	<u>(11,796,443)</u>	<u>(886,136)</u>	<u>—</u>	<u>(12,682,579)</u>
Total capital assets, being depreciated, net	<u>33,467,071</u>	<u>(389,719)</u>	<u>—</u>	<u>33,077,352</u>
Total capital assets, net	\$ <u><u>44,463,468</u></u>	<u><u>(297,625)</u></u>	<u><u>—</u></u>	<u><u>44,165,843</u></u>

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The following is a summary of changes in capital assets of the non-major funds for the year ended September 30, 2005:

	Balance October 1, 2004	Additions and transfers in	Dispositions and transfers out	Balance September 30, 2005
Capital assets, not being depreciated:				
Land	\$ 6,849,065	1,163,901	(1,601,481)	6,411,485
Construction in progress	55,840	4,485,328	(4,140,544)	400,624
Total capital assets not being depreciated	<u>6,904,905</u>	<u>5,649,229</u>	<u>(5,742,025)</u>	<u>6,812,109</u>
Depreciable capital assets:				
Structures	17,770,501	1,049,534	(4,033,878)	14,786,157
Equipment	660,187	56,647	(7,850)	708,984
	<u>18,430,688</u>	<u>1,106,181</u>	<u>(4,041,728)</u>	<u>15,495,141</u>
Less accumulated depreciation for:				
Structures	(4,486,542)	(509,840)	896,824	(4,099,558)
Equipment	(272,044)	(63,809)	7,850	(328,003)
Total accumulated depreciation	<u>(4,758,586)</u>	<u>(573,649)</u>	<u>904,674</u>	<u>(4,427,561)</u>
Total capital assets, being depreciated, net	<u>13,672,102</u>	<u>532,532</u>	<u>(3,137,054)</u>	<u>11,067,580</u>
Total capital assets, net	<u>\$ 20,577,007</u>	<u>6,181,761</u>	<u>(8,879,079)</u>	<u>17,879,689</u>

The Home Ownership fund within the non-major funds had transfers in and dispositions related to home and land sales at the Holly Park Redevelopment project within the Low Rent fund. In addition, dispositions include the sale of Market House and the South Park maintenance site.

Substantial restrictions are imposed by HUD, as well as by state and local governments, on the use and collateralization of the Authority's capital assets.

Construction in Progress

Capital improvements made on the Authority's Low Rent housing stock are financed by grant funds provided by HUD under Capital Grants and the Urban Revitalization Demonstration Grant (URD/HOPE VI). The funds provided through these programs are used to rehabilitate the housing stock, which extends the useful life of the buildings. Capital grants are awarded annually based on a comprehensive modernization plan submitted by the Authority. Hope VI grants are awarded based on a specific application request. The Authority's construction in progress in the Low Rent program consists of the costs for modernization of public housing units. When modernization grants are completed, HUD

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issues a modernization cost certificate for each grant at which time construction in progress for that grant is recorded in the building category.

The following schedule shows the significant components of the construction in progress in the Low Rent fund as of September 30, 2005:

Low Rent fund:	
Public Housing	\$ 47,416
Modernization funds – Capital Grants	12,036,210
Modernization funds – URD/HOPE VI grants	<u>63,899,339</u>
Total construction in progress	<u>\$ 75,982,965</u>

Component Units

The following is a summary of changes in the capital assets of the Authority's component units for the year ended December 31, 2004:

	Balance January 1, 2004	Additions and transfers in	Dispositions and transfers out	Balance December 31, 2004
Capital assets, not being depreciated:				
Land	\$ —	173,265	—	173,265
Construction in progress	<u>14,268,647</u>	<u>58,389,417</u>	<u>(29,081,464)</u>	<u>43,576,600</u>
Total capital assets not being depreciated	<u>14,268,647</u>	<u>58,562,682</u>	<u>(29,081,464)</u>	<u>43,749,865</u>
Depreciable capital assets:				
Structures	55,029,306	35,857,364	—	90,886,670
Equipment	<u>1,842,001</u>	<u>1,589</u>	<u>—</u>	<u>1,843,590</u>
	<u>56,871,307</u>	<u>35,858,953</u>	<u>—</u>	<u>92,730,260</u>
Less accumulated depreciation for:				
Structures	(6,290,622)	(1,918,559)	—	(8,209,181)
Equipment	<u>(993,316)</u>	<u>(237,075)</u>	<u>—</u>	<u>(1,230,391)</u>
Total accumulated depreciation	<u>(7,283,938)</u>	<u>(2,155,634)</u>	<u>—</u>	<u>(9,439,572)</u>
Total capital assets, being depreciated, net	<u>49,587,369</u>	<u>33,703,319</u>	<u>—</u>	<u>83,290,688</u>
Total capital assets, net	<u>\$ 63,856,016</u>	<u>92,266,001</u>	<u>(29,081,464)</u>	<u>127,040,553</u>

The \$29.1 million of dispositions and transfers of construction in progress were in the Desdemona Limited Partnership and were transferred to structures during the year.

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(7) Short-Term Borrowings

The Authority maintains a \$6 million line of credit, which provides the Authority with a ready means of short-term financing for general operations of the Authority. The line of credit bears interest at 59% of the bank's prime rate or 3.98% at September 30, 2005 which is payable monthly. The line of credit matures August 2008 and may be extended by the Executive Director of the Authority to a date not later than five years after the original maturity date with the consent of the bank. The total amount outstanding at the end of the fiscal year was \$191,172 which was recorded in the Local Housing fund.

The Authority maintains a \$10 million revolving real property line of credit in order to provide a ready means of financing property acquisitions. The line of credit bears interest at 65% of the bank's prime rate minus 0.058% or equivalent rate of 4.35% at September 30, 2005 which is payable monthly. The commitment expires in August 2008 and may be extended by the Executive Director of the Authority to a date not later than five years after the original maturity date with the consent of the bank. As of September 30, 2005, the Authority had drawn \$8,032,648 million against the line of which \$3,990,315 is recorded in the Local Housing Fund and \$4,042,633 is recorded in the non-major funds.

The Authority also maintains a \$10 million revolving infrastructure line of credit in order to finance construction costs at the Holly Park, Rainier Vista, and High Point redevelopment projects in the Low Rent fund. The line of credit bears interest at 65% of the bank's prime rate on the drawn balance of the line, and 15 basis points on the unused portion of the line or 3.09% as of September 30, 2005. Interest and principal are due on the maturity date of January 24, 2006. As of September 30, 2005, Holly Park had no outstanding balance drawn from the line, while High Point and Rainier Vista had drawn \$1,858,638 and \$388,838 from the line, respectively.

The Authority has also established a \$7 million revolving taxable line of credit for the purpose of obtaining bridge financing for the Authority's acquisition of commercial or other non-tax exempt properties over the next five to seven years. The line of credit bears interest at Key Bank's prime rate minus 1.75% or 5% as of September 30, 2005 which is payable monthly. The line matures in November, 2007 and is renewable annually through 2011. The total amount outstanding at the end of the fiscal year was \$6,600,011 of which \$1,490,000 is recorded in the Operating fund, \$1,977,711 is recorded in the Local Housing Fund and \$3,132,300 is recorded in the non-major funds.

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The following is a summary of changes in the Authority's short-term borrowings for the year ended September 30, 2005:

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005
Operating fund:				
Operating line of credit payable for Wallingford site and North Maintenance facility replacement site.	\$ 203,985	—	203,985	—
Operating line of credit payable for Gamelin House.	1,155,787	1,068,514	2,224,301	—
Taxable line of credit payable for Gamelin House.	—	1,490,000	—	1,490,000
Total short term notes payable	1,359,772	2,558,514	2,428,286	1,490,000
Low Rent fund:				
Real estate line of credit draw for purchase of scattered site replacement at 4818 SW Delridge.	340,504	—	340,504	—
Line of credit payable to Bank of America for Rainier Vista redevelopment infrastructure.	3,229,814	8,624,111	11,465,087	388,838
Line of credit payable to Bank of America for High Point redevelopment infrastructure.	4,545,869	2,337,388	5,024,619	1,858,638
Total notes payable	8,116,187	10,961,499	16,830,210	2,247,476

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	<u>Balance</u> <u>October 1,</u> <u>2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30,</u> <u>2005</u>
Local Housing fund:				
Real estate line of credit for purchase of Westwood Heights East 4plex.	\$ 885,537	—	—	885,537
Operating line of credit for purchase of Westwood Heights East 4plex.	—	191,172	—	191,172
Real estate line of credit for the purchase of Wisteria Court Apartments.	1,044,032	—	—	1,044,032
Real estate line of credit for purchase of Main Street Properties.	985,055	—	—	985,055
Real estate line of credit for purchase of Aldercrest Apartments.	1,985,117	—	1,490,000	495,117
Taxable line of credit for purchase of Aldercrest Apartments.	—	1,490,000	—	1,490,000
Real estate line of credit for purchase of Ritz Apartments.	1,027,711	—	1,027,711	—
Operating line of credit for purchase of Ritz Apartments.	—	62,910	62,910	—
Taxable line of credit to fund loan to Ritz Apartments Limited Partnership.	—	1,027,711	540,000	487,711
Real estate line of credit for purchase of 6-plex at 3809 S. Willow St.	—	580,274	—	580,274
Total notes payable	<u>5,927,452</u>	<u>3,352,067</u>	<u>3,120,621</u>	<u>6,158,898</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005
Non-major funds:				
Operating Line of credit payable for South Park Maintenance facility.	\$ 1,289,652	—	1,289,652	—
Real estate line of credit payable for various properties in the Development fund, including 3942 S Kenyon, 3939 S Bozeman, 109 12th, 7343 MLK Jr Way S, 39th & S Kenyon lot, 5656 32nd SW, 3932 S Kenyon, and Highpoint Substation.	2,240,519	603,393	—	2,843,912
Real estate line of credit payable for purchase of the Salvation Army Building.	1,076,973	—	—	1,076,973
Taxable line of credit for purchase of properties in the Development fund including 6919 MLK Jr Way S, 10312th Ave S, 6058 35th Ave SW, and 6927 MLK Jr Way S.	—	3,152,300	20,000	3,132,300
Real estate line of credit for purchase of Main Street properties.	121,748	—	—	121,748
Operating Line of credit payable for loan to LIHI for Denny Park LLC.	—	250,000	250,000	—
Operating Line of credit payable for loan to Main Street Interim LLC.	—	887,601	887,601	—
Operating Line of credit payable for loan to CHHIPS Pantages Apartments LLC.	—	443,625	443,625	—
Total notes payable	<u>4,728,892</u>	<u>5,336,919</u>	<u>2,890,878</u>	<u>7,174,933</u>
Total short-term borrowings	<u>\$ 20,132,303</u>	<u>22,208,999</u>	<u>25,269,995</u>	<u>17,071,307</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

(8) Long-Term Debt

(a) The following is a summary of changes in the Authority's long-term debt for the year ended September 30, 2005:

	<u>Balance October 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance September 30, 2005</u>	<u>Due within one year</u>
Operating fund:					
Loan payable for PorchLight facility, due in 2010. Interest is payable monthly at the rate of 64% of Bank of America's prime rate or 4.32% as of September 30, 2005.	\$ 902,446	—	203,230	699,216	203,230
Loan payable to the City of Seattle for the Epstein Building remodel financed by HUD Community Development Block Grant funds. The loan will be fully forgiven on December 31, 2017 if the property is kept for low income use.	200,000	—	—	200,000	—
Total notes payable	<u>1,102,446</u>	<u>—</u>	<u>203,230</u>	<u>899,216</u>	<u>203,230</u>
Bonds payable for the Wakefield Building and the PorchLight Building in annual payments of approximately \$600,000 including interest at rates of 2.85% to 6.1%; final due date of May 1, 2032. The bonds are secured by a deed of trust on the Wakefield and PorchLight buildings.	8,100,000	—	130,000	7,970,000	135,000
Bonds payable for the Wallingford property in annual payments of \$64,716 including interest at 7%; final due date is January 11, 2015. The bonds are secured by a pledge of the general revenues of the Authority.	475,056	—	32,491	442,565	34,840
Total bonds payable	<u>8,575,056</u>	<u>—</u>	<u>162,491</u>	<u>8,412,565</u>	<u>169,840</u>
Accrued compensated absences	9,769	18,724	17,245	11,248	7,299
Total long-term obligations	<u>9,687,271</u>	<u>18,724</u>	<u>382,966</u>	<u>9,323,029</u>	<u>380,369</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005	Due within one year
Low Rent fund:					
Note payable to the City of Seattle for the Yesler Terrace gymnasium improvements financed by HUD Community Development Block Grant funds. The loan will be fully forgiven on December 31, 2007 (10 years) if the property is kept for low-income use.	\$ 149,426	—	—	149,426	—
Notes payable issued in 1998 to the City of Seattle's General Fund, Urban Renewal and Capital Facilities Fund. Interest accrues at 1% simple interest per year and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	2,417,263	—	—	2,417,263	—
Note payable to the City of Seattle's Housing Development Fund. Interest accrues at 1% simple interest per year and is payable on or before September 11, 2040.	1,700,000	—	—	1,700,000	—
Notes payable to the City of Seattle's Cumulative Reserve Fund and HOME Program. Interest accrues at 1% simple interest per year up to the 20th year and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal and interest payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance and accrued interest will be forgiven.	2,800,000	—	—	2,800,000	—
Notes payable to the City of Seattle's HOME Program. Interest accrues at 1% simple interest per annum from the date of each advance and is payable on or before August 7, 2053.	816,000	—	816,000	—	—
Note payable to the City of Seattle for Yesler community room improvements financed by Human Services Department Community Development Block Grant funds. The loan will be fully forgiven on March 31, 2009 (5 years) if the property is kept for low-income use.	99,961	—	—	99,961	—
Total notes payable	<u>7,982,650</u>	<u>—</u>	<u>816,000</u>	<u>7,166,650</u>	<u>—</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005	Due within one year
Accrued compensated absences	\$ 1,196,700	536,455	710,636	1,022,519	638,642
Total long-term obligations	<u>9,179,350</u>	<u>536,455</u>	<u>1,526,636</u>	<u>8,189,169</u>	<u>638,642</u>
Section 8 fund:					
Accrued compensated absences	248,089	177,573	126,607	299,055	126,607
Total long-term obligations	<u>248,089</u>	<u>177,573</u>	<u>126,607</u>	<u>299,055</u>	<u>126,607</u>
Local Housing fund:					
Note payable to the State of Washington for the Villa Park Project. Interest accrues at 1% per year compounded monthly with 50 annual payments of \$27,698. The note is secured by a deed of trust on the property.	982,059	—	17,877	964,182	18,056
Note payable to the City for the Villa Park Apartments. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with debt covenants for 75 years, the unpaid principal balance will be forgiven. The note is secured by a deed of trust on the property.	1,785,723	—	—	1,785,723	—
Mortgage Loan for Wedgewood Estates payable to Prudential. Term is 35 years with final maturity August 1, 2036. The interest rate is 5.72% with monthly payments of \$94,774. The loan is guaranteed with FHA insurance.	16,665,322	—	188,933	16,476,389	200,027
Mortgage Loan for Wisteria Court payable to Prudential. Term is 35 years with final maturity August 1, 2033. The interest rate is 5.51% with monthly payments of \$21,114. The loan is guaranteed with FHA insurance.	3,892,299	—	39,905	3,852,394	42,160
Mortgage loan payable to CS Capital for the purchase of Main Street Properties bearing interest at a rate of 6% with maturity date of November 1, 2012. The mortgage is secured by a deed of trust on the property.	1,936,101	—	25,403	1,910,698	26,992
Other notes payable	509,547	—	—	509,547	—
Total notes payable	<u>25,771,051</u>	<u>—</u>	<u>272,118</u>	<u>25,498,933</u>	<u>287,235</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005	Due within one year
Bonds payable for the Villa Park Apartments in annual payments of \$25,000 to \$1,065,000 plus interest at rates of 4.5% to 6.5%; final due date November 1, 2026. The bonds are secured by a pledge of general revenues of the Authority, and a deed of trust on the Villa Park Apartments.	\$ 1,750,000	—	35,000	1,715,000	40,000
Bonds payable for Telemark Apartments, Stone Avenue Townhomes and 532 N 104th St Townhomes in the Local Housing Fund. Annual payments are \$25,000 to \$420,000 plus interest at rates of 3.5% to 6.125%; final due date is June 1, 2031. The bonds are secured by a deed of trust on the property.	2,850,000	—	35,000	2,815,000	35,000
Variable rate bonds payable for Wedgewood Estates in the amount of \$3,750,000. The interest rate is 10 basis points plus the Bond Market Association Swap Index (average of 7 day high grade bonds) and was 1.75% on September 30, 2005. Annual payments are made from cash flow on the project with final due date before August 2006. Bonds are secured by a Letter of Credit with KeyBank.	3,355,000	—	140,000	3,215,000	150,000
Fixed rate bonds payable for Wedgewood Estates in the amount of \$17,185,000. Annual payments are \$160,000 to \$1,110,000 plus interest at rates of 3.25% to 5.6%; with final due date of August 20, 2036. The bond proceeds are invested in GNMA certificates to secure the bond repayment.	16,640,000	—	200,000	16,440,000	210,000
Fixed rate bonds payable for Market Terrace and Mary Avenue townhomes in the amount of \$3,145,000. Annual payments are \$45,000 to \$415,000 plus interest rates of 2.35% to 5.8% with final due date of August 31, 2032. The bonds are secured by a deed of trust on the properties.	1,089,019	—	16,041	1,072,978	17,824
Fixed rate bonds payable for Montridge Arms Apartments in the amount of \$1,830,000. Annual payments are \$25,000 to \$125,000 plus interest at rates of 2.5% to 6.0% with final due date of February 1, 2032. The bonds are secured by a deed of trust on the property.	1,780,000	—	30,000	1,750,000	30,000

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Notes to Basic Financial Statements

September 30, 2005

	October 1, 2004	Additions	Retirements	September 30, 2005	Due within one year
Fixed rate bonds payable for Longfellow Creek Apartments in the amount of \$3,685,000. Annual payments are \$15,000 to \$235,000 plus interest at rates of 1.9% to 5.35% with final due date of October 1, 2033. The bonds are secured by a pledge of the general revenue of the Authority and certain revenues, and receipts available from the property.	\$ 3,685,000	—	15,000	3,670,000	65,000
Fixed rate bonds payable for HOPE VI replacement housing properties of Lam Bow, Roxbury Apartments and various units purchased from Decker properties in the amount of \$10,000,000. Annual payments are \$125,000 to \$695,000 plus interest rates at 6.125% with final due date of December 1, 2032. The bonds are secured by the general revenue of the Authority and certain revenues and receipts available from the property.	9,875,000	—	130,000	9,745,000	140,000
Fixed rate bonds payable for Wisteria Court Apartments in the amount of \$3,925,000. Annual payments are \$45,000 to \$245,000 plus interest at rates of 1.2% to 5.3% with final due date of October 20, 2038. The bond proceeds are invested in GNMA certificates to secure the bond repayment.	3,925,000	—	45,000	3,880,000	45,000
Fixed rate bonds payable for Main Street Apartments and Yesler Court bearing interest at a rate of 2.15% to 5.85% with final due date of March 31, 2034. The bonds are secured by a pledge of the project revenues.	1,965,000	—	15,000	1,950,000	15,000
Fixed rate bonds payable for the refinancing of Bayview and Lake City Commons bearing interest at a rate of 2.15% to 5.8% with final due date of August 1, 2034. The bonds are secured by deeds of trust on the properties.	1,012,932	—	16,272	996,660	17,628
Total bonds payable	47,926,951	—	677,313	47,249,638	765,452
Accrued compensated absences	631	30,805	16,997	14,439	6,768
Total long-term obligations	73,698,633	30,805	966,428	72,763,010	1,059,455
Senior Housing fund:					
Accrued compensated absences	111,381	47,494	46,356	112,519	46,356
Total long-term obligations	111,381	47,494	46,356	112,519	46,356

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	<u>October 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>September 30, 2005</u>	<u>Due within one year</u>
Non-major funds:					
Note payable to the City for the Beacon House Project. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	\$ 329,260	—	—	329,260	—
Mortgage loan payable to CW Capital for the purchase of Main Street Properties bearing interest at a rate of 6% with maturity date of November 1, 2012. The mortgage is secured by a deed of trust on the property.	239,293	—	3,140	236,153	3,336
Other notes payable	114,212	—	—	114,212	—
Total notes payable	<u>682,765</u>	<u>—</u>	<u>3,140</u>	<u>679,625</u>	<u>3,336</u>
Bonds payable to a bank for the Market House project bearing interest at rates from 4% to 8% (plus McKinney Act payments to HUD of 2.5% to 3.5%) with maturity dates through February 2015. The bonds are collateralized by a deed of trust on the project's land and building, the project's housing assistance payment contract with HUD, and all revenues, rents, profits or sale proceeds accruing to the project.	1,249,558	—	1,249,558	—	—
Fixed rate bonds payable for Market Terrace and Mary Avenue townhomes in the amount of \$3,145,000. Annual payments are \$45,000 to \$415,000 plus interest at rates of 2.35% to 5.8% with final due date of August 31, 2032. The bonds are secured by a deed of trust on the properties.	1,965,981	—	28,958	1,937,023	32,176
Fixed rate bonds payable for the refinance of Bayview and Lake City Commons bearing interest at a rate of 2.15% to 5.8% with final due date of August 1, 2034. The bonds are secured by deeds of trust on the properties.	2,722,068	—	43,728	2,678,340	47,372
Total bonds payable	<u>5,937,607</u>	<u>—</u>	<u>1,322,244</u>	<u>4,615,363</u>	<u>79,548</u>

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Notes to Basic Financial Statements

September 30, 2005

	October 1, 2004	Additions	Retirements	September 30, 2005	Due within one year
Accrued compensated absences	\$ 1,099,624	459,907	534,941	1,024,590	534,657
Total long-term obligations	<u>7,719,996</u>	<u>459,907</u>	<u>1,860,325</u>	<u>6,319,578</u>	<u>617,541</u>
Primary government total notes payable	<u>35,538,912</u>	—	<u>1,294,488</u>	<u>34,244,424</u>	<u>493,801</u>
Primary government total bonds payable	<u>62,439,614</u>	—	<u>2,162,048</u>	<u>60,277,566</u>	<u>1,014,840</u>
Primary government accrued compensated absences	<u>2,666,194</u>	<u>1,270,958</u>	<u>1,452,782</u>	<u>2,484,370</u>	<u>1,360,319</u>
Primary government total long- term obligations	<u>\$ 100,644,720</u>	<u>1,270,958</u>	<u>4,909,318</u>	<u>97,006,360</u>	<u>2,868,960</u>

The following is a summary of debt service requirements of the Authority for long-term obligations as of September 30, 2005:

		Bonds	Notes	Total	
				Principal	Interest
2006	\$	4,345,906	1,894,497	1,508,641	4,731,762
2007		4,350,699	2,037,745	1,721,795	4,666,649
2008		4,342,177	1,882,140	1,626,864	4,597,453
2009		4,350,023	1,862,404	1,689,504	4,522,923
2010		4,353,842	1,671,558	1,577,332	4,448,068
2011 – 2015		21,818,858	10,110,410	11,334,434	20,594,834
2016 – 2020		21,612,871	7,740,915	11,750,757	17,603,029
2021 – 2025		20,561,337	7,540,916	14,067,419	14,034,834
2023 – 2030		19,939,834	7,770,916	18,197,238	9,513,512
2031 – 2035		14,356,237	7,817,668	18,254,364	3,919,541
2036 – 2040		2,044,094	10,945,314	12,467,472	521,936
2041 – 2045		—	252,702	244,687	8,015
2046 – 2050		—	83,118	81,485	1,635
Total requirements	\$	<u>122,075,878</u>	<u>61,610,303</u>	<u>94,521,990</u>	<u>89,164,191</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

The following is a summary of debt service requirements for long-term obligations as of September 30, 2005 for the Operating fund:

	<u>Bonds</u>	<u>Notes</u>	<u>Total</u>	
			<u>Principal</u>	<u>Interest</u>
2006	\$ 667,874	222,942	373,070	517,746
2007	667,136	216,763	380,589	503,310
2008	665,836	210,585	388,290	488,131
2009	668,876	90,887	287,482	472,281
2010	666,281	—	206,061	460,220
2011 – 2015	3,298,882	—	1,186,289	2,112,593
2016 – 2020	3,018,450	200,000	1,455,000	1,763,450
2021 – 2025	3,018,950	—	1,680,000	1,338,950
2026 – 2030	3,015,245	—	2,250,000	765,245
2031 – 2035	1,207,175	—	1,105,000	102,175
Total requirements	\$ <u>16,894,705</u>	<u>941,177</u>	<u>9,311,781</u>	<u>8,524,101</u>

The following is a summary of debt service requirements for long-term obligations as of September 30, 2005 for the Low Rent fund:

	<u>Notes</u>	<u>Total</u>	
		<u>Principal</u>	<u>Interest</u>
2006	\$ 69,173	—	69,173
2007	218,599	149,426	69,173
2008	69,173	—	69,173
2009	169,134	99,961	69,173
2010	69,173	—	69,173
2011 – 2015	345,865	—	345,865
2016 – 2020	345,865	—	345,865
2021 – 2025	345,865	—	345,865
2026 – 2030	345,865	—	345,865
2031 – 2035	345,865	—	345,865
2036 – 2040	7,179,423	6,917,263	262,160
Total requirements	\$ <u>9,504,000</u>	<u>7,166,650</u>	<u>2,337,350</u>

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Notes to Basic Financial Statements

September 30, 2005

The following is a summary of debt service requirements for long-term obligations as of September 30, 2005 for the Local Housing fund:

	Bonds	Notes	Total	
			Principal	Interest
2006	\$ 3,348,197	1,581,480	1,052,687	3,876,990
2007	3,356,087	1,581,481	1,108,687	3,828,881
2008	3,348,273	1,581,481	1,152,081	3,777,673
2009	3,352,450	1,581,481	1,211,651	3,722,280
2010	3,359,004	1,581,483	1,277,393	3,663,094
2011 – 2015	16,880,230	9,180,058	9,094,487	16,965,801
2016 – 2020	16,951,441	7,195,050	9,638,125	14,508,366
2021 – 2025	15,903,396	7,195,051	11,529,946	11,568,501
2026 – 2030	15,281,944	7,425,051	14,810,803	7,896,192
2031 – 2035	11,974,688	7,471,803	16,110,544	3,335,947
2036 – 2040	2,044,094	3,765,891	5,550,209	259,776
2041 – 2045	—	138,490	130,475	8,015
2046 – 2050	—	83,118	81,483	1,635
Total requirements	\$ 95,799,804	50,361,918	72,748,571	73,413,151

The following is a summary of debt service requirements for long-term obligations as of September 30, 2005 for the non-major funds:

	Bonds	Notes	Total	
			Principal	Interest
2006	\$ 329,835	20,902	82,884	267,853
2007	327,476	20,902	83,093	265,285
2008	328,068	20,901	86,493	262,476
2009	328,697	20,902	90,410	259,189
2010	328,557	20,902	93,878	255,581
2011 – 2015	1,639,746	584,487	1,053,658	1,170,575
2016 – 2020	1,642,980	—	657,632	985,348
2021 – 2025	1,638,991	—	857,473	781,518
2026 – 2030	1,642,645	—	1,136,435	506,210
2031 – 2035	1,174,374	—	1,038,820	135,554
2036 – 2040	—	—	—	—
2041 – 2045	—	114,212	114,212	—
Total requirements	\$ 9,381,369	803,208	5,294,988	4,889,589

For variable rate issues, the Authority estimated interest payments based on the interest rates in effect at the end of the fiscal year.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

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There are several limitations and restrictions contained in the various debt instruments primarily requiring the Authority to maintain certain levels of low-income tenants. Authority management believes it is in compliance with all significant limitations and restrictions.

(b) Conduit Debt

The Authority has issued special revenue bonds to provide financial assistance to not-for-profit agencies and private developers for the purpose of constructing low-income housing. The bonds are limited obligation bonds of the Authority and are payable solely from project revenue. These nonrecourse conduit bonds are secured by the property financed and are often collateralized by a letter of credit issued by a major bank. The Authority is not obligated in any manner and accordingly the bonds have not been recorded in the accompanying financial statements.

As of September 30, 2005, there were 48 series of these special revenue bonds outstanding. The aggregate principal amount payable for the series issued after September 30, 1996 was \$236,213,739. The aggregate principal amount payable for the 16 series issued prior to October 1, 1996 could not be determined; their original issue amount totaled \$59,738,554.

(c) Component Unit Debt

The Holly Park Limited Partnership (HPLP) has \$5,170,000 in bonds outstanding at December 31, 2004. The bonds were issued by the Authority on behalf of the component unit and are secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest on the bonds is due every six months at a fixed rate comprised of 12 serial bonds with different rates (4.7% – 5.9%). The bonds mature on January 1, 2030.

As of December 31, 2004, HPLP has other long-term debt totaling \$20,140,699. Of this, \$18,440,699 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow beginning July 1, 1999. For the year ending September 30, 2005, interest payments of \$220,438 were made to the Authority. The remaining \$1,700,000 represents a loan from the Washington State Office of Community Trade & Economic Development. The loan accrues no interest and is secured by a lien on the Partnership's property and matures on December 31, 2040.

The Ravenna School Limited Partnership has outstanding debt in the amount of \$529,727 payable to the Authority at December 31, 2004. Two notes for \$131,115 and \$398,612 are payable by December 31, 2039 and bear interest at 1% per year.

The Othello Street Limited Partnership (OSLP) has bonds outstanding at December 31, 2004 of \$2,385,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. The bonds bear interest at 7.0% per year and mature on January 1, 2032.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

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As of December 31, 2004, OSLP has other long-term debt totaling \$8,195,384. Of this, \$6,195,384 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow. As of September 30, 2005, no interest payments had been made to the Authority. The remaining \$2,000,000 represents a loan from the Washington State Office of Assistance Program. Payments of principal and interest are deferred for 30 years until December 31, 2032, with interest accruing at 1% per annum during the deferral period. Beginning December 31, 2032, all unpaid principal and accrued interest will be paid over 20 years with annual payments of \$149,383.

The Desdemona Limited Partnership (DLP) has bonds outstanding at December 31, 2004 of \$22,500,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. At December 31, 2004, the interest rate on the \$7,980,000 fixed rate bonds ranged from 3.10% to 6.25% based on the maturity schedule in the First Supplemental Trust Indenture. At December 31, 2004, the interest rate on the \$14,520,000 variable rate bonds was 2.07%. The fixed rate bonds mature on December 1, 2035. The variable rate bonds mature on December 1, 2034.

As of December 31, 2004, DLP has other long-term debt totaling \$16,397,805 secured by liens on the Partnership's property. Of this, \$12,889,135 represents the general partner loans made by the Authority and is secured by liens on the Partnership's property. These loans accrue interest at the annual rate of 1% and interest only payments on the outstanding principal balances are due to the general partner from available net cash flow. As of September 30, 2005, no interest payments had been made to the Authority. DLP also has a loan from the State of Washington Department of Community, Trade and Economic Development, Office of Community Development in the amount of \$2,000,000. Payments of principal and interest are deferred for 10 years until December 1, 2015, with interest accruing at 1% per annum during the deferral period. Beginning December 1, 2015, all unpaid principal and accrued interest will be paid over 20 years with annual payments of \$22,104 for the first ten years and \$122,060 for the remaining 10 years with the final payment due on or before October 1, 2045. The remaining \$1,508,670 represents a loan with the City of Seattle. The loan accrues interest at 1% annually and matures on August 7, 2053. Payments of principal and interest begin June 30, 2006 from available net cash flow.

The Escallonia Limited Partnership (ELP) has bonds outstanding at December 31, 2004 totaling \$22,500,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on the Limited Partnership's leasehold interest in the Rainier Vista redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at a fixed rate of 4.13% on \$5,275,000 of the bonds, and at the variable bond marketing association (BMA) rate (not to exceed 8%) for the remaining amount of the bonds. The bonds mature on December 1, 2036.

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As of December 31, 2004, ELP has other long-term debt totaling \$13,659,146 of general partner loans made by the Authority and secured by liens on the Partnership's property. These loans accrue noncompounding interest at the annual rate of 1% and mature in fiscal year 2044. Interest only payments on the loans are due to the general partner from available net cash flow. As of September 30, 2005, no interest payments had been made to the Authority.

The High Point North Limited Partnership (HPNLP) has bonds outstanding at December 31, 2004 totaling \$32,000,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Bank of America and secured by a deed of trust on the Limited Partnership's leasehold interest in the Rainier Vista redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. At December 31, 2004, interest of the \$10,600,000 fixed rate bonds was 5.295% and interest on the \$21,400,000 was 2.07%. The fixed rate bonds mature on June 1, 2036 and the variable rate bonds mature on December 1, 2036.

As of December 31, 2004, HPNLP has other long-term debt totaling \$4,588,250 of general partner loans made by the Authority and secured by liens on the Partnership's property. These loans accrue compounding interest at the annual rate of 1% and mature in fiscal year 2054. Interest only payments on the loans are due to the general partner from available net cash flow. As of September 30, 2005, no interest payments had been made to the Authority.

The Ritz Apartments Limited Partnership (RALP) has long-term construction loans outstanding totaling \$1,500,000 as of December 31, 2004. The \$1,200,000 portion bears interest at 5.496%, requires monthly payments and is due September 1, 2006. However, the note may be converted to permanent financing with a maturity date of September 1, 2036 if certain conditions are met. The \$300,000 variable note bears interest at 3.726% as of December 31, 2004 and matures September 1, 2006. The note requires monthly payments of principal and interest.

As of December 31, 2004, the RALP has other long-term notes payable outstanding totaling \$1,700,000. Of this amount, \$560,000 represents a note to the City of Seattle which bears interest simple interest at 1% annually. Payments are due annually beginning June 30, 2006 from available net cash flow and the note is payable in full by August 9, 2054. The \$1,040,000 financing lease is payable to the general partner and requires payments according a schedule with a final maturity of March 1, 2006. Interest accrues on the unpaid balance at a rate of 3% annually. The remaining \$100,000 is payable to the general partner and bears interest at 1% annually. Payments are due annually beginning March 30, 2006 from available net cash flow with final maturity of December 31, 2054.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

The following is a summary of changes in long-term obligations for the component units:

	Balance January 1, 2004	Additions	Retirements	Balance December 31, 2004	Due within one year
Loans payable to primary government from Holly Park Limited Partnership	\$ 18,440,699	—	—	18,440,699	—
Loan payable to Washington State Office of Community Trade & Economic Development from Holly Park Limited Partnership	1,700,000	—	—	1,700,000	—
Loans payable to primary government from Ravenna School Limited Partnership	529,727	—	—	529,727	—
Loans payable to primary government from Othello Street Limited Partnership	6,195,384	—	—	6,195,384	—
Loan payable to Washington State Office of Assistance Program from Othello Street Limited Partnership	2,000,000	—	—	2,000,000	—
Loans payable to primary government from Desdemona Limited Partnership	5,968,514	6,920,621	—	12,889,135	—
Loan payable to Washington State Housing Trust fund from Desdemona Limited Partnership	2,000,000	—	—	2,000,000	—
Loan payable to City of Seattle HOME fund from Desdemona Limited Partnership	—	1,508,670	—	1,508,670	—
Loans payable to primary government from Escallonia Limited Partnership	3,077,092	10,582,054	—	13,659,146	—
Loans payable to primary government from Highpoint North Limited Partnership	790,581	1,797,669	—	2,588,250	—
Loan payable to Washington State Housing Trust fund from High Point Limited Partnership	—	2,000,000	—	2,000,000	—
Loans payable to primary government from the Ritz Limited Partnership	—	100,000	—	100,000	—
Financing lease payable to the primary government from the Ritz Limited Partnership	—	1,040,000	—	1,040,000	600,000
Loans payable to the City of Seattle from the Ritz Limited Partnership	—	560,000	—	560,000	—
Loans payable to Washington Mutual from the Ritz Limited Partnership	—	1,500,000	—	1,500,000	—
Total notes payable	<u>40,701,997</u>	<u>26,009,014</u>	<u>—</u>	<u>66,711,011</u>	<u>600,000</u>
Bonds payable – Holly Park Limited Partnership	5,260,000	—	90,000	5,170,000	90,000
Bonds payable – Othello Street Limited Partnership	2,415,000	—	30,000	2,385,000	30,000
Bonds payable – Desdemona Limited Partnership	22,500,000	—	—	22,500,000	—
Bonds payable – Escallonia Limited Partnership	22,500,000	—	—	22,500,000	—
Bonds payable – High Point North Limited Partnership	32,000,000	—	—	32,000,000	—
Total bonds payable	<u>84,675,000</u>	<u>—</u>	<u>120,000</u>	<u>84,555,000</u>	<u>120,000</u>
Total long-term obligations	<u>\$ 125,376,997</u>	<u>26,009,014</u>	<u>120,000</u>	<u>151,266,011</u>	<u>720,000</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

Principal maturities of long-term obligations of the component units as of December 31, 2003 are as follows:

	<u>Bonds</u>	<u>Notes</u>	<u>Total principal</u>	<u>Total interest</u>
2005	\$ 2,539,211	1,757,833	720,000	3,577,044
2006	2,652,346	1,898,177	980,000	3,570,523
2007	2,656,386	1,152,398	255,000	3,553,784
2008	2,654,116	1,155,030	265,000	3,544,146
2009	2,655,767	1,157,687	280,000	3,533,454
2010 – 2014	13,269,580	5,829,238	1,635,000	17,463,818
2015 – 2019	13,253,414	6,010,282	2,160,000	17,103,696
2020 – 2024	13,257,916	6,404,253	3,189,113	16,473,056
2025 – 2029	13,230,078	7,162,242	4,799,859	15,592,461
2030 – 2034	25,802,959	7,544,134	18,899,054	14,448,039
2035 – 2039	57,537,335	27,464,694	76,634,658	8,367,371
2040 – 2044	—	8,140,479	3,135,443	5,005,036
2045 – 2049	—	5,594,007	612,299	4,981,708
2050 – 2054	—	15,782,163	11,152,304	4,629,859
2055 – 2059	—	28,467,249	26,548,281	1,918,968
Total requirements	\$ <u>149,509,108</u>	<u>125,519,866</u>	<u>151,266,011</u>	<u>123,762,963</u>

(9) Interfund Receivable/Payable Accounts

The Authority maintains interfund receivable and payable accounts for all housing projects and funds that it administers. Balances at September 30, 2005 are comprised of cash pool allocations to the participating programs. Interfund balances are shown with current and noncurrent portions. Current portions of the interfund balances represent normal operations and are expected to be repaid in less than one year.

Current portions of the interfund receivable and payable balances as of September 30, 2005 are as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>	<u>Net receivable (payable)</u>
Operating fund	\$ 371,541	(1,111,399)	(739,858)
Low Rent fund	2,872,501	(4,716,949)	(1,844,448)
Section 8 fund	934,849	—	934,849
Local Housing fund	—	(2,047,239)	(2,047,239)
Senior Housing fund	878,747	—	878,747
Non-major funds	3,216,804	(398,855)	2,817,949
Net current interfund balances	\$ <u>8,274,442</u>	<u>(8,274,442)</u>	<u>—</u>

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Noncurrent portions of the interfund receivable and payable balances as of September 30, 2005 are as follows:

	<u>Interfund receivable</u>	<u>Interfund payable</u>	<u>Net receivable (payable)</u>
Operating fund	\$ 429,475	—	429,475
Low Rent fund	8,797,404	—	8,797,404
Local Housing fund	—	(2,089,742)	(2,089,742)
Non-major funds	—	(7,137,137)	(7,137,137)
Net noncurrent interfund balances	\$ <u>9,226,879</u>	<u>(9,226,879)</u>	<u>—</u>

During the year the Authority had significant interfund activity representing transactions that were expected to span longer than one year. Low Rent fund has loaned approximately \$2.1 million to the Local Housing fund to finance the purchase of several housing properties and for operating shortfalls on newly acquired properties. Low Rent fund has also loaned approximately \$7.1 million to the Development fund in the non-major fund group to help finance property purchases and to make loans to not-for-profit partners in support of low-income housing developments. The Authority intends to sell the properties held in the Development fund or redevelop them for new affordable housing with permanent financing.

Transfers between funds during the fiscal year 2005 were as follows:

	<u>Transfers from</u>				
	<u>Operating</u>	<u>Low rent</u>	<u>Section 8</u>	<u>Nonmajor</u>	<u>Total</u>
Transfers to:					
Operating fund	\$ —	382,072	—	415,840	797,912
Low Rent fund	—	—	3,825,000	23,396,726	27,221,726
Local Housing fund	—	—	—	16,000	16,000
Senior Housing fund	3,381	—	—	—	3,381
Non-major funds	—	4,492,114	—	2,352,346	6,844,460
Total transfers	\$ <u>3,381</u>	<u>4,874,186</u>	<u>3,825,000</u>	<u>26,180,912</u>	<u>34,883,479</u>

Transfers are used to move unrestricted revenues from the fund that collects them to finance various programs accounted for in other funds in accordance with budgetary authorizations and as allowed under the Authority's participation in the Move to Work program.

During the year ending September 30, 2005, the Authority's Hope VI Redevelopment program within the Low Rent fund transferred approximately \$4.1 million to the Home Ownership fund under the non-major funds. This amount represents the value of the land that was sold as a part of the Holly Park Redevelopment project. Subsequently, the Home Ownership fund transferred back \$23.4 million to the Hope VI Redevelopment program within the Low Rent fund. This represents the net proceeds from the Holly Park, Rainier Vista and High Point land sales and will be used by the Hope VI program to fund the remaining portion of the redevelopment project.

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September 30, 2005

(10) Pension Plans

Substantially all of the Authority's full-time and qualifying part-time employees participate in the Washington State Public Employees Retirement system (PERS), a defined benefit cost-sharing multiple-employer public employee retirement system.

(a) *Plan Description*

The State legislature established PERS in 1947 under RCW Chapter 41.40. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local government. Approximately 50% of PERS members are State employees. PERS contains three tiers (Plans). Participants who joined the system by September 30, 1977, are enrolled in Plan I, while those joining thereafter are enrolled in Plan II. Plan III applies to all employees joining after September 1, 2002 and Employees in Plan II were allowed to transfer to Plan III during the period of September 1, 2002 and May 31, 2003. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service. Plan III members are vested after 10 years for new employees and 5 years for employees transferring from Plan II to Plan III.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual retirement benefit is 2% of the final average salary per year of service, capped at 60%. Final average salary is based on the 24 consecutive highest-paid months.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service. The annual retirement benefit is 2% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan II retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually.

Plan III members may retire at the age of 65 with at least 10 years of service, or 5 years of service including one year of service after reaching age 55, or 5 years of service under Plan II. The annual retirement benefit is 1% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan III retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually. There is also a defined contribution component of this plan and the amount varies between 5% and 15% depending on the option chosen by the employee.

The Authority's payroll covered under PERS was \$22,431,752 for the year ended September 30, 2005. Total payroll for the year ended September 30, 2005 was \$28,124,237.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

(b) Contributions

Each biennium the legislature establishes Plan I and Plan III employer contribution rates and Plan II employer and employee contribution rates. Employee contribution rates for Plan I are established by legislative statute and do not vary from year to year. Employer rates for Plan I are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan II and for Plan III are developed by the Office of the State Actuary to fully fund the system. The methods used to determine the contribution requirements were established under State statute. All employers are required to contribute at the level established by the legislature and the Office of the State Actuary.

The actual contribution rates were changed during the year. Until July 1, 2005, employer and employee rates in effect were 1.38% and 6.00% respectively, under Plan I and 1.38% and 1.18%, respectively under Plan II. Plan III employer rates were 1.38%.

The employer and employee contributions expressed as a percentage of total payroll covered by PERS as of September 30, 2005 were:

	<u>PERS Plan I required</u>	<u>PERS Plan II required</u>	<u>PERS Plan III required</u>
Employer	2.44%	2.44%	2.44%
Employee	6.00	2.25	varies
	<u>8.44%</u>	<u>4.69%</u>	<u>2.44%</u>

The employer and employee contributions for the years ended September 30, 2005 were:

	<u>PERS Plan I required</u>	<u>PERS Plan II required</u>	<u>PERS Plan III required</u>
Employer	\$ 27,918	360,516	44,134
Employee	102,956	294,878	172,325
	<u>\$ 130,874</u>	<u>655,394</u>	<u>216,459</u>

The Authority's actuarially determined employer contribution requirement represents approximately 0.32% of the total for all employees covered by PERS.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

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The following is a three-year summary of the Authority's employee and employer contributions for payroll covered under PERS:

	Total covered payroll	Required employee contributions	Actual contributions as a percentage of required contributions	Employer contributions	Actual contributions as a percentage of required contributions	Employee contributions as a percentage of covered payroll	Employer contributions as a percentage of covered payroll
2005	\$ 22,431,752	570,159	100	\$ 432,567	100%	2.54%	1.93%
2004	22,403,245	558,197	100	374,505	100	2.49	1.67
2003	22,097,379	407,598	100	357,087	100	1.84	1.62

Six-year historical trend information showing PERS' progress in accumulating sufficient assets to pay benefits when due is presented in the PERS December 31, 2004 combined actuarial valuation report. Such report can be obtained from the Washington State Department of Retirement Systems at 402 Legion Way, Olympia, WA 98504.

(11) Deferred Compensation Plan

The Authority, in conjunction with the State of Washington, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is managed by the Washington State Department of Retirement Systems. In June 1998, the State of Washington Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to Government Accounting Standards Board (GASB) Statement 32, since the Authority is not the owner of these assets, the plan assets and liabilities are not reported as part of the Authority.

(12) Risk Management

The Authority maintains insurance against most normal hazards. Property insurance coverage is at a limit of \$100 million with a deductible of \$50,000. Earthquake insurance coverage is \$1 million per occurrence with a deductible of 5% per location per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is \$15 million per year with a deductible of \$250,000 per occurrence, subject to annual stop loss aggregate of \$500,000. The Authority also maintains a number of other insurance policies necessary and appropriate in the normal course of business including employee fidelity and directors and officers insurance. The amount of settlements has not exceeded insurance coverage for each year of the past three fiscal years.

The Authority's economic risk as a participant in HARRG is limited to the Authority's initial surplus contribution of \$90,000 and the payment of annual premiums for its general liability insurance coverage. Although the underwriting experience of HARRG may result in increased annual premium charges and/or assessments against each participant's surplus contribution account, the Authority's exposure to any net loss allocation is restricted to its surplus contribution account balance. Based on the results of HARRG's latest annual independent actuarial study performed in accordance with GASB Statement No. 10, the level of reserve maintained by HARRG has been determined to be adequate to cover estimated claim liabilities.

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The Authority has elected to pay for its employment security coverage via quarterly reimbursements to the Washington State Department of Employment Security. This reimbursable method of payment is in lieu of unemployment taxes and the election is authorized for all political subdivisions under Washington State Law (RCW 50.44.060).

(13) Contingencies

In connection with various federal and state grant programs, the Authority is obligated to administer related programs and spend the grant monies in accordance with regulatory restrictions, and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program monies. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amount, if any, to be immaterial.

As of September 30, 2005, the Authority and its component units have outstanding construction contracts and other commitments totaling approximately \$29.1 million. These commitments are primarily related to the implementation of redevelopment activities and capital projects funded by federal, state and local financial assistance, tax-exempt bonds and tax credit equity contributions.

The Authority is also contingently liable in connection with claims and contracts arising in the normal course of its activities. Authority management is of the opinion that the outcome of such matters will not have a material effect on the accompanying financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event such contributions were significantly reduced, the Authority would need to seek other funding sources to maintain operations at current levels.

(14) Required Individual Fund Disclosures

The following expense categories had excess expenses over appropriations at the legal level of control for the years ended September 30, 2005:

Function	Operating fund	Low rent fund	Section 8	Local housing fund	Senior housing fund	Nonmajor funds
Administration	\$ (15,360)	—	(327,488)	(63,376)	—	(513,602)
Tenant services	(48,911)	—	—	—	—	—
Utility services	(25,466)	—	—	—	—	(14,107)
Maintenance	—	—	—	(294,311)	—	(1,012,639)
Other	(336,861)	(977,502)	(106,926)	(527,513)	(153,358)	(436,845)
Depreciation and amortization	—	—	(241,029)	(177,986)	(217,130)	—

The Authority's budgetary controls are established at the function, department, and fund level. Budget variances are monitored throughout the year through the use of monthly management budget reports and discussed at quarterly financial review sessions held with department directors. The Authority does not fund its programs through the use of appropriations and does not prohibit excess expense over budget. Expense controls are in place to ensure budget variances are monitored and addressed in a timely manner. All expenses must be approved in accordance with the Authority's expense authorization policy and expenses in excess of \$500 require review and approval of the Authority's budget staff.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

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In the Low Rent fund, other operating revenue was under the budgeted amount by \$3.8 million. This difference was a result of fewer scattered site property sales than anticipated during the year.

During the year, Section 8 housing assistance payment expenses were under the budgeted amount by \$3.1 million. The underexpenditure was the result of the Authority's decision during the year to better match projected program revenue by suspending issuance of Section 8 vouchers, along with a higher than anticipated voucher attrition rate.

Budgets for depreciation and amortization within the Operating fund and the Local Housing fund did not include amounts for depreciation on the newly acquired properties. This accounts for the significant variances between budget and actual in that category.

As of September 30, 2005 the Impact Property Services fund, in the non-major fund group, has had a deficit net asset balance of \$1.1 million. This fund performs maintenance work upon request and charges other SHA funds as well as external customers for their work. The Authority has adjusted the billings and expects this deficit to be eliminated in future years.

(15) Discretely Presented Component Units Condensed Financial Information

	Condensed Balance Sheet							Total
	Holly Park Limited Partnership	Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	High Point North Limited Partnership	Ritz Apts Limited Partnership	
Total assets	\$ 36,125,133	1,308,133	15,816,029	45,017,941	38,515,948	40,140,677	3,649,386	180,573,247
Capital assets, net	32,208,635	1,172,362	14,340,891	39,229,356	21,409,424	16,650,812	2,029,073	127,040,553
Total liabilities	26,079,602	675,767	11,257,845	44,597,918	38,779,527	39,615,677	3,656,704	164,663,040
Notes due to primary government	18,440,699	529,727	6,195,384	12,889,135	13,659,146	2,588,250	1,140,000	55,442,341
Bonds and other long-term liabilities outstanding	6,870,000	—	4,385,000	26,008,670	22,500,000	34,000,000	2,060,000	95,823,670
Net assets invested in capital assets	6,897,936	642,635	3,760,507	331,551	2,317,493	14,062,562	1,390,383	29,403,067
Net assets restricted for debt service	3,327,438	—	755,653	5,297,851	13,883,298	20,950,175	1,495,516	45,709,931
Unrestricted net assets	(179,843)	(10,269)	42,024	(5,209,379)	(16,464,370)	(34,487,737)	(2,893,217)	(59,202,791)
Total net assets	10,045,531	632,366	4,558,184	420,023	(263,579)	525,000	(7,318)	15,910,207

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Basic Financial Statements

September 30, 2005

	Condensed Income Statement							
	Holly Park Limited Partnership	Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	High Point North Limited Partnership	Ritz Apartments Limited Partnership	Total
Operating revenue	\$ 1,983,558	175,367	576,119	153,343	4,195	—	12,195	2,904,777
Operating expenses	2,483,667	262,793	834,052	493,134	66,718	—	40,738	4,181,102
Depreciation/amortization	1,335,741	58,213	492,214	267,102	18,007	—	5,044	2,176,321
Operating loss	(500,109)	(87,426)	(257,933)	(339,791)	(62,523)	—	(28,543)	(1,276,325)
Change in net assets	(892,590)	(93,589)	(506,841)	(339,691)	618,421	525,000	(7,318)	(696,608)
Beginning net assets	10,938,121	725,955	5,065,025	759,714	(882,000)	—	—	16,606,815
Ending net assets	10,045,531	632,366	4,558,184	420,023	(263,579)	525,000	(7,318)	15,910,207

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**COMBINING FUND STATEMENTS
AND SCHEDULES**

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Other	\$ 2,341,581	2,488,435	146,854
Total operating revenues	<u>2,341,581</u>	<u>2,488,435</u>	<u>146,854</u>
Operating expenses:			
Administration	698,860	714,220	(15,360)
Tenant services	215,200	264,111	(48,911)
Utility services	167,807	193,273	(25,466)
Maintenance	506,065	484,013	22,052
Other	7,000	343,861	(336,861)
Depreciation and amortization	739,998	650,229	89,769
Total operating expenses	<u>2,334,930</u>	<u>2,649,707</u>	<u>(314,777)</u>
Operating income	<u>6,651</u>	<u>(161,272)</u>	<u>(167,923)</u>
Nonoperating revenue (expense):			
Interest expense	(559,710)	(694,448)	(134,738)
Interest income	37,341	210,633	173,292
Change in fair value of investments	—	(1,299)	(1,299)
Total nonoperating loss	<u>(522,369)</u>	<u>(485,114)</u>	<u>37,255</u>
Change in net assets before transfers	<u>(515,718)</u>	<u>(646,386)</u>	<u>(130,668)</u>
Transfers in	790,953	797,912	6,959
Transfers out	(245,833)	(3,381)	242,452
Change in net assets	<u>29,402</u>	<u>148,145</u>	<u>118,743</u>
Net assets at beginning of year	<u>12,398,732</u>	<u>12,398,732</u>	<u>—</u>
Net assets at end of year	<u>\$ 12,428,134</u>	<u>12,546,877</u>	<u>118,743</u>

LOW RENT FUND

Public Housing Fund – To account for the operations of the Public Housing program which consists of 5,441 units. The properties are owned, maintained, and managed by the Authority. Funding of the program is provided by federal annual contributions, operating subsidies, and tenant rentals.

Capital Project Funds – To account for financial resources to be used for the acquisition, development or modernization of major capital facilities, and include the following:

<u>Modernization project funds</u>	<u>Project number</u>	<u>Program status</u>	<u>Program financing</u>
Capital funds program	WA19P00150102	Complete	Grant
Capital funds program	WA19P00150103	Incomplete	Grant
Capital funds program	WA19P00150203	Incomplete	Grant
Capital funds program	WA19R00150103	Incomplete	Grant
Capital funds program	WA19P00150104	Incomplete	Grant
Capital funds program	WA19R00150104	Incomplete	Grant

Completed and approved Capital Project Funds are not included in the accompanying financial statement schedules where such funds are inactive and have been closed out.

Hope VI Redevelopment Funds – To account for financial resources to be used for the redevelopment projects under HUD’s Urban Revitalization Demonstration Fund and include the following:

<u>Development project funds</u>	<u>Project number</u>	<u>Program status</u>	<u>Program financing</u>
Urban revitalization demonstration fund:			
Holly Park redevelopment project	WA19URD0011195	Incomplete	Grant
Rainier Vista implementation	WA19URD0011199	Incomplete	Grant
Highpoint demolition and relocation	WA19URD001D101	Complete	Grant
Highpoint implementation	WA19URD0011100	Incomplete	Grant
Rainier Vista Neighborhood Networks	WA19URD001N103	Incomplete	Grant

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Low Rent Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 9,670,185	9,838,143	167,958
Other	<u>17,954,299</u>	<u>14,805,659</u>	<u>(3,148,640)</u>
Total operating revenues	<u>27,624,484</u>	<u>24,643,802</u>	<u>(2,980,682)</u>
Operating expenses:			
Administration	12,434,963	12,335,362	99,601
Tenant services	1,903,228	1,870,521	32,707
Utility services	3,855,331	3,616,649	238,682
Maintenance	10,751,560	10,453,599	297,961
Other	25,605	1,003,107	(977,502)
Depreciation and amortization	<u>8,697,385</u>	<u>7,742,488</u>	<u>954,897</u>
Total operating expenses	<u>37,668,072</u>	<u>37,021,726</u>	<u>646,346</u>
Operating loss	<u>(10,043,588)</u>	<u>(12,377,924)</u>	<u>(2,334,336)</u>
Nonoperating revenue (expense):			
Intergovernmental	14,210,948	15,027,544	816,596
Interest expense	—	(4,947)	(4,947)
Interest income	72,966	192,233	119,267
Change in fair value of investments	<u>—</u>	<u>(4,011)</u>	<u>(4,011)</u>
Total nonoperating revenue	<u>14,283,914</u>	<u>15,210,819</u>	<u>926,905</u>
Change in assets before transfers	4,240,326	2,832,895	(1,407,431)
Transfers:			
Transfers in	14,159,027	14,159,027	—
Transfers out	<u>(364,020)</u>	<u>(364,020)</u>	<u>—</u>
Total transfers	13,795,007	13,795,007	—
Change in net assets	18,035,333	16,627,902	(1,407,431)
Net assets at beginning of year	<u>94,322,372</u>	<u>94,322,372</u>	<u>—</u>
Net assets at end of year	<u>\$ 112,357,705</u>	<u>110,950,274</u>	<u>(1,407,431)</u>

SECTION 8 FUND

Section 8 Moderate Rehabilitation Fund – To account for the operations of the Section 8 Moderate Rehabilitation program which provides rental assistance to 760 residents living in privately owned housing units. Funding for the program is provided by federal housing assistance contributions.

Section 8 Housing Choice Voucher Fund – To account for the operations of the Section 8 Voucher program which provides rental assistance to 8,309 residents living in privately owned housing units. Funding for the program is provided by federal housing assistance contributions.

New Construction and Substantial Rehabilitation Fund – To account for the operations of the Section 8 New Construction and Substantial Rehabilitation program which provides rental assistance to 513 units in privately owned buildings. Funding for the program is provided by federal housing assistance contributions.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Section 8 Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual

Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Housing assistance payment subsidies	\$ 77,322,308	80,263,996	2,941,688
Other	—	5,479	5,479
Total operating revenues	<u>77,322,308</u>	<u>80,269,475</u>	<u>2,947,167</u>
Operating expenses:			
Administration	5,493,479	5,820,967	(327,488)
Tenant services	3,500	1,813	1,687
Maintenance	1,065,261	866,648	198,613
Housing assistance payments	71,298,571	68,212,519	3,086,052
Other	70,881	177,807	(106,926)
Depreciation and amortization	12,574	253,603	(241,029)
Total operating expenses	<u>77,944,266</u>	<u>75,333,357</u>	<u>2,610,909</u>
Operating income (loss)	<u>(621,958)</u>	<u>4,936,118</u>	<u>5,558,076</u>
Nonoperating revenue (expense):			
Interest income	123,934	223,642	99,708
Change in fair value of investments	—	(3,353)	(3,353)
Total nonoperating revenue	<u>123,934</u>	<u>220,289</u>	<u>96,355</u>
Change in net assets before transfers	<u>(498,024)</u>	<u>5,156,407</u>	<u>5,654,431</u>
Transfers out	(3,825,000)	(3,825,000)	—
Change in net assets	<u>(4,323,024)</u>	<u>1,331,407</u>	<u>5,654,431</u>
Net assets at beginning of year	7,176,219	7,176,219	—
Net assets at end of year	<u>\$ 2,853,195</u>	<u>8,507,626</u>	<u>5,654,431</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Local Housing Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 6,460,384	6,141,742	(318,642)
Other	206,213	238,895	32,682
Total operating revenues	<u>6,666,597</u>	<u>6,380,637</u>	<u>(285,960)</u>
Operating expenses:			
Administration	1,239,354	1,302,730	(63,376)
Tenant services	650	100	550
Utility services	509,197	471,291	37,906
Maintenance	832,417	1,126,728	(294,311)
Other	2,095	529,608	(527,513)
Depreciation and amortization	1,365,088	1,543,074	(177,986)
Total operating expenses	<u>3,948,801</u>	<u>4,973,531</u>	<u>(1,024,730)</u>
Operating income	<u>2,717,796</u>	<u>1,407,106</u>	<u>(1,310,690)</u>
Nonoperating revenue (expense):			
Interest expense	(3,764,623)	(4,066,582)	(301,959)
Interest income	1,211,650	1,171,877	(39,773)
Change in fair value of investments	—	(708,868)	(708,868)
Disposition of assets	—	(1,046,191)	(1,046,191)
Total nonoperating loss	<u>(2,552,973)</u>	<u>(4,649,764)</u>	<u>(2,096,791)</u>
Change in net assets before transfers	164,823	(3,242,658)	(3,407,481)
Transfers in	16,000	16,000	—
Change in net assets	<u>180,823</u>	<u>(3,226,658)</u>	<u>(3,407,481)</u>
Net assets at beginning of year	<u>14,222,261</u>	<u>14,222,261</u>	<u>—</u>
Net assets at end of year	<u>\$ 14,403,084</u>	<u>10,995,603</u>	<u>(3,407,481)</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Senior Housing Fund
 Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 4,356,249	4,292,982	(63,267)
Other	139,308	150,049	10,741
Total operating revenues	<u>4,495,557</u>	<u>4,443,031</u>	<u>(52,526)</u>
Operating expenses:			
Administration	1,850,491	1,770,175	80,316
Tenant services	21,100	7,834	13,266
Utility services	446,926	428,705	18,221
Maintenance	1,505,284	1,308,127	197,157
Other	48,635	201,993	(153,358)
Depreciation and amortization	669,006	886,136	(217,130)
Total operating expenses	<u>4,541,442</u>	<u>4,602,970</u>	<u>(61,528)</u>
Operating loss	<u>(45,885)</u>	<u>(159,939)</u>	<u>(114,054)</u>
Nonoperating revenue (expense):			
Interest income	18,914	68,027	49,113
Change in fair value of investments	—	(964)	(964)
Total nonoperating revenue	<u>18,914</u>	<u>67,063</u>	<u>48,149</u>
Change in net assets	<u>(26,971)</u>	<u>(92,876)</u>	<u>(65,905)</u>
Transfers in	<u>—</u>	<u>3,381</u>	<u>3,381</u>
Change in net assets	<u>(26,971)</u>	<u>(89,495)</u>	<u>(62,524)</u>
Net assets at beginning of year	<u>47,385,056</u>	<u>47,385,056</u>	<u>—</u>
Net assets at end of year	<u>\$ 47,358,085</u>	<u>47,295,561</u>	<u>(62,524)</u>

NON-MAJOR FUNDS

Bay View Tower Fund – To account for the operations of the Bay View Tower apartment complex, which houses low income families.

Market House Fund – To account for the operations of the Market House apartment complex, which houses low income families. The building was sold during the year to Pike Street Development Association.

Market Terrace Fund – To account for the operations of the Market Terrace apartment complex, which houses low income families.

Levy Fund – To account for the operations of rental units developed and assisted under the City of Seattle's Large Family Housing Levy program.

Referendum 37 Fund – To account for the operations of rental units which house physically and mentally disabled individuals.

Development Fund – To account for housing development activities for use as new and replacement housing for low-income residents. Also includes the Campus of Learners Foundation which was formed to raise fund for the Campus of Learners facility at Holly Park.

Home Ownership Fund – To account for home sales at Holly Park, Rainier Vista and Highpoint as part of the redevelopment of these communities.

Community Facilities Fund – To account for the operations of the community facilities at New Holly.

Impact Property Services Fund – To account for the operations of the solid waste, janitorial, landscaping and building maintenance services provided to the Authority's various locations as well as external customers.

Family Self Sufficiency (FSS) Grants Fund – To account for the operations of a federal grant that offers case management services to residents of public housing who participate in the Family Self Sufficiency program.

Manpower Demonstration Research Fund – To account for the operations of the Job Plus Demonstration program which has a minimum goal of tripling the employment rate among SHA residents. Funding is provided by the Manpower Demonstration Research Corporation.

Service Coordinator Fund – To account for the operations of a program that provides case management and community activities to elderly and disabled residents of Public Housing. Funding is provided by federal grants.

Neighborhood Network – To account for the operations of a learning center at Yesler Terrace community where users have access to computers, the Internet and training in order to achieve user defined self-sufficiency objectives.

Move to Work – To account for the operations of a grant to cover the additional expenses of the Authority's participation in the Moving to Work program and to cover costs of retaining needed external consulting expertise to maximize the effectiveness of this program. Funding is provided by a one time federal grant.

Job Connection Grant under the Resident Service Delivery Model (ROSS) – To account for the operations of a grant that offers services such as assessment, case management, training and support referrals, job placement, and career advancement which provide a foundation to obtain and maintain unsubsidized employment at a living wage.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Non-Major Funds
Combining Statement of Net Assets
September 30, 2005

Assets	Bay View Tower	Market Terrace	Levy	Referendum 37	Development
Current assets:					
Equity in pooled cash and cash equivalents	\$ —	75,181	—	—	38,170
Restricted cash	249,741	30,186	34,578	1,497	10,817
Equity in pooled investments	195,763	29,805	3,920	259,438	—
Accounts receivable:					
Tenant rentals and service charges	16,189	—	—	242	9,321
Other	157	15	8,644	124	556,323
Due from:					
Other funds	127,424	11,551	10,692	100,575	—
Other governments	—	—	—	—	—
Affiliates	—	—	—	—	4,921,489
Inventory and prepaid items	662	51	—	95	7,128
Restricted investments	397,547	142,269	580	82	—
Deferred charges	95,953	77,297	—	—	181
Total current assets	1,083,436	366,355	58,414	362,053	5,543,429
Noncurrent assets:					
Equity in pooled investments	6,681	1,017	134	8,854	—
Restricted investments	4,790	—	20	3	—
Other	—	—	—	—	4,871,978
Capital assets:					
Land	222,336	1,064,205	91,000	54,600	4,979,344
Structures	3,785,864	1,744,033	494,545	491,850	2,540,949
Construction in progress	—	—	—	—	400,624
Equipment	9,197	—	—	—	4,107
Less accumulated depreciation	(2,175,897)	(138,089)	(147,314)	(333,751)	(116,733)
Notes receivable	—	—	—	434,001	12,897,927
Notes receivable from component units	—	—	—	—	593,612
Total noncurrent assets	1,852,971	2,671,166	438,385	655,557	26,171,808
Total assets	\$ 2,936,407	3,037,521	496,799	1,017,610	31,715,237

	Home Ownership	Community Facilities	Impact Property Services	FSS Grant	Manpower Demonstration Research	Neighborhood Network	Move to Work	Job Connection	Total Non-Major Funds
\$	—	138,252	300	—	—	—	—	—	251,903
	—	7,003	—	—	—	—	—	—	333,822
	—	—	—	—	—	—	—	—	488,926
	—	—	—	—	—	—	—	—	25,752
	1,375	27,952	161,218	—	—	—	—	—	755,808
	406,878	2,511,701	—	—	17,690	2,174	28,119	—	3,216,804
	—	—	—	6,397	—	388	—	3,240	10,025
	—	—	82,856	—	—	—	—	—	4,921,489
	—	—	—	—	—	—	—	—	90,792
	—	—	—	—	—	—	—	—	540,478
	—	—	—	—	—	—	—	—	173,431
	<u>408,253</u>	<u>2,684,908</u>	<u>244,374</u>	<u>6,397</u>	<u>17,690</u>	<u>2,562</u>	<u>28,119</u>	<u>3,240</u>	<u>10,809,230</u>
	—	—	—	—	—	—	—	—	16,686
	—	—	—	—	—	—	—	—	4,813
	—	—	—	—	—	—	—	—	4,871,978
	—	—	—	—	—	—	—	—	6,411,485
	—	5,728,916	—	—	—	—	—	—	14,786,157
	—	—	—	—	—	—	—	—	400,624
	—	110,087	585,593	—	—	—	—	—	708,984
	—	(1,258,322)	(257,455)	—	—	—	—	—	(4,427,561)
	—	30,684	—	—	—	—	—	—	13,362,612
	—	—	—	—	—	—	—	—	593,612
	—	<u>4,611,365</u>	<u>328,138</u>	—	—	—	—	—	<u>36,729,390</u>
\$	<u>408,253</u>	<u>7,296,273</u>	<u>572,512</u>	<u>6,397</u>	<u>17,690</u>	<u>2,562</u>	<u>28,119</u>	<u>3,240</u>	<u>47,538,620</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Non-Major Funds

Combining Statement of Net Assets

September 30, 2005

Liabilities and Net Assets	Bay View Tower	Market Terrace	Levy	Referendum 37	Development
Current liabilities:					
Liabilities:					
Accounts payable:					
Vendors and contractors	\$ 30,315	94	488	223	41,801
Other	212	—	1,256	—	38,475
Accrued liabilities	31,130	18,035	129	200	56,510
Due to other funds	—	—	—	—	—
Short term borrowings	—	—	—	—	7,174,933
Current portion of long-term debt	47,372	32,176	—	—	3,336
Deferred revenue	—	—	—	310,754	581
Total current liabilities	109,029	50,305	1,873	311,177	7,315,636
Noncurrent liabilities:					
Due to other funds	—	—	—	—	6,981,773
Security deposits	16,847	7,385	600	1,582	7,991
Long-term debt, less current portion:					
Notes payable	—	—	443,472	—	232,817
Bonds payable	2,630,968	1,904,847	—	—	—
Accrued compensated absences	3,654	—	—	233	55,718
Total noncurrent liabilities	2,651,469	1,912,232	444,072	1,815	7,278,299
Total liabilities	2,760,498	1,962,537	445,945	312,992	14,593,935
Net assets:					
Investment in capital assets, net of related debt	(836,840)	733,126	(5,241)	212,699	397,205
Restricted for debt service	652,078	172,455	35,178	1,582	10,817
Unrestricted	360,671	169,403	20,917	490,337	16,713,280
Total net assets	175,909	1,074,984	50,854	704,618	17,121,302
Total liabilities and net assets	\$ 2,936,407	3,037,521	496,799	1,017,610	31,715,237

	Home Ownership	Community Facilities	Impact Property Services	FSS Grant	Manpower Demonstration Research	Neighborhood Network	Move to Work	Job Connection	Total Non-Major Funds
\$	46,387	11,758	32,227	—	—	—	4,955	—	168,248
	—	—	39,991	—	—	—	—	—	79,934
	20,721	—	766,462	1,260	10,809	2,562	6,240	1,990	916,048
	—	—	392,468	5,137	—	—	—	1,250	398,855
	—	—	—	—	—	—	—	—	7,174,933
	—	—	—	—	—	—	—	—	82,884
	335,964	—	—	—	6,881	—	16,924	—	671,104
	<u>403,072</u>	<u>11,758</u>	<u>1,231,148</u>	<u>6,397</u>	<u>17,690</u>	<u>2,562</u>	<u>28,119</u>	<u>3,240</u>	<u>9,492,006</u>
	—	155,364	—	—	—	—	—	—	7,137,137
	—	7,003	—	—	—	—	—	—	41,408
	—	—	—	—	—	—	—	—	676,289
	—	—	—	—	—	—	—	—	4,535,815
	5,181	—	425,147	—	—	—	—	—	489,933
	<u>5,181</u>	<u>162,367</u>	<u>425,147</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12,880,582</u>
	<u>408,253</u>	<u>174,125</u>	<u>1,656,295</u>	<u>6,397</u>	<u>17,690</u>	<u>2,562</u>	<u>28,119</u>	<u>3,240</u>	<u>22,372,588</u>
	—	4,580,681	328,138	—	—	—	—	—	5,409,768
	—	—	—	—	—	—	—	—	872,110
	—	2,541,467	(1,411,921)	—	—	—	—	—	18,884,154
	—	7,122,148	(1,083,783)	—	—	—	—	—	25,166,032
\$	<u>408,253</u>	<u>7,296,273</u>	<u>572,512</u>	<u>6,397</u>	<u>17,690</u>	<u>2,562</u>	<u>28,119</u>	<u>3,240</u>	<u>47,538,620</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Non-Major Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Year ended September 30, 2005

	Bay View Tower	Market House	Market Terrace	Levy	Referendum 37	Development
Operating revenues:						
Tenant rentals and sales	\$ 193,181	61,939	80,806	12,872	52,493	23,483
Other	10,631	1,284	3,612	126	631	7,979,553
Total operating revenues	203,812	63,223	84,418	12,998	53,124	8,003,036
Operating expenses:						
Administration	153,519	70,244	64,757	7,161	13,455	1,076,844
Tenant services	15,632	1,017	—	4,124	—	—
Utility services	69,404	31,243	10,082	6,065	4,162	34,625
Maintenance	161,311	41,925	31,247	6,451	15,909	57,955
Other	5,250	40,237	789	—	—	408,442
Depreciation and amortization	122,140	34,932	46,579	12,344	9,882	81,960
Total operating expenses	527,256	219,598	153,454	36,145	43,408	1,659,826
Operating Income (loss)	(323,444)	(156,375)	(69,036)	(23,147)	9,716	6,343,210
Nonoperating income (expense):						
Intergovernmental	686,981	273,836	193,259	11,356	—	—
Interest expense	(138,092)	(81,469)	(108,301)	—	—	(409,152)
Interest income	23,651	26,092	4,569	681	6,222	1,252,486
Change in fair value of Investments	(143)	—	(13)	(2)	(110)	—
Disposition of assets	—	—	—	—	—	(886,300)
Total nonoperating income (expense)	572,397	218,459	89,514	12,035	6,112	(42,966)
Change in net assets before transfers	248,953	62,084	20,478	(11,112)	15,828	6,300,244
Transfers in (out):						
Transfers in	12,155	—	—	—	—	2,351,547
Transfers out	(443,766)	(2,350,020)	—	—	—	—
Net transfers in (out)	(431,611)	(2,350,020)	—	—	—	2,351,547
Change in net assets	(182,658)	(2,287,936)	20,478	(11,112)	15,828	8,651,791
Total net assets at beginning of year	358,567	2,287,936	1,054,506	61,966	688,790	8,469,511
Total net assets at end of year	\$ 175,909	—	1,074,984	50,854	704,618	17,121,302

	Home Ownership	Community Facilities	Impact Property Services	FSS Grant	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Job Connection	Total Non-Major Funds
\$	—	—	—	—	—	—	—	—	—	424,774
	<u>20,183,356</u>	<u>405,276</u>	<u>1,346,244</u>	<u>—</u>	<u>3,916</u>	<u>958</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>29,935,587</u>
	<u>20,183,356</u>	<u>405,276</u>	<u>1,346,244</u>	<u>—</u>	<u>3,916</u>	<u>958</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>30,360,361</u>
	926,710	151,960	668,162	6,397	3,806	—	3,759	80,077	124,044	3,350,895
	—	42,350	—	—	110	76,991	106,462	127	350	247,163
	396	56,467	—	—	—	—	—	—	—	212,444
	4,654	165,512	1,469,328	—	—	—	833	—	—	1,955,125
	—	12,384	67	—	—	—	—	28,457	—	495,626
	—	221,681	50,974	—	—	—	—	—	—	580,492
	<u>931,760</u>	<u>650,354</u>	<u>2,188,531</u>	<u>6,397</u>	<u>3,916</u>	<u>76,991</u>	<u>111,054</u>	<u>108,661</u>	<u>124,394</u>	<u>6,841,745</u>
	19,251,596	(245,078)	(842,287)	(6,397)	—	(76,033)	(111,054)	(108,661)	(124,394)	23,518,616
	—	—	—	6,397	—	76,033	111,054	108,661	124,394	1,591,971
	—	—	(7,991)	—	—	—	—	—	—	(745,005)
	—	1,019	4,206	—	—	—	—	—	—	1,318,926
	—	—	—	—	—	—	—	—	—	(268)
	—	—	—	—	—	—	—	—	—	(886,300)
	—	1,019	(3,785)	6,397	—	76,033	111,054	108,661	124,394	1,279,324
	<u>19,251,596</u>	<u>(244,059)</u>	<u>(846,072)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>24,797,940</u>
	4,130,758	—	350,000	—	—	—	—	—	—	6,844,460
	(23,382,354)	—	(4,772)	—	—	—	—	—	—	(26,180,912)
	<u>(19,251,596)</u>	<u>—</u>	<u>345,228</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(19,336,452)</u>
	—	(244,059)	(500,844)	—	—	—	—	—	—	5,461,488
	—	7,366,207	(582,939)	—	—	—	—	—	—	19,704,544
\$	<u>—</u>	<u>7,122,148</u>	<u>(1,083,783)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>25,166,032</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

 Non-Major Funds
 Combining Statement of Cash Flows
 Year ended September 30, 2005

	Bay View Tower	Market House	Market Terrace	Levy	Referendum 37	Development
Cash flows from operating activities:						
Receipts from residents	\$ 184,137	65,380	77,823	12,998	53,402	27,739
Receipts from other sources	4,986	—	2,070	775	25	—
Receipts from other funds	—	—	—	—	105,083	—
Payments to vendors	(311,704)	(129,492)	(73,042)	(18,126)	(25,070)	(1,021,894)
Payments to employees	(67,329)	(32,214)	(30,180)	(5,311)	(9,118)	(595,291)
Payments to other funds	(374,025)	(27,853)	(10,700)	(10,033)	—	(858,327)
Net cash provided by (used in) operating activities	(563,935)	(122,979)	(34,029)	(19,697)	124,322	(2,447,773)
Cash flows from noncapital financing activities:						
Operating grants received (paid)	686,981	273,836	193,259	11,356	—	—
Transfer from other funds	12,155	—	—	—	—	2,351,547
Transfer to other funds	(443,766)	(2,350,020)	—	—	—	—
Net cash provided by (used in) noncapital financing activities	255,370	(2,076,184)	193,259	11,356	—	2,351,547
Cash flows from capital and related financing activities:						
Purchases of property and equipment	(264,794)	—	—	—	—	(2,189,063)
Proceeds from dispositions of property and equipment	—	2,680,046	—	—	—	1,949,921
Proceeds from long-term borrowings	—	—	—	—	—	5,336,919
Payments of notes and bonds	(43,728)	(1,249,558)	(28,958)	—	—	(2,894,018)
Interest payments	(139,290)	(82,221)	(108,452)	—	—	(473,972)
Net cash provided by (used in) capital and related financing activities	(447,812)	1,348,267	(137,410)	—	—	1,729,787
Cash flows from investing activities:						
Interest received	24,656	31,207	4,541	698	6,188	314,004
Maturity of investment securities	5,723,383	3,828,164	1,010,708	100,694	2,287,833	—
Purchases of investment securities	(4,958,335)	(3,017,185)	(1,042,280)	(91,123)	(2,418,328)	—
Payments on notes receivable	—	—	—	—	—	6,137
Issuance of notes	—	—	—	—	—	(2,032,826)
Net cash provided by (used in) investing activities	789,704	842,186	(27,031)	10,269	(124,307)	(1,712,685)
Increase (decrease) in cash and cash equivalents	33,327	(8,710)	(5,211)	1,928	15	(79,124)
Cash and cash equivalents at beginning of year	216,414	8,710	110,578	33,630	1,482	128,111
Cash and cash equivalents at end of year	\$ 249,741	—	105,367	34,578	1,497	48,987
Reconciliation of operating income to net cash provided by (used in) operations:						
Operating Income (loss)	\$ (323,444)	(156,375)	(69,036)	(23,147)	9,716	6,343,210
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:						
Depreciation and amortization	122,140	34,932	46,579	12,344	9,882	81,960
(Gain) loss on sale of property	—	36,237	—	—	—	(829,393)
Change in assets and liabilities:						
Accounts and interfund receivables	(387,503)	(26,639)	(10,700)	(9,258)	104,841	(8,009,774)
Inventory and prepaid items	12	402	(21)	—	(7)	(1,294)
Accounts payable	18,038	(11,333)	(201)	418	(254)	(44,362)
Accrued compensated absences	119	(230)	—	(54)	44	13,799
Other	6,703	27	(650)	—	100	(1,919)
Net cash provided by (used in) operating activities	\$ (563,935)	(122,979)	(34,029)	(19,697)	124,322	(2,447,773)
Noncash investing, capital and financing activities:						
Increase (decrease) in fair value of investments	\$ (143)	—	(13)	(2)	(110)	—

	Home Ownership	Community Facilities	Impact Property Services	FSS Grants	Manpower Demonstration Research	Service Coordinator	Neighborhood Network	Move to Work	Job Connection	Total Non-Major Funds
\$	—	—	—	—	—	—	—	—	—	422,679
	1,688,509	454,793	1,243,055	—	—	—	—	—	—	3,394,213
	—	221,088	806,413	5,137	3,716	—	—	—	—	1,141,437
	(644,966)	(411,325)	(1,207,084)	—	(3,916)	(91,173)	(107,904)	(30,557)	(28,989)	(4,105,242)
	(225,905)	(160,833)	(1,294,516)	(5,137)	—	(4,250)	(3,313)	(55,206)	(104,033)	(2,592,636)
	(395,479)	—	—	—	—	(144,396)	(14,647)	(22,898)	(13,584)	(1,871,942)
	422,159	103,723	(452,132)	—	(200)	(239,819)	(125,864)	(108,661)	(146,606)	(3,611,491)
	—	—	—	—	—	239,819	125,864	108,661	146,606	1,786,382
	4,130,758	—	350,000	—	—	—	—	—	—	6,844,460
	(23,382,354)	—	(4,772)	—	—	—	—	—	—	(26,180,912)
	(19,251,596)	—	345,228	—	—	239,819	125,864	108,661	146,606	(17,550,070)
	(3,834,785)	(101,238)	(44,350)	—	—	—	—	—	—	(6,434,230)
	22,664,222	—	—	—	—	—	—	—	—	27,294,189
	—	—	—	—	—	—	—	—	—	5,336,919
	—	—	—	—	—	—	—	—	—	(4,216,262)
	—	—	(55,439)	—	—	—	—	—	—	(859,194)
	18,829,437	(101,238)	(99,809)	—	—	—	—	—	—	21,121,222
	—	1,019	51,897	—	—	—	—	—	—	434,210
	—	—	1,899,856	—	—	—	—	—	—	14,850,638
	—	—	(1,745,040)	—	—	—	—	—	—	(13,272,291)
	—	—	—	—	—	—	—	—	—	6,137
	—	—	—	—	—	—	—	—	—	(2,032,876)
	—	1,019	206,713	—	—	—	—	—	—	(14,132)
	—	3,504	—	—	(700)	—	—	—	—	(54,471)
	—	141,751	300	—	200	—	—	—	—	640,196
\$	—	145,255	300	—	—	—	—	—	—	585,725
\$	19,251,596	(245,078)	(842,287)	(6,397)	—	(76,033)	(111,054)	(108,661)	(124,394)	23,518,616
	—	221,681	50,974	—	—	—	—	—	—	580,492
	(18,829,436)	—	—	—	—	—	—	—	—	(19,622,592)
	(396,855)	267,007	831,639	5,137	3,716	(144,396)	(14,647)	(22,898)	(13,584)	(7,823,914)
	—	1,016	10,797	—	—	—	—	—	—	10,905
	49,580	(144,501)	(403,235)	—	—	(19,390)	(163)	4,955	(8,628)	(559,076)
	11,310	—	(100,020)	—	—	—	—	—	—	(75,032)
	335,964	3,598	—	1,260	(3,916)	—	—	17,943	—	359,110
\$	422,159	103,723	(452,132)	—	(200)	(239,819)	(125,864)	(108,661)	(146,606)	(3,611,491)
\$	—	—	—	—	—	—	—	—	—	(268)

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Non-Major Funds
 Statement of Revenues, Expenses and Changes in Net Assets - Budget and Actual
 Year ended September 30, 2005

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Tenant rentals and sales	\$ 362,327	424,774	62,447
Other	2,201,806	9,342,081	7,140,275
Total operating revenues	2,564,133	9,766,855	7,202,722
Operating expenses:			
Administration	1,540,540	2,054,142	(513,602)
Tenant services	26,831	20,773	6,058
Utility services	141,474	155,581	(14,107)
Maintenance	771,487	1,784,126	(1,012,639)
Other	17,940	454,785	(436,845)
Depreciation and amortization	478,192	358,811	119,381
Total operating expenses	2,976,464	4,828,218	(1,851,754)
Operating income (loss)	(412,331)	4,938,637	5,350,968
Nonoperating income (expense):			
Intergovernmental	1,254,075	1,165,432	(88,643)
Interest expense	(406,150)	(745,005)	(338,855)
Interest income	682,736	1,317,907	635,171
Change in fair value of investments	—	(268)	—
Disposition of assets	—	(886,300)	(886,300)
Total nonoperating income	1,530,661	851,766	(678,627)
Change in net assets before transfers	1,118,330	5,790,403	4,672,341
Transfers:			
Transfers in	16,713	2,713,702	2,696,989
Transfers out	(316,000)	(2,798,558)	(2,482,558)
Total transfers	(299,287)	(84,856)	214,431
Change in net assets	819,043	5,705,547	4,886,772
Net assets at beginning of year	11,283,831	11,283,831	—
Net assets at end of year	\$ 12,102,874	16,989,378	4,886,772

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Combining Fund Statements and Schedules

September 30, 2005

Budgets and Budgetary Accounting

The Authority is required by the Federal government, its fiscal agents and grantors to adopt annual appropriated operating budgets for the Operating Fund, and all programs except for Capital programs within the Low Rent program, and certain grants in the other Nonmajor funds. All annual appropriations lapse at fiscal year-end. Annual operating budgets are not prepared and, therefore, are not included in this report for the following programs:

- Non-Major Fund (Home Ownership, Community Facilities, FSS Grant, Manpower Demonstration Research, Service Coordinator, Neighborhood Network, Move to Work, and Job Connection) - Budgets for these Non-Major funds are approved for the length of the individual programs or grants. Appropriations are authorized at the fund and expenditure category level, and effective budgetary control is achieved through the programs' or grants' periodic budgeting and reporting requirements.
- Low Rent Fund - Budgets for Capital Projects and HOPE VI Redevelopment projects within the Low Rent fund are approved for the length of the individual project rather than on an annual basis. Appropriations are authorized at the fund and expenditure category level, and effective budgetary control is achieved through the projects' periodic budgeting and reporting requirements.

The budgetary cycle is as follows:

- All budgets are prepared by the Authority's Department of Finance on a GAAP basis.
- Budgets for the Low Rent program are prepared for the upcoming fiscal year by the end of the current fiscal year and are approved by the Authority's Executive Director and its Board. During the year, appropriations can be adjusted as a result of revised estimates by the Authority and must be approved by the Executive Director. In accordance with the Authority's Moving to Work contract with HUD, the Authority's Low Rent operations and Capital budgets and the Section 8 program are no longer submitted to HUD for approval. In their place, the Authority prepares an annual Moving to Work Demonstration Plan, which is submitted to HUD for review and comment. Major budget revisions for programs authorized under the Authority's adopted annual budget are made with the approval of the Finance Director and the Executive Director, who serves as the Secretary/Treasurer of the Board. Such revisions are normally the result of changes in operations and estimates and do not require the approval of the Board of Commissioners. However, major budget revisions are presented to the Board on a case-by-case basis for ratification.
- The budget for the Section 8 program is prepared for the upcoming fiscal year as a part of the Authority's annual budget process. The Authority's Executive Director and its Board approve the budget.
- Budgetary control is at the function level for all funds.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Notes to Combining Fund Statements and Schedules

September 30, 2005

A reconciliation of revenues, expenses and net operating income or loss for budgeted and unbudgeted funds within the Low Rent Program is presented below:

	<u>Operating revenues</u>	<u>Operating expenses</u>	<u>Operating loss</u>
Budgeted low rent programs	\$ 24,643,802	37,021,726	(12,377,924)
Unbudgeted low rent programs:			
Capital projects	144,462	3,281,190	(3,136,728)
Hope VI redevelopment	1,472,319	2,370,808	(898,489)
Totals	<u>\$ 26,260,583</u>	<u>42,673,724</u>	<u>(16,413,141)</u>

A reconciliation of revenues, expenses and net operating income or loss for budgeted and unbudgeted non-major funds is presented below:

	<u>Operating revenues</u>	<u>Operating expenses</u>	<u>Operating income (loss)</u>
Budgeted non-major funds	\$ 9,766,855	4,828,218	4,938,637
Unbudgeted non-major funds:			
Home ownership	20,183,356	931,760	19,251,596
Community facilities	405,276	650,354	(245,078)
Fss Grant	—	6,397	(6,397)
Manpower demonstration	3,916	3,916	—
Service coordinator	958	76,991	(76,033)
Neighborhood network	—	111,054	(111,054)
Move to work	—	108,661	(108,661)
Job connection	—	124,394	(124,394)
Totals	<u>\$ 30,360,361</u>	<u>6,841,745</u>	<u>23,518,616</u>

During the year, the Authority made no budget revisions, which require supplemental budget action at the Board level.

COMPONENT UNITS

The following funds do not qualify for blending and are therefore classified as discretely presented component units of the Authority:

Holly Park Limited Partnership – which is reported as an Enterprise Fund, owns and operates NewHolly, phase one. NewHolly is a housing development which was funded in part by Hope VI grants.

Ravenna School Limited Partnership – which is reported as an Enterprise Fund, owns and operates Ravenna School, a senior housing community.

Othello Street Limited Partnership – which is reported as an Enterprise Fund, owns and operates NewHolly, phase two. NewHolly is a housing development which was funded in part by Hope VI grants.

Desdemona Limited Partnership – which is reported as an Enterprise Fund, owns and operates NewHolly, phase three. NewHolly is a housing development which was funded in part by Hope VI grants.

Escallonia Limited Partnership – which is reported as an Enterprise Fund, owns and operates Rainier Vista, phase one. Rainier Vista is a housing development which was funded in part by Hope VI grants.

High Point North Limited Partnership – which is reported as an Enterprise Fund, owns and operates High Point North, phase one. High Point North is a housing development which was funded in part by Hope VI grants.

Ritz Apartments Limited Partnership – which is reported as an Enterprise Fund, owns and operates The Ritz Apartment Building.

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Combining Statement of Net Assets – Component Units

December 31, 2004

	<u>Holly Park Limited Partnership</u>	<u>Ravenna School Limited Partnership</u>	<u>Othello Street Limited Partnership</u>
Assets			
Current assets:			
Equity in cash and cash equivalents	\$ 28,311	13,111	163,237
Restricted cash and cash equivalents	2,189,397	89,332	469,591
Accounts receivable:			
Tenant rentals and service charges	10,629	2,371	64,387
Other	248,002	—	—
Inventory and prepaid items	60,229	11,815	219
Restricted investments	822,316	—	308,812
Deferred charges	165,964	19,142	468,892
Total current assets	<u>3,524,848</u>	<u>135,771</u>	<u>1,475,138</u>
Noncurrent assets:			
Restricted investments	391,650	—	—
Capital assets:			
Land	—	—	—
Structures	37,945,355	1,426,514	15,657,437
Construction in progress	—	—	—
Equipment	1,440,099	32,071	369,831
Accumulated depreciation	(7,176,819)	(286,223)	(1,686,377)
Total noncurrent assets	<u>32,600,285</u>	<u>1,172,362</u>	<u>14,340,891</u>
Total assets	<u>\$ 36,125,133</u>	<u>1,308,133</u>	<u>15,816,029</u>
Liabilities and Net Assets			
Current liabilities:			
Liabilities:			
Accounts payable:			
Vendors and contractors	\$ 166,870	6,384	6,126
Other	7,776	102,769	1,758
Accrued liabilities	518,332	28,925	646,827
Current portion of long-term debt	90,000	—	30,000
Total current liabilities	<u>782,978</u>	<u>138,078</u>	<u>684,711</u>
Noncurrent liabilities:			
Security deposits	75,925	7,962	22,750
Long term payables and liabilities	—	—	—
Long-term debt, less current portion:			
Notes payable to primary government	18,440,699	529,727	6,195,384
Notes payable	1,700,000	—	2,000,000
Bonds payable	5,080,000	—	2,355,000
Total noncurrent liabilities	<u>25,296,624</u>	<u>537,689</u>	<u>10,573,134</u>
Total liabilities	<u>26,079,602</u>	<u>675,767</u>	<u>11,257,845</u>
Net assets:			
Invested in capital assets, net of related debt	6,897,936	642,635	3,760,507
Restricted for debt service	3,327,438	—	755,653
Unrestricted	(179,843)	(10,269)	42,024
Total net assets	<u>10,045,531</u>	<u>632,366</u>	<u>4,558,184</u>
Total liabilities and net assets	<u>\$ 36,125,133</u>	<u>1,308,133</u>	<u>15,816,029</u>

	<u>Desdemona Limited Partnership</u>	<u>Escallonia Limited Partnership</u>	<u>Hlgh Point North Limited Partnership</u>	<u>Ritz Apartments Limited Partnership</u>	<u>Total</u>
\$	460,019	3,218,747	2,539,690	2,090	6,425,205
	4,723,889	13,848,468	—	1,496,266	22,816,943
	—	479	—	130	77,996
	6,574	—	—	—	254,576
	391	—	—	5,057	77,711
	21,089	38,830	198	—	1,191,245
	—	—	—	116,770	770,768
	5,211,962	17,106,524	2,539,888	1,620,313	31,614,444
	576,623	—	20,949,977	—	21,918,250
	—	—	—	173,265	173,265
	28,840,325	5,590,304	—	1,426,735	90,886,670
	10,656,133	15,835,538	16,650,812	434,117	43,576,600
	—	1,589	—	—	1,843,590
	(267,102)	(18,007)	—	(5,044)	(9,439,572)
	39,805,979	71,409,424	37,600,789	2,029,073	148,958,803
\$	<u>45,017,941</u>	<u>38,515,948</u>	<u>40,140,677</u>	<u>3,649,386</u>	<u>180,573,247</u>
\$	3,465,773	1,381,939	2,554,520	—	7,581,612
	1,686,459	1,841	297,982	56,039	2,154,624
	524,131	215,995	174,925	399,915	2,509,050
	—	—	—	600,000	720,000
	5,676,363	1,599,775	3,027,427	1,055,954	12,965,286
	23,750	4,000	—	750	135,137
	—	1,016,606	—	—	1,016,606
	12,889,135	13,659,146	2,588,250	540,000	54,842,341
	3,508,670	—	2,000,000	2,060,000	11,268,670
	22,500,000	22,500,000	32,000,000	—	84,435,000
	38,921,555	37,179,752	36,588,250	2,600,750	151,697,754
	44,597,918	38,779,527	39,615,677	3,656,704	164,663,040
	331,551	2,317,493	14,062,562	1,390,383	29,403,067
	5,297,851	13,883,298	20,950,175	1,495,516	45,709,931
	(5,209,379)	(16,464,370)	(34,487,737)	(2,893,217)	(59,202,791)
	420,023	(263,579)	525,000	(7,318)	15,910,207
\$	<u>45,017,941</u>	<u>38,515,948</u>	<u>40,140,677</u>	<u>3,649,386</u>	<u>180,573,247</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Combining Statement of Revenues, Expenses and Changes in Net Assets -
Component Units
Year ended December 31, 2004

	<u>Holly Park Limited Partnership</u>	<u>Ravenna School Limited Partnership</u>	<u>Othello Street Limited Partnership</u>
Operating revenues:			
Rental income	\$ 1,956,816	173,556	433,704
Other	26,742	1,811	142,415
Total operating revenues	<u>1,983,558</u>	<u>175,367</u>	<u>576,119</u>
Operating expenses:			
Administration	611,990	103,508	209,001
Utility services	87,327	23,865	18,704
Maintenance	448,609	76,437	114,133
Other	—	770	—
Depreciation and amortization	1,335,741	58,213	492,214
Total operating expenses	<u>2,483,667</u>	<u>262,793</u>	<u>834,052</u>
Operating loss	<u>(500,109)</u>	<u>(87,426)</u>	<u>(257,933)</u>
Nonoperating revenue (expense):			
Interest expense	(503,737)	(7,066)	(254,655)
Interest income	111,256	903	5,747
Total nonoperating revenue (expense)	<u>(392,481)</u>	<u>(6,163)</u>	<u>(248,908)</u>
Change in net assets before contributions	<u>(892,590)</u>	<u>(93,589)</u>	<u>(506,841)</u>
Partners' contribution	<u>—</u>	<u>—</u>	<u>—</u>
Change in net assets	<u>(892,590)</u>	<u>(93,589)</u>	<u>(506,841)</u>
Total net assets, beginning of year	<u>10,938,121</u>	<u>725,955</u>	<u>5,065,025</u>
Total net assets, end of year	<u>\$ 10,045,531</u>	<u>632,366</u>	<u>4,558,184</u>

	Desdemona Limited Partnership	Escallonia Limited Partnership	High Point North Limited Partnership	Ritz Apartments Limited Partnership	Total
\$	98,804	3,251	—	11,865	2,677,996
	54,539	944	—	330	226,781
	<u>153,343</u>	<u>4,195</u>	<u>—</u>	<u>12,195</u>	<u>2,904,777</u>
	187,648	48,711	—	16,936	1,177,794
	8,867	—	—	2,689	141,452
	29,517	—	—	8,569	677,265
	—	—	—	7,500	8,270
	<u>267,102</u>	<u>18,007</u>	<u>—</u>	<u>5,044</u>	<u>2,176,321</u>
	493,134	66,718	—	40,738	4,181,102
	<u>(339,791)</u>	<u>(62,523)</u>	<u>—</u>	<u>(28,543)</u>	<u>(1,276,325)</u>
	—	—	—	(3,845)	(769,303)
	—	680,844	—	—	798,750
	—	680,844	—	(3,845)	29,447
	<u>(339,791)</u>	<u>618,321</u>	<u>—</u>	<u>(32,388)</u>	<u>(1,246,878)</u>
	100	100	525,000	25,070	550,270
	<u>(339,691)</u>	<u>618,421</u>	<u>525,000</u>	<u>(7,318)</u>	<u>(696,608)</u>
	759,714	(882,000)	—	—	16,606,815
\$	<u>420,023</u>	<u>(263,579)</u>	<u>525,000</u>	<u>(7,318)</u>	<u>15,910,207</u>

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Component Units

Combining Statement of Cash Flows

Year ended December 31, 2004

	<u>Holly Park Ltd Partnership</u>	<u>Ravenna School Ltd Partnership</u>	<u>Othello Street Ltd Partnership</u>
Cash flows from operating activities:			
Receipts from residents	\$ 1,717,581	161,301	377,721
Receipts from other sources	245,282	18,588	142,415
Advances from affiliates	—	29,431	—
Payments to vendors	(1,160,248)	(154,787)	(605,559)
Payments to employees	(373,488)	(38,406)	(104,844)
	<u>429,127</u>	<u>16,127</u>	<u>(190,267)</u>
Net cash provided by (used in) operating activities			
Cash flows from capital and related financing activities:			
Acquisition & Construction of capital assets	—	—	—
Increase in outstanding debt	—	—	—
Principal paid on outstanding debt	(90,000)	—	(30,000)
Mortgage costs paid	—	—	—
Interest paid	(321,581)	—	28,178
Contributions from partner	—	—	—
	<u>(411,581)</u>	<u>—</u>	<u>(1,822)</u>
Net cash provided by (used in) capital and related financing activities			
Cash flows from investing activities:			
Investments purchased	(957,040)	—	(262,418)
Proceeds for maturities of investments	1,240,076	—	567,837
Interest received	111,256	903	5,747
	<u>394,292</u>	<u>903</u>	<u>311,166</u>
Net cash provided by investing activities			
Net increase in cash and cash equivalents			
	411,838	17,030	119,077
Cash and cash equivalents beginning of year			
	<u>1,805,870</u>	<u>85,413</u>	<u>513,751</u>
Cash and cash equivalents end of year			
	\$ <u>2,217,708</u>	\$ <u>102,443</u>	\$ <u>632,828</u>
Reconciliation of operating income to net cash provided by (used in) operations:			
Operating loss	\$ (500,109)	(87,426)	(257,933)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,335,741	58,213	492,214
Change in assets and liabilities:			
Accounts receivable	(241,955)	27,362	(55,483)
Inventory and prepaid items	1,034	(3,182)	27,300
Accounts payable	(166,405)	16,698	(395,865)
Other	821	4,462	(500)
	<u>929,236</u>	<u>103,553</u>	<u>67,666</u>
Total adjustments	<u>929,236</u>	<u>103,553</u>	<u>67,666</u>
Net cash used in operating activities	\$ <u>429,127</u>	\$ <u>16,127</u>	\$ <u>(190,267)</u>

	<u>Desdemona Ltd Partnership</u>	<u>Escallonia Ltd Partnership</u>	<u>High Point North Ltd Partnership</u>	<u>Ritz Apts Ltd Partnership</u>	<u>Total</u>
\$	122,554	6,772	—	12,485	2,398,414
	5,200,197	1,382,883	2,845,243	56,369	9,890,977
	—	—	—	—	29,431
	(818,546)	(450,449)	(869,069)	(36,088)	(4,094,746)
	<u>(43,844)</u>	<u>(43,523)</u>	<u>—</u>	<u>(4,663)</u>	<u>(608,768)</u>
	<u>4,460,361</u>	<u>895,683</u>	<u>1,976,174</u>	<u>28,103</u>	<u>7,615,308</u>
	(31,382,410)	(17,099,017)	(14,824,617)	(2,034,117)	(65,340,161)
	8,429,291	10,582,054	3,797,669	3,200,000	26,009,014
	—	—	—	—	(120,000)
	—	—	—	(116,770)	(116,770)
	499,933	(486,052)	—	396,070	116,548
	<u>100</u>	<u>100</u>	<u>525,000</u>	<u>25,070</u>	<u>550,270</u>
	<u>(22,453,086)</u>	<u>(7,002,915)</u>	<u>(10,501,948)</u>	<u>1,470,253</u>	<u>(38,901,099)</u>
	(5,229,164)	(330,399)	—	—	(6,779,021)
	24,949,264	22,808,462	11,049,825	—	60,615,464
	—	680,844	—	—	798,750
	<u>19,720,100</u>	<u>23,158,907</u>	<u>11,049,825</u>	<u>—</u>	<u>54,635,193</u>
	1,727,375	17,051,675	2,524,051	1,498,356	23,349,402
	<u>3,456,533</u>	<u>15,540</u>	<u>15,639</u>	<u>—</u>	<u>5,892,746</u>
\$	<u>5,183,908</u>	<u>17,067,215</u>	<u>2,539,690</u>	<u>1,498,356</u>	<u>29,242,148</u>
\$	(339,791)	(62,523)	—	(28,543)	(1,276,325)
	267,102	18,007	—	5,044	2,176,321
	(6,574)	(479)	16,123	(130)	(261,136)
	(391)	—	—	(5,057)	19,704
	4,516,265	936,678	1,685,451	56,039	6,648,861
	<u>23,750</u>	<u>4,000</u>	<u>274,600</u>	<u>750</u>	<u>307,883</u>
	<u>4,800,152</u>	<u>958,206</u>	<u>1,976,174</u>	<u>56,646</u>	<u>8,891,633</u>
\$	<u>4,460,361</u>	<u>895,683</u>	<u>1,976,174</u>	<u>28,103</u>	<u>7,615,308</u>

Actual HOPE VI Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0208
(exp. 12/31/2003)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name Seattle Housing Authority	HOPE VI Grant Number WA19URD001D101
--	---

The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	\$ 2,462,300
B. Funds Disbursed	\$ 2,462,300
C. Funds Expended (Actual Program Cost)	\$ 2,462,300
D. Amount to be Recaptured (A-C)	\$ 0
E. Excess of Funds Disbursed (B-C)	\$ 0

- That all work in connection with the HOPE VI Grant has been completed;
- That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program work; and
- That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director

James M. Tierney

Date (mm/dd/yyyy)
12/15/04

For HUD Use Only The Cost Certificate is approved for audit (signature of approving official)

[Signature]

Date (mm/dd/yyyy)

2/28/05

The audited costs agree with the costs shown above
Verified (signature)

Date (mm/dd/yyyy)

Approved (signature)

Date (mm/dd/yyyy)

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157
(Exp. 09/30/2005)

PHA/IHA Name SEATTLE HOUSING AUTHORITY	Comprehensive Grant Number WA19-P001-501-02
	FFY of Grant Approval FFY 2002

The PHA/IHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Comprehensive Grant, is as shown below:

A. Original Funds Approved	\$ 14,481,490.00
B. Revised Funds Approved	\$ 14,481,490.00
C. Funds Advanced	\$ 14,481,490.00
D. Funds Expended (Actual Modernization Cost)	\$ 14,481,490.00
E. Amount to be Recaptured (A-D)	\$ --0--
F. Excess of Funds Advanced (C-D)	\$ --0--

2. That all modernization work in connection with the Comprehensive Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature <i>Thomas M Tierney</i>	Date Oct. 5th, 2005
--	------------------------

THOMAS M TIERNEY, EXECUTIVE DIRECTOR

For HUD Use Only

The Cost Certificate is approved for audit.

Approved for Audit (Director, Public Housing Division) <i>[Signature]</i>	Date 10/17/05
--	------------------

The audited costs agree with the costs shown above.

Verified (Director, Public Housing Division)	Date
--	------

Approved (Field Office Manager)	Date
---------------------------------	------

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**The Housing Authority of the
City of Seattle, Washington**

**Statistical Section
(Unaudited)**

Section III

STATISTICAL SECTION

This section provides additional information regarding the Authority in the following categories:

Financial Information
Demographics

Tables 1 - 5
Tables 6 - 7

This information was compiled by the Authority.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Operating Fund Expenses by Function
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Admini- stration	Tenant Services	Utilities	Maintenance	Other	(1) Depreciation & Amortization	Total
1996	\$ 683,680	485,570	56,693	141,959	4,793	—	1,372,695
1997	342,234	337,047	59,293	146,032	180,924	—	1,065,530
1998	338,438	563,001	55,111	188,323	12,130	—	1,157,003
1999	574,945	505,131	53,985	240,704	9,541	—	1,384,306
2000	546,788	401,712	57,373	232,142	39,269	—	1,277,284
2001	676,433	529,297	69,111	186,994	9,355	—	1,471,190
2002	624,968	321,036	124,805	229,443	30,086	673,624	2,003,962
2003	692,646	330,295	178,976	349,717	25,533	831,323	2,408,490
2004	635,848	196,216	178,771	515,249	45,971	796,028	2,368,083
2005	714,220	264,111	193,273	484,013	343,861	650,229	2,649,707

(1) Depreciation was not required under the previous Government Fund Reporting Model.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Operating Expenses by Function - Primary Government
Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Admini- stration</u>	<u>Tenant Services</u>	<u>Utilities</u>	<u>Housing Assistance Payments</u>	<u>Maintenance</u>	<u>Depreciation & Amortization</u>	<u>Other</u>	<u>Total</u>
2002	\$ 28,309,341	2,975,192	5,781,141	53,824,569	15,054,315	9,809,050	3,909,637	119,663,245
2003	28,035,895	2,877,693	5,254,899	65,156,211	16,275,910	10,199,726	8,436,704	136,237,038
2004	26,024,065	2,242,826	5,177,870	71,889,208	18,133,133	11,166,605	1,712,092	136,345,799
2005	29,152,797	2,436,512	4,922,362	68,212,519	17,281,723	11,656,022	3,413,099	137,075,034

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Operating Revenues By Source - Primary Government
 Last Ten Fiscal Years (Unaudited)

Year	Tenant Rentals and Sales		Housing Assistance Payment Subsidies		Other		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Total
2002	\$ 17,198,871	19.0%	67,010,540	74.2%	6,079,556	6.7%	90,288,967	100.0%
2003	18,776,018	19.6%	71,278,909	74.5%	5,622,755	5.9%	95,677,682	100.0%
2004	19,990,759	18.3%	75,725,763	69.3%	13,619,504	12.5%	109,336,026	100.0%
2005	20,697,641	13.8%	80,263,996	53.4%	49,240,885	32.8%	150,202,522	100.0%

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Nonoperating Revenues By Source - Primary Government
Last Ten Fiscal Years (Unaudited)

Year	Intergovernmental		Interest Income		Change in Fair Value of Investments		Total	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Total
2002	\$ 17,954,601	84.5%	3,295,317	15.5%	—	0.0%	21,249,918	100.0%
2003	17,701,294	89.5%	2,079,480	10.5%	—	0.0%	19,780,774	100.0%
2004	17,347,758	87.7%	2,422,737	12.3%	—	0.0%	19,770,495	100.0%
2005	16,668,848	87.1%	3,190,698	16.7%	(718,763)	-3.8%	19,140,783	100.0%

Note: Prior years data not available due to the conversion to the Enterprise Fund Model under GASB 34.

Table 5

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Schedule of General Revenue Bond Coverage
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Service		Total Debt Service	General Expense (1)	Ratio of Debt Service to General Expenses
	Principal	Interest			
<u>Villa Park 1996 Bonds</u>					
1997	\$ —	55,867	55,867	—	0.0
1998	—	111,061	111,061	179,893	0.6
1999	25,000	120,126	145,126	224,131	0.6
2000	30,000	118,740	148,740	427,576	0.3
2001	30,000	117,275	147,275	466,989	0.3
2002	30,000	116,103	146,103	1,667,735	0.1
2003	30,000	114,873	144,873	178,085	0.8
2004	35,000	113,147	148,147	179,791	0.8
2005	35,000	110,406	145,406	190,861	0.8
<u>Wakefield 2000 Bonds for Wallingford</u>					
2000	15,468	27,676	43,144	902,551	0.0
2001	24,588	40,128	64,716	930,351	0.1
2002	26,353	38,363	64,716	1,330,338	0.0
2003	28,236	36,480	64,716	773,846	0.1
2004	30,299	34,417	64,716	854,780	0.1
2005	32,491	32,225	64,716	345,513	0.2
<u>Telemark 2001 Bonds</u>					
2001	—	48,753	48,753	66,129	0.7
2002	25,000	173,479	198,479	119,772	1.7
2003	30,000	172,896	202,896	89,037	2.3
2004	30,000	171,756	201,756	128,387	1.6
2005	35,000	170,556	205,556	222,399	0.9
<u>Wedgewood 2001 Variable Rate Bonds</u>					
2001	—	20,153	20,153	192,937	0.1
2002	130,000	59,814	189,814	1,241,767	0.2
2003	130,000	44,802	174,802	979,865	0.2
2004	135,000	39,831	174,831	897,686	0.2
2005	140,000	74,056	214,056	963,775	0.2
<u>Wakefield/Porchlight 2002 Bonds</u>					
2002	—	218,151	218,151	1,330,338	0.2
2003	100,000	479,398	579,398	773,846	0.7
2004	130,000	477,972	607,972	854,780	0.7
2005	130,000	471,191	601,191	823,119	0.7
<u>Mary Avenue 2002 Bonds</u>					
2002	—	4,344	4,344	19,508	0.2
2003	16,041	58,697	74,738	38,572	1.9
2004	16,041	60,500	76,541	69,941	1.1
2005	16,041	59,991	76,032	37,000	2.1
<u>Montridge Arms 2002 Bonds</u>					
2002	—	65,290	65,290	53,879	1.2
2003	25,000	103,690	128,690	97,468	1.3
2004	25,000	102,965	127,965	105,846	1.2
2005	30,000	101,782	131,782	110,403	1.2
<u>Market Terrace 2002 Bonds</u>					
2002	—	7,841	7,841	13,435	0.6
2003	28,959	105,966	134,925	100,467	1.3
2004	28,959	109,219	138,178	74,263	1.9
2005	28,959	108,301	137,260	106,874	1.3

Table 5, cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Schedule of General Revenue Bond Coverage
 Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Service		Total Debt Service	General Expense (1)	Ratio of Debt Service to General Expenses
	Principal	Interest			
<u>Longfellow Creek 2003 Bonds</u>					
2003	\$ —	47,745	47,745	87,830	0.5
2004	—	143,739	143,739	496,191	0.3
2005	15,000	180,645	195,645	476,275	0.4
<u>HOPE VI Replacement Housing 2003 Bonds</u>					
2003	125,000	597,188	722,188	640,643	1.1
2004	125,000	608,672	733,672	674,351	1.1
2005	130,000	598,208	728,208	454,761	1.6
<u>Bayview/Lake City Commons 2004 Bonds</u>					
2004	—	30,850	30,850	554,377	0.1
2005	60,000	192,915	252,915	460,249	0.5
<u>Yesler Community Replacement 2004 Bonds</u>					
2004	—	50,568	50,568	23,565	2.1
2005	15,000	109,504	124,504	68,783	1.8

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Tenant Demographics: Population Statistics
Last Ten Fiscal Years (Unaudited)

Calendar Year (2)	Public Housing Program				Total Number of Tenants	(1) Handicapped/Disabled
	Adults	Elderly	(1) Handicapped/Disabled	Minors		
1996	3,480	781	3,897	4,719	12,877	—
1997	2,907	638	3,623	4,332	11,500	—
1998	5,457	1,696	—	3,949	11,102	3,395
1999	5,569	1,679	—	3,921	11,169	3,231
2000	5,641	1,642	—	4,014	11,297	3,164
2001	5,109	1,589	—	3,346	10,044	3,047
2002	5,214	1,875	—	2,583	9,672	1,993
2003	5,024	1,354	—	2,936	9,314	1,899
2004	5,308	1,406	—	2,945	9,659	1,818
2005	5,393	1,440	—	3,287	10,120	1,977

Calendar Year (2)	Section 8 Program				Total Number of Tenants	(1) Handicapped/Disabled
	Adults	Elderly	(1) Handicapped/Disabled	Minors		
1996	2,834	380	1,415	3,825	8,454	—
1997	2,765	938	1,443	4,063	9,209	—
1998	4,253	1,019	—	4,374	9,646	1,858
1999	4,714	1,041	—	4,500	10,255	2,188
2000	5,251	1,061	—	4,994	11,306	2,315
2001	4,940	1,003	—	5,218	11,161	2,419
2002	6,285	1,150	—	5,784	13,219	2,160
2003	6,584	1,131	—	6,310	14,025	2,128
2004	6,732	1,158	—	6,210	14,100	2,168
2005	6,298	1,172	—	5,725	13,195	2,093

Table 6

Adults	Senior and Local Housing Programs			Total Number of Tenants	(1) Handicapped/Disabled
	Elderly	(1) Handicapped/Disabled	Minors		
38	822	368	—	1,228	—
85	935	232	—	1,252	—
306	937	—	—	1,243	387
319	927	—	—	1,246	413
349	903	—	—	1,252	461
195	884	—	—	1,079	404
276	761	—	—	1,037	147
572	867	—	186	1,625	266
596	899	—	222	1,717	240
640	903	—	746	2,289	196
Agency Wide Totals					
Adults	Elderly	Handicapped/Disabled	Minors	Total Number of Tenants	(1) Handicapped/Disabled
6,352	1,983	5,680	8,544	22,559	—
5,757	2,511	5,298	8,395	21,961	—
10,016	3,652	—	8,323	21,991	5,640
10,602	3,647	—	8,421	22,670	5,832
11,241	3,606	—	9,008	23,855	5,940
10,244	3,476	—	8,564	22,284	5,870
11,775	3,786	—	8,367	23,928	4,300
12,180	3,352	—	9,432	24,964	4,293
12,636	3,463	—	9,377	25,476	4,226
12,331	3,515	—	9,758	25,604	4,266

(1) Prior to 1997, handicapped and disabled were excluded from the adult, elderly and minor categories. For greater clarity, in fiscal years 1998 and after, handicapped and disabled are separately reported.

(2) 2001 data is presented on a fiscal year basis rather than calendar year.

Table 7

HOUSING AUTHORITY OF THE CITY OF SEATTLE

Property Characteristics and Dwelling Unit Composition

September 30, 2005 (Unaudited)

Public Housing			
Name of Development	Address	Number of Units	Year Built or Acquired
Ballard House	2445 NW 57th Street	79	1969
Barton Place	9201 Rainier Avenue S.	90	1971
Beacon Tower	1311 S. Massachusetts	108	1971
Bell Tower	2215 - 1st Avenue	119	1970
Cal-Mor Circle	6420 California Avenue SW	74	1969
Capitol Park	525 - 14th Avenue E.	125	1971
Cedarvale House	11050 - 8th Avenue NE	118	1971
Cedarvale Village	11050 - 8th Avenue NE	24	1971
Center Park	2121 - 26th Avenue S.	137	1969
Center West	533 - 3rd Avenue W.	91	1969
Denny Terrace	100 Melrose Avenue E.	221	1969
Greenlake Plaza	505 NE 70th Street	130	1970
Harvard Court	610 Harvard Avenue E.	80	1969
High Point	3000 SW Graham Street	390	1942
Holly Court	3804 S. Myrtle	97	1979
International Terrace	202 - 6th Avenue S.	100	1972
Jackson Park House	14396 - 30th Avenue NE	71	1970
Jackson Park Village	14396 - 30th Avenue NE	41	1970
Jefferson Terrace	800 Jefferson Street	299	1967
Lake City House	12546 - 33rd Avenue NE	115	1971
Lictonwood	9009 Greenwood Avenue N.	81	1971
Longfellow Creek	5915 Delridge Way SW	30	2003
NewHolly	7050 - 32nd Avenue S.	400	1999
New Rainier Vista	4500 Martin Luther King Jr. Way S.	125	2005
Olive Ridge	1700 - 17th Avenue	105	1969
Olympic West	110 W. Olympic Place	75	1971
Queen Anne Heights	1212 Queen Anne Avenue N.	52	1971
Ross Manor	1420 Western Avenue	100	1983
Scattered Sites	Various	769	various
Stewart Manor	6339 - 34th Avenue	74	1969
Tri-Court	720 N. 143rd	87	1971
University House	4700 - 12th Avenue NE	101	1972
University West	4544 - 7th Avenue NE	113	1971
Westwood Heights	9455 27th Avenue SW	130	1971
West Town View	1407 2nd Avenue W	59	1978
Wisteria Court	7544 24th Ave SW	20	2003
Yesler Terrace	903 E. Yesler Way	561	1941
Partnership units	Various	50	various
Total units - Public Housing		5,441	

(Continued)

Table 7, cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
Property Characteristics and Dwelling Unit Composition
September 30, 2005 (Unaudited)

Section 8			
Name of Development	Address	Number of Units	Year Built or Acquired
Housing Choice Vouchers	various	8,309	various
Moderate Rehabilitation	various	760	various
Bay View Tower	2614 - 4th Ave	100	1978
Market Terrace	1115 NW Market St	30	2002
Total number of Section 8 Units		9,199	
Senior Housing			
Name of Development	Address	Number of Units	Year Built or Acquired
Bitter Lake Manor	620 N. 130th	72	1984
Blakeley Manor	2401 NE Blakeley	70	1984
Carroll Terrace	600 - 5th Avenue W.	26	1985
Columbia Place	4628 S. Holly	65	1984
Daybreak	1515 2nd Ave N.	3	1986
Fort Lawton Place	3401 W. Government Way	24	1984
Fremont Place	4601 Phinney Avenue N.	31	1984
Gideon-Mathews Gardens	323 - 25th Avenue S.	45	1986
Heritage House	1533 Western Avenue	62	1990
Island View	3031 California Avenue SW	48	1984
Keystone House	3515 Woodland Park N.	32	1986
Leschi House	1011 S. Weller	34	1988
Michaelson Manor	320 W. Roy	57	1985
Nelson Manor	220 NW 58th	32	1985
Olmsted Manor	501 NE Ravenna Blvd.	35	1985
Phinney Terrace	6561 Phinney Avenue N.	51	1984
Pinehurst Court	12702 15th Avenue NE	73	1983
Pleasant Valley Plaza	3801 34th Avenue W.	41	1984
Primeau Place	308 - 14th Avenue E.	53	1984
Ravenna School Apartments	6564 Ravenna Avenue NE	39	1986
Reunion House	530 - 10th Avenue E.	28	1984
Schwabacher House	1715 NW 59th Street	44	1984
South Park Manor	520 S. Cloverdale	27	1984
Sunrise Manor	1530 NW 57th Street	32	1985
Wildwood Glen	4501 SW Wildwood	24	1983
Willis House	6341 - 5th Ave NE	42	1984
Total number of Senior Housing units		1,090	

(Continued)

Table 7, Cont.

HOUSING AUTHORITY OF THE CITY OF SEATTLE
 Property Characteristics and Dwelling Unit Composition
 September 30, 2005 (Unaudited)

Other Housing Programs			
Name of Development	Address	Number of Units	Year Built or Acquired
104th St Townhomes	528 N 104th	3	2001
Aldercrest	6520 35th Ave SW	36	2004
Coach House	1056 N. 35th Street	8	1997
Fir Street Townhomes	various	7	2003
Lake City Commons	12745 30th Ave NE	15	2003
Lam Bow Apartments	6935 Delridge Way SW	51	2003
Levy Program	various	19	various
Longfellow Creek Apartments	5915 Delridge Way SW	54	2003
Main Place II	308 22nd Ave S	25	2004
Main Street Apartments	2035 S Main St	11	2004
Mary Avenue Townhomes	8550-84 Mary Ave NW	8	2002
MLK Townhomes	various	6	2003
Montridge Arms Apartments	9000 27th Ave SW	33	2002
Norman Street Townhomes	various	15	2003
Referendum 37	various	8	various
Ritz Apartments	1302 E Yesler Way	30	2004
South of Holly redevelopment	various	8	2003
Spruce Street Townhomes	various	10	2003
Stone Ave Townhomes	8514 Stone Ave N	4	2001
Telemark Apartments	2850 NW 56th St	24	1999
Villa Park Townhomes	9111 50th Avenue S.	43	1995
Wedgeood Estates	3716 NE 75th	203	2001
Westwood Heights East Apts	9440 27th Ave SW	42	2003
Westwood Heights Fourplexes	9940 27th Ave SW	24	2002-2003
Willow Street sixplex	3809 S Willow St	6	2005
Wisteria Court	7544 24th Ave SW	76	2003
Yesler Court	114 23rd Ave	9	2004
	Total number other units	778	
	Total number of units - All Programs	16,508	

NOTICE OF INTEREST

Surplus Property at Fort Lawton
January 10, 2007

The YWCA of Seattle-King County-Snohomish County is interested in using surplus property at Fort Lawton to develop up to 60 units of permanent supportive housing for homeless families. The following information is submitted in response to the City of Seattle's request for organizational, program and financial information. The YWCA is applying in collaboration with the Seattle Housing Authority and Habitat for Humanity Seattle/South King County.

ORGANIZATIONAL PROFILE

Legal Name Young Women's Christian Association of Seattle-King County-Snohomish County

Key Contact Sue Sherbrooke, CEO. 206-461-4854

Mission, History and Goals The mission of YWCA is to advance the quality of life for women of all ages, races and faiths, and their families. Since 1894, the YWCA has provided services to meet critical needs, promote self-sufficiency, reduce violence and achieve equal opportunity for all people.

We believe that, working together, we can create a community where:

- All women and families have a safe, stable place to live
- All adults have the opportunity to earn a livable wage and achieve self-sufficiency
- All children and youth can develop the skills they need to succeed in life
- All people can live in dignity – free from violence, racism and discrimination

The YWCA serves nearly 50,000 persons annually, with more than 20,000 engaged in ongoing programs at multiple sites throughout King and Snohomish counties. Critical services include housing, employment training, job placement, domestic violence advocacy, access to health care, childcare and youth leadership development. Last year, 98% of our clients were low income and 68% were persons of color. The operating budget for 2007 is \$23 million, of which half is devoted to housing and related services. The YWCA strives to be a conscientious and prudent steward of the investment the community makes in our services. We keep overhead costs under 12% and have a 25+ year history of unqualified financial statement audits and a strong track record for meeting or exceeding contract outcomes for our services.

The YWCA has received many awards for its work over the years, including two Maxwell Awards for Excellence in Affordable Housing (2004, 1994), the National Alliance to End Homelessness Nonprofit Sector Achievement Award (1997) and the Puget Sound Regional Council's Vision 2020 Award (2005).

As part of its strategic framework, the YWCA Board has committed to expanding the YWCA housing portfolio from 463 to 1,000 units in ten years, with new units specifically targeted for homeless and at-risk very low income families. We anticipate adding up to 8 projects, each including as many transition-in-place units for homeless families as economically feasible. The project proposed for the Fort Lawton site is a key part of that expansion plan.

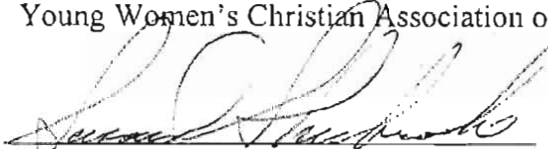
YWCA of Seattle-King County-Snohomish County

**Board
Resolution**

Adopted December 12, 2006. Copy attached.

**Application
Signatures**

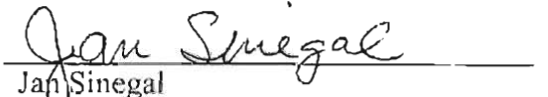
Young Women's Christian Association of Seattle-King County-Snohomish County, by



Susan D. Sherbrooke

Chief Executive Officer

12/21/06
Date



Jan Sinegal

Board Secretary

12/21/06
Date

YWCA of Seattle • King County • Snohomish County

Board of Directors

Tuesday, December 12, 2006

ACTION ITEM

FORT LAWTON NOTICE OF INTEREST

Action Requested: That the Board authorize its Chief Executive Officer to submit a Notice of Interest to the City of Seattle regarding the acquisition of surplus property at Fort Lawton for the purpose of providing permanent supportive housing for homeless families.

CERTIFICATE

I certify as a YWCA of Seattle • King County • Snohomish County Board Officer the foregoing board action was adopted at the YWCA Board of Directors Meeting on December 12, 2006.



Jan Sinegal, YWCA Board Secretary

PROPOSED PROGRAM

1. Proposed Use

The YWCA proposes to use a portion of the surplus property at Fort Lawton to develop up to 60 units of permanent supportive housing for homeless families.

- Target Population. Our target population is homeless families, i.e. households with at least one parent and one minor child that are deemed homeless using the HUD definition. We expect the demographic profile for families entering this housing program to resemble that of the 1,200+ other homeless families we serve each year:
 - ~ Single-parent household (88%), usually female (95%) with a mean age of 33
 - ~ Mean household size of 3
 - ~ Disproportionately families of color: 60%
 - ~ All extremely low income, often unemployed (89%)
 - ~ 69% with mental health issues
 - ~ 68% with history of domestic violence
 - ~ 39% with major health or medical issue
 - ~ 35% with history of chemical dependency
 - ~ 33% homeless for more than a year
- Services Provided On Site. We plan to provide core case management and other related services on site. Case management will be intensive, home-based and focused on clients' goals and barriers. Families will complete a lengthy intake and needs assessment and create an action plan suited for their circumstance. Action plans will be focused on education, training, employment, wage progression, mental health, family stability and resource procurement, and liaison with the schools children attend. Case managers will connect families with necessary support services offered by the YWCA or other providers. Planned staffing levels average one case manager per 15 households overall, with families supported at a 1:10 ratio for the first several months. Case management, domestic violence advocacy and children's domestic violence counseling will occur predominately in the families' homes, while mental health and chemical dependency counseling, life skills classes, and children's programming will be provided in YWCA offices and shared community spaces on the Fort Lawton campus.
- Additional Off-Site Services. YWCA services provided in downtown Seattle and easily accessible for our Fort Lawton families will include: employment assessment and training, job placement and retention services, health care access, and Dress for Success. Case management staff also will connect Fort Lawton residents with other providers for services such as legal assistance.
- Key Partners. The Seattle Housing Authority and Habitat for Humanity Seattle/South King County and Homestead Community Land Trust are our key partners for development of the Fort Lawton project. The partners have submitted full applications under separate cover.

The holistic, coordinated development proposed for this site will be critical to the success of the homeless families the YWCA intends to serve. Our experience with transition-in-place supported housing for homeless families in Edmonds and other communities makes it clear that socially integrated neighborhoods that offer a continuum of housing options help families maintain housing stability and move forward with their lives. Children in particular benefit from stability in school and the social support network they and their parents are able

YWCA of Seattle-King County-Snohomish County

to build when they maintain their housing in a single community.

2. The Need & Alignment with Local Plans

Home shapes who we are, the quality of our lives and our ability to contribute to the greater community. For adults, it is a starting place for a healthy life, steady employment and economic stability. For children, it is a foundation for emotional stability, independence and school success. Yet, every night in our two-county region, at least 11,000 people are homeless. More than half are women with children. In fact, 3,100 are under the age of 18 (*Committee to End Homelessness in King County 2006 and Snohomish County Homeless Policy Task Force 2006*). Nearly 41,000 more households are just one life crisis away from homelessness because they pay more than half their income for housing (*HUD, US Census Bureau, American Community Survey 2000*). The problem is particularly acute in Seattle where enormous increases in Seattle's home prices over the past 10 years have pressed rents ever higher. Condo conversions and low vacancy rates exacerbate the problem. Today, a worker earning minimum wage must work 85 hours/week to afford a 2-bedroom at the area's fair market rent. A single mother with one preschool child needs to earn nearly \$17/hour at a fulltime job to pay fair market rent and utilities for a modest 2-bedroom apartment and still cover basic expenses like food and childcare.

To house the homeless families we have – and prevent homelessness in the future – the Committee to End Homelessness in King County has identified the need to develop 1,900 new units of housing for homeless families. According to this *10-Year Plan to End Homelessness in King County*, these apartments must have rents affordable for extremely low and very low income households, and at least half will need to come with services designed to help families stabilize their lives and overcome barriers that have contributed to their homelessness. The *10-Year Plan* calls for both short-term and long-term case management that is goal-oriented and culturally relevant together with immediate and ongoing support services that promote increased income and household self-sufficiency.

Our project is in direct response to and consistent with the goals for development of housing for homeless families set forth by the City of Seattle and in the *10-Year Plan*.

3. Coordination with Other Homeless Assistance Programs. The YWCA works closely with homeless assistance programs throughout Seattle and King County, e.g. Women's Referral Center, Health Care for the Homeless, the Homelessness Intervention Project (specialized employment services for homeless persons), and other providers of affordable housing, domestic violence shelters and related services for homeless women and families in the Seattle area. We look forward to creating a network of referral and support for the homeless families coming to rebuild their lives at Fort Lawton.

4. Time Required to Commence and Timeline. We anticipate working with SHA during the timeframe outlined in their proposal, specifically

- 2007-2008 Assisting with preparation of plans for Departments of Defense and HUD and participating in design process
- 2008-2009 Assembling public financing
- 2009-2010 Construction
- 2011 Occupancy

YWCA of Seattle-King County-Snohomish County

5. Key Partners The Seattle Housing Authority and Habitat for Humanity Seattle/South King County and Homestead Community Land Trust are our key partners for development of the Fort Lawton project. The partners have submitted full applications under separate cover.

BUILDINGS OR PROPERTY NECESSARY TO CARRY OUR PROGRAM

SHA is proposing a complete redevelopment of the site, including new infrastructure, to accommodate higher density. The option exists to rehabilitate one or two existing structures and convert them to meet program, community and/or office space needs. We will be working with SHA to assess the condition and suitability of these buildings for our purposes.

SHA's redevelopment plan assumes flexible zoning with approximately 13 units/acre. We expect our units to be in the denser sections of the new neighborhood, away from existing single family residences. Please refer to the attached SHA proposal for more details on site development possibilities.

ORGANIZATIONAL CAPACITY

1. Past Performance and Experience

The YWCA has been in the affordable housing business since 1914 when we purchased land and built the Seattle Women's Residence in downtown Seattle. We currently manage 585 housing units, of which we own 463.

- 212 apartments offer safe, short-term housing for homeless women and families. YWCA staff provides intensive case management and connect clients with the services they need to move forward with their lives, such as – mental health and chemical dependency counseling, domestic violence advocacy, employment assistance, childcare, health care and legal assistance. The YWCA offers many of these services in-house (primarily domestic violence, employment and counseling) and partners with local providers for other needed services. Last year 87% of clients graduating from transitional programs moved on to permanent housing.
- More than half the residents in our 373 permanent units were homeless before they came to live in YWCA housing. With affordable rent and YWCA support, nine of 10 avoid returning to the street.

In recent years, the YWCA has successfully preserved or built five affordable housing projects totaling 288 apartments:

- Summerfield Apartments. 52, 1 and 2-bedroom apartments in East Bellevue acquired in 2005 with variable rate 501c3 bonds and YWCA Capital Campaign funds. The entire complex is affordable for low income working families, and 13 units have rent subsidy (Project Based Section 8) and service support (Sound Families) to make them accessible to homeless and extremely low income households.
- YWCA Opportunity Place. Construction of a 7-story mixed use building in Seattle's Belltown neighborhood, completed in 2003. It includes 145 studio and one-bedroom units of permanent supportive housing and 35,000 square feet of program space for our Angeline's Center for Homeless Women and our Employment & Learning Center. Project Based Section 8 makes units are affordable for persons with little or no income. Nearly 90% of our residents were homeless before coming to live at Opportunity Place. Financing for this complex \$29 million project included 4% Low Income Housing Tax Credits, tax-exempt bonds, Seattle Housing Levy, State Housing Trust Fund, Federal

YWCA of Seattle-King County-Snohomish County

Home Loan Bank, King County Housing Opportunity Fund, other public sources and private contributions. through the YWCA Capital Campaign. Winner of Fannie Mae's 2004 Maxwell Award for Excellence in Affordable Housing.

- Family Townhomes. 12, three-bedroom townhouses near Newcastle purchased in 1997 with public financing and private contributions. Affordable for families with incomes 30 – 40% of median.
- YWCA Family Village. Built in 1993: 20 1, 2 and 3 bedroom apartments for homeless families plus on-site early learning center and employment services. Funded through State Housing Trust Fund, King County HOF, ARCH, Low Income Housing Tax Credits and private contributions. A Maxwell Award winner in 1994.
- Lexington-Concord Apartments. 59 studio and 1-bedroom apartments in Seattle's Belltown neighborhood. Purchased in 1988 and renovated in 1991 with tax-exempt bond financing and Seattle Housing Levy funds. Units are affordable for households with incomes 30 – 50% of median, with an average affordability of 40% AMI.

2. Current & Proposed Projects

The YWCA is developing integrated, efficient regional systems of permanent housing and supportive services in Seattle, East King, South King and Snohomish Counties. The goal is to significantly reduce family homelessness by helping homeless and at-risk working families maintain stable permanent housing. Over ten years, we will be developing housing near our regional services, bringing our housing portfolio to 1,000 units. In addition to the housing proposed for the Fort Lawton site, we have the following projects in progress:

- Passage Point. Redevelopment of King County's facility in Maple Valley into a supportive residential community for women discharged or diverted from the correctional system who would otherwise be homeless and who hope to reunite with their minor children. This is a regional effort targeting women from King, Pierce and Snohomish Counties.
 - ~ 70 units: 46 remodeled studio and 1-bedrooms; 24 new 1, 2 and 3-bedroom units
 - ~ \$18.6 million capital budget. \$4 million committed by King County. Other funding requests pending or anticipated: Low Income Housing Tax Credits (9%), State Housing Trust Fund, Federal Home Loan Bank, Snohomish County, Pierce County, and other regional public and private sources. King County Housing Authority has committed Project-Based Section 8 operating subsidy for all 70 units.
 - ~ Timeline: Renovations scheduled to start in Fall 2007, with the first residents moving in the following year. New construction scheduled to begin in 2008, with the new units opening in late 2009.
 - ~ Developer: Common Ground.
- Snohomish County Affordable Housing Preservation. We have three projects – 220 units – under contract: 66 in Mountlake Terrace, 64 in Lynnwood and 90 in South Everett. These acquisitions are being financed through the sale of tax-exempt and taxable bonds. Marketing for those bonds begins in January, and we expect to close on these projects in 2007.

In preparation for this housing expansion effort, the YWCA enhanced its housing management capacity by upgrading its systems, including the purchase of professional property management software, and adding administrative and facilities management staff. This infrastructure is designed to support management of 1,000+ housing units, including the housing at Fort Lawton.

YWCA of Seattle-King County-Snohomish County

If our proposal is selected, we anticipate selecting a consultant through a competitive process to provide professional housing development services for our portion of the Fort Lawton redevelopment.

3. Financial Statements Enclosed

- 2004 Audit
- 2005 Audit
- 2004 Form 990
- 2005 Form 990
- Balance Sheet as of 11/30/06
- Most Recent Full Fiscal Year Revenue & Expense Statement from 2005 Audit

FINANCING OVERVIEW

Since development plans for the site are very preliminary and conceptual and will take form over time with community input, any financing plan for our project is necessarily conceptual as well. Here are our basic assumptions. All are based on 60 units of new construction with no cost for land acquisition and with no escalation provision.

TOTAL DEVELOPMENT COST	\$11,115,000
Per Unit	185,250

KEY FUNDING SOURCES

• Low Income Housing Tax Credits – 9% (\$.90 paid per \$1.00 of tax credit)	\$ 8,000,000
• Seattle Housing Levy	1,615,000
• State Housing Trust Fund	1,500,000
TOTAL SOURCES	\$11,115,000

KEY OPERATING ASSUMPTIONS

- 2 Transition-In-Place units for homeless families generate no rental income
- 58 units receive Project-Based Section 8 subsidy, generating the equivalent of Fair Market Rent and making the units affordable to extremely low income families
- Operating costs at \$9,800/unit annually including support service staff and reserves
- YWCA provides support and supervision for the program within its general operating budget

Attached is a sample pro forma for this project. Given the preliminary and conceptual nature of the project, this sample includes some but not all of the detail in the City's standard affordable housing funding application. If our proposal is selected and project plans become more concrete, we will be happy to prepare a complete financial analysis.

YWCA Housing for Homeless Families At Fort Lawton

CONCEPTUAL PRELIMINARY PROJECT COSTS

Site Preparation	\$ 105,000
Operating Costs: Construction/Lease Up	429,000
Hard Costs: Construction	7,449,000
Soft Costs: A & E	1,973,000
Developer Fee	649,000
Financing Costs	510,000
TOTAL DEVELOPMENT COST	\$ 11,115,000
<i>Per Unit</i>	\$ 185,250

POTENTIAL FUNDING SOURCES

	A	B
Low Income Housing Tax Credits (9%) at \$1.16/\$1	\$ 10,300,000	
Low Income Housing Tax Credits (9%) at \$.90/\$1		\$ 8,000,000
Seattle Housing Levy	407,500	1,615,000
State Housing Trust Fund	407,500	1,500,000
TOTAL SOURCES	\$ 11,115,000	\$ 11,115,000

Note: We hope to use the YWCA's new Affordable Housing Fund for construction financing. The flexibility of that fund would enable us to phase in the tax credit equity and potentially get a more favorable investment per dollar of tax credit. For planning purposes, however, we are using the more conservative rate shown in column B.

New Construction Budget

YWCA New Construction Project

Acquisition / Prep Cost	Costs
Land Acquisition Date	2/1/07
Ernest Money Date	-
Ernest Money Payment	-
Land Acquisition Price	-
Purchase price	75,000
Demolition and prep costs	-
Site Work	-
Landscape	-
Soft	15,000
Legal	15,000
Title/Inspections	-
Other	-
Total	105,000

Operating Costs	Costs
Proxeny Taxes	75,000
Insurance (During Construction)	125,000
Land Lease During Development	-
Utilities (During Construction)	40,000
Lease Up Marketing Budget	30,000
Operating Deficit	138,012
Rental Income (Pre Construction)	-
Retail Leasing Commissions	-
Total	429,012

Hard Costs (Construction)	Area	Unit Cost	Costs
Contract			
Parking	26,250	\$10.00	262,500
Level 1 - Commercial Space	0	\$75.00	-
3 Levels of Apartments	62,195	\$90.00	4,975,610
Common Space - hallways	0	\$0.00	-
Mechanical Core	0	\$0.00	-
Contract Subtotal	88,445	\$0.00	5,238,110
General Conditions		6.0%	314,287
Overhead and Profit		4.50%	235,715
Commercial Tenant Improvements	0	\$50.00	-
Owner Provided Items:			
Utility Hook Up Fees			60,000
Trash Equipment			55,000
Incorporated Art Element			-
Furniture and Fixtures			90,000
Hard Cost Sub-total			5,993,111
Contingency (% of Hard Costs)		15.0%	892,967
Construction Contract			6,846,078
Sales Tax		8.8%	602,455
General liability and all-risk insurance			-
Total			7,448,533

Development Fee	Costs
Development Fee (% of project costs, less land)	649,409
Total	649,409

Soft Costs (A&E)	Costs
Due Diligence	25,000
Land Use Legal	20,000
Other Legal	0
Permit / Fees	68,461
Inspections	100,000
Architect & Engineering thru Constr. Completion	1,455,000
Mitigation Fees & Traffic	75,000
Other Consultant	25,000
Public Relations	0
Market Study/Appraisal Reports	25,000
Soft Cost Sub-total	1,793,461
Soft Cost Contingency	179,246
Total	1,972,707

Project Cost Summary	Costs
Acquisition / Prep Cost	105,000
Operating costs	429,012
Hard Costs (Construction)	7,448,533
Development Fee	649,409
Soft Costs (A&E)	1,972,707
Project Costs before Financing Costs	10,604,761

Sources & Uses	Costs
Bank Loan	0
5% Credits	92,305,801
Permanental AHE Funding	808,560
Deferred Developer Fee	-
Total	11,114,761
Project Cost	10,604,761
Construction Interest	650,000
Costs of Issuance	295,000
Other	100,000
Total	11,654,761

YWCA Housing for Homeless Families At Fort Lawton

PROJECTED REVENUE

	#	Rent	Month	Year
Transition-In-Place	2	-	-	-
Studio		-	-	-
1BR		-	-	-
2BR	29	834	24,186	290,232
3BR	29	1,175	34,075	408,900
4BR		-	-	-
5BR		-	-	-
TOTAL	60		58,261	699,132
Less Allow for vacancy/ uncollectable rents		10.0%	5,826	69,913
Effective Gross Income			\$ 52,435	\$ 629,219

PROJECTED OPERATING COSTS

		Per Unit	Month	Year	Unit/Year
Operating Costs	60	400	24,000	288,000	4,800
Resident Utilities	60	110	6,600	79,200	1,320
Services FTE	4	3,833	15,333	184,000	3,067
Reserves	60	50	3,000	36,000	600
Total Operating Costs			\$ 48,933	\$ 587,200	\$ 9,787
CASH FLOW			\$ 3,502	\$ 42,019	

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF
SEATTLE-KING COUNTY-SNOHOMISH COUNTY
AND AFFILIATES*

Consolidated Financial Statements and
Auditors' Report Required by
OMB Circular A-133

December 31, 2004

Independent Auditors' Report

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

We have audited the accompanying consolidated statement of financial position of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (the "Organization") as of December 31, 2004, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2003 consolidated financial statements, which were audited by other auditors and whose report dated May 5, 2004, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates as of December 31, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2005, on our consideration of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The supplemental schedule presented on page 19 for the year ended December 31, 2004 is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark Amber P.S.

Certified Public Accountants
April 18, 2005

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Consolidated Statement Of Financial Position
 December 31, 2004
 (With Comparative Totals For 2003)

	2004	2003 Restated (Note 14)
<i>Assets</i>		
Current Assets:		
Cash and cash equivalents	\$ 3,772,521	\$ 4,164,809
Accounts receivable	1,939,689	2,135,460
Pledges receivable, net - current	612,037	503,476
Prepaid expenses	224,212	393,408
Total Current Assets	6,548,459	7,197,153
Pledges receivable, net - noncurrent	1,094,806	2,583,684
Investments	22,461,031	19,568,635
Notes receivable from related party	4,023,482	3,940,447
Investments in partnerships	2,971,677	2,972,548
Land, buildings and equipment, net	21,549,662	21,246,914
Total Assets	\$ 58,649,117	\$ 57,509,381
<i>Liabilities And Net Assets</i>		
Current Liabilities:		
Accounts payable	\$ 463,717	\$ 1,334,590
Accrued expenses and other current liabilities	1,435,858	1,493,098
Total Current Liabilities	1,899,575	2,827,688
Long-term debt	3,992,245	3,595,608
Total Liabilities	5,891,820	6,423,296
Net Assets:		
Unrestricted -		
Board designated reserves	10,390,258	9,081,642
Undesignated	26,510,754	25,361,074
Total unrestricted	36,901,012	34,442,716
Temporarily restricted	11,120,815	12,029,619
Permanently restricted, restated (Note 14)	4,735,470	4,613,750
Total Net Assets	52,757,297	51,086,085
Total Liabilities and Net Assets	\$ 58,649,117	\$ 57,509,381

The accompanying notes are an integral part of the financial statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
Consolidated Statement Of Activities
For The Year Ended December 31, 2004
(With Comparative Totals For 2003)

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>2004 Total</i>	<i>2003 Total Restated (Note 14)</i>
Operating Activities					
Revenues:					
Public support -					
Governmental fees and grants	\$ 11,977,426	\$ -	\$ -	\$ 11,977,426	\$ 14,282,383
Contributions	1,590,617	2,608,837		4,199,454	4,339,594
United Way and other workplace giving	1,600,256	19,185		1,619,441	1,632,184
Net assets released from restriction	2,149,378	(2,149,378)			
Total public support	17,317,677	478,644		17,796,321	20,254,161
Earned revenue -					
Program service fees and rents	2,253,535			2,253,535	1,803,036
Operating investment return	477,000			477,000	450,000
Total earned revenue	2,730,535			2,730,535	2,253,036
Total Revenues	20,048,212	478,644		20,526,856	22,507,197
Expenses:					
Program services -					
Shelter and related services	6,956,923			6,956,923	7,025,034
Employment assistance for disadvantaged	5,137,038			5,137,038	6,500,054
Child care	1,770,922			1,770,922	1,718,549
Youth	1,449,561			1,449,561	1,414,923
Families	1,511,207			1,511,207	1,474,212
Affordable housing	1,266,244			1,266,244	1,029,306
Supporting services -					
Management and general	1,146,918			1,146,918	1,209,344
Fund raising	958,660			958,660	837,030
Total Expenses	20,197,473			20,197,473	21,208,452
Change In Net Assets from Operating Activities	(149,261)	478,644		329,383	1,298,745
Nonoperating Activities					
Endowment contributions			117,717	117,717	929,488
Capital campaign contributions		48,694		48,694	1,678,441
Non-operating investment return	1,171,415		4,003	1,175,418	2,009,075
Development fee					946,284
Net assets released from restriction	1,436,142	(1,436,142)			
Change In Net Assets from Nonoperating Activities	2,607,557	(1,387,448)	121,720	1,341,829	5,563,288
Total Change In Net Assets	2,458,296	(908,804)	121,720	1,671,212	6,862,033
Beginning of year net assets, restated (Note 14)	34,442,716	12,029,619	4,613,750	51,086,085	44,224,052
End of year net assets	\$ 36,901,012	\$ 11,120,815	\$ 4,735,470	\$ 52,757,297	\$ 51,086,085

The accompanying notes are an integral part of the financial statements.

**WOMEN'S CHRISTIAN ASSOCIATION
OF NUTTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**
*Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2004
(With Comparative Totals For 2003)*

	Programs/Projects				Supporting Activities				Total			
	Administrative Services	Child Care	Employment Assistance for Women/Unemployed	Choir/Chorus	Support	Apprenticeship/Training	Total Program	Management/Professional		Board/Boarding		
Salaries	\$ 2,119,862	\$ 2,750,148	\$ 1,085,588	\$ 444,191	\$ 944,533	\$ 364,274	\$ 7,608,747	\$ 600,385	\$ 452,240	\$ 1,052,625	\$ 9,661,372	\$ 2,031,013
Employee benefits	324,810	316,175	164,006	64,528	113,286	52,446	1,035,251	91,493	67,160	158,653	1,193,964	1,437,899
Payroll taxes	247,056	341,023	118,357	50,317	52,054	33,013	880,462	54,900	40,821	95,721	976,183	1,059,944
Total personnel costs	2,691,741	3,407,346	1,365,951	559,036	1,050,503	449,583	9,524,460	746,778	560,221	1,306,999	10,831,459	1,195,856
Professional services	27,046	170,850	5,282	155,325	12,749	52,066	423,348	65,598	62,647	128,245	574,593	405,652
Supplies	159,362	87,125	123,980	116,231	63,659	40,139	590,697	8,343	137,648	145,991	736,648	145,305
Telephone	55,058	62,642	13,908	19,558	27,073	10,938	198,484	4,930	3,481	8,391	206,875	223,186
Postage and shipping	10,117	10,756	1,443	16,249	9,049	995	45,609	14,964	10,082	25,056	70,695	55,505
Occupancy	973,163	259,649	81,239	72,413	36,930	345,025	1,471,429	69,962	12,725	82,687	1,554,116	1,355,594
Rent and maintenance of equipment	34,053	32,225	3,428	16,809	6,926	28,641	122,182	20,680	10,601	31,281	153,463	130,694
Printing and publications	6,474	14,108	1,713	23,842	25,002	1,010	74,248	26,235	48,407	74,643	148,892	174,006
Advertising	8,617	11,004	5,452	3,424	3,492	536	32,595	14,807	6	14,813	47,408	42,981
Transportation	41,052	47,467	7,619	21,360	30,552	6,612	154,682	26,382	10,216	36,598	193,280	184,128
Conferences and meetings	8,116	16,875	6,289	4,262	10,360	2,034	47,958	9,889	5,306	19,195	67,153	65,843
Specific assistance to individuals	2,063,581	361,654	319	1,501	159,381	960	3,162,806	-	-	-	3,162,806	2,821,485
Dues	7,541	8,935	2,536	2,859	3,961	5,316	31,148	4,364	2,567	6,931	38,079	11,976
Awards and grants to other agencies	328,754	317,761	8,355	367,481	367,481	914,026	914,026	-	-	-	914,026	893,691
Liability insurance	74,477	82,964	33,291	14,462	24,425	67,610	297,630	24,615	12,279	36,897	334,527	364,122
Amusements	5,986	5,201	2,552	5,524	2,152	31,282	70,727	25,485	6,196	31,685	102,412	103,533
In-kind expenses	49,908	102,158	58,305	15,952	5,631	731	215,666	20,000	58,462	78,462	274,128	428,642
Payments to affiliated organizations	-	-	-	-	-	-	-	20,000	-	20,000	20,000	20,000
Total Expenses Before Depreciation	6,743,106	4,999,078	1,713,348	1,416,918	1,473,655	1,061,678	17,407,765	1,108,037	944,837	2,052,874	19,460,660	20,651,300
Depreciation of buildings	186,160	59,706	26,300	70,159	14,455	195,411	474,931	26,784	3,853	30,637	505,565	515,051
Depreciation of equipment	57,655	78,254	29,274	12,484	22,456	8,055	209,178	12,087	5,970	18,057	231,245	210,101
Total Expenses	6,956,923	5,137,038	1,770,922	1,445,551	1,511,207	1,266,244	18,091,855	1,146,918	958,660	2,105,578	20,197,473	21,208,452

* All supporting activities are an integral part of the main activity.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
Consolidated Statement Of Cash Flows
For the Year Ended December 31, 2004
(With Comparative Totals For 2003)

	<i>2004</i>	<i>2003</i>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,671,212	\$ 6,862,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted to long-term investment	(64,477)	(926,261)
Non-cash forgiveness of long-term debt	(30,000)	(30,700)
Depreciation and amortization	736,813	527,151
Unrealized and realized (gains) losses on investments	(1,047,055)	(1,913,359)
Other (gains) losses		17,444
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(11,826)	1,513,496
Prepaid expenses and other assets	87,032	136,095
Accounts payable	(870,873)	(32,414)
Accrued expenses and other liabilities	(16,282)	328,860
Net Cash Provided by Operating Activities	454,544	6,482,345
Cash Flows From Investing Activities:		
Purchases of land, building and equipment	(653,882)	(3,457,595)
Transfer of land to partnership		716,185
Proceeds from sale of investments	1,737,667	7,505,002
Purchase of investments	(3,583,008)	(13,036,326)
Investment in partnership		(100)
Net Cash Used by Investing Activities	(2,499,223)	(8,272,834)
Cash Flows From Financing Activities:		
Proceeds from contributions restricted for long-term investment	1,652,391	926,261
Assignment of long-term debt to partnership		(3,506,000)
Issuance of note receivable to related party		(2,921,135)
Forgiveness of long-term debt		(110,000)
Net Cash Provided (Used) by Financing Activities	1,652,391	(5,610,874)
Net Change In Cash	(392,288)	(7,401,363)
Cash balance, beginning of year	4,164,809	11,566,172
Cash Balance, End Of Year	\$ 3,772,521	\$ 4,164,809
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Acquisition of Seattle Emergency Housing Services land and buildings	\$ 385,679	\$ -
Assumption of Seattle Emergency Housing Services long-term debt	\$ 385,679	\$ -

The accompanying notes are an integral part of the financial statements

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 1 - Nature Of Activities

Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (collectively, the "Organization") provides a variety of social services, including shelter and related services, affordable housing, employment services, child care, and programming for youth and families primarily in the King and Snohomish County areas. The majority of the Organization's funding is derived from public support. The Organization's comprehensive, integrated intervention and prevention services include:

- Shelter and related services - Emergency and transitional housing, counseling, information/referral, and assistance with food and clothing. Also assessment, education, and advocacy for clients needing access to health care.
- Employment assistance for the disadvantaged - Individual and group job search counseling, placement assistance, follow-up support, case management, tuition assistance, and assistance with food, clothing, housing and access to health care. Serves both adults and youth.
- Child care - Developmental child care for infants through school age children, many of whom are below median income and receive subsidized child care.
- Youth - After-school and summer program aimed at skill-building and mentoring for at risk girls in middle and high school. On-site training and technical assistance for providers of out-of-school care for children and youth throughout Washington State, which indirectly benefits many more children and youth.
- Families - Information/referral and workshops for parents, counseling for families recovering from domestic violence, and educational outreach in the community regarding domestic violence.
- Affordable housing - Permanent housing for low and very low income clients. 24 hour desk and security service, counseling, and information/referral.

Note 2 - Summary Of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of the mutually controlled Young Women's Christian Association of Seattle-King County-Snohomish County ("YWCA"), Young Women's Service Association of Seattle-King County ("YWSA"), and Dress for Success® Seattle ("DFSS"). All intercompany transactions have been eliminated.

During 1986, the Young Women's Service Association of Seattle-King County ("YWSA"), a Washington non-profit corporation, was established by YWCA. YWSA was formed to renovate the single-room occupancy facilities of floors five through eight of the facility located at 1118 Fifth Avenue in Seattle (declared as Apartment 2). The facility is operated as affordable, long-term housing. YWSA entered into an agreement with the City of Seattle for grant monies from the U.S. Department of Housing and Urban Development to be used to finance its project. Grant conditions require that title to the project facilities be held by YWSA. In November of 1987, a management agreement was executed in which YWSA granted to YWCA a revocable license to use Apartment 2. The YWCA has agreed to operate and administer the residence under the terms and conditions of YWSA's grant noted above. YWCA retains control of YWSA via totally interlocking boards of directors and a single executive director.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 2 - Continued

During 2002, YWCA entered into a management agreement with Dress for Success[®] Seattle ("DFSS"), a Washington non-profit organization. YWCA will manage DFSS in accordance with the Dress for Success[®] Worldwide Trademark License Agreement and Membership Agreement, maintain the corporate and business records of DFSS, and perform management reporting and accounting services for DFSS. YWCA retains control of the DFSS via totally interlocking boards of directors and a single executive director.

Basis of Presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with maturities of three months or less, except for those held in its investment and reserves portfolios, to be cash and cash equivalents. Management anticipates no material effect to the Organization's financial position as a result of cash held in a bank in excess of the available federal deposit insurance.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law. Management anticipates no material effect to the Organization's financial position as a result of investments held in excess of the available SPIC insurance.

Land, Buildings and Equipment - Land, buildings and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation has been provided for furnishings and equipment on the straight-line basis over three to seven years. Depreciation has been provided for buildings and improvements on the straight-line basis over 40 years. Leasehold improvements have been amortized over the lives of the leases.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 2 - Continued

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2004 or 2003.

Annuities Payable - Annuities payable are recorded at the present value of the periodic payments due, as determined by independent actuaries. This valuation is adjusted annually. In the year the gift is received, the excess of the amount of the gift over the liability for the annuity payable is recorded as unrestricted, temporarily restricted or permanently restricted contribution income, depending on the stipulations of the donor. Annuities payable are included with other current liabilities on the statement of financial position.

Donated Property and Services - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Items of questionable or uncertain value are not recorded. Items that are simply distributed to the intended recipients, such as food and clothing for the needy, are also not recorded. Otherwise, donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services are recorded at fair value if they create or enhance a nonfinancial asset or if they consist of specialized skills that would have been purchased if they were not donated. In most cases this represents labor to construct or improve an asset or necessary professional services.

For the years ended December 31, 2004 and 2003, the Organization recorded noncash donations of \$284,129 and \$664,634 respectively. These represent \$58,462 and \$6,810 in printing and advertising services for program and fund raising purposes, and \$225,667 and \$657,824 in donated facilities, software, and equipment for programs and general operations in 2004 and 2003 respectively.

Restricted and Unrestricted Revenue and Support - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Federal Income Tax - YWCA, YWSA, and DFSS have been notified by the Internal Revenue Service that they are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Reclassifications - Certain reclassifications were made to the December 31, 2003 financial statements to conform to the current year presentation. The reclassifications have no effect on the change in net assets

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 2 - Continued

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Totals - The financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2003, from which the summarized information was derived.

Note 3 - Pledges Receivable

Pledges receivables are due as follows:

	<u>2004</u>	<u>2003</u>
Receivable in less than one year	\$ 1,255,453	\$ 2,406,265
Receivable in one to five years	501,108	866,114
Receivable in more than five years		48,795
	<u>1,756,561</u>	<u>3,321,174</u>
Less allowance for uncollectible pledges	(29,467)	(40,983)
Less unamortized discount	(20,251)	(193,031)
Less current portion, net	<u>(612,037)</u>	<u>(503,476)</u>
Long-term Portion	<u>\$ 1,094,806</u>	<u>\$ 2,583,684</u>

Pledges receivable of \$643,416 are included in the above total of pledges due in less than one year, but are reported as long-term on the statement of financial position because they have been restricted to investment in long-term assets by the donor.

The Organization has an irrevocable interest in a charitable remainder unitrust. Under the terms of the trust agreement, the income beneficiary will receive in each year of her lifetime the lesser of the annual trust income or 6% of the net value of the trust assets. Upon the death of the income beneficiary, the Organization will receive the remainder of the trust assets. This interest is included in the December 31, 2004 and 2003 balances of pledges receivable at a net present value of \$57,679 and \$48,795, respectively. This present value was computed based on an interest rate of 4.2% for 2004 and 2003. A gain of \$8,884 and \$13,870 in 2004 and 2003, respectively, were recognized from the change on the net present value of this receivable

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 4 - Conditional Pledges Receivable

As of December 31, 2004 and 2003, the Organization had received notice of tentative award for the periods January to June 2005 and 2004 of United Way of King County support allocations in the amount of \$676,751 and \$563,722 respectively. As these allocations were subject to change based on the final results of United Way's 2004 and 2003 fund raising campaigns, they were not recorded as receivables by the Organization at December 31, 2004 and 2003.

Note 5 - Land, Buildings, And Equipment

Land, building and equipment consisted of the following at December 31:

	<u>2004</u>	<u>2003</u>
Land	\$ 4,665,529	\$ 4,563,208
Buildings	18,717,292	18,419,440
Construction in progress	331,567	315,909
Leasehold improvements	2,647,389	2,176,087
Furniture, equipment and art	<u>2,560,744</u>	<u>2,408,316</u>
	28,922,523	27,882,960
Less accumulated depreciation	<u>(7,372,859)</u>	<u>(6,636,046)</u>
	<u>\$ 21,549,662</u>	<u>\$ 21,246,914</u>

Construction in progress at December 31, 2004 and 2003, relates to building improvements at the Seneca and Opportunity Place buildings.

Note 6 - Investments

Investments held at December 31 are summarized as follows:

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 4,140,716	\$ 4,836,888
Certificates of deposit	451,946	114,828
Marketable debt securities	7,629,506	5,568,493
Marketable equity securities	<u>10,238,863</u>	<u>9,048,426</u>
	<u>\$ 22,461,031</u>	<u>\$ 19,568,635</u>

Investment return for the year ended December 31 was as follows

	<u>2004</u>	<u>2003</u>
Interest and dividends	\$ 605,363	\$ 545,716
Realized losses	(16,923)	(177,819)
Unrealized gains	<u>1,063,978</u>	<u>2,091,178</u>
	<u>\$ 1,652,418</u>	<u>\$ 2,459,075</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 6 - Continued

Non-operating investment return consists of earnings on endowment funds that are not used to fund current operations of the Organization. All other investment return is considered operating revenue

	<u>2004</u>	<u>2003</u>
Operating investment return	\$ 477,000	\$ 450,000
Non-operating investment return	<u>1,175,415</u>	<u>2,009,075</u>
	<u>\$ 1,652,418</u>	<u>\$ 2,459,075</u>

Note 7 - Investments In Partnerships And Related Party Transactions

The Organization accounts for its investments in partnerships using the equity method. The Organization's equity investment in partnerships is summarized as follows at December 31:

	<u>2004</u>	<u>2003</u>
Family Village Limited Partnership	\$ 2,971,677	\$ 2,972,465
Angeline's LLC	<u>-</u>	<u>83</u>
	<u>\$ 2,971,677</u>	<u>\$ 2,972,548</u>

Family Village Limited Partnership – During 1993, YWCA and two other partners formed Family Village Limited Partnership to own the Family Village transitional housing project. YWCA is the general partner of Family Village Limited Partnership with a 1% interest in income and losses and a 54.97% interest in capital events of the partnership.

The partnership agreement provides that the Family Village project be leased back to the YWCA under a separate operating lease dated February 18, 1993. Under the terms of the operating lease, YWCA will pay an annual rent of \$67,900, which is to be adjusted annually for any increase in the Consumer Price Index. The Organization may terminate the lease with 6 months notice; otherwise, the lease provides an expiration date of December 31, 2028.

The partnership agreement also provides for YWCA to receive a management fee from the partnership. Management fees for 2004 and 2003 were \$5,899 and \$5,829, respectively.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 7 - Continued

The following obligations were assigned from YWCA to the Family Village Limited Partnership in conjunction with the transfer of the Family Village project to the partnership. YWCA entered into consent agreements with each of the above grantors which authorize the assignment of these obligations to the Family Village Limited Partnership. These agreements do not relieve YWCA from liability should the terms and conditions of these obligations not be met. As there are no indications that the Family Village Limited Partnership will be unable to meet these terms and conditions, no provision has been made for such a contingency. Balances of these obligations as of December 31, 2004 were as follows:

Promissory note to King County, secured by deed of trust on Family Village project land, non-interest bearing and will be forgiven on December 5, 2016 provided all conditions are met	\$ 240,000
Promissory note to the State of Washington Department of Community Development secured by deed of trust on Family Village project land, non-interest bearing and due upon sale or change of use of the Family Village project	500,000
Obligation to King County for Family Village rent received in advance pursuant to a 35-year lease agreement dated September 1992	500,000
Obligation to King County for reimbursement of Family Village costs, non-interest bearing and will be forgiven on June 2, 2017 provided all conditions are met	<u>20,790</u>
	<u>\$ 1,260,790</u>

Angeline's LLC – During 2002, YWCA and one other partner formed Angeline's LLC to own floors 3 through 7 of the Opportunity Place building. YWCA is the managing member of Angeline's LLC with a 0.01% interest in income, losses and capital events of the LLC.

YWCA earned a development fee of \$946,284 during 2003 from Angeline's LLC in return for property development services. The full amount of the development fee was receivable at December 31, 2004 and 2003, and is included in notes receivable on the statement of financial position. \$247,402 of the developer fee is payable upon receipt by Angeline's LLC of the final investor member contribution. The remaining \$698,882 is to be paid from Net Cash Flow, as defined in the LLC agreement. Interest accrues on the unpaid portion at 1% per annum. Accrued interest of \$10,007 and \$0 are included in the note receivable balance at December 31, 2004 and 2003, respectively.

YWSA has a note receivable from Angeline's LLC of \$2,921,135 as of December 31, 2004 and 2003, secured by a deed of trust on floors 3 through 7 of the Opportunity Place building. The note requires interest to be accrued at the rate of 2.5% compounded annually. Accrued interest of \$146,056 and \$73,028 are also included in the note receivable balance at December 31, 2004 and 2003, respectively. Annual payments of principal and interest are due commencing June 30, 2004. Payments are restricted based on terms contained in the Angeline's LLC agreement. The full balance of the note is due and payable on or before December 31, 2043.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 7 - Continued

The LLC agreement provides for YWCA to receive a LLC management fee from the LLC. Payment of the LLC management fee is subject to available cash flow. The LLC management fee accrued for 2004 was \$30,000 and is included in accounts receivable at December 31, 2004.

There is also a separate property management agreement between the LLC and YWCA. YWCA agrees to provide property management services for Opportunity Place Apartments and in return receives payment equal to 4.5% of gross rents. Property management fees for 2004 were \$34,291.

Summary of Partnership Financial Information - The following is a summary of selected financial information from the unaudited financial statements of Family Village Limited Partnership and the audited financial statements of Angeline's LLC:

	<i>December 31, 2004</i>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Family Village Limited Partnership	\$ 3,161,007	\$ 77,732	\$ 3,083,275
Angeline's LLC	<u>22,970,228</u>	<u>17,686,454</u>	<u>5,283,774</u>
	<u>\$ 26,131,235</u>	<u>\$ 17,764,186</u>	<u>\$ 8,367,049</u>
		<i>For the Year Ended December 31, 2004</i>	
		<u>Revenues</u>	<u>Net Income (Loss)</u>
Family Village Limited Partnership		\$ 93,416	\$ (78,883)
Angeline's LLC		<u>780,823</u>	<u>(832,673)</u>
		<u>\$ 874,239</u>	<u>\$ (911,556)</u>

Note 8 - Long-Term Debt

Long-term debt consisted of the following at December 31:

	<u>2004</u>	<u>2003</u>
Seneca Building:		
Housing Development Grant and Community Development Block Grant loan from the City of Seattle; dated August 26, 1986; accruing interest at 3% per annum; secured by a deed of trust on floors five through eight of the building; principal and accrued interest are due August 30, 2007 or will be forgiven on that date provided all terms and conditions of the loan have been met; additionally, \$30,000 of the principal balance is forgiven each year provided all terms and conditions of the loan balance have been met; the note balance includes accrued interest of \$554,974 and \$530,249 at December 31, 2004 and 2003, respectively	\$ 1,349,137	\$ 1,354,412

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 8 - Continued

Lexington-Concord Building:

Loan from the City of Seattle; dated July 5, 1988; accruing interest at 1% per annum; secured by a deed of trust on the building; due July 5, 2028, however if all terms and conditions of the loan are met, extensions may be requested at five year intervals; interest will be forgiven over a twenty-year period beginning July 5, 2029 provided all terms and conditions have been met; the note balance includes accrued interest of \$233,872 and \$218,281 at December 31, 2004 and 2003, respectively

1,792,987 1,777,296

Pathways for Women Building:

Housing Trust funds loan from Snohomish County; dated December 16, 1992; non-interest bearing; secured by a deed of trust on the building; will be forgiven when the mortgaged property has been continuously used for twenty years for the purposes specified in the Housing Trust fund agreement; for any periods of failure to comply with the specified terms and conditions a prorated portion will become due and payable

234,000 234,000

East Cherry Branch Building:

Community Development Block Grant funds loan from the City of Seattle; dated January 1, 1997; non-interest bearing, except for contingent interest in the event of a default; secured by a deed of trust on the building; loan will be forgiven on December 31, 2017, if used for the purposes specified in the Housing Trust Fund Agreement

120,000 120,000

Bellevue Townhomes:

Community Development Block Grant funds loan from King County, dated June 6, 1997; non-interest bearing; secured by a mortgage on the townhomes; loan will be forgiven on June 6, 2047, if used for the purposes specified in the Housing Trust Fund Agreement

79,000 79,000

Community Development Block Grant funds loan from the City of Bellevue; dated May 29, 1997; non-interest bearing; secured by a mortgage on the townhomes; loan will be forgiven on May 29, 2047, if used for the purposes specified in the Regulatory Agreement and Declaration of Restrictive Covenants

30,800 30,800

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 8 - Continued

Windermere House:

Housing Levy funds loan from the City of Seattle; debt assumed November 1, 2004; accruing interest at 1% per annum; secured by a deed of trust on the house; loan matures September 19, 2009; the note balance includes accrued interest of \$366 at December 31, 2004

220,239

East Union Apartments:

HOME funds loan from the City of Seattle; debt assumed November 1, 2004; accruing interest at 1% per annum; secured by a deed of trust on the apartments; loan matures on August 21, 2034; the note balance includes accrued interest of \$276 at December 31, 2004

166,082

\$ 3,992,245 \$ 3,595,608

Future principal maturities of long-term debt are as follows

2005	\$	-
2006		
2007		
2008		
2009		220,239
Thereafter		<u>3,772,006</u>
		<u>\$ 3,992,245</u>

Interest expense totaled \$40,958 and \$41,216 for the years ended December 31, 2004 and 2003, respectively. Interest has not been imputed on any of the above mortgages that carry below-market rate loans as they are payable to governmental entities and carry legal restrictions. The restrictions require the Organization to use the property for low-income housing, as defined by the mortgages' regulatory agreement.

Note 9 - Employee Benefits

Pension Plan - The Organization participates in the pension plan operated by the YWCA Retirement Fund, a separate 501(c)(3) not-for-profit organization. The YWCA Retirement Fund operates an employer-sponsored cash balance defined benefit plan under Section 401(a) of the Internal Revenue Code. Employees who have completed at least 1,000 hours of service each year in two 12-month periods are required to become members of the plan. The Organization contributes an amount equal to 10% of the employee's monthly compensation. This includes a 5% reduction made to the employee's wages effectively creating a 5% before tax employee contribution. Pension expense of \$485,415 and \$523,150 was recorded for the years ended December 31, 2004 and 2003 respectively.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 9 - Continued

Self-insured Unemployment - The Organization participates in a private insurance pool with other 501(c)(3) organizations to provide unemployment compensation insurance for its employees. The Organization has recorded an accrued liability for unemployment compensation of \$333,200 and \$323,850 at December 31, 2004 and 2003 respectively, which represents its estimated liability for claims incurred but not paid. Funds held in the pool on behalf of the Organization totaled \$119,399 and \$161,880 as of December 31, 2004 and 2003, respectively and are included in prepaid expenses on the statement of financial position.

Note 10 - Concentration

The Organization received 58% and 59% during 2004 and 2003, respectively, of its operating revenues from governmental sources. While government sources comprise a significant percent of operating revenues, this risk is mitigated by the large number of government grants received from a variety of government sources. A reduction in these programs would have a significant impact on the Organization's activities.

Note 11 - Leases

Real Estate Leases - The Organization has entered into lease agreements for transitional housing and other facilities with terms expiring on various dates through 2028. The following is a summary of future minimum lease obligations under these lease agreements.

2005	\$ 355,503
2006	172,191
2007	138,116
2008	138,116
2009	117,313
Thereafter	<u>1,902,658</u>
	<u>\$ 2,823,897</u>

Rent expense for 2004 and 2003 was \$352,419 and \$327,104, respectively.

Commercial Leases - The Seneca and Opportunity Place buildings have commercial tenants with non-cancelable operating leases with terms expiring through 2014. The future minimum rental income to be received by the Organization under these leases is as follows:

2005	\$ 125,665
2006	133,190
2007	134,696
2008	105,265
2009	76,304
Thereafter	<u>303,683</u>
	<u>\$ 878,803</u>

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 12 - Board Designated Reserves

The Organization's board of directors has made designations of unrestricted net assets at December 31, as follows:

	<u>2004</u>	<u>2003</u>
Reserve for building repairs	\$ 102,229	\$ 102,229
Reserve for equipment replacement	1,579,692	1,359,728
Reserve for general endowment	5,258,087	4,502,462
Reserve for building endowment	1,330,108	1,189,251
Reserve for Family Village endowment	1,451,017	1,254,646
Reserve for capital campaign	273,738	273,738
Reserve for Pathways for Women endowment	104,865	104,865
Reserve for Lexington-Concord maintenance and repairs	120,287	113,207
Reserve for Dress for Success [®] Seattle	14,235	25,516
Reserve for Youth Leadership programs	<u>156,000</u>	<u>156,000</u>
 Board Designated Net Assets	 <u>\$ 10,390,258</u>	 <u>\$ 9,081,642</u>

Note 13 - Temporarily Restricted Net Assets

Net assets were temporarily restricted by donors for the following purposes at December 31:

	<u>2004</u>	<u>2003</u>
Plant acquisition and improvement	\$ 477,742	\$ 477,742
Family Village transitional housing project operations	284,730	284,730
Capital campaign	7,576,880	9,064,328
Restricted by specific program or timing	<u>2,681,463</u>	<u>2,202,819</u>
	<u>\$ 11,120,815</u>	<u>\$ 12,029,619</u>

Note 14 - Permanently Restricted Net Assets

Permanently restricted net assets represent gifts donor-designated for endowment purposes only, to be invested in perpetuity. Investment income is unrestricted or restricted for program services and is governed by the Organization's endowment spending policy.

In a prior year, the Organization had recorded a permanently restricted pledge receivable of \$950,000 from a donor who has named the Organization in her will. During 2004, management determined that the pledge should not have been recorded in the prior period as generally accepted accounting principles do not allow for the recording of a pledge when the Organization is named as a beneficiary in a donor's will unless it is irrevocable. The result of this prior period adjustment is a \$950,000 reduction of pledges receivable and permanently restricted net assets as of December 31, 2003 and 2002.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 15 - Acquisition Of Seattle Emergency Housing Service Assets And Liabilities

Effective November 1, 2004, under the terms of a Purchase and Sale Agreement, the Organization acquired certain assets and liabilities of Seattle Emergency Housing Service, a Washington non-profit organization that provided housing and youth programs to families in the Central Area of Seattle. The Organization has accounted for this acquisition using the purchase method of accounting. The assets acquired include two buildings and the related land that are used for transitional housing, cash reserves and equipment. The debt on these buildings was assumed by the Organization and is detailed in Note 7. Other assets acquired included minimal amounts of personal property and the assumption of two leases. The total cost of the assets acquired, based on the liabilities assumed, totaled \$432,851.

SUPPLEMENTAL SCHEDULE

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

*Support, Revenues, and Expenses For Selected Branches
For The Year Ended December 31, 2014*

	East Cherry Central Area	Family Village East King County	North King County	Snohomish County	Dress for Success & Seattle
Public Support, Revenues and Subsidy:					
Government fees and grants	\$ 578,128	\$ 544,548	\$ 1,281,081	\$ 3,103,605	\$ -
Other public support	304,157	40,499	140,329	269,226	245,802
Program service fees and investment income	75,372	207,839	75,377	56,344	22,425
	957,657	792,886	1,496,787	3,429,205	269,227
Agency subsidy from non-designated funds		249,675	309,764	722,533	45,411
Total Public Support, Revenues, and Subsidy	957,657	1,042,565	1,806,551	4,151,858	318,638
Expenses:					
Salaries	391,364	503,706	926,842	877,456	75,509
Employee benefits	49,600	74,973	143,128	128,537	9,141
Payroll taxes	48,165	55,515	95,734	102,757	8,561
Professional services	73,558	45,590	60,834	86,219	7,930
Supplies	31,421	44,527	31,841	30,834	2,289
Telephone	23,620	11,602	31,440	24,704	1,339
Postage and shipping	3,036	1,202	2,569	7,557	4,402
Occupancy	136,637	146,433	163,436	53,491	51,419
Rental and maintenance of equipment	37,584	2,687	14,146	7,132	-
Printing and publications	1,949	2,053	4,829	4,563	-
Advertising	1,374	1,408	1,449	3,991	6,728
Transportation	8,350	4,797	37,127	19,329	-
Conferences and meetings	8,097	2,850	5,008	2,156	371
Specific assistance to individuals	34,454	3,236	190,468	2,374,952	2,043
Dues	659	769	3,746	1,401	-
Liability insurance	9,414	32,618	22,501	26,166	1,620
Miscellaneous	867	2,662	903	5,460	966
In-kind expenses		8,000			95,937
Depreciation expense					11,284
	860,548	944,139	1,633,995	3,759,891	288,556
Agency administrative allocation	89,712	55,426	170,552	391,967	30,082
Total Expenses and Allocations	950,260	1,042,565	1,806,551	4,151,858	318,638
Net Total	\$ 7,397	\$ -	\$ -	\$ -	\$ -

See auditor's report

MARK TWAIN

*Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With Government Auditing Standards*

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

We have audited the consolidated financial statements of the Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (the "Organization") as of and for the year ended December 31, 2004 and have issued our report thereon dated April 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark Amber P.S

Certified Public Accountants
April 18, 2005

*Report On Compliance With Requirements
Applicable To Each Major Program And
Internal Control Over Compliance In
Accordance With OMB Circular A-133*

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

Compliance

We have audited the compliance of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (the "Organization") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2004. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule Of Expenditures of Federal Awards

We have audited the basic consolidated financial statements of the Organization as of and for the year ended December 31, 2004, and have issued our report thereon dated April 18, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties

Clark Nuber P.S.

Certified Public Accountants
April 18, 2005

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

*Schedule Of Expenditures Of Federal Awards
For The Year Ended December 31, 2004*

<i>Federal Grant, Pass through Grantor, Program Title</i>	<i>Federal (FD) Number</i>	<i>Grant Pass through Number</i>	<i>Fiscal Year Expenditures</i>
Department of Housing and Urban Development			
Supportive Case Management for Homeless Families	14.235	WA01B30-0046	\$ 161,312
Supportive Case Management for Homeless Families	14.235	WA01B00-0033	14,231
Supportive Housing - Shelter Plus Care	14.235	WA01B20-0002	80,958
Supportive Housing - Shelter Plus Care	14.235	WA01B204003	7,283
Supportive Housing - Shelter Plus Care	14.235	WA01B30-4003	77,941
Supportive Housing Program: 3-Agency	14.235	WA01B300024	34,787
Supportive Housing Program: Pathways	14.235	WA01B00-4002	18,477
Supportive Housing Program: Pathways	14.235	WA01B30-4002	45,907
Transitional Housing for Homeless - Anita Vista	14.235	WA01B200011	6,496
Transitional Housing for Homeless - Anita Vista	14.235	WA01B30-0019	48,769
Transitional Housing: Family Village	14.235	WA01B30-0020	78,878
Transitional Housing-Auburn	14.235	WA01B30-0003	42,541
			<u>617,580</u>
EDI: Special Projects Program Community Planning and Development Opportunity Place -Special Projects	14.246	B-03-SIP-WA-0849	66,900
Passed through from City of Seattle			
OP McKinney Supportive Housing Project	14.235	DA04-1090	117,975
Working Zone	14.235	DA03-7151	294,571
Working Zone	14.235	DA04-7151	10,799
			<u>423,345</u>
Passed through from Work Force Development Council of King County			
Homeless Intervention	14.235	T3YWC-421-HUD	388,760
Homeless Intervention	14.235	T2YWC-423-HUD	46,177
			<u>434,937</u>
Passed through from Snohomish county			
Transitional Housing - Project Reunite	14.235	WA01B10-4001	94,979
Passed through from Seattle-King County Department of Public Health			
Health Services	14.235	D331112	1,986
Health Services	14.235	DJ4058D	21,783
			<u>22,609</u>

Continued

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES

Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004

<u>Federal Grantor/Pass-through Grantor - Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-through Number</u>	<u>Fiscal Year Expenditures</u>
Passed through from Child Care Resources			
Child Care Homeless Program	14.235 *	n/a	\$ 3,479
Child Care Homeless Program	14.235 *	n/a	1,835
Child Care Homeless Program	14.235 *	n/a	<u>21,217</u>
			26,531
Passed through from Private - Aloha Inn			
Employment Services: Aloha Inn	14.235 *	n/a	17,360
Employment Services: Aloha Inn	14.235 *	n/a	<u>11,668</u>
			29,028
Passed through from Seattle Housing Authority			
Project Based Section 8 Assistance	14.195	N/A	5,529
Project Based Section 8 Assistance	14.195	N/A	<u>39,808</u>
			45,337
Passed through from City of Seattle - Housing and Community Development Block Grants			
Downtown Emergency Shelter for Women and Children	14.218	DA2004-1013	151,561
Day & Night Shelter for Homeless Women	14.218	DA2004-1045	552,742
Emergency Housing for Families - East Cherry	14.218	DA04-2462	75,183
Project Self-Sufficiency	14.218	DA04-8305	100,000
Fifth & Seneca housing renovation (loan)	14.218 **	n/a	<u>824,163</u>
			1,703,649
Passed through from King County - Housing and Community Development Block Grants			
Emergency Shelter Support	14.218	D33605	61,555
Passed through from City of Bellevue - Housing and Community Development Block Grants			
Bellevue Townhomes (loan)	14.218 **	n/a	30,800
Transitional Housing-Family Village	14.218	B34-04	<u>41,728</u>
			72,528
Passed through from City of Covington - Housing and Community Development Block Grants			
Domestic Violence Advocacy	14.218	n/a	12,790

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES

Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2004

<u>Federal Grantor Pass through Grantor - Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-through Number</u>	<u>Fiscal Year Expenditures</u>
Passed through from City of Enumclaw - Housing and Community Development Block Grants			
Domestic Violence Outreach	14 218	n/a	\$ 8,011
Passed through from City of Kent - Housing and Community Development Block Grants			
Domestic Violence Housing Support	14 218	BG0404	35,750
Passed through from City of Kirkland - Housing and Community Development Block Grants			
Family Village Program Support	14,218	D33619D	16,954
Passed through from City of Auburn - Housing and Community Development Block Grants			
Auburn Emergency-Transitional Shelter	14,218	CDBG0402	17,000
Passed through from Snohomish County - Housing and Community Development Block Grants			
Families in Transition	14 218	CDBG-S 2003 #22	28,585
Families in Transition	14,218	CDBG-S 2004 #13	21,835
			50,420
Passed through from Fremont Public Association - Housing and Community Development Block Grants			
King County Housing Stability Project	14,218	NA	1,700
Passed through from King County			
Emergency Shelter Support	14 231	D33605	33,107
Passed through from Snohomish County			
Families in Transition	14 231	ESG 2001 #7	14,687
Families in Transition	14 231	ESG 2004 #5	6,059
			20,746
Passed through from Housing Authority of Snohomish County			
Shelter Plus Care	14 238	n/a	2,130,994
Passed through from King County HOME Program			
Family Townhomes - HOME Program Loan	14,239 **	D2253D	79,000
Passed through from King County Housing Authority			
Hope VI - Park Lake Employment Services	14,866	RG0317402	26,800

Continued

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004*

<i>Federal Grantor Pass-through Grantor Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass-through Number</i>	<i>Fiscal Year Expenditures</i>
Passed through from King County Housing Authority Park Lake Homes Career Devpt	14.870	625-2003-0011	\$ 94,703
Total Department of Housing and Urban Development			6,126,114
Department of Labor			
Passed through from Work Force Development Council of King County			
WIA Adult Services	17.258	A2YWC-106-WAD	244,520
WIA Adult Services	17.258	A3YWC-106-WAD	149,148
Youth Employment	17.259	D33025	105,572
Youth Employment	17.259	D33671D	28,068
WIA Youth Services	17.259	D34207D	40,300
WIA Dislocated Worker Services	17.260	D33672D	29,000
WIA Dislocated Worker Services	17.260	D34214	29,698
			<u>626,306</u>
Passed through from Work Force Development of Snohomish County			
Aerospace Center Dislocated Worker	17.260	WDC-AG034	20,192
National Emergency Grant	17.260	EG014A/LG014/	17,906
Aerospace Center Dislocated Worker Program	17.260	WDC-O1026A	25,086
			<u>63,184</u>
Passed through from Edmonds Community College District 23			
Worksource Lynnwood Core & Intensive Adult Program	17.258	N/A (adult)	19,734
Worksource Lynnwood Core & Intensive Dislocated Prgm	17.260	N/A (dislocated)	29,601
			<u>49,335</u>
Passed through from State of Washington Employment Security Department (ESD)			
Everett Work Source Center-Adult	17.258	04-298-5CD	22,082
Everett Work Source Center-Dislocated	17.260	04-298-5CD	26,439
			<u>48,521</u>

Continued

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES

Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004

<u>Federal Grantor Pass through Grantor Program Title</u>	<u>Federal (FDI) Number</u>	<u>Grant Pass through Number</u>	<u>Fiscal Year Expenditures</u>
Passed through from State of Washington Department of Social and Health Services			
Lynnwood Work Source Center-Adult	17,258 *	0312-38028	\$ 9,107
Lynnwood Work Source Center-Adult	17,258 *	0412-55008	8,433
Sky Valley Adult Worker	17,258 *	0312-38000	7,056
Lynnwood Work Source Center-Dislocated	17,260 *	0312-39356	13,661
Lynnwood Work Source Center-Dislocated	17,260 *	0412-55018	12,649
Sky Valley Dislocated Worker	17,260 *	0312-40867	11,779
			<u>62,585</u>
Passed through from Work Force Development Council of Snohomish County			
Title V Senior Training Program	17,235	DA2004-1041	67,519
Passed through from Work Force Development of King County			
Youth Opportunities†	17,263	Y3YWC-253-YOS	407,704
Youth Opportunities†	17,263	Y4YWC-262-YOS	278,818
			<u>686,522</u>
Total Department of Labor			1,604,072
Department of Health and Human Services			
Passed through from Washington State Department of Community, Trade And Economic Development			
Community Jobs Initiative	93,558 *	S04-16000-015	317,697
Community Jobs Initiative	93,558 *	S05-16000-015	467,129
			<u>784,826</u>
Passed through from Seattle King County Department of Public Health			
Health Services	93,151	D33112	1,560
Health Services	93,151	D34058D	18,157
			<u>19,717</u>
Passed through from Seattle King County Department of Public Health			
Health Services:Wellness Center	93,224	D34058D	7,638
Passed through from Snohomish County Human Services			
Mental Health Access	93,569	CS-04-10-02-130	22,105

Continued

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

*Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004*

<i>Federal Grantor Pass-through Grantor Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass-through Number</i>	<i>Fiscal Year Expenditures</i>
Passed through from Washington State Department of Social and Health Services School's Out Consortium	93.575	0332-26441	\$ 363,821
Passed through from Washington State - Council for Prevention of Child Abuse & Neglect Young Parent Self-Sufficiency Program	93.590	K330517	10,466
Passed through from Puget Sound Educational Service District PSESD Head Start: Family Village	93.600	PO #82832	108,614
PSESD Head Start: Family Village	93.600	LOA#03525	15,620
			<u>124,234</u>
Passed through from Seattle Public Schools Dunlap Head Start	93.600	n/a (vendor#200894)	9,245
Passed through from Washington State - Council for Prevention of Child Abuse & Neglect Young Parent Self-Sufficiency Program	93.669	K320403	19,286
Passed through from State of Washington Department of Social and Health Services Domestic Violence Shelter	93.671	0312-25437	11,705
Domestic Violence Shelter	93.671	0418-50877	14,288
			<u>25,993</u>
Passed through from Seattle King County Department of Public Health 2004 Health Services	93.778	D34058D	38,530
Passed through from Seattle King County Department of Public Health WBCHP Public Education/Outreach	93.919	D33773D	15,000
			<u>1,440,861</u>
Total Department of Health and Human Services			
Department of Homeland Security			
Passed through from King County - FEMA Emergency Food & Shelter	97.024	22-8890-00-009	146,120
Passed through from Snohomish County - FEMA Emergency Food & Shelter	97.024	22-8924-00 004 E9	73,068
			<u>219,188</u>
Total Department of Homeland Security			

*Continued
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YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES

Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004

<i>Federal Grantor Pass-through Grantor Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass through Number</i>	<i>Fiscal Year Expenditures</i>
US Department of Education			
Youth Leadership/Earmark funds	84.215	R2215K030365	\$ 94,000
Passed through from Seattle Public Schools School's out - Community Learning Center	84.287	n/a	<u>15,000</u>
Total US Department of Education			109,000
Department of Justice			
Passed through from State of Washington Department of Social and Health Services			
Domestic Violence Program	16.575*	0312-25437	21,394
Domestic Violence Program	16.575	0418-50877	<u>26,448</u>
			47,842
Passed through from State of Washington Department of Social and Health Services			
Domestic Violence Legal Advocacy	16.579	F03-30803-032	8,361
Domestic Violence Legal Advocacy	16.579	F04-30804-024	<u>13,000</u>
			<u>21,361</u>
Total Department of Justice			69,203
Department of Agriculture			
Passed through from Washington State Superintendent of Public Instruction			
Child Care Food Program	10.558	04-17010338	34,145
Child Care Food Program	10.558	05-17010338	<u>10,260</u>
			<u>44,405</u>
Total Department of Agriculture			44,405
Total Federal Awards Expended			<u>\$ 9,612,843</u>

* Denotes a major program

** Denotes expenditure is outstanding loan balance

- Continued

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2004*

Note 1 - Basis of Presentation

This schedule includes the federal grant activity of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

**Schedule Of Findings And Questioned Costs
For The Year Ended December 31, 2004**

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Reportable condition(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Reportable condition(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of Major Programs:		
CFDA Number(s)		<i>Name of Federal Program or Cluster</i>
14.235		Supportive Housing Program: Transitional Housing
17.258, 17.259, 17.260		WIA Cluster
93.558		Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Reportable Financial Statement Findings

No matters were reported.

Reportable Findings And Questioned Costs For Federal Awards

No matters were reported.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Summary Schedule Of Prior Year Audit Findings
For The Year Ended December 31, 2004*

There were no prior audit findings; therefore, no matters are reportable.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF
SEATTLE-KING COUNTY-SNOHOMISH COUNTY
AND AFFILIATES*

Consolidated Financial Statements and
Auditors' Report Required By
OMB Circular A-133

December 31, 2005

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Independent Auditors' Report

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

We have audited the accompanying consolidated statement of financial position of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (collectively, the "Organization") as of December 31, 2005, and the related consolidated statements of activities, functional expenses and cash flow for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2004 consolidated financial statements, and in our report dated April 18, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards on pages 22 to 28 is presented for purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole. This supplemental information is the responsibility of the Organization's management.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2006, on our consideration of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Clark Nuber P.S.

Certified Public Accountants
April 24, 2006

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Consolidated Statement Of Financial Position
 December 31, 2005
 (With Comparative Totals For 2004)*

	<u>2005</u>	<u>2004</u>
<i>Assets</i>		
Current Assets:		
Cash and cash equivalents	\$ 2,408,437	\$ 3,700,202
Accounts receivable	2,314,446	1,939,689
Current portion of pledges receivable, net	744,868	612,037
Prepaid expenses	351,646	224,212
Total Current Assets	5,819,397	6,476,140
Pledges receivable, net	3,312,633	1,094,806
Investments	25,060,245	22,461,031
Restricted cash	376,443	72,319
Notes receivable from related party	3,876,627	4,023,482
Investments in partnerships	2,970,805	2,971,677
Land, buildings and equipment, net	26,944,065	21,549,662
Total Assets	\$ 68,360,215	\$ 58,649,117
<i>Liabilities And Net Assets</i>		
Current Liabilities:		
Accounts payable	\$ 463,416	\$ 463,717
Accrued expenses and other current liabilities	1,499,090	1,435,858
Current portion of long-term debt	81,828	
Total Current Liabilities	2,044,334	1,899,575
Long-term debt, net of current portion	7,578,689	3,992,245
Total Liabilities	9,623,023	5,891,820
Net Assets:		
Unrestricted -		
Board designated reserves	11,363,863	10,390,258
Undesignated	30,198,316	26,510,754
Total unrestricted	41,562,179	36,901,012
Temporarily restricted	12,249,632	11,120,815
Permanently restricted	4,925,381	4,735,470
Total Net Assets	58,737,192	52,757,297
Total Liabilities and Net Assets	\$ 68,360,215	\$ 58,649,117

The accompanying notes are an integral part of the financial statements

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Consolidated Statement Of Activities
 For The Year Ended December 31, 2005
 (With Comparative Totals For 2004)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2005 Total	2004 Total
Operating Activities					
Support and Revenues:					
Public support -					
Governmental fees and grants	\$ 12,722,397	\$ -	\$ -	\$ 12,722,397	\$ 11,977,426
Contributions	1,329,269	3,565,855		4,895,124	4,199,454
United Way and other workplace giving	1,637,056	221,763		1,858,819	1,619,441
Net assets released from restriction	3,419,681	(3,419,681)			
Total public support	19,108,403	367,937		19,476,340	17,796,321
Earned revenue -					
Program service fees and rents	2,635,586			2,635,586	2,253,535
Operating investment return	502,000			502,000	477,000
Total earned revenue	3,137,586			3,137,586	2,730,535
Total Support and Revenues	22,245,989	367,937		22,613,926	20,526,856
Expenses:					
Program services -					
Shelter and related services	8,191,417			8,191,417	6,956,923
Employment assistance for disadvantaged	4,638,084			4,638,084	5,137,038
Child care	1,894,774			1,894,774	1,770,922
Youth	1,349,462			1,349,462	1,449,561
Families	1,716,411			1,716,411	1,511,207
Affordable housing	1,427,947			1,427,947	1,266,244
Supporting services -					
Management and general	1,265,001			1,265,001	1,146,918
Fund raising	1,068,497			1,068,497	958,660
Total Expenses	21,551,593			21,551,593	20,197,473
Change In Net Assets from Operating Activities	694,396	367,937		1,062,333	329,383
Nonoperating Activities					
Endowment contributions			186,385	186,385	117,717
Capital campaign contributions		28,027		28,027	48,694
In-kind contribution of leased facilities		2,795,503		2,795,503	
Non-operating investment return	604,393	115,023	3,526	722,942	1,175,418
Gain on sale of property	1,184,705			1,184,705	
Net assets released from restriction	2,177,673	(2,177,673)			
Change In Net Assets from Nonoperating Activities	3,966,771	760,880	189,911	4,917,562	1,341,829
Total Change In Net Assets	4,661,167	1,128,817	189,911	5,979,895	1,671,212
Beginning of year net assets	36,901,012	11,120,815	4,735,470	52,757,297	51,086,085
End of Year Net Assets	\$ 41,562,179	\$ 12,249,632	\$ 4,925,381	\$ 58,737,192	\$ 52,757,297

The accompanying notes are an integral part of the financial statements.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SHOMISH COUNTY AND AFFILIATES**

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2005

(With Comparative Totals For 2004)

Schedule	Program Services				Supporting Services				Total	Total		
	Direct Services	Indirect Services	Capital Costs	Other	Administrative	Board	Supporting	Other				
Salaries	\$ 2,758,539	\$ 2,453,447	\$ 1,181,478	\$ 446,707	\$ 796,912	\$ 352,596	\$ 803,726	\$ 739,919	\$ 487,865	\$ 1,227,784	\$ 9,258,523	\$ 8,661,372
Employee benefits	437,854	245,410	175,916	67,356	121,616	55,017	1,105,972	196,690	78,390	185,970	1,291,942	1,193,904
Payroll taxes	248,507	265,615	106,891	42,088	78,662	42,514	801,097	53,160	41,859	95,019	886,116	976,163
Total Personnel costs	3,444,900	2,964,472	1,464,285	556,151	996,610	450,127	9,937,801	989,659	609,104	1,508,773	11,446,581	10,831,459
Spends assistance to individuals	2,628,158	342,159	99	193	146,010	435	3,117,064	3,117,064	15,017	58,893	3,132,081	3,192,896
Agency	655,477	200,942	92,116	67,748	36,548	48,535	1,540,053	43,876	15,017	58,893	1,594,946	1,554,116
Awards and grants to other agencies	280,241	471,376		288,945	204,707		1,255,369				1,255,369	914,026
Professional services	353,052	145,042	6,184	135,893	71,799	3,721	743,691	33,377	75,381	111,756	855,459	738,688
Supplies	142,876	65,628	139,626	124,662	62,163	61,505	595,461	20,620	17,148	192,098	787,559	738,688
In-kind expenses	162,559	88,351	68,579	707	29,312	937	360,442	44,896	48,215	48,215	408,660	274,126
Liability insurance	87,366	59,847	32,676	14,779	23,137	40,761	260,586	6,677	11,856	56,854	317,440	304,627
Telephone	79,385	43,895	16,424	18,717	27,931	13,453	199,815	6,677	3,553	10,250	210,045	236,875
Printing and publications	8,016	25,355	1,479	21,154	10,549	1,647	69,800	41,871	74,619	176,490	186,250	148,892
Transportation	60,604	34,152	10,937	37,881	28,115	2,554	164,143	8,672	11,044	19,919	184,062	193,260
Rental and maintenance of equipment	52,475	41,262	2,539	17,431	10,554	13,540	144,151	12,421	13,894	26,321	170,502	153,463
Miscellaneous	7,536	1,577	5,862	20,685	8,264	82,748	127,042	25,145	1,646	25,794	53,836	102,412
Advertising	12,632	6,298	9,518	1,286	5,788	1,876	37,429	44,417	713	45,130	82,556	47,408
Postage and shipping	11,746	8,911	1,095	15,007	5,436	1,292	46,423	15,252	10,877	26,129	72,552	70,665
Conferences and meetings	9,038	19,502	8,496	3,578	11,653	907	49,664	9,766	4,621	14,387	64,251	47,153
Dues	9,387	5,115	3,647	5,634	5,664	745	33,802	6,334	2,330	8,664	42,456	38,079
Payments to affiliated organizations							20,600	20,600		20,000	20,000	20,000
Total Expenses Before Depreciation	8,015,388	4,550,678	1,861,792	1,324,788	1,685,469	1,254,890	18,693,005	1,233,297	1,057,350	2,290,647	20,983,652	19,460,650
Depreciation of buildings	122,927	43,647	9,031	10,023	1,250	169,115	366,993	10,555	174	10,769	179,762	505,568
Depreciation of equipment	53,162	43,759	23,851	14,651	16,692	3,942	156,097	21,109	10,973	32,082	166,119	251,245
Total Expenses	\$ 8,191,417	\$ 4,638,084	\$ 1,894,774	\$ 1,349,462	\$ 1,716,411	\$ 1,427,947	\$ 19,218,095	\$ 1,265,001	\$ 1,068,497	\$ 2,333,498	\$ 21,551,593	\$ 20,197,473

See accompanying notes to financial statements for further details.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
Consolidated Statement Of Cash Flows
For the Year Ended December 31, 2005
(With Comparative Totals For 2004)*

	<i>2005</i>	<i>2004</i>
Cash Flows From Operating Activities:		
Change in net assets	\$ 5,979,895	\$ 1,671,212
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contributions restricted to long-term investment	(214,412)	(166,411)
Non-cash forgiveness of long-term debt	(30,000)	(30,000)
Depreciation and amortization	567,941	736,813
Unrealized and realized gains on investments	(374,571)	(1,047,055)
Gain on sale of property	(1,184,705)	
Changes in operating assets and liabilities:		
Accounts and pledges receivable	(3,257,806)	(11,820)
Prepaid expenses and other assets	(204,707)	87,032
Accounts payable	(301)	(870,873)
Accrued expenses and other liabilities	106,504	(16,282)
Net Cash Provided by Operating Activities	1,387,838	352,610
Cash Flows From Investing Activities:		
Purchases of land, building and equipment	(6,021,101)	(653,882)
Proceeds from sale of land, building and equipment	1,243,462	
Proceeds from sale of investments	9,967,107	1,737,667
Purchase of investments	(12,191,750)	(3,583,008)
Increase in restricted cash	(304,124)	(72,319)
Collections on notes receivable	225,000	
Net Cash Used by Investing Activities	(7,081,406)	(2,571,542)
Cash Flows From Financing Activities:		
Proceeds from contributions restricted for long-term investment	746,803	1,754,325
Proceeds from issuance of long-term debt	3,655,000	
Net Cash Provided by Financing Activities	4,401,803	1,754,325
Net Change In Cash	(1,291,765)	(464,607)
Cash balance, beginning of year	3,700,202	4,164,809
Cash Balance, End Of Year	\$ 2,408,437	\$ 3,700,202
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 36,167	\$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Non-cash acquisition of Seattle Emergency Housing Services land and buildings	\$ -	\$ 385,679
Non-cash assumption of Seattle Emergency Housing Services long-term debt	\$ -	\$ 385,679

The accompanying notes are an integral part of the financial statements.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 1 - Nature Of Activities

Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (collectively, the "Organization") provides a variety of social services, including shelter and related services, affordable housing, employment services, child care, and programming for youth and families primarily in the King and Snohomish County areas. The majority of the Organization's funding is derived from public support. The Organization's comprehensive, integrated intervention and prevention services include:

- Shelter and related services - Emergency and transitional housing, counseling, information/referral, and assistance with food and clothing. Also assessment, education, and advocacy for clients needing access to health care.
- Employment assistance for the disadvantaged - Individual and group job search counseling, placement assistance, follow-up support, case management, tuition assistance, and assistance with food, clothing, housing and access to health care. Serves both adults and youth.
- Child care - Developmental child care for infants through school age children, many of whom are below median income and receive subsidized child care.
- Youth - After-school and summer program aimed at skill-building and mentoring for at risk girls in middle and high school. On-site training and technical assistance for providers of out-of-school care for children and youth throughout Washington State, which indirectly benefits many more children and youth.
- Families - Information/referral and workshops for parents, counseling for families recovering from domestic violence, and educational outreach in the community regarding domestic violence.
- Affordable housing - Permanent housing for low and very low income clients, 24 hour desk and security service, counseling, and information/referral.

Note 2 - Summary Of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of the mutually controlled Young Women's Christian Association of Seattle-King County-Snohomish County ("YWCA"), Young Women's Service Association of Seattle-King County ("YWSA"), Dress for SuccessSM Seattle ("DFSS"), and Summerfield Housing LLC. All intercompany transactions have been eliminated.

During 1986, the Young Women's Service Association of Seattle-King County ("YWSA"), a Washington non-profit corporation, was established by YWCA. YWSA was formed to renovate the single-room occupancy facilities of floors five through eight of the facility located at 1118 Fifth Avenue in Seattle (declared as Apartment 2). The facility is operated as affordable, long-term housing. YWSA entered into an agreement with the City of Seattle for grant monies from the U.S. Department of Housing and Urban Development to be used to finance its project. Grant conditions require that title to the project facilities be held by YWSA. In November of 1987, a management agreement was executed in which YWSA granted to YWCA a revocable license to use Apartment 2. The YWCA has agreed to operate and administer the residence under the terms and conditions of YWSA's grant noted above. YWCA retains control of YWSA via totally interlocking boards of directors and a single Chief Executive Officer.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 2 - Continued

During 2002, YWCA entered into a management agreement with Dress for Success[®] Seattle ("DFSS"), a Washington non-profit organization. YWCA will manage DFSS in accordance with the Dress for Success[®] Worldwide Trademark License Agreement and Membership Agreement, maintain the corporate and business records of DFSS, and perform management reporting and accounting services for DFSS. YWCA retains control of the DFSS via totally interlocking boards of directors and a Chief Executive Officer.

Summerfield Housing LLC is a separate entity created in 2005 to purchase and hold real property to be used for affordable housing. Summerfield LLC is wholly-owned by YWCA and is therefore included in the consolidated financial statements of the Organization.

Basis of Presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with original maturities of three months or less, except for those held in its investment and reserves portfolios, to be cash and cash equivalents. Management anticipates no material effect to the Organization's financial position as a result of cash held in a bank in excess of the available federal deposit insurance.

Accounts Receivable - Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments) is included in the change in unrestricted net assets unless the income or loss is restricted by donor or law. Management anticipates no material effect to the Organization's financial position as a result of investments held in excess of the available SPIC insurance.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 2 - Continued

Land, Buildings and Equipment - Land, buildings and equipment with a cost or value greater than \$5,000 are recorded at cost or, if donated, at the approximate fair value at the date of donation. Improvements are capitalized while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation has been provided for furnishings and equipment on the straight-line basis over three to seven years. Depreciation has been provided for buildings and improvements on the straight-line basis over 40 years. Leasehold improvements have been amortized over the shorter of the useful lives of the assets or the lease term.

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property including any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. No impairment losses were recognized in 2005 or 2004.

Annuities Payable - Annuities payable are recorded at the present value of the periodic payments due, as determined by independent actuaries. This valuation is adjusted annually. In the year the gift is received, the excess of the amount of the gift over the liability for the annuity payable is recorded as unrestricted, temporarily restricted or permanently restricted contribution income, depending on the stipulations of the donor. Annuities payable totaled \$44,407 and \$44,577 at December 31, 2005 and 2004, respectively, and are included with other current liabilities on the statement of financial position.

Donated Property and Services - Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Items of questionable or uncertain value are not recorded. Items that are simply distributed to the intended recipients, such as food and clothing for the needy, are also not recorded. Otherwise, donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services are recorded at fair value if they create or enhance a nonfinancial asset or if they consist of specialized skills that would have been purchased if they were not donated. In most cases this represents labor to construct or improve an asset or necessary professional services.

For the years ended December 31, 2005 and 2004, the Organization recorded noncash donations of \$3,046,207 and \$284,129 respectively. These represent \$37,001 and \$58,462 in printing and advertising services for program and fund raising purposes, and \$3,009,206 and \$225,667 in donated facilities, software, and equipment for programs and general operations in 2005 and 2004 respectively.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 2 - Continued

Restricted and Unrestricted Revenue and Support - Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in either temporarily or permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Federal Income Tax - YWCA, YWSA, and DFSS have been notified by the Internal Revenue Service that they are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Summerfield Housing LLC is treated as a disregarded entity for federal income tax purposes and therefore income or loss is included in YWCA's tax return.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications were made to the December 31, 2004 financial statements to conform to the current year presentation. The reclassifications have no effect on change in net assets.

Comparative Totals - The financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2004, from which the summarized information was derived.

Note 3 - Pledges Receivable

Pledges receivables are due as follows:

	<u>2005</u>	<u>2004</u>
Receivable in less than one year	\$ 1,072,104	\$ 1,255,453
Receivable in one to five years	1,493,934	501,108
Receivable in more than five years	<u>2,072,005</u>	
	4,638,043	1,756,561
Less allowance for uncollectible pledges	(8,016)	(29,467)
Less unamortized discount (3%)	(572,526)	(20,251)
Less current portion, net	<u>(174,858)</u>	<u>(612,037)</u>
Long-term Portion	<u>\$ 3,312,633</u>	<u>\$ 1,094,806</u>

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 3 - Continued

Pledges receivable of \$327,236 are included in the above total of pledges due in less than one year, but are reported as long-term on the statement of financial position because they have been restricted to investment in long-term assets by the donor.

Contributed Facilities - YWCA leases the Trinity Apartments at the below-market annual rental of \$1. The original lease term is for 15 years and commenced in April 2005. The value of this contribution of 15 years of below-market rent, discounted to present value, has been recorded as in-kind contribution revenue of \$2,795,503 during 2005 when the lease was signed. The value of the remaining use of these facilities at below-market rent, discounted to present value, during 2006 through the end of the lease term is \$2,637,547 and is included in pledges receivable at December 31, 2005.

Charitable Remainder Unitrust - The Organization has an irrevocable interest in a charitable remainder unitrust. Under the terms of the trust agreement, the income beneficiary will receive in each year of her lifetime the lesser of the annual trust income or 6% of the net value of the trust assets. Upon the death of the income beneficiary, the Organization will receive the remainder of the trust assets. This interest is included in the December 31, 2005 and 2004 balances of pledges receivable at a net present value of \$60,092 and \$57,679, respectively. This present value was computed based on an interest rate of 5.4% for 2005 and 4.2% for 2004. A gain of \$2,413 and \$8,884 in 2005 and 2004, respectively, were recognized from the change on the net present value of this receivable.

Note 4 - Conditional Pledges Receivable

As of December 31, 2005 and 2004, the Organization had received notice of tentative award for the periods January to June 2005 and 2004, of United Way of King County support allocations in the amount of \$665,648 and \$676,751 respectively. As these allocations were subject to change based on the final results of United Way's 2005 and 2004 fund raising campaigns, they were not recorded as receivables by the Organization at December 31, 2005 and 2004.

Note 5 - Land, Buildings, And Equipment

Land, buildings and equipment consisted of the following at December 31.

	<u>2005</u>	<u>2004</u>
Land	\$ 5,690,134	\$ 4,665,529
Buildings	23,283,592	18,717,292
Construction in progress	133,227	331,567
Leasehold improvements	3,061,563	2,647,389
Furniture, equipment and art	<u>2,570,188</u>	<u>2,560,744</u>
	34,738,704	28,922,523
Less accumulated depreciation	<u>(7,794,639)</u>	<u>(7,372,859)</u>
	<u>\$ 26,944,065</u>	<u>\$ 21,549,662</u>

Construction in progress at December 31, 2005 related to building improvements at the Seneca building and at December 31, 2004 related to the Seneca and Opportunity Place buildings.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 6 - Investments

Investments held at December 31 are summarized as follows.

	<u>2005</u>	<u>2004</u>
Cash and cash equivalents	\$ 4,800,069	\$ 4,140,716
Certificates of deposit	642,381	451,946
Marketable debt securities	8,441,263	7,629,506
Marketable equity securities	<u>11,176,532</u>	<u>10,238,863</u>
	<u>\$ 25,060,245</u>	<u>\$ 22,461,031</u>

Investment return for the year ended December 31 was as follows.

	<u>2005</u>	<u>2004</u>
Interest and dividends	\$ 850,371	\$ 605,363
Realized losses	(96,319)	(16,923)
Unrealized gains	<u>470,890</u>	<u>1,063,978</u>
	<u>\$ 1,224,942</u>	<u>\$ 1,652,418</u>

Non-operating investment return consists of earnings on endowment funds that are not used to fund current operations of the Organization. All other investment return is considered operating revenue.

	<u>2005</u>	<u>2004</u>
Operating investment return	\$ 502,000	\$ 477,000
Non-operating investment return	<u>722,942</u>	<u>1,175,418</u>
	<u>\$ 1,224,942</u>	<u>\$ 1,652,418</u>

Note 7 - Investments In Partnerships And Related Party Transactions

The Organization accounts for its investments in partnerships using the equity method. The Organization's equity investment in partnerships is summarized as follows at December 31:

	<u>2005</u>	<u>2004</u>
Family Village Limited Partnership	\$ 2,970,805	\$ 2,971,677
Angeline's LLC	<u>-</u>	<u>-</u>
	<u>\$ 2,970,805</u>	<u>\$ 2,971,677</u>

Family Village Limited Partnership – During 1993, YWCA and two other partners formed Family Village Limited Partnership to own the Family Village transitional housing project. YWCA is the general partner of Family Village Limited Partnership with a 1% interest in income and losses and a 54.97% interest in capital events of the partnership.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 7 - Continued

The partnership agreement provides that the Family Village project be leased back to the YWCA under a separate operating lease dated February 18, 1993. Under the terms of the operating lease, YWCA will pay an annual rent of \$67,900, which is to be adjusted annually for any increase in the Consumer Price Index. The Organization may terminate the lease with 6 months notice; otherwise, the lease provides an expiration date of December 31, 2028.

The partnership agreement also provides for YWCA to receive a management fee from the partnership. Management fees for 2005 and 2004 were \$6,064 and \$5,899, respectively.

The following obligations were assigned from YWCA to the Family Village Limited Partnership in conjunction with the transfer of the Family Village project to the partnership. YWCA entered into consent agreements with each of the below grantors which authorize the assignment of these obligations to the Family Village Limited Partnership. These agreements do not relieve YWCA from liability should the terms and conditions of these obligations not be met. As there are no indications that the Family Village Limited Partnership will be unable to meet these terms and conditions, no provision has been made for such a contingency. Balances of these obligations as of December 31, 2005 were as follows:

Promissory note to King County, secured by deed of trust on Family Village project land, non-interest bearing and will be forgiven on December 5, 2016 provided all conditions are met	\$ 240,000
Promissory note to the State of Washington Department of Community Development secured by deed of trust on Family Village project land, non-interest bearing and due upon sale or change of use of the Family Village project	500,000
Obligation to King County for Family Village rent received in advance pursuant to a 35-year lease agreement dated September 1992	500,000
Obligation to King County for reimbursement of Family Village costs, non-interest bearing and will be forgiven on June 2, 2017 provided all conditions are met	<u>20,790</u>
	<u>\$ 1,260,790</u>

Angeline's LLC - During 2002, YWCA and one other partner formed Angeline's LLC to own floors 3 through 7 of the Opportunity Place building. YWCA is the managing member of Angeline's LLC with a 0.01% interest in income, losses and capital events of the LLC.

YWCA earned a development fee of \$946,284 during 2003 from Angeline's LLC in return for property development services. The full amount of the development fee was receivable at December 31, 2005 and 2004, and is included in notes receivable on the statement of financial position. The full amount of the \$946,284 is to be paid from Net Cash Flow, as defined in the LLC agreement. Interest accrues on the unpaid portion at 1% per annum. Accrued interest of \$19,470 and \$10,007 are included in the note receivable balance at December 31, 2005 and 2004, respectively.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 7 - Continued

YWSA has a note receivable from Angeline's LLC of \$2,696,135 and \$2,921,135 as of December 31, 2005 and 2004, respectively, secured by a deed of trust on floors 3 through 7 of the Opportunity Place building. The note requires interest to be accrued at the rate of 2.5% compounded annually. Accrued interest of \$214,738 and \$146,056 are also included in the note receivable balance at December 31, 2005 and 2004, respectively. Annual payments of principal and interest are due commencing June 30, 2004. Payments are restricted based on terms contained in the Angeline's LLC agreement. The full balance of the note is due and payable on or before December 31, 2043.

The Angeline's LLC agreement provides for YWCA to receive a LLC management fee from Angeline's LLC. Payment of the LLC management fee is subject to available cash flow. The LLC management fee accrued for 2005 and 2004 was \$30,900 and \$30,000, respectively, and is included in accounts receivable at December 31, 2005 and 2004.

There is also a separate property management agreement between Angeline's LLC and YWCA. YWCA agrees to provide property management services for Opportunity Place Apartments and in return receives payment equal to 4.5% of gross rents. Property management fees for 2005 and 2004 were \$50,143 and \$34,291, respectively.

Summary of Partnership Financial Information - The following is a summary of selected financial information from the unaudited financial statements of Family Village Limited Partnership and the audited financial statements of Angeline's LLC:

	<i>December 31, 2005</i>		
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Family Village Limited Partnership	\$ 3,081,477	\$ 85,431	\$ 2,996,046
Angeline's LLC	<u>17,821,019</u>	<u>13,211,866</u>	<u>4,609,153</u>
	<u>\$ 20,902,496</u>	<u>\$ 13,297,297</u>	<u>\$ 7,605,199</u>
		<i>For the Year Ended</i>	
		<i>December 31, 2005</i>	
		<u>Revenues</u>	<u>Net Income (Loss)</u>
Family Village Limited Partnership		\$ 95,029	\$ (87,228)
Angeline's LLC		<u>1,166,194</u>	<u>(427,219)</u>
		<u>\$ 1,261,223</u>	<u>\$ (514,447)</u>

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 8 - Long-Term Debt

Long-term debt consisted of the following at December 31:

	<u>2005</u>	<u>2004</u>
Seneca Building:		
Housing Development Grant and Community Development Block Grant loan from the City of Seattle; dated August 26, 1986; accruing interest at 3% per annum; secured by a deed of trust on floors five through eight of the building; principal and accrued interest are due August 30, 2007 or will be forgiven on that date provided all terms and conditions of the loan have been met; additionally, \$30,000 of the principal balance is forgiven each year provided all terms and conditions of the loan balance have been met; the note balance includes accrued interest of \$578,799 and \$554,974 at December 31, 2005 and 2004, respectively	\$ 1,342,061	\$ 1,349,137
Lexington-Concord Building:		
Loan from the City of Seattle; dated July 5, 1988, accruing interest at 1% per annum; secured by a deed of trust on the building; due July 5, 2028, however if all terms and conditions of the loan are met, extensions may be requested at five year intervals; interest will be forgiven over a twenty-year period beginning July 5, 2028 provided all terms and conditions have been met; the note balance includes accrued interest of \$249,463 and \$233,872 at December 31, 2005 and 2004, respectively	1,808,578	1,792,987
Pathways for Women Building:		
Housing Trust funds loan from Snohomish County; dated December 16, 1992, non-interest bearing; secured by a deed of trust on the building; will be forgiven when the mortgaged property has been continuously used for twenty years for the purposes specified in the Housing Trust fund agreement, for any periods of failure to comply with the specified terms and conditions a prorated portion will become due and payable	234,000	234,000
East Cherry Branch Building:		
Community Development Block Grant funds loan from the City of Seattle, dated January 13, 1997, non-interest bearing, except for contingent interest in the event of a default; secured by a deed of trust on the building; loan will be forgiven on December 31, 2007, if used for the purposes specified in the Housing Trust Fund Agreement	120,000	120,000

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 8 - Continued

	<u>2005</u>	<u>2004</u>
Bellevue Townhomes:		
Community Development Block Grant funds loan from King County; dated June 6, 1997; non-interest bearing; secured by a mortgage on the townhomes; loan will be forgiven on June 6, 2047, if used for the purposes specified in the Housing Trust Fund Agreement	79,000	79,000
Community Development Block Grant funds loan from the City of Bellevue; dated May 29, 1997; non-interest bearing; secured by a mortgage on the townhomes; loan will be forgiven on May 29, 2047, if used for the purposes specified in the Regulatory Agreement and Declaration of Restrictive Covenants	30,800	30,800
Windermere House:		
Housing Levy funds loan from the City of Seattle; debt assumed November 1, 2004; accruing interest at 1% per annum; secured by a deed of trust on the house; loan matures September 31, 2009; the note balance includes accrued interest of \$2,565 and \$366 at December 31, 2005 and 2004, respectively	222,438	220,239
East Union Apartments:		
HOME funds loan from the City of Seattle; debt assumed November 1, 2004; accruing interest at 1% per annum; secured by a deed of trust on the apartments; loan matures on August 1, 2034; the note balance includes accrued interest of \$1,934 and \$276 at December 31, 2005 and 2004, respectively	167,740	166,082
Summerfield Apartments:		
King County Housing Authority 501(c)(3) tax exempt variable rate bonds; debt assumed September 1, 2005; accruing interest at a variable rate (3.55% at December 31, 2005); interest on the bonds is capped at 5% per annum under an interest rate cap agreement that expires in 2015; interest rate cap secured by a letter of credit issued by US Bank; monthly payments of principal at \$6,819 plus interest at the variable rate to a sinking fund; secured by a deed of trust on the apartments; bonds mature on August 31, 2035	<u>3,655,000</u>	
	<u>\$ 7,660,517</u>	<u>\$ 3,992,245</u>

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 8 - Continued

Future principal maturities of long-term debt are as follows.

2006	\$ 81,828
2007	81,828
2008	81,828
2009	304,266
2010	81,828
Thereafter	<u>7,028,939</u>
	<u>\$ 7,660,517</u>

Interest expense totaled \$79,440 and \$40,958 for the years ended December 31, 2005 and 2004, respectively. Interest has not been imputed on any of the above mortgages that carry below-market rate loans as they are payable to governmental entities and carry legal restrictions. The restrictions require the Organization to use the property for low-income housing, as defined by the mortgages' regulatory agreement.

Note 9 - Employee Benefits

Pension Plan - The Organization participates in the pension plan operated by the YWCA Retirement Fund, a separate 501(c)(3) not-for-profit organization. The YWCA Retirement Fund operates an employer-sponsored cash balance defined benefit plan under Section 401(a) of the Internal Revenue Code. Employees who have completed at least 1,000 hours of service each year in two 12-month periods are required to become members of the plan. The Organization contributes an amount equal to 10% of the employee's monthly compensation. This includes a 5% reduction made to the employee's wages effectively creating a 5% before tax employee contribution. Pension expense of \$466,023 and \$485,415 was recorded for the years ended December 31, 2005 and 2004 respectively.

Self-insured Unemployment - The Organization participates in a private insurance pool with other 501(c)(3) organizations to provide unemployment compensation insurance for its employees. The Organization has recorded an accrued liability for unemployment compensation of \$327,250 and \$333,200 at December 31, 2005 and 2004 respectively, which represents its estimated liability for claims incurred but not paid. Funds held in the pool on behalf of the Organization totaled \$242,365 and \$119,399 as of December 31, 2005 and 2004, respectively and are included in prepaid expenses on the statement of financial position.

Note 10 - Concentration

The Organization received 56% and 58% during 2005 and 2004, respectively, of its operating revenues from governmental sources. While government sources comprise a significant percent of operating revenues, this risk is mitigated by the large number of government grants received from a variety of government sources. A reduction in these programs would have a significant impact on the Organization's activities.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

Notes To Consolidated Financial Statements

Note 11 - Leases

Real Estate Leases - The Organization has entered into lease agreements for transitional housing and other facilities with terms expiring on various dates through 2028. The following is a summary of future minimum lease obligations under these lease agreements:

2006	\$ 238,543
2007	140,770
2008	140,770
2009	119,967
2010	109,565
Thereafter	<u>1,843,510</u>
	\$ 2,593,125

Rent expense for 2005 and 2004 was \$406,277 and \$352,419, respectively.

Commercial Leases - The Seneca and Opportunity Place buildings have commercial tenants with non-cancelable operating leases with terms expiring through 2015. The future minimum rental income to be received by the Organization under these leases is as follows:

2006	\$ 105,839
2007	104,045
2008	105,655
2009	76,564
2010	61,781
Thereafter	<u>246,246</u>
	\$ 700,130

Note 12 - Board Designated Reserves

The Organization's board of directors has made designations of unrestricted net assets at December 31, as follows:

	<u>2005</u>	<u>2004</u>
Reserve for building reserves	\$ 1,672,216	\$ 102,229
Reserve for equipment replacement	100,000	1,579,692
Reserve for general endowment	5,568,315	5,258,087
Reserve for building endowment	1,330,108	1,330,108
Reserve for Family Village endowment	1,487,541	1,451,017
Reserve for capital campaign	273,738	273,738
Reserve for Pathways for Women endowment	104,865	104,865
Reserve for Lexington-Concord maintenance and repairs	127,367	120,287
Reserve for Dress for Success SM Seattle	3,713	14,235
Reserve for Youth Leadership programs	96,000	156,000
Reserve for Special Projects	<u>600,000</u>	<u> </u>
	\$ 11,363,863	\$ 10,390,258

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

Notes To Consolidated Financial Statements

Note 13 - Temporarily Restricted Net Assets

Net assets were temporarily restricted by donors for the following purposes at December 31:

	<u>2005</u>	<u>2004</u>
Restricted by specific program or timing	\$ 5,844,903	\$ 2,681,463
Capital campaign	5,642,257	7,676,880
Plant acquisition and improvement	477,742	477,742
Family Village transitional housing project operations	284,730	284,730
	<u>\$ 12,249,632</u>	<u>\$ 11,120,815</u>

Note 14 - Permanently Restricted Net Assets

Permanently restricted net assets represent gifts donor-designated for endowment purposes only, to be invested in perpetuity. Investment income is unrestricted or restricted for program services and is governed by the Organization's endowment spending policy. Net assets were permanently restricted by donors for the following purposes at December 31:

	<u>2005</u>	<u>2004</u>
General Endowment	\$ 3,430,848	\$ 3,294,824
Cobb Fund	785,349	785,349
Roberts Fund	228,900	228,900
Sandstrom Fund	53,609	50,083
Endowment Guild	426,675	376,314
	<u>\$ 4,925,381</u>	<u>\$ 4,735,470</u>

Income earned on the Endowment Guild endowment is restricted for child care programs. Income earned on all other endowments is available for general support of the Organization.

*Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An
Audit Of Financial Statements Performed In
Accordance With Government Auditing Standards*

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

We have audited the consolidated financial statements of the Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (collectively, the "Organization") as of and for the year ended December 31, 2005 and have issued our report thereon dated April 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark Auber P.S.

Certified Public Accountants
April 24, 2006

*Report On Compliance With Requirements
Applicable To Each Major Program And
Internal Control Over Compliance In
Accordance With OMB Circular A-133*

*Board of Directors
Young Women's Christian Association
of Seattle-King County-Snohomish County and Affiliates
Seattle, Washington*

Compliance

We have audited the compliance of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates (collectively, the "Organization") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

As described in item 2005-1 in the accompanying schedule of findings and questioned costs, the Organization did not comply with certain requirements regarding eligibility that are applicable to its Youth Opportunity Grants Program. Compliance with such requirements is necessary, in our opinion, for the Organization to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark Auber P.S.

Certified Public Accountants
April 24, 2006

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards
 For The Year Ended December 31, 2005

<u>Federal Grantor/Pass-through Grantor - Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-through Number</u>	<u>Fiscal Year Expenditures</u>
Department of Housing and Urban Development			
Auburn Transitional Housing	14 235	WA01B40-0015	\$ 42,541
SEHS Emergency Housing (Windermere House)	14 235	WA01B40-0016	27,164
Supportive Case Management for Homeless Families	14 235	WA01B30-0045	6,555
Supportive Case Management for Homeless Families	14 235	WA01B40-0045	150,236
Supportive Housing (S+C)	14 235	WA01B20-4002	98,306
Supportive Housing (S+C)	14 235	WA01B30-4003	10,054
Supportive Housing Program: 3-Agency	14 235	WA01B30-0024	1,744
Supportive Housing Program: 3-Agency	14 235	WA01B40-0020	82,480
Supportive Housing Program: Pathways	14 235	WA01B30-4002	26,337
Supportive Housing Program: Pathways	14 235	WA01B40-4004	37,902
Transitional Housing for Homeless - Anita Vista	14 235	WA01B30-0019	8,551
Transitional Housing for Homeless - Anita Vista	14 235	WA01B40-0006	57,320
Transitional Housing Family Village	14 235	WA01B40-0004	78,878
			628,068
Resident Opportunities & Self Sufficiency	14 870	WA002REF-053A004	1,262
Passed through from City of Auburn			
Auburn Emergency-Transitional Shelter	14 218 *	BG0502	17,600
Passed through from City of Bellevue			
Family Village Enhanced Transitional Housing	14 218 *	CDBG195-05	42,521
Bellevue Townhomes (Loan)	14 218 **	n/a	30,800
			73,321
Passed through from City of Covington			
DV Advocacy	14 218 *	n/a	11,962
Passed through from City of Enumclaw			
DV Outreach	14 218 *	n/a	7,000
Passed through from City of Kirkland			
Family Village Enhanced Transitional Housing Program	14 218 *	C05-269	25,027
Passed through from City of Seattle			
Downtown Emergency Shelter for Women and Children	14 218 *	DA05-1013	153,213
Project Self-Sufficiency	14 218 *	DA05-1142	99,523
Emergency Housing for Families - East Cherry	14 218 *	DA05-2462	76,002
East Cherry Apartments (Loan)	14 218 ***	n/a	120,000
Fifth & Seneca housing renovation (Loan)	14 218 ***	n/a	764,163
Day & Night Shelter for Homeless Women	14 218 *	DA05-1045	358,767
			1,571,968
Passed through from Fremont Public Association			
King County Housing Stability Project	14 218 *	n/a	1,400

Continued

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2005

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>Federal CDD Number</u>	<u>Grant Pass-through Number</u>	<u>Fiscal Year Expenditures</u>
Passed through from King County Community and Human Services			
Emergency Shelter Support	14 218	D34888	\$ 57,360
Passed through from Snohomish County Planning and Development Services			
Families in Transition	14 218	CDBG-S 2004 #13	23,313
Families in Transition	14 218	CDBG-S 2005 #20	8,167
			<u>31,480</u>
Passed through from Trac Associates			
SJI - Employment Services	14 218	1015-05 CDF	20,377
Passed through from Housing Authority of Snohomish County			
Shelter Plus Care	14 238	n/a	2,182,836
Passed through from Seattle Housing Authority			
Project Based Section 8 Housing Assistance	14 195	n/a	2,646
Project Based Section 8 Housing Assistance	14 195	n/a	42,552
			<u>45,198</u>
Passed through from King County Community and Human Services			
Emergency Shelter Support	14 231	D34888	31,754
Passed through from Snohomish County Planning and Development Services			
Families in Transition	14 231	ESG 2004 #5	18,528
Families in Transition	14 231	ESG-S 2005 #8	2,140
			<u>20,668</u>
Passed through from Aloha Inn			
Employment Services: Aloha Inn	14 235	n/a	11,393
Employment Services: Aloha Inn	14 235	n/a	10,799
			<u>22,192</u>
Passed through from Child Care Resources			
Child Care Homeless Program	14 235	n/a	135
Child Care Homeless Program	14 235	n/a	10,109
Child Care Homeless Program	14 235	n/a	22,424
			<u>32,668</u>
Passed through from City of Seattle			
OP McKimay Supportive Housing Project	14 235	DA05-1090	111,725
Passed through from City of Seattle Human Service Department			
Working Zone	14 235	DA2004-7151	304,471
Working Zone	14 235	DA2005-7151	7,069
			<u>311,540</u>

Continued

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2005

<i>Federal Grantor Pass-through Grantor Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass-through Number</i>	<i>Fiscal Year Expenditures</i>
Passed through from Seattle King County Department of Public Health			
2004 Health Services	14 235	D34058D	\$ 1,978
2005 Health Services	14 235	D35157D	21,761
			<u>23,739</u>
Passed through from Snohomish County Office Housing Community Development			
Project Reunite	14 235	WA01B10-1001	38,503
Project Reunite	14 235	WA01B10-1008	55,075
			<u>93,578</u>
Passed through from Worksource Development Council of Seattle King County			
Retention Services	14 235	13YWC-421-HUD	46,942
Retention Services	14 235	14YWC-404-HUD	319,740
			<u>366,682</u>
Passed through from King County HOME Program			
Family Townhomes - HOME Program (Loan)	14 239	D2253D	79,000
Passed through from King County Housing Authority			
Park Lake Homes Career Devpt	14 866	RG0600908	1,841
Park Lake Employment Services	14 866	RG0317402	37,800
			<u>39,641</u>
Passed through from King County Housing Authority			
Park Lake Homes Career Devpt	14 870	625-2003-0011	134,455
Total Department of Housing and Urban Development			5,942,201
Department of Labor			
Passed through from Worksource Development Council of Seattle King County			
Youth Opportunities	17 263	Y4YWC-262-YOS	319,479
Passed through from City of Seattle Human Service Department			
Title V Senior Training Program	17 235	DA04-1041	17,335
Title V Senior Training Program	17 235	DA05-1041	34,170
			<u>51,505</u>
Passed through from Edmonds Community College			
Worksource Lynnwood Core & Intensive Adult Program	17 258	n/a	20,178
Passed through from Worksource Development Council of Seattle King County			
WIA Adult Services	17 258	A3YWC-106-WAD	206,212
WIA Adult Services	17 258	A5YWC-005-WAD	183,023
Worksource Operator	17 258	05YWC-043-OPR	10,171
			<u>399,406</u>

Continued

See auditors' report

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2005

<i>Federal Grantor/Pass-through Grantor - Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass-through Number</i>	<i>Fiscal Year Expenditures</i>
Passed through from King County Community & Human Services			
WIA Dislocated Worker Services	17 259	D34829D	\$ 29,144
Youth Employment	17 259	D34207D	40,004
Youth Employment	17 259	D34827	20,061
			89,209
Passed through from Worksource Development Council of Seattle King County			
WIA Youth	17 259	Y5YWC-064-WYO	52,578
Passed through from Edmonds Community College			
Worksource Lynnwood Core & Intensive Dislocated Program	17 260	n/a	30,267
Passed through from King County Community & Human Services			
WIA Dislocated Worker Services	17 260	D34214	30,302
Passed through from Snohomish County Worksource			
Aerospace Center Dislocated Worker Program	17 260	WDC-AG042/AG046	22,622
Aerospace Center Dislocated Worker Program	17 260	WDC-AG034	5,925
			28,547
Passed through from Worksource Development Council of Seattle King County			
Worksource Operator	17 260	05YWC-043-OPR	12,944
Total Department of Labor			1,034,445
Department of Health and Human Services			
Passed through from State of Washington Department of Social and Health Services			
Schools Out Consortium	93 575 *	9332-26441	229,923
Schools Out Consortium	93 575 *	0532-75428	174,452
			404,375
Passed through from Seattle King County Department of Public Health			
2004 Health Services	93 151	D34058D	3,309
Passed through from Seattle King County Dept of Public Health			
Babes-Title IV Services	93 153	D35143D	57,817
Babes-Title IV Services	93 153	D35321D	45,426
			104,243
Passed through from Seattle King County Dept of Public Health			
2005 Health Services	93 234	D35157D	17,160
Passed through from Washington State Department of Community, Trade and Economic Development			
Community Jobs Initiative	93 558	S06-16000-015	782,768
Community Jobs Initiative	93 558	S06-16200-015	728,068
			1,510,836

(continued)

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2005

<i>Federal Grantor Pass-through Grantor - Program Title</i>	<i>Federal CFDA Number</i>	<i>Grant Pass-through Number</i>	<i>Fiscal Year Expenditures</i>
Passed through from Snohomish County Human Services Department Mental Health Access	93 589	CS-05-10-07-130	\$ 83,550
Passed through from State of Washington-Council For Prevention of Child Abuse and Neglect Young Parent Self-Sufficiency Program	93 590	K330517	10,538
Passed through from Puget Sound Educational Service District PSESD Head Start, Family Village	93 600	LOA#03525	89,801
PSESD Head Start, Family Village	93 600	LOA#04218	21,512
			111,313
Passed through from Seattle Public Schools-Head Start Dunlap Head Start	93 600	vendor#200894	34,227
Passed through from State of Washington Department of Social and Health Services Domestic Violence Shelter	93 671	04 18-50877	13,251
Domestic Violence Shelter	93 671	05 12-73896	14,916
			28,167
Passed through from Seattle King County Dept of Public Health 2005 Health Services	93 778	D35157D	38,575
Passed through from Seattle King County Dept of Public Health Babes-Title IV Services	93 914	D35102D	67,565
Passed through from Seattle King County Dept of Public Health Babes-Title II Services	93 917	D35143D	4,082
Babes-Title II Services	93 917	D35324D	4,082
			8,164
Passed through from Seattle King County Dept of Public Health WBCHP Public Education/Outreach	93 919	D33773D	10,322
Total Department of Health and Human Services			2,432,344
Department of Homeland Security			
Passed through from King County - FEMA Emergency Food & Shelter	97 024	22-8890-00-009	156,568
Passed through from Snohomish County - FEMA Emergency Food & Shelter	97 024	22-8824-00 004 E9	59,699
Total Department of Homeland Security			210,267

Continued

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Schedule Of Expenditures Of Federal Awards - Continued
 For The Year Ended December 31, 2005

<u>Federal Grantor/Pass-through Grantor - Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-through Number</u>	<u>Fiscal Year Expenditures</u>
US Department of Education			
Passed through from Seattle Public Schools			
School's Out - Community Learning Center	84 287	n/a	\$ 15,000
School's Out - Community Learning Center	84 287	n/a	4,228
Total US Department of Education			19,228
Department of Justice			
Passed through from National Children's Alliance			
Dawson's Place	16 543	Ever-WA-NMPO05	47,004
Passed through from State of Washington Department of Social and Health Services			
Domestic Violence Shelter	16 575	0418-50877	24,528
Domestic Violence Shelter	16 575	0512-73896	29,833
			54,361
Passed through from Washington State Department of Community, Trade and Economic Development			
DV Legal Advocacy	16 579	F04-30804-024	13,000
DV Legal Advocacy	16 579	F05-31108-014	13,000
			26,000
Total Department of Justice			127,365
Department of Agriculture			
Passed through from State of Washington Office of Superintendent of Public Instruction			
Child & Adult Care Food Program	10 558	05-17010338	33,009
Child & Adult Care Food Program	10 558	06-17-01-0338	11,058
			44,067
Passed through from State of Washington Department of Social and Health Services			
Food Stamp Employments and Training	10 561	0512-80161	8,027
Total Department of Agriculture			52,094
Total Federal Awards Expended			\$ 9,817,944

* Denotes a major program

** Denotes an expenditure that is an outstanding loan balance

Continued

See auditor's report

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
Schedule Of Expenditures Of Federal Awards - Continued
For The Year Ended December 31, 2005

Note 1 - Basis of Presentation

This schedule includes the federal grant activity of Young Women's Christian Association of Seattle-King County-Snohomish County and Affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of, the basic financial statements.

Note 2 - Subrecipients

Included in Supportive Housing Program (CFDA 14.235) expenditures is \$102,000 of payments to subrecipients.

Included in Temporary Assistance for Needy Families (CFDA 93.558) expenditures is \$369,476 of payments to subrecipients.

Included in Child Care and Development Block Grants (CFDA 93.575) expenditures is \$212,443 of payments to subrecipients.

Included in Emergency Food and Shelter National Board Program (CFDA 97.024) expenditures is \$86,879 of payments to subrecipients.

**YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES**

*Schedule Of Findings And Questioned Costs
For The Year Ended December 31, 2005*

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Reportable condition(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Reportable condition(s) identified that are not considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Identification of Major Programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
14.218	Community Development Block Grants
14.238	Shelter Plus Care
17.263	Youth Opportunity Grants
93.575	Schools Out Consortium

Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Schedule Of Findings And Questioned Costs
For The Year Ended December 31, 2005*

Section II - Reportable Financial Statement Findings

No matters were reported

Section III - Reportable Findings And Questioned Costs For Federal Awards

Finding 2005-1, Compliance with Eligibility Criteria

US Department of Labor,
Passed Through From Work Force Development of King County
Youth Opportunity Grants
Grant Period: July 2004 through July 2005
CFDA # 17.263

Criteria

Participants in the Youth Opportunity Grants Program must meet eligibility criteria, which includes residing in the target community specified in the grant document per 20 CFR Section 664.820.

Condition Found

Of the 25 Youth Opportunity program participant files we tested for eligibility during our audit we noted that seven participant files lacked evidence of the residency criteria for eligibility. Our sample size of 25 was from a population of 82 participants during 2005.

Also during 2005, the Workforce Development Council of Seattle-King County (WDC), the pass-through granting agency, performed a participant file review of the Youth Opportunity program for the entire term of the grant program from 2000 through the end of the program in July 2005. During this review WDC found 74 participant files from the period 2000 to 2005 that lacked evidence of the residency criteria for eligibility.

Effect

The Organization was not in compliance with 20 CFR Section 664 820 for certain participants in the program

Questioned Costs

The Organization and WDC have come to a settlement regarding the 74 participant files found to lack eligibility documentation. This settlement includes the determination that the questioned costs associated with these 74 participants totals \$36,622.04 for direct costs, plus a 10% overhead allocation, for a total amount of \$40,284.24. The Organization has refunded \$40,284.24 to WDC for these question costs

Recommendation

No further action recommended relating to this compliance finding as the Organization has settled the matter with the pass-through granting agency and refunded the full amount of questioned costs.

- Continued -

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Schedule Of Findings And Questioned Costs - Continued
For The Year Ended December 31, 2005*

Views of Responsible Officials and Corrective Action Plan

Management has provided the following response to this finding.

Management agrees with the finding and recommendation above. The YWCA takes contract requirements very seriously and devoted considerable senior staff time to work with the WDC to address this issue. As we investigated the situation, we concluded that most of these young people presented to our recruiting staff as homeless with a connection - but not a residential address - within the eligible residence zone. Our Youth Opportunities staff at the time in good faith understood that documenting the connection was sufficient to establish eligibility. Unfortunately, that was not the case. We deeply regret and apologize for this error regarding customer eligibility. We will ensure on future contracts that eligibility requirements are clearly understood and that proper documentation of eligibility is received and kept on file as required by the contract.

*YOUNG WOMEN'S CHRISTIAN ASSOCIATION
OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES*

*Summary Schedule Of Prior Year Audit Findings
For The Year Ended December 31, 2005*

There were no prior audit findings, therefore, no matters are reportable

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2004

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

A For the **2004** calendar year, or tax year beginning **2004**, and ending

Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY	D Employer identification number 91-0482890
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1118 FIFTH AVENUE	E Telephone number (206) 490-4380
	City or town, state or country, and ZIP + 4 SEATTLE, WA 98101	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual Other (specify)
	Please use IRS label or print or type. See Specific Instructions.	

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

G Website: **WWW.YWCAWORKS.ORG**

J Organization type (check only one) 501(c)(3) (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **21,571,439.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	4,055,841.		
	b Indirect public support	1b	1,607,108.		
	c Government contributions (grants)	1c	11,947,426.		
	d Total (add lines 1a through 1c) (cash \$ 17,551,844. noncash \$ 58,531.)	1d			17,610,375.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			1,971,609.
	3 Membership dues and assessments	3			108,794.
	4 Interest on savings and temporary cash investments	4			29,370.
	5 Dividends and interest from securities	5			502,965.
	6 a Gross rents	6a	75,328.		
	b Less: rental expenses	6b	16,791.		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			58,537.
7 Other investment income (describe)	7				
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		1,237,724.	8a		
	b Less: cost or other basis and sales expenses	1,254,647.	8b		
	c Gain or (loss) (attach schedule)	-16,923.	8c		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			-16,923.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ 93,302. of STMT 4 contributions reported on line 1a)	9a	35,274.	STMT 5		
b Less: direct expenses other than fundraising expenses	9b	33,645.			
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			1,629.	
Revenue	10 a Gross sales of inventory, less returns and allowances	10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11				
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			20,266,356.	
Expenses	13 Program services (from line 44, column (B))	13			17,735,519.
	14 Management and general (from line 44, column (C))	14			1,121,104.
	15 Fundraising (from line 44, column (D))	15			815,596.
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			19,672,219.
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			594,137.	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			49,370,471.
	20 Other changes in net assets or fund balances (attach explanation) STMT 6 STMT 7	20			113,978.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			50,078,586.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

FOR PUBLIC DISCLOSURE

Form 990 (2004)

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 922,073; noncash \$)	922,073.	922,073.	STMT 8	
23	Specific assistance to individuals (attach schedule)	3,192,896.	3,192,896.	STMT 9	
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	289,338.	NONE	289,338.	NONE
26	Other salaries and wages	8,331,309.	7,564,194.	342,470.	424,645.
27	Pension plan contributions	459,633.	399,773.	25,331.	34,529.
28	Other employee benefits	689,346.	632,710.	29,938.	26,698.
29	Payroll taxes	967,602.	875,465.	54,411.	37,726.
30	Professional fundraising fees				
31	Accounting fees	48,768.	NONE	48,768.	NONE
32	Legal fees	54,955.	33,822.	21,133.	NONE
33	Supplies	696,755.	586,677.	7,985.	102,093.
34	Telephone	205,536.	197,628.	4,854.	3,054.
35	Postage and shipping	66,263.	42,795.	14,713.	8,755.
36	Occupancy	1,489,144.	1,422,582.	55,122.	11,440.
37	Equipment rental and maintenance	152,744.	122,182.	19,961.	10,601.
38	Printing and publications	142,164.	69,947.	25,853.	46,364.
39	Travel	191,704.	153,675.	28,292.	9,737.
40	Conferences, conventions, and meetings	66,315.	47,422.	9,841.	9,052.
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)	671,608.	622,973.	38,238.	10,397.
43	Other expenses not covered above (itemize) STMT 10	1,034,066.	848,705.	104,856.	80,505.
b					
c					
d					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry those totals to lines 13-15.	19,672,219.	17,735,519.	1,121,104.	815,596.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? STMT 11

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a	<u>SEE ATTACHMENT B</u>	(Grants and allocations \$ 922,073.)	17,735,519.
b		(Grants and allocations \$)	
c		(Grants and allocations \$)	
d		(Grants and allocations \$)	
e	Other program services (attach schedule)	(Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		17,735,519.

FOR PUBLIC DISCLOSURE

Part IV Balance Sheets (See page 25 of the instructions)

		(A) Beginning of year		(B) End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
Assets	45	Cash - non-interest-bearing	432,600.	45	80,890.
	46	Savings and temporary cash investments	4,143,087.	46	7,832,347.
	47a	Accounts receivable	1,939,689.		
	b	Less: allowance for doubtful accounts		47c	1,939,689.
	48a	Pledges receivable	1,736,310.		
	b	Less: allowance for doubtful accounts	29,467.	48c	1,706,843.
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less: allowance for doubtful accounts		51c	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	231,528.	53	224,212.
	54	Investments - securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	6,005,327.	54	17,868,369.
	Liabilities	55a	Investments - land, buildings, and equipment: basis		
b		Less: accumulated depreciation (attach schedule)		55c	
56		Investments - other (attach schedule)	16,098,645.	56	3,423,623.
57a		Land, buildings, and equipment: basis	26,855,605.		
b		Less: accumulated depreciation (attach schedule)	6,264,199.	57c	20,591,406.
58		Other assets (describe <input type="checkbox"/> STMT 14)	946,284.	58	953,890.
59		Total assets (add lines 45 through 58) (must equal line 74)	54,277,475.	59	54,621,269.
60		Accounts payable and accrued expenses	2,531,168.	60	1,893,408.
61		Grants payable		61	
62		Deferred revenue	99,243.	62	6,167.
Net Assets or Fund Balances	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)	2,276,593.	64b	2,643,108.
	65	Other liabilities (describe <input type="checkbox"/>)		65	
	66	Total liabilities (add lines 60 through 65)	4,907,004.	66	4,542,683.
	67	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
67	Unrestricted	31,777,102.	67	34,222,301.	
68	Temporarily restricted	12,029,619.	68	11,120,815.	
69	Permanently restricted	5,563,750.	69	4,735,470.	
70	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
70	Capital stock, trust principal, or current funds		70		
71	Paid-in or capital surplus, or land, building, and equipment fund		71		
72	Retained earnings, endowment, accumulated income, or other funds		72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	49,370,471.	73	50,078,586.	
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	54,277,475.	74	54,621,269.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

FOR PUBLIC DISCLOSURE

YWCA-SEATTLE-KING-SN

Part VI Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
	b If "Yes," enter the name of the organization <u>STMT 26</u> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. See line 81 instructions.	81a	NONE
	b Did the organization file Form 1120-POL for this year?	81b	N/A
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82a	X
		82b	115,660
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible? b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84a	X
		84b	N/A
85	501(c)(4), (5), or (6) organizations: a Were substantially all dues nondeductible by members? b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85a	N/A
		85b	N/A
	c Dues, assessments, and similar amounts from members	85c	N/A
	d Section 162(e) lobbying and political expenditures	85d	N/A
	e Aggregate nondeductible amount of section 5033(e)(1)(A) dues notices	85e	N/A
	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 b Gross receipts, included on line 12, for public use of club facilities	86a	N/A
		86b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87a	N/A
		87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>NONE</u> ; section 4912 <u>NONE</u> ; section 4955 <u>NONE</u>		
	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a	List the states with which a copy of this return is filed <u>WASHINGTON</u>		
	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	396
91	The books are in care of <u>KRIS LAMBRIGHT, CFO</u> Telephone no. <u>206-490-4380</u> Located at <u>1118 FIFTH AVENUE, SEATTLE, WA</u> ZIP + 4 <u>98101</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041. Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		NONE

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a STMT 27					1,971,609.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					108,794.
95 Interest on savings and temporary cash investments			14	29,370.	
96 Dividends and interest from securities			14	502,965.	
97 Net rental income or (loss) from real estate:					
a debt-financed property			30	58,537.	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-16,923.	
101 Net income or (loss) from special events			01	1,629.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				575,578.	2,080,403.
105 Total (add line 104, columns (B), (D), and (E))					2,655,981.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	STMT 28

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
STMT 29	%		-72,984.	3,161,006.
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *[Signature]* Date: 9/1/05

Type or print name and title: Susan D. Thierbrock

Preparer's Use Only

Preparer's signature: *[Signature]* Date: 8/19/05

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. W): P00244838

Firm's name (or yours if self-employed): CLARK NUBER P.S.

EIN: 91-1194016

Address and ZIP + 4: 10900 NE 4TH, SUITE 1700 BELLEVUE, WA 98004

Phone no.: 425 454-4919

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2004

Department of the Treasury
Internal Revenue Service

Supplementary Information - (See separate instructions.)

▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization: **YWCA OF SEATTLE-KING COUNTY-
SNOHOMISH COUNTY**

Employer identification number:
91-0482890

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
LINDA WEEDMAN 1118 5TH AVENUE SEATTLE, WA 98101	SENIOR PROGRAM DIR >40 HRS/WK	75,300.	10,599.	NONE
SHERRY DAWLEY 1118 5TH AVENUE SEATTLE, WA 98101	DIR COMMUNITY AFFAIR >40 HRS/WK	68,810.	10,366.	NONE
PATRICIA HAYDEN 1118 5TH AVENUE SEATTLE, WA 98101	SENIOR PROGRAM DIR >40 HRS/WK	64,131.	9,878.	NONE
MARI OFFENBECKER 1118 5TH AVENUE SEATTLE, WA 98101	SCHOOL'S OUT DIR >40 HRS/WK	60,918.	7,209.	NONE
REBECCA ROBY 1118 5TH AVENUE SEATTLE, WA 98101	SNOBOMISH COUNTY DIR >40 HRS/WK	59,515.	9,390.	NONE
Total number of other employees paid over \$50,000	▶ 7			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
STICKNEY MURPHY ROMINE 911 WESTERN AVE #200, SEATTLE, WA 98104	ARCHITECTURAL SVCS	107,873.
Total number of others receiving over \$50,000 for professional services	▶ NONE	

FOR PUBLIC DISCLOSURE

YWCA-SEATTLE-KING-SN

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes" enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>NONE</u> (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? FORM 990, PART V	X	
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is: (Please check only ONE applicable box.)
- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 - 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
 - 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2003, (b) 2002, (c) 2001, (d) 2000, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 1% of line 23; 26 Public support calculations; 27 Unusual Grants.

Part V Private School Questionnaire (See page 7 of the instructions.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31	

32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		

33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768) NOT APPLICABLE

Check a if the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply

Table with columns for (a) Affiliated group totals and (b) To be completed for ALL electing organizations. Rows include: 36 Total lobbying expenditures to influence public opinion, 37 Total lobbying expenditures to influence a legislative body, 38 Total lobbying expenditures, 39 Other exempt purpose expenditures, 40 Total exempt purpose expenditures, 41 Lobbying nontaxable amount, 42 Grassroots nontaxable amount, 43 Subtract line 42 from line 36, 44 Subtract line 41 from line 38.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for (a) 2004, (b) 2003, (c) 2002, (d) 2001, and (e) Total. Rows include: 45 Lobbying nontaxable amount, 46 Lobbying ceiling amount (150% of line 45(e)), 47 Total lobbying expenditures, 48 Grassroots nontaxable amount, 49 Grassroots ceiling amount (150% of line 48(e)), 50 Grassroots lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
b Paid staff or management (Include compensation in expenses reported on lines c through h.)
c Media advertisements
d Mailings to members, legislators, or the public
e Publications, or published or broadcast statements
f Grants to other organizations for lobbying purposes
g Direct contact with legislators, their staffs, government officials, or a legislative body
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
Total lobbying expenditures (Add lines c through h.)

Table with columns: Yes, No, Amount. Rows corresponding to items a through h, with 'X' marks in the Yes column and 'NONE' in the Amount column for the total.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box, X

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY	Employer identification number 91-0482890
	Number, street, and room or suite no. If a P.O. box, see instructions. 1118 FIFTH AVENUE	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SEATTLE, WA 98101	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 4720	

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of **KRIS LAMBRIGHT**
 Telephone No. **206 490-4380** FAX No. **206 461-4860**

• If the organization does not have an office or place of business in the United States, check this box,

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If (his is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **11/15/2005**

5 For calendar year **2004**, or other tax year beginning _____ and ending _____

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension **ADDITIONAL TIME IS REQUIRED TO GATHER THE NECESSARY INFORMATION FROM THIRD PARTIES TO ASSURE PREPARATION OF A COMPLETE AND ACCURATE TAX RETURN.**

a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See Instructions. \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **na** Title **CPA** Date **8/2/05**

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name CLARK NUBER P.S.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 10900 NE 4TH, SUITE 1700
	City or town, province or state, and country (including postal or ZIP code) BELLEVUE, WA 98004

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return

If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box

• If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only.

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization	YWCA OF SEATTLE-KING COUNTY -	Employer identification number
		SNOHOMISH COUNTY	91-0482890
	Number, street, and room or suite no. If a P.O. box, see instructions.	1118 FIFTH AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	SEATTLE, WA 98101	

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T(sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

• The books are in the care of ▶ KRIS LAMBRIGHT

Telephone No ▶ 206 490-4380 FAX No. ▶ 206 461-4860

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until 08/15, 2005 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 2004 or
▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

=====

OTHER DEDUCTIONS

MISCELLANEOUS DEDUCTIONS

16,791.

16,791.

=====

FOR PUBLIC DISCLOSURE

STATEMENT 2

RENT AND ROYALTY SUMMARY

=====

PROPERTY	TOTAL INCOME	DEPLETION/ DEPRECIATION	OTHER EXPENSES	ALLOWABLE NET INCOME
-----	-----	-----	-----	-----
COMMERCIAL SPACE	75,328.		16,791.	58,537.
	-----	-----	-----	-----
TOTALS	75,328.		16,791.	58,537.
	=====	=====	=====	=====

FOR PUBLIC DISCLOSURE

FORM 990, PART I - EXCLUDED CONTRIBUTIONS

=====

DESCRIPTION	AMOUNT
-----	-----
ENDOWMENT GUILD WINE EVENT	32,960.
ISABEL COLMAN PIERCE	7,293.
CHEF'S FEST	53,049.
TOTAL	----- 93,302. =====

FOR PUBLIC DISCLOSURE

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
ENDOWMENT GUILD WINE EVENT	17,467.	14,609.	2,858.
ISABEL COLMAN PIERCE	9,657.	14,683.	-5,026.
CHEF'S FEST	8,150.	4,353.	3,797.
TOTALS	35,274.	33,645.	1,629.

FOR PUBLIC DISCLOSURE

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	1,063,978.

TOTAL	1,063,978. =====

FOR PUBLIC DISCLOSURE

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES

=====

DESCRIPTION

AMOUNT

PRIOR PERIOD ADJUSTMENT TO REVERSE A
PLEDGE RECEIVABLE INAPPROPRIATELY
RECORDED IN 2002 & 2003.

950,000.

TOTAL

950,000.

=====

FOR PUBLIC DISCLOSURE

STATEMENT 7

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR
AND
FOUNDATION STATUS OF RECIPIENT

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

GRANTS PAID
=====

SEE ATTACHMENT A

823,040.

GRANTS ACCRUED
=====

TOTAL CONTRIBUTIONS PAID

823,040.
=====

SEE ATTACHMENT A

99,033.

TOTAL CONTRIBUTIONS ACCRUED

99,033.
=====

TOTAL CONTRIBUTIONS PAID AND ACCRUED

922,073.
=====

FOR PUBLIC DISCLOSURE

RM 990, PART II - SPECIFIC ASSISTANCE TO INDIVIDUALS

=====

DESCRIPTION -----	PROGRAM SERVICES -----
EMPLOYMENT PROGRAMS	361,654.
CHILDCARE, FAMILIES AND YOUTH PROGRAMS	161,801.
FOOD, SHELTER AND CLOTHING FOR LOW-INCOME PEOPLE	2,669,441.
TOTALS	----- 3,192,896. =====

FOR PUBLIC DISCLOSURE

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
PROFESSIONAL FEES	462,939.	384,455.	18,245.	60,239.
ADVERTISING	47,408.	32,595.	14,807.	6.
DUES	38,079.	31,148.	4,364.	2,567.
LIABILITY INSURANCE	330,562.	296,594.	22,181.	11,787.
MISCELLANEOUS	96,547.	45,382.	45,259.	5,906.
IN-KIND EXPENSES	58,531.	58,531.	NONE	NONE
TOTALS	1,034,066.	848,705.	104,856.	80,505.

FOR PUBLIC DISCLOSURE

ORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY PROVIDES A VARIETY OF SOCIAL SERVICES, INCLUDING SHELTER AND RELATED SERVICES, AFFORDABLE HOUSING, EMPLOYMENT SERVICES, CHILD CARE, AND PROGRAMMING FOR YOUTH AND FAMILIES PRIMARILY IN THE KING AND SNOHOMISH COUNTY AREAS. THE MAJORITY OF THE ORGANIZATION'S FUNDING IS DERIVED FROM PUBLIC SUPPORT.

FOR PUBLIC DISCLOSURE

FORM 990, PART IV - INVESTMENTS - SECURITIES

=====

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
-----	-----	-----
MARKETABLE EQUITY SECURITIES	6,005,327.	10,238,863.
MARKETABLE DEBT SECURITIES	NONE	7,629,506.
TOTALS	6,005,327.	17,868,369.
	=====	=====

FOR PUBLIC DISCLOSURE

FORM 990, PART IV - INVESTMENTS - OTHER

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
BONDS	7,134,799.	NONE
MUTUAL FUNDS	1,644,150.	NONE
OTHER INVESTMENTS	4,347,148.	451,946.
FAMILY VILLAGE	2,972,465.	2,971,677.
INVESTMENT IN ANGELINE'S LLC	83.	NONE
	-----	-----
TOTALS	16,098,645.	3,423,623.
	=====	=====

FOR PUBLIC DISCLOSURE

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
DEVELOPER FEE RECEIVABLE	946,284.	953,890.
TOTALS	----- 946,284. =====	----- 953,890. =====

FOR PUBLIC DISCLOSURE.

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE
 =====

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 1,559,115.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 07/05/1988
 MATURITY DATE: 07/05/2028
 REPAYMENT TERMS: PRINCIPAL IS DUE ON 7/05/2028.
 SECURITY PROVIDED: DEED OF TRUST ON LEXINGTON-CONCORD BUILDING
 PURPOSE OF LOAN: TO PURCHASE BUILDING

BEGINNING BALANCE DUE	1,812,793.
ENDING BALANCE DUE	1,792,987.

LENDER: SNOHOMISH COUNTY
 ORIGINAL AMOUNT: 234,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 12/16/1992
 MATURITY DATE: 12/16/2022
 REPAYMENT TERMS: LOAN WILL BE FORGIVEN IF ALL REQUIREMENTS ARE MET.
 SECURITY PROVIDED: DEED OF TRUST ON PATHWAYS FOR WOMEN BUILDING
 PURPOSE OF LOAN: TO FINANCE PURCHASE OF BUILDING

BEGINNING BALANCE DUE	234,000.
ENDING BALANCE DUE	234,000.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 120,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 01/01/1997
 MATURITY DATE: 12/31/2017
 REPAYMENT TERMS: LOAN WILL BE FORGIVEN IF ALL REQUIRMENTS ARE MET.
 SECURITY PROVIDED: DEED OF TRUST ON THE EAST CHERRY BRANCH BUILDING
 PURPOSE OF LOAN: FOR THE EAST CHERRY BRANCH BUILDING.

BEGINNING BALANCE DUE	120,000.
ENDING BALANCE DUE	120,000.

FOR PUBLIC DISCLOSURE

LENDER: KING COUNTY
 ORIGINAL AMOUNT: 79,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 06/06/1997
 MATURITY DATE: 06/06/2047
 REPAYMENT TERMS: FORGIVEN IF ALL LOAN REQUIRMENTS ARE MET.
 SECURITY PROVIDED: MORGAGE ON THE BELLEVUE TOWNHOMES.
 PURPOSE OF LOAN: FOR BELLEVUE TOWNHOMES.

BEGINNING BALANCE DUE 79,000.
 ENDING BALANCE DUE 79,000.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 30,800.
 INTEREST RATE: NONE
 DATE OF NOTE: 05/29/1997
 MATURITY DATE: 05/29/2047
 REPAYMENT TERMS: FORGIVEN IF ALL LOAN REQUIRMENTS ARE MET.
 SECURITY PROVIDED: MORTGAGE ON BELLEVUE TOWNHOMES
 PURPOSE OF LOAN: FOR THE BELLEVUE TOWNHOMES

BEGINNING BALANCE DUE 30,800.
 ENDING BALANCE DUE 30,800.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 219,873.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 11/01/2004
 MATURITY DATE: 09/19/2009
 REPAYMENT TERMS: DUE ON 9/19/2004
 SECURITY PROVIDED: DEED OF TRUST ON WINDERMERE HOUSE
 PURPOSE OF LOAN: FOR THE WINDERMERE HOUSE

BEGINNING BALANCE DUE NONE
 ENDING BALANCE DUE 220,239.

FOR PUBLIC DISCLOSURE

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 165,806.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 01/01/2004
 MATURITY DATE: 08/21/2034
 REPAYMENT TERMS: DUE ON 8/21/2034
 SECURITY PROVIDED: DEED OF TRUST ON EAST UNION APARTMENTS
 PURPOSE OF LOAN: FOR THE EAST UNION APARTMENTS.

BEGINNING BALANCE DUE	NONE
ENDING BALANCE DUE	166,082.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	2,276,593.
	=====

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	2,643,108.
	=====

FOR PUBLIC DISCLOSURE

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION -----	AMOUNT -----
REVENUE FROM AFFILIATES CONSOLIDATED FOR FINANCIAL REPORTING PURPOSES	372,255.
RENTAL EXPENSES	16,791.
SPECIAL EVENT EXPENSES	33,645.

TOTAL	422,691.
	=====

FOR PUBLIC DISCLOSURE

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION -----	AMOUNT -----
EXPENSES FROM AFFILIATES CONSOLIDATED FOR FINANCIAL REPORTING PURPOSES	359,158.
SPECIAL EVENTS EXPENSE NETTED AGAINST REVENUE	33,645.
RENTAL EXPENSE NETTED AGAINST RENTAL REVENUE	16,791.
TOTAL	----- 409,594. =====

FOR PUBLIC DISCLOSURE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUE SHERBROOKE 1118 FIFTH AVENUE SEATTLE, WA 98101	CEO >40 HRS/WK	92,569.	12,688.	NONE
RITA RYDER 1118 FIFTH AVENUE SEATTLE, WA 98101	PRESIDENT >40 HRS/WK	93,515.	12,788.	NONE
KRIS LAMBRIGHT 1118 5TH AVENUE SEATTLE, WA 98101	CFO >40 HRS/WK	67,470.	10,308.	NONE
BARBARA MORGAN 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD CHAIR <10 HRS/WK	NONE	NONE	NONE
NINA ODELL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD CHAIR ELECT. <10 HRS/WK	NONE	NONE	NONE
PAT CHAR 1118 FIFTH AVENUE SEATTLE, WA 98101	IMMEDIATE PAST CHAIR <10 HRS/WK	NONE	NONE	NONE
MARIE GUNN 1118 FIFTH AVENUE SEATTLE, WA 98101	SECRETARY <10 HRS/WK	NONE	NONE	NONE
MARYANN CRISSEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. FINANCE/TREAS. <10 HRS/WK	NONE	NONE	NONE

FOR PUBLIC DISCLOSURE

FORM 9. , PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MARY ANNE ENG 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. FACILITIES <10 HRS/WK	NONE	NONE	NONE
BETSY MOSELEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. FACILITIES <10 HRS/WK	NONE	NONE	NONE
ELIZABETH CROSSMAN 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. PUBLIC RELATION <10 HRS/WK	NONE	NONE	NONE
SHARON ROWLEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. INVESTMENTS <10 HRS/WK	NONE	NONE	NONE
JEANNIE NORDSTROM 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. VLTR. LDRSHP. <10 HRS/WK	NONE	NONE	NONE
MOLLY HANLON 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. MAJOR GIFTS <10 HRS/WK	NONE	NONE	NONE
EVELYNE ROZNER 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. LEADERSHIP GIFT <10 HRS/WK	NONE	NONE	NONE
ALICE SANDSTROM 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. PLANNING GIVING <10 HRS/WK	NONE	NONE	NONE

FOR PUBLIC DISCLOSURE

FORM 950, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
LAURA JENNINGS 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. HOUSING DEVEL. <10 HRS/WK	NONE	NONE	NONE
M. LYNN RYDER 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. HUMAN RESOURCES <10 HRS/WK	NONE	NONE	NONE
JEAN ENERSEN 1118 FIFTH AVENUE SEATTLE, WA 98101	ALUMNAE REP. <10 HRS/WK	NONE	NONE	NONE
SUSAN MASK 1118 FIFTH AVENUE SEATTLE, WA 98101	BNFT LUNCHEONS CHAIR <10 HRS/WK	NONE	NONE	NONE
CHARLENE BLETHEN 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
BOBBE BRIDGE 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
CHERYL CHOW 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARIANNA CONNER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FOR PUBLIC DISCLOSURE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
BOB DREWEL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
BARBARA FAHEY 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
PATTI FERSCH 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MIMI GARDNER GATES 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
WANDA HERNDON 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
JONELLE M.C. JOHNSON 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
LESLIE D. JONES 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARLAINA KINER-MCIVER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FOR PUBLIC DISCLOSURE

FORM 9. , PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SANDRA MADRID, PHD. 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
DR. CHARLES MITCHELL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
CYNTHIA PARKER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
NICOLE PIASECKI 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
TY SCHEUMANN 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
JAN SINEGAL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARY E. SNAPP 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
PHYLLIS STARK 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FOR PUBLIC DISCLOSURE

FORM 95, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN VALAAS 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
LINDA R. WALKER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
DEBORAH WILLINGHAM 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
GRAND TOTALS		253,554.	35,784.	NONE

FOR PUBLIC DISCLOSURE

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

YWSA OF SEATTLE-KING COUNTY
DRESS FOR SUCCESS SEATTLE

FOR PUBLIC DISCLOSURE

STATEMENT 26

YWCA-SEATTLE-KING-SN

FORM 5.0, PART VII - PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
EMERGENCY SHELTER					261,041.
EMPLOYMENT					130,324.
CHILD CARE					617,902.
YOUTH					95,623.
FAMILY					112,185.
AFFORDABLE HOUSING					754,534.
TOTALS					1,971,609.

FOR PUBLIC DISCLOSURE

DRM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

=====

LINE NO. ---	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES -----
--------------------	---

- 93 A) EMERGENCY SHELTER: FEE INCOME FROM TRANSITIONAL PROGRAMS ONLY. VERY INEXPENSIVE HOUSING FOR LIMITED PERIOD HELPS INDIVIDUALS AND FAMILIES STABILIZE THEIR LIVES AS THEY SEEK PERMANENT HOUSING, GET EMPLOYMENT AND/OR TAKE JOB TRAINING.
- 93 B) EMPLOYMENT: PROMOTES ECONOMIC SELF-SUFFICIENCY AND HELPS LOW INCOME WOMEN AND THEIR FAMILIES ESCAPE THE CYCLE OF HOMELESSNESS AND POVERTY.
- 93 C) CHILD CARE: PROMOTES ECONOMIC SELF-SUFFICIENCY BY ENABLING WOMEN TO WORK AND STRENGTHENS THE FAMILY BY OFFERING HIGH QUALITY CARE.
- 93 D) YOUTH: AFTER-SCHOOL AND SUMMER PROGRAMS BUILD SKILLS AND PROVIDE MENTORING FOR GIRLS IN MIDDLE AND HIGH SCHOOL.
- 93 E) FAMILY SERVICES: HELPS AT-RISK FAMILIES DEVELOP SKILLS AND SELF-ESTEEM NEEDED TO BE PRODUCTIVE MEMBERS OF THEIR COMMUNITY.
- 93 F) LOW COST HOUSING: PREVENTS HOMELESSNESS BY PROVIDING DECENT AND SAFE HOUSING AT PRICES MINIMUM WAGE WORKERS CAN AFFORD.
- 94 MEMBERSHIP: ENCOURAGES A SENSE OF OWNERSHIP AND PARTICIPATION IN OVERALL MISSION OF THE ASSOCIATION.

FOR PUBLIC DISCLOSURE

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER	PERCENTAGE OWNERSHIP INTEREST	NATURE OF BUSINESS ACTIVITIES	TOTAL INCOME	ENDING ASSETS
FAMILY VILLAGE L.P. 1118 5TH AVENUE SEATTLE, WA 98101 91-1579120	54.970000	HOUSING	-72,984.	3,161,006.
TOTAL INCOME			-72,984.	3,161,006.

FOR PUBLIC DISCLOSURE

Capital Gains and Losses

2004

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate
Instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust

CA OF SEATTLE-KING COUNTY -
SNOHOMISH COUNTY

Employer identification number

91-0482890

Note: Form 5227 filers need to complete only Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 33)	(f) Gain or (Loss) for the entire year (col. (d) less col. (e))
1					
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824				2
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts				3
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2003 Capital Loss Carryover Worksheet				4 ()
5	Net short-term gain or (loss). Combine lines 1 through 4 in column (f). Enter here and on line 13, column (3) below				5 ▶

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 33)	(f) Gain or (Loss) for the entire year (col. (d) less col. (e))
6					
SEE STATEMENT 1			1,237,724.	1,254,647.	-16,923.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824				7
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts				8
9	Capital gain distributions				9
10	Gain from Form 4797, Part I				10
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2003 Capital Loss Carryover Worksheet				11 ()
12	Net long-term gain or (loss). Combine lines 6 through 11 in column (f). Enter here and on line 14a, column (3) below				12 ▶

Part III Summary of Parts I and II

Caution: Read the instructions before completing this part.

	(1) Beneficiaries' (see page 34)	(2) Estate's or trust's	(3) Total
13 Net short-term gain or (loss)	13		
14 Net long-term gain or (loss):			
a Total for year	14a		-16,923.
b Unrecaptured section 1250 gain (see line 18 of the worksheet on page 34)	14b		
c 28% rate gain or (loss)	14c		
15 Total net gain or (loss). Combine lines 13 and 14a	15 ▶		-16,923.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2004

FOR PUBLIC DISCLOSURE

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4, the smaller of:

a The loss on line 15, column (3) or

b \$3,000

16 (3,000.)

If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22, is a loss, complete the Capital Loss Carryover Worksheet on page 36 of the instructions to determine your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates (Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22 is more than zero.)

Note: If line 14b, column (2) or line 14c, column (2) is more than zero, complete the worksheet on page 37 of the instructions and skip Part V. Otherwise, go to line 17.

17	Enter taxable income from Form 1041, line 22	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0-	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$1,950	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input checked="" type="checkbox"/> Yes. Skip lines 25 through 27; go to line 28 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Multiply line 26 by 5% (.05)	27	
28	Are the amounts on lines 22 and 26 the same? <input checked="" type="checkbox"/> Yes. Skip lines 28 through 31; go to line 32. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	28	
29	Enter the amount from line 26 (If line 26 is blank, enter -0-)	29	
30	Subtract line 29 from line 28	30	
31	Multiply line 30 by 15% (.15)	31	
32	Figure the tax on the amount on line 23. Use the 2004 Tax Rate Schedule on page 22 of the instructions	32	NONE
33	Add lines 27, 31, and 32	33	NONE
34	Figure the tax on the amount on line 17. Use the 2004 Tax Rate Schedule on page 22 of the instructions	34	
35	Tax on all taxable income. Enter the smaller of line 33 or line 34 here and on line 1a of Schedule G, Form 1041	35	

FOR PUBLIC DISCLOSURE

**Asset Acquisition Statement
Under Section 1060**

▶ Attach to your income tax return. ▶ See separate instructions.

Name as shown on return	Identifying number as shown on return
YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY	91-0482890

Check the box that identifies you.

Purchaser Seller

Part I General Information

1 Name of other party to the transaction	Other party's identifying number
SEATTLE EMERGENCY HOUSING SERVICE	23-7279962

Address (number, street, and room or suite no.)

905 SPRUCE STREET

City or town, state, and ZIP code

SEATTLE, WA 98104

2 Date of sale	3 Total sales price (consideration)
NOVEMBER 1, 2004	411,301

Part II Assets Transferred — All filers of an original statement must complete.

4 Assets	Aggregate fair market value (actual amount for Class I)	Allocation of sales price
Class I	\$ 5,740	\$ 5,740
Class II	\$	\$
Class III	\$	\$
Class IV	\$	\$
Class V	\$ 405,561	\$ 405,561
Class VI and VII	\$	\$
Total	\$ 411,301.00	\$ 411,301.00

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? Yes No

If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? Yes No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? Yes No

If "Yes," attach a schedule that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

For Paperwork Reduction Act Notice, see separate instructions.

FOR PUBLIC DISCLOSURE

YWCA of Seattle-King County-Snohomish County
For the period ended December 31, 2004

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
A-1MOTEL 4450 GREEN LAKE WAY N. SEATTLE, WA 98103	NONE CORPORATION	FEMA:ROAR	\$ 479	n/a	n/a
AJ WEST ELEMENTARY 1801 BAY AVENUE ABERDEEN, WA 98520	NONE GOVERNMENT	Quality Enhancement Grant	\$ 3,000	n/a	n/a
ALAN WOLTER P.O. BOX 98659 SEATTLE, WA 98198	NONE INDIVIDUAL	FEMA:ROAR	\$ 200	n/a	n/a
AUBURN YOUTH RESOURCES 816 "F" ST SE AUBURN, WA 98005	NONE NON-PF 501(c)(3)	ESAP	\$ 6,437	Yes	\$ 1,287
AURORA NITES INN 11746 AURORA AVE N SEATTLE, WA 98133	NONE CORPORATION	FEMA:ROAR	\$ 83	n/a	n/a
BEN DAVIS 2 BRIDLEWOOD CIRCLE WOODENVILLE, WA 98072	NONE INDIVIDUAL	FEMA:ROAR	\$ 200	n/a	n/a
BOW LAKE ELEMENTARY SCHOOL 18050 32ND AVE S SEATAC, WA 98188	NONE GOVERNMENT	BOOST Grant	\$ 200	n/a	n/a
BOYS & GIRLS CLUB OF BENTON & FRANKLIN CO PO BOX 1322 PASCO, WA 99301	NONE NON-PF 501(c)(3)	Quality Enhancement Grant	\$ 2,580	n/a	n/a
CAMBODIAN WOMEN'S ASSOCIATION 3603 S. ALASKA ST. SEATTLE, WA 98118	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 200	n/a	n/a
CAMPFIRE 8511 15th AVE NE SEATTLE, WA 98115	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 200	n/a	n/a
CATHOLIC COMMUNITY SERVICES P.O. BOX 398 KENT, WA 98035	NONE NON-PF 501(c)(3)	ESAP	\$ 17,132	Yes	\$ 7,970
CCS-FAMILY SUPPORT 100-23RD AVE SOUTH SEATTLE, WA 98144	NONE CORPORATION	ESAP	\$ 242	Yes	\$ 695
CDSA AT HAWTHORNE 5234 S. MAYFLOWER SEATTLE, WA 98118	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
CENTRAL VALLEY SCH. DIST. #356 19307 E. CATALDO GREENACRES, WA 99016	NONE GOVERNMENT	Quality Enhancement Grant	\$ 3,000	n/a	n/a
CHILD CARE RESOURCES 841 N. CENTRAL AVE #126 KENT, WA 98032	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 26,300	Yes	\$ 7,900
CHILDREN'S ALLIANCE 2017 EAST SPRUCE SEATTLE, WA 98122	NONE NON-PF 501(c)(3)	WAN Activities	\$ 15,550	Yes	\$ 3,000
CHRIS BIRD PO BOX 7002, STATION 119 SHORELINE, WA 98133	NONE INDIVIDUAL	BOOST Grant	\$ 100	n/a	n/a
CITY OF BURien 425 S.W. 144th ST BURien, WA 98166	NONE GOVERNMENT	BOOST Grant	\$ 200	n/a	n/a
CITY OF RENTON 1055 S. GRADY WAY RENTON, WA 98055	NONE GOVERNMENT	FEMA:ROAR	\$ 50	n/a	n/a
CITY OF SEATTLE P.O. BOX 34017 SEATTLE, WA 98124	NONE GOVERNMENT	FEMA:ROAR	\$ 530	n/a	n/a
CLOVERPAK TECHNICAL COLLEGE 4500 STELLACOMA BLVD S.W. TACOMA, WA 98409	NONE GOVERNMENT	Spend:Skills Standard	\$ 2,000	n/a	n/a
COLUMBUS INN 9613 AURORA AVE N. SEATTLE, WA 98103	NONE CORPORATION	FEMA:ROAR	\$ 42	n/a	n/a

FOR PUBLIC DISCLOSURE

ATTACHMENT A

YWCA of Seattle-King County-Snohomish County
 For the period ended December 31, 2004

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
COPALIS COMMUNITY CHURCH FOOD BANK PO BOX 279 COPALIS BEACH, WA 98535	NONE NON-PF 501(c)(3)	Feed Your Brain Grant	\$ 3,225	n/a	n/a
CTL MANAGEMENT, INC. 31004 - 17TH PL SW FEDERAL WAY, WA 98023	NONE CORPORATION	FEMA-ROAR	\$ 200	n/a	n/a
DAMASCUS PRESCHOOL 5237 RAINIER AVENUE S. SEATTLE, WA 98118	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 140	n/a	n/a
DAWN P.O. BOX 89007 TUKWILA, WA	NONE NON-PF 501(c)(3)	ESAP	\$ 30,555	Yes	\$ 7,366
DEER PARK SCHOOL DISTRICT PO BOX 490 DEER PARK, WA 99006	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,080	n/a	n/a
DENNIS BUCHANAN 8405 NE 160TH ST KENNEDY, WA 98028	NONE INDIVIDUAL	FEMA-ROAR	\$ 200	n/a	n/a
DRESS FOR SUCCESS 1118 5TH AVENUE SEATTLE, WA 98101	RELATED PARTY NON-PF 501(c)(3)		\$ 8,047	n/a	n/a
EL CENTRO DE LA RAZA COUNTY 2524 16TH AVE S SEATTLE, WA 98144	NONE NON-PF 501(c)(3)	ESAP & FEMA-ROAR	\$ 29,010	Yes	\$ 1,042
EMERALD CITY OUTREACH MINISTRIES 7728 RAINIER AVE S SEATTLE, WA 98118	NONE NON-PF 501(c)(3)	Quality Enhancement Grant	\$ 3,000	n/a	n/a
EMERSON PIEDAD 16427 SE 168TH PL RENTON, WA 98466	NONE INDIVIDUAL	FEMA-ROAR	\$ 200	n/a	n/a
EMPOWERING YOUTH AND FAMILIES OUTREACH PO BOX 105 RENTON, WA 98058	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 200	n/a	n/a
ENGINEERS INVESTMENT CO. 18309 17TH PL NW SHORELINE, WA 98177	NONE CORPORATION	FEMA-ROAR	\$ 100	n/a	n/a
ENVIRONMENTAL SCIENCE CENTER 126 S.W. 148th STREET, SUITE C100-170 BURIEN, WA 98166	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 100	n/a	n/a
FOUR SEASONS APTS. 3251 SOUTH 176TH ST SEATAC, WA 98188	NONE CORPORATION	FEMA-ROAR	\$ 100	n/a	n/a
FROM ROOT TO WINGS 306 S.W. 146th STREET BURIEN, WA 98148	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
GRACE'S KIDDIE KORNER 14328 22ND AVE NE SEATTLE, WA 98125	NONE CORPORATION	Quality Enhancement Grant	\$ 900	n/a	n/a
GRANGER SCHOOL DISTRICT PO BOX 400 GRANGER, WA 98932	NONE GOVERNMENT	Feed Your Brain Grant	\$ 2,400	n/a	n/a
GREENTREE VILLAGE APARTMENTS 21416 52ND AVENUE WEST MOUNTLAKE TERRACE, WA 98043	NONE CORPORATION	FEMA-ROAR	\$ 100	n/a	n/a
GREG STOTSENBERG 1742 S. 142ND ST SEATTLE, WA 98148	NONE INDIVIDUAL	FEMA-ROAR	\$ 200	n/a	n/a
HIGHLINE COMMUNITY COLLEGE PO BOX 98000, MS 20-1 DES MOINES, WA 98198	NONE GOVERNMENT	Support Skills Standard	\$ 2,000	n/a	n/a
HILLCREST APTS. 149203 INTERURBAN AVE TUKWILA, WA 98168	NONE CORPORATION	FEMA-ROAR	\$ 100	n/a	n/a
HOPELINK PO BOX 4477 REDMOND, WA 98052	NONE NON-PF 501(c)(3)	CJII Subcommittee	\$ 21,810	Yes	\$ 596

YWCA of Seattle-King County-Snohomish County
 For the period ended December 31, 2004

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
HOQUIAM SCHOOL DISTRICT 305 SIMPSON AVE HOQUIAM, WA 98550	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,025	n/a	n/a
HOSPITALITY HOUSE 15003 14TH AVE SW BURIEN, WA 98166	NONE NON-PF 501(c)(3)	ESAP & FEMA ROAR	\$ 8,107	n/a	n/a
HOUSING HOPE 5830 EVERGREEN WAY EVERETT, WA 98203	NONE NON-PF 501(c)(3)	Quality Enhancement Grant	\$ 2,500	n/a	n/a
JEVISH FAMILY SERVICES 1601 - 16TH AVE SEATTLE, WA 98122	NONE NON-PF 501(c)(3)	ESAP	\$ 2,861	Yes	\$ 1,550
KALHIDOSCOPE CHILD CARE CENTER 924 AUBURN WAY S AUBURN, WA 98002	NONE CORPORATION	Quality Enhancement Grant	\$ 900	n/a	n/a
KHMER COMMUNITY OF SEATTLE-KING COUNTY 19025 - 16th AVENUE S.W. SEATTLE, WA 98146	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 200	n/a	n/a
KIONA-BENTON CITY SCHOOL 1107 GRACE AVENUE BENTON CITY, WA 99320	NONE GOVERNMENT	Feed Your Brain Grant	\$ 3,600	n/a	n/a
LAKE WASHINGTON TECHNICAL CLGE 11605 - 132ND AVE NE KIRKLAND, WA 98034	NONE GOVERNMENT	Stupend/Skills Standard	\$ 2,090	n/a	n/a
LAKEMONT ORCHARD 18305 SE NEWPORT WAY SEATTLE, WA 98027	NONE CORPORATION	FEMA ROAR	\$ 200	n/a	n/a
LAC HIGHLAND ASSOCIATION 3925 S. BOZEMAN STREET SEATTLE, WA 98118	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 190	n/a	n/a
LOWER ELWHA KLALLAM TRIBE 2851 LOWER ELWHA ROAD PORT ANGELES, WA 98363	NONE CORPORATION	Feed Your Brain Grant	\$ 2,030	n/a	n/a
MAPLE VALLEY FOOD BANK P.O. BOX 332 MAPLE VALLEY, WA 98038	NONE NON-PF 501(c)(3)	ESAP	\$ 6,678	n/a	n/a
MISS CAMI'S DAYCARE AND PRESCHOOL 23261 - 25TH AVENUE S. SEATTLE, WA 98198	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
MULTI SERVICE CENTER-SHELTER PO BOX 23699 FEDERAL WAY, WA 98093	NONE CORPORATION	ESAP	\$ 27,518	Yes	\$ 10,685
MULTI-SERVICE CENTER OF NORTH & EAST KING P.O. BOX 3577 REDMOND, WA 98073	NONE CORPORATION	ESAP	\$ 42	n/a	n/a
NEW BEGINNINGS PO BOX 75125 SEATTLE, WA 98125	NONE NON-PF 501(c)(3)	FEMA-ROAR	\$ 7,776	n/a	n/a
NEW FUTURES PO BOX 66958 BURIEN, WA 98166	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 2,000	n/a	n/a
NITES INN MOTEL 11746 AURORA AVE N. SEATTLE, WA 98103	NONE CORPORATION	FEMA-ROAR	\$ 757	n/a	n/a
NORTHSHORE UTILITIES 6830 NE 185 KENMORE, WA 98028	NONE CORPORATION	FEMA-ROAR	\$ 70	n/a	n/a
NORTHWEST CENTER PO BOX 10960 SEATTLE, WA 98124	NONE NON-PF 501(c)(3)	Quality Enhancement Grant	\$ 3,000	n/a	n/a
NORTHWEST COMMUNITY ACTION CENTER PO BOX 833 TOPPENISH, WA 98048	NONE CORPORATION	Quality Enhancement Grant	\$ 3,000	n/a	n/a
OLYMPIC COLLEGE 1600 CHESTER AVE BREMERTON, WA 98537	NONE GOVERNMENT	Stupend/Skills Standard	\$ 3,000	n/a	n/a

YWCA of Seattle-King County-Snohomish County
For the period ended December 31, 2004

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
OMAK SCHOOL DISTRICT PO BOX 881 OMAK, WA 98841	NONE GOVERNMENT	Quality Enhancement Grant	\$ 7,085	n/a	n/a
OPERATION NIGHTWATCH PO BOX 21181 SEATTLE, WA 98111	NONE NON-PF 501(c)(3)	FEMA:ROAR	\$ 12,894	n/a	n/a
ORONDO SCHOOL DISTRICT PO BOX 71 ORONDO, WA 98843	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,035	n/a	n/a
OVERLAKE VILLAGE STATION 2580 152ND AVE NE REDMOND, WA 98052	NONE CORPORATION	FEMA:ROAR	\$ 200	n/a	n/a
PARK PLACE BY THE WOODS 4708 S 154TH ST TUKWILA, WA 98188	NONE CORPORATION	FEMA:ROAR	\$ 175	n/a	n/a
PARK SOUTH APTS 10102 - 8TH AVE SO SEATTLE, WA 98168	NONE CORPORATION	FEMA:ROAR	\$ 200	n/a	n/a
PENINSULA COLLEGE 1502 E LAURIDSEN BLVD PORT ANGELES, WA 98162	NONE GOVERNMENT	Supend:Skills Standard	\$ -	Yes	\$ 500
POSITIVE WOMEN'S NETWORK PMB 850, 4027 C RUCKER AVE EVERETT, WA 98201	NONE NON-PF 501(c)(3)	KOMEN Grant	\$ 15,829	n/a	n/a
PUGET SOUND EDUCATIONAL SVC. DISTRICT 400 S.W. 152 ND ST BURIEN, WA 98166	NONE CORPORATION	CJI Subcontractor	\$ 56,620	n/a	n/a
PUGET SOUND ENERGY P O BOX 91269 BELLEVUE, WA 98009	NONE CORPORATION	FEMA:ROAR	\$ 1,690	n/a	n/a
PUGET VIEW ESTATES 21930 28TH CTS SEATTLE, WA 98198	NONE CORPORATION	FEMA:ROAR	\$ 200	n/a	n/a
ROSALIA SCHOOL DISTRICT 916 S. JOSEPHINE ROSALIA, WA 99170	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,080	n/a	n/a
SANISLO ELEMENTARY SCHOOL 1812 S.W. MYRTLE STREET SEATTLE, WA 98106	NONE GOVERNMENT	BOOST Grant	\$ 200	n/a	n/a
SEALS MOTEL 12035 AURORA AVE N SEATTLE, WA 98125	NONE CORPORATION	FEMA:ROAR	\$ 380	n/a	n/a
SEATAC GARDENS 34052 S 176TH ST SEATAC, WA 98188	NONE CORPORATION	FEMA:ROAR	\$ 150	n/a	n/a
SEATTLE HOUSING AND RESOURCE EFFORT P.O. BOX 2548 SEATTLE, WA 98111	NONE NON-PF 501(c)(3)	FEMA:ROAR	\$ 38,212	n/a	n/a
SEATTLE PUBLIC SCHOOLS PO BOX 34165 SEATTLE, WA 98124	NONE GOVERNMENT	BOOST Grant	\$ 22,146	Yes	\$ 7,382
SEATTLE PUBLIC UTILITIES 1600 4TH AVENUE, RM 106 SEATTLE, WA 98104	NONE CORPORATION	FEMA:ROAR	\$ 818	n/a	n/a
SEATTLE YOUTH GARDEN WORKS 4759 15TH AVENUE SEATTLE, WA 98105	NONE CORPORATION	WZ Subcontractor	\$ 46,642	n/a	n/a
SHALOM ZONE 1415 NE 45RD ST SEATTLE, WA 98105	NONE NON-PF 501(c)(3)	ESAP & FESCA:R:CIAR	\$ 10,457	n/a	n/a
SHORELINE MOTEL 16536 AURORA AVE N SHORELINE, WA 98133	NONE CORPORATION	FEMA:ROAR	\$ 275	n/a	n/a
SKC MULTI SERVICE CENTER PO BOX 23699 FEDERAL WAY, WA 98003	NONE CORPORATION	CJI Subcontractor	\$ 6,990	Yes	\$ 1,375

YWCA of Seattle-King County-Snohomish County
 For the period ended: December 31, 2004

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
SKYKOMISH SCHOOL DISTRICT PO BOX 325 SKYOHOMISH, WA 98288	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,000	n/a	n/a
SKYWAY BOYS & GIRLS CLUB PO BOX 78038 SEATTLE, WA 98178	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 200	n/a	n/a
SKYWAY TUTORING/RITES OF PASSAGE 11860 RENTON AVENUE S. SEATTLE, WA 98178	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
SKYWAY WATER/SEWER DEPT. 11909 RENTON AVENUE S. SEATTLE, WA 98178	NONE CORPORATION	FEMA-ROAR	\$ 50	n/a	n/a
SNUGGLES MINI DAYCARE 3243 - 33rd AVENUE S. SEATTLE, WA 98144	NONE CORPORATION	BOOST Grant	\$ 100	n/a	n/a
SOMALIA COMMUNITY SERVICE 2390 RAINIER AVE. SEATTLE, WA 98112	NONE CORPORATION	BOOST Grant	\$ 2,000	n/a	n/a
SPOKANE PUBLIC SCHOOLS 200 N. BERNARD SPOKANE, WA 99201	NONE GOVERNMENT	WRAP Activities	\$ 25,669	n/a	\$ 7,453
STEVE DINIUS 151 S. 120TH ST SEATTLE, WA 98148	NONE INDIVIDUAL	FEMA-ROAR	\$ 100	n/a	n/a
STONE COURT APTS P.O. BOX 55036 SHORELINE, WA 98155	NONE CORPORATION	FEMA-ROAR	\$ 200	n/a	n/a
SUN HILL MOTEL 8517 AURORA AVE N. SEATTLE, WA 98122	NONE CORPORATION	FEMA-ROAR	\$ 275	n/a	n/a
SUNNYDALE ELEMENTARY SCHOOL 15631 - 8th AVENUE S. BURIEN, WA 98148	NONE GOVERNMENT	BOOST Grant	\$ 200	n/a	n/a
TAMMY'S TINY TOTS 20211 - 14th AVENUE S. SEACAC, WA 98198	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
TAYLOR HOUSE 10830 SE KENT KANGLEY KENT, WA 98030	NONE CORPORATION	FEMA-ROAR	\$ 100	n/a	n/a
THE PORT AT NORTHPORT SCHOOLS PO BOX 1280 NORTHPORT, WA 99157	NONE CORPORATION	Feed Your Brain Grant	\$ 4,150	n/a	n/a
TRAC ASSOCIATES 1001 BROADWAY SUITE 2 SEATTLE, WA 98122	NONE CORPORATION	CJI Subcontractor	\$ 83,405	Yes	\$ 8,420
TRANSITIONAL LIVING CENTER 3128 N. HEMLOCK SPOKANE, WA 99205	NONE CORPORATION	Quality Enhancement Grant	\$ 1,215	n/a	n/a
TRAVELING MINDS, INC 4730 S.E. 162ND STREET NORTH BEND, WA 98045	NONE CORPORATION	BOOST Grant	\$ 200	n/a	n/a
VADER ELEMENTARY SCHOOL PO BOX 190 VADER, WA 98593	NONE GOVERNMENT	Feed Your Brain Grant	\$ 3,920	n/a	n/a
VALLIS KOLBECK 19258 15TH NE SHORELINE, WA 98155	NONE INDIVIDUAL	FEMA-ROAR	\$ 200	n/a	n/a
VERBENA 1122 EAST PIKE ST, #113 SEATTLE, WA 98122	NONE CORPORATION	KOMEN Grant	\$ 2,196	n/a	n/a
VINCENT MCCRAY 2119 BRIDGEPORT WAY W UNIVERSITY PLACE, WA 98466	NONE INDIVIDUAL	FEMA-ROAR	\$ 200	n/a	n/a
VOLUNTEERS OF AMERICA P.O. BOX 839 EVERETT, WA 98206	NONE NON-PF 501(c)(3)	WRAP Activities	\$ 25,931	Yes	\$ 7,453

YWCA of Seattle-King County-Snohomish County
 For the period ended: December 31, 2005

List of Grants and Contributions Paid

Organization's Name & Address	Relationship - Status of Org	Purpose of the Grant	Paid in 2004 Paid Amount	Paid in 2005	Approved Amount
WAHLUKE SCHOOL DISTRICT #73 PO BOX 907 MATTAWA, WA 99349	NONE GOVERNMENT	Feed Your Brain Grant	\$ 4,030	n/a	n/a
WAPATO COMMUNITY CENTER PO BOX 413 WAPATO, WA 98951	NONE NON-PF 501(c)(3)	Feed Your Brain Grant	\$ 4,000	n/a	n/a
WASHINGTON STATE UNIVERSITY 240 FRENCH ADMIN BLDG, PO BOX 641025 PULLMAN, WA 99164	NONE GOVERNMENT	WRAP Activities	\$ 83,960	Yes	\$ 14,906
WATERFORD PLACE 11305 NE 171ST WOODINVILLE, WA 98027	NONE CORPORATION	FEMA ROAR	\$ 200	n/a	n/a
WENATCHEE VALLEY COLLEGE 235 SUNSET AVE, PO BOX WENATCHEE, WA 98807	NONE GOVERNMENT	Spend Skills Standard	\$ 1,500	n/a	n/a
WOODHAVEN APARTMENTS PO BOX 4449 PALOS VERDES, CA 90274	NONE CORPORATION	FEMA ROAR	\$ 300	n/a	n/a
WSU EPHRATA P.O. BOX 37 COURTHOUSE EPHRATA, WA 98823	NONE GOVERNMENT	WRAP Activities	\$ 7,953	Yes	\$ 7,453
YAKAMA CHRISTIAN MISSION PO BOX 547 WHITE SWAN, WA 98952	NONE CORPORATION	Feed Your Brain Grant	\$ 4,040	n/a	n/a
YMCA OF SNOHOMISH COUNTY 2720 ROCKEFELLER WAY EVERETT, WA 98201	NONE NON-PF 501(c)(3)	Quality Enhancement Grant	\$ 3,000	n/a	n/a
YOUTH IN FOCUS 2100 - 24TH AVENUE S, SUITE 310 SEATTLE, WA 98144	NONE NON-PF 501(c)(3)	BOOST Grant	\$ 1,100	n/a	n/a
YOUTH CARE 2500 NE 54TH STREET, S SEATTLE, WA 98105	NONE NON-PF 501(c)(3)	WZ Subcontractor	\$ 55,523	n/a	n/a

Total Paid \$ 823,640 Total Accrued \$ 99,683

Total 2004 Accrued \$ 922,073

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

	<u>EXPENSES</u>	<u>GRANTS</u>
A. Shelter and related services: emergency and transitional housing, counseling, information/referral, and assistance with food and clothing. Also assessment, education, and advocacy for clients needing access to health care. Outreach and education for low income women at risk of breast and cervical cancer. Serves very low income women, children and families. 18,869 persons received direct services. An additional 934 persons were provided with information and referrals.	\$6,927,015	\$228,784
B. Employment assistance for the disadvantaged; individual and group job search counseling, placement assistance, follow-up support, case management, tuition assistance, and assistance with food, clothing, housing and access to health care. Serves both adults and youth. 5,445 persons received case management, job search, placement, and retention services. Another 20,000+ used job bank services. 7,460 persons were provided with information and referrals.	4,972,821	325,808
C. Child care: developmental child care for infants through school age children. Over 60% of participants are below median income and receive subsidized child care. 590 children served.	1,712,616	
D. Youth: after-school and summer program aimed at skill-building and mentoring for at risk girls in middle and high school. Career and college counseling through mentorship program and internships for high school aged adolescent women. Annual black college fair. 2,225 youth were served through these programs. Another 4,854 providers of out-of-school care for children and youth throughout Washington state were given on-site training and technical assistance, which will indirectly benefit many more children and youth.	1,433,699	367,481
E. Families: information/referral and workshops for parents, counseling for families recovering from domestic violence, and educational outreach in the community regarding domestic violence. 4,784 persons served through these programs. An additional 22,958 persons were provided with information and referrals.	1,502,606	
F. Affordable housing: permanent housing, 24 hour desk and security service, counseling, and information/referral. All residents are low or very low income. 667 persons were housed. An additional 10,720 persons were provided with information and referrals.	1,186,862	
	<hr/> \$17,735,519	<hr/> \$922,073

FOR PUBLIC DISCLOSURE

ATTACHMENT B

YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY

91-0482890

FORM 990, PART IV - FIXED ASSET BASIS AND ACCUMULATED DEPRECIATION

Property	PROPERTY BASIS				ACCUMULATED DEPRECIATION			
	Beginning Balance	Additions	Retirements	Ending Balance	Beginning Balance	Additions	Retirements	Ending Balance
Land	4,563,208	102,322		4,665,530				
Buildings & Improvements	18,584,528	457,333	315,909	19,357,770	(3,807,206)	(398,962)		(4,206,168)
Construction in Progress	315,909	331,568	(315,909)	331,568	(177,837)	(52,682)		(230,519)
Furniture & Equipment	2,264,991	138,338		2,403,329	(1,607,548)	(219,964)		(1,827,512)
Artwork	87,408	10,000		97,408	0			0
TOTAL	25,816,044	1,039,561	0	26,855,605	(5,592,591)	(671,608)	0	(6,264,199)

ATTACHMENT C

FOR PUBLIC DISCLOSURE

Return of Organization Exempt From Income Tax

2005

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning 2005, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY. Number and street (or P.O. box if mail is not delivered to street address) Room/suite. 1118 FIFTH AVENUE. City or town, state or country, and ZIP+4 SEATTLE, WA 98101

D Employer identification number 91-0482890. E Telephone number (206) 490-4380. F Accounting method: Cash, Accrual, Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: WWW.YWCAWORKS.ORG

J Organization type: 501(c)(3)

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? Yes No. H(b) If "Yes," enter number of affiliates N/A. H(c) Are all affiliates included? Yes No. H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No. I Group Exemption Number. M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 33,929,786.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

Table with 3 main sections: Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Includes sub-rows for direct/indirect support, program service revenue, membership dues, interest, dividends, gross rents, other investment income, gross amount from sales of assets, special events, gross sales of inventory, and other revenue.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2005)

Part II Statement of Functional Expenses All organizations must complete columns (A) through (D). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4547(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) Cash \$ 1,255,369; noncash \$ _____ if this amount includes foreign grants, check here <input type="checkbox"/>	1,255,369.	1,255,369.	STMT 7	
23	Specific assistance to individuals (attach schedule)	3,117,094.	3,117,094.	STMT 8	
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	304,154.	NONE	304,154.	NONE
26	Other salaries and wages	8,900,569.	7,938,482.	474,222.	487,865.
27	Pension plan contributions	435,519.	344,982.	56,067.	34,470.
28	Other employee benefits	804,728.	747,753.	12,065.	44,910.
29	Payroll taxes	883,410.	788,391.	53,160.	41,859.
30	Professional fundraising fees				
31	Accounting fees	48,294.	9,394.	38,900.	NONE
32	Legal fees	43,829.	13,334.	30,495.	NONE
33	Supplies	746,602.	587,707.	20,620.	138,275.
34	Telephone	209,634.	198,404.	6,677.	3,553.
35	Postage and shipping	68,439.	42,310.	15,252.	10,877.
36	Occupancy	1,536,230.	1,496,506.	24,707.	15,017.
37	Equipment rental and maintenance	168,153.	141,960.	12,299.	13,894.
38	Printing and publications	167,867.	51,377.	41,871.	74,619.
39	Travel	183,005.	163,086.	8,875.	11,044.
40	Conferences, conventions, and meetings	63,309.	49,002.	9,766.	4,621.
41	Interest	55,367.	55,241.	126.	NONE
42	Depreciation, depletion, etc. (attach schedule)	500,079.	457,228.	31,704.	11,147.
43	Other expenses not covered above (itemize)				
a	PROFESSIONAL FEES	755,261.	712,896.	-36,016.	78,381.
b	ADVERTISING	80,698.	35,568.	44,417.	713.
c	DUES	42,024.	33,368.	6,324.	2,332.
d	LIABILITY INSURANCE	316,905.	260,051.	44,998.	11,856.
e	MISCELLANEOUS	94,024.	47,706.	44,672.	1,646.
f	IN-KIND EXPENSE	119,196.	106,197.	NONE	12,999.
g					
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	20,898,839.	18,653,406.	1,245,355.	1,009,078.

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____.

FOR PUBLIC DISCLOSURE

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year	
<i>Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.</i>					
Assets	45	Cash - non-interest-bearing	80,890	45	54,899
	46	Savings and temporary cash investments	7,832,347	46	7,490,350
	47a	Accounts receivable	2,314,446		
	b	Less: allowance for doubtful accounts	1,939,689	47c	2,314,446
	48a	Pledges receivable	4,065,517		
	b	Less: allowance for doubtful accounts	8,016	48c	4,057,501
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less: allowance for doubtful accounts		51c	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	224,212	53	351,646
	54	Investments - securities (attach schedule) STMT. 10 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	17,888,369	54	19,617,795
	Liabilities	55a	Investments - land, buildings, and equipment: basis		
b		Less: accumulated depreciation (attach schedule)		55c	
56		Investments - other (attach schedule) STMT. 11	3,423,623	56	3,613,186
57a		Land, buildings, and equipment: basis	32,671,788		
b		Less: accumulated depreciation (attach schedule)	6,674,529	57c	25,997,259
58		Other assets (describe STMT. 12)	953,890	58	965,754
59		Total assets (must equal line 74). Add lines 45 through 58	54,621,269	59	64,502,536
60		Accounts payable and accrued expenses	1,893,408	60	1,960,526
61		Grants payable		61	
62		Deferred revenue	6,167	62	1,980
Net Assets or Fund Balances	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule) STMT. 13	2,643,108	64b	6,317,556
	65	Other liabilities (describe)		65	
	66	Total liabilities. Add lines 60 through 65	4,542,683	66	8,280,062
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted	34,222,301	67	39,047,461
	68	Temporarily restricted	11,120,915	68	12,249,632
	69	Permanently restricted	4,725,470	69	4,925,381
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	50,078,386	73	56,222,474
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73	54,621,269	74	64,502,536

FOR PUBLIC DISCLOSURE

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)		
	82 b	2,832,504	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85	501(c)(4), (5), or (6) organizations: a Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members	85 c	N/A
d	Section 162(e) lobbying and political expenditures	85 d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87 a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 NONE; section 4912 NONE; section 4955 NONE		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89 b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		NONE
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		NONE
90 a	List the states with which a copy of this return is filed		WA
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90 b	397
91 a	The books are in care of		KRIS LAMBRIGHT, CFO
	Telephone no		206-490-4380
	Located at		1118 FIFTH AVENUE, SEATTLE, WA
	ZIP + 4		98101
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91 b	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country	91 c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041. Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	NONE

Form 990 (2005)

91-0482890

Page 8

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income, and Subtotal.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year 990s.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Please Sign Here: Under penalties of perjury, I declare that I have prepared this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Signature of officer: SUE SHERBROOK Date: 11/2/06

Paid Preparer's Use Only: Preparer's signature: [Signature] Date: 11/3/06 Check if self-employed: [] Preparer's EIN: 90000565 Firm's name (or name if self-employed): CLARK NUMBER P.S. 10900 NE 4TH, SUITE 1700 BELLEVUE, WA 98004 Phone no: 425 454-4919

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundations and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust)

OMB No. 1545-0047

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information - (See separate instructions.)
▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization YWCA OF SEATTLE-KING COUNTY-
SNOHOMISH COUNTY

Employer identification number
91-6482890

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 28				

Total number of other employees paid over \$50,000 . . . ▶ 13

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 29		

Total number of others receiving over \$50,000 for professional services . . . ▶ NONE

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 30		

Total number of other contractors receiving over \$50,000 for other services . . . ▶ 1

Part III Statements About Activities (See page 2 of the instructions.)

Table with 3 columns: Question, Yes, No. Contains questions 1 through 4b regarding lobbying activities, contributions, and credit counseling.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is. (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state.
10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
11a X An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
11b A community trust. Section 170(b)(1)(A)(vii). (Also complete the Support Schedule in Part IV-A.)
12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above. Includes a row for providing information about supported organizations.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

NOT PUBLIC DISCLOSURE

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns for calendar year (2004, 2003, 2002, 2001) and Total. Rows include: 5 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Organizations described on lines 10 or 11; 26 Public support percentage; 27 Organizations described on line 12.

FOR PUBLIC DISCLOSURE

Part V Private School Questionnaire (See page 7 of the instructions.) **NOT APPLICABLE**
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B.I. 587, covering racial nondiscrimination? If "No," attach an explanation.		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768) NOT APPLICABLE

Check a if the organization belongs to an affiliated group Check b if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -		
	Not over \$500,000 20% of the amount on line 40	41	
	Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 \$325,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h)			NONE

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

FOR PUBLIC DISCLOSURE

Schedule B

(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2005

Name of organization
YWCA OF SEATTLE-KING COUNTY-
SNOHOMISH COUNTY

Employer identification number
91-3492890

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

General Rule

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules -

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test under Regulations sections 1.509(a)-3/1, 170A-9(e) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the General Rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **YWCA OF SEATTLE-KING COUNTY-
SNOHOMISH COUNTY**

Employer identification number
91-0432990

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		672,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

YWCA PUBLIC DISCLOSURE

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization YWCA OF SEATTLE-KING COUNTY- SNOHOMISH COUNTY	Employer identification number 91-0490290
	Number, street, and room or suite no. (if a P.O. box, see instructions) 1118 FIFTH AVENUE	For IRS use only
	City, town, or post office, state, and ZIP code (or a foreign address, see instructions) SEATTLE, WA 98101	

Check type of return to be filed (File a separate application for each return)

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 4720	

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

The books are in the care of **KRIS LAMBRIGHT, CFO**
 Telephone No **206 490-4380** FAX No **206 461-4860**

If the organization does not have an office or place of business in the United States, check this box

If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN): _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **11/15/2006**

5 For calendar year **2005**, or other tax year beginning _____ and ending _____

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension: **ADDITIONAL TIME IS REQUIRED TO GATHER THE NECESSARY INFORMATION FROM THIRD PARTIES TO ASSURE PREPARATION OF A COMPLETE AND ACCURATE TAX RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **[Signature]** Title **CFO** Date **8/14/06**

Notice to Applicant - To Be Completed by the IRS

We have approved this application. Please attach this form to the organization's return.

We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below of the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.

Other _____

Director _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name CLARK NUBER P.S.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 10900 NE 4TH, SUITE 1700
	City or town, province or state, and country (including postal or ZIP code) BELLEVUE, WA 98004

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile

Type or print	Name of Exempt Organization	YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY	Employer identification number	91-0482890
	Number, street, and room or suite no. If a P.O. box, see instructions	1118 FIFTH AVENUE		
File by the due date for filing your return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions	SEATTLE, WA 98101		

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ KRIS LAMBRIGHT, CFO

Telephone No ▶ 206 490-4380 FAX No ▶ 206 461-4860

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a Form 990-T corporation) extension of time until 08/15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ calendar year 2005 or
▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

NOT PUBLIC DISCLOSED

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE
=====

OTHER DEDUCTIONS

MISCELLANEOUS DEDUCTIONS

19,446.

19,646.
=====

RENT AND ROYALTY SUMMARY

=====

PROPERTY	TOTAL INCOME	DEPLETION/ DEPRECIATION	OTHER EXPENSES	ALLOWABLE NET INCOME
-----	-----	-----	-----	-----
COMMERCIAL SPACE	150,753.		19,646.	131,107.
TOTALS	150,753.		19,646.	131,107.
	=====	=====	=====	=====

FORM 990, PART I - EXCLUDED CONTRIBUTIONS

=====

DESCRIPTION

AMOUNT

ENDOWMENT GUILD WINE EVENT
ISABEL COLMAN PIERCE
CHEF'S FEST

22,547.
13,700.
12,753.

TOTAL

49,000.

=====

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
ENDOWMENT GUILD WINE EVENT	20,180.	18,925.	1,255.
ISABEL COLMAN PIERCE	4,180.	12,784.	-8,604.
CHEF'S FEST	47,415.	1,494.	45,921.
TOTALS	71,775.	33,203.	38,572.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
UNREALIZED GAIN ON INVESTMENTS	470,890.
PRIOR PERIOD ADJUSTMENT FROM CONSOLIDATED ENTITY	179,537.
NET IN-KIND SERVICES & USE OF FACILITIES	2,637,546.

TOTAL	3,287,973.
	=====

FORM 990, PART II - GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SEE ATTACHMENT A		1,126,667
GRANTS PAID	TOTAL CONTRIBUTIONS PAID	1,126,667
SEE ATTACHMENT A		138,802
	TOTAL CONTRIBUTIONS RETURNED	138,802
	TOTAL CONTRIBUTIONS PAID AND ACCRUED	1,265,469

FORM 990, PART II - SPECIFIC ASSISTANCE TO INDIVIDUALS
 =====

DESCRIPTION -----	PROGRAM SERVICES -----
EMPLOYMENT PROGRAMS	342,159.
CHILDCARE, FAMILIES AND YOUTH PROGRAMS	146,302.
FOOD, SHELTER AND CLOTHING FOR LOW-INCOME PEOPLE	2,628,633.
TOTALS	----- 3,117,094. =====

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

=====

YWCA OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY PROVIDES A VARIETY OF SOCIAL SERVICES, INCLUDING SHELTER AND RELATED SERVICES, AFFORDABLE HOUSING, EMPLOYMENT SERVICES, CHILD CARE, AND PROGRAMMING FOR YOUTH AND FAMILIES PRIMARILY IN THE KING AND SNOHOMISH COUNTY AREAS. THE MAJORITY OF THE ORGANIZATION'S FUNDING IS DERIVED FROM PUBLIC SUPPORT.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
MARKETABLE EQUITY SECURITIES	10,238,863.	11,176,532.
MARKETABLE DEBT SECURITIES	7,629,506.	8,441,263.
TOTALS	17,868,369.	19,617,795.

FORM 990, PART IV - INVESTMENTS - OTHER

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
FAMILY VILLAGE	2,971,677.	2,970,805.
OTHER INVESTMENTS	451,946.	642,381.
TOTALS	3,423,623.	3,613,186.

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
DEVELOPER FEE RECEIVABLE	953,890.	965,754.
TOTALS	953,890.	965,754.

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 1,559,115.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 07/05/1988
 MATURITY DATE: 07/05/2028
 REPAYMENT TERMS: PRINCIPAL IS DUE ON 7/05/2028.
 SECURITY PROVIDED: DEED OF TRUST ON LEXINGTON-CONCORD BUILDING
 PURPOSE OF LOAN: TO PURCHASE BUILDING

BEGINNING BALANCE DUE	1,792,987.
ENDING BALANCE DUE	1,808,578.

LENDER: SNOHOMISH COUNTY
 ORIGINAL AMOUNT: 234,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 12/16/1992
 MATURITY DATE: 12/16/2011
 REPAYMENT TERMS: LOAN WILL BE FORGIVEN IF ALL REQUIREMENTS ARE MET.
 SECURITY PROVIDED: DEED OF TRUST ON PATHWAYS FOR WOMEN BUILDING
 PURPOSE OF LOAN: TO FINANCE PURCHASE OF BUILDING

BEGINNING BALANCE DUE	234,000.
ENDING BALANCE DUE	234,000.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 120,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 01/13/1997
 MATURITY DATE: 12/31/2007
 REPAYMENT TERMS: FORGIVEN IF ALL REQUIRMENTS ARE MET.
 SECURITY PROVIDED: DEED OF TRUST ON THE EAST CHERRY BRANCH BUILDING
 PURPOSE OF LOAN: FOR THE EAST CHERRY BRANCH BUILDING.

BEGINNING BALANCE DUE	120,000.
ENDING BALANCE DUE	120,000.

LENDER: KING COUNTY
 ORIGINAL AMOUNT: 79,000.
 INTEREST RATE: NONE
 DATE OF NOTE: 06/06/1997
 MATURITY DATE: 06/06/2047
 REPAYMENT TERMS: FORGIVEN IF ALL LOAN REQUIRMENTS ARE MET.
 SECURITY PROVIDED: MORGAGE ON THE BELLEVUE TOWNHOMES.
 PURPOSE OF LOAN: FOR BELLEVUE TOWNHOMES.

BEGINNING BALANCE DUE 79,000.
 ENDING BALANCE DUE 79,000.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 30,800.
 INTEREST RATE: NONE
 DATE OF NOTE: 05/29/1997
 MATURITY DATE: 05/29/2047
 REPAYMENT TERMS: FORGIVEN IF ALL LOAN REQUIRMENTS ARE MET.
 SECURITY PROVIDED: MORTGAGE ON BELLEVUE TOWNHOMES
 PURPOSE OF LOAN: FOR THE BELLEVUE TOWNHOMES

BEGINNING BALANCE DUE 30,800.
 ENDING BALANCE DUE 30,800.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 219,873.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 11/01/2004
 MATURITY DATE: 09/30/2009
 REPAYMENT TERMS: DUE ON 9/30/2009
 SECURITY PROVIDED: DEED OF TRUST ON WINDERMERE HOUSE
 PURPOSE OF LOAN: FOR THE WINDERMERE HOUSE

BEGINNING BALANCE DUE 220,239.
 ENDING BALANCE DUE 222,438.

LENDER: CITY OF SEATTLE
 ORIGINAL AMOUNT: 165,800.
 INTEREST RATE: 1.000000
 DATE OF NOTE: 11/01/2004
 MATURITY DATE: 08/01/2034
 REPAYMENT TERMS: DUE ON 8/11/2034
 SECURITY PROVIDED: DEED OF TRUST ON EAST UNION APARTMENTS
 PURPOSE OF LOAN: FOR THE EAST UNION APARTMENTS.

BEGINNING BALANCE DUE	166,082.
ENDING BALANCE DUE	167,740.

LENDER: KING COUNTY HOUSING
 ORIGINAL AMOUNT: 3,655,000.
 INTEREST RATE: 3.550000
 DATE OF NOTE: 09/01/2005
 MATURITY DATE: 08/31/2035
 REPAYMENT TERMS: MONTHLY PAYMENTS OF \$6,819 PLUS INTEREST
 SECURITY PROVIDED: DEED OF TRUST ON SUMMERFIELD APARTMENTS
 PURPOSE OF LOAN: PURCHASE OF SUMMERFIELD APARTMENTS

BEGINNING BALANCE DUE	NONE
ENDING BALANCE DUE	3,655,000.

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	2,643,108.
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TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	6,317,556.
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FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION

AMOUNT

REVENUE FROM AFFILIATES
CONSOLIDATED FOR FINANCIAL
REPORTING PURPOSES
RENTAL EXPENSES
SPECIAL EVENT EXPENSES

420,491.

19,646.

33,203.

TOTAL

473,340.

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
EXPENSES FROM AFFILIATES CONSOLIDATED FOR FINANCIAL REPORTING PURPOSES	404,948.
SPECIAL EVENTS EXPENSE NETTED AGAINST REVENUE	33,203.
RENTAL EXPENSE NETTED AGAINST RENTAL REVENUE	19,646.
TOTAL	457,797.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUE SHERBROOKE 1118 FIFTH AVENUE SEATTLE, WA 98101	CEO 40 HRS/WK	97,235.	13,686.	NONE
RITA RYDER 1118 FIFTH AVENUE SEATTLE, WA 98101	PRESIDENT 40 HRS/WK	96,429.	13,605.	NONE
KRIS LAMBRIGHT 1118 FIFTH AVENUE SEATTLE, WA 98101	CFO 40 HRS/WK	72,033.	11,156.	NONE
NINA ODELL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD CHAIR <10 HRS/WK	NONE	NONE	NONE
BARBARA FAHEY 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD CHAIR ELECT <10 HRS/WK	NONE	NONE	NONE
BARBARA MORGAN 1118 FIFTH AVENUE SEATTLE, WA 98101	IMMEDIATE PAST CHAIR <10 HRS/WK	NONE	NONE	NONE
SUSAN MASK 1118 FIFTH AVENUE SEATTLE, WA 98101	SECRETARY <10 HRS/WK	NONE	NONE	NONE
MARYANN CRISSEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. FINANCE/TREAS. <10 HRS/WK	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
BETSY NOSELEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. FACILITIES <10 HRS/WK	NONE	NONE	NONE
ELIZABETH CROSSMAN 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. PUBLIC RELATION <10 HRS/WK	NONE	NONE	NOV
SHARON ROWLEY 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. INVESTMENTS <10 HRS/WK	NONE	NONE	NONE
JEANNIE NORDSTROM 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. VLTR. LDRSHP. <10 HRS/WK	NONE	NONE	NONE
LINDA WALKER 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. VLTR. LDRSHP. <10 HRS/WK	NONE	NONE	NONE
CHARLENE BUCHTEN 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. MAJOR GIFTS <10 HRS/WK	NONE	NONE	NOV
LAURA JENNINGS 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. HOUSING DEVEL. <10 HRS/WK	NONE	NONE	NONE
CYNTHIA PARKER 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. HOUSING DEVEL. <10 HRS/WK	NONE	NONE	NONE

YWCA SEATTLE-K

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
DEBORAH WILLINGHAM 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. HUMAN RESOURCES <10 HRS/WK	NONE	NONE	NONE
N. ELIZABETH MCCAW 1118 FIFTH AVENUE SEATTLE, WA 98101	V.C. PLANNING GIVING <10 HRS/WK	NONE	NONE	NONE
JEAN ENERSEN 1118 FIFTH AVENUE SEATTLE, WA 98101	ALUMNAE REP. <10 HRS/WK	NONE	NONE	NONE
LESLIE D. JONES 1118 FIFTH AVENUE SEATTLE, WA 98101	BNFT LUNCHEONS CHAIR <10 HRS/WK	NONE	NONE	NONE
JONELLE M.C. JOHNSON 1118 FIFTH AVENUE SEATTLE, WA 98101	BNFT LUNCHEONS CHAIR <10 HRS/WK	NONE	NONE	NONE
MARtha MAYES BOES 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
ROBBE BRIDGE 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
CHERYL CHOW 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FORM 990, PART V-A -- CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MARIANNA CONNER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
ELLEN DIAL, 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
BOB DREWEL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARY ANNE ENG 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
PATTI FERSCH 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MIMI GARDNER GATES 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARIE GUNN 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MOLLY HANLON 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
WANDA HERNDON 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
KANDACE HOLLEY 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARLAINA KINER-MCIVER 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
SANDRA MADRID, PHD. 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
DR. CHARLES MITCHELL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
CAROL K. NELSON 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
NICOLE PIASECKI 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
ALICE SANDSTROM 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
TY SCHEUMANN 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
JAN SINEGAL 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
MARY E. SNAPP 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
PHYLLIS STARK 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
JOHN VALAAS 1118 FIFTH AVENUE SEATTLE, WA 98101	BOARD MEMBER <10 HRS/WK	NONE	NONE	NONE
GRAND TOTALS		265,697.	38,457.	NONE

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

RELATED ORGANIZATION NAME: YWSA OF SEATTLE-KING COUNTY

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: DRESS FOR SUCCESS SEATTLE

EXEMPT: X NONEXEMPT:

FORM 990, PART VII - PROGRAM SERVICE REVENUE

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
EMERGENCY SHELTER					346,771.
EMPLOYMENT					57,469.
CHILD CARE					625,471.
YOUTH					152,410.
FAMILY					116,362.
AFFORDABLE HOUSING					899,532.
OTHER PROGRAM					28,055.
TOTALS					2,236,070.

FOR APPROVAL

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME
 NO. IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED

 IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

- 93 A) EMERGENCY SHELTER: FEE INCOME FROM TRANSITIONAL PROGRAMS ONLY. VERY INEXPENSIVE HOUSING FOR LIMITED PERIOD HELPS INDIVIDUALS AND FAMILIES STABILIZE THEIR LIVES AS THEY SEEK PERMANENT HOUSING, GET EMPLOYMENT AND/OR TAKE JOB TRAINING.
- 93 B) EMPLOYMENT: PROMOTES ECONOMIC SELF-SUFFICIENCY AND HELPS LOW INCOME WOMEN AND THEIR FAMILIES ESCAPE THE CYCLE OF HOMELESSNESS AND POVERTY.
- 93 C) CHILD CARE: PROMOTES ECONOMIC SELF-SUFFICIENCY BY ENABLING WOMEN TO WORK AND STRENGTHENS THE FAMILY BY OFFERING HIGH QUALITY CARE.
- 93 D) YOUTH: AFTER-SCHOOL AND SUMMER PROGRAMS BUILD SKILLS AND PROVIDE MENTORING FOR GIRLS IN MIDDLE AND HIGH SCHOOL.
- 93 E) FAMILY SERVICES: HELPS AT-RISK FAMILIES DEVELOP SKILLS AND SELF-ESTEEM NEEDED TO BE PRODUCTIVE MEMBERS OF THEIR COMMUNITY.
- 93 F) LOW COST HOUSING: PREVENTS HOMELESSNESS BY PROVIDING DECENT AND SAFE HOUSING AT PRICES MINIMUM WAGE WORKERS CAN AFFORD.
- 94 MEMBERSHIP: ENCOURAGES A SENSE OF OWNERSHIP AND PARTICIPATION IN OVERALL MISSION OF THE ASSOCIATION.

FORM 990, PART IX - INFORMATION REGARDING TAXABLE SUBSIDIARIES

NAME AND ADDRESS EMPLOYER IDENTIFICATION NUMBER	PERCENTAGE OWNERSHIP INTEREST	NATURE OF BUSINESS ACTIVITIES	TOTAL INCOME	ENDING ASSETS
FAMILY VILLAGE L.P. 1118 5TH AVENUE SEATTLE, WA 98101 91-1579120	54.970000	HOUSING	95,029.	3,081,477.
TOTAL INCOME			95,029.	3,081,477.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
LINDA WEEDMAN 1118 5TH AVENUE SEATTLE, WA 98101	SR. PROGRAM DIRECTOR >40 HRS/WK	77,688.	7,788.	NONE
SHERRY DAWLEY 1118 5TH AVENUE SEATTLE, WA 98101	DIR COMMUNITY AFFAIR >40 HRS/WK	71,880.	11,151.	NONE
PATRICIA HAYDEN 1118 5TH AVENUE SEATTLE, WA 98101	SR PROGRAM DIRECTOR >40 HRS/WK	69,628.	10,925.	NONE
MATTHEW KING 1118 5TH AVENUE SEATTLE, WA 98101	SR PROGRAM DIRECTOR >40 HRS/WK	65,032.	3,963.	NONE
MARI OFFENECKER 1118 5TH AVENUE SEATTLE, WA 98101	SCHOOLS OUT DIRECTOR >40 HRS/WK	62,452.	6,265.	NONE
TOTAL COMPENSATION		346,680.	40,092.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
BOURNE & ASSOCIATES, INC 7869 HANSEN ROAD NE BAINBRIDGE ISLAND, WA 98110	BROKERAGE SERVICES	70,000.
STICKNEY MURPHY ROMINE 911 WESTERN AVENUE, SUITE #200 SEATTLE, WA 98104	ARCHITECTURAL SRVCS	57,691.
TOTAL COMPENSATION		127,691.

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
CRH CONSTRUCTION COMPANY PO BOX 3583 SEATTLE, WA 98124	GENERAL CONTRACTOR	225,604.
SELLEN CONSTRUCTION PO BOX 9970 SEATTLE, WA 98109	GENERAL CONTRACTOR	116,811.
FERRIS-TURNEY GENERAL CONTRACTORS PO BOX 31109 SEATTLE, WA 98103	GENERAL CONTRACTOR	105,606.
MCKINSTRY PO BOX 24567 SEATTLE, WA 98124	GENERAL CONTRACTOR	95,897.
OPENWORKS 4742 N 24TH STREET, SUITE #300 PHOENIX, AZ 85016	JANITORIAL SERVICES	88,929.
TOTAL COMPENSATION		----- 632,847. -----

EIN: 91-0482890
 FYE: 12/31/2005

FORM 990, PART II, LINE 42 AND PART IV, LINE 57 - FIXED ASSETS and DEPRECIATION

<u>Description</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	5,690,135.	NONE	NONE	5,690,135.
Land Improvements				
Buildings	24380457.	322,421.	4,721,993.	19658464.
Leasehold Improvements				NONE
Equipment	2,503,788.	177,658.	1,952,536.	551,252.
Furniture & Fixtures	97,408.			97,408.
Property, Plant & Equipment	<u>32671788.</u>	<u>500,079.</u>	<u>6,674,529.</u>	<u>25997259.</u>
Construction in Progress	NONE	NONE	NONE	NONE
Total Fixed Assets, line 57	<u>32671788.</u>		<u>6,674,529.</u>	<u>25997259.</u>
Total Depreciation Expense, line 42		<u>500,079.</u>		

NOTE: Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

YWCA of Seattle-King County-Snohomish County

Statement of Assets, Liabilities, and Net Assets

(Unaudited - Cash basis)

As of 11/30/2006

Cash	235,136
Current portion of pledges receivable, net	
Prepaid expenses & deposits	593,195
Accounts receivable	139,884
	<hr/>
	968,215
Pledges receivable, net	3,929,175
Investments	25,782,464
Restricted cash	424,661
Note receivable from related party	3,876,627
Investment in partnerships	2,970,805
Land, Buildings & Equipment, net	26,944,067
	<hr/>
Total Assets	64,896,014
	<hr/>
Accounts payable	81,792
Accrued expenses and other current liabilities	1,045,314
Current portion of long-term debt	
	<hr/>
	1,127,106
Notes payable	<hr/>
	7,860,518
Total Liabilities	8,987,624
Current year net	(2,831,780)
Net assets	58,740,170
	<hr/>
Total Net Assets	55,908,390
Total Liabilities & Net Assets	64,896,014
	<hr/>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
 Consolidated Statement Of Activities
 For The Year Ended December 31, 2005
 (With Comparative Totals For 2004)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2005 Total	2004 Total
Operating Activities					
Support and Revenues:					
Public support -					
Governmental fees and grants	\$ 12,722,397	\$ -	\$ -	\$ 12,722,397	\$ 11,977,426
Contributions	1,329,269	3,565,855		4,895,124	4,199,454
United Way and other workplace giving	1,637,056	221,763		1,858,819	1,619,441
Net assets released from restriction	3,419,681	(3,419,681)			
Total public support	19,108,403	367,937		19,476,340	17,796,321
Earned revenue -					
Program service fees and rents	2,635,586			2,635,586	2,253,535
Operating investment return	502,000			502,000	477,000
Total earned revenue	3,137,586			3,137,586	2,730,535
Total Support and Revenues	22,245,989	367,937		22,613,926	20,526,856
Expenses:					
Program services -					
Shelter and related services	8,191,417			8,191,417	6,956,923
Employment assistance for disadvantaged	4,638,084			4,638,084	5,137,038
Child care	1,894,774			1,894,774	1,770,922
Youth	1,349,462			1,349,462	1,449,561
Families	1,716,411			1,716,411	1,511,207
Affordable housing	1,427,947			1,427,947	1,266,244
Supporting services -					
Management and general	1,265,001			1,265,001	1,146,918
Fund raising	1,068,497			1,068,497	958,660
Total Expenses	21,551,593			21,551,593	20,197,473
Change In Net Assets from Operating Activities	694,396	367,937		1,062,333	329,383
Nonoperating Activities					
Endowment contributions			186,385	186,385	117,717
Capital campaign contributions		28,027		28,027	48,684
In-kind contribution of leased facilities		2,795,503		2,795,503	
Non-operating investment return	604,393	115,023	3,526	722,942	1,175,418
Gain on sale of property	1,184,705			1,184,705	
Net assets released from restriction	2,177,673	(2,177,673)			
Change In Net Assets from Nonoperating Activities	3,966,771	760,880	189,911	4,917,562	1,341,829
Total Change In Net Assets	4,661,167	1,128,817	189,911	5,979,895	1,671,212
Beginning of year net assets	36,901,012	11,120,815	4,735,470	52,757,297	51,086,085
End of Year Net Assets	\$ 41,562,179	\$ 12,249,632	\$ 4,925,381	\$ 58,737,192	\$ 52,757,297

The accompanying notes are an integral part of the financial statements

YWCA of Seattle-King County-Snohomish County

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(Unaudited - Cash basis)

As of 11/30/2006

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	<hr/>
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Pledges receivable, net	3,929,175
Investments	25,782,464
Restricted cash	424,661
Note receivable from related party	3,876,627
Investment in partnerships	2,970,805
Land, Buildings & Equipment, net	26,944,067
	<hr/>
Total Assets	64,896,014
	<hr/> <hr/>
Accounts payable	81,792
Accrued expenses and other current liabilities	1,045,314
Current portion of long-term debt	
	<hr/>
	1,127,106
Notes payable	<hr/>
	7,860,518
Total Liabilities	8,987,624
Current year net	(2,831,780)
Net assets	58,740,170
	<hr/>
Total Net Assets	55,908,390
	<hr/>
Total Liabilities & Net Assets	64,896,014
	<hr/> <hr/>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION
 OF SEATTLE-KING COUNTY-SNOHOMISH COUNTY AND AFFILIATES
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	Unrestricted	Temporarily Restricted	Permanently Restricted	2005 Total	2004 Total
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United Way and other workplace giving	1,637,056	221,763		1,858,819	1,619,441
Net assets released from restriction	3,419,681	(3,419,681)			
Total public support	19,108,403	367,937		19,476,340	17,796,321
Earned revenue -					
Program service fees and rents	2,635,586			2,635,586	2,253,535
Operating investment return	502,000			502,000	477,000
Total earned revenue	3,137,586			3,137,586	2,730,535
Total Support and Revenues	22,245,989	367,937		22,613,926	20,526,856
Expenses:					
Program services -					
Shelter and related services	8,191,417			8,191,417	6,956,923
Employment assistance for disadvantaged	4,638,084			4,638,084	5,137,038
Child care	1,894,774			1,894,774	1,770,922
Youth	1,349,462			1,349,462	1,449,561
Families	1,716,411			1,716,411	1,511,207
Affordable housing	1,427,947			1,427,947	1,266,244
Supporting services -					
Management and general	1,265,001			1,265,001	1,146,918
Fund raising	1,068,497			1,068,497	958,660
Total Expenses	21,551,593			21,551,593	20,197,473
Change In Net Assets from Operating Activities	694,396	367,937		1,062,333	329,383
Nonoperating Activities					
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Capital campaign contributions		28,027		28,027	48,684
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Non-operating investment return	604,393	115,023	3,526	722,942	1,175,418
Gain on sale of property	1,184,705			1,184,705	
Net assets released from restriction	2,177,673	(2,177,673)			
Change In Net Assets from Nonoperating Activities	3,966,771	760,880	189,911	4,917,562	1,341,829
Total Change In Net Assets	4,661,167	1,128,817	189,911	5,979,895	1,671,212
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End of Year Net Assets	\$ 41,562,179	\$ 12,249,632	\$ 4,925,381	\$ 58,737,192	\$ 52,757,297

The accompanying notes are an integral part of the financial statements



*Building
houses,
building
hope*

Mr. Tom Tierney
Executive Director
Seattle Housing Authority
120 Sixth Avenue N.
Seattle, Washington 98109

Re: Fort Lawton Proposal

December 13, 2006

Dear Tom,

Thank you for inviting Habitat for Humanity Seattle/South King County to prepare this proposal for the Fort Lawton Project. We are very happy to once again be working with Seattle Housing Authority and look forward to a successful project.

As you know, Habitat for Humanity is committed to providing affordable housing to worthy families in Seattle and King County. You also know that the ever-increasing cost of land makes building affordable homes a true challenge. Perhaps the most difficult challenge, however, is finding ways to insure that our homes remain affordable for future generations.

In order to insure the long-term affordability of Habitat homes at Fort Lawton we are proposing that all our parcels be put into a community land trust. Such a land trust is possible only if the land can be acquired at no cost, and our proposal is based upon that assumption. We hope that you will consider the benefits of the land trust option, and help us find ways to make it possible.

As always we look forward to a success project and look forward to working with you.

Dorothy Bullitt
Executive Director

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ORGANIZATIONAL PROFILE

1. Legal Name and Contact

Habitat for Humanity of Seattle/South King County

Tom Gaylord, Site Development (206) 292-5240 ext. 115

Homestead Community Land Trust

Sheldon Cooper, Executive Director (206) 323-1227

2. Description of Organization and Brief History

Habitat for Humanity of Seattle/South King County is a community-based, low-income housing developer, offering efficient and effective partnerships between families, individuals, businesses and faith-based organizations to address an issue of basic human need - decent, affordable housing.

In 1976, Millard and Linda Fuller founded Habitat for Humanity in Americus, Georgia, with an ambitious goal of eliminating poverty housing and homelessness from the world, and making decent housing a matter of conscience and action. Habitat for Humanity is now an international non-profit organization that builds homes in partnership with low-income families in more than 87 countries.

The Seattle affiliate of Habitat for Humanity was founded in 1986. In 2003, it merged with the South King County affiliate to maximize efficiencies and provide more housing for people in the region. Since 1986, Habitat has built 116 homes in partnership with families providing them with the opportunity for homeownership and the chance to live in decent affordable housing.

Habitat for Humanity Seattle/South King County builds houses inexpensively, using primarily volunteer labor, and sells them at cost (at no profit and with no interest) to working families in Seattle and South King County. The families come from a variety of backgrounds and are selected through an extensive screening process without regard to race, religion or national origin. Eligibility requirements include:

- Low-income (between 25% and 50% of the local median household income);
- Living in substandard housing;
- Living and working in King County for at least one year; and
- Willingness to partner with Habitat and provide at least 500 hours of “sweat equity.”

Habitat offers its homebuyers 0% financing, which further increases affordability so that homebuyers typically pay no more than 30% of their income towards their housing cost. Currently, 19 Habitat homes are under construction at 8 different locations. Habitat is building or renovating homes at Othello Place, High Point and Judkins Park in Seattle and in Tukwila, Federal Way and Des Moines.

Major Accomplishments

In the past decade, we’ve built 97 homes, including two six-plexes and ten duplexes. Since 1986, we have built 116 homes for families, providing the opportunity for home ownership and the chance to live in affordable decent housing. Almost 600 individuals, including 400 local children, have moved out of substandard housing into safe, decent homes.

New approaches to housing families, including rehabilitation of existing homes and land trusts, along with new home construction in Seattle and South King County, have significantly increased homeownership opportunities.

Habitat also provides essential training to prepare our partner families for homeownership. Participating in the training sessions is a requirement for partnership with Habitat for Humanity Seattle/South King County. Through trainings, we can enhance the skills, improve the self-sufficiency, and increase the success as homeowners for Habitat families as they transition from being renters to homeowners. As the number of homes we build increases and the number of partner families also increases, it is critical we educate our families on topics ranging from understanding the effective use of financial services, including avoiding predatory lending, to budgeting skills, basic construction and home maintenance skills, neighborhood involvement and cooperation techniques.

Organizational Goals

Habitat is committed to increasing its capacity so that by the year 2011 it can move 120 partner families out of substandard housing each year via new construction and renovation of existing homes, community redevelopment, and land trust programs. In addition, Habitat will continue to support international builds and blitz builds within the United States outside its geographic jurisdiction.

In order to achieve this ambitious goal of serving more families, Habitat has launched an innovative initiative, the 21st Century Housing Challenge, to end substandard housing throughout an entire community by construction and renovation of existing homes. In collaboration with partners, Habitat has identified a neighborhood in South King County to concentrate its efforts. Once substandard housing is eliminated in this area, the model will be replicated in additional communities.

3. Board Resolution

See Attachment #1.

PROPOSED PROGRAM

1. Program Description

Habitat for Humanity Seattle/South King County working in partnership with Homestead Community Land Trust proposes to provide housing and related services to low and very-low income homebuyers at Fort Lawton. Habitat will use staff and volunteers to construct up to 60 units of simple, decent, self-help housing. At this time, we are planning to build 20 units per year for 3 years for a total of 60 new residential units.

The income level of the proposed homeowner families will be between 25% and 50% of the area median income (AMI) with a focus on the lower end of that scale. Habitat will act as general contractor and homebuyers will be required to participate in the construction of their home. Habitat will also act as lender and will offer mortgages with 0% financing, and homebuyers will pay no more than 30% of their income towards their housing cost.

In keeping with the BRAC goals, Habitat is hoping to include very low-income families in the Fort Lawton project. In order that we can do so, Habitat is requesting that the LRA and HUD consider a 100% discount of the land designated for Habitat homeowners. If such a discount is granted Habitat will include families at the lower end of the 25% to 50% AMI scale and will allow the property to be placed in a community land trust.

Land Trust

In order to achieve long term affordability for every home it builds at Fort Lawton, Habitat will partner with Homestead Community Land Trust (HCLT). HCLT will own the land under Habitat homes, and lease it to each Habitat homeowner via 99-year ground leases. These leases require that the homes be owner occupied, and upon resale, sold to another low income family at an affordable price defined by a resale formula in the lease. HCLT charges an ongoing lease fee of \$35/month, and will monitor and enforce the provisions of the ground lease to assure ongoing affordability.

If a homeowner desires to sell, Habitat will have the 1st right to designate a buyer of the home from their low income applicant pool. If the house has any deferred maintenance needs, Habitat has the option to purchase the property and hold it for up to one year while coordinating the necessary repairs through its self-help program. Should Habitat not exercise its right to designate a buyer or purchase the property, then HCLT will facilitate the property's resale to a low income (80% AMI) buyer from its wait list.

In addition to stewarding of the long term affordability of each project home, HCLT also provides ongoing homeowner support to help assure their success. This support comes in the form of ongoing education around home maintenance, predatory lending, and other topics of interest to our homeowners. HCLT (through its partnership with Parkview Services) also makes inexpensive and reliable professional home maintenance and repair services available to its homeowners.

Proposed Building Configuration

Habitat has experience with several single and multi-family building configurations, and we have had good results with four-plex buildings. We expect to use the four-plex configuration as our main building model, but other building configurations such as duplex or triplex units will be workable if certain parcel sizes or other considerations dictate the need for variation. We expect that 3 and 4 bedroom units will comprise 75% of the total unit count and that 2 and 5 bedroom units will comprise the remainder.

It is not necessary that the units all be in one part of the site. It might be that there will be several blocks designated as "Habitat blocks" or perhaps specific, smaller parcels will be set aside for Habitat. We intend to work with the development team to determine the best lot arrangements and lot sizes.

Self-help Housing

Habitat homeowners are required to contribute at least 500 hours of labor toward the completion of their home. Families and extended families often pull together to accomplish the commitment and contribute labor toward every jobsite task including concrete work, framing, siding, window

installation, painting and interior finishes as well as exterior work such as, digging, landscaping and clean-up activities related to the safety of the job site. Coordination of homeowner labor and all of the coordination of volunteers is managed by Habitat. All materials, tools, supplies and safety equipment are provided by Habitat.

2. The need for self-help in Seattle

Habitat has been helping low-income families build and purchase affordable homes in Seattle/South King County for 20 years. Each year we conduct a series of public community meetings where we present information and collect applications from potential homebuyers. In recent years more than 1,000 potential applicants have attended community meetings, all hoping to be able to purchase one of the 20 homes we build each year. The need for self-help housing is clear, and as the price of land in our area increases, affordable housing will be increasingly difficult to come by.

We are enclosing a copy of the City of Seattle market study (Attachment #2) related to homelessness in Seattle. Habitat for Humanity does not work directly with providing emergency shelter but instead provides the critical component of affordable homes for families at the 25% to 50% level of area mean income.

3. Coordination with other Seattle programs

Each year Habitat for Humanity Seattle/South King County Seattle conducts a series of community meetings for potential homebuyers at various locations throughout the County. By going to various neighborhoods we hope to make our program available to the maximum number of deserving families. Each community meeting can attract as many as 250 applicants and because we cannot serve such large numbers, we invite other organizations to participate and present information to the public. Washington Home Ownership Center, Fremont Public Association, and Homestead Community Land Trust usually attend our community meetings and present valuable information about their programs.

Above and beyond community meetings, we have worked with these organizations to create a uniform application with coordinated financial data. By doing so, the applicant needs to fill out only one application, and if an applicant is not a good fit for Habit, we can send the application to another, more appropriate organization.

4. Schedule

Habitat for Humanity is proposing to construct up to 60 total units of housing in three phases over three years. Habitat's construction start will be keyed to the overall master schedule that the LRA puts forth when the project is awarded. We expect to begin working with the developers and master planners immediately, and to pursue development, design, finance and family selection in our normal sequence. With regard to both pre-construction and construction, we expect to move forward as quickly as other homebuilders on the project.

Please see Attachments #3 and #3.1 for more detailed schedule information.

5. Key Partner

Habitat for Humanity is proposing to partner with Homestead Community Land Trust, as stated in the previous section, "Land Trust". A Memorandum of Understanding between HCLT and Habitat for Humanity Seattle/South King County is included as Attachment #4.

BUILDINGS OR PROPERTY NECESSARY TO CARRY OUT PROGRAM

As stated previously, Habitat is proposing to construct up to 60 units in four-plex configurations. This works out to 15 new four-plex buildings constructed over a three year period. We are hoping to acquire lots that can accommodate four-plex buildings with discrete, fee-simple parcels for each unit. We expect that the developer will keep in mind zoning and land use issues such as setbacks, parking, open space and the like when laying out the parcels. Habitat expects that any zoning changes for the project will be accomplished by the developer and that the basic infrastructure will be in place in place prior to construction.

ORGANIZATIONAL CAPACITY

1. Past Performance and Experience

Habitat for Humanity

Habitat for Humanity staff and volunteers have a proven track record of developing housing for low and very-low income families. Habitat has successfully completed 116 homes in Seattle and South King County and expects to complete 20 homes in fiscal year 2006. Projects currently underway include Othello Place (nearing completion), High Point (under construction) the Seattle Community Land Trust Partnership (under development) and Homeowner rehab/repair in Federal Way (underway/on-going). 44 of the completed homes are in Hope VI developments.

In 2007 and 2008 Habitat expects to begin work on multi-family projects at High Point Phase 2, Rainier Vista, and Greenbridge. Single-family homes will be built and remodeled in Seattle, Tukwila, Des Moines, and Federal Way.

Success in the past few years has led to significant growth in our organization. New staff have strengthened our construction department, our site development team, our family services department, and our volunteer services department. Site supervision is has been strengthened by our on-going relationship with AmeriCorps (6 AmeriCorps staff at present) and an excellent pool of skilled volunteers.

Managing multiple jobsites in various locations has been challenging for Habit. To meet the challenge, we have created communications networks with cell and radio phones, purchased vehicles to transport materials and people, and formed relations with suppliers and subcontractors in multiple neighborhoods. We have linked volunteers to projects in their neighborhoods and provided tools, training, and support for their work.

While expanding and growing, Habitat has maintained its commitment to the construction of good, solid, affordable homes. This year we have strengthened our commitment to sustainable construction, reviewed our appliance specifications for energy and water use, and upgraded our heating systems to gas-fired on-demand hydronic heat. We will be increasing our use of manufactured panels, including SIPS panels, with a eye to energy efficiency and quality.

For a list of Habitat projects, please see Attachment #5.

Homestead Community Land Trust

HCLT has significant experience and a successful track record in stewarding the ongoing affordability of single family homes in Seattle, and has done this work since 2002. HCLT currently owns land under 11 single family homes, and has successfully assisted 11 low income families in purchasing homes on this land. HCLT has 19 additional homes (including a total of 8 Habitat properties) that will be land trusted by the end of 2007, bringing its total stock of permanently affordable homes to 30. Additional partnerships and programs are currently being pursued that will rapidly expand this number over the next several years.

HCLT's ground lease has been extensively reviewed by government funders and has been approved for financing by Fannie Mae and partnering lenders. Partnership agreements between HCLT and Habitat for Humanity for our current partnership homes have been developed during the past six months, and will be revised and improved as necessary over the upcoming year.

2. Organizational Adjustments

Habitat for Humanity

Habitat for Humanity Seattle/South King County is presently engaged in several multi-family projects similar to that proposed at Fort Lawton. Internal planning unrelated to Fort Lawton indicates that during 2007 our affiliate will need to increase our capacity in the key areas of jobsite supervision and family services. We are confident that we will be able to strengthen capacity in 2007 and will be in an excellent position take on the challenges of the Fort Lawton project.

Homestead Community Land Trust

HCLT currently performs all the partnership functions allocated to it in this proposal with a smaller stock of affordable homes that it currently stewards. HCLT's strategic plan focuses on achieving rapid growth in the number of its land trust properties over the next five years. To this end, HCLT is currently taking steps to expand its capacity, and will continue to expand capacity over the next five to ten years with ultimate goal of having capacity to be able to grow at the rate of 100 homes per year.

3. Audited Financial Statements

See the following Attachments:

- Attachment #6.0, 2006 Balance Sheet
- Attachment #6.1, Interim Financial Statement
- Attachment #6.2, June 2006 Financial Statement
- Attachment #6.3, June 2005 Financial Statement
- Attachment #6.4, 2004 Federal Tax Returns
- Attachment #6.5, 2003 Federal Tax Returns

FINANCING PLAN

See the following Attachments:

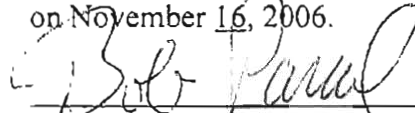
- Attachment #7.0: Form 8A Homeownership: Residential Development Budget
- Attachment #7.1: Form 8C Homeownership: Residential Development Budget Narrative

Attachment #7.2: Form 8D Supplemental Development Budget – Single House
Attachment #7.3: Form 9A Homeownership: Per Unit Cost Data
Attachment #7.4 Form 10A Homeownership Estimate of Cash Flow
Attachment #7.5 Form 11 Homeownership Affordability Worksheet

**HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
BOARD RESOLUTION
AUTHORIZING PROPOSAL SUBMITTAL**

The Board of Directors of Habitat for Humanity of Seattle/South King County authorizes the submittal of a housing development/land acquisition proposal to the City of Seattle as part of the Fort Lawton multiplex housing project.

CERTIFIED as a true and correct copy
of the Resolution duly adopted by the Board
of Directors of Habitat for Humanity
on November 16, 2006.



Bob Pascal, Board Secretary.

**HOMESTEAD COMMUNITY LAND TRUST
BOARD RESOLUTION
AUTHORIZING PROPOSAL SUBMITTAL**

The Board of Directors of Homestead Community Land Trust authorizes the submittal of a housing development/land acquisition proposal to the City of Seattle as part of the Fort Lawton multiplex housing project.

CERTIFIED as a true and correct copy
of the Resolution duly adopted by the Board
of Directors of Homestead Community Land
Trust on December 13, 2006.



Megan Hyla, Board President

Homelessness in Seattle and King County

The Seattle-King County Coalition for the Homeless conducts an annual "One Night Count" which includes a street count in Seattle neighborhoods and areas of King County, as well as assessing people in emergency shelter and transitional housing. The January 2006 count found:

- More than 7,900 sheltered and unsheltered single adults, families, and unaccompanied youth.
- Families with children numbered 2,918 in shelters and transitional housing, followed by single men numbering 2,127. There were 843 single women, unaccompanied youth under 18 years of age accounted for the remainder at 50 individuals.
- Thirty percent or 1,749 of the persons in shelters and transitional housing programs are children under the age of 18 years. In these same types of programs, 3%, or 203 people are 65 and older.
- Among people who reported having a disability in the One Night Count, 1,262 listed alcohol and/or substance abuse as an issue, and 1,228 are dealing with mental illness.
- People of color are significantly over-represented in the homeless population. In King County, while people of color comprise approximately 20% of the general population, they represent 61% of people who are homeless

Factors that contribute to and sustain homelessness include the high cost and shortage of housing; institutional discharge to homelessness; lack of community supports; poverty, joblessness, education, and literacy; effects of mental illness and chemical addiction; racism, domestic violence, access to healthcare, and legal issues.

The continuum of services designed to respond to homeless include prevention (services to keep individuals and families in housing), outreach (approaches to identify and engage homeless people in housing and assistance programs, and supportive services (services that make independent living possible for homeless and formerly homeless people who have barriers to maintaining permanent housing).

[A Roof Over Every Bed,-The Ten Year Plan to End Homelessness](#) in Seattle and King County provides significant guidance and focus to ending homelessness rather than managing it. The Plan is based on six principles that are fundamental to the long-term success of the effort: preventing people from becoming homeless; coordinating leadership, fund and program initiatives to end homelessness countywide; building and sustaining the political will and community support to end homelessness in the context of increasingly competitive human service needs; securing 9,500 units of stable housing for homeless persons; delivering flexible services to support stability and independence; and measuring success and reporting outcomes. The Plan also contains specific actions and approaches to preventing and ending homelessness for each of the subpopulations of single adults, families, and youth and young adults. The full document can be accessed at www.cehkc.org

More information on the nature and extent of homelessness in the city of Seattle can also be found in the city's 2007 update to the Consolidated Plan, found at <http://www.seattle.gov/humanservices/director/ConsolidatedPlan/default.htm>.

Attachment #3 - Form 4 Project-Program Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

For each new task you enter in this column, also enter the appropriate category in the first column.

Category	Tasks	Date Completed/ Expected Completion	Status
Financing	Obtain application approval from HUD for the self-help disposition program	12/31/2006	
Financing	Submit RFP proposal to LRA City of Seattle	1/10/2007	
Site control	LRA Draft Plan	4/20/2007	
Site control	LRA Complete	11/2/2007	
Design/Permitting	Preliminary drawings completed (Master plans)	11/2/2007	
Feasibility analysis/Due diligence	Site survey	11/29/2007	
Financing	Appraisal	11/29/2007	
Feasibility analysis/Due diligence	Phase 1 environmental assessment	2/21/2008	
Design/Permitting	Zoning approval	5/1/2008	
Feasibility analysis/Due diligence	Phase 2 environmental assessment	5/15/2008	
Site control	Land Trust Set Up	5/29/2008	
Feasibility analysis/Due diligence	SEPA/NEPA	8/7/2008	
Feasibility analysis/Due diligence	Neighborhood notification (if required)	10/2/2008	
Design/Permitting	Site plan design, development & approval	4/30/2009	
Site control	Base Closure (Estimated)	6/1/2009	

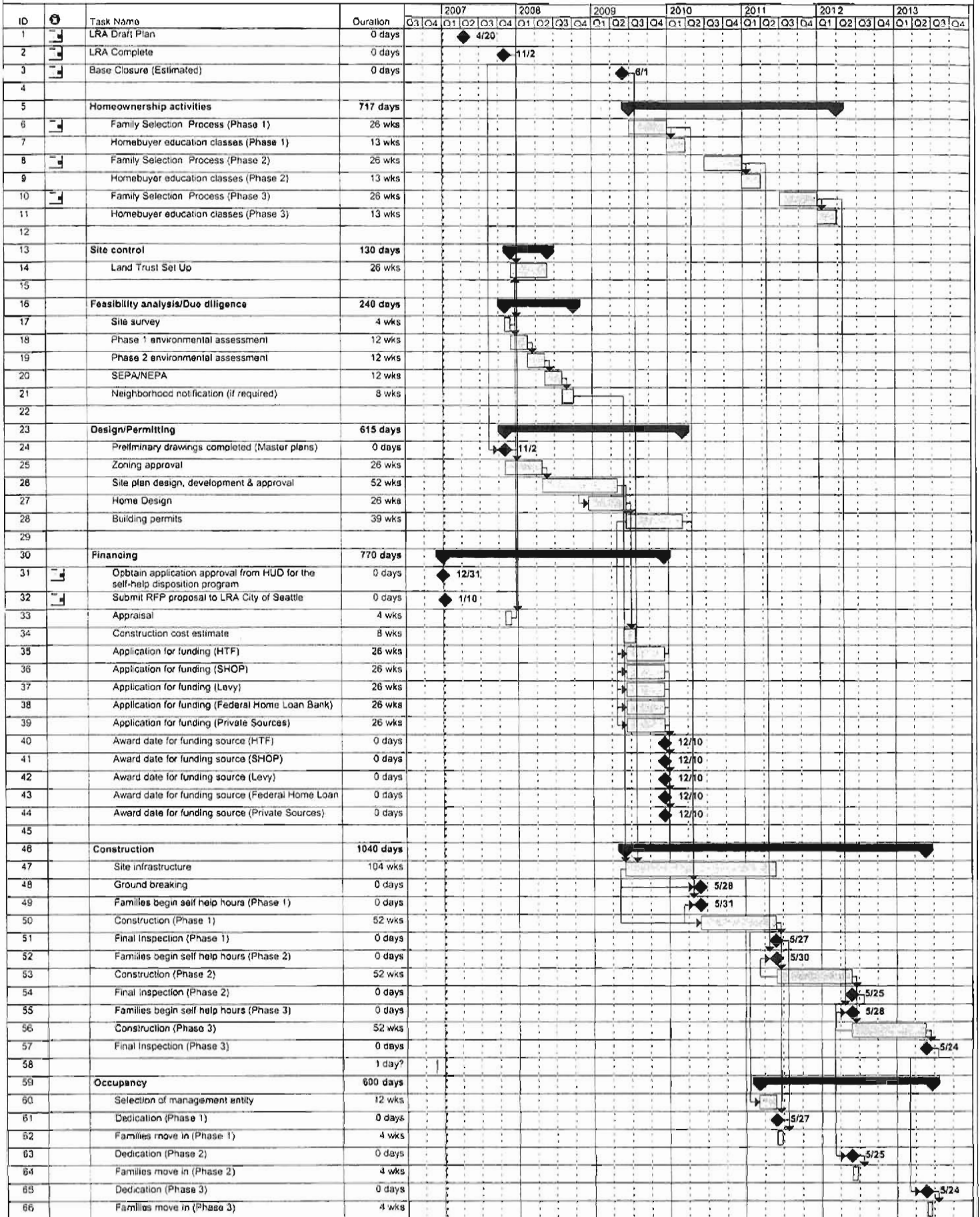
Attachment #3 - Form 4 Project-Program Schedule

Category	Tasks	Date Completed/ Expected Completion	Status
Design/Permitting	Home Design	6/11/2009	
Financing	Construction cost estimate	7/23/2009	
Financing	Application for funding (HTF)	12/10/2009	
Financing	Application for funding (SHOP)	12/10/2009	
Financing	Application for funding (Levy)	12/10/2009	
Financing	Application for funding (Federal Home Loan Bank)	12/10/2009	
Financing	Application for funding (Private Sources)	12/10/2009	
Financing	Award date for funding source (HTF)	12/10/2009	
Financing	Award date for funding source (SHOP)	12/10/2009	
Financing	Award date for funding source (Levy)	12/10/2009	
Financing	Award date for funding source (Federal Home Loan Bank)	12/10/2009	
Financing	Award date for funding source (Private Sources)	12/10/2009	
Homeownership activities	Family Selection Process (Phase 1)	12/29/2009	
Design/Permitting	Building permits	3/11/2010	
Homeownership activities	Homebuyer education classes (Phase 1)	3/30/2010	
Construction	Ground breaking	5/28/2010	
Construction	Families begin self help hours (Phase 1)	5/31/2010	
Homeownership activities	Family Selection Process (Phase 2)	12/29/2010	
Homeownership activities	Homebuyer education classes (Phase 2)	3/30/2011	
Construction	Site infrastructure	5/27/2011	
Construction	Construction (Phase 1)	5/27/2011	
Construction	Final Inspection (Phase 1)	5/27/2011	
Occupancy	Selection of management entity	5/27/2011	
Occupancy	Dedication (Phase 1)	5/27/2011	
Construction	Families begin self help hours (Phase 2)	5/30/2011	
Occupancy	Families move in (Phase 1)	6/24/2011	
Homeownership activities	Family Selection Process (Phase 3)	12/29/2011	

Attachment #3 - Form 4 Project-Program Schedule

Category	Tasks	Date Completed/ Expected Completion	Status
Homeownership activities	Homebuyer education classes (Phase 3)	3/29/2012	
Construction	Construction (Phase 2)	5/25/2012	
Construction	Final Inspection (Phase 2)	5/25/2012	
Occupancy	Dedication (Phase 2)	5/25/2012	
Construction	Families begin self help hours (Phase 3)	5/28/2012	
Occupancy	Families move in (Phase 2)	6/22/2012	
Construction	Construction (Phase 3)	5/24/2013	
Construction	Final Inspection (Phase 3)	5/24/2013	
Occupancy	Dedication (Phase 3)	5/24/2013	
Occupancy	Families move in (Phase 3)	6/21/2013	

Attachment #3.1-Project Schedule, Graphic



MEMORANDUM OF UNDERSTANDING

WHEREAS, Habitat for Humanity of Seattle and South King County, hereafter Habitat, has organized and affiliated with Habitat for Humanity International as a ministry, working in partnership with low income families, to construct affordable housing in Seattle and South King County; and

WHEREAS, Homestead Community Land Trust, Inc., hereafter HCLT, has organized to provide perpetual affordable housing using the land trust model of stewardship; and

WHEREAS, Habitat and HCLT have common goals of providing affordable housing and the role of each party complements and enhances the other in providing and maintaining low cost housing;

NOW, THEREFORE, be it resolved, that Habitat and HCLT agree to undertake the following activities in pursuit of their mutual goals and hereby enter into the following Agreement:

1. **THE "PROPERTY"**: Habitat shall construct up to 60 homes on Fort Lawton land with addresses to be determined. Upon substantial completion of each Home, the Property will be purchased by HCLT from the Owner and HCLT will, in turn, enter into a ground lease with the Habitat homebuyer, as more fully described in Sections 15 and 16 below.

2. **ROLE OF THE "OWNER"**: This agreement is predicated on the assumption that the Owner, Habitat and HCLT will successfully negotiate and execute a land purchase and construction agreement that allows for ownership of the land to be held by the Owner during the construction period for the purpose of reducing construction period property tax expense.

2. **CONSIDERATION**: In consideration of use of the Property and an agreement to abide by the conditions set forth herein, Habitat shall assume all of the expenses and labor costs of construction of the Home, as well as other obligations set forth herein and, provided said conditions and obligations are met, Habitat shall be entitled to the proceeds upon sale of the completed Home pursuant to this agreement.

3. **FEES**: In consideration of the staff time and other organizational resources contributed to the project, Habitat and HCLT shall each be entitled to charge a one time \$4000 fee to be added to the costs of the project. Habitat's fee shall be included as a part of the financed purchase price for the Home; HCLT's fee shall be paid at closing by Habitat from subsidy sources for the project.

4. **THE "HOMES"**: Habitat hereby agrees to coordinate and manage the design of the Homes using certified design professionals. The Home designs and site plans, and any modifications or

revisions thereof, are subject to final approval by HCLT, such approval not to be unreasonably withheld or delayed. Construction of the Homes will be in accordance with the approved design documents.

5. **FUTURE AFFORDABILITY AND ANTI-WINDFALL PROTECTION:** All parties agree that the primary method for assuring future affordability of the Homes and preventing windfall profits from the future sale of the Homes shall be through the resale provisions contained in HCLT's ground lease. Habitat agrees that the ground lease adequately protects the future affordability of the home and therefore will not record a "phantom equity" second mortgage against the property.
6. **PERMITS:** All necessary permits for the construction of the Homes are the responsibility of Habitat and are to be obtained in a timely manner HCLT/Owner agrees to cooperate and act as co-applicant, if necessary, in order to obtain any building permits.
7. **TERM:** Habitat agrees to complete construction of the Homes within 18 months following receipt of building permits. This term may be extended at the discretion of HCLT/Owner upon written request at least 60 days prior to the deadline set forth herein. For an extension to be valid it must be in writing and signed by all parties. Failure to complete the Homes by the deadline or pursuant to any valid extension shall be considered an abandonment of the Home by Habitat, if HCLT/Owner gives Habitat written notice thereof and such failure is not cured within 30 days thereafter.
8. **RISK OF LOSS AND INSURANCE:** Risk of loss with respect to any and all improvements made to the Property shall be the sole responsibility of Habitat during the period of construction and through closing of each Home sale. Habitat shall carry general liability insurance on behalf of Habitat and HCLT/Owner plus Builders' Risk insurance and any necessary fire, flood, Workers' Compensation and/or motor vehicle policies. Habitat shall provide HCLT/Owner with certification, which may be copies of the applicable certificates of insurance, that all necessary insurances are in place and shall indemnify and hold HCLT/Owner harmless from any and all liability arising out of the construction of the Homes on the Property to the extent caused by the actions or negligence of Habitat, its employees, agents or contractors.
9. **BUDGET/SCHEDULE:** Habitat agrees to provide HCLT/Owner with a copy of its budget and construction schedule prior to initiation of construction and to keep HCLT/Owner fully informed of any material changes during the course of construction. In the event the project here undertaken becomes unaffordable due to unforeseen circumstances or circumstances out of the parties control, the parties shall in good faith renegotiate this agreement upon reasonable notice to the other parties that the project is no longer affordable and setting forth the reasons why.
10. **ABANDONMENT:** Upon abandonment of the Home by Habitat at any stage of

construction prior to substantial completion and closing of the initial sale, possession of all construction, materials and the value of any and all improvements and betterments to the Property shall vest in HCLT/Owner. As used herein, the term "abandonment" means that Habitat has ceased working on the Home for a period of at least 90 consecutive days and has not indicated its intention to resume work thereon within 30 days after delivery of written notice to Habitat by HCLT/Owner. HCLT/Owner agrees to make every effort to complete the project for the mutually acknowledged goals.

(a) In the event of an abandonment, Habitat shall remain responsible for any and all mechanics' and materials' liens existing (or relating to work, labor or materials provided to the site prior to the effectiveness of an abandonment) unless HCLT/Owner agrees to assume responsibility for said liens upon a determination that the security (eg. remaining materials) for said lien is sufficient to offset liability to HCLT/Owner. In the event HCLT/Owner does not assume such responsibility, Habitat agrees to indemnify and hold HCLT/Owner harmless from said lien.

(b) In the event of an abandonment, Habitat shall indemnify and hold HCLT/Owner harmless from any and all responsibility for unsecured and/or charitable liens on behalf of Habitat against the Property and/or the Home.

(c) Habitat agrees to communicate fully with HCLT/Owner and to provide reasonable notice of any potential abandonment in order to prepare HCLT/Owner for any such potential problems.

(d) Upon abandonment of the project, Habitat agrees to cooperate to the best of its ability at HCLT/Owner's request to restore the property to a condition at which its fair market value will not be less than fair market value at the time of this agreement was entered into.

11. **TAXES AND UTILITIES:** Habitat agrees to pay all utilities and other municipal charges, including hookup charges, accruing from the date Habitat is provided possession of the Property through the date of sale of the home or abandonment. It is anticipated that the Property will be exempt from Property taxes during Habitat's possession. If Property taxes are due, they will be paid by Habitat/Owner until the sale of the Home to the homeowner.

12. **INITIAL HOMEOWNER SELECTION:** Habitat shall have full responsibility for selection of the initial homeowner with the following conditions:

(a) Habitat agrees to keep HCLT apprised of its selection process, its progress made in choosing a homeowner and any financing arrangements and commitments with regard to purchase of the Home. HCLT agrees to provide Habitat applicants with education regarding the CLT model of homeownership and HCLT's ground lease.

- (b) The initial homeowner household must have an income at or below 50% of the Area median, adjusted for family size.
- (c) Habitat shall be responsible for obtaining any necessary appraisals upon substantial completion of the Home for purposes of the initial Home sale and ground lease.

13. **HABITAT RIGHT OF 1ST PURCHASE AT RESALE:**

- (a) Upon notice of intent to sell, Habitat shall have 30 days to notify HCLT in writing that it will exercise its purchase option. Habitat shall have up to 60 days from the notice of intent to sell to complete the purchase. Upon purchase, Habitat shall have up to one year to complete any necessary renovation of the Home and resell the Home to a buyer at or below 50% Area Median with its 0% interest financing. During its period of ownership, Habitat will enter into a ground lease with HCLT and be responsible for all provisions therein, including payment of lease fee, and property taxes. HCLT and Habitat shall agree in advance to any renovation cost that will be added to the resale price that Habitat will charge a future buyer.
- (b) Should Habitat's right of 1st purchase be waived or expire, HCLT shall select subsequent homeowners provided the household income is below 80% of the Area median.

14. **SUBSTANTIAL COMPLETION:** The Home shall be considered substantially complete and ready for sale to a qualified homeowner upon receipt of a Certificate of Occupancy.

15. **SALE OF LAND TO HCLT:** Concurrent with the substantial completion of the Home by Habitat and its sale to an income qualified household, HCLT agrees to purchase the land from the Owner for a pre-negotiated price agreeable to Habitat. The Owner shall convey good and marketable title to the Property to HCLT at closing and shall provide a standard coverage owners policy of title insurance to HCLT. The deed shall exclude the Home, which shall be and remain the property of Habitat and/or the homeowner, subject to the ground lease under Section 16.

16. **GROUNDLEASE:** Concurrent with the Home sale and land sale, HCLT agrees to enter into a 99-year ground lease with the initial (and subsequent) homeowner(s). This ground lease contains resale provisions designed to keep the Home affordable. The ground lease shall be in a form reasonably acceptable to all parties. HCLT agrees to keep Habitat informed of any changes to its ground lease, especially any changes affecting or impacting on the affordability of the Home, and no amendment or modification to the ground lease shall be made without the prior written consent of Habitat so long as it holds a mortgage on the Home. The parties may mutually agree in writing to modify the household income percentage requirements in accordance with any adjusted Federal or State housing affordability guidelines. On sale of the Home, Habitat shall provide an

owners standard coverage title insurance policy to the homeowner, including coverage for the ground lease interest.

17. **JOB SITE SAFETY**: Habitat hereby assumes full responsibility for job site safety during construction of the Home and until sale or abandonment thereof and hereby indemnifies and holds HCLT/Owner harmless from any responsibility therefore.

18. **DISSOLUTION**: In the event of a dissolution, merger or reorganization of any of the parties to this agreement, the rights and responsibilities arising out of this agreement shall transfer to and become binding upon the successor organization(s) or entity(ies).

19. **DISPUTE RESOLUTION**: In the event that an irresolvable dispute should arise between the parties to this agreement arising out of the subject matter of this agreement, all parties agree, to submit the matter to binding arbitration with an arbitrator or arbitration agency mutually agreed upon and to share equally the costs of such arbitration.

20. **GOVERNING LAW**: This agreement is governed by the Laws of the State of Washington.

21. **REPRESENTATIVES; NOTICES**: For purposes of this agreement, the parties hereby designate the following individuals to serve as their representatives, with notices to parties hereunder to be directed to such representatives at the addresses provided:

HCLT: Sheldon Cooper
Homestead Community Land Trust
2017 E. Spruce Street
Seattle, WA 98122
206-323-1227 phone
206-325-6291 fax
sheldon@homesteadclt.org

HABITAT: Dorothy Bullitt
Habitat for Humanity
15439 – 53rd Avenue South, Suite B
Tukwila, WA 98188
206-292-5240 ext 103 phone
206-292-5241 fax
dbullitt@seattle-habitat.org

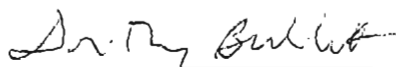
Notices under this agreement shall be sent by U.S. regular mail, postage prepaid, by courier or

recognized overnight delivery service, by fax with confirmed receipt or by email with confirmed receipt. Notices shall be deemed delivered when received or within 3 days after deposit in the mail.

This Memorandum of Understanding is executed by the persons signing below who warrant that they have the authority to execute this Memorandum of Understanding.

Habitat for Humanity Seattle/South King County

Homestead Community Land Trust



Dorothy Bullitt
Executive Director

Sheldon Cooper
Executive Director

1/5/07
Date

1/4/07
Date

Attachment #5 – List of Habitat Projects

Applicant or Developer Name: **Habitat for Humanity of Seattle/South King County: Completed Projects**

Names of Projects COMPLETED in the Past 5 Years <i>Rehab (R) or New Construction (NC)</i>	Role (including owner, developer, etc.)	City and State	Number of Units	Development Time Period (mm/yy)		Type of Financing (i.e., HTF, HUD, USDA, etc.)
				Begin	End	
Federal Way (NC)	Developer	Federal Way, WA	1	11/05	11/06	HTF, HFHI, Private
Thrivent (R)	Developer	Seattle, WA	1	1/06	12/06	HTF, Seattle, Seattle Levy, King Co., HFHI, Private
Westway (NC)	Developer	Federal Way, WA	2	8/04	4/06	HTF, FHLB, Private
Othello Place -- Phase 1 and 2 (NC)	Developer	Seattle, WA	15	12/04	7/05	HTF, Seattle Levy, SHOP, FHLB, Private
New Holly 2B (NC)	Developer	Seattle, WA	8	8/03	8/04	HTF,SHOP, Seattle HOME, Private
Kent Single Family (NC)	Developer	Kent, WA	3	4/03	2/04	HTF, King County, Private
Roxbury (NC)	Developer	Seattle, WA	10	6/00	7/03	Seattle HOME, Private
New Holly Phase 2A (NC)	Developer	Seattle, WA	8	9/01	10/02	HUD, Seattle HOME funds, Private

Attachment #5 – List of Habitat Projects

New Holly Phase 1 (NC)	Developer	Seattle, WA	12	4/00	12/00(4) 9/01 (8)	HUD, Private
White Center (NC)	Developer	Seattle, WA	2	10/99	10/00	Foundations, Donors
Central Area (NC)	Developer	Seattle, WA	3	11/98; 10/99	11/99 (1); 10/00 (2)	Foundations, Donors
Shoreline (NC)	Developer	Shoreline, WA	3	9/98	9/99(2); 2/00 (1)	Foundations, Private
S. King County (NC)	Developer		10	1996- 2002	1997-2002	Foundations, Private
Total Completed Since 1986			114			

Attachment #5 – List of Habitat Projects

• Habitat for Humanity Seattle/South King County: Projects Under Construction						
Names of Projects CURRENTLY BEING DEVELOPED <i>Indicate Rehab (R) or New Construction (NC)</i>	Role (incl. owner, developer, etc.)	City and State	Number of Units	Development Time Period (mm/yy)		Type of Financing (i.e., HTF, HUD, USDA, etc.)
				Begin	End (enter a projected completion date)	
High Point Phase 1 (NC)	Developer	Seattle, WA	8	3/06	6/07	HTF, SHOP, FHLB, Private
Seattle CLT Partnership (R & NC)	Developer	Seattle & King Co., WA	6	10/05	5/07	HTF, Seattle, Seattle Levy, King Co., HFHI, Private
Westway Homeowner Rehab/Repair (R)	Developer	Federal Way, WA	36	1/06	12/08	King County, Private

Attachment #5 – List of Habitat Projects

Describe the experience of your organization in developing this type of project:

Experience

Habitat for Humanity of Seattle/South King County has built 114 homes since its founding in 1986. Habitat has successfully completed 36 homes in Hope VI developments, including 15 new units in Phase 1 and 2 of Othello Place in the New Holly area of Seattle. We recently completed the first of six single family units in the Central Area of Seattle, all of which will be put into land trust. In addition, Habitat is well into construction of an 8-home project at High Point in West Seattle.

Habitat has experience in building single- and multi-family homes in clusters in two areas within Seattle concurrently, NewHolly 2A and Roxbury, as well as simultaneous construction in South King County at Walker Townhomes in Kent.

Habitat builds approximately 18 houses per year, yet demand for low-income housing far exceeds this level. In an effort to better address the demonstrated need, Habitat is implementing a five-year strategic plan to increase house construction to 40 homes a year by 2010. To meet this accelerated rate, Habitat will replicate its model of past success and expand its staff capacity in strategic areas to ensure success and sustainability.

Describe the current workload of key staff and their availability for this project:

Current Workload

Habitat for Humanity staff and volunteers have a proven track record of developing housing for low and very-low income families. Projects currently underway include, High Point, the Seattle CLT Partnership, Rehab/Repair in Federal Way (underway/on-going). We are preparing drawings for projects at High Point Phase 2, Rainier Vista, Greenbridge, and Tukwila. Habitat has experienced staff working on all of these projects. Ben Hines, Habitat's Construction Manager, is overseeing all of the projects under construction, as well as managing construction budgets and site supervision. Tom Gaylord, Site Development Manager, works with architects and consultants to develop new projects and manages the design and permit phases of pre-construction. Diane Gallegos, Habitat's Associate Director, oversees the family selection process and is the lead for Habitat's work in Federal Way and Westway.

In addition, Habitat has recently added additional support staff and volunteers in preparation for the planned production. Internal systems, staff training, skilled volunteer recruitment and streamline purchasing systems have also been developed to increase efficiency and expand production.

Attachment #5 – List of Habitat Projects

Instructions:	
<ul style="list-style-type: none"> List the names of key development team members and their title in the table below. 	
Name	Title <i>(e.g., executive director, project manager, development specialist, etc.)</i>
Dorothy Bullitt	Executive Director
Diane Gallegos	Associate Director
Ben Hines	Construction Manager
Sandra Lynch Holmes	Director of Development
Tom Gaylord	Site Development Manager
Martha Martin	Volunteer Coordinator
Bryon Epp	Chief Financial Officer
Kathleen Croston	Family Resource Manager

Attachment (use colored separator sheets between documents if more than one resume is attached)

- One page resume for each key team member that includes specific housing development experience and years of experience.

Habitat for Humanity of Seattle/SKC
Statement of Financial Position
October 31, 2006

Balance Sheet

	October 31, 2006	September 30, 2006	October 31, 2005
ASSETS			
Current Assets			
Cash and cash equivalents	336,553	249,460	64,950
Homeowner reserve cash	23,215	36,261	2,748
Prepaid expense	16,574	12,234	14,523
Accounts receivable	44,582	40,636	45,593
Pledges receivable, net	369,981	272,534	197,916
MTH campaign receivable, net	7,444	7,444	16,987
Mortgages receivable, current	11,342	11,342	7,457
Total Current Assets	809,691	629,913	350,174
Other Assets			
Contractor's bond	12,240	12,119	12,316
Cash restricted for FFH	139,655	135,486	53,855
MM restricted for FFH	1,112,479	843,134	160,088
Investments restricted for FFH	1,490,911	1,749,258	2,798,130
Deposits	7,275	7,275	5,765
Inventory	-	-	-
Mortgages receivable, net lt	1,244,071	1,247,781	1,216,673
Unamortized discount	(550,033)	(550,033)	(641,646)
Houses	189,684	190,317	197,284
Land	203,996	201,827	200,309
Construction in progress	3,346,581	3,272,681	1,383,137
Property & equipment, net	61,923	63,374	64,033
Total Other Assets	7,258,781	7,173,219	5,449,944
Total Assets	8,068,472	7,803,132	5,800,118
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	189,302	181,976	138,839
Accrued expenses	35,204	38,586	82,704
Homeowner escrow accounts	23,061	36,130	2,591
Refundable Exp	-	-	-
Line of credit	-	-	-
Long-term debt, current	362,438	363,635	376,802
Total Current Liabilities	610,005	620,327	600,937
Long-Term Liabilities			
Long-term debt	-	-	-
Total Long-Term Liabilities	-	-	-
Total Liabilities	610,005	620,327	600,937
Net Assets			
Unrestricted net assets	4,199,052	4,247,928	1,953,177
Net assets restricted to FFH	2,743,046	2,694,170	3,003,855
Temp restricted net assets	206,940	206,940	206,940
Current year net income (loss)	309,430	33,767	35,210
Total Net Assets	7,458,468	7,182,805	5,199,182
Total Liabilities & Net Assets	8,068,472	7,803,132	5,800,118

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities For the Four Months Ending October 31, 2006

7/1/06-10/31/06
Interim Period
R+A

	October 31, 2006 Actual	FYTD 7/1-10/31/06 Actual
REVENUE		
Unrestricted Contribution & Grant Revenue		
Individuals	37,177.00	94,795.67
Corporations	5,671.52	9,164.02
Foundations	0.00	1,028.74
Congregations	2,500.00	5,729.89
H/HI	801.00	2,347.00
Total Unrestricted Contributions	46,149.52	113,065.32
Restricted Contribution & Grant Revenue		
Individuals	65,000.00	85,225.00
Corporations	95,189.00	136,967.40
Foundations	2,500.00	2,500.00
Congregations	25,362.53	27,638.01
Katrina Relief	26,818.07	27,868.07
Grants	3,946.23	24,706.87
Total Restricted Contributions	218,815.83	304,905.35
Special Events & Other Income		
Special events	17,000.00	89,965.00
Product sales	200.00	200.00
Donation sales - Second Use	9,091.56	28,285.25
Donated vehicle sales	7,789.97	11,072.32
In-kind contributions	500.00	8,508.00
Interest Income	10,689.93	43,750.98
Other	76,504.95	143,904.16
Total Special Events & Other	121,776.41	325,685.71
Sale of Homes		
Sale of homes	0.00	143,000.00
Total Revenue	386,741.76	886,656.38
EXPENSE		
Construction & Warehouse		
Salary allocation	2,266.29	10,072.09
PR Tax/Health Ins Allocation	226.26	937.04
Constr salary capitalized	(21,031.75)	(83,975.39)
Salary	24,120.40	95,514.16
Payroll Taxes - FICA	1,775.86	7,725.79
Payroll Taxes - SUTA	289.41	1,713.80
Stipend Volunteer	7,963.60	16,886.91

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities For the Four Months Ending October 31, 2006

Workers Comp Insurance	3,088.91	8,338.91
Health Insurance	4,110.92	14,797.25
LTD Insurance	215.50	747.57
Employer Retirement Contrib	1,052.54	1,052.54
Employee Fringe Benefits	0.00	0.00
Warehouse Rent	1,199.25	4,797.00
Warehouse Utilities & Maint	0.00	0.00
Cellular Service & Accessories	1,005.40	2,752.23
G&A Allocation	3,648.08	13,992.58
General Liability Insurance	0.00	0.00
Vehicles Insurance	438.00	1,168.00
License & Permits	0.00	0.00
Dues & Subscriptions	0.00	0.00
Travel Expense	0.00	1,376.04
Meals & Entertainment	25.69	241.03
Misc Ground Transportation	178.65	368.22
Registration Fees & Training	38.00	509.00
Consulting & Professional Svcs	0.00	0.00
Advertising	0.00	0.00
Cost of Homes Sold	0.00	143,197.25
Construction Loan Interest	0.00	1,500.00
Discount Amortization	0.00	0.00
Tithe to HfHI	10,000.00	40,000.00
Tithe - Katrina	0.00	0.00
Tools	107.74	302.92
Warranty Repairs	0.00	0.00
Construction Equipment Repairs	0.00	83.78
Inventory Adjustments	0.00	0.00
Site Selection & Development	0.00	0.00
Other Program Costs	9,641.83	24,244.73
Vehicle Expense	434.63	1,210.13
Committee/Meeting Expense	0.00	0.00
Recognition	0.00	96.00
Depreciation	1,235.80	4,943.20
Total Construction & Warehouse	52,031.01	314,592.78

Other Programs		
Salary allocation	1,565.84	6,297.06
PR Tax/Health Ins Allocation	549.72	2,010.55
Salary	8,860.02	41,153.98
Payroll Taxes - FICA	677.80	3,513.43
Payroll Taxes - SUTA	86.32	563.15
Stipend Volunteer	0.00	50.00
Workers Comp Insurance	0.00	0.00
Health Insurance	245.86	1,526.78
LTD Insurance	97.40	348.13
Employer Retirement Contrib	260.77	260.77
Employee Fringe Benefits	0.00	0.00
G&A Allocation	2,402.40	9,214.64
License & Permits	0.00	0.00
Dues & Subscriptions	0.00	30.00

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities For the Four Months Ending October 31, 2006

Travel	0.00	1,366.15
Meals & Entertainment	0.00	194.69
Misc Ground Transportation	72.54	128.17
Registration Fees & Training	0.00	2,836.00
Consulting & Professional Svcs	0.00	0.00
Advertising	0.00	0.00
Credit Checks	0.00	35.86
Other Program Costs	354.51	354.51
Committee/Meeting Expense	36.13	94.89
Recognition	73.91	1,824.89
Depreciation	283.05	1,132.20
	<hr/>	<hr/>
Total Other Program	15,566.27	72,935.85

General & Administrative

Salary allocation	(7,765.37)	(34,898.13)
PR Tax/Health Ins Allocation	(1,454.70)	(5,969.88)
Salary	21,787.80	87,938.46
Payroll Taxes - FICA	1,616.10	7,302.99
Payroll Taxes - SUTA	57.69	802.09
Workers Comp Insurance	0.00	0.00
Health Insurance	2,507.27	9,733.96
LTD Insurance	181.28	467.31
Employer Retirement Contrib	2,279.34	2,279.34
Employee Fringe Benefits	0.00	44.57
Office Rent	5,165.33	20,661.32
Utilities	0.00	0.00
Office Expenses	1,463.10	2,851.52
Office Equipment Rental	347.69	1,579.02
Office Equipment Repair/Maint	271.99	1,210.69
Office Supplies	431.81	1,976.27
Telephone & Fax	559.62	2,283.70
Postage & Shipping	480.85	1,710.49
Printing & Copying	0.00	1,214.79
Board Expenses	177.37	630.13
G&A Allocation	(7,118.21)	(30,638.75)
D&O Insurance	70.00	280.00
Taxes	1,187.38	1,187.38
Bank & Merchant Fees	59.65	719.35
Payroll Processing Fee	180.72	760.87
Retirement Plan Fees	0.00	350.00
Finance Charge	0.00	212.69
License & Permits	0.00	0.00
Dues & Subscriptions	968.75	4,272.60
Travel Expense	0.00	1,244.48
Meals & Entertainment	48.43	385.92
Misc Ground Transportation	106.14	565.48
Registration Fees & Training	974.25	2,113.50
Legal Expense	0.00	0.00
Accounting/Auditing	0.00	8,500.00
Consulting & Professional Svcs	282.88	848.64
Advertising	0.00	0.00

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities For the Four Months Ending October 31, 2006

Committee/Meeting Expense	0.00	0.00
Recognition	0.00	0.00
Depreciation	283.05	1,132.22
Bad Debt Expense	0.00	0.00
	<hr/>	
Total General & Administrative	25,150.21	93,753.02
	<hr/>	
Fundraising		
Salary allocation	3,933.24	18,528.98
PR Tax/Health Ins Allocation	678.72	3,022.29
Salary	6,078.78	23,525.71
Payroll Taxes - FICA	446.02	1,996.96
Payroll Taxes - SUTA	55.26	511.36
Stipend Volunteer	0.00	0.00
Workers Comp Insurance	0.00	0.00
Health Insurance	930.91	3,823.12
LTD Insurance	69.22	297.37
Employer Retirement Contrib	621.93	621.93
Employee Fringe Benefits	0.00	0.00
G&A Allocation	1,067.73	4,095.39
License & Permits	0.00	0.00
Dues & Subscriptions	0.00	330.00
Travel Expense	0.00	745.34
Meals & Entertainment	0.00	65.67
Misc Ground Transportation	55.84	235.60
Registration Fees & Training	0.00	200.00
Consulting & Professional Svcs	0.00	6,515.29
Advertising	112.30	139.80
Committee/Meeting Expense	0.00	0.00
Recognition	0.00	431.99
Newsletters	250.00	9,296.68
Annual Report	0.00	0.00
Direct Mail Campaign	0.00	0.00
Other Appeals	3,636.66	3,686.66
Brochures	0.00	0.00
Multimedia (Photography/Video)	0.00	32.64
Commission expense	0.00	0.00
Informal Event Expense	0.00	0.00
Benefit Breakfast Expense	112.03	7,290.43
Other Special Events Expense	0.00	0.00
Habitat Product Sale Purchases	0.00	0.00
Depreciation	283.06	1,132.22
	<hr/>	
Total Fundraising	18,331.70	86,525.43
	<hr/>	
Total Expenses	111,079.19	567,807.08
	<hr/>	
Change in Net Assets	275,662.57	318,849.30
	<hr/>	

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities
For the Twelve Months Ending June 30, 2006

*most
Recent FYE*

	June 2006 Month Actual	FYTD 7/1/05 - 6/30/06 Actual
REVENUE		
Unrestricted Contribution & Grant Revenue		
Individuals	12,026.50	630,942.77
Corporations	3,229.00	49,932.79
Foundations	0.00	71,571.47
Congregations	1,064.01	44,283.39
HfHI	885.00	11,271.84
Total Unrestricted Contributions	17,204.51	808,002.26
Restricted Contribution & Grant Revenue		
Individuals	(94,625.00)	147,375.00
Corporations	44,000.00	182,687.04
Foundations	0.00	223,400.00
Congregations	18,520.00	136,246.61
Katrina Relief	202,475.69	413,613.05
Grants	434,913.68	551,958.69
Total Restricted Contributions	605,284.37	1,655,280.39
Special Events & Other Income		
Special events	550.00	294,233.48
Product sales	0.00	0.00
Donation sales - Second Use	9,848.60	110,058.35
Donated vehicle sales	1,344.30	21,829.98
In-kind contributions	471,214.04	518,287.28
Interest income	96,131.12	194,432.75
Other	2,994.24	42,683.02
Total Special Events & Other	582,082.30	1,181,524.86
Sale of Homes		
Sale of homes	0.00	0.00
Total Revenue	1,204,571.18	3,644,807.51

EXPENSE

Construction & Warehouse		
Salary allocation	2,114.04	28,520.50
PR Tax/Health Ins Allocation	221.91	2,697.50
Constr salary capitalized	(12,408.44)	(158,003.87)
Salary	21,617.71	199,063.90
Payroll Taxes - FICA	933.60	13,707.28
Payroll Taxes - SUTA	315.78	3,209.51
Stipend Volunteer	7,865.41	31,367.76

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities
For the Twelve Months Ending June 30, 2006

Workers Comp Insurance	(1,837.05)	12,280.25
Health Insurance	1,441.17	21,259.49
LTD Insurance	181.21	1,438.48
Employer Retirement Contrib	458.89	2,266.25
Employee Fringe Benefits	50.00	720.00
Warehouse Rent	2,398.50	7,073.40
Warehouse Utilities & Maint	0.00	2,044.20
Cellular Service & Accessories	605.42	4,937.26
G&A Allocation	10,543.52	51,625.88
General Liability Insurance	0.00	0.00
Vehicles Insurance	146.00	2,270.75
License & Permits	0.00	109.70
Dues & Subscriptions	0.00	545.00
Travel Expense	287.00	1,531.72
Meals & Entertainment	0.00	210.94
Misc Ground Transportation	294.79	2,625.21
Registration Fees & Training	0.00	326.00
Consulting & Professional Svcs	0.00	1,255.00
Advertising	0.00	1,430.00
Cost of Homes Sold	52.57	14,891.76
Construction Loan Interest	0.00	2,942.98
Discount Amortization	0.00	0.00
Tithe to HHI	18,675.00	101,175.00
Tithe - Katrina	164,712.64	375,000.00
Tools	978.44	9,428.87
Warranty Repairs	0.00	764.41
Construction Equipment Repairs	126.76	126.76
Inventory Adjustments	0.00	0.00
Site Selection & Development	0.00	0.00
Other Program Costs	3,590.92	20,384.45
Vehicle Expense	2,503.45	4,085.03
Committee/Meeting Expense	0.00	109.75
Recognition	0.00	0.00
Depreciation	2,474.45	16,682.49
Total Construction & Warehouse	228,343.69	780,103.61

Other Programs		
Salary allocation	1,322.00	16,926.24
PR Tax/Health Ins Allocation	407.63	4,174.06
Salary	14,734.70	140,160.47
Payroll Taxes - FICA	903.78	11,517.97
Payroll Taxes - SUTA	215.98	2,245.10
Stipend Volunteer	1,072.00	10,721.87
Workers Comp Insurance	0.00	0.00
Health Insurance	1,011.23	8,712.06
LTD Insurance	144.88	968.67
Employer Retirement Contrib	584.75	3,143.60
Employee Fringe Benefits	0.00	312.05
G&A Allocation	4,710.95	23,066.88
License & Permits	0.00	0.00
Dues & Subscriptions	0.00	150.00

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities
For the Twelve Months Ending June 30, 2006

Travel	0.00	1,342.73
Meals & Entertainment	(494.44)	597.16
Misc Ground Transportation	215.57	1,754.84
Registration Fees & Training	0.00	1,845.00
Consulting & Professional Svcs	0.00	60.00
Advertising	0.00	125.00
Credit Checks	0.00	83.14
Other Program Costs	463.76	4,801.16
Committee/Meeting Expense	0.00	638.94
Recognition	251.12	5,974.14
Depreciation	304.25	3,429.57
	<hr/>	<hr/>
Total Other Program	25,848.16	242,750.65

General & Administrative		
Salary allocation	(6,029.59)	(82,966.79)
PR Tax/Health Ins Allocation	(949.33)	(10,956.14)
Salary	31,441.23	258,925.43
Payroll Taxes - FICA	1,604.15	18,330.46
Payroll Taxes - SUTA	287.78	3,490.63
Workers Comp Insurance	0.00	0.00
Health Insurance	1,785.45	18,460.32
LTD Insurance	362.16	1,980.14
Employer Retirement Contrib	1,696.66	8,489.43
Employee Fringe Benefits	14.99	331.65
Office Rent	14,782.66	64,467.99
Utilities	0.00	641.01
Office Expenses	826.03	6,854.01
Office Equipment Rental	500.55	4,969.84
Office Equipment Repair/Maint	4,705.52	7,884.57
Office Supplies	128.36	4,026.91
Telephone & Fax	907.08	7,150.22
Postage & Shipping	6.00	4,885.88
Printing & Copying	508.10	3,877.41
Board Expenses	69.73	5,084.45
G&A Allocation	(17,946.42)	(87,873.83)
D&O Insurance	209.00	870.50
Taxes	0.00	4,199.54
Bank & Merchant Fees	613.79	10,040.62
Payroll Processing Fee	137.33	1,953.33
Retirement Plan Fees	0.00	350.00
Finance Charge	126.99	290.88
License & Permits	0.00	249.90
Dues & Subscriptions	0.00	6,627.48
Travel Expense	613.00	1,860.63
Meals & Entertainment	203.32	480.86
Misc Ground Transportation	316.37	1,560.58
Registration Fees & Training	0.00	1,184.00
Legal Expense	0.00	829.00
Accounting/Auditing	0.00	8,500.00
Consulting & Professional Svcs	658.24	5,262.77
Advertising	0.00	1,489.97

Habitat for Humanity of Seattle/SKC
Detailed Statement of Activities
For the Twelve Months Ending June 30, 2006

Committee/Meeting Expense	0.00	0.00
Recognition	0.00	0.00
Depreciation	296.35	3,345.33
Bad Debt Expense	15,864.92	33,377.55
	<hr/>	
Total General & Administrative	53,740.42	320,526.53
	<hr/>	
Fundraising		
Salary allocation	2,593.55	36,879.25
PR Tax/Health Ins Allocation	319.79	4,084.58
Salary	4,556.66	73,841.57
Payroll Taxes - FICA	170.66	5,304.11
Payroll Taxes - SUTA	66.42	1,056.83
Stipend Volunteer	0.00	0.00
Workers Comp Insurance	0.00	0.00
Health Insurance	1,243.29	5,923.47
LTD Insurance	144.88	752.35
Employer Retirement Contrib	267.60	2,661.16
Employee Fringe Benefits	0.00	123.24
G&A Allocation	2,691.95	13,181.07
License & Permits	0.00	0.00
Dues & Subscriptions	0.00	3,485.77
Travel Expense	0.00	142.62
Meals & Entertainment	0.00	0.00
Misc Ground Transportation	97.46	413.53
Registration Fees & Training	0.00	3,194.85
Consulting & Professional Svcs	5,084.71	44,249.30
Advertising	0.00	279.49
Committee/Meeting Expense	0.00	28.88
Recognition	0.00	680.29
Newsletters	8,229.10	31,811.91
Annual Report	351.79	3,596.11
Direct Mail Campaign	0.00	4,804.77
Other Appeals	206.45	20,707.65
Brochures	0.00	0.00
Multimedia (Photography/Video)	0.00	43.52
Commission expense	0.00	0.00
Informal Event Expense	42.97	498.97
Benefit Breakfast Expense	2,335.00	54,607.53
Other Special Events Expense	0.00	2,000.38
Habitat Product Sale Purchases	0.00	0.00
Depreciation	177.81	2,007.22
	<hr/>	
Total Fundraising	28,580.09	316,360.42
	<hr/>	
Total Expenses	336,512.36	1,659,741.21
	<hr/>	
Change in Net Assets	\$ 868,058.82	\$ 1,985,066.30
	<hr/>	

**HABITAT FOR HUMANITY OF
SEATTLE/SOUTH KING COUNTY**

Financial Statements
for the Year Ended June 30, 2006
and Independent Auditors' Report

(this FYE)

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
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For the Year Ended June 30, 2006

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WATSON & McDONELL, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
600 UNIVERSITY STREET, SUITE 2828
SEATTLE, WASHINGTON 98101-3301

INDEPENDENT AUDITORS' REPORT

Board of Directors
Habitat for Humanity of Seattle/South King County
Tukwila, Washington

We have audited the accompanying statement of financial position of Habitat for Humanity of Seattle/South King County (a Washington nonprofit corporation) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2005 financial statements and, in our report dated August 31, 2005, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Seattle/South King County as of June 30, 2006, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Watson & McDonnell, PLLC

September 6, 2006

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Financial Position

June 30, 2006

(With Comparative Totals for 2005)

ASSETS

	<u>2006</u>	<u>2005</u>
Current assets:		
Cash and cash equivalents	\$ 243,329	\$ 195,902
Accounts receivable	496,659	56,238
Pledges receivable, current portion	177,833	147,619
Mortgages receivable, current portion	11,342	7,457
Investments, short term - designated for the Fund for Humanity	1,930,477	134,448
Homeowner reserve cash	39,606	2,188
Prepaid expenses and other	<u>11,467</u>	<u>921</u>
	<u>2,910,713</u>	<u>544,773</u>
Other assets:		
Investments, long term	12,119	12,262
Investments, long term - designated for the Fund for Humanity	741,607	
Pledges receivable, net of allowance and current portion	69,674	80,000
Mortgages receivable, net of discount and current portion	584,528	3,740,467
Completed houses available for sale	1,151,713	619,263
Construction in progress	1,923,102	120,195
Land held for sale and development	201,827	198,759
Investment in leased property, net of depreciation	192,217	199,817
Deposits and other	7,275	21,454
Equipment, net of accumulated depreciation	<u>54,957</u>	<u>56,030</u>
	<u>4,939,019</u>	<u>5,048,247</u>
	<u>\$ 7,849,732</u>	<u>\$ 5,593,020</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 228,042	\$ 149,826
Accrued expenses	65,868	92,059
Homeowner reserve accounts	39,561	2,188
Long-term debt, current portion	<u>367,226</u>	<u>65,909</u>
	<u>700,697</u>	<u>309,982</u>
Long-term debt, net of current portion		<u>119,067</u>
Net assets:		
Unrestricted:		
Fund for Humanity	2,672,084	134,448
Operations	4,053,289	4,822,583
Temporarily restricted	<u>423,662</u>	<u>206,940</u>
	<u>7,149,035</u>	<u>5,163,971</u>
	<u>\$ 7,849,732</u>	<u>\$ 5,593,020</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Activities

For the Year Ended June 30, 2006

(With Comparative Totals for 2005)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2006</u>	<u>Total 2005</u>
Support and revenue:				
Contributions	\$ 1,607,287	\$ 322,870	\$ 1,930,157	\$ 1,432,124
Grants	659,413		659,413	354,817
In-kind contributions	518,287		518,287	50,853
Sale to homeowners				2,255,234
Special events, net of event costs of \$57,107 in 2006 and \$31,450 in 2005	237,126		237,126	101,357
Other income	42,682		42,682	76,875
Mortgage loan discount amortization	91,614		91,614	403,792
Interest income	108,419		108,419	8,471
Net assets released from restriction	<u>106,148</u>	<u>(106,148)</u>		
	<u>3,370,976</u>	<u>216,722</u>	<u>3,587,698</u>	<u>4,683,523</u>
Expenses:				
Program services	1,022,854		1,022,854	3,981,452
Management and administration	320,527		320,527	300,844
Fundraising	<u>259,253</u>		<u>259,253</u>	<u>221,092</u>
	<u>1,602,634</u>		<u>1,602,634</u>	<u>4,503,388</u>
Change in net assets	1,768,342	216,722	1,985,064	180,135
Net assets, beginning of year	<u>4,957,031</u>	<u>206,940</u>	<u>5,163,971</u>	<u>4,983,836</u>
Net assets, end of year	<u>\$ 6,725,373</u>	<u>\$ 423,662</u>	<u>\$ 7,149,035</u>	<u>\$ 5,163,971</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Functional Expenses

For the Year Ended June 30, 2006

(With Comparative Totals for 2005)

	Program Services	Management & Administration	Fundraising	Total 2006	Total 2005
Program and house building costs	\$ 425,397			\$ 425,397	\$ 2,553,678
Mortgage discounts					832,521
Salaries and wages	258,035	\$ 175,959	\$ 110,721	544,715	566,130
Payroll taxes and benefits	99,374	40,126	19,906	159,406	142,931
Tithe to overseas construction	101,175			101,175	72,300
Rent and occupancy	55,574	14,266	8,559	78,399	58,127
Bad debts		33,378		33,378	56,667
Professional fees	1,315	14,592	44,249	60,156	53,782
Fundraising and public relations			61,673	61,673	38,853
Administrative	11,101	28,643	5,308	45,052	34,358
Interest	443			443	18,987
Training and travel	10,234	5,086	3,751	19,071	18,846
Depreciation	20,112	3,345	2,007	25,464	18,150
Other program costs	15,662			15,662	15,584
Utilities	12,279	1,558	935	14,772	9,942
Supplies	6,195	1,822	1,093	9,110	7,522
Postage	3,322	977	586	4,885	2,982
Printing	2,636	775	465	3,876	2,028
Total expenses	\$ 1,022,854	\$ 320,527	\$ 259,253	\$ 1,602,634	\$ 4,503,388

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Cash Flows

For the Year Ended June 30, 2006

(With Comparative Totals for 2005)

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,985,064	\$ 180,135
Adjustments:		
Depreciation	25,464	18,150
Loss on donation of equipment	5,215	(2,719)
Net loss (gain) on investments	19,504	(211)
Net mortgage and pledge discounts		428,729
Non-cash property contributions	(510,663)	
Changes in assets and liabilities:		
Accounts receivable	(440,421)	(37,195)
Mortgages receivable, net	52,054	619,330
Pledges receivable, net	(19,888)	(27,190)
Homeowner reserve accounts	(45)	15,562
Construction in progress/completed houses for sale	(1,468,553)	(1,073,082)
Prepaid expenses and other	(10,544)	14,948
Accounts payable	78,216	75,805
Accrued expenses	(26,191)	57,711
	<u>(310,788)</u>	<u>269,973</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits	14,179	80,000
Proceeds from sale of mortgage loans	3,100,000	
Purchases of property and equipment	(18,247)	(50,729)
Proceeds from sale of property and equipment	98	6,642
Proceeds from sale or maturity of investments	2,053,633	45,821
Purchases of investments	(4,610,630)	
Purchase of land	(3,068)	(3,855)
	<u>535,965</u>	<u>77,879</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(177,750)	(193,660)
Payment on line of credit		(87,800)
	<u>(177,750)</u>	<u>(281,460)</u>
Net change in cash	47,427	66,392
Cash and cash equivalents, beginning	<u>195,902</u>	<u>129,510</u>
Cash and cash equivalents, ending	<u>\$ 243,329</u>	<u>\$ 195,902</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Statement of Cash Flows (continued)
For the Year Ended June 30, 2006
(With Comparative Totals for 2005)

	2006	2005
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
NON-CASH TRANSACTIONS:		
Acquisition of land	\$ 360,000	
Note payable - land	(360,000)	
Sale of homes		\$ 2,255,234
OTHER DISCLOSURE:		
Cash paid during the year for interest	\$ 443	\$ 18,987

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION

Seattle Habitat for Humanity, a nonprofit organization, was incorporated on July 1, 1986. On February 26, 2003, Habitat for Humanity of South King County merged into Seattle Habitat for Humanity forming a new organization under the name of Habitat for Humanity of Seattle/South King County (Habitat). Habitat is an affiliate of Habitat for Humanity International, Inc., a nonprofit organization whose purpose is to create decent affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, publications, and training, Habitat is directly responsible for its own operations.

Habitat builds houses using primarily volunteer labor and purchased and donated materials. The houses are sold to qualified homebuyers at no profit with non-interest-bearing mortgages. Prospective homeowners are required to participate in the construction of their homes.

Community served

In fiscal 2006 Habitat constructed 15 homes in Seattle and South King County, including two 6-plexes and three single family homes. In addition, Habitat launched a home-repair program in Federal Way that helped eight families whose houses had fallen into poverty conditions.

Habitat assisted in framing and funded, through designated contributions, the remaining construction of five homes in Mississippi for families rendered homeless by Hurricane Katrina. Approximately 24 homes were constructed in the developing world through funds titled by Habitat (see Note 11). Habitat also provided housing for families in Kenya, Bulgaria, the Philippines, Honduras and the area affected by the tsunami.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

Habitat reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at June 30, 2006 and 2005.

Cash and cash equivalents

Cash and cash equivalents are highly liquid investments with an initial maturity of three months or less.

Investments

Investments are recorded at their fair market value in the statement of financial position.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equipment

Equipment is carried at cost, if purchased, or fair value at the time of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to five years. At June 30, 2006 and 2005, accumulated depreciation was \$61,551 and \$44,229, respectively.

Restricted and unrestricted revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases to temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Donated property, materials and equipment

Donations of property, materials and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Habitat reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Habitat reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services

Habitat receives significant donated services from unpaid volunteers who assist in home building and administrative tasks. Donated services are recorded at fair value if they create or enhance non-financial assets or if they consist of specialized skills that would have to be purchased if they were not donated. HomeStreet Bank contributed mortgage services for the homeowners; the value of this contributed time is not reflected in the financial statements since Habitat would not have otherwise purchased it. Volunteers contributed 35,527 and 30,100 hours of labor in 2006 and 2005, respectively, which have not been recorded in the financial statements since this labor did not require a specialized skill.

Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Program services include construction, family support and educational ministries. The cost of home building is charged to program services as homes are sold.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income tax status

Habitat for Humanity of Seattle/South King County is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under section 509(a)(1).

Equity agreements

Completed homes are sold to beneficiary homeowners at cost. Habitat obtains a deed of trust for any difference between the agreed-upon purchase price and the current fair value of the property. This difference (referred to as "the equity") is payable to Habitat should the homeowner sell the property. However, the equity accrues to the benefit of the homeowner ratably over the life of the mortgage, as long as the homeowner continues to occupy the property as primary residence and maintains the property in good condition. The equity agreements are not reflected in the financial statements.

Fund for Humanity

The Board of Directors of Habitat has designated all mortgage payments received and all proceeds from mortgage loan sales to be deposited to the Fund for Humanity. Amounts in this fund can only be utilized for the purchase of land, closing costs, repayment of construction related debt and construction of homes.

Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative totals

The financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 3 - PLEDGES RECEIVABLE

Pledges receivable consist of unconditional promises to give, restricted to the development of projects near Seattle, Washington. Pledges receivable in more than one year are discounted at four percent. The allowance for uncollectible pledges represents management's estimate of losses inherent in promises to give.

Pledges receivable at June 30, 2006 and 2005, are expected to be realized as follows:

	<u>2006</u>	<u>2005</u>
In less than one year	\$ 183,433	\$ 142,619
In one to five years	100,000	100,000
Unamortized discount	(5,600)	
Less: allowance for uncollectible amounts	<u>(30,326)</u>	<u>(15,000)</u>
	<u>\$ 247,507</u>	<u>\$ 227,619</u>

NOTE 4 - MORTGAGES RECEIVABLE

Habitat holds certain mortgages secured by homes sold which are not interest-bearing. Generally accepted accounting principles in the United States require that interest be imputed on below-market interest instruments. The effect is to discount each note with an offsetting charge to program expense. The discount is then amortized over the life of each note as interest income. The notes are due upon the earlier of the sale of the home, refinance or at maturity. Uncollectible notes are expected to be insignificant, accordingly no provision for doubtful accounts has been included in the financial statements.

The notes have been discounted at a rate between 5.5 and 8.5 percent for a period of thirty years.

	<u>2006</u>	<u>2005</u>
Face value	\$ 1,145,903	\$ 6,746,861
Less: discount	<u>(550,033)</u>	<u>(2,998,937)</u>
	<u>\$ 595,870</u>	<u>\$ 3,747,924</u>

During the year Habitat sold 69 mortgage notes receivable for \$3,100,000. The proceeds were board designated and deposited in the Fund for Humanity and have been invested in accordance with the investment policy approved by Habitat's Board of Directors. The notes had been previously discounted at rates of 5.5 - 8.5 percent for thirty years. The sale of the notes resulted in a net reduction of the discounts taken in prior years of approximately \$184,000, which was recognized in the year ended June 30, 2005.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 5 - INVESTMENTS

Habitat purchased investments during the year with the proceeds from the sale of 69 mortgages. Income on investments for the year was \$108,419. Investments with maturities within one year total \$1,930,477. Investments as of June 30, 2006 consist of the following:

	<u>2006</u>	<u>2005</u>
Investments:		
Certificates of deposit	\$ 12,119	\$ 12,262
Investments – Fund for Humanity:		
Certificates of deposit	284,217	
Money market funds	744,542	134,448
Government bonds	<u>1,643,325</u>	
	<u>2,672,084</u>	<u>134,448</u>
Total	<u>\$ 2,684,203</u>	<u>\$ 146,710</u>

NOTE 6 - CONSTRUCTION IN PROGRESS

Habitat is in the process of building 23 homes to provide additional affordable housing. The costs of building these homes are funded by contributions and grants.

NOTE 7 - COMPLETED HOMES AVAILABLE FOR SALE

At June 30, 2006, Habitat had completed ten homes and qualified buyers had signed purchase and sale agreements and were ready to close. Documents that finalized the formation of the homeowners association were not yet complete. Sales of two of those homes closed in August 2006 and the remaining sales are expected to close in September 2006 at the carrying value, resulting in no expected gains or losses.

NOTE 8 - LINE OF CREDIT

Habitat maintains an unsecured line of credit of \$500,000 for a 12 month period at an interest rate of prime plus one percent. The purpose of the line of credit is to provide for working capital and other short-term needs. There were no amounts outstanding at June 30, 2006 or 2005.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 9 - DEBT

	2006	2005
Note payable to Habitat for Humanity International, interest at 3.75 percent. Monthly payments of \$1,626. Collateralized by mortgages receivable on ten homes. Note matured December 31, 2005.		\$ 10,033
Note payable to Habitat for Humanity International, interest at 4.275 percent. Monthly payments of \$3,951, collateralized by mortgages receivable on sixteen homes.		153,353
Note payable to The Housing Authority of the City of Seattle (SHA); stated interest at 6 percent. The note is to be repaid in eight \$45,000 increments as the home on each lot is sold. All units are expected to be sold and the note repaid during the year ended June 30, 2007. If repaid in that time SHA requires no interest on the note.	\$ 360,000	
Notes payable to Habitat for Humanity International at zero percent interest. Monthly payments of \$1,197. The notes mature in December 2006.	<u>7,226</u>	<u>21,590</u>
	<u>367,226</u>	<u>184,976</u>
Less: current portion	<u>(367,226)</u>	<u>(65,909)</u>
	<u>\$</u>	<u>\$ 119,067</u>

NOTE 10 - LEASES

Habitat leases office space in Tukwila, Washington and moved to a new building during the year. The new lease began in April, 2006 and expires in May, 2011. Rental expenses under this lease and the expired lease were \$64,468 for 2006.

Future minimum payments under the new lease over the next five years are as follows:

2007	\$ 57,124
2008	58,266
2009	64,809
2010	66,105
2011	<u>60,401</u>
	<u>\$ 306,705</u>

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
For the Year Ended June 30, 2006

NOTE 11 - RELATED PARTY TRANSACTIONS

Habitat for Humanity International assists Habitat through loans (see Note 9). As a Habitat for Humanity affiliate, Habitat was expected to tithe a minimum of 10 percent of undesignated cash donations received during the year. Total tithes to Habitat for Humanity International for the years ended June 30, 2006 and 2005, were \$101,175 and \$72,300, respectively.

A member of the Board of Directors provided real estate services at no cost.

NOTE 12 - CONCENTRATION OF CREDIT RISK

Habitat maintains cash, certificates of deposits and money market balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2006, the uninsured cash balances totaled \$301,150. Habitat provides mortgage assistance primarily to low and moderate income individuals. Loans receivable with an undiscounted balance of \$1,145,903 are secured by the property purchased. Concentration of credit risk with respect to loans receivable is limited due to the large number of loans.

NOTE 13 - RESTRICTIONS/LIMITATIONS ON NET ASSETS

Unrestricted, board-designated net assets

Habitat's Board of Directors has chosen to designate \$2,672,084 in the Fund for Humanity for future construction costs.

Temporarily restricted net assets

Temporarily restricted net assets are available for subsequent years' construction activities.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustments by the grantor agency. Any disallowed cost, including amounts already collected, may constitute a liability for Habitat. The amounts, if any, of expenditures that may be disallowed by the grantor are recorded at the time that such amounts can be reasonably determined, normally upon notification of the government agency. During the years ended June 30, 2006 and 2005, no adjustments were made.

HABITAT FOR HUMANITY OF
SEATTLE/SOUTH KING COUNTY

Financial Statements
for the Year Ended June 30, 2005
and Independent Auditors' Report

(last FYE)

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
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June 30, 2005

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WATSON & ASSOCIATES, P.S.

CERTIFIED PUBLIC ACCOUNTANTS
600 UNIVERSITY STREET, SUITE 2828
SEATTLE, WA 98101-3301

INDEPENDENT AUDITORS' REPORT

Board of Directors
Habitat for Humanity of Seattle/South King County
Tukwila, Washington

We have audited the accompanying statement of financial position of Habitat for Humanity of Seattle/South King County (a Washington nonprofit corporation) as of June 30, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2004 financial statements and, in our report dated August 4, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Seattle/South King County as of June 30, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Watson & Associates, P.S.

August 31, 2005

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Financial Position

June 30, 2005

(With Comparative Totals for 2004)

ASSETS

	<u>2005</u>	<u>2004</u>
Current assets:		
Cash and cash equivalents	\$ 195,902	\$ 129,510
Accounts receivable	56,238	19,043
Pledges receivable, current portion	147,619	200,429
Mortgages receivable, current portion	7,457	45,332
Homeowner reserve cash	2,188	66,772
Prepaid expenses and other	921	15,869
	<u>410,325</u>	<u>476,955</u>
Other assets:		
Investment	12,262	12,051
Cash restricted for Fund for Humanity	134,448	180,269
Pledges receivable, net of allowance and current portion	80,000	
Mortgages receivable, net of discount and current portion	3,740,467	2,495,417
Completed houses available for sale	120,195	1,366,608
Construction in progress	619,263	555,002
Land held for sale and development	198,759	194,904
Investment in leased property, net of depreciation	199,817	207,417
Deposits and other	21,454	101,454
Equipment, net of accumulated depreciation	56,030	19,774
	<u>5,182,695</u>	<u>5,132,896</u>
	<u>\$ 5,593,020</u>	<u>\$ 5,609,851</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 149,826	\$ 74,021
Accrued expenses	92,059	34,348
Homeowner reserve accounts	2,188	51,210
Line of credit advance		87,800
Long-term debt, current portion	65,909	193,660
	<u>309,982</u>	<u>441,039</u>
Long-term debt, net of current portion	<u>119,067</u>	<u>184,976</u>
Net assets:		
Unrestricted:		
Fund for Humanity	134,448	180,269
Operations	4,822,583	4,713,776
Temporarily restricted	206,940	89,791
	<u>5,163,971</u>	<u>4,983,836</u>
	<u>\$ 5,593,020</u>	<u>\$ 5,609,851</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Statement of Activities
Year Ended June 30, 2005
(With Comparative Totals for 2004)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2005</u>	<u>Total 2004</u>
Support and revenue:				
Contributions	\$ 1,225,184	\$ 206,940	\$ 1,432,124	\$ 1,038,947
Grants for operations	354,817		354,817	365,116
In-kind contributions	50,853		50,853	71,711
Sale to homeowners	2,255,234		2,255,234	1,522,485
Special events, net of costs	101,357		101,357	107,395
Other income	76,875		76,875	1,196
Mortgage loan discount amortization	403,792		403,792	201,601
Pledge discount amortization				22,971
Interest income	8,471		8,471	4,442
Net assets released from restriction	89,791	(89,791)		
	<u>4,566,374</u>	<u>117,149</u>	<u>4,683,523</u>	<u>3,335,864</u>
Expenses:				
Program services	3,981,452		3,981,452	2,817,348
Management and administration	300,844		300,844	253,460
Fundraising	221,092		221,092	205,510
	<u>4,503,388</u>		<u>4,503,388</u>	<u>3,276,318</u>
Change in net assets	62,986	117,149	180,135	59,546
Net assets, beginning of year	<u>4,894,045</u>	<u>89,791</u>	<u>4,983,836</u>	<u>4,924,290</u>
Net assets, end of year	<u>\$ 4,957,031</u>	<u>\$ 206,940</u>	<u>\$ 5,163,971</u>	<u>\$ 4,983,836</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Functional Expenses

Year Ended June 30, 2005

(With Comparative Totals for 2004)

	Program Services	Management & Administration	Fundraising	Total 2005	Total 2004
Program and house building costs	\$ 2,553,678			\$ 2,553,678	\$ 1,456,204
Mortgage and pledge discounts	832,521			832,521	828,866
Salaries and wages	305,168	\$ 153,194	\$ 107,768	566,130	527,896
Payroll taxes and benefits	88,800	34,352	19,779	142,931	114,269
Tithe to overseas construction	72,300			72,300	75,572
Rent and occupancy	39,526	11,626	6,975	58,127	54,837
Bad debts		56,667		56,667	
Professional fees		15,821	37,961	53,782	36,863
Fundraising and public relations			38,853	38,853	49,309
Administrative	10,791	18,655	4,912	34,358	33,672
Interest	18,987			18,987	12,496
Training and travel	12,945	4,609	1,292	18,846	21,321
Depreciation	14,774	2,110	1,266	18,150	14,907
Other program costs	15,584			15,584	24,519
Utilities	7,856	1,304	782	9,942	10,214
Supplies	5,115	1,504	903	7,522	8,210
Postage	2,028	596	358	2,982	4,132
Printing	1,379	406	243	2,028	3,031
Total expenses	\$ 3,981,452	\$ 300,844	\$ 221,092	\$ 4,503,388	\$ 3,276,318

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Cash Flows

Year Ended June 30, 2005

(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 180,135	\$ 59,546
Adjustments:		
Depreciation	18,150	14,907
Gain on sale of equipment	(2,719)	
Interest received	(211)	(51)
Net mortgage and pledge discounts	428,729	627,266
Changes in assets and liabilities:		
Accounts receivable	(37,195)	(14,573)
Mortgages receivable	619,330	248,563
Pledges receivable	(27,190)	330,193
Homeowner reserve accounts	15,562	(5,041)
Construction in progress/completed houses for sale	(1,073,082)	(1,151,620)
Prepaid expenses and other	14,948	17,765
Accounts payable	75,805	(75,889)
Accrued expenses	57,711	7,717
Deposits and other		<u>(63)</u>
	<u>269,973</u>	<u>58,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deposits	80,000	
Proceeds from sale of equipment	6,642	
Net withdrawals from Fund for Humanity	45,821	5,277
Purchase of land	(3,855)	(3,393)
Purchase of equipment	<u>(50,729)</u>	
	<u>77,879</u>	<u>1,884</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(193,660)	(81,620)
Payment of line of credit	(87,800)	
Proceeds from line of credit		87,800
	<u>(281,460)</u>	<u>6,180</u>
Net change in cash	66,392	66,784
Cash and cash equivalents, beginning	<u>129,510</u>	<u>62,726</u>
Cash and cash equivalents, ending	<u>\$ 195,902</u>	<u>\$ 129,510</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Statement of Cash Flows

Year Ended June 30, 2005

(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
NON-CASH TRANSACTIONS:		
Sale of homes	\$ 2,255,234	\$ 1,522,485
Homes held for lease		\$ 209,000
OTHER DISCLOSURE:		
Cash paid during the year for interest	<u>\$ 18,987</u>	<u>\$ 12,496</u>

The accompanying notes should be read with these financial statements.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
Year Ended June 30, 2005

NOTE 1 - NATURE AND PURPOSE OF THE ORGANIZATION

Seattle Habitat for Humanity, a nonprofit organization, was incorporated on July 1, 1986. On February 26, 2003, Habitat for Humanity of South King County merged into Seattle Habitat for Humanity forming a new organization under the name of Habitat for Humanity of Seattle/South King County (Habitat). Habitat is an affiliate of Habitat for Humanity International, Inc., a nonprofit organization whose purpose is to create decent affordable housing for those in need, and to make decent shelter a matter of conscience with people everywhere. Although Habitat International assists with information resources, publications, and training, Habitat is directly responsible for its own operations.

Habitat builds houses using primarily volunteer labor and purchased and donated materials. The houses are sold to qualified homebuyers at no profit with non-interest-bearing mortgages. Prospective homeowners are required to participate in the construction of their homes. During the fiscal year 2005, twenty-one homes were sold.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial statement presentation

Habitat reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at June 30, 2005 and 2004.

Cash and cash equivalents

Cash and cash equivalents are highly liquid investments with an initial maturity of three months or less.

Investment

The investment consists of a certificate of deposit bearing interest at 1.7 percent, having an initial maturity of twenty-four months.

Equipment

Equipment is carried at cost, if purchased, or fair value at the time of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to five years. At June 30, 2005 and 2004, accumulated depreciation was \$44,229 and \$73,597, respectively.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Restricted and unrestricted revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases to temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Sale to homeowners

Sale to homeowners represents the sale of homes to qualified homebuyers.

Donated property, materials and equipment

Donations of property, materials and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Habitat reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Habitat reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated services

Habitat receives significant donated services from unpaid volunteers who assist in home building and administrative tasks. Donated services are recorded at fair value if they create or enhance non-financial assets or if they consist of specialized skills that would have to be purchased if they were not donated. HomeStreet Bank contributed mortgage services for the homeowners; the value of this contributed time is not reflected in the financial statements since Habitat would not have otherwise purchased it. Volunteers contributed 30,100 and 28,400 hours in 2005 and 2004, respectively, which have not been recorded in the financial statements since this time did not require a specialized skill.

Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Program services include construction, family support and educational ministries. The cost of home building is charged to program services as homes are sold.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Income tax status

Habitat for Humanity of Seattle/South King County is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under section 509(a)(1).

Equity agreements

Completed homes are sold to beneficiary homeowners at cost. Habitat obtains a deed of trust for any difference between the agreed-upon purchase price and the current fair value of the property. This difference (referred to as "the equity") is payable to Habitat should the homeowner sell the property. However, the equity accrues to the benefit of the homeowner ratably over the life of the mortgage, as long as the homeowner continues to occupy the property as primary residence and maintains the property in good condition. The equity agreements are not reflected in the financial statements.

Fund for Humanity

The Board of Directors of Habitat has designated all mortgage payments received to be deposited to the Fund for Humanity. Amounts in this fund can only be utilized for the purchase of land, closing costs, repayment of construction related debt and construction of homes.

Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative totals

The financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2004, from which the summarized information was derived.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Notes to Financial Statements

Year Ended June 30, 2005

NOTE 3 - PLEDGES RECEIVABLE

An allowance for uncollectible pledges in the amount of \$15,000 was established based on management estimates. Pledges need not be legally enforceable to be recognized as pledges receivable.

NOTE 4 - MORTGAGES RECEIVABLE

Habitat holds mortgages secured by homes sold which are not interest-bearing. Generally accepted accounting principles in the United States require that interest be imputed on below-market interest instruments. The effect is to discount each note with an offsetting charge to program expense. The discount is then amortized over the life of each note as interest income. The notes are due upon the earlier of the sale of the home, refinance or at maturity. Uncollectible notes are expected to be insignificant, accordingly no provision for doubtful accounts has been included in the financial statements.

The notes have been discounted between 8.5 and 5.5, primarily at 6.0 percent, for a period of thirty years.

	<u>2005</u>	<u>2004</u>
Face value	\$ 6,746,861	\$ 5,110,957
Less: discount	<u>(2,998,937)</u>	<u>(2,570,208)</u>
	<u>\$ 3,747,924</u>	<u>\$ 2,540,749</u>

Mortgages receivable with face values of \$1,359,625 are pledged as security for loans payable. The loans were paid off subsequent to year-end.

NOTE 5 - CONSTRUCTION IN PROGRESS

Habitat is in the process of building fifteen homes to provide additional affordable housing. The costs are being funded by contributions.

NOTE 6 - LINE OF CREDIT

Habitat maintains an unsecured line of credit of \$500,000 for a 12 month period at an interest rate of prime plus one percent. The purpose of the line is to provide for working capital and other short term needs. Outstanding borrowings at June 30, 2004, were \$87,800. There were no amounts outstanding at June 30, 2005.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
Year Ended June 30, 2005

NOTE 7 - LONG-TERM DEBT

	2005	2004
Note payable to Habitat for Humanity International, interest at 3.75 percent. Monthly payments of \$1,626. Collateralized by mortgages receivable on ten homes. Note matures December 31, 2005.	\$ 10,033	\$ 29,545
 Note payable to Habitat for Humanity International, interest at 4.275 percent. Monthly payments of \$3,951. Collateralized by mortgages receivable on sixteen homes. Note matures December 31, 2008.	 153,353	 193,137
 Note payable to an individual, interest at five percent. Interest only payments. Note matures in 2005.		 120,000
 Notes payable to Habitat for Humanity International at zero percent interest. Monthly payments of \$1,197. Notes mature during fiscal years 2004 to 2005.	 <u>21,590</u>	 <u>35,954</u>
	184,976	378,636
Less: current portion	<u>(65,909)</u>	<u>(193,660)</u>
	 <u>\$ 119,067</u>	 <u>\$ 184,976</u>

Future maturities of long-term debt are as follows:

Year-ending June 30,	
2006	\$ 65,909
2007	50,541
2008	45,197
2009	<u>23,329</u>
	<u>\$ 184,976</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

Habitat for Humanity International assists Habitat through loans (see Note 7). As a Habitat for Humanity affiliate, Habitat was expected to tithe a minimum of 10% of undesignated cash donations received during the year. Total tithes to Habitat for Humanity International for the year ended June 30, 2005 and 2004, were \$72,300 and \$75,572, respectively.

A member of the Board of Directors provided home closings to the organization at cost.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
Notes to Financial Statements
Year Ended June 30, 2005

NOTE 9 - CONCENTRATION OF CREDIT RISK

Habitat maintains cash, certificates of deposits and money market balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2005, the uninsured cash balances totaled \$230,350. Habitat provides mortgage assistance primarily to low and moderate income individuals. Loans receivable with an undiscounted balance of \$6,746,861 are secured by the property purchased. Concentration of credit risk with respect to loans receivable is limited due to the large number of loans.

NOTE 10 - RESTRICTIONS/LIMITATIONS ON NET ASSETS

Unrestricted, board-designated net assets

Habitat's Board of Directors has chosen to designate \$134,448 in the Fund for Humanity for future construction costs.

Temporarily restricted net assets

Temporarily restricted net assets are available for subsequent years' construction activities.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustments by the grantor agency. Any disallowed cost, including amounts already collected, may constitute a liability for Habitat. The amounts, if any, of expenditures that may be disallowed by the grantor are recorded at the time that such amounts can be reasonably determined, normally upon notification of the government agency. During the years ended June 30, 2005 and 2004, no adjustments were made.

NOTE 12 - SUBSEQUENT EVENTS

During August 2005, Habitat sold 69 notes receivable for \$3,100,000. The proceeds are board designated to be deposited in the Fund for Humanity and have been invested in accordance with the investment policy approved by Habitat's Board of Directors. The notes had been previously discounted at rates of 8.5-5.5 percent for 30 years. The sale of the notes resulted in a net reduction of the discounts taken in prior years of approximately \$184,000. The note balances were adjusted at June 30, 2005 to reflect the sales price.

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
15439 53RD AVE S B

City or town, state or country, and ZIP + 4
TUKWILA, WA 98188

D Employer identification number
91-1342397

E Telephone number
206-292-5240

F Accounting method: Cash Accrual
 Other (specify) **▶**

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **▶**

G Website: **▶ WWW.SEATTLE-HABITAT.ORG**

J Organization type (check only one) 501(c)(3) (Insert no.) 4947(a)(1) or 527

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

K Check here If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number **▶**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 4,714,973.**

M Check If the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	1,348,946.	
	b	Indirect public support	1b	134,031.	
	c	Government contributions (grants)	1c	354,817.	
	d	Total (add lines 1a through 1c) (cash \$ 1,786,941. noncash \$ 50,853.)	1d	1,837,794.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	2,659,026.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	8,471.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe ▶)	7			
Revenue	8a	Gross amount from sales of assets other than inventory		(A) Securities	(B) Other
		8a			
		8b			
		8c			
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
Revenue	9a	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
		Gross revenue (not including \$ 0. of contributions reported on line 1a)	9a	132,807.	
		Less: direct expenses other than fundraising expenses	9b	31,450.	
		Net income or (loss) from special events (subtract line 9b from line 9a)	9c	SEE STATEMENT 1	101,357.
Revenue	10a	Gross sales of inventory, less returns and allowances		10a	
		Less: cost of goods sold	10b		
		Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11	76,875.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	4,683,523.		
Expenses	13	Program services (from line 44, column (B))	13	3,981,452.	
	14	Management and general (from line 44, column (C))	14	300,844.	
	15	Fundraising (from line 44, column (D))	15	221,092.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 13 and 14, column (A))	17	4,503,388.	
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	180,135.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	4,983,836.	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	5,163,971.	

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23 72,300.	72,300.	STATEMENT 4	
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 0.	0.	0.	0.
26 Other salaries and wages	26 566,130.	305,168.	153,194.	107,768.
27 Pension plan contributions	27			
28 Other employee benefits	28 66,975.	41,022.	14,189.	11,764.
29 Payroll taxes	29 75,956.	47,778.	20,163.	8,015.
30 Professional fundraising fees	30 37,961.			37,961.
31 Accounting fees	31 7,788.		7,788.	
32 Legal fees	32 1,439.		1,439.	
33 Supplies	33 7,522.	5,115.	1,504.	903.
34 Telephone	34 9,942.	7,856.	1,304.	782.
35 Postage and shipping	35 2,982.	2,028.	596.	358.
36 Occupancy	36 58,127.	39,526.	11,626.	6,975.
37 Equipment rental and maintenance	37			
38 Printing and publications	38 2,028.	1,379.	406.	243.
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41 18,987.	18,987.		
42 Depreciation, depletion, etc. (attach schedule)	42 18,150.	14,774.	2,110.	1,266.
43 Other expenses not covered above (itemize):				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 2	43e 3,557,101.	3,425,519.	86,525.	45,057.
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 4,503,388.	3,981,452.	300,844.	221,092.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;

(iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a CONSTRUCTS AND/OR REHABILITATES HOUSING FOR LOW INCOME FAMILIES USING VOLUNTEER LABOR AND DONATED/PURCHASED MATERIALS (Grants and allocations \$ _____)	3,909,152.
b TITHE TO HABITAT FOR HUMANITY INTERNATIONAL FOR OVERSEAS CONSTRUCTION (Grants and allocations \$ _____)	72,300.
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	3,981,452.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Form 990 (2004)

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Part IV Balance Sheets

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	150.	150.
	46 Savings and temporary cash investments	141,411.	208,014.
	47 a Accounts receivable	56,238.	
	b Less: allowance for doubtful accounts		
	48 a Pledges receivable	227,619.	
	b Less: allowance for doubtful accounts		
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	15,869.	921.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
	55 a Investments - land, buildings, and equipment: basis	209,000.	
b Less: accumulated depreciation	9,183.		
56 Investments - other SEE STATEMENT 5	5,005,758.	4,844,231.	
57 a Land, buildings, and equipment: basis	100,260.		
b Less: accumulated depreciation	44,230.		
58 Other assets (describe)			
59 Total assets (add lines 45 through 58) (must equal line 74)	5,609,851.	5,593,020.	
Liabilities	60 Accounts payable and accrued expenses	74,021.	149,826.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable	466,436.	184,976.
	65 Other liabilities (describe SEE STATEMENT 6)	85,558.	94,247.
66 Total liabilities (add lines 60 through 65)	626,015.	429,049.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	4,894,045.	4,957,031.
	68 Temporarily restricted	89,791.	206,940.
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	4,983,836.	5,163,971.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	5,609,851.	5,593,020.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Form 990 (2004)

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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed NONE		
b	Number of employees employed in the pay period that includes March 12, 2004. 90b 16		
91	The books are in care of HABITAT FOR HUMANITY OF SEATTLE/SKC Telephone no. 206-292-5240		
	Located at 15439 53RD AVE S SUITE B TUKWILA WA ZIP + 4 98188		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041. Check here _____ and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Form 990 (2004)

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Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SALE OF HOMES					2,255,234.
b PLEDGE DISCOUNT					0.
c MORTGAGE LOAN DISCOUNT					403,792.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	8,471.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					101,357.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER PROGRAM INCOME			05		76,875.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		8,471.	2,837,258.
105 Total (add line 104, columns (B), (D), and (E))					2,845,729.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	SALE OF HOMES
93BC	INTEREST INCOME FOR INPUTED INTEREST ON MORTGAGES RECIEVABLE & PLEDGES

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: Deborah Bullitt Date: 5/12/06 Type or print name and title: Deborah Bullitt Executive Director

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____ EIN: _____ Phone no.: _____

Form 990 (2004)

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(a), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2004

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY** Employer identification number **91-1342397**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
DOROTHY BULLITT ----- 15439 53RD AVE S, SUITE B	EXECUTIVE DIR 40	94,766.	2,736.	
DIANE GALLEGOS ----- 15439 53RD AVE S, SUITE B	ASSOC DIR 40	56,843.		
DAVID DELAP ----- 15439 53RD AVE S, SUITE B	SITE SUPERVSR 40	50,551.		
----- ----- -----				
Total number of other employees paid over \$50,000 ▶		0		

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE ----- ----- ----- ----- ----- ----- ----- ----- -----		
Total number of others receiving over \$50,000 for professional services ▶		0

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)
- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 - 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
 - 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
 - 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
 - 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Schedule A (Form 990 or 990-EZ) 2004 KING COUNTY

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Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	814,583.	850,114.	683,904.	902,812.	3,251,413.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,026,670.	740,689.	1,177,071.	499,782.	3,444,212.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	4,442.	2,198.	9,972.	28,359.	44,971.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	1,196.	6,341.	SEE STATEMENT 8 128,036.	146,990.	282,563.
23 Total of lines 15 through 22	1,846,891.	1,599,342.	1,998,983.	1,577,943.	7,023,159.
24 Line 23 minus line 17	820,221.	858,653.	821,912.	1,078,161.	3,578,947.
25 Enter 1% of line 23	18,469.	15,993.	19,990.	15,779.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 71,579.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 126,448.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 3,578,947.
d Add: Amounts from column (e) for lines: 18 44,971. 19					26d 453,982.
22 282,563. 26b 126,448.					26e 3,124,965.
e Public support (line 26c minus line 26d total)					26f 87.3152%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2003) (2002) (2001) (2000)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2003) (2002) (2001) (2000)					
c Add: Amounts from column (e) for lines: 15 16					27c N/A
17 20 21					27d N/A
d Add: Line 27a total and line 27b total					27e N/A
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Schedule A (Form 990 or 990-EZ) 2004 KING COUNTY

91-1342397 Page 5

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check a If the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is - Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(a))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B
(Form 990, 990-EZ, or
990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2004

Name of organization

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Employer identification number

91-1342397

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

Name of organization
 HABITAT FOR HUMANITY OF SEATTLE/SOUTH
 KING COUNTY

Employer identification number

91-1342397

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	UNIVERSITY PRESBYTERIAN CHURCH 4540 15TH AVE NE SEATTLE, WA 98105	\$ 39,390.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	MS. BETTY WOODS 1915 TAYLOR AVE #1 SEATTLE, WA 98109	\$ 54,758.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	SECOND USE BUILDING MATERIALS 7953 2ND AVE S SEATTLE, WA 98108	\$ 85,211.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	THE HUGHES FOUNDATION 2323 EASTLAKE AVE E SEATTLE, WA 98102	\$ 80,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	GRACE WILSON 815 S 216TH ST #243 DES MOINES, WA 98189	\$ 115,250.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	UNION BANK OF CA FOUNDATION 445 FIGUEROA LOS ANGELES, CA 90071	\$ 60,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization
**HABITAT FOR HUMANITY OF SEATTLE/SOUTH
 KING COUNTY**

Employer identification number
91-1342397

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	AMGEN FOUNDATION 1201 AMGEN COURT WEST SEATTLE, WA 98119	\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
AUCTION & BENEFIT BREAKFAST	132,807.		132,807.	31,450.	101,357.	
TO FM 990, PART I, LINE 9	132,807.		132,807.	31,450.	101,357.	

FORM 990	OTHER EXPENSES				STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
CONSTRUCTION COSTS MORTGAGE & PLEDGE DISCOUNTS	2,553,678.	2,553,678.				
ADMINISTRATIVE	832,521.	832,521.				
OTHER PROGRAM COSTS	34,358.	10,791.	18,655.	4,912.		
FUNDRAISING COSTS	15,584.	15,584.				
OTHER PROFESSIONAL FEES	38,853.			38,853.		
TRAINING AND TRAVEL	6,594.		6,594.			
BAD DEBTS EXPENSE	18,846.	12,945.	4,609.	1,292.		
TOTAL TO FM 990, LN 43	56,667.		56,667.			
	3,557,101.	3,425,519.	86,525.	45,057.		

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
PART III

EXPLANATION

TO WORK IN PARTNERSHIP WITH LOW INCOME FAMILIES AND THE COMMUNITY TO BUILD SIMPLE, DECENT, AFFORDABLE HOMES FOR THOSE IN NEED.

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CHRISTOPHER BENSON 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	VICE PRESIDENT 5	0.	0.	0.
BOB BLEISNER 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	VICE PRESIDENT 5	0.	0.	0.
GAYLE BUSHNELL 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
PETER DEVEAU 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
LEONARD FRANKLIN 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
DAVID FRUM 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
ROBERT GERTH 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	TREASURER 5	0.	0.	0.
ROBERT MOORE 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	PRESIDENT 5	0.	0.	0.
BRIAN CHUNG 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
DEANNA POLING 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
ANDREW LOFTON 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.

SAM SPERRY 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
HEYWARD WATSON 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
CRAIG KLINKAM 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
MICHAEL GINTZ 15439 53RD AVE S, SUITE B TUKWILA, WA 98188	MEMBER 5	0.	0.	0.
DIANKHA LINEAR	SECRETARY 5	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>0.</u>	<u>0.</u>	<u>0.</u>

SCHEDULE A	OTHER INCOME			STATEMENT 8
DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT
TOTAL TO SCHEDULE A, LINE 22	<u>1,196.</u>	<u>6,341.</u>	<u>128,036.</u>	<u>146,990.</u>

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Habitat for Humanity of Seattle/South King County	Employer identification number 91 : 1342397
	Number, street, and room or suite no. If a P.O. box, see instructions. 13925 Interurban Ave South, Suite 200	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Tukwila, WA 98168	

Check type of return to be filed (File a separate application for each return):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (sec. 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **Habitat for Humanity of Seattle/South King County**
Telephone No. **(206) 292-5240** FAX No. **(206) 292-5241**
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole** group, check this box . If it is for **part** of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until May 15 2006
- 5 For calendar year _____, or other tax year beginning July 1 2004, and ending June 30 2005
- 6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 7 State in detail why you need the extension **Additional time is needed to prepare a complete and accurate return.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. **2140** \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ **0**

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Smith Bullett Title Executive Director Date 2/9/06

Notice to Applicant—To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ Date _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name	EXTENSION APPROVED FEB 25 2006
	Number and street (include suite, room, or apt. no.) or a P.O. box number	
	City or town, province or state, and country (including postal or ZIP code)	

FIELD DIRECTOR, SUBMISSIONS SECTION

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2003

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

A For the 2003 calendar year, or tax year beginning **JUL 1, 2003** and ending **JUN 30, 2004**

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY
 Number and street (or P.O. box if mail is not delivered to street address)
13925 INTERURBAN AVE S
 City or town, state or country, and ZIP + 4
TUKWILA, WA 98168

D Employer identification number
91-1342397

E Telephone number
206-292-5240

F Accounting method: Cash Accrual
 Other (specify) _____

G Website: **WWW.SEATTLE-HABITAT.ORG**

J Organization type (check only one) 501(c)(3) (Insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **3,362,424.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates _____
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number _____
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	990,269.		
	b	Indirect public support	1b	120,389.		
	c	Government contributions (grants)	1c	365,116.		
	d	Total (add lines 1a through 1c) (cash \$ <u>1,404,063.</u> noncash \$ <u>71,711.</u>)	1d	1,475,774.		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,747,057.		
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4	4,442.		
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe _____)	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	b	Less: cost or other basis and sales expenses	8a			
	c	Gain or (loss) (attach schedule)	8b			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
Revenue	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ <u>0.</u> of contributions reported on line 1a)	9a	133,955.		
	b	Less: direct expenses other than fundraising expenses	9b	26,560.		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	SEE STATEMENT 1	107,395.		
Revenue	10a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
Expenses	11	Other revenue (from Part VII, line 103)	11	1,196.		
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	3,335,864.		
	13	Program services (from line 44, column (B))	13	2,817,348.		
	14	Management and general (from line 44, column (C))	14	253,460.		
	15	Fundraising (from line 44, column (D))	15	205,510.		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17	3,276,318.		
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	59,546.		
	Net Assets	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	4,924,290.	
		20	Other changes in net assets or fund balances (attach explanation)	20	0.	
21		Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	4,983,836.		

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

91-1342397

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) cash \$ _____ noncash \$ _____	22			
23 Specific assistance to individuals (attach schedule)	23	75,572.	75,572.	STATEMENT 4
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25	0.	0.	0.
26 Other salaries and wages	26	527,896.	258,305.	171,952.
27 Pension plan contributions	27			
28 Other employee benefits	28	48,847.	29,675.	14,163.
29 Payroll taxes	29	65,422.	43,343.	12,037.
30 Professional fundraising fees	30	21,460.		21,460.
31 Accounting fees	31	8,312.		8,312.
32 Legal fees	32	3,976.		3,976.
33 Supplies	33	8,210.	5,501.	1,724.
34 Telephone	34	10,214.	8,182.	1,293.
35 Postage and shipping	35	4,132.	2,768.	868.
36 Occupancy	36	54,837.	36,780.	11,491.
37 Equipment rental and maintenance	37			
38 Printing and publications	38	3,031.	2,031.	636.
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41	12,496.	12,496.	
42 Depreciation, depletion, etc. (attach schedule) ...	42	14,907.	10,489.	2,805.
43 Other expenses not covered above (Itemize):				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 2	43e	2,417,006.	2,332,206.	24,203.
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	3,276,318.	2,817,348.	253,460.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
(iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? SEE STATEMENT 3

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a CONSTRUCTS AND/OR REHABILITATES HOUSING FOR LOW INCOME FAMILIES USING VOLUNTEER LABOR AND DONATED/PURCHASED MATERIALS (Grants and allocations \$ _____)	2,741,776.
b TITHE TO HABITAT FOR HUMANITY INTERNATIONAL FOR OVERSEAS CONSTRUCTION (Grants and allocations \$ _____)	75,572.
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	2,817,348.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	150.	150.
	46 Savings and temporary cash investments	74,576.	141,411.
	47 a Accounts receivable	19,043.	
	b Less: allowance for doubtful accounts	4,470.	19,043.
	48 a Pledges receivable	200,429.	
	b Less: allowance for doubtful accounts	530,622.	200,429.
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use	22,731.	
	53 Prepaid expenses and deferred charges	10,903.	15,869.
	54 Investments - securities		
	55 a Investments - land, buildings, and equipment: basis	209,000.	
	b Less: accumulated depreciation	1,583.	207,417.
56 Investments - other			
57 a Land, buildings, and equipment: basis	93,371.		
b Less: accumulated depreciation	73,597.	19,774.	
58 Other assets (describe ► SEE STATEMENT 5)	4,915,666.	5,005,758.	
59 Total assets (add lines 45 through 58) (must equal line 74)	5,592,216.	5,609,851.	
Liabilities	60 Accounts payable and accrued expenses	149,910.	74,021.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable	460,256.	466,436.
	65 Other liabilities (describe ► SEE STATEMENT 6)	57,760.	85,558.
66 Total liabilities (add lines 60 through 65)	667,926.	626,015.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	4,814,445.	4,894,045.
	68 Temporarily restricted	109,845.	89,791.
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	4,924,290.	4,983,836.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	5,592,216.	5,609,851.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

Form 990 (2003)

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Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions <input type="checkbox"/> 81a <input type="checkbox"/> 0		
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) <input type="checkbox"/> 82b <input type="checkbox"/> N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
c	Dues, assessments, and similar amounts from members <input type="checkbox"/> 85c <input type="checkbox"/> N/A		
d	Section 162(e) lobbying and political expenditures <input type="checkbox"/> 85d <input type="checkbox"/> N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="checkbox"/> 85e <input type="checkbox"/> N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="checkbox"/> 85f <input type="checkbox"/> N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 <input type="checkbox"/> 86a <input type="checkbox"/> N/A		
b	Gross receipts, included on line 12, for public use of club facilities <input type="checkbox"/> 86b <input type="checkbox"/> N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders <input type="checkbox"/> 87a <input type="checkbox"/> N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) <input type="checkbox"/> 87b <input type="checkbox"/> N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 0		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> WASHINGTON		
b	Number of employees employed in the pay period that includes March 12, 2003 <input type="checkbox"/> 90b <input type="checkbox"/> 15		
91	The books are in care of <input type="checkbox"/> HABITAT FOR HUMANITY OF SEATTLE/SK Telephone no. <input type="checkbox"/> 206-292-5240		
	Located at <input type="checkbox"/> 13925 INTERURBAN AVE S, SUITE 200, TUKWILA WA ZIP + 4 <input type="checkbox"/> 98168		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92 <input type="checkbox"/> N/A		

HABITAT FOR HUMANITY OF SEATTLE/SOUTH
KING COUNTY

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Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SALE OF HOMES					1,522,485.
b PLEDGE DISCOUNT					22,971.
c MORTGAGE LOAN DISCOUNT					201,601.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	4,442.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					107,395.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a OTHER PROGRAM INCOME					1,196.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		4,442.	1,855,648.
105 Total (add line 104, columns (B), (D), and (E))					1,860,090.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	SALE OF HOMES
93B	INTEREST INCOME FOR IMPUTED INTEREST ON MORTGAGES RECEIVABLE & PLEDGES
93C	INTEREST INCOME FOR IMPUTED INTEREST ON MORTGAGES RECEIVABLE & PLEDGES

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: Signature of officer _____ Date _____ Type or print name and title _____

Paid Preparer's Use Only: Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN _____
Firm's name (or yours if self-employed), address, and ZIP + 4 _____ EIN _____ Phone no. _____

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-C047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2003

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **HABITAT FOR HUMANITY OF SEATTLE/SOUTH KING COUNTY** Employer identification number **91: 1342397**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
DOROTHY BULLITT ----- 13925 INTERURBAN AVE S, SUITE 200	EXECUTIVE DIR 40	92,700.		
TIMOTHY HOWLAND ----- 13925 INTERURBAN AVE S, SUITE 200	CONST MANAGER 40	53,045.		
DAVID DELAP ----- 13925 INTERURBAN AVE S, SUITE 200	SITE SUPERVSR 40	50,923.		
DIANE GALLEGOS ----- 13925 INTERURBAN AVE S, SUITE 200	ASSOCIATE DIR 40	51,500.		
LESLIE NEEL ----- 13925 INTERURBAN AVE S, SUITE 200	CFO 40	51,500.		
Total number of other employees paid over \$50,000 ▶	5			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----		

Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \blacktriangleright \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state \blacktriangleright _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Schedule A (Form 990 or 990-EZ) 2003 KING COUNTY

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Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
16 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	850,114.	683,904.	902,812.	1,181,842.	3,618,672.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	740,689.	1,177,071.	499,782.	120,011.	2,537,553.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,198.	9,972.	28,359.	33,732.	74,261.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	6,341.	128,036.	SEE STATEMENT 8 146,990.	132,913.	414,280.
23 Total of lines 15 through 22	1,599,342.	1,998,983.	1,577,943.	1,468,498.	6,644,766.
24 Line 23 minus line 17	858,653.	821,912.	1,078,161.	1,348,487.	4,107,213.
25 Enter 1% of line 23	15,993.	19,990.	15,779.	14,685.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 82,144.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 115,883.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 4,107,213.
d Add: Amounts from column (e) for lines: 18 74,261. 19 115,883. 22 414,280. 26b					26d 604,424.
e Public support (line 26c minus line 26d total)					26e 3,502,789.
f Public support percentage (line 26e numerator divided by line 26c denominator)					26f 85.2838%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2002) (2001) (2000) (1999)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2002) (2001) (2000) (1999)					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e numerator divided by line 27f denominator)					27g N/A %
h Investment income percentage (line 18, column (e) numerator divided by line 27f denominator)					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

HABITAT FOR HUMANITY OF SEATTLE/SOUTH

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group.

Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - The lobbying nontaxable amount is -		
Not over \$500,000 20% of the amount on line 40	41	
Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000 \$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

FORM 990	SPECIAL EVENTS AND ACTIVITIES			STATEMENT		1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
CORPORATE BENEFIT BREAKFAST	133,955.		133,955.	26,560.	<26,560.>	
TO FM 990, PART I, LINE 9	133,955.		133,955.	26,560.	107,395.	

FORM 990	OTHER EXPENSES			STATEMENT		2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
CONSTRUCTION EXPENSES	1,456,204.	1,456,204.				
MORTGAGE & PLEDGE DISCOUNTS	828,866.	828,866.				
ADMINISTRATIVE COSTS	33,672.	9,837.	14,778.	9,057.		
OTHER PROGRAM COSTS	24,519.	24,519.				
FUNDRAISING COSTS	49,309.			49,309.		
CONCERNER PROFESSIONAL FEES	3,115.	152.	2,963.			
TRAINING AND TRAVEL	21,321.	12,628.	6,462.	2,231.		
TOTAL TO FM 990, LN 43	2,417,006.	2,332,206.	24,203.	60,597.		

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
PART III

EXPLANATION

TO WORK IN PARTNERSHIP WITH LOW INCOME FAMILIES AND THE COMMUNITY TO BUILD SIMPLE, DECENT, AFFORDABLE HOMES FOR THOSE IN NEED

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	4
DESCRIPTION		AMOUNT	
TITHE TO HABITAT FOR HUMANITY INTERNATIONAL FOR OVERSEAS CONSTRUCTION		75,572.	
TOTAL TO FORM 990, PART II, LINE 23		75,572.	

FORM 990	OTHER ASSETS	STATEMENT	5
DESCRIPTION		AMOUNT	
HOMEOWNER CASH RESERVE		66,772.	
NOTES RECEIVABLE		2,540,749.	
LAND HELD FOR SALE & DEVELOPMENT		194,904.	
DEPOSITS & OTHER		101,454.	
CONSTRUCTION IN PROGRESS		1,921,610.	
FUND FOR HUMANITY CASH		180,269.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		5,005,758.	

FORM 990	OTHER LIABILITIES	STATEMENT	6
DESCRIPTION		AMOUNT	
RESERVE LIABILITIES		51,210.	
ACCRUED EXPENSES		34,348.	
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B		85,558.	

FORM 990

PART V - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CHRISTOPHER BENSON 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
BOB BLIESNER 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
GAYLE BUSHNELL 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
PETER DEVEAU 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
LEONARD FRANKLIN 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
N. JERT FREE 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
MICHAEL GINTZ 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	TREASURER 5	0.	0.	0.
DEBBIE JOHNSON 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
ROBERT MOORE 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	VICE PRESIDENT 5	0.	0.	0.
DEANNA POLING 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
RICK SERNS 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	VICE PRESIDENT 5	0.	0.	0.

HABITAT FOR HUMANITY OF SEATTLE/SOUTH KI

91-1342397

HEYWARD WATSON 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	PRESIDENT 5	0.	0.	0.
NANCY GREER 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	MEMBER 5	0.	0.	0.
DIANKHA LINEAR 13925 INTERURBAN AVE S, SUITE 200 TUKWILA, WA 98168	SECRETARY 5	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>0.</u>	<u>0.</u>	<u>0.</u>

SCHEDULE A	OTHER INCOME			STATEMENT 8
DESCRIPTION	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT	1999 AMOUNT
OTHER PROGRAM INCOME	6,341.	128,036.	146,990.	132,913.
TOTAL TO SCHEDULE A, LINE 22	<u>6,341.</u>	<u>128,036.</u>	<u>146,990.</u>	<u>132,913.</u>

Attachment #7.0 - Form 8A Development Budget

The Construction budget below is based on construction of 20 housing units. Our proposed plan would be construct a total of 60 units but in 3 distinct phases.

	Total Project Cost	(20 Units) Residential Total	State of WA HTF	Habitat for Humanity (\$SHOP)	Habitat Contribution	FHLB	Seattle Levy HO Funds	(BRAC) HUD
Acquisition Costs:								
Purchase Price	\$0	\$0						In-kind
Liens	\$0	\$0						
Closing, Title & Recording Costs	\$4,500	\$225			\$4,500			
Extension payment	\$0	\$0						
Other:								
	\$0	\$0						
SUBTOTAL	\$4,500	\$225	\$0	\$0	\$4,500	\$0	\$0	\$0
Construction:								
Basic Construction Contract	\$2,900,000	\$145,000	\$800,000	\$300,000	\$760,020	\$139,980	\$900,000	
Bond Premium	\$0	\$0						
Infrastructure Improvements	\$0	\$0						
Hazardous Abate. & Monitoring	\$0	\$0						
Construction Contingency (10-15%)	\$290,000	\$14,500			\$290,000			
Sales Taxes	\$0	\$0						
Other Construction Costs:								
	\$0	\$0						
SUBTOTAL	\$3,190,000	\$159,500	\$800,000	\$300,000	\$1,050,020	\$139,980	\$900,000	\$0
Development:								
Appraisal	\$0	\$0						
Architect/Engineer	\$150,000	\$7,500			\$150,000			
Environmental Assessment	\$10,000	\$500			\$10,000			
Geotechnical Study	\$2,000	\$100			\$2,000			
Boundary & Topographic Survey	\$5,500	\$275			\$5,500			
Legal	\$15,000	\$750			\$15,000			
Developer Fee	\$160,000	\$8,000			\$160,000			
Project Management	\$80,000	\$4,000			\$80,000			
Technical Assistance	\$0	\$0						
Other Consultants:								
	\$0	\$0						
Other:								
	\$0	\$0						
SUBTOTAL	\$422,500	\$21,125	\$0	\$0	\$422,500	\$0	\$0	\$0
Other Development:								
Real Estate Tax	\$3,500	\$175			\$3,500			
Insurance	\$15,000	\$750			\$15,000			
Relocation	\$0	\$0						
Bidding Costs	\$0	\$0						
Permits, Fees & Hookups	\$55,000	\$2,750			\$55,000			
Impact/Mitigation Fees	\$0	\$0						
Development Period Utilities	\$0	\$0						
Construction Loan Fees	\$0	\$0						
Construction Interest	\$0	\$0						
Other Loan Fees (Impact Capital, State HTF)	\$16,000	\$800	\$16,000					
LHHC Fees	\$0	\$0						
Accounting/Audit	\$0	\$0						
Marketing/Leasing Expenses	\$0	\$0						
Carrying Costs at Rent up	\$0	\$0						
Operating Reserves	\$0	\$0						
Replacement Reserves	\$0	\$0						
SUBTOTAL	\$89,500	\$4,475	\$16,000	\$0	\$73,500	\$0	\$0	\$0
Total Development Cost (Phase 1)	\$3,706,500	\$185,325	\$816,000	\$300,000	\$1,550,520	\$139,980	\$900,000	\$0
Total Develop. Cost (All Phases):	\$11,119,500	\$555,975	\$2,448,000	\$900,000	\$4,651,560	\$419,940	\$2,700,000	\$0

Attachment #7.1 - Form 8C Budget Narrative

• Cost for the 20 units in Phase 1 (of 3 Phases)

Acquisition Costs:

Purchase Price
 Liens
 Closing, Title & Recording Costs
 Extension payment
 Other

Total Residential Cost	
\$0	Requesting land donation.
\$0	
\$4,500	Estimate based on past experience, includes Homestead CLT fee.
\$0	
\$0	

Construction

Basic Construction Contract
 Bond Premium
 Infrastructure Improvements
 Hazardous Abate. & Monitoring
 Construction Contingency (%)
 Sales Taxes
 Other Construction Costs:
 Other Construction Costs:

\$2,900,000	Estimate based on past experience.
\$0	N/A
\$0	Estimate based on past experience.
\$0	N/A
\$290,000	10% for new construction.
\$0	Included in cost estimates.
\$0	
\$0	

Development:

Appraisal
 Architect/Engineer
 Environmental Assessment
 Geotechnical Study
 Boundary & Topographic Survey
 Legal
 Developer Fee
 Project Management
 Technical Assistance
 Other Consultants:
 Other:

\$0	Acquired and paid for by donors
\$150,000	Estimate based on past experience.
\$10,000	
\$2,000	Estimate based on past experience.
\$5,500	Estimate based on past experience.
\$15,000	Estimate based on past experience.
\$160,000	38% of the development budget
\$80,000	Estimate based on past experience.
\$0	
\$0	
\$0	

Other Development:

Real Estate Tax
 Insurance
 Relocation
 Bidding Costs
 Permits, Fees & Hookups
 Impact/Mitigation Fees
 Development Period Utilities
 Construction Loan Fees
 Construction Interest
 Other Loan Fees (Impact Capital, State HTF, etc.)
 LIHTC Fees
 Accounting/Audit
 Marketing/Leasing Expenses
 Carrying Costs at Rent up
 Operating Reserves
 Replacement Reserves

\$3,500	
\$15,000	Estimate based on past experience
\$0	N/A
\$0	N/A
\$55,000	For all permits and hook up fees, estimate based on past experience.
\$0	N/A
\$0	Included in construction budget
\$0	Habitat will borrow from its internal fund
\$0	Habitat will borrow from its internal fund
\$16,000	2% HTF fee
\$0	N/A
\$0	N/A - Habitat pays for this out of its operating budget
\$0	N/A - Habitat pays for this out of its operating budget
\$0	N/A - Homeownership
\$0	N/A - Homeownership
\$0	N/A - Homeownership

Attachment #7.2 - Form Supplemental Budget

Instructions:
 • Briefly describe the underlying assumptions for each item listed below.

Revenue	Dollars	Assumptions
Sale of housing unit	\$500,000	Habitat sells its homes to the Homebuyers roughly at cost, but since Habitat provides the permanent financing, they receive very little cash at the time of sale. The figure here represents cash Habitat will receive from the 20 homebuyers \$25,000 (assessing assistance through the Seattle Levy program). This is for phase 1 of 3 phases.
Minus selling costs	\$0	
Total Revenue	\$500,000	
Costs		
Land acquisition	\$4,500	
Planning/engineering	\$422,500	
Site improvements	\$0	Assuming site developer completing work.
House construction	\$3,190,000	
Fees and other soft costs:		
Item (Real Estate Tax):	\$3,500	
Item (Insurance):	\$15,000	
Item (Permits, fees & hookups):	\$55,000	
Item (Other loan fees):	\$16,000	
Item (specify):		
Total fees and other soft costs:	\$89,500	
Costs Subtotal	\$3,706,500	
Estimated financing costs	\$0	
Total Costs	\$3,706,500	
Total revenue	\$500,000	
Minus total costs	\$3,706,500	
Amount of Subsidy Required (Phase 1)	-\$3,206,500	
Amount of Subsidy Required (All 3 Phases)	-\$9,619,500	

Consists of HTF Award, SHOP funds, Levy, Federal Home Loan Bank, Private Sources, Habitat for Humanity International, Habitat for Humanity Seattle/South King County

Attachment #7.3 - Form 9A Per Unit Cost Data

Summary of Development Costs

Total Development Cost	\$3,706,500	
Less Non-Residential Cost	\$0	
Total Residential Cost	\$3,706,500	Repeat as A below

Residential Unit Costs

A.	Total residential development cost	\$3,706,500	A
B.	Number of residential units (pads for mobile home parks, bedrooms for shelters, group homes, and other forms of shared housing)	20	B
C.	Maximum number of individuals to be served	120	C
D.	Number of households to be housed	20	D
E.	Number of residential square feet	30000	E

Bridge & Permanent Financing Detail

Bridge Financing

Source	Amount	Interest Rate	Term	Source of Repayment
		0%		
Total of all Bridge Financing				

Permanent Financing

Source	Amount	Interest Rate	Term	Comments <small>(If tax credit, indicate 4% or 9%)</small>
HTF	\$816,000	N/A	40 Years	Recoverable Grant
Habitat for Humanity	\$1,550,520	N/A	N/A	Contribution
Habitat for Humanity (SHOP)	\$300,000	N/A	N/A	Grant
Federal Home Loan Bank	\$139,980	N/A	N/A	Grant
HUD (BRAC)	\$0	N/A	N/A	Donated Land
Seattle Levy	\$900,000	N/A	N/A	Grant
Total of Permanent Financing	\$3,706,500			▪ "Total Development Cost" in Project Summary

Attachment #7.4 - Form 10A Estimate of Cash Flow

Project Name: Fort Lawton Project-Habitat for Humanity Seattle/So. King Co.

SOURCES AND AMOUNT OF REVENUE:

	Quarter 1 Mo./Yr.	Quarter 2 Mo./Yr.	Quarter 3 Mo./Yr.	Quarter 4 Mo./Yr.	Quarter 5 Mo./Yr.	Quarter 6 Mo./Yr.	Quarter 7 Mo./Yr.	Quarter 8 Mo./Yr.	Quarter 9 Mo./Yr.	Quarter 10 Mo./Yr.	Quarter 11 Mo./Yr.	Quarter 12 Mo./Yr.	Totals
<i>Short-term Financing</i>													\$0
													\$0
													\$0
SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Permanent Financing

<i>HTF</i>	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$204,000	\$2,448,000
Habitat for Humanity	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$387,630	\$4,651,560
Habitat for Humanity (SHOP)	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$900,000
Federal Home Loan Bank	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$34,995	\$419,940
HUD (BRAC)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seattle Levy	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$2,700,000
SUBTOTAL	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$11,119,500

Total Revenue By Quarter

\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$11,119,500
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EXPENSES:

<i>Acquisition Costs</i>	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$1,125	\$13,500
<i>Construction Costs</i>	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$797,500	\$9,570,000
<i>Dev. Costs: Professional</i>	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$45,625	\$547,500
<i>Other Development Costs</i>	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$82,375	\$988,500
<i>Repayment of Pre-Dev Loan</i>													\$0
													\$0
Total Cost By Quarter	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$926,625	\$11,119,500

cross-check

REMAINDER BY QUARTER:

(Revenue less Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Notes on Potential Cash Flow Problems:

Attachment #7.5 - Form 11 Affordability Worksheet

Household Income Assumptions	
Percent of median income:	25%-50%
Household size	2 - 11 members
Gross annual income	\$13,625 - \$60,700 see notes
Gross monthly income	\$1,135 - \$5,058
Percent of income available for housing*	30%
Percent total monthly debt (PITI + other monthly debt payments)	40%

Property Acquisition Cost Assumptions	
Purchase price	\$185,325
Down payment required	\$0
Closing costs	\$10,000
Cash needed at closing	\$0
Homebuyer cash/sweat equity	250-500 hrs per 1-2 adult household
Affordability gap (cash needed minus homebuyer cash available)	\$0

Mortgage Financing	
Amount financed	\$195,325
Loan-to-value ratio	
First mortgage amount	\$150,325
Monthly payment	\$418
Second mortgage amount	\$45,000
Monthly payment	\$170
Third mortgage amount	\$6,999
Monthly payment	
Fourth mortgage amount	\$0
Monthly payment	\$0
Fifth mortgage amount	\$0
Monthly payment	\$0

Monthly Income Available for Debt Service	
Maximum total monthly debt payments	10% of monthly income
Maximum monthly housing cost	30% of income for Principal & Escrow
Property taxes	Escrow includes PPT
Insurance	Escrow includes Insurance
Private mortgage insurance	not required
Other monthly costs (e.g., car payments, credit cards, condo dues) - Specify	HDA dues included in 30%
Maximum Total PI Payment	30% of gross monthly income to start

Monthly Debt Service Payments	
<i>The total of monthly payments cannot exceed the amount available for debt service.</i>	
First mortgage	\$418
Second mortgage	\$170
Third mortgage	\$0
Fourth mortgage	\$0
Fifth mortgage	\$0
Total of monthly payments	\$588

Mortgage Assumptions	
Type (e.g., amortized, deferred, grant)	
Interest rate	0% interest
Term (e.g., number of years amortized or deferred, due on sale)	30 year loan
Type (e.g., amortized, deferred, grant)	
Interest rate	0% or default interest
Term (e.g., number of years amortized or deferred, due on sale)	Pymts year 8-30, deferred for 7 yrs
Type (e.g., amortized, deferred, grant)	
Interest rate	0% or default interest
Term (e.g., number of years amortized or deferred, due on sale)	Deferred for 5 years & then \$0 due
Type (e.g., amortized, deferred, grant)	
Interest rate	0% or default interest
Term (e.g., number of years amortized or deferred, due on sale)	0% or default interest
Type (e.g., amortized, deferred, grant)	
Interest rate	0% or default interest
Term (e.g., number of years amortized or deferred, due on sale)	

*Note: HTF generally recommends a range of 33 to 35%. If you are using a different ratio, please explain on Form 3 - Project/Program Description.

Attachment #7.6 – 2005 HUD Income Guidelines

2005 HUD INCOME GUIDELINES			
Median Family Income = \$72,250			
Effective February 11, 2005			
FAMILY SIZE	30% MEDIAN VERY LOW-INCOME	50% MEDIAN LOW-INCOME	80% MEDIAN MODERATE INCOME
1	\$16,350	\$27,250	\$40,600
2	\$18,700	\$31,150	\$46,400
3	\$21,050	\$35,050	\$52,200
4	\$23,350	\$38,950	\$58,000
5	\$25,250	\$42,050	\$62,650
6	\$27,100	\$45,200	\$67,300
7	\$29,000	\$48,300	\$71,900
8	\$30,850	\$51,400	\$76,550

FROM: http://www.metrokc.gov/dchs/CSD/housing/CDBG06App_MHR.doc

January 10, 2007

Ms. Adrienne Quinn
Fort Lawton LRA
Seattle Office of Housing
Seattle Municipal Tower
700 5th Avenue, 57th Floor
PO Box 94725
Seattle, WA 98124-4725

RE: Surplus Property at Fort Lawton

Dear Ms. Quinn:

In response to the City's Notice of Interest for Homeless Assistance, the United Indians of All Tribes Foundation (UIATF) is pleased to submit this proposal for redeveloping the surplus property at Fort Lawton in Discovery Park. UIATF is delighted to be partnering with the Archdiocesan Housing Authority (AHA), Low Income Housing Institute (LIHI) and A.F. Evans Development, Inc. in an innovative and comprehensive proposal for the re-use of the 31 acre site at Fort Lawton.

Our proposal, named Lawton Wood, will result in the development of 291 units of mixed-income housing, 22,145 SF of community space, and over 13 acres of open space and outdoor recreational space. Significant areas of the site will be preserved for open space and we propose to dig up a large part of the asphalt parking lot at the northeast part of the site and restore it for wildlife habitat. A new college dedicated to the education of Native American students is proposed for Phase 2 development.

Lawton Wood will preserve and rehabilitate two existing buildings to provide housing as well as new office space for several notable non-profit organizations, including the Friends of Discovery Park, Heron Habitat Helpers, and the Magnolia Community Club. Harvey Hall will be dedicated to providing 44 units of housing for formerly homeless seniors, and Leisy Commons will provide 75 homes for formerly homeless veterans, singles and participants of the Seattle Conservation Corps, a work-training program sponsored by Seattle Parks and Recreation Department. 50 new affordable units will provide housing for formerly homeless families while providing the services they need to maintain their stability and self sufficiency. 122 new units of homeownership housing, including affordable and market-rate, will add to the economic vibrancy of this new development, and will contribute to the diversity and inclusiveness of Lawton Wood. Our proposal also provides an attractive financial return to the Army from the market-rate housing development. Building 222 will be preserved on-site and converted into a multi-purpose community building.

Balance of Housing and Environmental Stewardship

The lead organization at Lawton Wood, the United Indians of All Tribes Foundation, provides vital social and educational services to more than 25,000 Native Americans in

the Seattle area, from early child development and family counseling to housing homeless youth and preparing meals for the elderly. UIATF has made a long term commitment to improve the spiritual, social, economic, educational, and cultural conditions of Native Americans, and has a long and successful tradition of implementing social, cultural and educational services. UIATF is committed to developing Lawton Wood in accordance with principles of environmental responsibility and sustainability.

Our proposal provides multiple benefits for Seattle and the Magnolia community by including a balanced mix of open space, wildlife habitat preservation, community and recreational uses, and mixed-income housing. Housing for homeless families and individuals is attractively incorporated into a larger plan that includes affordable homeownership housing and market-rate for-sale housing, as well as complementary community facilities and recreational uses.

Lawton Wood will feature 291 units of mixed-income housing. This includes 169 units for homeless families and individuals in supportive housing linked with services. These units are located in Harvey Hall and Leisey Commons and on a new construction site. The 122 homeownership units include 16 affordable townhome units for first-time buyers using a community land trust model (CLT) to ensure long term affordability. We will also build 106 units of market-rate for-sale housing on the northern part of the site.

UIATF is committed to developing Lawton Wood in accordance with principles of environmental responsibility and sustainability. We propose to redevelop the site such that the trees and open spaces are replanted, animal habitat is restored, the Kiwanis Ravine is connected to Discovery Park and returned to its former beauty, and the natural landscape of the site is once again brought into harmony with the natural features of the Magnolia neighborhood. Additionally, the Lawton Wood plan will create contiguous areas for parks, greenbelts, trails and wildlife that are consistent with the Discovery Park master plan. Our expectation is that the City of Seattle Parks and Recreation Department will contribute to our expansion of the park, helping us to provide restored wildlife habitat and expanded public access to the natural areas of the Fort Lawton site.

The Development Team at Lawton Wood

We have assembled a highly experienced and capable team that can transform Fort Lawton into a national model for providing supportive housing for homeless people, while simultaneously restoring the landscape and natural environment of this unique site. UIATF has selected the Archdiocesan Housing Authority (AHA), Low Income Housing Institute (LIHI) and AF Evans Development Inc. as development partners on the Lawton Wood project due to their expertise in the development of housing and community resources of all kinds, as well as their commitment to the spiritual, social, economic, educational, cultural and environmental values that have guided UIATF throughout our history.

The Archdiocesan Housing Authority (AHA) is a lead sponsor and developer at Lawton Wood, and will be the housing and service provider for 44 units for formerly homeless seniors at Harvey Hall Senior Housing and 50 units for homeless families with children at

Fort Lawton Family Housing. The Low Income Housing Institute (LIHI) is serving sponsor of 75 units of housing in Leisy Commons and for the 16 affordable homeownership units, known as Wolfe Creek Townhomes. LIHI will also serve as development consultant on the affordable housing being developed at Lawton Wood. AF Evans Development Inc is developing the 106 units of market rate for-sale housing at Lawton Wood, called Heron Perch. Each member of our team has demonstrated leadership in sustainable development and is committed to designing and building environmentally friendly housing.

We have selected the award winning architectural firms of Tonkin/Hoyne/Lokan and SMR Architects to be part of our development team. Collectively, these two firms along with LIHI and AHA have received numerous awards. The architects have completed some of the most noteworthy affordable housing and mixed-use projects in the state. They have successfully designed affordable projects, both rehab and new construction, as well as self-help and for-sale housing.

Community Support

Over the past few months, our team members have held a number of meetings with neighbors and representatives of Magnolia community organizations seeking community input into our plan. We have worked hard to strike a balance between adaptive re-use, new construction, open space preservation and community and recreational uses, and we have made every effort to address the needs of the community. We are pleased to have support from community leaders and organizations for our proposal including the Discovery Park Advisory Committee, Heron Habitat Helpers and 36th Avenue Neighborhood.

Community members have had significant input into our plan, and have improved our proposal in noteworthy ways. Some of the specific changes and additions the community contributed to our plan include: increasing the area devoted to open space and habitat restoration; maintaining the existing tree canopy and keeping as many mature trees as possible for herons and other wildlife, especially in the northern and eastern boundaries of the site; developing space for a public viewpoint overlooking Salmon Bay; making an accessible connection between the Kiwanis Ravine and Discovery Park; creating openings in the fence along 36th Ave. W. for pedestrian access; creating a bike trail connection to Texas Way; minimizing traffic impacts; including space for a community P-Patch and possible greenhouse; including space for a community day care facility; and including recreational space that the neighboring community can access, including picnic area, playground, restrooms, basketball, volleyball and a publicly accessible multi-purpose space.

Ten-Year Plan to End Homelessness

We wish to compliment the City of Seattle for actively supporting the use of surplus property at Fort Lawton for homeless assistance. The single most important aspect of the Lawton Wood proposal is the creation of 169 units of housing for homeless families, seniors, veterans and singles. Through new construction and adaptive re-use of existing

army buildings, our plan is far reaching in helping to achieve the goals set forth in the King County Ten-Year Plan to End Homelessness.

The 169 housing units for homeless households will include:

- **Harvey Hall Senior Housing - 44 units.** AHA will serve as the lead agency in partnership with UIATF to develop studios and one-bedroom units for homeless senior and couples through an adaptive re-use of Harvey Hall.
- **Fort Lawton Family Housing – 50 units.** AHA in partnership with UIATF will develop 50 new units of housing for homeless families with children using an existing allocation of Sound Families funding from the Bill & Melinda Gates Foundation.
- **Leisy Commons – 75 units.** LIH in partnership with UIATF will develop 75 units of housing for homeless veterans, other homeless men and women, and participants of the Seattle Conservation Corp, a job training program operated by the Seattle Parks and Recreation Department. Six units will be set-aside for homeless artists who will use the multi-purpose Building 222 as their studio space. Seattle Mental Health has agreed to provide supportive services to the residents of Leisy Commons.

Homeownership Housing

The housing plan at Lawton Wood aims to integrate housing for homeless families with housing working families. We are thrilled to be able to propose 16 new units at Wolfe Creek Townhomes for first-time and low-income buyers. AF Evans will develop Heron Perch, 106 new units of market-rate housing along the northern portion of the site. AF Evans is proposing a land purchase price of \$3 million in their budget.

Expanding Educational Opportunities for Native Americans

As our team concludes the construction of the housing at Lawton Wood, UIATF will begin work on a new college at the site. The All Tribes College and School will focus on providing college-level educational opportunities for Native American students. The school will function much as a two-year community college, allowing high school age students to complete their high school or GED diplomas, and providing opportunities for young adults to begin a college program in a small and secure setting. Additionally, the school will provide after-school and out-of-school programs for elementary and secondary school students from across the Puget Sound region. Learning opportunities will include arts and cultural programming, basic technical training, traditional crafts such as woodworking and textile design, computer and technology skills, as well as traditional academic subjects and tutoring. The college is envisioned to be development in a later phase of the project, and space will be reserved in Leisy Commons.

Honoring our Heroes

In addition to developing Lawton Wood in accordance with principle of social justice and environmental responsibility, UIATF recognizes the important roles that the army has

played in serving as the caretakers of Fort Lawton, and in protecting our rights and opportunities to redevelop this property. In order to acknowledge our debt to those men and women who have served, we will retain the names Harvey Hall and Leisy Commons, and we are honored to use the name Lawton Wood in honor of Major General Henry Ware Lawton and Fort Lawton's history. Harvey Hall will provide 44 units of senior housing and a community auditorium. Leisy Commons will offer 75 units of housing for homeless veterans, other homeless men and women, and participants of the Seattle Conservation Corp.

We thank the City of Seattle for your consideration of this proposal. The benefits for the Seattle area and the diverse community we serve make Lawton Wood a unique opportunity. When completed, Lawton Wood will offer increased affordable housing for working families and individuals and will create a vibrant mixed-income housing community that we can all be proud of. We hope to be part of this exciting effort to re-use surplus property at Fort Lawton and to add to the preservation of a unique natural resource at Discovery Park.

Sincerely,

A handwritten signature in cursive script, appearing to read "Phil Lane, Jr.", written in dark ink.

Phil Lane, Jr.

Chief Executive Officer

United Indians of All Tribes Foundation

MOU

**Redevelopment of Army Surplus Property at Fort Lawton
Lawton Wood at Discovery Park**

This Memorandum of Understanding ("MOU") sets forth the mutual intent of United Indians of All Tribes Foundation, a Washington nonprofit corporation ("UIATF"); the Archdiocesan Housing Authority, a Washington nonprofit corporation ("AHA"); the Low Income Housing Institute, a Washington nonprofit corporation ("LIHI"); and A.F. Evans Development Inc. ("AFED"), a California for-profit corporation to enter into a partnership to purchase and utilize surplus property at Fort Lawton to develop affordable and market-rate housing, preserve open space, and develop community and recreational uses (the "Collaborative Effort") known as Lawton Wood at Discovery Park.

The Collaborative Effort will be documented in a written, definitive agreement (the "Definitive Agreement") spelling out the roles and responsibilities of UIATF, AHA, LIHI and AFED (each a "Party" and collectively, the "Parties"). The Parties presently anticipate that the Definitive Agreement will conform to the terms set forth in the attached term sheet (the "Term Sheet"), and would also contain such other terms as the Parties may agree upon.

The Term Sheet represents an expression of the present mutual interest of the Parties provided that the City of Seattle, serving as the Local Redevelopment Authority, and the United States Army selects the Collaborative Effort to sale and surplus land to for the redevelopment of Fort Lawton.

ACCEPTED AND AGREED TO:

United Indians of All Tribes Foundation

By: 

Printed Name: Michael Reichert

Title: Chairman of the Board Executive Committee

Archdiocesan Housing Authority

By: _____

Printed Name: Rob Van Tassell

Title: Director of Housing and Community Development

Low Income Housing Institute

By: 

Printed Name: Sharon Lee

Title: Executive Director

MOU

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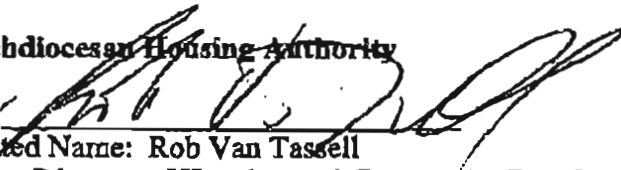
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Low Income Housing Institute

By: _____
Printed Name: Sharon Lee
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Term Sheet

The United Indians of All Tribes Foundation will work in partnership with the Archdiocesan Housing Authority, the Low Income Housing Institute, and A.F. Evans Development Inc., to develop surplus Army property at Fort Lawton. The development of Lawton Wood at Discovery Park will entail the following roles and responsibilities of the Parties.

United Indians of All Tribes Foundation (UIATF)

1. Will serve as the lead agency for the Collaborative Effort and will enter into a purchase and sale agreement with the Army to take title to surplus property for the intended use as housing for homeless people and for community benefit uses. This includes the land and buildings associated with Harvey Hall, Leisy Commons, Building 222, and land associated with the new development of family rental housing and homeownership housing.
2. Will enter into a 75-99 year long lease with AHA for a portion of Harvey Hall so that AHA can establish a tax credit LLC or LP to develop 44 units of senior housing, known as Harvey Hall Senior Housing.
3. Will enter into a 75-99 year long lease with AHA on designated land to enable AHA to establish a tax credit LLC or LP to develop 50 units of new construction family housing known as Fort Lawton Family Housing.
4. Will enter into a 75-99 year long lease with LIHI for a portion of Leisy Commons so that LIHI can establish a tax credit LLC or LP to develop 75 units of housing for homeless singles, veterans, Seattle Conservation Corp members and artists.
5. Will enter into a 75-99 year long lease with LIHI or Habitat for Humanity on designated land to produce 16 units of affordable homeownership housing, known as Wolfe Creek Townhomes, through either a community land trust or self-help housing model.
6. Will serve as lead agency for managing the auditorium in Harvey Hall, leasing out the day care space in Leisy Commons, and establishing a Native American college and/or high school as part of Phase 2 development of the Leisy Commons.
7. Will work with the Army and Seattle Parks and Recreation to have the City take title to the areas designated for open space and wildlife habitat, trails, Building 222 (Multi-purpose Building), P-Patch, and the designated recreation area (volley ball court, playground, picnic area, basketball court).
8. Will work with the Army and A.F. Evans Development Inc. to help negotiate the sale of property to develop approximately 106 units of market-rate for-sale housing.
9. Will take the lead in establishing a Community Advisory Committee for the Lawton Wood at Discovery Park to help guide the Collaborative Effort and providing periodic updates and outreach to the Magnolia community and neighbors.
10. Will work cooperatively with AHA and LIHI on outreach and marketing to Native Americans and other under-represented populations including homeless seniors, veterans, singles and families with children.

11. Will work cooperatively with AHA and LIHI on providing supportive and culturally appropriate services to residents from UIATF programs, including programs located at Daybreak Star and their other facilities.

Archdiocesan Housing Authority (AHA)

1. Will lease a portion of Harvey Hall from UIATF, establish a tax credit LLC and serve as Managing Member to develop 44 units of supportive housing linked with services for homeless seniors.
2. Will lease land from UIATF and establish a tax credit LLC and serve as Managing Member to develop Fort Lawton Family Housing, 50 units of housing for homeless families.
3. Will follow sustainable design and construction practices.
4. Will be responsible for property management and maintenance for Harvey Senior Housing and Fort Lawton Family Housing.
5. Will be responsible for securing all capital development funds, operating funds and services funding, and for providing construction completion and operating guarantees to tax credit investors.
6. Will work cooperative with UIATF and the other Parties on community relations, including attending community council and neighborhood meetings.
7. Will work in partnership with UIATF to target the population of underserved homeless Native American seniors and families in need of supportive housing.
8. Will commit to operate alcohol and drug free housing.
9. Will commit to providing on-site live-in staff and 24 hour emergency contact for Harvey Senior Housing and Fort Lawton Family Housing.
10. Will adhere to site development standards as agreed to by the Parties.

Low Income Housing Institute (LIHI)

1. Will lease a portion of Leisy Commons from UIATF, establish a tax credit LLC and serve as Managing Member to develop 75 units of supportive housing linked with services for homeless singles, veterans, artists and Seattle Conservation Corp members.
2. Will lease land from UIATF and establish 16 units of affordable homeownership housing, known as Wolfe Creek Townhomes, on a community land trust model. Or alternatively, work with Habitat for Humanity to develop Self-Help Housing.
3. Will follow sustainable design and construction practices.
4. Will be responsible for property management and maintenance for the housing at Leisy Commons.
5. Will be responsible for securing all capital development funds, operating funds and services funding, and for providing construction completion and operating guarantees to tax credit investors.
6. Will partner with Seattle Mental Health through a MOU to provide comprehensive mental health, counseling, employment and other services to residents of Leisy Commons.
7. Will partner with the City's Parks and Recreation Department through a MOU to house participants in the Seattle Conservation Corp.

8. Will work cooperative with UIATF and the other Parties on community relations, including attending community council and neighborhood meetings.
9. Will work in partnership with UIATF to target the population of underserved homeless Native American seniors and families in need of supportive housing.
10. Will commit to operate alcohol and drug free housing.
11. Will serve as housing development consultant to AHA on Fort Lawton Family Housing and Harvey Hall Senior Housing.
12. Will commit to providing on-site live-in staff and 24 hour emergency contact for Laisy Commons.
13. Will adhere to site development standards as agreed to by the Parties.

A. F. Evans Development Inc. (AFED)

1. Will work cooperative with UIATF and the other Parties on community relations, including attending community council and neighborhood meetings.
2. Will develop market-rate for sale housing which follows sustainable design and construction practices.
3. Will commit to market units to a broad range of households.
4. Will seek input from the community on landscaping, storm water retention, development of the view point and traffic impacts and mitigation.
5. Will host a community open house once the housing is developed.
6. Will adhere to site development standards as agreed to by the Parties.

MOU

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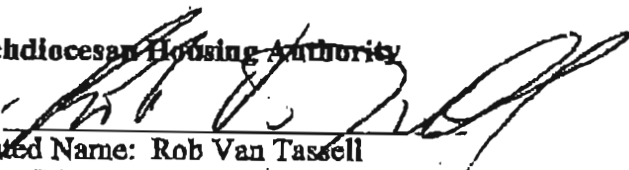
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Archdiocesan Housing Authority

By: 
Printed Name: Rob Van Tassell
Title: Director of Housing and Community Development

Low Income Housing Institute

By: _____
Printed Name: Sharon Lee
Title: Executive Director



**UNITED INDIANS
OF ALL TRIBES FOUNDATION**



REDEVELOPMENT OF FORT LAWTON

SUBMITTED BY

UNITED INDIANS OF ALL TRIBES FOUNDATION & OUR PARTNERS



UNITED INDIANS
OF ALL TRIBES FOUNDATION

WHO WE ARE

- SERVE THE 25,000 NATIVE AMERICANS IN SEATTLE
- COMMITTED TO SOCIAL JUSTICE, COMMUNITY DEVELOPMENT,
ENVIRONMENT & EDUCATION
- FORMED A STRONG PARTNERSHIP

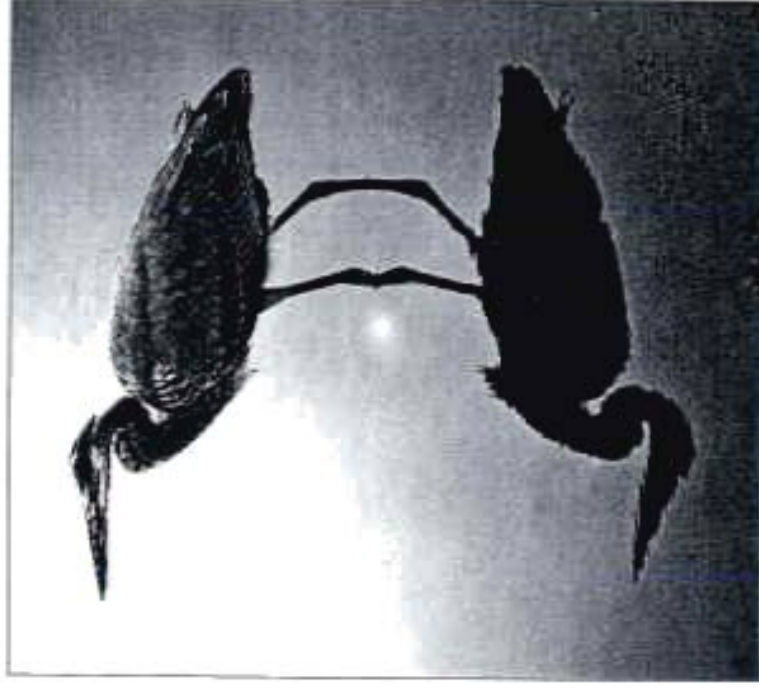




UNITED INDIANS
OF ALL TRIBES FOUNDATION

PARTNERS

- ARCHDIOCESAN HOUSING AUTHORITY
- LOW INCOME HOUSING INSTITUTE
- A.F. EVANS DEVELOPMENT, INC.
- NONPROFITS: HERON HABITAT HELPERS, DISCOVERY PARK ADVISORY COMMITTEE, FRIENDS OF DISCOVERY PARK,
36TH AVENUE NEIGHBORHOOD GROUP
- THE MAGNOLIA COMMUNITY





UNITED INDIANS
OF ALL TRIBES FOUNDATION

KEY GOALS OF OUR PROPOSAL

- CREATE A BALANCED USE
- MEET THE NEEDS OF OUR COMMUNITY
- REFLECT OUR COMMITMENT TO COMMUNITY DEVELOPMENT, SOCIAL JUSTICE, ENVIRONMENT & EDUCATION
- BUILD ON OUR HISTORY WITH THE SITE
- LEVERAGE ADDITIONAL FEDERAL FUNDING





UNITED INDIANS
OF ALL TRIBES FOUNDATION

LEVERAGE OUR CONNECTION TO PLACE

- MAINTAIN THE HISTORY & SERVICE TO MILITARY PERSONNEL
- BUILD ON OUR CURRENT LAND REVITALIZATION PROJECT PARTNERSHIP AT DAYBREAK STAR
- GROW THE CONCENTRATION OF NATIVE CULTURE AT DISCOVERY PARK
- REFLECT THE MAGNOLIA COMMUNITY NEEDS & INTERESTS
- STEWARD THE ENVIRONMENT
- DAYBREAK STAR & HEAD START EARLY CHILDHOOD PROGRAMS
- DEVELOP SYNERGY AROUND EXISTING ARTS PROGRAMS & EXHIBITS





UNITED INDIANS
OF ALL TRIBES FOUNDATION

PROJECT DETAILS

- TOP PRIORITY FOR UNITED INDIANS
- HOUSING FOR VETERANS, HOMELESS
- MARKET-RATE HOUSING & ARTISTS LOFTS
- OFFICE SPACE FOR NONPROFITS
- COMMUNITY, RECREATIONAL & OPEN SPACE
- CONSERVATION & RESTORATION OF WILDLIFE HABITAT
- A COLLEGE FOR NATIVE AMERICAN STUDENTS (*Phase 2*)

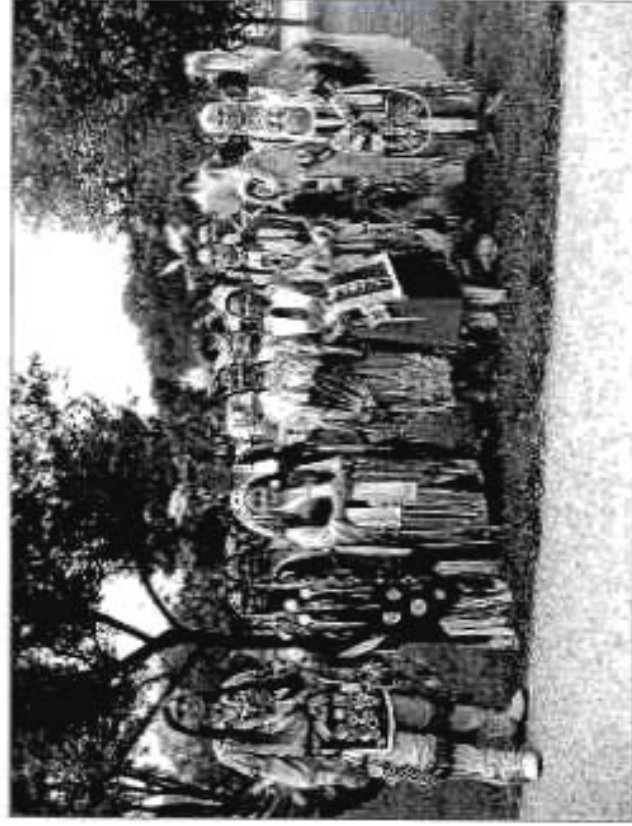




UNITED INDIANS
OF ALL TRIBES FOUNDATION

CONCLUSION

- MEETS BROAD & SPECIFIC NEEDS
- EXEMPLIFIES OUR COMMITMENT TO COMMUNITY DEVELOPMENT SOCIAL JUSTICE, ENVIRONMENT & EDUCATION
- CREATE STRONG PARTNERSHIPS
- COMMITMENT TO PLACE & COMMUNITY



LAWTON WOOD AT DISCOVERY PARK

NOTICE OF INTEREST
DIATF, LIHI, AHA

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 - B. LEASY COMMONS
 - C. HERON REACH
 - D. FORT LAWTON FAMILY HOUSING
 - E. WOLFE CREEK TOWNHOMES
 - F. MULTI PURPOSE COMMUNITY FACILITY
& COMMUNITY RECREATION AREA
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& COLLATERAL

Introduction

The United Indians of All Tribes Foundation (UIATF), partnering with the Archdiocesan Housing Authority (AHA), Low Income Housing Institute (LIHI) and A.P. Evans Development, Inc. is proposing an innovative and comprehensive project which would make full use of the surplus property at Fort Lawton, while addressing the great need for homeless and social service housing in the city of Seattle.

Our proposal, named Lawton Wood, will result in the development of 291 units of mixed-income housing, 6550 SF of community space, ___ square acres of outdoor recreational space, and a new college dedicated to the education of Native American students. Lawton Wood will preserve and rehabilitate existing buildings to provide housing as well as new office space for several notable non-profit organizations, including the Friends of Discovery Park, Heron Habitat Helpers, and the Magnolia Community Club. Harvey Hall will be dedicated to providing 44 units of housing for formerly homeless seniors, and Leisy Commons will provide 75 homes for formerly homeless veterans, singles, members of the conservation corps and artists. Additionally, we will develop new buildings specifically for housing formerly homeless families and providing the services they need to maintain their stability and self sufficiency.

Lawton Wood will be a comprehensive and far-reaching development project that will help to address the critical housing and services needs of low-income families, seniors and veterans in Seattle. The housing and services we create will serve a mixed community of formerly homeless families, working poor, seniors, homeless individuals and homeless veterans. In addition, the development will allow the United Indians of All Tribes Foundation to expand our operations by providing educational opportunities to Native American students of all ages.

ORGANIZATIONAL PROFILE

1. United Indians of all Tribes
Phil Lane Jr., CEO
(206) 285-4425
2. The United Indians of All Tribes Foundation (UIATF) is a public, non-profit community-based organization founded in 1970. UIATF provides vital social and educational services to more than 25,000 Native Americans in the Seattle area, from early child development and family counseling to housing homeless youth and preparing meals for the elderly. UIATF has made a long term commitment to improve the spiritual, social, economic, educational, and cultural conditions of Native Americans, and has a long and successful tradition of implementing social, cultural & educational services.

In March of 1970, Bernie Whitebear, a member of the Colville Confederated Tribes, and the founder of UIATF, negotiated a 99-year renewable lease with the City of Seattle for a 20-acre site adjacent to Seattle's Discovery Park called the Indian Cultural Center (ICC).

Soon after, the UIATF began the construction of the Daybreak Star Indian Cultural Center which opened in 1977. Daybreak Star soon became a nucleus of activity for the local and regional Indian community, and is home to the Daybreak Star Gallery as well as Head Start classrooms that serve over 100 native and non-native children each school day. Over the past three decades UIATF has provided critical educational, human & social, and cultural programming designed to meet the evolving needs of the local native community.

3. A board resolution endorsing this project is attached.

ORGANIZATIONAL CAPACITY

1. UIATF has remained committed to fostering and sustaining a strong sense of identity, tradition and well-being among all native people. In 2003 the UIATF implemented a re-organization to provide effective comprehensive service delivery to clients and the community. The re-organization included a consolidation of programs, coordination of services and the creation of the United Indians of All Tribes Foundation. The Children, Youth & Family Services Division of UIATF is charged with the mission "to create opportunities for Native Children, Youth & Families to build a positive and healthy future."

Over the years, UIATF has grown into a valuable community resource. Primarily serving native families, they are able to assist 5,000 community members annually. UIATF is governed by a highly respected Board of Directors who are enrolled tribal members and community leaders. With a \$4 million annual budget, UIATF owns three facilities and employs over 100 people. UIATF sponsors and participates in events and exchanges with

many tribes and other organizations aimed specifically at increasing awareness of native heritage and renewing ethnic identity and pride for all native people.

2. The Lawton Wood Project represents a significant opportunity for UIATF to increase our development and service capacity. UIATF has a long and successful tradition of implementing social, cultural & educational services. We see Lawton Wood as a logical next step in fulfilling our mission, and the organization is quite prepared to increase development and service delivery capacity in order to meet the goals of the project.

Current service areas include:

Early Childhood Development

- Birth to Five Head Start Program

Family Preservation Services

- Foster Care
- Cultural & Clinical Therapy
- Elders Services

Youth Services

- Youth Home
- Substance Abuse Prevention & Outpatient Treatment
- Outreach & Advocacy
- Middle College Education (Grades 9-12)

Community Services

- GED Testing Center
- Daybreak Star Indian Cultural Center & Arts Programming
- Indian Art Market
- Seafair Indian Days Pow Wow
- Infant Mortality Community Organizing

3. Audited financial statements, balance sheet, and statements of revenue and expense are attached.

ORGANIZATIONAL PROFILE

1. Archdiocesan Housing Authority
Rob Van Tassell, Director of Housing and Community Development
(206) 328-5696
2. The mission of the Archdiocesan Housing Authority is to develop and manage housing opportunities and services for low-income, homeless and special needs individuals and families that meet participants where they are, not where any one else thinks they should be. This approach affirms the dignity and value of those we serve. Our programs are a place to instill hope and invite participants to direct their energy and gifts toward the challenges and the issues that have contributed to their homelessness, and to move to a more stable living situation.

AHA has a long history of providing services men and women of diverse cultural and ethnic backgrounds through its refugee services, day programs, emergency shelters, and transitional and permanent housing programs. To ensure that staff has an understanding of the needs and obstacles faced by the diverse people we serve, all AHA staff participate in cultural competency training. Additionally, AHA, in participation with its parent organization Catholic Community Services (CCS), has established an employee based Multiracial Action Team whose vision is to create an agency strategy to eradicate racial, ethnic, gender and ability biases from the organizations environment so that we may provide services within our communities in the spirit of love and dignity.

3. A board resolution endorsing this project is attached.

ORGANIZATIONAL CAPACITY

1. AHA provides a continuum of care for homeless and low-income persons throughout Western Washington. AHA has 39 shelter and transitional housing programs that offer a warm, safe refuge from the streets. They provide homeless men, women and children with a place to bathe, launder clothes, and receive medical attention, alcohol and drug treatment, and job counseling. AHA offers more than 1,530 affordable permanent housing units in 31 programs, serving singles, families, seniors, and persons with special physical and mental needs.

2. The development goals of the Lawton Wood project are well within the current capacity of AHA.

A complete list of current AHA projects and AHA projects under development is attached.

3. Audited financial statements, balance sheet, and statements of revenue and expense are attached.

ORGANIZATIONAL PROFILE

1. Low Income Housing Institute
Sharon Lee, Executive Director
(206) 443-9935 ext. 111

2. The Low Income Housing Institute (LIHI) is a private non-profit housing organization that was incorporated in 1991 as a 501(c) (3). Over the past 15 years, LIHI has grown to be one of the most productive affordable housing developers in the Northwest. LIHI currently owns and/or manages over 1,600 housing units at 48 sites in six counties throughout the Puget Sound region. LIHI has projects in King, Snohomish, Thurston, Pierce, Kitsap and Island Counties. Seventy-five percent of LIHI housing is reserved for households earning less than 30 percent of the area median household income.

LIHI is known for the emphasis it places on attractive, well designed projects. LIHI's portfolio includes housing of all types, ranging from transitional housing for homeless people, to homeownership opportunities. Where appropriate, LIHI also provides supportive services to help residents maintain their housing and develop self-sufficiency. Our efforts include providing residents with case management, life skills training, technology access and training, financial literacy training and savings programs, and activities for some of the more than 850 children in LIHI housing.

LIHI has won several awards for the architectural quality of its projects and has been honored with being selected as development consultant in competitive processes.

3. A board resolution endorsing this project is attached.

ORGANIZATIONAL CAPACITY

1. LIHI has developed or assisted in the development of more than 3,000 units of housing, including: affordable rental developments (both new construction and rehabilitation of existing stock); special needs housing; and housing for the homeless and mixed use projects. LIHI's financing experience includes successfully competing for State, County, City, Federal Home Loan Bank, and Tax Credit awards plus partnering with private lenders for conventional loans, bridge acquisition loans and tax exempt bond financing. LIHI has significant experience working with collaborative teams to maximize expertise in capital finance, design and construction management. When hired as consultants, LIHI works to assist their decision-making with a keen eye on project schedule, budget and thorough communication. LIHI has completed many rehab developments since its founding and is proud of its track record in delivering new and rehabilitated supportive housing units at Sand Point Family Housing, Santos Place, Aki Kurose Village, Aloha Inn, Arion Court Apartments, Martin Court, Frye Hotel and Lake City Court. LIHI is currently developing Lake City Court in the Lake City neighborhood of Seattle. This development is similar to Lawton Wood in that this is a collaborate development with several partners, providing service enhanced units to homeless seniors and veterans. LIHI has also undertaken affordable homeownership projects including

Stoneview Court Condominiums, Bellingham Co-Housing, Kenmore Court and Dearborn Commons. Each of these projects, and many others, have provided LIHH with valuable experience developing new or rehabilitated housing units, coupled with supportive services, serving special needs populations including seniors, veterans, and disabled individuals.

2. LIHH currently employs 7 professional developers in our Development Department. Our Resident Services Department employs 9 FTE case managers and resource coordinators. Both of these departments have the capacity to meet the increased demand on the organization that would result from the opportunity to develop housing and services at Lawton Wood.

See attached list for a complete list of LIHH's current and proposed projects, including estimated completion dates for projects currently under development. Of special note are LIHH's projects at Sand Point Family Housing, Santos Place, Martin Court Apartments and the Frye Hotel as these projects shared marked similarities with the proposed development at Lawton Wood. LIHH's current development of the DESC project at 415 10th Ave. in Seattle also shares important similarities with the Lawton Wood project in that this collaborative project will serve a population much like that at Lawton Wood.

A complete list of current LIHH projects and LIHH projects under development is attached.

3. Audited financial statements, balance sheet, and statements of revenue and expense are attached.

ORGANIZATIONAL PROFILE

1. AF Evans Development
Contact: Tory Laughlin Taylor
Vice President – Northwest Region
(206) 443.2700 x14
tlaughlintaylor@afevans.com

2. AF Evans was launched in 1977 with a goal of creating quality housing for all income levels. We've spent the last few decades delivering on this vision, developing quality residential properties in California, Nevada, and more recently, Washington State. Over the years, we have earned a reputation as a community-focused developer with a commitment to the challenging complex projects that are at the core of successful emerging neighborhoods. With our subsidiary companies, AF Evans Development, Inc. (AFED), Evans Property Management, Inc., and Evans Senior Communities, Inc., we are a fully integrated, full-service, development and management company.

AFED is unique in the range of projects that we develop, unified by our commitment to building strong communities. We have developed multi-family housing serving all income levels, including luxury apartments and condominiums, low-income apartments, moderate-income condominiums, and senior assisted living communities. We have extensive expertise structuring complicated real estate transactions and many of our projects have been accomplished with local government participation or in joint ventures with non-profit organizations.

The broadening gap between incomes and housing costs is intensely felt in the west coast communities in which we are rooted. To meet this challenge, AF Evans has turned its expertise in affordable housing, multi-family development and finance strategy toward developing homes that middle-income people can afford to own. We are committed to delivering the best quality product achievable, to building strong communities in which people are drawn to live, and in using all strategies to generate savings that can deliver an affordable home-ownership opportunity.

AF Evans is a 'smart growth' developer that has made an organizational commitment to sustainable development. Our projects are fundamentally sustainable by their nature; by building multi-family housing as urban infill we capitalize on existing infrastructure and strengthen communities while preserving the natural amenities that enrich them. We have committed our new developments to demonstrate environmental leadership in our building practices, and our LEED-accredited staff and development teams look for all opportunities to advance sustainability in our projects.

3. Not applicable.

ORGANIZATIONAL CAPACITY

1. AF Evans Relevant For-Sale Experience

888 Seventh Street - San Francisco, CA

888 Seventh Street is a 224-unit affordable homeownership development in the Showplace Square area in San Francisco. 175 of the homes are being sold at prices affordable to buyers whose incomes do not exceed 100% of the area median income. Homeowners will be able to take advantage of the property's proximity to Mission Bay and the new UCSF campus, and the adjacent amenities blossoming around the Showplace Square and South of Market neighborhoods. Currently under construction, 888 Seventh Street is one of the largest affordable homeownership projects ever developed in San Francisco.

Market Square - Oakland, CA

AF Evans was selected by the City of Oakland to develop a high-density mixed-use residential project on the historic Housewives Market site in Old Oakland. This 202-unit project has been an integral component of Mayor Jerry Brown's goal to bring 10,000 new residents into the downtown core. The market-rate condominium development includes 116 units in the first phase (completed), 86 units in the second phase (in progress). Serving as a catalyst for additional downtown housing development, Market Square Condominiums enhance neighborhood retail activity, making way for a 24-hour downtown community.

Vidrio - Pittsburg, CA

Vidrio at Old Town Pittsburg is a mixed-use development consisting of 195 for-sale condominiums, 38,000 square feet of retail commercial space and public plazas that will bring new life to Old Town Pittsburg. The \$100 million project is being done in partnership with the Pittsburg Redevelopment Agency and will commence construction in early 2006. This ambitious project comprises 3 full city blocks in the heart of Pittsburg's Old Town district.

Portal - Seattle, WA

This 69-unit condominium on the west slope of Queen Anne Hill overlooks Lake Union. Completed and sold-out in 2005, the project consisted of lofts, studios, one- and two-bedroom units and includes a courtyard, recreation room and off-street parking. Units featured tall ceilings, decks, stone tile and hardwood floors, granite counters, stainless steel appliances, and gas fireplaces.

2. AF Evans established an office in Seattle in 1998. Since then, we have acquired or developed a number of properties in the Pacific Northwest including downtown mixed use properties, low-income rental complexes, and moderately-priced condominiums. We have seven staff members working out of our downtown Seattle office and are supported by the accounting and administrative infrastructure of our Oakland, California office. The development at Lawton Wood is well within the capacity of AF Evans Seattle office.

3. Audited financial statements, balance sheet, and statements of revenue and expense are attached.

Guiding Principles

The development of Lawton Wood follows a number of guiding principles which are central to the mission of each partnering organization, ensuring that the project will serve the greatest number of people with the highest level of service. Our proposal provides multiple benefits for Seattle and the Magnolia community by including a balanced mix of open space, wildlife habitat preservation, community and recreational uses, and mixed-income housing. The redevelopment plan will be guided by a shared vision of restoring the landscape and natural environment, while working to create a national model for providing supportive housing for homeless people. The highly experienced and capable team that has assembled to transform Fort Lawton is committed to a socially conscientious, environmentally responsible and sustainable development which fully serves the diverse populations of Seattle who are in need of housing and services.

The lead organization at Lawton Wood, The United Indians of All Tribes Foundation, provides vital social and educational services to more than 25,000 Native Americans in the Seattle area, from early child development and family counseling to housing homeless youth and preparing meals for the elderly. UIATF has made a long term commitment to improve the spiritual, social, economic, educational, and cultural conditions of Native Americans, and has a long and successful tradition of implementing social, cultural & educational services.

The history of the UIATF is intimately connected with the property at Fort Lawton. UIATF grew directly from the gathering of Northwest tribes on the Fort Lawton military base after it was declared surplus by the U.S. Department of Defense in 1970. United by the history of the land and the desire for a cultural base for a growing native population in Seattle, the UIATF negotiated a 99-year renewable lease with the City of Seattle for the 20-acre Indian Cultural Center (ICC) site adjacent to Discovery Park. UIATF is now based at the Daybreak Star Cultural Center in Discovery Park and is committed to preserving the spiritual and environmental heritage of Discovery Park, while maintaining the park as a nucleus of activity for the local and regional Indian community.

UIATF is committed to developing Lawton Wood in accordance with principles of environmental responsibility and sustainability. Traditionally, Native Americans have had an immediate and reciprocal relationship with their natural environments. They defined themselves by the land and sacred places, and have acknowledged a mutual obligation between people and their environment as coequals. The indigenous tribes in this area recognized the Magnolia Bluff as having a sacred relationship to the surrounding land, water and sky. Hundreds of years later, the U.S. military demonstrated an implicit understanding of the importance of this location by building Fort Lawton here. UIATF proposes to redevelop the site such that the trees and open spaces are replanted, animal habitat is restored, the Kiwanis Ravine is connected to Discovery Park and returned to its former beauty, and the natural landscape of the site is once again brought into harmony with the natural features of the Magnolia neighborhood. Additionally, the Lawton Wood plan will create contiguous areas for parks, greenbelts, trails and wildlife that are consistent with the Discovery Park master plan.

UIATF has selected the Low Income Housing Institute (LIHI), the Archdiocesan Housing Authority (AHA), and AF Evans Development Inc. as development partners on the Lawton Wood project due to their commitment to the spiritual, social, economic, educational, cultural and environmental values that have guided UIATF throughout our history.

The Low Income Housing Institute (LIHI) is serving as development consultant on all of the affordable housing being developed at Lawton Wood. As one of the most productive affordable housing developers in the Northwest, LIHI owns and/or manages over 1,600 housing units at 48 sites in six counties throughout the Puget Sound region. LIHI housing serves families, individuals, seniors, and disabled people. Approximately 75% of LIHI residents earn less than 30% of median household income, and many have been previously homeless. LIHI was the developer for Denny Park Apartments, the first project in the nation to receive funding from Enterprise's Green Communities Initiative. The Green Communities Initiative provided funding, expert training and technical assistance as LIHI developed the affordable units at Denny Park that promote health, conserve energy and natural resources and enhance access to jobs, schools and services. Since that time, LIHI has made a commitment to building their projects according to key environmental principles, ensuring healthier and more comfortable living environments. LIHI are currently planning no less than six major projects using environmentally friendly building practices and materials, and are committed to being industry leaders in the development of green affordable housing.

The Archdiocesan Housing Authority (AHA) is a lead sponsor and developer at Lawton Wood, and will be the service provider for formerly homeless seniors at Harvey Hall. The mission of AHA is to develop and manage housing opportunities and services for low-income, homeless and special needs individuals and families that meet participants where they are, not where any one else thinks they should be. This approach affirms the dignity and value of those served by AHA. The Lawton Wood project targets the population AHA's mission is dedicated to serving; persons who are low-income, homeless and have special needs. AHA has a long history of providing services to men and women of diverse cultural and ethnic backgrounds through its refugee services, day programs, emergency shelters, and transitional and permanent housing programs. To ensure that staff has an understanding of the needs and obstacles faced by the diverse people served by AHA, all AHA staff participates in cultural competency training. Additionally, AHA, in participation with its parent organization Catholic Community Services (CCS), has established an employee based Multiracial Action Team whose vision is to create an agency strategy to eradicate racial, ethnic, gender and ability biases from the organizations environment so that they may provide services within their communities in the spirit of love and dignity.

AF Evans is developing the 166 units of market rate family housing at Lawton Wood. AF Evans is a for-profit developer dedicated to developing properties in emerging and neglected neighborhoods. AF Evans was launched in 1977 with a goal of creating quality housing for all income levels. AF Evans has developed mixed-use multifamily properties, affordable housing and for-sale properties throughout California, Nevada, Oregon &

Washington. Their efforts are often integral to public redevelopment efforts, serving as catalysts for community development. Many AF Evans staff members are LEED-accredited, hail from city planning or nonprofit development backgrounds, and work with a passion for building desirable communities for all types of residents.

Honoring our Heroes

In addition to developing Lawton Wood in accordance with principle of social justice and environmental responsibility, UIATF recognizes the important roles that the army has played in serving as the caretakers of Fort Lawton, and in protecting our rights and opportunities to redevelop this property. In order to acknowledge our debt to those men and women who have served, we will retain the names Harvey Hall and Leisy Commons, and we are honored to use the name Lawton Wood in honor of Major General Henry Ware Lawton and Fort Lawton's history. Harvey Hall will provide 44 units of senior housing and a community auditorium. Leisy Commons will offer 75 units of housing for homeless veterans, other homeless men and women, and participants of the Seattle Conservation Corp.

Flexibility

Lawton Wood as proposed is a comprehensive and fully formed plan, in which each of the components supports the others in a thorough and complete whole. However, it is worth noting that each of the components- from the veteran's housing to the multi-family affordable housing to the United Indians School- will be a self contained and self managed piece of the whole. This modular design allows for both a more effective construction schedule and, once the individual modules are constructed or rehabbed, allows for more effective management and administration of each component. If the entire Heron's Reach is not approved, any individual component can be independently financed and built.

Roles of Partners throughout Property

	Leisy Commons	Harvey Hall	Ft. Lawton Family Housing	Wolfe Creek Town homes	Heron Reach Market Rate	Parks and Rec. Facilities	Texas Way right-of-way
Public Benefits	Homeless Housing for individuals and veterans, college, day care, offices	Homeless Housing for Seniors, Community Auditorium	Homeless Housing for families	Self – Help Home Ownership	N/A	Recreation	N/A
Units Created	75 units	44 units	50 units	16 units	106 units	-	-
Army to transfer land ownership to:	UIATF	UIATF	UIATF	UIATF	AF Evans	City of Seattle	SDOT
Lead Sponsor	LIHI	AHA	AHA	LIHI	AF Evans	Parks Dept	n/a
Developer	LIHI	AHA	AHA	LIHI	AF Evans	Parks Dept	n/a
Development Consultant	n/a	LIHI	LIHI	n/a	n/a	n/a	n/a
Property Manager	LIHI	AHA	AHA	n/a	n/a	Parks Dept	SDOT
Service providers	Seattle Mental Health - UIATF	AHA - UIATF	AHA - UIATF	n/a	n/a	n/a	n/a

Ft Lawton Site/Project Area Table

Project	Building Footprint Area	Landscape and parking Area	Total	Notes
Harvey Hall	18,010	78,781	96,791	
Leisy Commons	22,320	105,597	127,917	
Ft Lawton Family Housing	30,400	55,936	86,336	
Wolfe Creek Self-Help Home-ownership	9,625	22,659	32,284	
Heron Reach Market rate Housing	54,320	169,680	184,000 - 261,000	range to be determined by size of land scape buffer
Parks Ownership	n/a	560,000	510,000 - 600,000	range to be determined by size of land scape buffer
Comm Rec Area and Multipurpose Community Facility	6,550	43,095	49,645	
Public Access/Roadways	n/a	n/a	180,333	
Sub Total	141,225	474,369	1,357,316	or roughly 31.1 acres (43,560 sf/acre) as cited by I RA 31.16
<i>Fort Cemetery</i>	n/a	n/a	111,155	
VA Building	45,414	318,688	364,102	
Totals	186,639	793,057	1,832,573	

Ft Lawton Parking Table

Project	# Res units	GSI	Parking Provided	Notes
Harvey Hall Senior Housing				
Harvey Residential	44	33,550	7	1 for each 6 units
Harvey Non Res	-	5,595	5	plus 25 spaces shared with residential **
Leisy Commons				
Leisy Residential	75	46,265	75	1 for each unit
Leisy Non Residential	-	20,535	-	
Daycare	-	1,100	8	
Non-profit Offices	-	700	2	plus 8 spaces shared with day care **
College	-	16,715	20	plus 30 spaces shared with residential **
Ft Lawton Family Housing				
Homeless Family Housing	50	tbd	44	
Wolfe Creek Town homes				
Self-Help Home Ownership	16	tbd	17	
Heron Reach				
For-sale market rate	106	tbd	121	
Multipurpose Community Facility and Community Recreation Areas				
Building 222 Artist Workspace	-	5,800.00	6	
Public restrooms	-	400.00	-	
Parks Ownership	-	-	-	
Public Streets	-	-	-	
Roadways				
On-street parallel	-	-	tbd	100 overflow, parallel spaces on streets
Total			305	<i>not including on-street overflow</i>
** Shared parking allowed for uses requiring parking at different times of day (i.e. residential in evening and college in daytime)				
<i>Notes</i>				
All areas approximate. Based on limited survey information and preliminary schematic designs.				

LAWTON WOOD AT DISCOVERY PARK

	2009			2010			2011			2012		
	1/4	2/4	3/4	4/4	1/4	2/4	3/4	4/4	1/4	2/4	3/4	4/4
LAND TRANSFER, ENTITLEMENTS & INFRASTRUCTURE												
TRANSFER OF LAND OWNERSHIP												
ENTITLEMENTS - LAND USE & ZONING												
INFRASTRUCTURE, UTILITY, SURVEY & SERVICE UPGRADES												
FINANCE, DESIGN & CONSTRUCTION												
HARVEY HALL SENIOR HOUSING - 41 UNIT ADAPTIVE RE-USE	6 MONTHS											
FORT LAWTON FAMILY HOUSING (50 UNITS - HOMELESS FAMILIES)	10 MONTHS											
DISCOVERY HEIGHTS (106 MARKET RATE TOWN HOMES)	12 MONTHS											
LEISY COMMONS - VETRAV, HOMELESS & COMMUNITY SPACES (75 UNITS)	FINANCE DESIGN & PERMIT CONSTRUCTION											
WOLFE CREEK TOWNHOMES (15 UNITS SELF HELP CLT HOMES)	FINANCE DESIGN & PERMIT CONSTRUCTION											
MULTIPURPOSE COMMUNITY FACILITY, RECREATION & PARK AMENITIES	FINANCE DESIGN & PERMIT CONSTRUCTION PHASE 1 PHASE 2 PHASE 3											
OCCUPANCY/PLACED IN SERVICE												
HARVEY HALL SENIOR HOUSING - 41 UNIT ADAPTIVE RE-USE	44											
FORT LAWTON FAMILY HOUSING (50 UNITS - HOMELESS FAMILIES)	50											
DISCOVERY HEIGHTS (106 MARKET RATE TOWN HOMES)	106											
LEISY COMMONS - VETRAV, HOMELESS & COMMUNITY SPACES (75 UNITS)	75											
WOLFE CREEK TOWNHOMES (15 UNITS SELF HELP CLT HOMES)	15											
MULTIPURPOSE COMMUNITY FACILITY & PARK AMENITIES	3											

Schedule Assumptions - The transfer of the Ft. Lawton property will commence 1/09 and complete by 6/09

- The sequence of the communities, recreation & parks projects will be phased in order to support the habitation of the new housing projects
- The land-use and zoning issues are resolved in an expedient manner
- The City and local utilities are able to support the necessary changes requested for these projects

Lawton Wood at Discovery Park Site Planning

The Magnolia community rests on a prominent hill jutting out into Puget Sound. The native peoples recognized the special place for thousands of years just as the Army has in more recent times. The Magnolia community lies close to the center of the city but has a sense of remoteness due to its location between three bodies of water; Elliot Bay, Puget Sound, and Salmon Bay.

Magnolia is primarily covered by residential neighborhoods. There are two small districts of commercial activity providing shopping and services to the local community. The community is well served by bus routes and roadways linking to the other communities, the city center, and highways to cities beyond.

At one time, the Ft Lawton occupied nearly one quarter of the land area of Magnolia. Trees were cleared in 1898 to make way for a new army post. In the 1970's and early 1980's the Army transferred ownership of more than 400 acres to the City of Seattle to establish Discovery Park -- now the City's largest park. Today, the remaining Ft. Lawton property is less than 40 acres.

The site slopes predominantly to the north. The natural topography has been regarded for the Army's roadways, buildings, and parking areas. The majority of the site is moderately sloped allowing for easy access and development. Discovery Park's forest of tall mature evergreen trees approaches the edge of the site from the sloped hillside above. The land just beyond the northern edge of the site and the north western corner of the site begin to slope steeply. From this area Salmon Bay and North Seattle Neighborhoods such as Ballard and Crown Hill can be viewed.

The Fort was designed to be isolated from the surrounding neighborhood. Fencing surrounds the perimeter and landscaping buffers obscure the view from the adjacent public streets. The neighbors' desire to enhance the landscaped buffers between themselves and our project has been incorporated into the plan. Pedestrian links from the surrounding neighborhood through the site and into Discovery Park have been enhanced.

A single road passes through the site; running from the southwest to the northwest of the property. This road, Texas Way, is the only current access to Ft Lawton and will continue to be used. A limited number of smaller roads will be developed to access new buildings.

Our site plan makes a strong commitment to sustainable development. By reusing existing building and infrastructure we reduce waste and extend the life of the energy and materials already incorporated into the site. We propose to adaptively reuse the largest buildings on the property Leisy and Harvey by converting them from offices to housing

Harvey Hall

- Homeless Senior Housing
- Community Auditorium

OWNERSHIP AND MANAGEMENT		
Project Owner		UIATF
Developer		AHA
Development Consultant		LIHI
Residential		
	Property Manager	AHA
	Service Provider	AHA & UIATF
Non Residential		
	Auditorium Facility	Leased to Parks

BUILDING INFORMATION		
	Site Area	96,791 sf
	Residential Area	33,550 gsf
	Community Auditorium	5,595 gsf
	Total Bldg Area	39,145 gsf
Residential Unit Mix		
	Studios	36 units
	1 BR	8 units
	Total	44 units
	Community Auditorium	228 seats

HARVEY HALL SENIOR HOUSING NARRATIVE

Organizational profile

General discussion here. Refer to intro for detail.

Proposed program

- 1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.**

The population to be served by the program are men and women who are chronically homeless and 55 years of age and older. Many of the residents will be disabled from physical disabilities, chronic alcoholism, and mental illness. Most residents will have been homeless for at least one year. Many will have been homeless much longer than one year.

Residents will come from emergency shelters, directly from the streets, or from transitional housing programs. A portion of the residents will come from St. Martin De Porres Emergency Shelter, which nightly serves over 200 men, fifty years of age and older. Through collaboration with St. Martin De Porres Housing Coordinator, applicants are provided with program information and eligibility criteria. The Lazarus Day Center and the Pike Market Senior Center, programs that serve this same population, are also sources of referrals. AHA maintains close relationships with these programs in order to provide information to applicants and in locating applicants when their names rise to the top of the waiting list. Harvey Hall Senior Housing also coordinates with the REACH Project, which provides services to chronic public inebriates, to provide housing for difficult to place individuals.

Residents will have a modest room approximately 200 square feet with a bed, closet, some storage, small refrigerator, counter and sink. Private bathroom will be provided.

Harvey Hall Senior Housing will provide a safe, stable place to live for formerly homeless senior men and women. There will be both active and quiet common spaces for residents. These areas will include a pool table, sitting areas, a television, a library, and computer workstations with internet access.

In addition to resident areas, there will be counselor offices in order to facilitate private consultations and other services for the residents.

Services to be provided on-site

The population served by the project are men and women who are homeless, 55 years of age and older, the majority being disabled. Applicants to the project will come from transitional housing, emergency shelters, or directly from the streets. Applicants will be referred from St. Martin De Porres Emergency Shelter, UIATF, LIHI, Senior Services, Lutheran Compass Center, Lazarus Day Center, and the Pike Market Senior Center, and

other agencies. Close relationships will be maintained with these programs in order to provide information to applicants and in locating applicants when their names rise to the top of the waiting list. This project will also coordinate with the REACH Project, which provides services to chronic public inebriates, to provide housing for difficult to place individuals. Special outreach and marketing will be conducted to the Native American senior population in Seattle and King County.

This project will provide permanent housing to applicants. Applicants will complete a pre-application to screen for minimum qualifications: homeless for one year, below 30% King County median income, 55 years and older. The applicant will then be placed on a waiting list. When an applicant's name rises to the top of the waiting list at least three attempts will be made to contact him. An intake interview will be conducted with the applicant by the Resident Services Manager. The applicant will be assisted in filling out required documentation for tax credit or subsidy eligibility. Applicants will be required to provide income verification, verification of social security number and two references from shelter or service providers. If there are areas of concern regarding an applicant's criminal history or eviction history the Resident Services Manager will follow up with an applicant's service providers to determine if a plan can be developed to address those concerns before an applicant is accepted.

2. Describe the need for the proposed homeless assistance program.

This project will provide permanent housing with services to chronically homeless (homeless more than one year), very low-income, men and women over 55 years of age in the city of Seattle. The majority of these men will have disabling conditions. Currently the Archdiocesan Housing Authority (AHA) operates St. Martin De Porres Emergency Shelter, which serves men over the age of 50. In 2005 St. Martin De Porres served 791 men. This is a 7% increase over the number of men the shelter served in 2004. For shelter residents who moved to permanent housing with no supportive services the return rate to the shelter was about 20%. For shelter residents who moved to permanent housing with supportive services the return rate to the shelter was 1%.

This project will be based on the model of an existing AHA project, St. Martin's on Westlake, which provides an array of services not offered to this population in any other permanent housing project in downtown Seattle. St. Martin's on Westlake averages only 8 vacancies a year. The current waiting list goes back 10 months.

This population has been homeless on the streets of Seattle for over one year and many have disabilities ranging from persistent health problems, alcoholism, mental illness or a combination of disorders. This population has poor or no rental history and lacks independent living skills such as managing personal care, food preparation, and money management. They need assistance to obtain medical and financial benefits. Many have limited or no income and lack stable work history.

The services provided by this project will be case management, community activities, and a wide range of referrals to community resources. These services address the many unmet needs of this population. This residential project will be operated as alcohol and drug-free housing.

3. Describe how the program will be coordinated with other homeless assistance programs in the communities in the vicinity of Fort Lawton and/or the community at-large.

The staff of this project will work as a team to provide an array of services to residents. Supervised by the Program Director, services will be provided by the Resident Services Manager, the Business Manager, and the Community Support Coordinator. Services will be located on site in private staff offices, and community activity rooms.

The Resident Services Manager and the Community Support Coordinator will provide case management services to 44 residents; evaluating residents needs, providing advocacy and linkages to community resources, intervening in crisis situations, and encouraging participation in meaningful activities. Case management staff will maintain regular contact with each resident and quarterly assess their services needs. Residents will be assisted in obtaining financial benefits such as GAU, SSI, SSDI, and VA benefits, and will also be assisted in obtaining Medicaid, Medicare, and Veterans medical benefits. Residents able to work will be assisted in accessing employment services. Referrals will be made to community service providers depending on the needs of the resident, such as COPES, chemical dependency treatment, or mental health treatment.

The Business Manager will assist all 44 residents with obtaining documentation for annual income recertifications, and act as a liaison between residents and subsidy providers. For residents with payees, the Business Manager will maintain regular contact with the payee and informs the payee of any financial concerns regarding residents housing.

A resident manager will provide information and referrals to residents, serve as contact for emergencies, respond to medical emergencies, intervene in conflict situations, and ensure the safety of the residents' living environment.

Linkages with other agencies and service delivery systems that residents can access will be accomplished by establishing relationships between project staff and government and community organizations. Staff will develop contacts in the local DSHS offices with financial workers, SSI facilitators, and ADATSA screeners. The Resident Services Manager will coordinate efforts with chemical dependency and mental health providers such as CPC, DESC, and the REACH Project to develop treatment plans for residents needing assistance in these areas to maintain housing. Staff will coordinate health care for residents through local medical facilities including Pike Market Clinic, Pioneer Square Clinic, Providence Elder Place, the VA hospital, Seattle Indian Health Board, and Harborview Medical Center. For residents looking for employment, AHA has a long-standing relationship with the providers of the Senior Community Service Employment Program sponsored by AARP. This program provides temporary work experience for low income people aged 55 and older.

4. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation. A form and instructions are available by request or from the City of Seattle Fort Lawton website

The financing schedule for Harvey Hall Senior Housing dictates the project schedule. If the project is successful in obtaining public funding support in the spring of 2009, AHA will be able to expend funds to further develop the design and continue the permitting process, allowing the project to be fully funded and permitted and ready to start

construction in the early summer of 2010. If the project is unsuccessful in achieving funding commitments, then the project will be fully funded and permitted in December of 2010.

5. **If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under “Organizational Capacity.” For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.**

6. **Describe how the proposed program aligns with the goals of the King County Ten-Year Plan to End Homelessness and the City of Seattle Consolidated Plan for Housing and Community Development.**

Archdiocesan Housing Authority participated in the City of Seattle’s Consolidated Planning process as a member of an advisory group of housing developers and service providers. The issue areas in which AHA is involved include housing affordability (at all income levels) and the Continuum of Care. In addition, AHA provides direct input to the Consolidated Plan through participation in a standing “affinity group” formed by the Housing Development Consortium of Seattle and King County to help the City in formulating affordable housing policy.

Archdiocesan Housing Authority has been on the Interagency Council of the King County’s Committee to End Homelessness since its inception in 2005. AHA also participates in the five subcommittees on single adults, families and youth, a public awareness and legislative advocacy committee, and a resource development and alignment committee. Through these committees and its work on the issues surrounding homelessness, AHA played a critical role in the formation of the *10 Year Plan to End Homelessness in King County*.

The Harvey Hall Senior Housing project meets several local priorities outlined in both the *City of Seattle Consolidated Plan* and the *10 Year Plan to End Homelessness in King County* by creating decent affordable housing for low-income individuals, by securing new permanent housing for homeless individuals, and by delivering flexible support services to support stability and independence. Please see the attached consistency letter regarding the Harvey Hall Senior Housing as it relates to the *Consolidated Plan* and the *10 Year Plan*.

The Harvey Hall Senior Housing project meets several local priorities outlined in both the *City of Seattle Consolidated Plan* and the *10 Year Plan to End Homelessness in King County* by creating decent affordable housing for low-income individuals, by securing new permanent housing for homeless individuals, and by delivering flexible support services to support stability and independence.

The Committee to End Homelessness in King County makes a conservative estimate of 5,107 homeless single adults in King County, of those 2,500 are estimated to be

chronically homeless. The objectives of the Ten-Year Plan are to provide permanent supportive housing for individuals who are chronically homeless. Essential to this objective is to have intensive supportive services provided on site to engage individuals so that they can remain housed and begin to rebuild their lives. This Housing First model will minimize shelter stays and move people more rapidly into permanent housing.

Case management staff will meet with residents to identify their supportive services needs to maintain housing over the long term. Staff will assist residents in obtaining and maintaining disability benefits such as GAU, SSI, SSDI, and VA benefits. For those able to work, referrals are provided to employment agencies or employment training programs. Case management staff will also assist residents in obtaining Medicaid, Medicare and Veterans medical benefits and assist residents with the eligibility review process to maintain these benefits. Referrals and advocacy for residents to providers of medical care, chemical dependency and mental health treatment, and personal care needs will also be provided.

A resident manager will live on-site to respond to emergencies and intervene in conflict situations. Community activities will be sponsored for residents several times a week to encourage participation in the wider community, to promote dignity, and prevent isolation.

Buildings or property necessary to carry out program

1. Describe which buildings or property are necessary to carry out the program and the other physical requirements necessary to carry out the program.

Harvey Hall Senior Housing will strive to achieve Green Community Standards.

- AHA is committed to bringing a high level of sustainable, durable, and affordable green building ideas to add additional value to the project. The Harvey Hall Senior Housing will also meet Sea Green, Built Smart, and Built Green standards. Potential features include;
- recycled rainwater and storage for irrigation,
- using sustainably-produced building components when available at a cost that can be justified under a life-cycle analysis; and
- minimizing carpeted surfaces to increase indoor air quality,
- maximizing exterior greenspace.
- using Low VOC carpets, paints, and adhesives will be specified where practicable in order to help promote health indoor air quality.
- using materials and finishes with long-term durability and low maintenance costs. Energy efficiency improvements will include utilizing compact-fluorescent lighting, central hot water, insulation exceeding code requirements, improved window and door thermal performance, and reduced water consumption through

use of native and drought-tolerant plants, high-efficiency irrigation, and low flow fixtures and appliances.

Paints shall be low-or no-VOC or 50% recycled content. Residential office carpets will be 26oz. solution-dyed nylon loop. Alternatives to sheet vinyl such as VCT, rubber, marmoleum, with recycled content will be reviewed where possible, units will have no carpet to minimize mold and allergen growth. Unit cabinets will be constructed with urea-formaldehyde-free MDF, with plastic laminate countertops. The building will comply with, or exceed, current ventilation and mechanical codes. The project will have efficient lighting to meet Sea Green and Seattle City Light Built-Smart requirements. Construction details will be designed with Build Smart incentives to maximize energy savings and investment return.

The construction of the project will incorporate sustainable principles by implementing a construction waste management plan to divert 80% of construction waste from landfills, using recycled content materials, and specify local and regional materials.

The project will participate in a Sustainable Charrette with the Seattle Office of Housing, which would include project team members, consultants, and various city departments in an effort to bring together the expertise varying between experts and novices in to a cohesive green design team.

2. Indicate whether existing buildings will be used and any new construction or rehabilitation anticipated on the requested property necessary for program implementation.

Harvey Hall Senior Housing is an adaptive reuse of an existing Army Building used for offices. Reportedly built in the early 1960's, Harvey Hall is named for University of Washington alumnus and Army Captain James R. Harvey (KIA, 1944). The building complex contains approximately 33,500 GSF and includes a refurbished 228 seat auditorium and recent one story addition. The two story, flat roofed portion is brick clad with wood floor structure and corridor walls of CMU construction. A matching one story portion is similarly constructed while the recent addition has a metal gable roof and siding accented by brick detailing. The majority of the complex contains offices, training rooms and support spaces, while the one story addition houses band practice rooms. All portions of the complex appear in good, functional condition and well maintained. No specific information regarding the age or condition of existing electrical, mechanical or plumbing systems is available at this time. The building complex is sited on level grade facing 36th Avenue W, surrounded by landscaping and adjacent large parking areas.

The majority of the building complex appears reasonably well suited for reuse as apartments for homeless seniors, with the auditorium retained for community use. It is proposed to reconfigure the interior spaces (i.e., behind the CMU corridor walls) to create approximately 44 studio and one bedroom units ranging generally in size from 325 to 570 SF. All electrical, mechanical and plumbing systems will be retrofit or replaced, seismic improvements made, an elevator and fire sprinkler system added and additional exterior window openings created to accommodate the proposed unit layout. While adaptive reuse inherently supports a sustainable construction approach, all improvements will have a 20 year or greater life and strive for recognized environmental standards.

Harvey Hall Senior Housing will have open space consistent with the zoning for the site. There will be some outdoor space open to residents. We hope residents will interact with the larger community at Lawton Wood. This space will be only accessible from inside the building in order to restrict access to day and early evening hours.

All units at the Harvey Hall Senior Housing will include kitchens and baths. Each unit will be furnished with a bed, chest of drawers and a table. Of the 44 units, 36 units are studios and 8 units are one bedroom, with sizes ranging from 325 to 570 sqf.

3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.

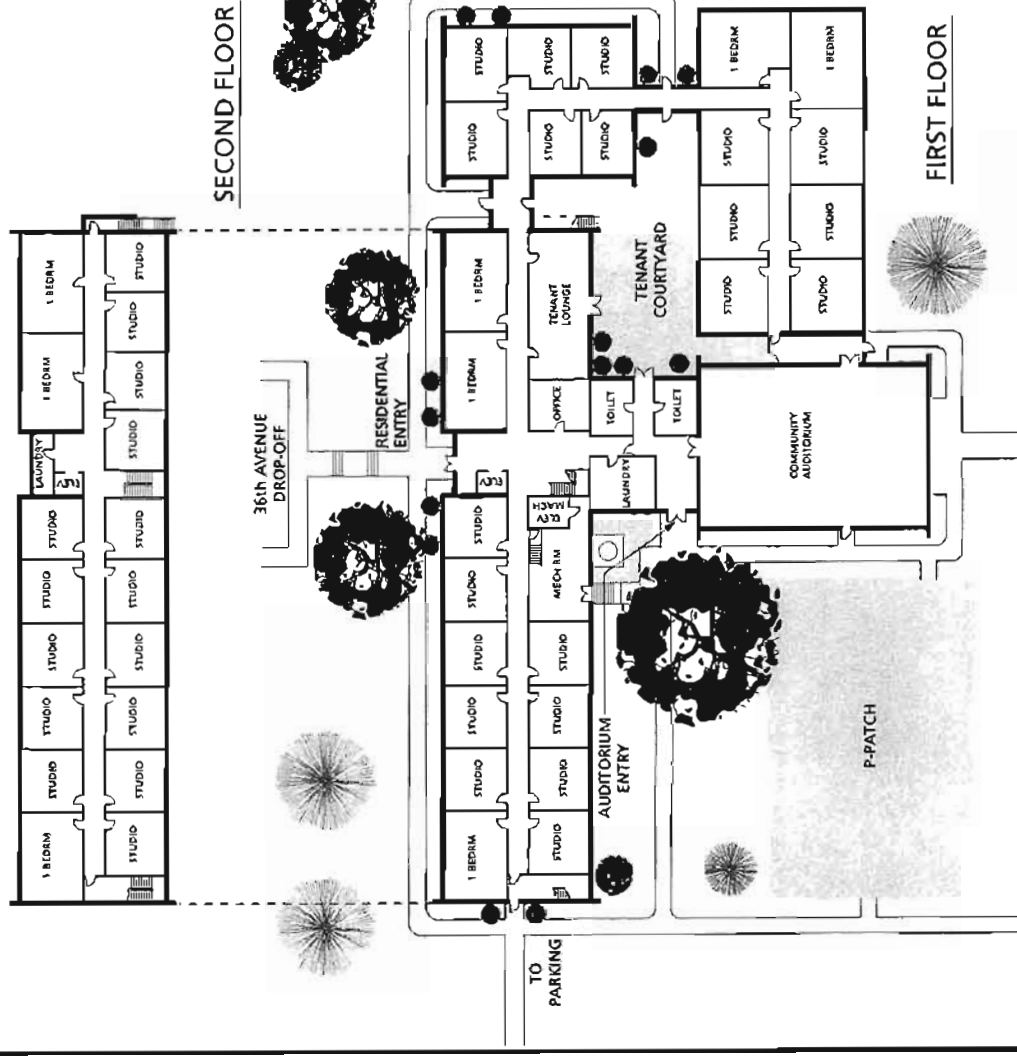
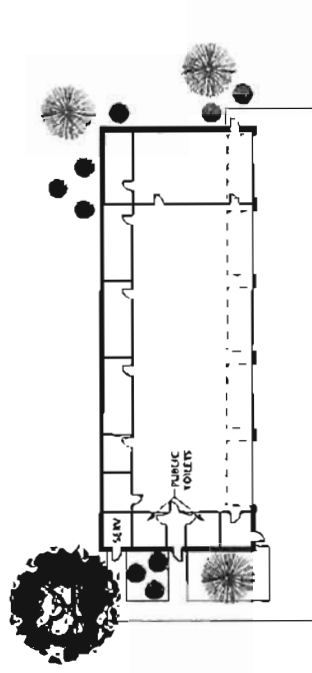
The project as currently designed is consistent with the re-use of Fort Lawton and discussed w/ DPD

HARVEY HALL SENIOR HOUSING

COMPONENT	STUDIO APARTMENTS	1-BEDROOM APARTMENTS	SUB TOTALS	AREAS
FIRST FLOOR RESIDENTIAL	21 (+/- 325 SF TO +/- 400 SF EA)	5 (+/- 570 SF TO +/- 620 SF EA)	26 APTS.	+/- 18,010 GSF
SECOND FLOOR RESIDENTIAL	15 (+/- 325 SF EA)	3 (+/- 570 SF EA)	18 APTS.	+/- 9,945 GSF
COMMUNITY AUDITORIUM	1. SEATING: 228 2. AREA INCLUDES SUPPORT AREAS			+/- 5,595 GSF
TOTALS	TOTAL STUDIO APTS: 36	TOTAL 1-BDRM APTS: 8	TOTAL APTS: 44	TOTAL AREA: +/- 33,550 GSF

MULTI-PURPOSE COMMUNITY FACILITY

ADAPTIVE REUSE OF BUILDING 222
1" = 60'-0"

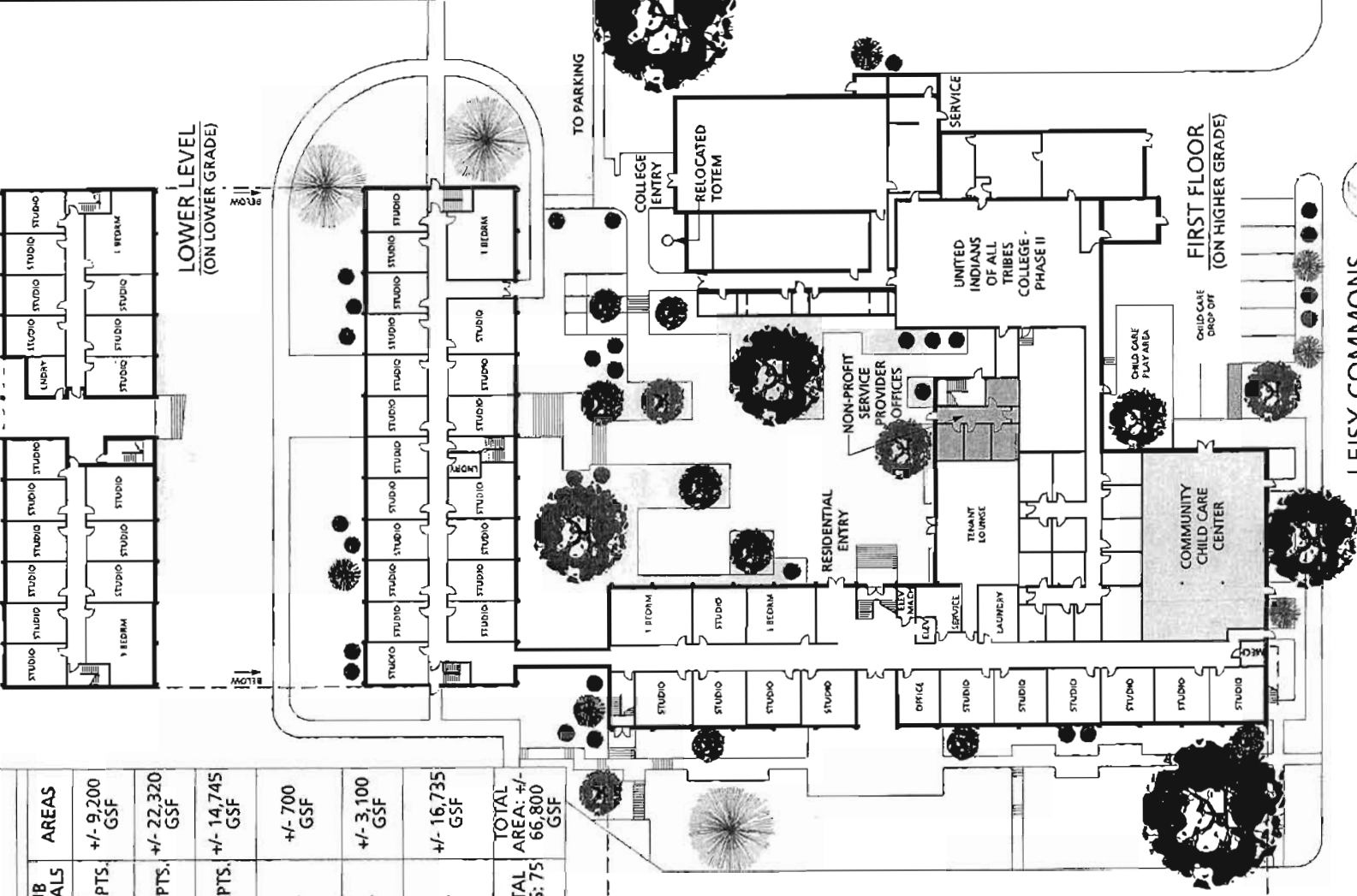
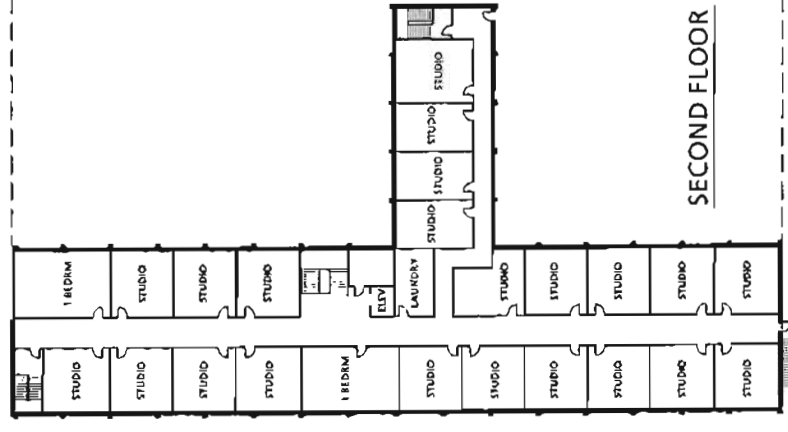


HARVEY HALL SENIOR HOUSING

ADAPTIVE REUSE OF BUILDING 216
FOR FORMERLY HOMELESS
1" = 60'-0"

LEISY COMMONS

COMPONENT	STUDIO APARTMENTS	1-BEDROOM APARTMENTS	SUB TOTALS	AREAS
LOWER LEVEL RESIDENTIAL	16 (+/- 325 SF TO +/- 450 SF EA)	2 (+/- 625 SF EA)	18 APTS.	+/- 9,200 GSF
FIRST FLOOR RESIDENTIAL	30 (+/- 325 SF TO +/- 450 SF EA)	3 (+/- 525 SF TO +/- 625 SF EA)	33 APTS.	+/- 22,320 GSF
SECOND FLOOR RESIDENTIAL	22 (+/- 330 SF TO +/- 400 SF EA)	2 (+/- 550 SF EA)	24 APTS.	+/- 14,745 GSF
NON-PROFIT SERVICE PROVIDER OFFICES				+/- 700 GSF
COMMUNITY DAY CARE FACILITY				+/- 3,100 GSF
UNITED INDIANS OF ALL TRIBES COLLEGE (PHASE II)				+/- 16,735 GSF
TOTALS	TOTAL STUDIO APTS: 68	TOTAL 1-BDRM APTS: 7	TOTAL APTS: 75	TOTAL AREA: +/- 66,800 GSF



LEISY COMMONS

ADAPTIVE REUSE OF BUILDING 220
FOR FORMERLY HOMELESS
1" = 60'-0"

SMR Architects PLLC
911 Western Avenue, Suite 200
Seattle, WA 98104



AS PROPOSED BY:
UNITED INDIANS OF ALL TRIBES FOUNDATION (UIATF), LOW INCOME HOUSING INSTITUTE (LIHI) & ARCHDIOCESAN HOUSING AUTHORITY (AHA)

LAWTON WOOD AT DISCOVERY PARK

Sheet:

1 OF 1

Date: 01/10/2007

Harvey Hall Senior Housing Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

	Total Project Cost	Residential Total	HTF	City of Seattle	King County	HUD/McKinney	LIHTC
Acquisition Costs:							
Purchase Price	\$0	\$0					
Liens	\$0	\$0					
Closing, Title & Recording Costs	\$10,981	\$10,000					
Extension payment	\$0	\$0					
Other: _____	\$0	\$0					
SUBTOTAL	\$10,981	\$10,000		\$0		\$0	\$0
Construction:							
Basic Construction Contract	\$4,958,500	\$4,472,800					
Bond Premium	\$53,935	\$48,652					
Infrastructure Improvements	\$100,000	\$90,205					
Hazardous Abate. & Monitoring	\$335,000	\$302,186					
Construction Contingency (<u>15</u> %)	\$817,115	\$737,076					
Sales Taxes 8.8%	\$479,374	\$432,418					
Other Construction Costs: _____	\$0	\$0					
Other Construction Costs: _____	\$0	\$0					
SUBTOTAL	\$6,743,924	\$6,083,336		\$0		\$0	\$0
Development:							
Appraisal	\$9,750	\$8,795					
Architect/Engineer	\$505,000	\$455,534					
Environmental Assessment	\$2,200	\$1,985					
Geotechnical Study	\$7,000	\$6,314					
Boundary & Topographic Survey	\$9,000	\$8,118					
Legal	\$57,500	\$51,868					
Developer Fee	\$663,958	\$598,921					
Project Management	\$175,336	\$158,161					
Technical Assistance	\$0	\$0					
Other Consultants: <u>Construction Testing</u>	\$68,000	\$61,339					
Other: <u>Development Contingency / Misc.</u>	\$29,000	\$26,159					
SUBTOTAL	\$1,526,744	\$1,377,195		\$0		\$0	\$0
Other Development:							
Real Estate Tax	\$0	\$0					
Insurance	\$52,601	\$47,449					
Title Insurance		\$0					
Relocation	\$0	\$0					
Bidding Costs	\$0	\$0					
Permits, Fees & Hookups	\$331,813	\$331,813					
Impact/Mitigation Fees	\$36,032	\$0					
FF&E		\$0					
Development Period Utilities	\$0	\$0					
Construction Loan Fees	\$51,760	\$51,760					
Construction Interest	\$353,368	\$353,368					
Other Loan Fees (Impact Capital, State HTF, etc.)	\$30,111	\$24,491					
LIHTC Fees	\$124,753	\$86,381					
Accounting/Audit	\$15,288	\$12,629					
Marketing/Leasing Expenses	\$36,532	\$27,152					
Carrying Costs at Rent up	\$114,127	\$112,756					
Operating Reserves	\$259,006	\$256,058					
Replacement Reserves	\$22,167	\$9,923					
SUBTOTAL	\$1,427,558	\$1,313,778					\$0
Total Development Cost:	\$9,709,207	\$8,784,309	\$1,500,000	\$1,384,309	\$500,000	\$450,000	\$4,950,000

Harvey Hall Senior Housing Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____
SUBTOTAL

Non-Residential Total	Non-Residential			
	COS Parks			
\$0				
\$0				
\$981	\$981			
\$0				
\$0				
\$981	\$981		\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (____%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____
SUBTOTAL

\$485,700	\$485,700			
\$5,283	\$5,283			
\$9,795	\$9,795			
\$32,814	\$32,814			
\$80,039	\$80,039			
\$46,956	\$46,956			
\$0	\$0			
\$0	\$0			
\$660,588	\$660,588		\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____
SUBTOTAL

\$955	\$955			
\$49,466	\$49,466			
\$215	\$215			
\$686	\$686			
\$882	\$882			
\$5,632	\$5,632			
\$65,037	\$65,037			
\$17,175	\$17,175			
\$0	\$0			
\$6,661	\$6,661			
\$2,841	\$2,841			
\$149,549	\$149,549		\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves
SUBTOTAL

\$0	\$0			
\$5,152	\$5,152			
\$0	\$0			
\$0	\$0			
\$0	\$0			
\$36,032	\$36,032			
\$0	\$0			
\$0	\$0			
\$0	\$0			
\$5,621	\$5,621			
\$38,372	\$38,372			
\$2,659	\$2,659			
\$9,380	\$9,380			
\$1,371	\$1,371			
\$2,948	\$2,948			
\$12,244	\$12,244			
\$113,780	\$113,780		\$0	\$0

Total Non-Residential Cost:	\$924,897	\$924,897	\$0	\$0
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Harvey Hall Senior Housing Residential Development Budget Narrative

Harvey Hall

Instructions:

- For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Total Residential Cost	
\$0	Assume land cost zero
\$0	
\$10,981	Estimated closing and recording fees
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (15%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____

\$4,958,500	Construction Estimate from SMR Architects
\$53,935	
\$100,000	Assumption - no information available
\$335,000	Assumption - no information available
\$817,115	15% of construction estimate above
\$479,374	8.8% Sales tax rate
\$0	
\$0	

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____

\$9,750	appraisal and market study
\$505,000	
\$4,000	
\$7,000	
\$9,000	as built survey for tax credit investor
\$57,500	
\$663,958	
\$175,336	
\$0	
\$68,000	based on recent projects
\$29,000	contingency for non-construction items and misc.

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs

Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit

Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$0	
\$52,601	
\$0	
\$0	
\$331,813	Land use and building permits, hookup fees for water, sewer, capacity charge for sewer treatment from king county
\$36,032	
\$0	
\$51,760	based on recent similar deals
\$353,368	7.0% floating interest for 18 months
\$30,111	Impact Capital Fee, State HTF fee, and Construction lender inspections
\$124,753	Syndication Fees and current schedule for tax credit fees
\$15,288	projection approvals, 10% certification, and 8609 cost certification
\$38,532	Start-up costs including manager advertising, office setup, front desk, and phone set-up
\$114,127	estimate of cash flow shortfall assuming three month lease up
\$259,008	5 months of operating and service expenses
\$22,167	250 per unit prefunded reserves

Harvey Hall Senior Housing Project Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

Category	Tasks	Date Completed/E	Status
<i>For each new task you enter in this column, also enter the appropriate category in the first column.</i>			
Site Control	Purchase		(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey		
Feasibility Analysis/Due Diligence	Market study		(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase 1 Environmental Assessment		
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment		
Feasibility Analysis/Due Diligence	SEPA/NEPA		
Feasibility Analysis/Due Diligence	Capital needs assessment		
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)		
Feasibility Analysis/Due Diligence	Relocation of existing tenants		

Harvey Hall Senior Housing Project Schedule

Financing	Appraisal	(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	
Financing	Application for funding (specify source):*	
Financing	Application for funding (specify source):	
Financing	Application for funding (specify source):	
Financing	Construction cost estimate	
Financing	Lender selection	
Financing	Funding for services	
Financing	Award date for funding source (specify):*	
Financing	Award date for funding source (specify):	
Financing	Award date for funding source (specify):	
Design/Permitting	Preliminary drawings completed	(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Zoning approval	
Design/Permitting	Site plan approval	
Design/Permitting	Building permits issued	
Construction	Selection of general contractor	(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction	
Construction	Issued certificate of occupancy	
Occupancy	Selection of management entity	(e.g., Completed management company selection process in February 2005.)
Occupancy	Selection of service providers	
Occupancy	Begin lease-up	
Occupancy	Placed in service (90% Occupancy)	

Harvey Hall Senior Housing Proposed Rent Levels

HARVEY HALL

Instructions:

- Use the current HUD Household Income Table to identify the percent of median household income for each unit size. The most current HUD table is located at <http://www.huduser.org/datasets/ii.html>.
- In reading the HUD table, low income means 80% and very-low income means 50% of the area median income.

A	B	C	D	E	F	G	H
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Tenant-Paid Monthly Rent	Tenant-Paid Utilities	Sum of Tenant-Paid Rent and Utilities (D + E)	PHA/HUD/USDA Contract Rent **	Annual Gross Rental Income ** [B x (D or G) x 12]
15.00%	36	0	\$204	\$0	\$204		\$88,128
15.00%	8	1	\$219	\$0	\$219		\$21,024
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
Totals	44						\$109,152

* Rent—if the project includes PHA/HUD/USDA subsidy, include the maximum contract rent in column G and leave columns D-F blank.

** Annual gross rental income must match Year 1 "Gross Rental Income" entered on Operating Pro Forma. Revenue other than rental income must be noted on Forms 12B and 13A and 13B.

**Harvey Hall Senior Housing
Proposed Rent Levels**

**Harvey Hall Senior Housing
Operating Pro Forma**

Instructions:

• Complete all 15 years of the pro forma and provide descriptions of operating and service expenses.

REVENUES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential Income (Use 2.5%/year inflation factor)							
(From Rent Level Form) Gross Rental Income	\$108,152	\$111,881	\$114,878	\$117,545	\$120,483	\$123,495	\$128,583
Other Revenue Sources and Operating Subsidies							

State O&M	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$81,149	\$83,584
McKinney	\$246,110	\$252,263	\$258,570	\$265,034	\$271,660	\$278,451	\$285,413
Other Subsidy (2163, Human Services Levy, Etc)							
Subtotal services and other revenue	\$110,000	\$112,750	\$115,569	\$118,458	\$121,419	\$124,455	\$127,566
Total Residential Income	\$426,110	\$437,113	\$448,401	\$459,983	\$471,865	\$484,055	\$496,563
Total Non-Residential - Auditorium Lease	\$535,262	\$548,994	\$563,079	\$577,528	\$592,348	\$607,551	\$623,145
Vacancy Factor		\$0	\$0	\$0	\$0	\$0	\$0

Less Residential Vacancy (at 3%)	\$16,058	\$16,470	\$16,892	\$17,326	\$17,770	\$18,227	\$18,694
Less Non-Residential Vacancy (at 2%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$519,205	\$532,524	\$546,187	\$560,202	\$574,578	\$589,324	\$604,451

EXPENSES

Operating Expenses- (Use 3.5%/year Inflation factor)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Heat	\$8,530	\$8,829	\$9,138	\$9,458	\$9,789	\$10,131	\$10,485
Electric	\$19,882	\$20,577	\$21,298	\$22,043	\$22,815	\$23,613	\$24,440
Water & Sewer	\$10,501	\$10,868	\$11,249	\$11,642	\$12,050	\$12,472	\$12,908
Garbage Removal	\$5,360	\$5,568	\$5,763	\$5,965	\$6,174	\$6,390	\$6,613
Contract Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and janitorial	\$41,248	\$42,692	\$44,186	\$45,732	\$47,333	\$48,990	\$50,704
Replacement Reserve	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - Off-site	\$13,303	\$13,769	\$14,251	\$14,749	\$15,266	\$15,800	\$16,353
Management - On-site	\$140,000	\$144,900	\$149,972	\$155,221	\$160,653	\$166,276	\$172,096
Insurance	\$16,000	\$16,560	\$17,140	\$17,739	\$18,360	\$19,003	\$19,668
Accounting	\$13,926	\$14,414	\$14,918	\$15,440	\$15,981	\$16,540	\$17,119
Marketing	\$400	\$408	\$416	\$424	\$433	\$442	\$450
Real Estate Taxes	\$120	\$124	\$129	\$133	\$138	\$143	\$148
Other	\$73,346	\$75,547	\$77,813	\$80,148	\$82,552	\$85,029	\$87,579
Services (enter details on Form 111)	\$160,220	\$161,822	\$163,440	\$165,075	\$166,728	\$168,393	\$170,077
Total Expenses	\$518,257	\$531,479	\$545,112	\$559,170	\$573,668	\$588,620	\$604,042

Net Operating Income (Income - Total Expenses)

Debt Service on	\$948	\$1,046	\$1,075	\$1,031	\$909	\$704	\$409
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Debt Service on	Loan Amount	Rate (%)	Amortization (years)
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$948	\$1,046	\$1,075	\$1,031	\$909	\$704	\$409	
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Harvey Hall Senior Housing
Operating Pro Forma**

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income - (Use 2.5%/year inflation factor)								
(From Rent Level Form)	\$129,747	\$132,991	\$136,316	\$139,724	\$145,313	\$148,946	\$156,393	\$164,212
Other Revenue Sources and Operating Subsidies								
State O&M	\$86,091	\$88,243	\$90,450	\$92,711	\$95,029	\$97,404	\$99,839	\$102,335
McKinney	\$292,546	\$299,862	\$307,358	\$315,042	\$322,918	\$330,981	\$339,266	\$347,748
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Subsidy (2163, Human Services Levy, Etc	\$132,669	\$135,986	\$139,385	\$142,870	\$146,442	\$150,103	\$153,855	\$157,702
Subtotal services and other revenue	\$511,308	\$524,091	\$537,193	\$550,623	\$564,388	\$578,498	\$592,961	\$607,785
Total Residential Income	\$641,055	\$657,082	\$673,509	\$690,347	\$709,701	\$727,444	\$749,353	\$771,997
Total Non-Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Factor								
Less Residential Vacancy (at 3%)	\$19,232	\$19,712	\$20,205	\$20,710	\$21,291	\$21,823	\$22,481	\$23,160
Less Non-Residential Vacancy (at 10%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$621,824	\$637,369	\$653,304	\$669,636	\$688,410	\$705,620	\$726,873	\$748,837

EXPENSES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-- (Use 3.5%/year inflation factor)								
Heat	\$10,853	\$11,233	\$11,626	\$12,033	\$12,454	\$12,890	\$13,341	\$13,808
Electric	\$25,295	\$26,180	\$27,097	\$28,045	\$29,027	\$30,042	\$31,084	\$32,152
Water & Sewer	\$13,360	\$13,828	\$14,312	\$14,812	\$15,331	\$15,867	\$16,423	\$16,998
Garbage Removal	\$6,845	\$7,084	\$7,332	\$7,589	\$7,855	\$8,130	\$8,414	\$8,709
Contract Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance and janitorial	\$52,479	\$54,316	\$56,217	\$58,184	\$60,221	\$62,329	\$64,510	\$66,768
Replacement Reserve	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400	\$15,400
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - Off-site	\$16,925	\$17,518	\$18,131	\$18,765	\$19,422	\$20,102	\$20,806	\$21,534
Management - On-site	\$178,119	\$184,353	\$190,806	\$197,484	\$204,396	\$211,550	\$218,954	\$226,617
Insurance	\$20,356	\$21,069	\$21,806	\$22,570	\$23,360	\$24,177	\$25,023	\$25,899
Accounting	\$17,718	\$18,338	\$18,980	\$19,645	\$20,332	\$21,044	\$21,780	\$22,543
Marketing	\$459	\$469	\$478	\$488	\$497	\$507	\$517	\$528
Real Estate Taxes	\$153	\$158	\$164	\$169	\$175	\$181	\$188	\$194
Other	\$80,207	\$82,913	\$85,700	\$88,571	\$91,529	\$94,574	\$97,712	\$100,943
Services (enter details on Form 11)	\$170,077	\$171,778	\$173,495	\$175,230	\$176,983	\$178,752	\$180,540	\$182,345
Total Expenses	\$618,247	\$634,637	\$651,544	\$668,986	\$686,980	\$705,546	\$724,702	\$744,468

Net Operating Income (Income - Total Expenses)	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	\$3,577	\$2,733	\$1,760	\$650	\$1,430	\$74	\$2,171	\$4,370
Debt Service on								
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Gross Cash Flow	\$3,577	\$2,733	\$1,760	\$650	\$1,430	\$74	\$2,171	\$4,370
Debt Coverage Ratio (DCR)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Harvey Hall Senior Housing Operating Budget Details

Operating Subsidies

Instructions:

- Note the source, amount, and status of any non-rental income (i.e., laundry, parking) and operating subsidies (i.e., program fees or operating and maintenance subsidies). This information is also summarized on Form 12A.
- Do not include service revenue on this page.

Source	Proposed	Conditional/ Committed	Total
			\$0
			\$0
			\$0
			\$0
			\$0
Total Operating Subsidies	\$0	\$0	\$0

Vacancy Rates and Inflation Factors

If vacancy rates and/or inflation factors do not match HTF guidelines, provide an explanation for any discrepancies.

The operating budget assumes a 3% vacancy rate. AHA currently maintains a waiting list 13 month long with individuals eligible for housing at the proposed Harvey Hall. Vacancies at similar AHA projects are consistently below 3%.

Operating Expenses

Instructions:

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	8,530	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Electric	19,882	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Water & Sewer	10,501	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Garbage Removal	5,380	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Contract Repairs	-	
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	41,248	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Replacement Reserve	15,400	\$250/unit/year
Operating Reserve	-	
Off-Site Management	13,303	Management Fee = (5% of Gross Income) GP Management Fee = \$2,000.
On-Site Management	191,414	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Insurance	16,000	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake.
Accounting	13,926	Annual audit. Book Keeping.
Marketing	400	Advertising for project staff.
Real Estate Taxes	120	This project will have a real estate tax exemption. Some fees cannot be exempted.
Other (include identification of items and cost estimates for each)	73,346	Based on estimate and 2006 budget for AHA's similar project - St. Martin's Westlake. Includes food service fees.

Harvey Hall Senior Housing Service Revenue and Expenses

Instructions:

- Include services on Form 11B and the operating pro-forma.
- Indicate each source of service revenue and type of service expense, the corresponding term of commitment and the revenue/expense for years one, five and ten.

Support Services Revenue		YEAR 1
(Term of Commitment)		
A	Rent / Housing Operations Income Applied	
B	Other Sources (McKinney/HUD)	\$ 246,110.00
C	Other Sources (2163/Human Service Levy/etc)	\$ 80,000.00
D	Total Support Services Revenue	\$ 326,110.00

Support Services Expenses		YEAR 1
1	Total Personnel <i>(autofill from form 11C)</i>	\$ 73,384.41
2	Local Travel / Mileage	
3	Equipment	
4	Supplies	
5	Telecommunications	
6	Printing / Duplication	
7	Mail / Postage	
8	Subcontracted Services - Agency A <i>(autofill from form 11D)</i>	\$ 12,000.00
9	Subcontracted Services - Agency B <i>(autofill from form 11D)</i>	\$ 42,000.00
10	Cash Assistance to Families	
11	Other	
12	Overhead Allocation	\$ 32,836.00
13	Other	
14	Other	
15	Other	
16	Subtotal Direct Expenses (Sum Line 1-15)	\$ 160,220.41
17	Project Administration <i>(up to 10% of Line 16)</i>	
18	Total Support Services Expenses	\$ 160,220.41

19	Net Gain / Loss <i>(this amount should be zero)</i>	\$ 165,889.59
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Attachments

- Services funding commitment letters

**Harvey Hall Family Housing
Services Personnel Detail
Salaries And Fringe Benefits**

No.	Position Title	FTE	Annual Base Salary	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
	A.	C.	B.	D.	E.
1	Front Desk Staff	1.00	\$ 25,000	100%	\$ 25,000
2	Resident Service Manager	1.00	\$ 32,783	100%	\$ 32,783
3			\$ -	0%	\$ -
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8			\$ -	0%	\$ -
9			\$ -	0%	\$ -
10			\$ -	0%	\$ -
11	Subtotal Salaries		\$ 57,783	0.00	\$ 57,783
12	Fringe Benefits @ 27%		\$ 15,601		\$ 15,601
13	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 73,384	0.00	\$ 73,384

**Harvey Hall Senior Housing
Subcontracted Support Services Budget Detail**

Please complete on budget for each agency with which you intend to subcontract for support services, both On- and Off-site.

Subcontracted Support Service Expenses - Agency A	
Service Agency Name:	Volunteer Service
1 Total Personnel	\$ 12,000.00
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ 12,000.00

Subcontracted Support Service Expenses - Agency B	
Service Agency Name:	Mental Health - UIATF
1 Total Personnel	\$ 42,000.00
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ 42,000.00

**CONCEPTUAL
CONSTRUCTION COST BUDGET**

C.	Multi-Purpose Community Facility:	Gross SF	Cost per SF	Amount	Notes:
1.	Adaptive Reuse Areas:				
2.	Site Work (associated directly with this building):	6,650	\$60	\$399,000	Existing Building 222. Includes +/- 10% Design Contingency Allowance.
3.	Basic Construction Cost:		TOTAL:	\$25,000	
4.	Bonds:			\$424,000	
5.	Infrastructure Improvements:			\$5,190	1% of sum of C3, C5, C6. Allowance.
6.	HAZMAT Abatement & Monitoring:			\$30,000	Allowance.
7.	Construction Contingency:			\$65,000	Allowance.
8.	Sales Taxes:			\$78,629	15% of sum of C3, C4, C5, C6.
9.	A/E Fees:			\$46,129	8.8% of sum of C3, C4, C5, C6. Allowance.
10.	Permits, Fees & Hookups:			\$54,500	2% of sum of C3, C4, C5, C6.
				\$10,484	

Assumptions & Clarifications

1. All costs indicated are in January, 2007 costs.
2. Developmental soft costs are included only to the extent indicated.
3. The age and working condition of mechanical and electrical systems are not known at this time. The Concept Budget assumes major retrofit of these systems.
4. The extent of HAZMAT requiring abatement has not been determined/made available at this time.
5. Improvements to the Multi-Purpose Community Facility, Building 222, assumes the building will be considered a "non-substantial" rehab.
6. The sales tax numbers do not include sales tax on Construction Contingencies.

Leisy Commons

Residential

- Housing for Homeless Veterans and Individuals
- Conservation Corps
- Artist Housing

Non Residential

- Non-profit offices
- Community Day Care
- UIATF College

OWNERSHIP AND MANAGEMENT		
Project Owner		UIATF
Developer		LJHI
Residential		
	Property Manager	LJHI
	Service Provider	UIATF & Seattle Mental Health
Non Residential		
	Non-profit offices	Leased to parks
	Day Care	Leased to operator
	College	Leased to UIATF

BUILDING INFORMATION		
	Site Area	127,917 sf
	Residential Area	46,265 gsf
	Non-profit offices	700 gsf
	Day Care	3,100 gsf
	College	16,735 gsf
	Total Bldg Area	66,800 gsf
Residential Unit Mix		
	Studios	68 units
	1 BR	7 units
	Total	75 units

LEISY COMMONS NARRATIVE

- 1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.**

Leisy Commons will be undergo a “gut rehab” to house 75 homeless adults who are extremely low income, chronically homeless according to the HUD McKinney definition, and some of whom are managing the mentally illness and/or chemically dependency. Thirty eight of the units will be set aside for homeless veterans, a subset of the homeless population whose housing needs have been under-served in our region. All the residents will receive on-site case management services from Seattle Mental Health. Their income will be at or below 30% of AMI for King County, with nearly all residents having incomes less than \$7,000 per year.

The homeless veterans and other homeless men and women will be referred by UIATF, Seattle Mental Health, AHA, King County Community Services Division Veterans Program, the US Veterans Administration, the Salvation Army, Lutheran Compass Center and other organizations. Homeless people living in existing VA Per Diem Programs and King County funded veteran beds are also a source of referral. These programs provide time limited transitional housing for veterans such as those operated by the Salvation Army, LIHI Santos Place and Compass Center. The agency staff are seeking permanent housing options for their veterans who must transition out of these programs.

We will also work closely with UIATF to market the units to homeless Native American men and women as this population is over-represented in shelters and among the homeless. Seattle Mental Health will provide outreach to other agencies such as Seattle Indian Health Board, King County Recovery Center and other facilities to recruit Native American applicants.

LIHI has formed a partnership with the Seattle Conservation Corp to house participants working in a job training program sponsored by Seattle Parks and Recreation. The participants are homeless and need stable housing in order to participate most effectively in the Conservation Corp. See attached letter from Daphne De Venaro of the SCC.. We anticipate setting aside 10 units in Leisy Commons for Conservation Corp members.

LIHI will also reach out to homeless artists who need housing and studio space. We envision setting aside 6 units for artists and will provide them artist studio space in Building 222, which will be converted to a multi-purpose community building. We believe artists who are homeless can benefit from the resources at Lawton Wood and

will enhance the livability and make a significant contribution to the cultural life at Fort Lawton.

We anticipate that the residents will range from 25 to over 65 years of age. Approximately 15 to 20% will be women and 45% will be minorities. To encourage a sense of independent and personal dignity, each resident will have a private, self-contained, studio apartment with private bathroom and full kitchen.

The United Indians of All Tribes Foundation will be locating their college at Leisy Commons on the first floor. This will be developed in Phase 2, to provide time for UIATF to undertake a capital campaign. Approximately 16,000 SF will be reserved for this purpose.

The building's first floor will also include a community child care center, outdoor children's play area, tenant lounge including a computer lab, library and kitchenette, and three private case management offices for the Seattle Mental Health practitioners. While most case management services will be delivered on site, Seattle Mental Health will coordinate client services and refer to their off-site locations as necessary for professional/psychiatric consultations, trainings, job search and other relevant occupational, social and health services.

LIHI with the cooperation of Seattle Mental Health will operate the housing at Leisy Commons as alcohol and drug fee housing.

LIHI, acting as developer, sponsor and property manager for Leisy Commons, welcomes the participation of our partners. These include the United Indian Tribes Foundation, Seattle Mental Health, the King County Veterans Program, Salvation Army and the Lutheran Compass Center. Together homeless housing at Leisy Commons will come to represent a concept of home and community.

LIHI is one of the largest providers of housing for homeless families and individuals in the State. We have extensive experience in operating both transition and permanent housing for homeless persons and those with special needs. Our Resident Services and Housing Management staff have on-going relationships with shelters, transitional housing programs, social service and faith-based organizations that serve homeless clients.

2. Describe the need for the proposed homeless assistance program.

Leisy Commons will create much-needed new permanent supportive housing for chronically homeless people including veterans and other homeless individuals. Leisy Commons will support 24 hour/7 day a week staffing by experienced, trained persons sympathetic with the challenges of living with persistent and severe mental illness. On-site staff will be available to intervene in crises and steer residents to appropriate services at any time. Because case managers will have offices on site, residents will be able to access their case managers with conveniently and regularly. This will be particularly

helpful for some who might otherwise have difficulty attending meetings. Because of this built-in convenience, residents can receive more frequent services. Case managers will have better and more comprehensive information about their clients' needs and will have more frequent and varied kinds of contact with clients. Case managers will be able to initiate appropriate interventions quickly to help avoid problems before they occur or improve a situation quickly. This will prevent the all too frequent situation where a stabilized client relapses for any number of reasons as a result of their mental illness, and may then engage in behavior that destabilizes their living situation. See attached MOU between LIHI and Seattle Mental Health who has agreed to provide case management, mental health and drug/alcohol counseling, employment training and other services to resident of Leisy Commons.

Special Design Features: Key to providing the services mentioned above are ground level offices, counseling offices, and community meeting spaces. A monitored and secured entrance allows visitors to the building to be screened and is a central to ensuring a secure environment, preventing unwanted and/or unapproved guests. There will be 24 hour, seven days per week staffing of the project. Staff members on duty at all times assist residents with problem solving and enhance their chances for recovery and health. The units will be designed with special safety feature such as ranges with timed shut-offs to prevent overheating, overflow protectors for sinks in both kitchen and bath to prevent water overflow, and an intercom connection from each unit to the front desk. In addition, durable and washable surfaces for floors, walls and countertops will be incorporated into the design. Accessible entrance, ADA compliant units, and security cameras are additional features that enhance the safety of the building.

Homelessness remains a major problem throughout Seattle, King County, and Washington. The Seattle's 2005-2008 Consolidated Plan and King County's 10-Year Plan to End Homelessness describe a local situation in which the number of homeless people in need of supportive housing far exceeds the number of units available.

Residents at Leisy Commons will have incomes averaging less than \$7,000 per year, the amount available to persons receiving Supplemental Security Income (SSI). With income so low it is extremely difficult to secure even the most basic of survival needs, such as food, shelter, clothing and medical care. In turn this leads to ill health from lack of proper nutrition and exposure. Impoverished people face the added burden of not being able to participate in the majority of community activities which cost money or are not accessible by public transportation. Homelessness creates and exacerbates existing problems by preventing a person from organizing their life in a meaningful way and exposing them to high levels of health risks and dangers present when living on the streets. Real progress is difficult to achieve. They experience a frustrating and defeating system. Finally, the homeless residents we intend to serve face numerous health issues resulting from the secondary affects of poverty, mental illness and homelessness. Most are malnourished due to lack of money to buy healthy nutritious food and the inability to prepare food. Most lack proper dental care, which causes infections and tooth loss. Many of the homeless have developed other diseases of the impoverished, such as

diabetes, asthma, heart conditions, and strokes, with the majority of these conditions worsened by lack of proper care and treatment.

- 3. Describe how the program will be coordinated with other homeless assistance programs in the communities in the vicinity of Fort Lawton and/or the community at-large.**

The project will draw from all of King County and especially from Seattle, where most shelter beds and common outdoor sleeping places for homeless adults are located. The community of Magnolia is not a service-rich neighborhood for people suffering from chronic conditions and poverty, however the partnerships that will be well functioning and alive in Ft. Lawton's reuse will enrich the diversity of the campus and respond to the needs of the residents who are welcomed to live there. The network of existing community centers, adult classes and parks will support the Ft. Lawton residents. Magnolia has an excellent community center and outdoor swimming pool, along with magnificent parks and recreational opportunities for walks, contemplation and fresh air in Discovery Park.

- 4. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation. A form and instructions are available by request or from the City of Seattle Fort Lawton website**

Please see the project time line entitled "Lawton Wood Project Time Lines," which outlines the overall development program and the timeline for physical development.

- 5. If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under "Organizational Capacity." For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.**

Please see organizational profiles in the Appendix. You will also note a chart entitled, "Roles of Partners Throughout the Property" that is featured in The "Partnership" section of this submittal. See MOU attached.

- 6. Describe how the proposed program aligns with the goals of the King County Ten-Year Plan to End Homelessness and the City of Seattle Consolidated Plan for Housing and Community Development.**

Homelessness remains a major problem throughout Seattle, King County, and Washington. The Seattle's 2005-2008 Consolidated Plan and King County's 10-Year Plan to End Homelessness describe a local situation in which the number of homeless people in need of supportive housing far exceeds the number of units available.

The 2005-2008 Seattle Consolidated Plan refers to 4,900 adults meeting the federal definition of chronic homelessness. The 10-Year Plan to End Homelessness estimates over 5,000 single adults in King County every night, nearly half of whom are chronically homeless. Over the course of 10 years, the Plan calls for the creation of 7,300 units of housing for single adults, 2,900 of which will require intensive on-site services. Leisy Commons contributes to meeting that goal. The Seattle-King County Coalition for the Homeless counted approximately 2,000 people sleeping outdoors one night in 2006. It is estimated that 25% or more of homeless persons are veterans. These harsh conditions cause many of these homeless persons to suffer from serious health consequences. Their mental illness and co-occurring alcohol and drug use can be seen as both a cause and an effect of their continuing homelessness.

The Consolidated Plan refers to supportive housing as "a critical requirement for sustaining housing stability" for homeless people, and goes on to advocate for the "housing first" approach that places people of need in housing, and marries housing with adequate supportive services. The housing model proposed for Leisy Commons directly addresses the goals identified by the 10 Year Plan calling for supportive housing with intensive on-site services. Our project will have 24/7 staffing, including qualified mental health staff to meet the clinical, social and health needs of residents. The residents at Leisy Commons will receive the support and treatment necessary to remain housed for the long-term, and to end their plight on the streets and in shelters

Buildings or Property Necessary to Carry Out Program

- 1. Describe which buildings or property are necessary to carry out the program and the other physical requirements necessary to carry out the program.**

Background

Reportedly constructed in several stages during the 1970's, the existing complex is named for University of Washington alumnus and Medal of Honor recipient, Army 2nd Lt. Robert R. Leisy (KIA, 1969). Consisting of three distinct portions, the building complex contains approximately 66,800 GSF of concrete construction. Two of the three building portions are two-story while the last portion consists of tall, one story construction. Due to differences in surrounding grade levels, the upper floor of the east building aligns with the first floor of the other buildings. The majority of the complex is devoted to office related space while the one story portion provides a mix of support spaces for armory, mess and training uses. As with Harvey Hall, all portions of the complex are well maintained in good, functional condition but no specific information regarding building systems is available from the Army at this time.

- 2. Indicate whether existing buildings will be used and any new construction or rehabilitation anticipated on the requested property necessary for program implementation.**

Proposed Adaptive Reuse

The existing building complex appears reasonably well suited for a mix of uses. The majority of the building area will be used to create 75 studio and one bedroom apartment units serving homeless individuals such as Veterans, Seattle Park Conservation Corps members and artists. The one story portion will be reused for a community child care center, offices and college the United Indians of All Tribes College (future phase 2). All systems will be retrofitted or replaced as appropriate, seismic improvements installed, and a fire sprinkler system and elevator added. New wall/window infill panels will be installed where new uses require. As with Harvey Hall, construction improvements, equipment and materials will meet or exceed recognized energy and environmental sustaining standards. A major reduction in paved parking area is also planned.

- 3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.**

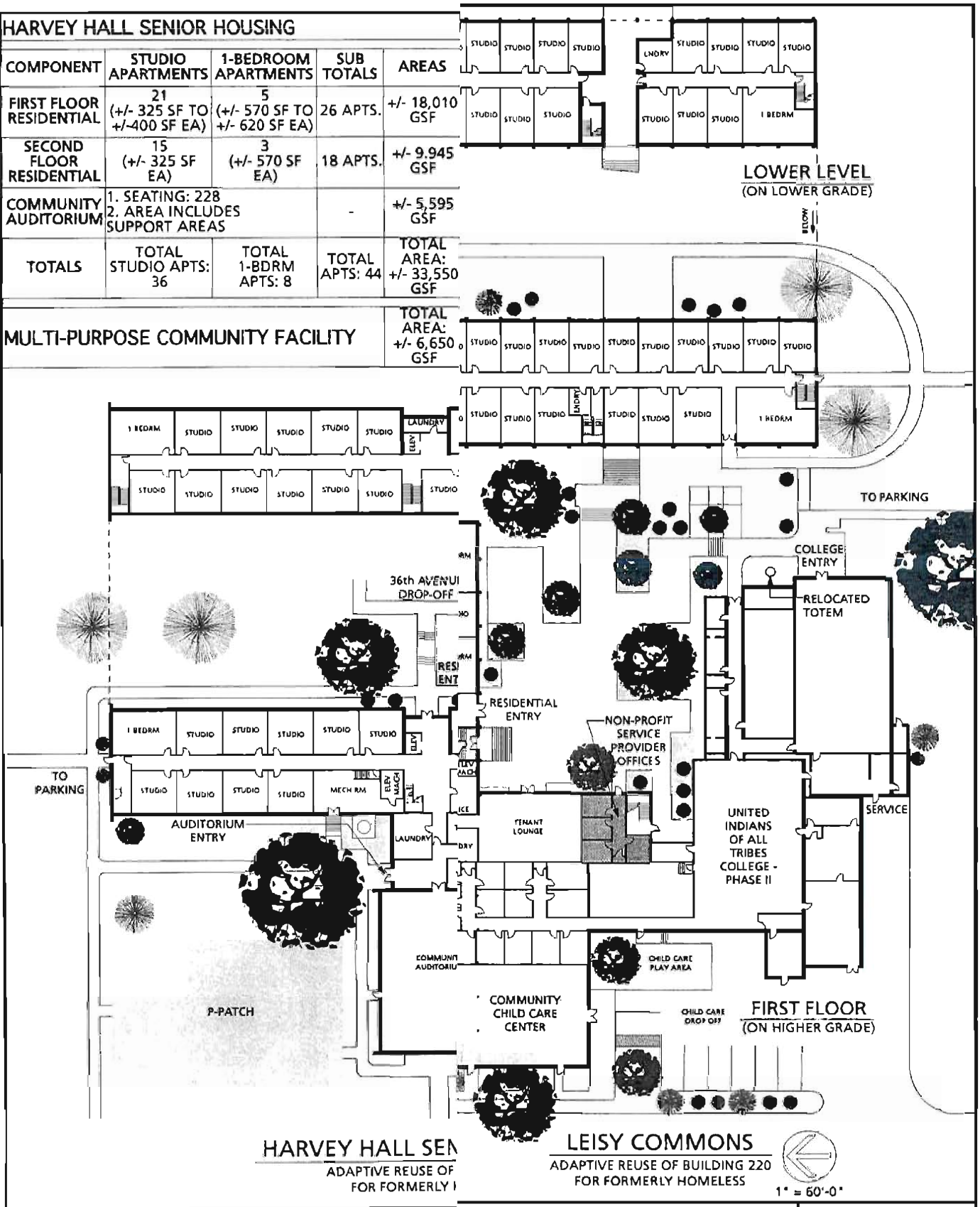
A General Re-Zone will be necessary for the project to proceed.

HARVEY HALL SENIOR HOUSING

COMPONENT	STUDIO APARTMENTS	1-BEDROOM APARTMENTS	SUB TOTALS	AREAS
FIRST FLOOR RESIDENTIAL	21 (+/- 325 SF TO +/- 400 SF EA)	5 (+/- 570 SF TO +/- 620 SF EA)	26 APTS.	+/- 18,010 GSF
SECOND FLOOR RESIDENTIAL	15 (+/- 325 SF EA)	3 (+/- 570 SF EA)	18 APTS.	+/- 9,945 GSF
COMMUNITY AUDITORIUM	1. SEATING: 228 2. AREA INCLUDES SUPPORT AREAS		-	+/- 5,595 GSF
TOTALS	TOTAL STUDIO APTS: 36	TOTAL 1-BDRM APTS: 8	TOTAL APTS: 44	TOTAL AREA: +/- 33,550 GSF

MULTI-PURPOSE COMMUNITY FACILITY

TOTAL AREA: +/- 6,650 GSF



HARVEY HALL SEN
ADAPTIVE REUSE OF
FOR FORMERLY I

LEISY COMMONS
ADAPTIVE REUSE OF BUILDING 220
FOR FORMERLY HOMELESS



SMR Architects PLLC
911 Western Avenue, Suite 200
Seattle, WA 98104

PH 206.623 1104
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Sheet:
1 OF 1
Date: 01/10/2007

Leisy Commons Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Total Project Cost	Residential Total	HTF	King Co. Vet Levy	King Co. HFP	Seattle OH	LIHTC
Purchase Price	\$0	\$0				
Liens	\$0	\$0				
Closing, Title & Recording Costs	\$10,000	\$10,000	\$10,000			
Extension payment	\$0	\$0				
Other: _____	\$0	\$0				
SUBTOTAL	\$10,000	\$10,000	\$10,000	\$0	\$0	\$0

Construction:

Basic Construction Contract	\$9,416,775	\$7,865,050			\$2,218,420	\$5,646,630
Bond Premium	\$104,668	\$87,420	\$87,420			
Infrastructure Improvements	\$200,000	\$167,043	\$46,456	\$120,587		
Hazardous Abate. & Monitoring	\$850,000	\$709,934		\$316,771	\$393,163	
Construction Contingency 10.0%	\$1,585,716	\$1,324,417				\$1,324,417
Sales Taxes 8.8%	\$930,287	\$776,991				\$776,991
Other Construction Costs: _____	\$0	\$0				
Other Construction Costs: _____	\$0	\$0				
SUBTOTAL	\$13,087,446	\$10,930,856	\$133,876	\$437,358	\$393,163	\$2,218,420

Development:

Appraisal	\$4,500	\$3,758	\$3,758			
Architect/Engineer	\$1,013,000	\$846,075	\$846,075			
Environmental Assessment	\$12,500	\$10,440	\$10,440			
Geotechnical Study	\$6,250	\$5,220	\$5,220			
Boundary & Topographic Survey	\$12,500	\$10,440	\$10,440			
Legal	\$35,000	\$29,233	\$29,233			
Developer Fee	\$375,000	\$313,206	\$62,641	\$62,641	\$62,641	\$62,641
Project Management	\$0	\$0				
Technical Assistance	\$0	\$0				
Other Consultants: _____	\$0	\$0				
Other: _____	\$100,000	\$83,522	\$83,522			
SUBTOTAL	\$1,558,750	\$1,301,894	\$1,051,329	\$62,641	\$62,641	\$62,641

Other Development:

Real Estate Tax	\$18,500	\$15,452	\$15,452			
Insurance	\$55,000	\$45,937	\$45,937			
Relocation	\$0	\$0				
Bidding Costs	\$6,500	\$5,429	\$5,429			
Permits, Fees & Hookups	\$211,429	\$176,589	\$176,589			
Impact/Mitigation Fees	\$0	\$0				
Development Period Utilities	\$0	\$0				
Construction Loan Fees	\$58,500	\$48,860	\$48,860			
Construction Interest	\$546,000	\$456,028				\$456,028
Other Loan Fees (Impact Capital, State HTF, etc.)	\$15,000	\$12,528	\$12,528			
LIHTC Fees	\$130,000	\$108,578		\$44,195		\$64,383
Accounting/Audit	\$9,750	\$8,143				\$8,143
Marketing/Leasing Expenses	\$12,000	\$10,023				\$10,023
Carrying Costs at Rent up	\$25,000	\$20,880				\$20,880
Operating Reserves	\$90,000	\$75,170				\$75,170
Replacement Reserves	\$37,500	\$31,321				\$31,321
SUBTOTAL	\$1,215,179	\$1,014,938	\$304,795	\$0	\$44,195	\$0

Total Development Cost:	\$15,871,374	\$13,257,689	\$1,500,000	\$500,000	\$500,000	\$2,281,061	\$8,476,627
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Leisy Commons Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

SUBTOTAL

Non-Residential Total	Non-Residential			
	UIATF Cap Cam	HSD CDBG	Source	Source
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (____%)
Sales Taxes
Other Construction Costs: _____

Other Construction Costs: _____

SUBTOTAL

\$1,551,725				
\$17,248				
\$32,957				
\$140,066				
\$261,299				
\$153,296				
\$0				
\$0				
\$2,156,589		\$0	\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____

SUBTOTAL

\$742				
\$166,925				
\$2,060				
\$1,030				
\$2,060				
\$5,767				
\$61,794				
\$0				
\$0				
\$0				
\$16,478				
\$256,856		\$0	\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

SUBTOTAL

\$3,048				
\$9,063				
\$0				
\$1,071				
\$34,840				
\$0				
\$0				
\$9,640				
\$89,972				
\$2,472				
\$21,422				
\$1,607				
\$1,977				
\$4,120				
\$14,830				
\$6,179				
\$200,241		\$0	\$0	\$0

Total Non-Residential Cost:

\$2,613,686	\$2,213,686	\$400,000	\$0	\$0
-------------	-------------	-----------	-----	-----

Leisy Commons Residential Development Budget Narrative

Instructions:

- For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Total Residential Cost	
\$0	
\$0	
\$10,000	Estimate based on similar project
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____

\$9,416,775	SMR Conceptual Construction Estimate
\$104,888	SMR Conceptual Construction Estimate
\$200,000	SMR Conceptual Construction Estimate
\$850,000	SMR Conceptual Construction Estimate
\$1,585,718	SMR Conceptual Construction Estimate
\$930,287	SMR Conceptual Construction Estimate
\$0	
\$0	

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____

\$4,500	Based on similar project
\$1,013,000	
\$12,500	LIHI Estimate based on similar project
\$8,250	LIHI Estimate based on similar project
\$12,500	Based on similar project
\$35,000	Based on similar project
\$375,000	Approx. 2.5% of Total Project Cost (City of Seattle Table)
\$0	
\$0	
\$0	
\$100,000	Special Inspections and Soft Cost Contingency

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$18,500	Based on similar project
\$55,000	Estimate from Insurance Broker
\$0	N/A
\$6,500	Estimate
\$211,429	SMR Conceptual Construction Estimate
\$0	N/A
\$0	N/A in Basic Construction Contract
\$58,500	\$7.8MM @ 0.75%
\$548,000	\$7.8MM @ 7%
\$15,000	Estimate
\$130,000	WSHFC Tax Credit Fee Schedule
\$9,750	LIHI Estimate Based on Similar Projects
\$12,000	LIHI Estimate Based on Similar Projects
\$25,000	LIHI Estimate Based on Similar Projects
\$90,000	LIHI Estimate Based on Similar Projects
\$37,500	\$500/Unit

Leisy Commons Project Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

<i>For each new task you enter in this column, also enter the appropriate category in the first column.</i>			
Category	Tasks	Date Completed/E	Status
Site Control	Purchase		(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey		
Feasibility Analysis/Due Diligence	Market study		(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment		
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment		
Feasibility Analysis/Due Diligence	SEPA/NEPA		
Feasibility Analysis/Due Diligence	Capital needs assessment		
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)		
Feasibility Analysis/Due Diligence	Relocation of existing tenants		

Leisy Commons Project Schedule

Financing	Appraisal	(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	
Financing	Application for funding (specify source):*	
Financing	Application for funding (specify source):	
Financing	Application for funding (specify source):	
Financing	Construction cost estimate	
Financing	Lender selection	
Financing	Funding for services	
Financing	Award date for funding source (specify):*	
Financing	Award date for funding source (specify):	
Financing	Award date for funding source (specify):	
Design/Permitting	Preliminary drawings completed	(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Zoning approval	
Design/Permitting	Site plan approval	
Design/Permitting	Building permits issued	
Construction	Selection of general contractor	(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction	
Construction	Issued certificate of occupancy	
Occupancy	Selection of management entity	(e.g., Completed management company selection process in February 2005.)
Occupancy	Selection of service providers	
Occupancy	Begin lease-up	
Occupancy	Placed in service (90% Occupancy)	

Leisy Commons Proposed Rent Levels

Instructions:

- Use the current HUD Household Income Table to identify the percent of median household income for each unit size. The most current HUD table is located at <http://www.huduser.org/datasets/i.html>.
- In reading the HUD table, low income means 80% and very-low income means 50% of the area median income.

A	B	C	D	E	F	G	H
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Tenant-Paid Monthly Rent	Tenant-Paid Utilities	Sum of Tenant-Paid Rent and Utilities (D + E)	PHA/HUD/USDA Contract Rent **	Annual Gross Rental Income ** [B x (D or G) x 12]
<30%	50	Studio	\$160		\$160		\$96,000
<30%	25	Studio	\$90		\$90	\$552	\$27,000
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
Totals	75						\$123,000

* Rent—if the project includes PHA/HUD/USDA subsidy, include the maximum contract rent in column G and leave columns D-F blank.

** Annual gross rental income must match Year 1 "Gross Rental Income" entered on Operating Pro Forma. Revenue other than rental income must be noted on Forms 12B and 13A and 13B.

**Leisy Commons
Proposed Rent Levels**

**Leisy Commons
Operating Pro Forma**

Instructions:
• Complete all 15 years of the pro forma and provide descriptions of operating and service expenses.

REVENUES	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Residential Income (Use 2.5%/year Inflation factor) (From Rent Level Form) Gross Rental Income	\$123,000	\$126,075	\$129,227	\$132,458	\$135,769	\$139,163	\$142,642
Other Revenue, Sources and Operating Subsidies							
Slate O&M							
Vet Levy Services / 2163							
Seattle Mental Health Medicaid							

	\$415,000	\$425,375	\$436,009	\$446,910	\$458,082	\$469,534	\$481,273
	\$75,000	\$76,875	\$78,797	\$80,767	\$82,786	\$84,856	\$86,977
	\$171,286	\$175,568	\$179,957	\$184,456	\$189,068	\$193,794	\$198,639
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$661,286	\$677,818	\$694,764	\$712,133	\$729,936	\$748,184	\$766,889
	\$784,286	\$803,893	\$823,990	\$844,590	\$865,705	\$887,348	\$909,531
	\$0	\$0	\$0	\$0	\$0	\$0	\$0

	\$39,214	\$40,195	\$41,200	\$42,230	\$43,286	\$44,367	\$45,477
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$745,072	\$763,698	\$782,791	\$802,361	\$822,420	\$842,980	\$864,055

Less Residential Vacancy (at 5%)

Less Non-Residential Vacancy (at 10%)

Effective Gross Income

Operating Expenses- (Use 3.5%/year Inflation factor)

Heat	\$5,340	\$6,148	\$6,363	\$6,586	\$6,816	\$7,055	\$7,302
Electric	\$4,950	\$5,123	\$5,303	\$5,488	\$5,680	\$5,879	\$6,085
Water & Sewer	\$22,770	\$23,567	\$24,392	\$25,246	\$26,129	\$27,044	\$27,990
Garbage Removal	\$12,870	\$13,320	\$13,787	\$14,269	\$14,769	\$15,286	\$15,821
Contract Repairs	\$26,250	\$27,169	\$28,120	\$29,104	\$30,122	\$31,177	\$32,268
Maintenance and janitorial	\$30,000	\$31,050	\$32,137	\$33,262	\$34,426	\$35,631	\$36,878
Replacement Reserve (\$350/unit)	\$26,250	\$27,169	\$28,120	\$29,104	\$30,122	\$31,177	\$32,268
Operating Reserve	\$10,967	\$11,351	\$11,748	\$12,159	\$12,585	\$13,025	\$13,481
Management - Off-site	\$16,450	\$17,026	\$17,622	\$18,238	\$18,877	\$19,537	\$20,221
Management - On-site	\$112,000	\$115,920	\$119,977	\$124,176	\$128,523	\$133,021	\$137,677
Insurance	\$25,625	\$26,522	\$27,450	\$28,411	\$29,405	\$30,434	\$31,500
Accounting	\$8,500	\$8,798	\$9,105	\$9,424	\$9,754	\$10,095	\$10,449
Marketing		\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes		\$0	\$0	\$0	\$0	\$0	\$0
Other	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Services (enter details on Form 11B)	\$ 313,486	\$324,458	\$335,814	\$347,568	\$359,732	\$372,323	\$385,354
Total Expenses	\$638,558	\$660,908	\$684,039	\$707,981	\$732,760	\$758,407	\$784,951

Net Operating Income (Income - Total Expenses)

Debt Service

on	Loan Amount	Rate (%)	Amortization (years)
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

	\$106,514	\$102,791	\$98,762	\$94,380	\$89,660	\$84,574	\$79,104
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$106,514	\$102,791	\$98,762	\$94,380	\$89,660	\$84,574	\$79,104
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**Leisy Comments
Operating Pro Forma**

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income - (Use 2.5%/year Inflation factor) (From Rent Level Form)	\$146,208	\$149,864	\$153,610	\$157,450	\$161,387	\$165,421	\$169,557	\$173,796
Other Revenue Sources and Operating Subsidies								
State O&M	\$493,305	\$505,637	\$518,278	\$531,235	\$544,516	\$558,129	\$572,082	\$586,384
Vet Levy Services / 2163	\$89,151	\$91,380	\$93,665	\$96,006	\$98,406	\$100,867	\$103,388	\$105,973
Seattle Mental Health Medicaid	\$203,605	\$208,895	\$213,913	\$219,261	\$224,742	\$230,361	\$236,120	\$242,023
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal services and other revenue	\$786,061	\$805,713	\$825,856	\$846,502	\$867,665	\$889,356	\$911,590	\$934,380
Total Residential Income	\$932,270	\$956,576	\$979,466	\$1,003,962	\$1,029,051	\$1,054,777	\$1,081,147	\$1,108,176
Total Non-Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Factor								
Less Residential Vacancy (at 5%)	\$46,513	\$47,779	\$48,973	\$50,198	\$51,453	\$52,739	\$54,057	\$55,409
Less Non-Residential Vacancy (at 10%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$885,656	\$907,798	\$930,492	\$953,755	\$977,599	\$1,002,039	\$1,027,090	\$1,052,767

EXPENSES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses— (Use 3.5%/year Inflation factor)								
Heat	\$7,557	\$7,822	\$8,096	\$8,379	\$8,672	\$8,976	\$9,280	\$9,615
Electric	\$6,298	\$6,518	\$6,746	\$6,982	\$7,227	\$7,480	\$7,742	\$8,013
Water & Sewer	\$28,970	\$29,984	\$31,033	\$32,119	\$33,244	\$34,407	\$35,611	\$36,858
Garbage Removal	\$16,374	\$16,947	\$17,540	\$18,154	\$18,790	\$19,447	\$20,128	\$20,833
Contract Repairs	\$33,397	\$34,566	\$35,776	\$37,028	\$38,324	\$39,666	\$41,054	\$42,491
Maintenance and Janitorial	\$38,168	\$39,504	\$40,887	\$42,318	\$43,799	\$45,332	\$46,919	\$48,561
Replacement Reserve	\$33,397	\$34,566	\$35,776	\$37,028	\$38,324	\$39,666	\$41,054	\$42,491
Operating Reserve	\$13,953	\$14,441	\$14,947	\$15,470	\$16,011	\$16,572	\$17,152	\$17,752
Management - Off-site	\$20,929	\$21,662	\$22,420	\$23,204	\$24,017	\$24,857	\$25,727	\$26,628
Management - On-site	\$142,495	\$147,483	\$152,645	\$157,987	\$163,517	\$169,240	\$175,163	\$181,294
Insurance	\$32,602	\$33,743	\$34,924	\$36,147	\$37,412	\$38,721	\$40,076	\$41,479
Accounting	\$10,814	\$11,193	\$11,585	\$11,990	\$12,410	\$12,844	\$13,294	\$13,759
Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Services (enter details on Form 11B)	\$398,842	\$412,801	\$427,249	\$442,203	\$457,680	\$473,699	\$490,278	\$507,438
Total Expenses	\$812,424	\$840,859	\$870,289	\$900,749	\$932,275	\$964,905	\$998,677	\$1,033,630

Net Operating Income (Income - Total Expenses)	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Debt Service on	\$73,232	\$66,939	\$60,203	\$53,006	\$45,323	\$37,134	\$28,413	\$19,136
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$73,232	\$66,939	\$60,203	\$53,006	\$45,323	\$37,134	\$28,413	\$19,136
Projected Gross Cash Flow	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt Coverage Ratio (DCR)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Leisy Commons Operating Budget Details

Operating Subsidies

Instructions:

- Note the source, amount, and status of any non-rental income (i.e., laundry, parking) and operating subsidies (i.e., program fees or operating and maintenance subsidies). This information is also summarized on Form 12A.
- Do not include service revenue on this page.

Source	Proposed	Conditional/ Committed	Total
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Total Operating Subsidies	\$0	\$0	\$0

Vacancy Rates and Inflation Factors

If vacancy rates and/or inflation factors do not match HTF guidelines, provide an explanation for any discrepancies.

Operating Expenses

Instructions:

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	LIHI Estimate Based on Similar Projects (Common Areas)
Electric	LIHI Estimate Based on Similar Projects (Common Areas)
Water & Sewer	SHA Utility Allowance Schedules
Garbage Removal	SHA Utility Allowance Schedules
Contract Repairs	\$350/Unit
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	\$400/Unit
Replacement Reserve	\$350/Unit
Operating Reserve	4% of EGI
Off-Site Management	6% of EGI (Increases at 1%/year).
On-Site Management	Resident Manager (1.0 FTE) + Additional Building Personnel to Provide Full Time Staff and Security (2.5 FTE)
Insurance	LIHI Estimate Based on Similar Projects
Accounting	LIHI Estimate Based on Similar Projects
Marketing	LIHI Estimate Based on Similar Projects
Real Estate Taxes	Exempt from Real Property Taxes
Other (include identification of items and cost estimates for each)	Telephone, Office Supplies, Transportation, Staff Training, Tax Credit Compliance Fees and Costs

Leisy Commons Service Revenue and Expenses

Instructions:

- Include services on Form 11B and the operating pro-forma.
- Indicate each source of service revenue and type of service expense, the corresponding term of commitment and the revenue/expense for years one, five and ten.

Support Services Revenue		
	(Term of Commitment)	YEAR 1
A Rent / Housing Operations Income Applied		
B Other Sources: Veterans/Human Services Levy	(LIHI/SMH)	\$ 75,000.00
C Other Sources: MHCADSD/2163/CD Medicaid	(Seattle Mental Health)	\$ 171,286.00
D Total Support Services Revenue		\$ 246,286.00

Support Services Expenses		YEAR 1
1 Total Personnel <i>(autofill from form 11C)</i>		\$ 67,200.00
2 Local Travel / Mileage		
3 Equipment		
4 Supplies		
5 Telecommunications		
6 Printing / Duplication		
7 Mail / Postage		
8 Subcontracted Services - Agency A <i>(autofill from form 11D)</i>		\$ -
9 Subcontracted Services - Agency B <i>(autofill from form 11D)</i>		\$ 246,286.00
10 Cash Assistance to Families		
11 Other		
12 Other		
13 Other		
14 Other		
15 Other		
16 Subtotal Direct Expenses <i>(Sum Line 1-15)</i>		\$ 313,486.00
17 Project Administration <i>(up to 10% of Line 16)</i>		
18 Total Support Services Expenses		\$ 313,486.00

19 Net Gain / Loss <i>(this amount should be zero)</i>	\$ (67,200.00)
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Attachments

- Services funding commitment letters

**Leisy Commons
Services Personnel Detail
Salaries And Fringe Benefits**

No.	Position Title	FTE	Annual Base Salary	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
A.	C.	B.	D.	E.	
1	Director of Program Services	1.00	\$ 60,000	20%	\$ 12,000
2	Case Manager	1.00	\$ 40,000	50%	\$ 20,000
3	Program Coordinator	1.00	\$ 24,000	100%	\$ 24,000
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8			\$ -	0%	\$ -
9			\$ -	0%	\$ -
10			\$ -	0%	\$ -
11	Subtotal Salaries		\$ 124,000	0.00	\$ 56,000
12	Fringe Benefits @ 20%		\$ 24,800		\$ 11,200
13	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 148,800	0.00	\$ 67,200

Leisy Commons
Subcontracted Support Services Budget Detail

Please complete on budget for each agency with which you intend to subcontract for support services, both On- and Off-site.

Subcontracted Support Service Expenses - Agency A	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Subcontracted Support Service Expenses - Agency B	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

**CONCEPTUAL
CONSTRUCTION COST BUDGET**

	Gross SF	Cost per SF	Amount	Notes:
B. LEISY COMMONS:				
1. Residential Adaptive Reuse Areas:	46,265	\$170	\$7,865,050	Existing Building 220. Includes +/-10% Design Contingency.
2. Non-Profit Service Providers Offices:	700	\$90	\$63,000	Includes +/-10% Design Contingency.
3. Community Day-Care Facility Areas:	3,100	\$130	\$403,000	Includes +/-10% Design Contingency.
4. United Indians of all Tribes College Areas:	16,735	\$35	\$585,725	Seismic upgrades, M/E retrofit, and no T.I.
5. Site Work (associated directly with this building):			\$500,000	Allow. (Inc. Child Care Play Area & parking).
6. Basic Construction Cost:		TOTAL:	\$9,416,775	
7. Bonds:			\$104,668	1% of sum of B6, B8, B9.
8. Infrastructure Improvements:			\$200,000	Allowance.
9. HAZMAT Abatement & Monitoring:			\$850,000	Allowance.
10. Construction Contingency:			\$1,585,716	15% of sum of B6, B7, B8, B9.
11. Sales Taxes:			\$930,287	8.8% of sum of B6, B7, B8, B9.
12. A/E Fees:			\$1,013,000	Allowance.
13. Permits, Fees & Hookups:			\$211,429	2% of sum of B6, B7, B8, B9.

Assumptions & Clarifications

1. All costs indicated are in January, 2007 costs.
2. Developmental soft costs are included only to the extent indicated.
3. The age and working condition of mechanical and electrical systems are not known at this time. The Concept Budget assumes major retrofit of these systems.
4. The extent of HAZMAT requiring abatement has not been determined/made available at this time.
5. The SF cost of Leisy residential is larger than Harvey residential due to more extensive "soft story" conditions, and a resultant higher seismic upgrade cost.
6. The sales tax numbers do not include sales tax on Construction Contingencies.

MEMORANDUM OF UNDERSTANDING BETWEEN LOW INCOME HOUSING
INSTITUTE AND SEATTLE MENTAL HEALTH

LEISY HOUSING

This Memorandum of Understanding is made between the Low Income Housing Institute, 2407 1st Avenue, Seattle Washington 98121, a Washington non-profit corporation ("LIHI") and Seattle Mental Health, 1600 East Olive Street, Seattle Washington 98122, a Washington non-profit corporation ("SMH").

WHEREAS, LIHI plans to develop 75 units of new housing for homeless persons to be known as Leisy housing which will be part of the Fort Lawton housing project (herein "Leisy Housing"). The development will contain 75 studio units and will provide supportive housing for homeless individuals.

WHEREAS, LIHI and SMH desire to enter into an agreement whereby SMH will provide homeless outreach services; referrals; case management; mental health treatment and support services; vocational and employment services; and linkage with other services to the 75 homeless residents at Leisy Housing.

WHEREAS, LIHI and SMH desire to enter into this Memorandum of Understanding for the purpose of identifying the rights and responsibilities of the parties with respect to the referrals, case managements and mental health support services at Leisy Housing.

NOW THEREFORE, the parties agree as follows:

- 1) Term. The term of this Memorandum of Understanding commences upon the signature of the parties. This Memorandum of Understanding shall remain in effect for a three-year term with the option to renew for another three-year term. Either party may terminate this Memorandum of Understanding with 60 days advance written notice.
- 2) Obligations and Responsibilities of SMH. SMH shall:
 - a) Perform outreach to homeless single men and women with a focus on homeless veterans and the mentally ill. Establish linkages with the King County Veterans' Program and the VA on obtaining referrals for homeless veterans. Perform initial assessment of clients to be referred to Leisy Housing to ensure readiness to participate in the permanent supportive housing program and to ensure that such clients will meet all criteria for participation in the program as established by LIHI and SMH.
 - b) Provide LIHI with pre-screened referrals upon notification by LIHI of a vacant unit. SMH shall include in a referral packet a signed release of information from the potential client allowing collaboration and open

communication between LIHI and SMH staff. LIHI and SMH agree that LIHI will screen and conduct background checks on all referred clients. LIHI, in its sole discretion, shall determine whether a referred client shall be eligible for residency at Leisy Housing.

- c) SMH will provide a minimum of three full-time case managers who shall be stationed at Leisy Housing to fulfill the tasks described herein. The case managers shall be employees of SMH and SMH shall be responsible for payment of salaries and benefits. SMH will provide clinical and administrative supervision of these positions.
- d) SMH will provide case management and other supportive services to the 75 residents. The case managers will assist the residents in formulating and achieving goals to further resident stabilization; obtain income and benefit support; access health and mental health services; increase their skills; improve job readiness and achieve greater self-determination.
- e) SMH shall provide mental health services, counseling and crisis intervention to their clients throughout their residency.
- f) Maintain open communication with LIHI regarding treatment and services being provided to the clients.
- g) Provide collaborative case consultations with LIHI staff to ensure the success of each client.
- h) Provide emergency on-site response and immediate follow up with the clients and LIHI staff in relation to clients' mental health needs.
- i) SMH will establish an individual service plan with each accepted client and will provide a copy of the service plan to LIHI.
- j) Notify LIHI staff immediately of concerns related to possible relapse, decomposition of mental state and/or issues that may jeopardize the residency and long-term success of a client. SMH staff will meet weekly with LIHI staff and prepare quarterly reports on clients' progress on meeting individual service plans. SMH will work with LIHI to establish goals and performance measures and to evaluate the program on an annual basis. Do we need language on SMH's quality assurance plan?
- k) If providing payee services to a client, SMH will work collaboratively with LIHI staff to ensure the client's financial skills needs are met.
- l) SMH will notify LIHI immediately if there is any change in SMH's status as a licensed mental health and drug/alcohol treatment provider.

3) Obligations and Responsibilities of LIHI. LIHI shall:

- a) Notify SMH of excepted vacancies at Leisy Housing.
- b) After a unit has been filled all referrals received that were not accepted into the program will not be retained and a new referral request will be sent for the next available unit.
- c) If more than one vacancy is expected to occur at a single time, LIHI will continue working with SMH until all vacancies are filled.
- d) Will collaboratively with SMH to ensure a smooth referral process is established and maintained.
- e) Perform and assume the costs of screening residents, completing background checks, and completing eligibility with SHA for those tenants receiving Section 8 support.
- f) LIHI staff will maintain open communication with SMH staff regarding support services and needs of clients. A release of information signed by each client will be maintained to ensure collaboration of services between LIHI and SMH.
- g) Notify SMH immediately and work collaboratively to resolve any crisis situation or mental health concerns.
- h) Notify SMH immediately of concerns related to possible relapse, decomposition of mental state and/or other issues that may jeopardize the residency and long-term success of a client. Notify SMH before an action is taken to evict a client.

4) Obligations and Responsibilities of LIHI and SMH:

- a) LIHI and SMH will cooperate with each other in securing funds for operating the housing and providing services to the clients.
- b) LIHI and SMH will strive to be good neighbors in the community and will attend regular community council meetings and participate in activities to improve the neighborhood.
- c) LIHI and SMH will inform the surrounding community about housing opportunities at Leisy Housing for homeless men and women.

5) Notices. All notices demands, or other writings required or related to this Memorandum of Understanding shall be sent to either party in writing and personally delivered or deposited in the United States mail and addressed as follows:

6) Termination. LIHI or SMH may terminate this Memorandum of Understanding without cause at anytime upon thirty (60) days prior written notice to the other party

7) Execution. By signing below the parties agree to be bound by the terms, covenants and conditions of this Memorandum of Understanding.

LOW INCOME HOUSING

By: _____
Title: _____

SEATTLE MENTAL HEALTH

By: _____
Title: _____

Heron Reach

- Market Rate Home Ownership

OWNERSHIP AND MANAGEMENT		
Project Owner		AF Evans during development phase
Developer		AF Evans
Residential	Property Manager	<i>not applicable</i>
	Service Provider	<i>not applicable</i>

BUILDING INFORMATION		
	Site Area	184,000-264,000sf <i>(range to be determined by size of landscape buffer)</i>
	Residential Area	TBD gsf
	Total Bldg Area	TBD gsf
Residential Unit Mix	Studios	units
	1 BR	units
	Total	106 units

Heron Reach Condominiums

We share in the vision for a redeveloped Fort Lawton that provides homes and park spaces shared by people of many incomes and cultures. The quiet neighborhood setting, the green environment and the lovely views make the northern six-acres of the site (currently military parking and fields) attractive for market rate condominium development. There is a wonderful opportunity here to build homes that don't dominate the landscape, but settle into it. At the eastern end, where the development adjoins the existing single family neighborhood, the buildings will more closely emulate the urban pattern of streetfront development. Toward the west, where the wooded slope provides a uniquely green setting, their footprint will respond more to the topography, the outlook and the natural setting. The new housing will weave with the neighborhood while still preserving the forested buffer for heron nesting.

AF Evans was launched in 1977 with a goal of creating quality housing for all income levels. We've spent the last few decades delivering on this vision, developing quality residential properties in California, Nevada, and more recently, Washington State. Over the years, we have earned a reputation as a community-focused developer with a commitment to the challenging complex projects that are at the core of successful emerging neighborhoods. AF Evans is unique in the range of projects that we develop, unified by our commitment to building strong communities.

The broadening gap between incomes and housing costs is intensely felt in the west coast communities in which we are rooted. To meet this challenge, AF Evans has turned its expertise in affordable housing, multi-family development and finance strategy toward developing homes that middle-income people can afford to own. We are committed to delivering the best quality product achievable, to building strong communities in which people are drawn to live, and in using all strategies to generate savings that can deliver an affordable home-ownership opportunity.

Having demonstrated that mixed income neighborhoods can work well, AF Evans will introduce moderate to higher-income homeownership to the overall redevelopment plan. Though the site supports greater density, AF Evans plans to build Heron Reach, a 106 condominium development set into the ridge along the north edge of the site. Condominiums will sell in the \$300- and \$400-thousands range, or 110 to 125% of the area median income for Seattle/King County. We expect the property will attract buyers that want to live in the city but prefer a quieter lifestyle close to nature.

As an organization committed to sustainable development, AF Evans' plan is rooted in smart growth practices. Under current zoning, the Heron Reach site could be left without any new housing units built or the site could be built out with as many as 152 single family houses. AF Evans believes that neither of these choices would be sustainable in the broader context. Bearing in mind that if no additional housing was built, it would not only exacerbate the pressures to sprawl but would also miss an opportunity to integrate more living places sympathetically into an existing and attractive Seattle neighborhood. However, if all 152 single-family homes were built it would

require disruption of a significant green buffer slope and potential loss of a heron habitat area. AF Evan's proposal to build 106 condominium units in a densely clustered manner accomplishes both the growth-management goal of creating more housing within the infrastructure of existing neighborhoods, while preserving an environmentally sensitive area in a truly unique urban place where city and woods meet. Consistent with its sustainable values, AF Evans expects to achieve LEED certification for the development and to provide a uniquely "green" living experience at Heron Reach.

**Heron Reach Condominiums
Homeownership
Project/Program Schedule**

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

Category	Tasks	Date Completed/ Expected Completion	Status
<i>For each new task you enter in this column, also enter the appropriate category in the first column.</i>			
Sales Activities	Selection of marketing and sales agency	1/1/2008	Not Applicable
Sales Activities	Begin home sales	10/1/2009	Not Applicable
Sales Activities	Complete home sales	11/1/2010	Not Applicable
Site Control	Purchase	1/1/2009	Not Applicable
Feasibility Analysis/Due Diligence	Site survey	6/1/2008	Not Applicable
Feasibility Analysis/Due Diligence	Market study	6/1/2008	Not Applicable
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment	6/1/2008	Not Applicable
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment	6/1/2008	Not Applicable
Feasibility Analysis/Due Diligence	SEPA / NEPA	6/1/2008	Not Applicable
Feasibility Analysis/Due Diligence	Capital needs assessment	N/A	Not Applicable
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)	N/A	Not Applicable
Feasibility Analysis/Due Diligence	Relocation of existing tenants	N/A	Not Applicable

Heron Reach Condominiums Residential Development Budget Narrative

Instructions:

• For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other:

Total Residential Cost	
\$3,000,000	
\$0	
\$50,000	
\$0	
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (10%)
Sales Taxes
Other Construction Costs:

Other Construction Costs:

\$16,960,000	
\$0	
\$650,000	Includes new infrastructure, remediation
\$0	Included in line item above
\$1,696,000	
\$1,492,480	
\$0	
\$0	

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Overhead / Profit
Project Management
Technical Assistance
Other Consultants:
Traffic Study
Other:
Soft Cost Contingency

\$7,500	
\$848,000	
\$5,000	
\$2,000	
\$18,000	
\$105,000	Includes CC&Rs, loan and equity counsel
\$2,882,278	
\$623,954	
\$0	
\$1,500	
\$500,000	

Other Development:

Real Estate Tax
Insurance
Relocation
Bllding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Mezzanine Interest
Operating Reserves
Replacement Reserves
Total Development Costs:

\$315,645	Property taxes due for 1/1/2008-11/1/2010
\$1,484,000	
\$0	
\$0	
\$577,000	
\$0	
\$225,301	Utilities, HOA dues for unsold units
\$158,682	
\$1,374,561	
\$0	
\$0	
\$0	
\$689,550	
\$1,900,000	
\$0	
\$0	
\$36,546,451	

Heron Reach Condominiums
Estimate of Cash Flow During Development

Project Name: Heron Reach Condominiums

SOURCES AND AMOUNT OF REVENUE:

	Quarter 1 Jan-Mar 08	Quarter 2 Apr-Jun 08	Quarter 3 Jul-Sep 08	Quarter 4 Oct-Dec 08	Quarter 5 Jan-Mar 09	Quarter 6 Apr-Jun 09	Quarter 7 Jul-Sep 09	Quarter 8 Oct-Dec 09	Quarter 9 Jan-Mar 10	Quarter 10 Apr-Jun 10	Quarter 11 Jul-Sep 10	Quarter 12 Oct-Dec 10
Short-term Financing												
Construction Loan												
Mezzanine Deb/Equity	\$341,267	\$638,067	\$251,467	\$509,602	\$4,187,818	\$42,400	\$7,629,197	\$5,350,632	\$1,177,185	\$1,077,655	\$549,629	
SUBTOTAL	\$341,267	\$638,067	\$251,467	\$509,602	\$7,362,380	\$7,513,351	\$7,629,197	\$5,350,632	\$1,177,185	\$1,077,655	\$549,629	\$0

Sales of Condominiums

Net Sales Revenue									\$16,112,513	\$6,056,257	\$8,056,257	\$3,356,774
SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,112,513	\$6,056,257	\$8,056,257	\$3,356,774

Total Revenue By Quarter

	\$341,267	\$638,067	\$251,467	\$509,602	\$7,362,380	\$7,513,351	\$7,629,197	\$5,350,632	\$17,289,698	\$9,133,912	\$8,605,886	\$3,356,774
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EXPENSES:

Acquisition Costs												
Construction Costs												
Dev. Costs: Professional	\$174,800	\$471,400	\$84,800	\$84,800	\$129,900	\$104,800	\$62,400	\$42,400	\$189,600			
Other Development Costs	\$166,667	\$166,667	\$166,667	\$0	\$1,710,214	\$331,429	\$226,214	\$485,940	\$271,805	\$334,431	\$186,528	\$52,690
Financing Costs				\$424,802	\$88,746	\$124,403	\$282,863	\$417,772	\$735,680	\$743,224	\$610,237	\$379,406
Total Cost By Quarter	\$341,267	\$638,067	\$251,467	\$509,602	\$7,362,380	\$7,513,351	\$7,629,197	\$5,350,632	\$1,177,185	\$1,077,655	\$796,765	\$432,096

REMAINDER BY QUARTER:

(Revenue less Cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,112,513	\$8,056,257	\$7,809,121	\$2,924,678
---------------------	-----	-----	-----	-----	-----	-----	-----	-----	--------------	-------------	-------------	-------------

Notes on Potential Cash Flow Problems:

Heron Reach Condominiums
Estimate of Cash Flow During Development

Totals
\$26,429,810
\$5,870,621
\$0
\$32,400,431

\$35,581,800
\$0
\$0
\$0
\$0
\$35,581,800

\$67,982,231
\$67,982,231
<i>cross-check</i>

Totals
\$3,050,000
\$20,798,480
\$1,324,700
\$4,099,350
\$3,607,133
\$0
\$33,079,663
\$33,079,663
<i>cross-check</i>

\$34,902,568

Heron Reach Condominiums Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other:

SUBTOTAL

Non-Residential Total	Non-Residential			
	Source	Source	Source	Source
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (____%)
Sales Taxes
Other Construction Costs:

Other Construction Costs:

SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants:

Other:

SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves
SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Total Non-Residential Cost:

\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----

**Heron Reach Condominiums
Supplemental Development Budget - Single House**

Instructions:	Dollars	Assumptions
• Briefly describe the underlying assumptions for each item listed below.		
Revenue		
Sale of housing unit	\$0	
Minus selling costs	5.00%	
Total Revenue	\$0	
Costs		
Land acquisition		
Planning/engineering		
Site improvements		
House construction		
Fees and other soft costs:		
Item (specify):		
Item (specify):		
Item (specify):		
Item (specify):		
Item (specify):		
Total fees and other soft costs:	\$0	
Costs Subtotal	\$0	
Estimated financing costs		
Total Costs	\$0	
Total revenue	\$0	
Minus total costs	\$0	
Amount of Subsidy Required	\$0	

**Heron Reach Condominiums
Homeownership
Residential Per Unit Cost Data**

Summary of Development Costs

Total Development Cost	_____	\$0
Less Non-Residential Cost	_____	\$0
Total Residential Cost	_____	\$0 Repeat as A below

Residential Unit Costs

A.	Total residential development cost	_____	\$0 A
B.	Number of residential units (pads for mobile home parks, bedrooms for shelters, group homes, and other forms of shared housing)	_____	B
C.	Maximum number of individuals to be served	_____	C
D.	Number of households to be housed	_____	D
E.	Number of residential square feet	_____	E

Bridge & Permanent Financing Detail

Bridge Financing

Source	Amount	Interest Rate	Term	Source of Repayment
Total of all Bridge Financing	\$0			

Permanent Financing

Source	Amount	Interest Rate	Term	Comments (If tax credit, indicate 4% or 9%)
Total of Permanent Financing	\$0	= "Total Development Cost" in Project Summary		

**Heron Reach Condominiums
Homebuyer Affordability Worksheet**

Household Income Assumptions	
Percent of median income:	
Household size	
Gross annual income	\$0
Gross monthly income	
Percent of income available for housing*	
Percent total monthly debt (PITI + other monthly debt payments)	

Monthly Income Available for Debt Service	
Maximum total monthly debt payments	\$0
Maximum monthly housing cost	\$0
Property taxes	\$0
Insurance	\$0
Private mortgage insurance	\$0
Other monthly costs (e.g., car payments, credit cards, condo dues) - Specify	
Maximum Total PI Payment	\$0

Property Acquisition Cost Assumptions	
Purchase price	\$0
Down payment required	\$0
Closing costs	\$0
Cash needed at closing	\$0
Homebuyer cash/sweat equity	\$0
Affordability gap (cash needed minus homebuyer cash available)	\$0

Monthly Debt Service Payments	
The total of monthly payments cannot exceed the amount available for debt service.	
First mortgage	\$0
Second mortgage	\$0
Third mortgage	\$0
Fourth mortgage	\$0
Fifth mortgage	\$0
Total of monthly payments	\$0

Mortgage Financing	
Amount financed	\$0
Loan-to-value ratio	
First mortgage amount	\$0
Monthly payment	\$0
Second mortgage amount	\$0
Monthly payment	\$0
Third mortgage amount	\$0
Monthly payment	\$0
Fourth mortgage amount	\$0
Monthly payment	\$0
Fifth mortgage amount	\$0
Monthly payment	\$0

Mortgage Assumptions	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	

*Note: HTF generally recommends a range of 33 to 35%. If you are using a different ratio, please explain on Form 3 - Project/Program Description.

Form 4 - Homeownership Project/Program Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

For each new task you enter in this column, also enter the appropriate category in the first column.

Category	Tasks	Date Completed/ Expected Completion	Status
Homeownership Activities	Selection of marketing and sales agency entities		(e.g., Completed marketing and sales agency selection process in February 2005.)
Homeownership Activities	Homebuyer education classes		
Homeownership Activities	Prequalification of homebuyers		
Homeownership Activities	Begin home sales		
Site Control	Purchase		(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey		
Feasibility Analysis/Due Diligence	Market study		(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment		
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment		
Feasibility Analysis/Due Diligence	SEPA / NEPA		

Form 4 - Homeownership Project/Program Schedule

Feasibility Analysis/Due Diligence	Capital needs assessment	
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)	
Feasibility Analysis/Due Diligence	Relocation of existing tenants	
Financing	Appraisal	(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	
Financing	Application for funding (specify source):*	
Financing	Application for funding (specify source):	
Financing	Application for funding (specify source):	
Financing	Construction cost estimate	
Financing	Lender selection	
Financing	Funding for homebuyer counseling and training	
Financing	Award date for funding source (specify):*	
Financing	Award date for funding source (specify):	
Financing	Award date for funding source (specify):	
Design/Permitting	Preliminary drawings completed	(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Zoning approval	
Design/Permitting	Site plan approval	
Design/Permitting	Building permits issued	
Construction	Selection of general contractor	(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction	
Construction	Issued certificate of occupancy	

Ft Lawton Family Housing Residential Development Budget Narrative

Instructions:

• For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Total Residential Cost	
\$0	Land cost assumed zero
\$0	
\$10,000	Estimated closing and recording fees
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (%)
Sales Taxes
Other Construction Costs: _____
Other Construction Costs: _____

\$7,538,961	SMR Architects Construction Estimate
\$623,570	SMR Architects Construction Estimate
\$0	
\$0	
\$753,898	10% of Basic Construction Contract
\$663,429	8.8% Sales Tax Rate
\$0	
\$0	

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____

\$10,000	Appraisal and Market Study
\$653,003	SMR Architects Construction Estimate
\$4,500	Based on previous project
\$5,500	Based on previous project
\$14,500	ALTA Survey; Topo Survey; As-Built Survey
\$30,000	Based on previous project, includes bank legal and developer legal
\$525,000	At approx. 5% of Total Project Cost
\$0	
\$0	
\$0	
\$0	

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$0	N/A
\$70,000	General Liability + Builder's Risk Estimate
\$0	N/A
\$5,000	based on recent projects
\$163,251	Fort Lawton Construction Estimate
\$0	
\$0	N/A - Covered in Basic Construction Contract
\$41,250	\$5.5MM @ 0.75%
\$385,000	Estimated \$5.5MM @ 7% interest rate
\$15,000	Estimate
\$26,000	
\$5,000	Projection Approvals, 10% Certification, and 8609 cost certification
\$25,000	Start-up leasing costs, advertising
\$15,482	Estimated of cashflow shortfall assuming three month lease-up
\$103,457	Six months of operating and service expenses (tax credit investor req'd)
\$15,000	\$300 per unit pre-funded

Ft Lawton Family Housing Project Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

Category	Tasks	Date Completed/E	Status
<i>For each new task you enter in this column, also enter the appropriate category in the first column.</i>			
Site Control	Purchase		(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey		
Feasibility Analysis/Due Diligence	Market study		(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment		
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment		
Feasibility Analysis/Due Diligence	SEPA/NEPA		
Feasibility Analysis/Due Diligence	Capital needs assessment		
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)		
Feasibility Analysis/Due Diligence	Relocation of existing tenants		

Ft Lawton Family Housing Project Schedule

Financing	Appraisal	(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	
Financing	Application for funding (specify source):*	
Financing	Application for funding (specify source):	
Financing	Application for funding (specify source):	
Financing	Construction cost estimate	
Financing	Lender selection	
Financing	Funding for services	
Financing	Award date for funding source (specify):*	
Financing	Award date for funding source (specify):	
Financing	Award date for funding source (specify):	
Design/Permitting	Preliminary drawings completed	(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Zoning approval	
Design/Permitting	Site plan approval	
Design/Permitting	Building permits issued	
Construction	Selection of general contractor	(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction	
Construction	Issued certificate of occupancy	
Occupancy	Selection of management entity	(e.g., Completed management company selection process in February 2005.)
Occupancy	Selection of service providers	
Occupancy	Begin lease-up	
Occupancy	Placed in service (90% Occupancy)	

Ft Lawton Family Housing Proposed Rent Levels

Instructions:

- Use the current HUD Household Income Table to identify the percent of median household income for each unit size. The most current HUD table is located at <http://www.huduser.org/datasets/ii.html>.
- In reading the HUD table, low income means 80% and very-low income means 50% of the area median income.

A	B	C	D	E	F	G	H
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Tenant-Paid Monthly Rent	Tenant-Paid Utilities	Sum of Tenant-Paid Rent and Utilities (D + E)	PHA/HUD/USDA Contract Rent **	Annual Gross Rental Income ** [B x (D or G) x 12]
15.00%	8	2	\$263		\$263		\$25,248
15.00%	36	3	\$304		\$304		\$131,112
15.00%	6	4	\$339		\$339		\$24,372
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
Totals	50						\$180,732

* Rent—if the project includes PHA/HUD/USDA subsidy, include the maximum contract rent in column G and leave columns D-F blank.

** Annual gross rental income must match Year 1 "Gross Rental Income" entered on Operating Pro Forma. Revenue other than rental income must be noted on Forms 12B and 13A and 13B.

**Ft Lawton Family Housing
Proposed Rent Levels**

**Ft Lawton Family Housing
Operating Pro Forma**

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Income - (Use 2.5%/year inflation factor) (From Rent Level Form)	\$214,834	\$220,204	\$225,710	\$231,352	\$237,136	\$243,064	\$249,141	\$255,370

Other Revenue Sources and Operating Subsidies	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal services and other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Residential Income	\$214,834	\$220,204	\$225,710	\$231,352	\$237,136	\$243,064	\$249,141	\$255,370
Total Non-Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Factor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Less Residential Vacancy (at 5%)	\$10,742	\$11,010	\$11,285	\$11,568	\$11,857	\$12,153	\$12,457	\$12,768
Less Non-Residential Vacancy (at 10%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$204,092	\$209,194	\$214,424	\$219,785	\$225,279	\$230,911	\$236,684	\$242,601

EXPENSES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses-- (Use 3.5%/year inflation factor)	\$14,471	\$14,977	\$15,502	\$16,044	\$16,608	\$17,187	\$17,788	\$18,411
Heat	\$9,387	\$9,715	\$10,055	\$10,407	\$10,772	\$11,149	\$11,539	\$11,943
Electric	\$17,222	\$17,824	\$18,448	\$19,094	\$19,762	\$20,454	\$21,170	\$21,911
Water & Sewer	\$14,734	\$15,250	\$15,784	\$16,336	\$16,908	\$17,500	\$18,112	\$18,746
Garbage Removal	\$4,453	\$4,609	\$4,770	\$4,937	\$5,110	\$5,289	\$5,474	\$5,665
Contract Repairs	\$48,280	\$49,970	\$51,719	\$53,529	\$55,403	\$57,342	\$59,349	\$61,426
Maintenance and Janitorial	\$11,578	\$11,983	\$12,402	\$12,836	\$13,286	\$13,751	\$14,232	\$14,730
Replacement Reserve	\$21,809	\$22,573	\$23,363	\$24,180	\$25,027	\$25,903	\$26,809	\$27,748
Operating Reserve	\$66,871	\$69,211	\$71,634	\$74,141	\$76,736	\$79,422	\$82,202	\$85,079
Management - Off-site	\$24,990	\$25,865	\$26,770	\$27,707	\$28,677	\$29,680	\$30,719	\$31,794
Management - On-site	\$16,498	\$17,075	\$17,673	\$18,291	\$18,931	\$19,594	\$20,280	\$20,990
Insurance	\$509	\$527	\$545	\$564	\$584	\$604	\$626	\$647
Accounting	\$191	\$198	\$204	\$212	\$219	\$227	\$235	\$243
Marketing	\$12,243	\$12,672	\$13,115	\$13,574	\$14,049	\$14,541	\$15,050	\$15,577
Real Estate Taxes	\$41,600	\$43,056	\$44,563	\$46,122	\$47,737	\$49,407	\$51,137	\$52,926
Other	\$316,413	\$327,488	\$338,950	\$350,813	\$363,092	\$375,800	\$388,953	\$402,566
Services (enter details on Form 11B)								
Total Expenses	(\$112,321)	(\$118,294)	(\$124,526)	(\$131,028)	(\$137,812)	(\$144,889)	(\$152,269)	(\$159,965)

Net Operating Income (Income - Total Expenses)	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
on Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	(\$112,321)	(\$118,294)	(\$124,526)	(\$131,028)	(\$137,812)	(\$144,889)	(\$152,269)	(\$159,965)
Projected Gross Cash Flow	\$204,092	\$209,194	\$214,424	\$219,785	\$225,279	\$230,911	\$236,684	\$242,601
Debt Coverage Ratio (DCR)	1.81	1.77	1.73	1.69	1.65	1.61	1.57	1.53

Debt Service	Loan Amount	Rate (%)	Amortization (years)
Lender	0	0	0
Lender	0	0	0
Lender	0	0	0
Total Debt Service	0	0	0
Projected Gross Cash Flow	\$204,092	\$209,194	\$214,424
Debt Coverage Ratio (DCR)	1.81	1.77	1.73

Ft Lawton Family Housing Operating Budget Details

Operating Subsidies

Instructions:

- Note the source, amount, and status of any non-rental income (i.e., laundry, parking) and operating subsidies (i.e., program fees or operating and maintenance subsidies). This information is also summarized on Form 12A.
- Do not include service revenue on this page.

Source	Proposed	Conditional/ Committed	Total
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Total Operating Subsidies	\$0	\$0	\$0

Vacancy Rates and Inflation Factors

If vacancy rates and/or inflation factors do not match HTF guidelines, provide an explanation for any discrepancies.

Operating Expenses

Instructions:

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	\$11,374	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Electric	\$7,378	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Water & Sewer	\$13,536	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Garbage Removal	\$11,581	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Contract Repairs	\$3,500	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	\$37,948	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Replacement Reserve	\$9,100	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Operating Reserve	\$9,100	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Off-Site Management	\$17,142	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
On-Site Management	\$52,560	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Insurance	\$19,642	Based on estimate and 2006 budget for AHA's similar project - Holden Street Housing
Accounting	\$12,967	Annual audit. Book Keeping
Marketing	\$400	Advertising for project staff
Real Estate Taxes	\$150	Assume Real estate tax exemption. Some fees cannot be exempt
Other (include identification of items and cost	\$9,623	Telephone - 2,496; Tenant Credit Check - 874; Compliance Monitoring Fee - 1310; Office Supplies -

**Ft Lawton Family Housing
Operating Budget Details**

estimates for each)

624; Legal - 624; Staff Training - 312; Staff Transport -
624; Worker's Comp - 2,759

Ft Lawton Family Housing Service Revenue and Expenses

Instructions:

- Include services on Form 11B and the operating pro-forma.
- Indicate each source of service revenue and type of service expense, the corresponding term of commitment and the revenue/expense for years one, five and ten.

Support Services Revenue		
	(Term of Commitment)	YEAR 1
A Rent / Housing Operations Income Applied		\$32,697
B Other Sources (Name here)		
C Other Sources (Name here)		
D Total Support Services Revenue		\$ 32,697.00

Support Services Expenses		YEAR 1
1 Total Personnel <i>(autofill from form 11C)</i>		\$ 32,177.00
2 Local Travel / Mileage		
3 Equipment		
4 Supplies		
5 Telecommunications		
6 Printing / Duplication		
7 Mail / Postage		
8 Subcontracted Services - Agency A <i>(autofill from form 11D)</i>		\$ -
9 Subcontracted Services - Agency B <i>(autofill from form 11D)</i>		\$ -
10 Cash Assistance to Families		\$ 520.00
11 Other		
12 Other		
13 Other		
14 Other		
15 Other		
16 Subtotal Direct Expenses <i>(Sum Line 1-15)</i>		\$ 32,697.00
17 Project Administration <i>(up to 10% of Line 16)</i>		
18 Total Support Services Expenses		\$ 32,697.00

19 Net Gain / Loss <i>(this amount should be zero)</i>	\$	0.00
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Attachments

- Services funding commitment letters

**Ft Lawton Family Housing
Services Personnel Detail
Salaries And Fringe Benefits**

No.	Position Title	FTE	Annual Base Salary	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
A.	C.	B.	D.	E.	
1	Service Coordinator	1.00	\$ 29,120	100%	\$ 29,120
2			\$ -	0%	\$ -
3			\$ -	0%	\$ -
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8			\$ -	0%	\$ -
9			\$ -	0%	\$ -
10			\$ -	0%	\$ -
11	Subtotal Salaries		\$ 29,120	0.00	\$ 29,120
12	Fringe Benefits @ 10%		\$ 3,057		\$ 3,057
13	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 32,177	0.00	\$ 32,177

**Ft Lawton Family Housing
Services Personnel Detail
Salaries And Fringe Benefits**

No.	Position Title	FTE	Annual Base Salary	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
A.	C.	B.	D.	E.	
1	Director of Program Services	1.00	\$ 60,000	20%	\$ 12,000
2	Case Manager	1.00	\$ 40,000	50%	\$ 20,000
3	Program Coordinator	1.00	\$ 24,000	100%	\$ 24,000
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8	Subtotal Salaries		\$ 124,000	1.70	\$ 56,000
9	Fringe Benefits @ 20%		\$ 24,800		\$ 11,200
10	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 148,800	1.70	\$ 67,200

Sample

**Ft Lawton Family Housing
Subcontracted Support Services Budget Detail**

Please complete on budget for each agency with which you intend to subcontract for support services, both On- and Off-site.

Subcontracted Support Service Expenses - Agency A	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Subcontracted Support Service Expenses - Agency B	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Fort Lawton Family Housing

- Housing for Homeless Families

OWNERSHIP AND MANAGEMENT

Project Owner	UIATF
Developer	AHA
Development Consultant	LHI
Residential	
Property Manager	AHA
Service Provider	UIATF & AHA

BUILDING INFORMATION

Site Area	86,346 sf
Residential Area	TBD gsf
Total Bldg Area	TBD gsf
Residential Unit Mix	
2 BR	38 units
3 BR	12 units
Total	50 units

FT LAWTON FAMILY HOUSING NARRATIVE

- 1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.**

Fort Lawton Family Housing will provide 50 newly constructed two and three-bedroom apartments for homeless families with children including one unit for an income-qualified and culturally competent resident manager. Included among these units, will be 49 apartments set aside for families transitioning from homelessness. Through outreach and direct marketing, the project will strive to serve homeless urban Native American families and other needy households.

The resident manager will provide families with referral to services, maintain a list of appropriate service providers and programs, and help tenants' access resources in the community. Fort Lawton Housing will comply with all applicable Fair Housing Laws.

Support Service Staff

AHA will hire 2 FTE to provide supportive services to families living in units. In addition to permanent staff, AHA will recruit volunteer staff to help with community building activities and to assist residents with transportation to appointments, the grocery store, and other off-site services as needed. Service Staff include:

Child Advocate/ Case Manager

The Child Advocate/Case Manager will be a full-time position for the project and will report AHA's Services Program Manager. AHA has found from their experience on other family housing sites, that children tend to make up the majority of the population. Many parents are unable to handle conflicts or behavioral problems with their children. A Child Advocate/Case Manager will work with parents to develop strategies on how to find solutions to conflicts that may arise. This person will also act as a case manager and community builder for the project. This staff person will develop and plan group activities among residents to establish a sense of community and stability.

Case management service will be provided on-site both in the case manager's office and in tenants' homes. AHA's case manager/client ratio is 1:25.

The case manager will develop an individualized plan for each family that may include some potential linkages to other agencies. Potential linkages to other agencies include mental health services, drug and alcohol treatment and counseling, health care, legal assistance, housing assistance, and employment counseling and job placement. Transportation will be provided if needed.

The supportive services model of this project is to provide on-site supportive services to residents at a level that encourages self-sufficiency. On-site services allow staff to be more proactive in their response to resident needs. Needs can be more easily anticipated and responded to quickly. Building community among residents is essential to this supportive services model. When residents experience their living environment as their home they become more invested in contributing to a safe and quality place to live.

The support services provided will contribute the residents' housing stability and self-sufficiency by assisting residents in accessing financial benefits or employment; acquiring health care benefits and establishing a medical provider; completing eligibility documentation for housing subsidy, medical benefits, and financial benefits; preventing isolation through participation in community. The supportive services will include a focus on the children, on parent/child interactions and relationships, as well as activities for the children.

2. Describe the need for the proposed homeless assistance program.

The complications arising from homelessness have severe and lasting impacts on families with children. Children are forced to live in unhealthy conditions. The children do not have a safe place to sleep and the parent's lack a place to prepare a meal. Many nights and days without a good night's sleep and a solid meal leave them tired, hungry, and unprepared for school. These children struggle in class and often drop-out before graduation. In addition, these children do not have a safe place to play frequently playing in parking lots. Homeless children are an easy target to predators. Ft. Lawton Family Housing will address the need for additional affordable units for homeless families who will continue to cycle in and out of our transitional and shelter systems if we do not build sufficient numbers of permanent housing units to enable them to begin their journey out of poverty and into stability.

3. Describe how the program will be coordinated with other homeless assistance programs in the communities in the vicinity of Fort Lawton and/or the community at-large.

The Archdiocesan Housing Authority will serve as the property manager for the Fort Lawton Family Housing. During the initial rent-up period, AHA will advertise the availability of housing and seek referrals from other agencies. We expect that this will include the Seattle Housing Authority, UIATF, LIHI and other non-profit housing agencies, and shelter providers. Additionally, AHA has close ties with two local parishes that will refer homeless families who would qualify for housing at the Fort Lawton Family Housing project.

We are targeting homeless families with children. These families require service-enriched housing that addresses the root causes of their homelessness. AHA will "wrap" services and case management around these families to provide an environment that will enable and empower them. The housing will also provide a community aspect with a lay-out

and a structure that will build support to provide and care for one another. Access to the opportunities and skills needed to deal with their challenges. Existing apartments are not providing case management and access to services in addition to not being affordable to many families. Homeless families also need special assistance with finding work, navigating the banking system, finding health care, obtaining transportation, learning new work skills, and obtaining public assistance. The existing housing is not affordable and many families must chose between paying rent and providing food, health care, and transportation to work. This project provides safe, affordable housing for families with children that is near social services, bus lines, shopping, schools, parks, and playgrounds. In addition on-site service coordinators will work with families and the community to build a nurturing supportive community. Families will have access to a wide variety of services by a service coordinator who is familiar with the needs of the families and the services they require; and will work with the family to either provide the service linking the two. Service on-site will also include tutoring, case management, literacy training, computer training, and community development.

- 4. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation. A form and instructions are available by request or from the City of Seattle Fort Lawton website**

The overall time schedule for Fort Lawton dictates the schedule and a project schedule for Lawton Wood is Fort Lawton Family Housing dictates the project schedule. If the project is successful in obtaining public funding support in the Spring of 2009, AHA will be able to expend funds to further develop the design and continue the permitting process, allowing the project to be fully funded and permitted and ready to start construction in the Spring of 2010. If the project is unsuccessful in achieving funding commitments, then the project will likely be delayed up to a full year.

- 5. If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under "Organizational Capacity." For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.**

Please see attached MOU.

- 6. Describe how the proposed program aligns with the goals of the King County Ten-Year Plan to End Homelessness and the City of Seattle Consolidated Plan for Housing and Community Development.**

The Ten-Year Plan to end Homelessness estimates that on and given night, more than 8,000 people experience homelessness of which 2,475 people are living in families. This number is likely a conservative estimate. The objectives of the Ten-Year Plan include providing 475 new permanent housing units for families with moderate level of support services. Fort Lawton Family Housing is designed to help address this need.

Fort Lawton Family Housing is being developed to help meet the goals of the Ten-Year Plan. This project meets the follow goals of the plan:

- *Create an adequate supply of permanent housing that is affordable to families whose income is at or below 30% of the area median income.* Fort Lawton Family Housing will offer rental subsidy to families, so that even families with little or no income will be able to have a home.
- *Ensure housing and family stability through the provision of appropriate support services.* AHA will provide case management services to families at Fort Lawton Family Housing. These services will be catered to the individual needs of each family.
- *Address the disproportionate number of people of color who experience homelessness.* This project will attempt to directly serve urban, homeless families of color and AHA's multi-lingual and culturally proficient staff is well-suited for this challenge.

Buildings or Property Necessary to Carry Out Program

1. Describe which buildings or property are necessary to carry out the program and the other physical requirements necessary to carry out the program.

Fort Lawton Family Housing will provide a safe, stable, supportive community for families at risk of or emerging from homelessness. The project is designed to encourage connections among residents as well as to facilitate tenant counseling. Included on site will be two offices for residents to meet privately with counselors and case managers. Additionally, the project will provide community space where residents will be able to gather for community events or attend classes and workshops.

Children in the project will have safe places to play. There will be play equipment for younger children and an area for older children to play basketball. All of the play areas will be very visible to make sure they are safe and to encourage community supervision among the residents.

In accord with City of Seattle Office of Housing policy, the project will implement "green building" strategies addressed in the SeaGreen program. AHA, along with its development team, typically implements sustainable elements in its projects, including Fort Lawton Family Housing. Most notably these practices are:

1) life cycle cost analysis, which specifies materials and finishes for long-term durability and low maintenance costs. These materials include durable VCT, solid core doors, long-wear carpets, cementitious siding. These measures often comes with higher up-front cost but avoids replacement of materials over the life-cycle,

2) using sustainably-produced building components when available at a cost that can be justified under a life-cycle analysis; and

3) achieving BuiltSmart program standards for energy-efficiency, which help reduce energy consumption and thereby provide utility savings for our residents.

Energy efficiency improvements will include utilizing compact-fluorescent lighting, central hot water, insulation exceeding code requirements, improved window and door thermal performance, and reduced water consumption through use of native and drought-tolerant plants, high-efficiency irrigation, and low flow fixtures and appliances.

The construction of the project will incorporate sustainable principles by implementing a construction waste management plan to divert 80% of construction waste from landfills, using recycled content materials, and specify local and regional materials.

Low VOC carpets, paints, and adhesives will be specified where practicable in order to help promote health indoor air quality.

2. Indicate whether existing buildings will be used and any new construction or rehabilitation anticipated on the requested property necessary for program implementation.

The proposed new housing consists of a mix of two- and three-bedroom units in the form of townhouses and flats. The dwelling units will range from 695 square-foot 2-bedroom flats to 1453 square-foot 3-bedroom townhouses.

The buildings with flats will be a constructed of wood frame with slab-on-grade foundations. Exterior cladding will be cementitious horizontal siding such as Hardi-board. Each building will have a sprinkler system and units will be individually metered for utilities. Trash and recycling will be handled in a central room.

Fort Lawton Family Housing will be built using sustainable building practices with particular attention paid to the environmental health of residents and energy conservation. This project will meet or exceed BuiltGreen building and siting standards.

3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.

We believe this project conforms to the requirements laid out by the DPD for the re-use of the site.

FT Lawton Family Housing Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____
SUBTOTAL

Total Project Cost	Residential Total	City OH	HTF	LIHTC	Sound Families	HB 2060
\$0	\$0					
\$0	\$0					
\$10,000	\$10,000					
\$0	\$0					
\$0	\$0					
\$10,000	\$10,000		\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency 10.0%
Sales Taxes 8.8%
Other Construction Costs: _____
Other Construction Costs: _____
SUBTOTAL

\$7,538,961	\$7,538,961					
\$623,570	\$623,570					
\$0	\$0					
\$0	\$0					
\$753,896	\$753,896					
\$663,429	\$663,429					
\$0	\$0					
\$0	\$0					
\$9,579,856	\$9,579,856		\$0	\$0	\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants: _____
Other: _____
SUBTOTAL

\$10,000	\$10,000					
\$653,003	\$653,003					
\$5,000	\$5,000					
\$6,000	\$6,000					
\$15,000	\$15,000					
\$30,000	\$30,000					
\$0	\$0					
\$0	\$0					
\$0	\$0					
\$0	\$0					
\$0	\$0					
\$719,003	\$719,003		\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves
SUBTOTAL

\$0	\$0					
\$70,000	\$70,000					
\$0	\$0					
\$5,000	\$5,000					
\$163,251	\$163,251					
\$0	\$0					
\$0	\$0					
\$41,250	\$41,250					
\$385,000	\$385,000					
\$15,000	\$15,000					
\$26,000	\$26,000					
\$5,000	\$5,000					
\$25,000	\$25,000					
\$15,482	\$15,482					
\$103,457	\$103,457					
\$15,000	\$15,000					
\$869,440	\$869,440		\$0	\$0	\$0	\$0

Total Development Cost:	\$11,178,299	\$11,178,299	\$3,000,000	\$1,500,000	\$5,625,000	\$1,000,000	\$1,471,319
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Wolf Creek Town Homes

- Self-Help Home Ownership

OWNERSHIP AND MANAGEMENT

Project Owner	UIATF during development phase
Developer	LHH
Residential	
Property Manager	<i>not applicable</i>
Service Provider	<i>not applicable</i>

BUILDING INFORMATION

Site Area	32,284 sf
Residential Area	TBD gsf
Total Bldg Area	TBD gsf
Residential Unit Mix	
Studios	units
1 BR	units
Total	16 units

WOLFE CREEK TOWNHOMES NARRATIVE

Proposed Program

- 1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.**

Wolfe Creek Townhomes will be developed as a new affordable condominium community project composed of 16 townhouses for first-time homebuyers with incomes less than 80% of area median income. UIATF or LIHI will retain the land in non-profit ownership similar to a Community Land Trust, and will execute ground leases with low income buyers to ensure long-term affordability over time. The units will be marketed to a range of first time homebuyers including: low income households, families of color, large families, single-parent households, immigrants and refugees, and people with disabilities. We will work with UIATF to provide outreach and marketing to the urban Indian population interested in affordable home ownership. The plan includes two-, three and four-bedroom town home units. The units will be ground-related townhomes to serve families with children. Surface parking is provided.

The Low Income Housing Institute proposes to build 16 townhouses along a CLT model on vacant land to be surplus by the Army. Alternatively, we will seek a partnership with Habitat for Humanity to develop self-help housing units. LIHI will oversee predevelopment, design, construction and marketing of the new housing similar to what we have accomplished at Stoneview Village Condos in North Seattle, Kenmore Court in Kenmore and our latest homeownership development, Dearborn Commons in Southeast Seattle.

Magnolia is an especially high cost area in Seattle and the number of affordable homes is limited. The median sales price for homes in King County exceeds \$400,000 which is out of range of low-income buyers at 80% of area median income. Wolfe Creek Townhomes will provide much-needed affordable homeownership opportunity for low-income and first-time buyers.

We will secure downpayment assistance and land write-down costs from a variety of sources including: Seattle Housing Levy, HUD HOME funds, State Housing Trust Fund, Federal Home Loan Bank and other sources. Since we are proposing housing that will be affordable for low-income buyers over the long term through a CLT model, we believe we will be competitive for public funds.

We will use a CLT ground-lease arrangement with the land held in nonprofit ownership by UIATF or LIHI. This allows an equity return to the owner, but forestalls runaway appreciation that prices many subsequent purchasers out of the market. The initial capitalization will benefit not just the first wave of buyers but also subsequent purchasers.

LIII will have a right of first refusal to purchase a home if it becomes available, so we can resell to another low-income household.

Eligible homebuyers will be recruited from programs serving low-income households including the following:

1. Referrals from UIATF, International District Housing Alliance, LIII, AHA, Urban League, HomeSight and other organizations. Also we will provide information to, members of HDC and other public and community organizations. LIII will seek to market and target outreach to low-income buyers in Seattle.
2. Participants in the King County United Way IDA Collaborative, which includes include LIII, Fremont Public Association, Urban League and International District Housing Alliance and other agencies. LIII has clients currently saving through IDA's. This program provides a 3:1 match, or up to \$6,000 if a household saves \$2,000 in their IDA for down payment costs.
3. LIII also has clients who are not involved in the IDA program but who are also saving for homeownership. LIII owns hundreds of units of rental housing in north Seattle, King including Lake City, Greenwood, Haller Lake and other locations.
4. LIII will work to undertake targeted recruitment and leverage funds where possible from the HomeChoice (WSHFC) and HomeStart (FHFB) programs.

Low-income home buyers will receive pre-purchasing counseling from a number of different sources including the Urban League, the International District Housing Alliance (IDHA), El Centro, Washington State Housing Finance Commission, the Fremont Public Association, HomeStreet Bank, People's Bank, and Washington Mutual. IDHA specializes in serving the needs of the Asian Pacific Islander (API) community and has bilingual capacity in five Asian languages—Chinese, Vietnamese, Cambodian, Tagalog and English. El Centro's counseling services target Hispanic households and the organization also has bilingual capacity.

The proposed resale restrictions will be contained in the ground-lease and we have included a sample in this Tab. This ground lease will tie appreciation to commonly accepted indices, so that sellers realize equity growth without runaway profit that would restrict subsequent buyers from achieving homeownership in the community. Homeowners will be allowed to retain 25% of the appreciation on their home upon sale.

All units will be newly constructed and inspected by a third party commissioned by the buyers. Appraisals will be reviewed and approved by the mortgage lenders prior to closing. In order to ensure that homebuyers of Wolfe Creek Townhomes do leave the project with increased equity

2. Describe the need for the proposed Public Benefit Conveyance program.

There remains a significant gap between the median home value in Seattle/King County and the amount that either a median household or first-time home buyer household can afford.” The City of Seattle’s housing policies call for an increase in affordable ownership and a portion of the Seattle Housing Levy is dedicated for this purpose.

Seattle in recent years has experienced rapid population growth, increased housing development and increased commercial development. Few sites for multi-family housing remain undeveloped. The shortage of developable land exerts an increased pressure on price; and first-time homebuyers will face even more barriers to achieving home ownership in the community. Another measure of demand (affordability) indicates that few if any of the available single-family units on the open market are affordable to households with less than 80 percent of the area median income (Comprehensive Plan, 5-13).

Further, the percentage of families with an income below 80% of the area median increased at a faster rate than families with a higher income during the decade 1990 to 2000. Although employment growth between the years 1990 and 2000 was relatively high (24%), *many of the new jobs are lower paying service sector positions*. This is an indication of the continued demand for affordable housing within the community (5-13). Wolfe Creek Townhomes is a key part of meeting the need for additional affordable units for the growth in lower wage workers that support new job growth in Seattle.

Home sales and prices reached record highs in Washington State in 2006. The cost of homes is getting so high that many people are being priced out of the market. This is especially acute in the desirable neighborhoods of Seattle, especially in communities such as Magnolia. Affordability is going down as prices rise rapidly. Not only is income growth not keeping pace, but for newly forming households and long-term renters eager for homeownership, the chance of reaching homeownership becomes more and more slim. Many buyers are being pushed further away from job centers in order to find affordable housing. Good locations demand top dollar, well beyond the reach of a low-income household.

The Washington Center for Real Estate Research develops the Housing Affordability Index which measures the ability of a middle-income family to buy a median priced home using a 30 year mortgage at prevailing rates. Anything under 100 means that buyers face affordability constraints. The index for first time homebuyers in the 4th quarter 2005, sadly, was 44.7, the lowest level since mid-2000. This means that the typical renter looking to buy for the first time has only about forty percent of the income required to cover the mortgage payments on a typical starter home. For this reason, projects like Wolfe Creek Townhomes, that seek to build affordable options for homeownership coupled, with down payment assistance are essential to meet the need of low income homeownership.

Homeownership carries many benefits for families and community. It is imbedded in the American philosophy and definition of democracy. It explains why we have the mortgage interest rate deduction; why we created a quasi-governmental secondary market in FNMA to keep banks flush with funds to generate mortgages; and why the survey of “percentage of homeownership” by census tract every decade is considered a measure of a community’s desirability and health.

Seattle faces a housing affordability crisis; renters are being priced out of the market and families who are capable of sound financial management, steady income and participating in the American dream of equity building are being given fewer and fewer opportunities to join the mainstream. Wolfe Creek Townhomes promises to deliver 16 units that put homeownership and its benefits within reach of households at or below 80% of median income. Unable to achieve this goal, the private market needs additional tools, creative ideas and designs to expand opportunity. Low-income families making the move from rental housing to homeownership have few if any options to purchase homes in communities with quality amenities, services and excellent schools. These features are available in Lawton Wood.

Traditionally, lower-wage workers face the trade-off between proximity to work with higher living costs versus living further from work and higher transportation costs. In the Puget Sound region, however, where the urban growth boundary prevents the limitless expansion of new housing to meet demand, an upward pressure on price occurs in all communities, making affordable housing scarce. Without homeownership opportunities that are within financial reach of the workforce, it will be impossible for these families to achieve the American dream of homeownership. Wolfe Creek Townhomes are one such response to help ease the problem faced by many.

- 3. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation. A form and instructions are available by request or from the City of Seattle Fort Lawton website (<http://seattle.gov/neighborhoods/fortlawton.htm>).**

After site control has been obtained, LIHL will work to secure down-payment assistance and construction write-down costs from a variety of sources. We estimate one-year to secure subsidies and one year for construction to be completed.

- 4. If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under “Organizational Capacity.” For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.**

LIHI will be the sponsor of Wolfe Creek Townhomes. Alternatively, we are willing to talk to Habitat for Humanity to see their interest in participating on this site to develop self-help housing. See MOU developed between UIATF, LIHI, AIA and AFED.

5. Describe how the proposed program aligns with any related goals for this type of service in Seattle.

The Low Income Housing Institute (LIHI) currently houses approximately 3,000 people. We will review the financial status of our tenants with respect to potential homebuyers for the Wolfe Creek project. LIHI, the Urban League and the International District Housing Alliance (IDHA) have formed a collaborative effort under the Hope for Home program to move our low-income clients into homeownership with IDA accounts, other down payment assistance and homebuyer education resources. Each agency has 17 households with IDA accounts and all three agencies are part of the King County-United Way-IDA Collaboration. Some of these households have been saving for two years and they are required to participate in financial literacy and homebuyer counseling programs. The Urban League, IDHA and Fremont Public Association provide homebuyer counseling. Each agency has a list of IDA clients who might be potential homebuyers for the Wolfe Creek project.

These agencies have information on interested buyers with savings accounts (for down payment) but who may not be part of the IDA program. LIHI, the Urban League and IDHA are in the process of finalizing an MOU on our working relationship in order to move low-income families into homeownership under the Hope for Home program.

Buildings or Property Necessary to Carry Out Program

1. Describe the applicant's past performance and experience developing, operating and delivering programs and services similar to those proposed.

LIHI completed Stoneview Village Condos in North Seattle, served as sponsor of the low-income units at Bellingham Co-Housing, developed Kenmore Court and is in the process of developing Dearborn Commons. The last two projects are designed along a community land trust model to ensure long-term affordability to low-income buyers.

2. Describe any organizational adjustments by the applicant that would be needed to meet an increased demand for services from the proposed programs. Provide a detailed list of current and proposed projects, including project timelines.

See information provided elsewhere in this proposal.

3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.

Our understanding that adding 16 units of new construction townhomes will be within the allowable permitted density for the re-use of Fort Lawton.

Wolfe Creek Townhomes Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

	Total Project Cost	Residential Total	HTF	Housing Levy	FHLB	Private debt
Acquisition Costs:						
Purchasing Price	\$0	\$0				
Fees	\$0	\$0				
Clearing, Title & Recording Costs	\$8,000	\$8,000				
Extension payment	\$0	\$0				
Other						
SUBTOTAL	\$8,000	\$8,000	\$0	\$0	\$0	\$0
Construction:						
Basic Construction Contract	\$3,268,111	\$3,268,111				
Bond Premium	\$0	\$0				
Infrastructure Improvements	\$0	\$0				
Electronics Abate & Monitoring	\$0	\$0				
Construction Contingency	\$326,811	\$326,811				
Sales Taxes	\$287,594	\$287,594				
Other Construction Costs						
SUBTOTAL	\$3,882,516	\$3,882,516	\$0	\$0	\$0	\$0
Development:						
Appraisal	\$12,000	\$12,000				
Architect/Engineer	\$294,130	\$294,130				
Environmental Assessment	\$4,500	\$4,500				
Geotechnical Study	\$5,500	\$5,500				
Boundary & Topographic Survey	\$35,000	\$35,000				
Legal	\$40,000	\$40,000				
Developer Fee	\$375,000	\$375,000				
Project Management	\$0	\$0				
Technical Assistance	\$0	\$0				
Other Consultants:						
SUBTOTAL	\$766,130	\$766,130	\$0	\$0	\$0	\$0
Other Development:						
Real Estate Tax	\$0	\$0				
Insurance	\$250,000	\$250,000				
Relocation	\$0	\$0				
Bidding Costs	\$5,000	\$5,000				
Permits, Fees & Hookups	\$65,362	\$65,362				
Impact/Mitigation Fees	\$0	\$0				
Development Period Utilities	\$0	\$0				
Construction Loan Fees	\$30,000	\$30,000				
Construction Interest	\$280,000	\$280,000				
Other Loan Fees (Impact Capital, State HTF, etc.)	\$10,000	\$10,000				
LIHTC Fees	\$0	\$0				
Accounting/Audit	\$5,000	\$5,000				
Marketing/Leasing Expenses	\$75,000	\$75,000				
Carrying Costs at Rent up	\$0	\$0				
Operating Reserves	\$0	\$0				
Replacement Reserves	\$50,000	\$50,000				
SUBTOTAL	\$770,362	\$770,362	\$0	\$0	\$0	\$0
Total Development Cost:	\$5,427,008	\$5,427,008	\$500,000	\$800,000	\$112,000	\$4,015,008

Wolfe Creek Townhomes Residential Development Budget Narrative

Instructions:

- For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Fees
Closing, Title & Recording Costs
Extension payment
Other:

Total Residential Cost	
\$0	Assume land cost zero
\$0	
\$8,000	Estimated closing and recording fees
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (10 %)
Sales Taxes
Other Construction Costs:
Other Construction Costs:

\$3,268,111	Construction estimate from SMR Architects
\$0	
\$0	
\$0	
\$326,811	10% of construction estimate above
\$287,594	8.8% Sales tax rate
\$0	
\$0	

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants:
Other:

\$12,000	Appraisal and Market Study
\$294,130	
\$4,500	
\$5,500	
\$35,000	ALTA Survey, Condo Map, Topographic Survey
\$40,000	
\$375,000	Approx. 7.5% of Total Project Cost
\$0	
\$0	
\$0	
\$0	

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$0	
\$250,000	Condominium Wrap Insurance estimate
\$0	
\$5,000	Based on previous project
\$65,362	
\$0	
\$0	Included in Basic Construction
\$30,000	\$4MM @ 0.75% fee
\$280,000	\$4MM @ 7% Interest rate
\$10,000	Estimate based on previous project
\$0	N/A
\$5,000	Based on previous project
\$75,000	For-Sale Marketing expenses, graphic design, brochures, website development
\$0	N/A
\$0	N/A
\$50,000	Capitalize replacement reserve budget

**Wolfe Creek Townhomes
Supplemental Development Budget - Single House**

Instructions:		
• Briefly describe the underlying assumptions for each item listed below.		
Revenue	Dollars	Assumptions
Sale of housing unit	\$3,750,000	Average \$250,000 per unit
Minus selling costs	\$262,500	Increase to 7% transaction fees
Total Revenue	\$3,487,500	
Costs		
Land acquisition	\$8,000	
Planning/engineering	\$391,130	
Site improvements		
House construction	\$3,882,516	
Fees and other soft costs:		
Developer Fee:	\$375,000	
Insurance:	\$250,000	
Permits, Fees, Hookups:	\$65,362	
Loan Fees/Interest:	\$320,000	
Other:	\$135,000	
Total fees and other soft costs:	\$1,145,362	
Costs Subtotal	\$5,427,008	
Estimated financing costs		
Total Costs	\$5,427,008	
Total revenue	\$3,487,500	
Minus total costs	\$5,427,008	
Amount of Subsidy Required	-\$1,939,508	

**Wolfe Creek Townhomes
Supplemental Development Budget - Single House**



**Wolfe Creek Townhomes
Homeownership
Residential Per Unit Cost Data**

Summary of Development Costs

Total Development Cost	\$5,427,008	
Less Non-Residential Cost	\$0	
Total Residential Cost	\$5,427,008	Repeat as A below

Residential Unit Costs

A.	Total residential development cost	\$5,427,008	A
B.	Number of residential units (pads for mobile home parks, bedrooms for shelters, group homes, and other forms of shared housing)	15	B
C.	Maximum number of individuals to be served	60	C
D.	Number of households to be housed	15	D
E.	Number of residential square feet	19300	E

Bridge & Permanent Financing Detail

Bridge Financing

Source	Amount	Interest Rate	Term	Source of Repayment
Total of all Bridge Financing	\$0			

Permanent Financing

Source	Amount	Interest Rate	Term	Comments <small>(If tax credit, indicate 4% or 9%)</small>
Total of Permanent Financing	\$0	= "Total Development Cost" in Project Summary		

Multipurpose Community Facility & Community Recreation Areas

OWNERSHIP AND MANAGEMENT

Project Owner	City of Seattle
Developer	Department of Parks & Recreation

Non Residential	
Building 222 Artist Workspace	Dept of Parks & Rec
Public Restrooms	Dept of Parks & Rec
Parks	Dept of Parks & Rec

BUILDING & PARK SITE INFORMATION

Building 222 Artist Workspace	5,800gsf
Public Restrooms	400 gsf
Total Bldg Area	6,200 gsf

Park Site Area	510,000-600,000sf
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(range to be determined by size of landscape buffer)

Parks and Open Space

We propose the City of Seattle Department of Parks and Recreation take ownership of these areas and facilities.

Park and open space has been provided to increase habitat areas and wildlife corridors; increase and enhance the opportunities for recreation at Discovery Park. A large area of habitat is established at the north end of the site increasing the canopied area for heron and other fragile species. At the south end of the site, the forested area near the cemetery is expanded to increase the habitat linkage between Kiwanis Ravine Park and Discovery Park.

A community recreation area will contain a picnic area, playground, basketball courts, volley ball courts, and gardens. In this area an existing building will be adapted to create a Multipurpose Community Recreation Facility. This facility will provide a large flexible space for a range of programming, artist studios, and public restrooms. Discovery Park's loop trail system is linked to Lawton Wood and the surrounding neighborhood by two new trails connecting to Kiwanis Ravine Park and to the community recreation area.

Building 222 will be used to create a multi-purpose facility to serve the community, as well as tenants from proposed Leisy Commons and Harvey Hall Senior Housing. Located across the street from Leisy Hall, Building 222 currently services motor vehicles. Similarly constructed as Leisy Hall, this approximately 6,000 GSF single story building has a tall ceiling and a large open space accessed by five garage doors. It is envisioned that with selected improvements (e.g., public bathrooms, etc.) and its location adjacent the child care center, housing and community uses, the multi-purpose facility will provide a positive (and popular) support function.

Form 4 - Homeownership Project/Program Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

Category	Tasks	Date Completed/ Expected Completion	Status
	<i>For each new task you enter in this column, also enter the appropriate category in the first column.</i>		
Homeownership Activities	Selection of marketing and sales agency entities		(e.g., Completed marketing and sales agency selection process in February 2005.)
Homeownership Activities	Homebuyer education classes		
Homeownership Activities	Prequalification of homebuyers		
Homeownership Activities	Begin home sales		
Site Control	Purchase		(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey		
Feasibility Analysis/Due Diligence	Market study		(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase 1 Environmental Assessment		
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment		
Feasibility Analysis/Due Diligence	SEPA / NEPA		

**Form 4 - Homeownership
Project/Program Schedule**

Feasibility Analysis/Due Diligence	Capital needs assessment	
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)	
Feasibility Analysis/Due Diligence	Relocation of existing tenants	
Financing	Appraisal	(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	
Financing	Application for funding (specify source):*	
Financing	Application for funding (specify source):	
Financing	Application for funding (specify source):	
Financing	Construction cost estimate	
Financing	Lender selection	
Financing	Funding for homebuyer counseling and training	
Financing	Award date for funding source (specify):*	
Financing	Award date for funding source (specify):	
Financing	Award date for funding source (specify):	
Design/Permitting	Preliminary drawings completed	(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Zoning approval	
Design/Permitting	Site plan approval	
Design/Permitting	Building permits issued	
Construction	Selection of general contractor	(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction	
Construction	Issued certificate of occupancy	

**Form 4 - Homeownership
Project/Program Schedule**

**Form 4 - Homeownership
Project/Program Schedule**



**Form 4 - Homeownership
Project/Program Schedule**



**Form 4 - Homeownership
Project/Program Schedule**



Form 8A Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
 Fees
 Closing, Title & Recording Costs
 Extension payment
 Other

Total Project Cost	Residential Total	HTF	Source	Source	Source
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0	\$0	\$0	\$0	\$0

SUBTOTAL

Construction:

Basic Construction Contract
 Bond Premium
 Infrastructure Improvements
 Hazardous Abate. & Monitoring
 Construction Contingency ()
 Sales Taxes
 Other Construction Costs

\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0	\$0	\$0	\$0	\$0

Other Construction Costs:

SUBTOTAL

Development:

Appraisal
 Architect/Engineer
 Environmental Assessment
 Geotechnical Study
 Boundary & Topographic Survey
 Legal
 Developer Fees
 Project Management
 Technical Assistance
 Other Consultants:

\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0	\$0	\$0	\$0	\$0

Other:

SUBTOTAL

Other Development:

Real Estate Tax
 Insurance
 Relocation
 Bidding Costs
 Permits, Fees & Hookups
 Impact/Mitigation Fees
 Development Period Utilities
 Construction Loan Fees
 Construction Interest
 Other Loan Fees (Impact Capital, State HTF, etc)
 LIHTC Fees
 Accounting/Audit
 Marketing/Leasing Expenses
 Carrying Costs at Rent up
 Operating Reserves
 Replacement Reserves

\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0				
\$0	\$0	\$0	\$0	\$0	\$0

Total Development Cost:

\$0	\$0	\$0	\$0	\$0	\$0
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Form 8B Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other:

SUBTOTAL

Non-Residential Total	Non-Residential			
	Source	Source	Source	Source
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
Bond Premium
Infrastructure Improvements
Hazardous Abate. & Monitoring
Construction Contingency (____%)
Sales Taxes
Other Construction Costs:

Other Construction Costs:

SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Other Consultants:

Other:

SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Total Non-Residential Cost:

\$0	\$0	\$0	\$0	\$0
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Form 8C Residential Development Budget Narrative

Instructions:

- For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
 Licenses
 Closing, Title & Recording Costs
 Extension payment
 Other:

Total Residential Cost	
\$0	
\$0	
\$0	
\$0	
\$0	

Construction

Basic Construction Contract
 Bond Premium
 Infrastructure Improvements
 Hazardous Abate. & Monitoring
 Construction Contingency (%)
 Sales Taxes
 Other Construction Costs:
 Other Construction Costs:

\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	

Development:

Appraisal
 Architect/Engineer
 Environmental Assessment
 Geotechnical Study
 Boundary & Topographic Survey
 Legal
 Developer Fee
 Project Management
 Technical Assistance
 Other Consultants:
 Other:

\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	

Other Development:

Real Estate Tax
 Insurance
 Relocation
 Bidding Costs
 Permits, Fees & Hookups
 Impact/Mitigation Fees
 Development Period Utilities
 Construction Loan Fees
 Construction Interest
 Other Loan Fees (Impact Capital, State HTF, etc.)
 LIHTC Fees
 Accounting/Audit
 Marketing/Leasing Expenses
 Carrying Costs at Rent up
 Operating Reserves
 Replacement Reserves

\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	
\$0	

**Form 8C
Residential Development Budget Narrative**



**Form 8D
Supplemental Development Budget - Single House**

Instructions: • Briefly describe the underlying assumptions for each item listed below.	Dollars	Assumptions
Revenue		
Sale of housing unit	\$0	
Minus selling costs	5.00%	
Total Revenue	\$0	
Costs		
Land acquisition		
Planning/engineering		
Site improvements		
House construction		
Fees and other soft costs:		
Item (specify):		
Item (specify):		
Item (specify):		
Item (specify):		
Item (specify):		
Total fees and other soft costs:	\$0	
Costs Subtotal	\$0	
Estimated financing costs		
Total Costs	\$0	
Total revenue	\$0	
Minus total costs	\$0	
Amount of Subsidy Required	\$0	

Form 9A - Homeownership Residential Per Unit Cost Data

Summary of Development Costs

Total Development Cost	_____	\$0	
Less Non-Residential Cost	_____	\$0	
Total Residential Cost	_____	\$0	Repeat as A below

Residential Unit Costs

A.	Total residential development cost	_____	\$0	A
B.	Number of residential units (pads for mobile home parks, bedrooms for shelters, group homes, and other forms of shared housing)	_____		B
C.	Maximum number of individuals to be served	_____		C
D.	Number of households to be housed	_____		D
E.	Number of residential square feet	_____		E

Bridge & Permanent Financing Detail

Bridge Financing

Source	Amount	Interest Rate	Term	Source of Repayment
Total of all Bridge Financing	\$0			

Permanent Financing

Source	Amount	Interest Rate	Term	Comments (If tax credit, indicate 4% or 9%)
Total of Permanent Financing	\$0			= "Total Development Cost" in Project Summary

**Form 11
Homebuyer Affordability Worksheet**

Household Income Assumptions	
Percent of median income:	\$0
Household size	\$0
Gross annual income	\$0
Gross monthly income	\$0
Percent of income available for housing*	\$0
Percent total monthly debt (PITI + other monthly debt payments)	\$0
Property Acquisition Cost Assumptions	
Purchase price	\$0
Down payment required	\$0
Closing costs	\$0
Cash needed at closing	\$0
Homebuyer cash/sweat equity	\$0
Affordability gap (cash needed minus homebuyer cash available)	\$0
Mortgage Financing	
Amount financed	\$0
Loan-to-value ratio	
First mortgage amount	\$0
Monthly payment	\$0
Second mortgage amount	\$0
Monthly payment	\$0
Third mortgage amount	\$0
Monthly payment	\$0
Fourth mortgage amount	\$0
Monthly payment	\$0
Fifth mortgage amount	\$0
Monthly payment	\$0
Monthly Income Available for Debt Service	
Maximum total monthly debt payments	\$0
Maximum monthly housing cost	\$0
Property taxes	\$0
Insurance	\$0
Private mortgage insurance	\$0
Other monthly costs (e.g., car payments, credit cards, condo dues) - Specify	\$0
Maximum Total PI Payment	\$0
Monthly Debt Service Payments	
<i>The total of monthly payments cannot exceed the amount available for debt service.</i>	
First mortgage	\$0
Second mortgage	\$0
Third mortgage	\$0
Fourth mortgage	\$0
Fifth mortgage	\$0
Total of monthly payments	\$0
Mortgage Assumptions	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	
Type (e.g., amortized, deferred, grant)	
Interest rate	
Term (e.g., number of years amortized or deferred, due on sale)	

*Note: HTF generally recommends a range of 33 to 35%. If you are using a different ratio, please explain on Form 3 - Project/Program Description.

CURRICULUM VITAE

NAME: Philip N. Lane, Jr.
ADDRESS: 3119 West Commodore Way
Seattle, WA 91839
(206) 285-4425
ceo@unitedindians.org

PERSONAL DATA

Date of Birth: 1944 03 07
Place of Birth: Haskell Indian School
Lawrence, Kansas
U.S.A.
Tribe: Yankton Sioux and Chickasaw First Nations (Enrolled Member)

EDUCATION

1960 09 – 1962 06 Walla Walla High School
Walla Walla, Washington, D.C.
Awarded High School Diploma

1963 09 – 1964 03 University of Washington
Seattle, Washington
Major Field of Study: Pre-Law, Political
Science, and Economics

1964 03 – 1965 07 Olympic College
Associate Arts Degree
Bremerton, Washington
Major Field of Study: Pre-Law, Political
Science, and Economics

1965 09 – 1967 03 University of Washington
Seattle, Washington
Major Field of Study: Pre-Law, Marketing, and
Economics

1969 09 – 1970 03 Whitman College
Walla Walla, Washington
Major Field of Study: Education

1972 09 – 1973 01	California State University San Diego, California Major Fields of Study: Psychology and Native American Studies
1974 09 – 1975 06	Eastern Washington State College Cheney, Washington Major Fields of Study: Education and Native American Studies
1975 09 – 1979 06	University of Washington Seattle, Washington Graduate School of Public Affairs Completed Masters Degree in Public Administration (M.P.A.)
1979 09 – 1981 06	National University San Diego, California Ph.D. Candidate Completed Masters Degree in Curriculum and Instruction (M.Ed.)

SPECIAL TRAINING

Summer 1972	Creative Administration California Polytechnic University Pamona, California
August 1975	Proposal Development and Fund Raising University of Chicago's Centre for Continuing Education Chicago, Illinois
Summer 1977	Fellowship International Arts Administration Program Institute of Arts Administration Harvard School of Business Harvard University Boston, Massachusetts
1979	Certified Teacher Re-evaluation Counselling International Re-evaluation Counselling Committee Seattle, Washington
1985	The Magical Child Matures A Workshop with Joseph Cilton Pearce Joy Lake Retreat Centre Reno, Nevada

1985	Fundamentals of Aruvedic Medicine Institute of Aruvedic Medicine Joy Lake Retreat Centre Reno, Nevada
1986	Basics of Optimal Learning Barzak Institute Edmonton, Alberta
1985 – 1989	Siddha Meditation Intensive Workshop Syda Foundation South Fallsburg, New York Ganeshpuri, India

POSITIONS/HONOURS

High School	Senior Class President Most Inspirational Player Award (Football) Most Inspirational Player and Captain Awards (Wrestling) Junior Olympic Pole Vault record Holder (Track) Blue Mountain Toastmaster's Most Outstanding High School Speaker Award
College and University	President's Honour Roll Award (Olympic College) Most Outstanding Wrestler and Captain Awards (University of Washington and Olympic College) Full Fellowship award Winne, International Institute of the Arts, Harvard University
Post College	Vice-President, Executive Board, Indian Growth Centre Inc., of San Diego, California. (A residential Alcoholic rehabilitation program for Native Americans) Member of the Advisory Board, Seattle Urban League, Multicultural Educational Institute Member of the Governor's Advisory Board for Urban, Racial and Disadvantaged Education for the State of Washington Delegate for the United States to the International Conference of Native Peoples of the Western Hemisphere, Gainesville, Florida, February, 1975 Coordinator, Puget Sound Native American Education Consortium composed of 40 Title IV Indian Education Programs

Chairman, Washington State Native American
Education Advisory Committee to the
Superintendent of Public Instruction

Delegate for Native Americans to the World
Leaders Conference
International Re-evaluation Communities
Lakeville, Connecticut

International Reference Person for Native
People
International Conference of Re-evaluation
Counselling Communities
Montreal, Quebec

Board Member, St. Paul's Alcohol Treatment Centre
Blood Reserve, Alberta, Canada

President, Multicultural Education Council
Alberta, Canada

Representative of North American Indians at the
International Conference of the World Wildlife
Fund International and World Religious Leaders,
Assisi, Italy

Recipient of John Denver's Windstar Foundation's
Windstar Award, Aspen Colorado (1992)

Recipient of Swiss Foundation for Freedom and Human
Rights' Year 2000 International Award for Freedom and
Human Rights, Berne Switzerland

PUBLICATIONS AND PRODUCTIONS

Films and Videos

Administrative Producer – Images of Indians

A five-part national television series on the stereotyping of Indians by Hollywood movies for the National Public Broadcasting System (2 ½ hours), produced by KCTA Television and United Indians of All Tribes Foundations, Seattle, Washington (1978).

Executive Producer – Where We've Been and Where We're Going, Parts I and II

A two-part video series on the treatment and prevention of Native alcohol and drug abuse for the National Alcohol and Drug Abuse Program (50 Minutes), produced by the Four Worlds Development Project, The University of Lethbridge (1983).

Executive Producer – The Great Wolf and Little Mouse Sister

A 15-minute colour animated and sound video and slide show for children that reinforces the ideals of selflessness and sharing, produced by The Four Worlds Development Project, The University of Lethbridge (1983).

Executive Producer – Honor of All, Parts I and II

A colour video series that documents the dramatic story of Alkali Lake's triumph over alcoholism and the important principles that lead to that success (1 hour, 45 minutes), produced by the Alkali Lake Indian Band, The Four Worlds Development Project and Phil Lucas Productions (1986).

Executive Producer – Sharing Innovations That Work

A documentary that highlights the First Sharing Innovations That Work Conference, Alkali Lake, British Columbia (26 minutes), produced by The Alkali Lake Indian Band, The Four Worlds Development Project and Phil Lucas Productions (1986).

Producer – Walking With Grandfather

A six-part Public Broadcasting System national television series for children with animation and live action that shows stories of North American Indians for the development of values that are life preserving and life enhancing, produced by The Four Worlds Development Project and Phil Lucas Productions (1988).

Reports

Principal Investigator – Saanich Indian School Board Evaluation

A comprehensive 180 – page evaluation of the Saanich Indian School Board, Vancouver island, British Columbia. Funded and published by the Saanich Indian School Board (May, 1977).

Principal Investigator – Determining Our Own Destiny in Education

A comprehensive 225-page evaluation of the Alexander Indian Reserve Educational Services, federal and provincial. Funded and published by the D.I.A.N.D. Evaluation Branch, Corporate Policy, Ottawa, Ontario (April, 1982).

Principal Investigator – Alexis Reserve Educational Evaluation

A 475-page evaluation of the Alexis Indian Reserve Educational Services both federal and provincial. Funded and published by D.I.A.N.D. Evaluation Branch, Corporate Policy, Ottawa, Ontario (July, 1983).

Co-author – The Four Worlds Curriculum Overview

A 265-page wholistic curriculum approach to Native Education pre-conception 12th grade, that utilized Native cultural and psychological perspectives in human development as well as the latest developments in scientific research. Published by Four Worlds Press (1984).

Principle Researcher – Community Healing and Aboriginal Social Security Reform

A 255-page study prepared for the Assembly of First Nations Aboriginal Social Security Reform Strategic Initiative. This study explores the relationship between community healing and the reform of the social security system in Aboriginal communities (1998).

Editorial Review – Responding to Sexual Abuse

A 330-page document developing a community-based sexual abuse response team (1997).

Co-author – Community Story Framework

A 36-page tool for helping communities to explore what is really happening and what is needed to make life better for everyone (2000).

Co-author – Mapping the Healing Journey

The 103-page final report of a First Nation Research Project on Healing Canadian Aboriginal Communities (2002).

Co-author – Aboriginal Domestic Violence in Canada

This 135-page study builds on many valuable contributions already made to the understanding of family violence and abuse in Aboriginal communities over the past fifteen years, especially in terms of mapping the complex web of factors that create and sustain this critical issues at the level of individuals, extended families, community systems and the socio-environmental context within which they exist (2003).

Books, Curriculum Material and Articles

Curriculum Development - A 26-page booklet outlining the elements of Native Curriculum development – Co-developer. Funded and published by United Indians of All Tribes Foundation (1975).

Determining Our Own Destiny in Native Education - A 23-page booklet outlining the needed steps in local control of Native Education – Author. Funded and published by the Indian Association of Alberta (October, 1980).

Native Art Curriculum For High Schools - A 68-page curriculum unit on Canadian Native Art for High School students – Co-developer. Published by The University of Lethbridge, Native Education, Faculty of Education (1983).

PROJECT COORDINATOR

Unity in Diversity

This comprehensive multicultural education program for junior high students utilizes an extensive curriculum guide, a student text, student worksheets, videos, books, student handouts, games, puzzles, posters, and many other learning resources for developing tolerance and understanding for different cultures, religions, and people. Published 1983 by Four Worlds Press.

Towards the Year 2000

Provides a succinct summary of the basic history, philosophy and accumulated practical experience of the Four Worlds Development Project. Published 1987 by Four Worlds Press.

Great Wolf and Little Mouse Sister – Integrated Language Arts Guide

This 43-page guide offers 24 lessons designed to promote speaking and reading fluency and to develop listening and writing skills. The Four Worlds Development Project. Published 1987 by Four Worlds Press.

Walking With Grandfather – Comprehensive Curriculum Guide

This comprehensive guide focuses on the wholistic development of children utilizing the oral traditions of Native Peoples. The Four Worlds Development Project. Published 1987 by Four Worlds Press.

Sacred Tree Curriculum Package

A comprehensive package of learning resources to assist educators to lead a group of learners through a journey of self-exploration and development. The Four Worlds Development Project. Published 1988 by Four Worlds Press.

Native Games

This book explores Native games of North America and how these games develop life-enhancing and life-preserving values. The Four Worlds Development Project. Published in 1988 by Four Worlds Press.

PROJECT COORDINATOR AND EDITOR

Civilizing Materialistic America

Puget Soundings, Seattle, Washington (April, 1977)

The Sacred Tree – Co-Author

This beautifully illustrated book presents many of the universal concepts and teachings handed down throughout that ages in Native Societies throughout North America concerning the nature, purposes and possibilities of human existence (1985).

Wholistic Education Evaluation – Co-Author

This 60-page booklet reviews the field of educational evaluation as it relates to Native People (1985).

Developing Healthy Communities

This basic text on community development as a strategy for health promotion emerges from the wholistic cultural perspectives of Native Peoples and the struggle now underway in North America for healing and self-development. Published in 1986 by Four Worlds Press.

Developing and Effective Native Teacher Education program

Journal of Native American Education – Co-author (1989).

The Four Worlds Community Education Series

This series of 9 booklets uses school alcohol and drug abuse in Native communities as a focus for exploring the development of human potential.

PROFESSIONAL EXPERIENCE

2005 06 – Present

Chief Executive Officer
United Indians of All Tribes Foundation

- Responsible for all areas of Administration and Development of this Seattle-based Indigenous controlled international social wellness organization, with a five million dollar budget and 85 employees.
- 1994 06 – Present
International Coordinator
The Four Worlds International Institute for
Human and Community Development
- 1995 07 – Present
President
Four Directions International
- 1980 07 – 1995 07
Associate Professor and Coordinator
Four Worlds Development Project
Faculty of Education
The University of Lethbridge
Areas of expertise: Curriculum and Instruction,
Multicultural Education and Counselling, Native
Teacher Education, Alcoholism and Drug Abuse
Treatment Intervention and Prevention, Curriculum
Development, Wholisitic Human and Community
Development, In-Service Teacher Training,
Educational Evaluation and Needs Assessment,
Video Production.
- 1979 07 – 1980 06
Private Consultant
Areas of work: Multicultural Education and
Counselling, Early Childhood Education,
Organizational Development, School Board,
Administration and Teacher Training, Proposal
Writing, Educational Needs Assessment and
Evaluation, Human and Community Development,
Interpersonal and Intergroup Communication
Skills and Proposing Writing.
- 1978 09 – 1979 06
University of Washington
Graduate School of Public Affairs
Director, Graduate Program for American
Indian and Alaskan Native Administrators.

Responsible for the management and
Administration of the Graduate Program for
American Indians and Alaskan Native
Administrators. Duties included recruiting and
Supervising the development of new courses,
Workshops and associated instructional material;
Recruiting students; establishing and maintaining
Contacts with the Indian Tribes/corporations in the

Pacific Northwest and Alaska; serving as the principle Contact and liaison person with the United Indians Of All Tribes Foundation (co-sponsoring Organization). Staffing and program advisory board; Determining potential funding sources for additional Funding and preparing necessary grant applications; arranging for financial support for participating Students and negotiating appropriate contacts with Tribes and/or foundations, administering the grant Funds and monitoring expenditures.

1974 06 – 1978 09

United Indians Of All Tribes Foundation, Seattle, Washington
Director of the Education Division
Assistant Director of UIATF

Responsible for the overall administration and Program development of the UIATF Education Division which included the Departments of: Adult Basic Education, Curriculum Development, Multi-Media (graphics, photography, sound Recording, printing, film and video production), Technical Assistance (served 140 Indian education Programs in Oregon, Idaho and Washington), Community Cultural Education, Educational Program Evaluation, and Early Childhood Education.

Responsible as Assistant Director of the overall United Indians Of All Tribes Foundation to provide Assistance to the Executive Director in financial Planning and management, personal management And resource development in both construction Projects and programs. Additional overall Foundation programs include Red Earth Performing Arts Company, Artists-in-Action Program and Native American Arts, retail and wholesale outlet.

1973 09 – 1974 06

United Indians Of All Tribes Foundation, Seattle, Washington
Planning Director

Responsible for the program development and Planning of the National Indian Cultural-Education Centre at Discovery Park, Seattle, Washington. Primary duties included writing Proposals to obtain program and construction Funding, coordinating and implementing newly Funded programs, and mainatining public relations

With funding agencies, tribal and urban Indian Groups, and other local state and federal agencies Involved with the centre's development.

Responsible for the development of the Master Plan For overall Centre complex and programs which Include a Native American Arts and Education Centre, library, museum and archives, theatre, arena, Longhouse, outdoor experimental area and outdoor Ampitheatre.

1972 02 – 1973 07

American Indian Career Centre, San Diego, California
Director of Social Services

Responsible for the overall administration and Management of the Family Services Department, Social Counselling Department, Recreation Program, And School-age Program at the American Indian Centre, a residential training centre for single parent Native women and their children from Indian Tribes throughout the United States and Alaska. Other duties included working with private and Federal funding agencies, public relations with Tribal groups and interested agencies, and Native American Studies instruction at the High School, University and Graduate School levels.

1970 04 – 1971 10

Bahai Faith
Lapaz, Bolivia
Teachers and Program Administration

Organized and directed teacher education Programs for Quechua and Aymara Indian Volunteer teachers. Organized and directed Community development programs for rural Quechua And Aymara Indian communities, served on the National Bolivian Bahai Alphabetization Committee To develop literary programs and curriculum Material in the Quechua and Aymara Indian Languages.

1968 10 – 1970 04

Walla Walla Community College
Walla Walla, Washington
Head Wrestling Coach, Instructor and Community Services Specialist

Responsible for coordination, recruitment, coaching, And administration of the varsity wrestling Program; originated and directed a summer program

For the City of Walla Walla for boys and girls ages Five to sixteen years in athletics and arts and crafts; Originated and directed special programs for Mentally and Physically disabled boys at the Little Rice Activity Centre; originated and sponsored an Indian cultural development program for Indian Inmates at the Washington State Penitentiary; Originated and directed school visitation programs At the elementary, junior and senior high and Secondary school and College levels in Native American Studies and served as the minorities Counsellor for the Blue Mountain Action Council Of Walla Walla.

1967 12 – 1968 10

Gardener's Department Store
Walla Walla, Washington
Advertising Manager

Directed and coordinated the radio, newspaper, Television, and inter-store advertising program.

Consulting, Conferences, and Workshops

Workshop Leader
Organizational Development

California Intertribal Council
Pamona, CA
May, 1973

Consultant
Native American Studies
Program Development

Walla Walla Community College
Walla Walla, Washington
August, 1973

Workshop Leader
Proposal Writing

United States Office of Education
Regional Indian Education Workshop
Seattle, Washington
September, 1974

Workshop Leader
Cultural Curriculum
Development

National Coalition of Indian
Controlled School Boards
Denver, Colorado
January, 1975

Workshop Leader
Cultural Currciulum
Development

United States Office of Education
National Indian Education Workshop
Phoenix, Arizona,
Seattle, Washington,
Lawrence, Kansas,
Buffalo, New York,
October, 1975

Workshop Leader Cultural Curriculum Development	Minnesota Chippewa Tribes Bemidjii, Minnesota November, 1975
Workshop Leader Cultural Curriculum Development	Manitoba Native Cultural Council Winnipeg, Manitoba December, 1975
Workshop Leader Cultural Curriculum Development	Dakota-Ojibwa Tribal Council Brandon, Manitoba January, 1976
Workshop Leader Teacher In-Service Cultural Curriculum Development	Montana Unified Scholarship Service Great Falls, Montana February, 1976
Workshop Leader Cultural Curriculum Development	University of British Columbia Native Education Conference February, 1976
Workshop Leader Cultural Curriculum Development	United States Office of Education Washington, D.C. March, 1976
Workshop Leader Proposal Development And Analysis	United States Office of Education Washington, D.C. March, 1976
Workshop Leader Development, Teacher Training Program Development and Evaluation	Saanich Indian School Board Brentwood Bay, British Columbia April, 1976

SUSAN BALBAS

PO BOX 17844 • SEATTLE, WA 98127
Home 206-784-0818, Cell 360-381-0056 • E-mail sbalbas@earthlink.net

SUMMARY OF SKILLS AND QUALIFICATIONS

- Non-profit development and management
- Programs research, development, implementation, evaluation and reporting
- Grantmaking – issue area, organization and proposal research, analysis and evaluation
- Non-profit fundraising management and donor education
- Fundraising research, development of strategies, implementation, reporting and evaluation
- Grantsseeking - research, planning, proposal and report writing
- Event coordination, community organizing, networking, working within diverse populations
- Strategic planning, facilitation, board development
- Teaching, coaching, interviewing, mentoring, training, counseling, presentations, public relations
- Budgeting, accounting procedures, inventory tracking and analysis, coping with deadline pressure
- Social, economic and historical research and writing

EDUCATION

- | | | |
|------|--|--|
| 2000 | <i>Master of Science</i> | Portland State University - Portland, OR |
| | <ul style="list-style-type: none">• Teaching• Emphasis in Native American History and Education | |
| 1992 | <i>Bachelor of Business Administration</i> | Boise State University - Boise, ID |
| | <ul style="list-style-type: none">• Economics | |

PROFESSIONAL EXPERIENCE

- | | | |
|-----------------|---|-------------------|
| 2006 to present | United Indians of All Tribes Foundation | Seattle, WA |
| | <i>Director of Development</i> | |
| 2002 to 2006 | Independent Consultant | Seattle, WA |
| | <ul style="list-style-type: none">• Organizational development; fundraising; public relations; facilitation; strategic planning; reporting• Grassroots technical assistance and training | |
| 2003 – 2004 | Western Water Alliance | Seattle, WA |
| | <i>Outreach Director</i> | |
| | <ul style="list-style-type: none">• Authored fundraising plan• Laid groundwork for community outreach campaign | |
| 2001 - 2002 | Changemakers Foundation | San Francisco, CA |
| | <i>Development and Donor Education Coordinator</i> | |
| | <ul style="list-style-type: none">• Two person staff and volunteer team raised over \$2.8 million in contributions• Provided major donor relations and developed education curriculum• Co-authored 5 year fundraising and organizational development plan• Participated in staff grant proposal screening, evaluation and research | |
| 1996 - 2000 | Native American Youth Association | Portland, OR |
| | <i>Executive Director</i> | |
| | <ul style="list-style-type: none">• Developed professional advocacy and social service community-based organization focused on increasing | |

education, health and economic opportunities for Native youth and families

- Initiated research, developed and evaluated programs, secured networks of support, staffing and funding for cultural, social, educational and community-building activities

1990 - 1995 **Red Robin Restaurants International** Portland, OR
Regional Bookkeeper and Regional Operations Coordinator

- Oversaw financial departments and management training program for new store openings nationally
- Responsible for staff training and accuracy of financial reporting
- Assisted in marketing, budgets, physical plant, and all aspects of restaurant operations

1990 - 1997 **Portland State University** Portland, OR
Instructor, Graduate Research Assistant, Educational Advisor

- Taught "Feminism in Native North America", School of Extended Studies, Summer 1993
- Facilitated women's scholarships; coordinated arts and lectures series; developed special collections library; peer and returning women students mentor; facilitator of "Introduction to Women's Studies"
- Middle school student retention specialist, Federal Trio Programs
- Peer Advisor, Underrepresented Minority Program

1983 - 1990 **Nordstrom** Costa Mesa, CA and Portland, OR
Sales Associate and Assistant Buyer

- Two person team managed operations, purchasing and merchandise inventories for six-store Oregon region of top sales department

ADDITIONAL PROFESSIONAL ACTIVITIES

Trainer, "Journey to Successful Fundraising", Podlatch Fund, Seattle, WA, present

Presenter, Panel on Diversity in Grantmaking, Puget Sound Grantwriters Association, Seattle, WA 2004

Presenter, "Fundraising Outside the Box", Non-Profit Assistance Center's Resource Fair, Seattle, WA 2004

Presenter, "Giving With Honor", Council on Foundations' Institute for New Grantmakers, Portland, OR 2002

Presenter, "Donor Partners: Helping Your Donors Help You", Golden Gate Chapter - Association of Fundraising Professionals' "Fundraising Day: Giving Wings to Generous Spirits", San Francisco, CA 2002

Peer Grant Review Board, Multnomah County Department of Community and Family Services, Portland, OR 2000

Grantmaking Committee, City of Portland Department of Housing and Community Development, Portland, OR 1999

Author, Education Section, "Assessment of the Needs of American Indian/Alaska Native Children and Youth in Multnomah County", Portland, OR 1999

Scholarship Review Committee, American Indian Science and Engineering Society, Portland State University 1999

Regional Conference Coordinator, American Indian Science and Engineering Society; Portland State University 1998

Field Researcher, "Anyplace But Here: A History of Housing Discrimination in Oregon", Portland State University 1994

Instructor, "Latina Authors", Red Rose School, Portland, OR 1990

ACADEMIC EXTRACURRICULAR

ACTIVITIES

President; Treasurer, United Indian Students in Higher Education, Portland State University 1991-1995

President; Treasurer, American Indian Science and Engineering Society, Portland State University 1995-1999

Mentor, Minority and Returning Women Students, Portland State University 1991-93

Co-Founder, Mujeres de la Raza, Portland State University 1993

VOLUNTEER EXPERIENCE

Member, Native Arts Council of Seattle Arts Museum, Seattle, present

Council Chairperson, Tierra Madre Fund, Seattle, present

Board President, Longhouse Media, Seattle, present

National Planning Committee; Local Host Committee, National Network of Grantmakers' Annual Conference, 2005

Regional Strategic Planning Team (Economic Development), Ventures Urban Indian Poverty Reduction Initiative, Northwest Area Foundation, 2005

Planner, Indigenous Water Network of River Network, 2003-present

Three-Year Grantmaking Committee; Annual Fundraising Dinner Co-Chair, Social Justice Fund NW, Seattle, present

Board of Directors; Development and Programs Committees, Peace Development Fund, Amherst, MA 2002-2006

Founding Member; Technical Assistance Committee; Native Arts Committee; Trainer and Mentor, Potlatch Fund, Seattle, 2003-present

Grantmakers of Color Affinity Group, Philanthropy Northwest, Seattle, WA 2004-present

People of Color in Philanthropy Network, Seattle, WA 2003-present

Native American Community Advisory Board, Portland State University, Portland, OR 2000-present

Host Committee, A Territory Resource Foundation 25th Anniversary Event, Seattle, WA 2003

Host Committee, Donor Education and Fundraising Event, Circle of Life, San Francisco, CA 2002

Host Committee, Anna Mae Aquash Pictou Awards, Indigenous Women's Network, San Francisco, CA 2002

Fundraising and Event Planning, Tateyah Topa, Portland, OR 1989-96

Steering Committee, Fundraising and Outreach Committee Chair, Ben Linder Construction Brigade, Portland, OR 1988-92

Board of Directors, Portland-Corinto Sister City Association, Portland, OR 1988-90

Volunteer, Snake River Alliance, Boise, ID 1978-83

MEMBERSHIPS

Social Justice Fund NW, Seattle, WA 2003-present

National Network of Grantmakers, Minneapolis, MN, 2001-present

AWARDS

'Perseverance Award', Educational Equity Programs, Portland State University 1998

Underrepresented Minority Achievement Scholarship, Portland State University 1990

Curriculum Vitae

Michael Bopp PhD



Four Worlds Centre for Development Learning

Box 395

Cochrane, Alberta

T4C 1A6

Tel: (403) 932-0882

Fax: (403) 932-0883

Email: mbopp@fourworlds.ca

Web Site: www.fourworlds.ca

Summary

Personal Data

Born: July 30, 1946 in Marinette, Wisconsin, U.S.A.
Citizenship: Naturalized Canadian citizen, 1974.
Marital Status: Married to Judie L. Bopp, three children.
Languages: Capable of working in English, French and Melanesian Pidgin

Professional Focus

Career focus on facilitating learning for health promotion and human and community development, on organizational capacity building for social and economic development and on the cultural foundations of development. Have worked in urban and rural settings in the Territories of Northern Canada, in Africa, Asia, the South Pacific, Latin America and across North America including the arctic and subarctic regions, the former Soviet Union and on many Indian Reserves and Metis communities in Canada and the United States.

Education

Ph.D. Development Education,
University of Alberta, 1985

M.A. Community Development,
University of Alberta, 1981

B.A. English,
Dalhousie University, 1974

Professional Teaching Certificate (life-long, K-12)
Simon Fraser University 1975

Competency Areas

I Program Development and Support
II Training
III Research and Evaluation
IV Teaching

Current Connections

Coordinator, The Four Worlds Centre for Development Learning (Cochrane, Canada) and a senior partner in Four Worlds International (Lethbridge, Canada). The Centre for Development Learning is a member of the Four Worlds family of organizations focused on research and capacity building for human and community development. Among other activities, Four Worlds is engaged in the design and implementation of accredited and non-formal training programs related to leadership in participatory development processes, as well as in international research and consultancy activities related to eco-health, civil society strengthening, governance and institution building and indigenous peoples development.

The information provided on this page is expanded upon in the Curriculum Vitae that follows.

Curriculum Vitae

Competencies

I. Program Development and Support

Policy Development and Planning: The facilitation of corporate policy development and planning processes at the ministerial or senior management level, especially for development, health and human service related organizations.

Social and Economic Development: Program planning, project design, implementation, monitoring, evaluation and technical support. Extensive experience in facilitating community healing (conflict, substance and sexual abuse, communal violence, disunity, despair) and integral community development processes.

Training: Technical and human relations training for all levels of staff working in education and development related programs, especially in a cross-cultural setting. Training program managers and staff in community development and cross-cultural learning strategies. On-the-job training for front-line development workers. Organizational and development leadership training and training for participatory research and development work.

Educational Programming: Curriculum development, especially for cross cultural settings; indigenous people's education program development, school evaluations, school board training, adult learning program development, education components of larger development programs. Community involvement in education transformation. Teacher education, especially for work with indigenous or rural populations. Developing culturally appropriate education programs. Accredited graduate level program design and implementation related to human and community development practice.

Health Promotion Programming: Needs assessment, program design, planning, implementation, monitoring, evaluation and support. Developing culturally appropriate, community-based treatment and prevention strategies. Community development as a health promotion strategy. Particular strength in designing and implementing evaluation processes to assess the impact of health promotion programs on health status, and on real progress in addressing the determinants of health.

II. Training

Extensive experience in training senior management, development program leaders and front-line development workers in applied health, education and social and economic development work. Training educators to be more effective in indigenous communities, rural and cross-cultural settings as well as in integrating their programs into a larger development process. Capable of delivering training in the following areas:

Strengthening Civil Society, Governance and Institution Building for Development, and Community Development : training related to planning, program development, implementation, monitoring, support and evaluation of human and community development processes.

Developing Effective Programs for Indigenous Communities and other Minority Populations: Aimed at assisting minority cultural insiders as well as dominant society professionals to learn how to learn from the populations they serve in ways that contribute to concrete improvements in the education programs they deliver.

Curriculum and Program Design for Minority Education and Multi-cultural Classrooms: assisting educators, planners, curriculum specialists and administrators to design learning processes that are appropriate for minority learners, and which take into account the limitations of the classroom setting. Training can be general in approach or can be specialized for early childhood, middle school, junior or senior high school, or adult levels.

Humanizing Human Service Work: training for the staff of human service programs of all kinds (education, health, social services, substance abuse, community development, economic development, etc.) in strategies to:

- insure that the program is serving the people and not itself,
- to assist program staff to stay united, focused, and productive, and
- to assist program staff to renew themselves and avoid "burnout".

The Healing of Conflict -A Way Out: methods of resolving conflicts between individuals and groups without leaving scars. Training can be adapted for a variety of settings, including tribal or minority communities, villages, small towns, organizations, institutions, programs, or families.

Health Promotion: developing, implementing and evaluating health promoting organizations and programs.

Community Development Strategies for Educators: training educators to integrate their programming with on-going development processes.

Research and Evaluation Methods: for social and economic development, health promotion, ecosystem approaches to health and education. Special focus on holistic, participatory, transdisciplinary, culturally appropriate and community-based methods.

Inter-sectoral Collaborative Planning: joint training and planning activities for education, environmental protection, substance abuse, health promotion, social and economic development and other program personnel aimed at generating collaborative and integrated approaches.

III. Research and Evaluation

Program Monitoring and Evaluation: transdisciplinary, participatory, culturally based approach

- integrated social and economic development programs
- primary health care and health promotion programs
- environment and eco-health programs
- community education programs
- minority schools and curriculum
- human service programs
- higher education, professional and training programs related to health and development

Basic Historical, Cultural Policy and Social Impact Research: to determine a framework for community development, policy change, program design as well as mitigation and compensation processes. Special capacity to work in indigenous and rural communities, multi-cultural settings, and communities in transition or conflict.

Curriculum Research: to gather the knowledge base that permits development of culturally appropriate curriculum materials, especially in indigenous and rural communities, and in multi-cultural settings. Holistic approach which generates information regarding the content, the context, and the process of effective education.

IV. Teaching (College and University)

Capable of teaching on graduate or undergraduate levels in the following areas:

Applied Development Practice: human and community development theory and practice from donor agency policy to on-the-ground community development.

Research Methods: Special focus on qualitative research methods related to health, education, environment, and social and economic development. Community-based, participatory action research. Cultural and historical research methods for educational transformation and for human and community development.

Education and Curriculum Studies: curriculum theory, curriculum development, curriculum research, philosophical foundations of education, adult education theory and practice, classroom teaching, education planning, community education, social studies and language arts methods, indigenous people's education, administrating educational transformation, the sociology of education, education for development, comparative education.

Applied Health Promotion: Community development and health promotion strategies, eco-health research and program implementation, philosophical foundations of community health work, health education methods.

Evaluation: focus on the use of participatory evaluation for organizational development and participatory and community-based evaluation methodology.

Social Planning: strategies and procedures for facilitating planning processes, and for preparing comprehensive planning documents.

Organizational Development: general competency in the field of organizational development, with a particular interest in organizational transformation.

Work Experience

1994 - Present

Director, Four Worlds Centre for Development Learning. The Centre is part of the Four Worlds Family of Organizations. It focuses on capacity building and the provision of technical assistance related to solving critical human problems in development. Examples of key initiatives (recent or current) include a civil society capacity building program across Ukraine; a community healing and development project on a Canadian Indian reserve; a national research study for the Assembly of First Nations in Canada on Community Healing and Aboriginal and Social Security reform; the preparation of a major educational document related to community based sexual abuse response teams in Aboriginal communities for Solicitor General, Canada, a governance, institution building and conflict resolution project related to peri-urban development in Zambia; building an inter-indigenous development partnership between indigenous people of North America, the Caribbean, and Central and South America; operating a accredited Masters degree program in partnership with an American University and evaluating a global eco-health research program.

Michael is also senior partner (along with Phil Lane Jr. and Judie Bopp) in Four Worlds International with a primary role as chief technical advisor on many initiatives.

1992 - 94 Professorial Head, Education Division, The National Research Institute of Papua New Guinea (NRI).

NRI coordinates research efforts in many fields related to social and economic development in Papua New Guinea. The Education Division is the largest of the divisions, and my work focused on issues related to school system reform, adult non-formal education and training, NGO strengthening, and community development. A primary focus was training researchers in applied research methods related to the promotion of learning for participatory development.

1990-1992 Faculty Member, Department of Adult Education, St. Francis Xavier University, Antigonish, Nova Scotia, which offers a distance M.A. program in Adult Education.

Adjunct faculty member, The Coady International Institute, Antigonish, Nova Scotia (which is an international applied development training center).

1983- 1992 Co-founder, Coordinator of Research and Development, Director of Health Promotions Program, the Four Worlds Development Project

The Four Worlds Development Project is a research and development effort based in Lethbridge, Alberta, Canada which focuses on supporting the learning and technical needs of tribal communities. My involvement during this period included program management; extensive fund raising; curriculum development (I authored or co-authored over 20 original pieces); thousands of hours of workshop experience in settings ranging from small, remote Native communities to large international conferences; extensive research and development work designed to articulate models and approaches to guide community education and development efforts; new program design and implementation (including youth development, alcohol and drug abuse prevention, women's training, elder's health, national community economic-development strategy, and national health promotion demonstration programs). As well, I participated in the design of a process leading to a new teacher education program at the university level, designed a 2-year community college

program for front-line workers in social development for Native communities, and founded and edited a quarterly periodical for front-line workers in tribal communities.

- 1982-1983** Dene Nation, Yellowknife Northwest territories. Staff consultant in education and community development. Directed education programming aimed at assisting 26 Dene communities to move toward local control of education. Supervised basic research in Dene teaching and learning styles and traditional moral values. Conducted evaluation of community training needs and assisted in design and conduct of training for community development field workers. Acted as liaison between Dene communities and Northwest Territories and Federal education departments. Organized and supervised a Development Information Centre. Participated, along with Dene Nation lawyers, in on-going discussions for drafting a new education ordinance for the Northwest Territories. Conducted evaluations of selected community education programs upon request.
- 1977-1979** Rwanda, Central Africa. Community development coordinator. Principal responsibilities included regular extended walking tours to visit some 120 rural communities; the training of local community educators; assisting 120 local administrative bodies in their development; supervising the translation and dissemination of educational material in Kinyarwanda; monitoring the effectiveness of local and distance education programs; negotiating with prefectural or local government officials concerning the purchase of land and the construction of buildings; monitoring construction projects of local community centers or tutorial schools; stimulating the formation of youth and women's groups.
- 1976-1977** Department of Social Welfare, Dawson City, Yukon Territory, Canada. Co-operated (with spouse) the Dawson City Children's Group Home, a residential center for adolescents with emotional or serious family problems. Also employed on part-time basis as a teacher in the Dawson School. Organized a summer community youth recreation project with special emphasis on Native youth.
- 1969-1972** Self-employed Farmer. Homesteaded in the interior mountains of Canada's British Columbia, to create an intentional community with three families. Work included building several houses, an underground food storage facility, clearing for pasture and gardens, planting and harvesting vegetables and hay crops, timber cutting and hauling, saw milling, machine maintenance, and reservoir and irrigation design and installation. But the hardest work of all was building a meaningful community life.

Awards and Contracts (selected examples)

University of Alberta Graduate Scholarship (1980-1981)

Killam Scholar (1981-1984)

University of Alberta Alumni Association Summer Research Grant (1980)

The Boreal Institute Northern Research Grant (1983-1986)

Health & Welfare Canada Indigenous People's Health Promotion Research and Demonstration Project (1987-1992)

CIDA (Canadian International Development Agency): final evaluation of UNICEF Integrated Services for Children Project (education sector), Northeast Thailand (1990)

Health and Welfare Canada: evaluation of the Saskatchewan Alcohol and Drug Abuse Commission's mobile substance abuse treatment program in northern Native communities (1992)

Health and Welfare Canada: participatory community health development assessment and planning process in Beauval, Pine House Lake and Cumberland House, Saskatchewan (1991-1992)

Black United Front (Nova Scotia, Canada): design of a province-wide evaluation of the education and learning needs of Blacks in Nova Scotia (1992)

National Research Institute of Papua New Guinea: contract to head educational research activities and to develop effective counterpart training program (1992-1994)

PNG Trust: principal evaluator of a comprehensive evaluation and planning exercise involving a network of 23 NGOs and a central technical assistance service group in Papua New Guinea (1993)

Provincial Government of the North Solomon's, Papua New Guinea, through the National Research Institute of Papua New Guinea - to facilitate a consultation and planning process in war-torn Bougainville involving community leaders, churches, ex-guerrilla fighters, military authorities, as well as government and non-government program officers to develop a plan for reconstruction and rehabilitation after 5 years of conflict and chaos. (1993)

Unicef (Papua New Guinea), through the National Research Institute of Papua New Guinea - a study commissioned to evaluate the current status of literacy and awareness programming on a country wide bases relative to the promotion of grassroots development. (1993)

Ministry of Provincial Affairs and Village Services - a study commissioned through the National Research Institute of Papua New Guinea to assess training needs relative to the Village Service Program, which was mandated by Parliament to coordinate a grassroots participatory approach to government program development, implementation and evaluation. (1994)

The Kellogg Foundation (Battle Creek, Michigan) - a one year project to design and develop a Masters level university program to train front-line development workers in aboriginal (and other disadvantaged) communities. The process involved a participatory research methodology through which selected tribal communities were engaged in co-designing the program. (1995)

- Solicitor General of Canada*** - a project to design and field-test a training course for aboriginal community sexual abuse intervention teams; involved the preparation of a manual and two field-testing workshops. (1996/7)
- International Development Research Centre (IDRC)*** - feasibility study in Benin, West Africa related to the introduction of information and communication technology into the context of a primary health care systems development process already underway for a decade. (1997)
- CARE - Zambia*** - contract to design and deliver a 35 hour training program to CARE Zambia staff related to participatory development and community management systems for squatter settlement programs. (1997)
- CIDA (through the Canadian Bureau of International Education)*** - a contract to design a generic framework for evaluating international study tours, and to test that framework through the conduct of an evaluation of CIDA sponsored tours of Ukrainians traveling in Canada related to the health, public administration and civil society sectors. (1998)
- Assembly of First Nations*** - a national policy research project on Community Healing and Aboriginal Social Security Reform, related to identifying fundamental strategies for assisting Canadian Aboriginal communities to move toward prosperity and well-being. (1998)
- CIDA (Canadian International Development Agency)*** - through the Canadian Bureau of International Education, a capacity building and training project related to civil society development in the Ukraine. (1998 - 2002)
- IDRC (International Development Research Centre)*** - An evaluation of the Ecosystems and Human Health Program Initiative, particularly related to transdisciplinarity and participation in the implementation of the eco-health research paradigm. Entailed field assessments of eight projects in four countries and an overall program analysis. (2000-2001)
- CARE Zambia*** - a governance, institution building and conflict resolution consultancy related to peri-urban development and focused on the relationship between City Council and community leaders in co-managing development initiatives. (2001)
- CIDA*** - The organization of an international summit of indigenous leaders of the Americas on the Caribbean island of Dominica focused on indigenous to indigenous social and economic cooperation. (2001)
- Solicitor General Canada and the Aboriginal Healing Foundation*** - A research project exploring what works and what doesn't in Aboriginal community healing efforts related to post-residential school trauma, physical and sexual abuse and addictions, with a particular focus on community based initiatives. (2001)

Professional Associations

- Canadian Public Health Association
- Non-Formal Education Exchange
- Institute of Noetic Sciences
- Association for Baha'i Studies

Publications

- 2001 *Recreating the World: A Practical Guide to Building Sustainable Community.* Cochrane, Alberta. Four Worlds Press. (with Judie Bopp)
- 1998 *Community Healing and Aboriginal Social Security Reform.* A study prepared for the Assembly of First Nations Aboriginal Social Security Reform Strategic Initiative. Four Worlds Press. Lethbridge, Alberta.
- 1997 *Responding to Sexual Abuse: Developing a Community-Based Sexual Response Team in Aboriginal Communities.* Aboriginal Corrections Policy Unit, Solicitor General Canada, Ottawa.
- 1997 *At the Time of Disclosure: A Manual for Front-Line Workers Dealing with Sexual Abuse Disclosures in Aboriginal Communities.* Aboriginal Corrections Policy Unit, Solicitor General Canada, Ottawa.
- 1994 *The Illusive Essential: Evaluating participation in Non-Formal Education and Community Development Processes.* in *Convergence*, Volume, XXVII, Number 1, 1994, pp. 23-45
- 1993 *Evaluating Participation in People Centered Development.* Participatory Development Learning Project Occasional Paper Series, the National Research Institute of Papua New Guinea
- 1993 *Assessing Training Materials for Participatory Development.* Participatory Development Learning Project Occasional Papers Series, the National Research Institute of Papua New Guinea.
- 1991 *In Search of Lost Eyes: Modernization, Culture and Counter Culture.* Paper prepared for the International Symposium on Cultural Factors in Development, Caracas. UNESCO, Paris
- 1988 *Towards the Year 2000.* Four Worlds Development Press
- 1988 *Culture: the Ultimate Curriculum.* Four Worlds Development Press
- 1986 *Developing Healthy Communities: Fundamental Strategies for Health Promotion.* Four Worlds Development Press.
- 1985 *Education for Human Development.* University of Alberta, PH.D. Thesis. Concerns the problem of entering someone else's world (i.e. culture) to do education that will promote authentic development for individuals and their communities.
- 1981 *The Dene Development Question.* University of Alberta, MA Thesis. Concerns the struggles of the MacKenzie Dene People to development themselves in the context of political and cultural domination.

Materials produced in collaboration with others and published by Four Worlds Development Press

- 1989 *Handbook for Community Development Training*
- 1986 *Taking Time to Listen: Using Community Based Research to Build Programs*

- 1984 *Adult Education Series*
1. Understanding and Preventing the Problem of Alcohol and Drug Abuse
 2. How History has Affected Native Life Today
 3. The Vicious Cycle of Prejudice
 4. The Transforming Power of a New Vision
 5. The Connection Between Health and Education
 6. Toward a Vision of Human Possibility
 7. A Holistic Curriculum can Contribute to Health
 8. Community Development
 9. Helping your Community
- 1992 (1983) *Sacred Tree* (12th printing, translated into German & Spanish)
- 1983 *Sacred Tree Teacher's Guide*
- 1983 *Walking With Grandfather and the Great Wolf and Little Mouse Sister Teacher's Guide*

Workshops, Conferences, Seminars (selected examples)

- Developing the Community Within.*** Program development and staff training - a five day staff re-visioning and team building process with 80 managers and selected staff for Rural Alaska Community Action Program. Anchorage, Alaska. January 1988
- An Herb of Understanding: the Healing of a Nation.*** Keynote address to the National Learning Conference for Substance Abuse Program leaders in the United States. Sponsored by the Office of Substance Abuse Prevention. Washington, D.C. December 1988
- Healing the Agencies That Are Trying to Heal the People.*** A 5-day intensive training session for community development and health promotion agency personnel at the Four Worlds Summer Institute. July 1988
- Implementing the Four Worlds Model in Community Education.*** A 5-day community workshop with parents, school board members, teachers, and school officials in the Athabaskan village of Tanacross, Alaska, as well as teachers and administrators from the Alaska Gateway School Division. February, 1989
- Beginning With Ourselves: Making Health Promoting Agencies Healthy.*** Presentation to the National Premiers Conference on Health Promotion and Disease Prevention. Victoria, BC. March 1989
- Old Traditions and New Science: a Fusion for Human Development.*** Five-day seminar relating new thinking in physics, biology and other contemporary sciences with Native and other traditional perspectives on the nature of transformation and growth at the Four Worlds Summer Institute. July 1989
- Positive Strategies for Working With Young People.*** A 2 1/2 day workshop presentation with 120 professional staff at training conference of the Young Offenders Division of the Saskatchewan Department of Social Services. La Ronge, SK. September, 1989 (with Judie Bopp)
- Social Change for Health.*** Keynote presentation to the Canadian Medical Association Annual Conference in Regina, Saskatchewan, August, 1990
- In Search of Lost Eyes: Modernization, Culture and Counter-Culture.*** A paper presented on behalf of Canada to a UNESCO International Conference on culture and development. Caracas, December 1990
- Cultural Foundations of Human Survival.*** A lecture and seminar series presented on behalf of the Soviet Academy of Sciences, in Moscow and Leningrad (now St. Petersburg), June 1991
- Cultural Transformation for Health Promotion.*** Workshop presented at the Ontario Public Health Association Annual Conference. Ottawa, November 1991
- Be the Change you Want to See.*** Workshop presented to the National Volunteer Service's Annual Conference, Hisiu, Papua New Guinea, January, 1993
- Transforming Health Conditions.*** A keynote address to the Alberta Public Health Association Annual Conference, 1996
- Leadership for Transformation of the Public Service.*** A keynote address to the City of Winnipeg public services managers in their Continuous Improvement Initiative annual conference, 1996

- Leadership for Building Sustainable Community Solutions.*** A keynote address to the National Child Mental Health Program - Leaders Conference, New Orleans, 1997
- Re-Claiming Canada: A Necessary Alliance Between the Public Service and Civil Society.*** A keynote address to the Public Services Commission of Canada Annual Executive Training Conference, 1998.
- Participatory Action Research for Civil Society*** - A four day interactive seminar in Lviv, Ukraine, for NGO leaders and front line workers sponsored by CIDA, 2000.
- "Talking Tools"*** - a three hour seminar on tools for participatory community development assessment and planning at the "Social and Economic Development for the Americas" annual conference, Orlando, Florida, 2000.
- Theory and Practice of Eco-health Research*** - A four day seminar for funded researchers of IDRC's Eco-health graduate research program, with special attention to community based issues. Ottawa, Canada, 2001.

References

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The Coady International Institute
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James F. Kee Jr.
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206-248-0060

Personal

Birthdate: 2/28/1962

I was born and raised in northern Ohio. I moved to Denver, Colorado in 1980 and subsequently to Seattle, Washington in 1991.

I am a single parent of two children, aged 10 and 13.

Education

Graduated Elyria High School, with Honors, June 1980. Academic class rank of 23rd of 542 graduates.

BA in Philosophy and Political Science, with Honors, June 1984, University of Denver. Minor in History. Major areas of study: Greek Philosophy, pragmatism, logic, comparative politics, world history.

University of Edinburgh, Edinburgh, Scotland, 1982-83. Study Abroad Program – one year – courses taken on Scottish History, Comparative European Political Systems, and African History and Politics. Courses transferred to Denver as part of BA degree. Studied under noted Africanist Dr. Christopher Allen at Edinburgh.

MA in African Politics and Culture, University of Denver, Graduate School of International Studies (GSIS). June 1988. Focus of study: South Africa, Human Rights, African culture and history. MA Thesis on Apartheid regime in South Africa's impact on neighboring countries' economic development. My Thesis advisor was noted Africanist Dr. George Shepherd.

Employment/Work History

1980-1991 University of Denver, Office of the Registrar. I began working in the University's administrative offices as a work study in 1980. I was hired as a full time employee in 1984 and helped develop and implement on-line registration and tuition-billing programs for the University in the late 1980's.

1987-1990 University of Denver, Office of the Dean. I taught a course called "The University Experience" for 3 years – an introductory course to university life and academics for college freshmen. I also acted as academic advisor for 20 students each year.

1985-1991 Manager and booking agent for musical acts in Denver. I was a part-time manager of three 'bands' – and included booking, marketing, and general representation. I organized a number of 'benefit concerts' for Amnesty International on campus and started my own record company to release material recorded by local artists. I also helped to produce and distribute releases and promote recordings.

1991-2006 United Indians of All Tribes Foundation. Grantwriter and Planner. I have written dozens of successful grants and helped develop and fund programs and activities for the agency. My work has involved significant interfacing with units of local government, other non-profit agencies, local Native American community, and private foundations.

Other Activities and Relevant Experience

Active member of Lafayette Elementary School PTA, 1999-2004. Regular volunteer.

Active in South African Divestment movement at the University of Denver in the late 1980's. I helped form a committee to lobby the Trustees of DU to divest interests in US companies that were doing business in apartheid-era South Africa.

Elected Delegate, King County Democratic Convention (for Jerry Brown) Summer 1992.

Elected Delegate, Washington State Democratic Convention (for Jerry Brown), Summer 1992,

Elected Delegate (alternate), National Democratic Convention (for Jerry Brown) Summer 1992.

Elected Precinct Committee Officer for the Washington State Democratic Party – 11th District – Nov. 1992. I remained active in the party until 1994.

College Radio DJ and part-time station manager 1983-1987 at the University of Denver's student-run radio station. I did on-air work as well as managing the station's schedule and playlists.

I published a variety of articles in a Denver magazine called "Pulp" between 1993 and 1996. The articles included reviews of films and recorded music as well as feature articles on the Rock and Roll Hall of Fame in Cleveland and the Home Alive organization in Seattle.

I published a few short stories and poems in a University of Denver publication called "Footprints" between 1981 and 1991.

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JOHN H. STEIN B.A.

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education Bachelor of Arts Degree, Humanities (New College of Florida—the Honors College of the State University System; Sarasota, Florida)
May 2003

Greek Language + History Studies (Anatolia College; Thessaloniki, Greece)
1997-98

Advanced Academic Diploma with Honors (Central High School; Tuscaloosa, AL)
May 1996

skills **Teaching**

4 years experience in teaching, tutoring, curriculum design and lesson planning.

Photography

*Highly proficient in digital and 35mm photography including portraits, weddings, child candid and portraits, travel photography, creative fine art, b&w darkroom, and digital manipulation.
*Exhibited in numerous shows and magazines. Sold over 30 photographs to private collectors.

Computer + Office

*Web design + desktop publishing: Photoshop, PageMaker, QuarkXpress, DreamWeaver, FrontPage, Publisher, Word, Excel, Access + PowerPoint.
*Typing speed of 65 wpm with 98% accuracy.

Management

Experience with program administration, volunteer recruitment, fund solicitation, grant writing, purchase orders and billing.

Creative & Journalistic Writing

Contributed approximately 30 articles in high school, college, and independent newspapers. Wrote and photographically illustrated a 60-page novella, Sounds Cats Make, a selection of which was published for a baccalaureate thesis.

Languages + Travel

*Speak and write advanced Greek (3 years of coursework).
*Extensive travels throughout U.S., Canada, Mexico, Greece, Romania, Bulgaria, Czech Republic, Austria, Holland, Germany, Italy, England and N. Ireland.

work **ADMINISTRATION**

Resource Developer—United Indians of All Tribes Foundation/AmeriCorps VISTA (Seattle, WA)
2004-present

Assisted this social service agency's administration team with fundraising, grant-writing, public relations, communications, program planning, gallery-shop management + volunteer coordination. Coordinated 140 volunteers at 2005 Pow-Wow.

Site Coordinator—Rolling Readers USA (St. Petersburg, Florida)
2000-01

Recruited, trained and placed 92 volunteer tutors in low-income regions of the St. Petersburg metropolitan area. Assisted with fundraising; grant writing; maintaining accounting records; public relations; creating promotional material such as flyers, t-shirts, book marks, brochures,

and web-design. Obtained \$5,000 through a community-improvement grant and another \$15,000 through personal and business donations, and through fund-raising activities such as literacy festivals.

MEDIA

Newspaper Columnist, *On Campus*—Anatolia College (Thessaloniki, Greece)

1997-98

For this college newspaper, wrote monthly satirical commentary about life on campus from an American perspective. Topics included regional culture, student government elections, the student cafeteria, cigarette smoking and campus nightlife.

Editor + Staff Writer, *The Falcon Flyer*--Central High School (Tuscaloosa, AL)

1995-96

For this high school newspaper, wrote articles about the speed limit, dramatic productions, school policy and book reviews.

TEACHING

Photography Instructor—New College of Florida (Sarasota, Florida)

2002-03

Taught approximately 20 students in two full-semester credit courses. Course topics included beginning and intermediate techniques of digital and 35mm photography, including dark room developing, composition, creative subject matter, elements of design, photographic history, and philosophy of aesthetics. Curated the *Two Shots* student photography exhibit on campus. Applied for three grants and obtained \$1750 for funding darkroom equipment and chemicals. Performed public relations, including creating flyers and writing press releases.

Assistant Education Curator—Ringling Museum of Art (Sarasota, Florida)

2001-02

Under the guidance of the Education Coordinator, researched the topic of American circus themes in contemporary art, provided recommendations for an educational curriculum and specific lesson plans for the general public. Upon approval, created educational material and audiovisual aids.

MISCELLANEOUS

Box Office Manager—Market Theater/Unexpected Productions (Seattle, WA)

2006-present

Currently assist this theater with ticket sales, concession inventory and sales, and general customer relations.

Concierge + Doorman—New West Condominium (New York, NY)

Summer 2002

At this Upper West Side condominium, provided professional lifestyle assistance to homeowners including administrative assistant duties and security.

Summer Camp Counselor—Camp Skylemar (Naples, ME)

1997-99, 2001

At this 7-week residential summer camp, supervised and taught campers, ages 9-14. Managed behavior, coached sports, assisted camp photographer, ensured campers' safety, and organized fun evening events to provide satisfaction with the camp's curriculum.

Light + Sound Technician—Maine Center for the Arts (Orono, ME)

1996-97

Assisted with unloading and set-up of light/sound equipment. Provided security and maintained order during performances.

**awards +
achievements**

AmeriCorps Scholarship Recipient, \$5000 (Seattle, Washington)
2005

Community Involvement Appreciation Award, New College of Florida (Sarasota, Florida)
2003

Presidential AmeriCorps Commendation Meeting with President Bill Clinton (Tampa, Florida)
2001

Zonta Executive Woman's Club, Pinellas County Appreciation Award (St. Petersburg, Florida)
2001

Weed and Seed community improvement grant, \$5000 (St. Petersburg, Florida)
2000

**publications +
exhibitions**

"Photographs and Fiction: A Theoretical Discourse and a Creative Response"
New College of Florida—Sarasota, FL: May 2003

This 85-page senior baccalaureate thesis explored philosophies of visual language and aesthetics, contrasting the medium of photography with other art media, and presenting a photographically illustrated novella.

Two Shots Student Art Show—Four Winds Café (New College of Florida)
Sarasota, FL: May 2003

Curated this "Best of..." art show of my photographic works and those of 20 student artists. Works were both color and black-and-white; subject matter ranged from churches to ballet to mouthfuls of billiard balls.

Backwards & Ugly Magazine (New College of Florida) + Voices from the Attic Journal (Anatolia College)

1998-2003

Provided 6 creative short stories, ranging from 2-14 pages, for these student publications. Provided customized photography of stock images to accompany other stories published.

St. Pete Beach Art Institute

St. Pete Beach, FL: 2000-01

Exhibited photographs in two shows.

**extra-
curricular**

Volunteer Teaching Assistant—United Indians Pre-Natal to Five Head Start + Beacon Hill Elementary

Seattle, WA; 2004-present

Event Assistance—Plymouth Housing Group + Seattle Housing Authority

Seattle, WA; 2004-present

Receptionist + Customer Service Representative—Florida Holocaust Museum

St. Petersburg, FL: 2000-01

Special Events Assistant—Salvador Dali Museum

St. Petersburg, FL: 2000-01

interests

Elementary School Students' Basketball Coach—YMCA

Orono, ME: 1997, 1999

Design: Photography, graphic design, furniture design, web design and woodworking.

Others: Creative writing, sailing, cooking, basketball, harmonica and fine art.

Denise Tagas, M.A., A.B.S.

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SUMMARY

My life has been dedicated to facing my own challenges and supporting others in facing theirs with integrity and compassion. Because of my commitment to health and empowerment, I bring enthusiasm and caring into my work with others. I have strong communication skills and work well in group settings. I am passionate about learning how to create more fulfilling lives for my clients and myself.

WORK HISTORY

June 2002–present

Individual and Family Therapist, United Indians of All Tribes Foundation

I work with clients at the agency that are CPS or court referred and have domestic violence, chemical dependency, and sexual abuse issues. I work with clients individually and in groups to address these issues. In addition, I provide home-based services to families in crisis and in need of parenting support.

Feb. 2001–June 2005

Private Practice Therapist, Kenmore Counseling Services

I work with individuals, couples, and families using a systems and client centered approach. I have co-lead an adult therapy group with an emphasis on communication skills, boundary setting, and building healthy relationships. I use a wide variety of therapeutic tools and techniques in working with clients to address family of origin issues such as childhood trauma, addictions, loss, and depression.

July 2000–Jan. 2002

Counselor, Pathways for Women, YWCA

Internship responsibilities included providing counseling services for shelter residents, work first clients, and community clients. I worked with non-English speaking Iraqi refugee clients to provide both counseling and resource support for housing, social security disability, and medical issues. I facilitated a parenting class for with both residential and community clients. I attended weekly training's, consultation, and supervision meetings. Upon

completion of my internship I continued at Pathways working with clients and creating and facilitating an art therapy group for the children living at the shelter.

July 1997–Nov. 1999 *Case Aid- Family Preservation Services, Ryther Child Center*
Provided in home services to families where children and youth are at risk of being removed from their homes or for whom earlier reunification can be accomplished if such services are provided.

Odyssey Research Project (Internship), Ryther Child Center
To collect and compile information in present and past residents at Ryther Child Center to analyze the success to the various programs as part of a longitudinal study conducted by the Child Welfare League.

Residential Counselor (Internship, then hired), Ryther Child Center
Supervise and structure residents (ages 6 to 12 year old boys and girls) in daily life activities, participate and lead daily treatment groups, assist in verbal de-escalation and physical restraints, and keep records and written logs of all activities through out the shift.

Oct. 1991–Aug. 2004 *Massage Therapist, Bright Heart Massage*
Built a therapeutic massage practice, owned and operated a massage business.

EDUCATION

Sept.1997–Aug.1999 Bachelor of Arts Degree in Human Services, Western Washington University

Sept.1999–May 2001 Master of Arts Degree in Applied Behavioral Science, LIOS Bastyr University

NORMA MAIJAH ALICIA MERINO, MA

200 31st Avenue, #2

Seattle, WA 98122

206) 579-0794

Email: majahmerino@msn.com

HIGHLIGHTS:

Resourceful Catalyst

Collaborative

Inspired

Reflective

Self-motivated

Creative

WORK EXPERIENCE:

10/05-Present

Child & Family Therapist/Consultant

Alesek Institute/United Indians of All Tribes Foundation, Seattle, WA

- ❖ Co-Develop and Implement a new culturally appropriate program for Urban Native children and families involved in the United Indians Headstart Program. Duties include: creation of all needed forms (assessments, intakes etc.); partnership development; enrollment of families; individual, group and family therapy; provide regular consultation for the school and agency on cultural protocols; develop and implement a community-based evaluation survey about program services.

5/04-7/05

Community Leadership Consultant

The Center for Ethical Leadership

Seattle, WA

- ❖ Co-manage a national leadership project through the Kellogg Foundation, to promote community change within specific communities. Duties included: development of RFP, site selection, coordination of national consultant's team, project coaching, design & facilitation of national gatherings and training of youth and adults.

NORMA MAIJAH ALICIA MERINO, MA

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6/02-2/04

Facilitator/Recruiter

Teens Take Charge HIV Adolescent
Prevention/Intervention Program
University of Washington, Seattle, WA

- ❖ Facilitated nine-week Adolescent HIV & Career groups within Seattle Middle schools and community agencies. Duties included: on-going partnership building through presentations; regular participation in evaluation and update of curricula; development of community training's for healthcare professionals, youth counselors and youth workers as a part of project dissemination.

11/98-1/04

Contract Facilitator/Experiential Educator

Waterhouse Learning Center, Monroe, WA

- ❖ Guided groups of all ages and functions through learning elements to promote team-building and greater communication. Duties included: facilitation and de-brief of group activities; assisted and modeled communication and socialization skills related to the group's goals; formulated action steps for further follow-up.

7/01-7/02

Youth & Family Counselor

Family First Program

YMCA of Greater Seattle,

- ❖ Responsible for the community re-integration process of state-dependent youth leaving institutions. Duties included: managed a 24/7 pager to respond to emergency needs; served 10-14 families with in-home community counseling services; created and facilitated

community staffing teams; developed and maintained all paperwork as needed.

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6/98-9/00

**Child & Family Therapist/Social Worker
Immigrant & Refugee Program Coordinator**

Youth Eastside Services, Bellevue, WA

- ❖ Assist youth 0-18 and their families therapeutically in a variety of settings. Specialization involved working with immigrant and refugee populations, survivors of sexual abuse, domestic violence and disruptive youth. Further duties: provided on-going consultation with school officials, counselors and community agencies regarding issues of acculturation with immigrant & refugee populations; supervised volunteers and interns involved in all projects.

EDUCATION:

The Leadership Institute of Seattle

Seattle, WA 1998

MA: Applied Behavioral Sciences

Emphasis in Family Systems Counseling & Group Work

Gonzaga University

Spokane, WA 1995

BA: Liberal Arts

Concentrations in Women's Studies & Religious Studies, with added emphasis in Sociology and English

Certification: Minority Mental Health Specialist/Latinos

Youth Eastside Services, Bellevue, WA 2000

Certified in Adventure-Based Counseling

Project Adventure, Portland, OR 2001

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SELECTED TRAINING EXPERIENCE:

The Center for Ethical Leadership, Seattle, WA:

- 5/05 National Consultant's Training: Building youth-adult partnerships, Kellogg Foundation, Chicago, IL.
- 3/05 National Leadership Training for five community site leadership teams, Bellingham, WA.
- 2/05 National Train the Trainer for youth and adults: Community Building, Youth-Adult Partnerships and Community-Based Evaluation, Tucson, AZ.
- 1/05 Youth Leadership Retreat
Lummi CEDAR Project, Lummi Reservation, Bellingham, WA.
- 9/04 Youth-Adult-Elder Board Retreat
Lummi CEDAR Project, Lummi Reservation, Bellingham, WA.

Teens Take Charge, School of Social Work, Univ. of Washington, Seattle, WA:

- 6/03 & 7/03 "Using Games to Teach Youth: The Foundations of Experiential Education," CYFS, Seattle, WA.
- 1/03 "Teens Take Charge HIV Prevention Facilitator's Training," University of Washington, Seattle, WA.

Youth Eastside Services, Bellevue, WA:

- 5/2000 "The Strengths and Challenges of Living Biculturally," Tillicum Middle School, Bellevue, WA.
- 2/2000 "Working with Immigrant & Refugee Families," Youth Eastside Services, Bellevue, WA.
- 10/99 "Opening the Door to Diversity: Voices from the Northwest," Northwest Cable Network News & Court TV, Seattle, WA.

UNITED INDIANS OF ALL TRIBES FOUNDATION

FINANCIAL STATEMENTS
FOR THE
YEARS ENDED JUNE 30, 2006 AND 2005
AND
INDEPENDENT AUDITORS' REPORT
ON
FINANCIAL STATEMENTS
AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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JOHN L. O'BRIEN & COMPANY, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
JOHN L. O'BRIEN
FRANK E. CHRISTENSEN
LINDA M. CANNEY

December 28, 2006

1306 JOSEPH VANCE BUILDING
1402 THIRD AVENUE
SEATTLE, WASHINGTON 98101-2156
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INDEPENDENT AUDITORS' REPORT

✧


To the Board of Directors of
United Indians of All Tribes Foundation:

We have audited the accompanying statements of financial position of United Indians of All Tribes Foundation as of June 30, 2006 and 2005, the related statements of functional revenue and expenses, and cash flows for the years then ended, and the statement of activities for the year ended June 30, 2006. These financial statements are the responsibility of United Indians of All Tribes Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Indians of All Tribes Foundation as of June 30, 2006 and 2005, its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2006 in conformity with accounting principles generally accepted in the United States of America.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Certified Public Accountants
Seattle, Washington

STATEMENTS OF FINANCIAL POSITION
 UNITED INDIANS OF ALL TRIBES FOUNDATION
 June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 59,407	\$ 36,171
Cash in reserves	19,500	
Grants and contracts receivable	259,313	252,779
Inventory - Sacred Circle Gallery merchandise	5,183	10,425
Prepaid insurance	70,883	74,645
Prepaid expenses and other assets	9,619	1,864
TOTAL CURRENT ASSETS	<u>\$ 423,905</u>	<u>\$ 375,884</u>
PROPERTY AND EQUIPMENT		
Land	763,013	763,013
Building and improvements, net of accumulated depreciation of \$1,095,920 and \$1,033,211	767,000	829,709
Capital leases, net of accumulated amortization of \$988,565 and \$949,190	373,964	385,314
Office furniture, equipment and vehicles, net of accumulated depreciation of \$146,360 and \$380,434	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 2,327,882</u>	<u>\$ 2,353,920</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 107,428	\$ 63,150
Line of Credit payable	198,675	50,000
Insurance contract payable	54,839	58,523
Payroll taxes payable	46,535	58,876
Accrued liabilities	39,396	33,371
Current portion of notes payable	4,823	9,870
TOTAL CURRENT LIABILITIES	<u>\$ 451,696</u>	<u>\$ 273,790</u>
OTHER LIABILITIES		
Note payable - Youth Home	420,024	420,024
Notes payable - net of current portion	173,202	5,076
TOTAL OTHER LIABILITIES	<u>\$ 593,226</u>	<u>\$ 425,100</u>
TOTAL LIABILITIES	<u>\$ 1,044,922</u>	<u>\$ 698,890</u>
NET ASSETS		
Unrestricted net assets:		
Undesignated (deficit)	\$ (219,015)	\$ 37,615
Designated for plant fund	1,416,458	1,518,542
TOTAL UNRESTRICTED NET ASSETS	<u>\$ 1,197,443</u>	<u>\$ 1,556,157</u>
Temporarily restricted net assets	85,517	98,873
TOTAL NET ASSETS	<u>\$ 1,282,960</u>	<u>\$ 1,655,030</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,327,882</u>	<u>\$ 2,353,920</u>

The accompanying notes are an integral part
of these financial statements.



Tory Laughlin Taylor

Vice President of Pacific Northwest Region, AF Evans Development, Inc.

Tory Laughlin Taylor joined Evans Development's Seattle office in 2004. Tory has been developing affordable housing and urban mixed-use projects since 1991, working with non-profit organizations in Seattle and Washington, DC. Her 20-year career spans the interrelated fields of historic preservation, urban revitalization, community development, and affordable housing development. Tory holds an MBA in Real Estate Finance and Development from George Washington University and pursued post-graduate studies in Architectural Conservation at Heriot Watt University in Scotland. Her undergraduate degree is in History from Harvard College.

Gabriel Grant

Project Manager, AF Evans Development, Inc.

Gabriel Grant began his real estate career as a project manager for Housing Investments, Inc. in Boston, MA, where he was responsible for the acquisition and rehabilitation of a number of large-scale affordable housing and mixed-use properties. Prior to joining the AF Evans Seattle office, Mr. Grant worked for Beacon Development Group, a Seattle-based affordable housing development consulting firm. Mr. Grant has been a Fulbright Scholar and holds a BA from the University of Washington and an MPP from Harvard University's Kennedy School of Government.

Shawna Sherman

Assistant Project Manager, AF Evans Development, Inc.

Joining AF Evans Development, Inc. in 2004, Shawna Sherman brings with her seven years of construction management and real estate development experience. After graduating from Wellesley College, she was a project manager for single-family home construction, and most recently at AF Evans she supported a successful condominium conversion in Federal Way, Washington. In 2004, Shawna completed the Commercial Real Estate Certificate program at the University of Washington.



FIRM DESCRIPTION

Stickney Murphy Romine Architects, PLLC was established in 1997, having evolved from STICKNEY & MURPHY ARCHITECTS, founded in 1977 by Jerry Stickney and Ronald Murphy. The firm is licensed to practice architecture in the State of Washington.

The firm's professional services comprise all phases of architectural practice, including site planning, feasibility studies, tenant space planning, barrier-free design, and knowledge of tax incentives for low-income housing and historic buildings. The firm principals are members of the American Institute of Architects, and bring many years of combined experience in commercial, institutional, and residential building projects. The firm's wealth of experience with the building materials and construction eccentricities of vintage structures has helped them achieve a well-earned reputation for preserving and rejuvenating many of Seattle's most significant architectural structures.

Private and public sector clients include Capitol Hill Housing, Artspace Projects, Inc. (Minneapolis), Plymouth Housing Group, The Salvation Army, Historic Seattle, and other prominent developers and professional clients. Current work includes a variety of affordable housing projects, a food bank, and commercial and cultural spaces.

Ron Murphy has extensive experience in multi-family housing, commercial and residential rehabilitation, and historic preservation projects. Mr. Murphy is a past member of the State Advisory Council on Historic Preservation, past chair of the King County Landmarks Commission, and has taught at the Architecture Department of the University of Washington; he holds a Master of Architecture degree from the University of Washington.

Michael Romine, Principal, joined Stickney & Murphy in 1985 and is experienced in housing, historic preservation, and commercial projects. Mr. Romine has a Master of Architecture degree from the University of Washington.

John Woodworth, Principal, joined Stickney & Murphy in 1994. A graduate of the University of Washington, Mr. Woodworth is experienced in the design of new special needs and affordable housing and institutional projects.

Jerry Stickney, Consulting Principal, was a founding partner when Stickney & Murphy first formed. Over the last 43 years of practicing architecture Jerry has been in charge of a large number of historic building renovations in Seattle and Washington State.

Associate Principal Ron Hopper joined Stickney & Murphy in 1990. Mr. Hopper graduated from the University of Washington and is experienced in affordable and senior housing, suburban development, the rehabilitation of older buildings, institutional and retail projects. He serves on the Board of Trustees for a Seattle non-profit providing affordable housing.

SMR Architects has been located in downtown Seattle for 15 years, in the circa 1900's Maritime Building, as an expression of our appreciation of the value that older structures provide to the character of our community.

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PROJECTS FOR NON-PROFIT HOUSING & SOCIAL SERVICE PROVIDERS

YWCA of Seattle–King County

- Opportunity Place
- YWCA Family Village (with M. Pyatok)
- Downtown YWCA Rehab & Misc. Tenant & System Improvements
- Lexington/Concord Apartments Rehab
- Angeline's Day Center Rehab and Adaptive Reuse
- East Cherry Branch Improvements
- YWCA Family Townhomes Improvements
- South King County Youth & Family Center Improvements (Renton)
- Other miscellaneous consultations & studies

Capitol Hill Housing Improvement Program

- John Carney Apts. (with M. Pyatok)
- Melrose Apartments Rehab
- Bremer Apartments Rehab
- Hazel Plaza Apartments Rehab
- Maxwell Apartments Rehab
- Berneva Apartments Rehab
- 412 Apartments Rehab
- Devonshire Apartments Improvements
- Brewster Apartments Rehab
- Miller Park Apartments
- HUD Comprehensive Needs Analysis (2)
- Villa Apartments Rehab & Addition
- Fleming Apartments Improvements
- CHHIP Office Tenant Improvements
- El Nor Apartment Improvements
- Oleta Apartment Improvements
- Helen V Apartment Improvements
- Lincoln Court Improvements
- Pantages Apartment Project
- Albion Apartments Study
- Silvan Apartments Improvements Study
- Other miscellaneous consultations and studies

Housing Resources Group Seattle

- Genesee Housing (with AIDS Housing of Washington)
- Olive Tower Improvements
- Adams Apartments Rehab
- Annapolis Apartments Rehab
- Other miscellaneous consultations and studies

Historic Seattle PDA

- Cadillac Hotel Rehab
- Ruggles Building Adaptive Reuse Feasibility Study
- Belmont–Boylston Houses Rehab
- Victorian Row Apartments Rehab
- Heg/Phillips House Apartments Rehab
- Dearborn House Assessment & Improvements
- Other miscellaneous consultations and studies

(continued)

PROJECTS FOR NON-PROFIT HOUSING & SOCIAL SERVICE PROVIDERS

- Plymouth Housing Group**
- Plymouth Place Apartments
 - David Colwell Apartments
 - Gatewood Hotel Apartments Rehab
 - Highline Apartments Concept Study (with M. Pyatok)
 - Pacific Hotel Apartments Rehab
 - Haddon Hall Apartments Improvements
 - PHG Office Tenant Improvements
 - Lewiston Hotel Rehab
 - St. Charles Hotel Rehab
 - 2nd & Stewart Rehab
 - Other miscellaneous consultations & studies
- Pioneer Human Services**
- St. Regis Hotel Improvements
 - Pioneer Industries Facility Feasibility Study
- Lutheran Compass Center**
- Transitional Shelter Improvement Projects (4)
 - LCC Shelter and Kitchen Improvements
 - LCC Hygiene Center Improvements
 - Compass Center Rehabilitation
 - 210 Alaskan Way Facility
 - Other miscellaneous consultations and studies
- Archdiocesan Housing Authority**
- Josephinum Apartments Rehab
 - Josephinum Women's Wellness Center
 - Josephinum Earthquake Repair
- Catholic Community Services**
- Men's Homeless Housing Rehab Study (Kent)
 - Forest Glen Assisted Living Improvements Rehab and Adaptive Reuse Study
 - Historic Building Rehab Study (Tacoma)
 - Other miscellaneous consultations & studies
- Seattle Housing Authority**
- Cambridge Apartments Improvements Study
- Downtown Emergency Service Center**
- Union Hotel Apartments Rehab
 - Kerner-Scott House
 - 1811 Eastlake Special Needs Housing
 - Morrison Hotel Rehab
- Housing Hope (Everett)**
- Commerce Building Rehab
 - Housing Hope Village
- Threshold Housing**
- Malden Court Condominiums
- The Salvation Army**
- Puyallup Silvercrest (senior) Residence (with M. Pyatok)
 - Camp Arnold Cascade Nature Center Improvements
 - Renton Food Bank
 - Family Services Building ADA & Women's Emergency Shelter Improvements
 - Wm. Booth Center Improvements
 - Seattle Temple Improvements
 - INS Building Rehab and Adaptive Reuse Study
 - Other miscellaneous consultations & studies
- Tacoma Housing Authority**
- Garden Villa (a.k.a. Windstar) Apartments Rehab
- Low Income Housing Institute**
- Glen Hotel Apartments Rehab
 - Glen Hotel Hygiene Center Study
- Community Psychiatric Clinic**
- Harbor House / Dutch Schisler Center

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PROJECTS FOR NON-PROFIT HOUSING & SOCIAL SERVICE PROVIDERS

(continued)

- | | |
|--|--|
| St. Andrew's Housing Group | <ul style="list-style-type: none">• St. Andrew's/Interim Highland Garden Townhomes (with M. Pyatok)• Senior Housing Study• Other miscellaneous consultations and studies |
| Sand Point Community Housing Association | <ul style="list-style-type: none">• Sand Point Family Housing Rehab |
| Covenant Housing Association | <ul style="list-style-type: none">• Yesler Houses Rehab Design and Permit Documents (Condominiums) |
| Harborview Mental Health Services | <ul style="list-style-type: none">• Admiral House Apartments |
| Everett Housing Authority | <ul style="list-style-type: none">• Grandview Apartments Improvements• Jade Park Family Housing Study |
| Renton Area Youth Services | <ul style="list-style-type: none">• West Hill Family Center Improvements• Renton Area Youth Services Building Improvements |
| Delridge Neighborhoods Development Association | <ul style="list-style-type: none">• Brandon Court Condominiums• Delridge Branch Library and Vivian McLean Place Apartments• Old Cooper School Rehab and Adaptive Use |
| Pioneer Square Community Development Organization | <ul style="list-style-type: none">• 117 Occidental Artist Housing Study |
| Bellingham/Whatcom County Housing Authority | <ul style="list-style-type: none">• Oakland Block Rehab (Bellingham)• Building Rehab Study (Bellingham) |
| Boy Scouts of America (Chief Seattle Council) | <ul style="list-style-type: none">• Camp Omache (now Camp Pigott) Redevelopment (uninc. Snohomish Co.)• Camp Brinkley Redevelopment (unincorporated Snohomish Co.) (pending) |
| City of Raymond/Willapa Community Development Association | <ul style="list-style-type: none">• Eagles Building Rehab• Willapa Hotel Rehab Study• Willapa Center Senior Housing Study |
| Lutheran Alliance to Create Housing | <ul style="list-style-type: none">• Angle Lake Senior Housing |
| Artspace Projects, Inc. | <ul style="list-style-type: none">• Tashiro Kaplan Artist Lofts• Hiawatha Artist Lofts Study• Other consultations and studies |
| Anacortes Housing Authority | <ul style="list-style-type: none">• New Wilson Hotel Rehabilitation |
| FareStart | <ul style="list-style-type: none">• 7th and Virginia Building Rehab and Adaptive Use for Restaurant/Food Service Training Facility & Administrative Offices |
| Lutheran Community Services Northwest | <ul style="list-style-type: none">• LCS Community Services Building |
| Homesight | <ul style="list-style-type: none">• Hiawatha Housing Study (condominiums) |
| AIDS Housing of Washington | <ul style="list-style-type: none">• Genesee Housing (with Housing Resources Group)• New Housing Study |

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SUSTAINABILITY

Current Projects

Community Services Building
 Westlake II
 Rainier Housing
 Hiawatha Place, Parcel C, new construction

 2121 Third Avenue, new construction
 415 10th Avenue, new construction

Program

Potential LEED certification, SeaGreen
 Potential LEED certification, SeaGreen
 Potential LEED certification, SeaGreen
 Potential LEED certification, SeaGreen, Built Green
 SeaGreen
 Potential LEED certification, SeaGreen, Built Green, Green Communities

Completed Projects

Cadillac Hotel Rehabilitation
 Compass Center Rehabilitation
 Genesee Housing, new construction
 Pantages Apartments, new construction/rehab
 Miller Park Apartments
 Plymouth Place
 Vivian McLean Place

Program

LEED feasibility study
 LEED feasibility study
 SeaGreen, Built Smart
 Built Green, SeaGreen
 SeaGreen
 SeaGreen
 SeaGreen

Certification

Leadership in Energy and Efficient Design (LEED)
 SeaGreen

 Built Green

 Built Smart

Agency

US Green Building Council

 Seattle Office of Housing

 Master Builders' Association of King & Snohomish Counties
 City Light (City of Seattle)

Program

National, consensus-based standard for developing high-performance, sustainable buildings.
 Local sustainable program intended for affordable housing projects funded by the City of Seattle.
 Local sustainable program based on a rating system, developed for use by contractors.
 Energy rebate program provided by the City of Seattle.

LEED Accredited Staff

Peter Goodall, AIA, LEED™ AP
 Poppi Handy, AIA, LEED™ AP
 Dean Kralios, LEED™ AP
 Christina Bollo, LEED™ AP

Position

Associate
 Associate
 Associate
 Intern Architect



RECENT AWARDS AND RECOGNITION

Compass Center – Karlstrom Apartments

- Associated General Contractors of Washington 2006 Hub International Northwest Safety and Construction Excellence Awards

Pantages Apartments

- "Best Urban Project In Affordable Housing" - 2006 Reader's Choice Awards of Affordable Housing Magazine
- American Institute of Architects 2006 "Show You're Green – Housing and Custom Residential Knowledge Community"
- Affordable housing Finance Magazine 2nd Annual Readers Choice Awards Finalist – Urban Projects
- Federal Home Loan Bank of San Francisco Finalist – Community Revitalization Award
- Home Depot Foundation 2006 Awards of Excellence Finalists – Affordable Housing Built Responsibly

YWCA Opportunity Place

- Gold Nugget – 2005 Award of Merit Best in the West "Best Affordable Housing – Over 30 DU/Acre"
- Puget Sound Regional Council: "Vision 2020 Award - 2005"
- NCBC/NHAB 2005 Awards of Excellence "Building Excitement" – Chairman's Award, Mixed Use Commercial/ Residential
- NCBC/NHAB 2005 Awards of Excellence "Building Excitement" – Project of the Year, Mixed Use Commercial/ Residential
- Masonry Institute of Washington "2004 Excellence in Masonry" – Best in Show
- Masonry Institute of Washington "2004 Excellence in Masonry" – Honor Award for Multifamily Housing
- Fannie Mae Foundation – 2004 National Award "Maxwell Awards of Excellence Program for the Production of Low Income Housing" (Award and \$50,000 Grant presented to Owner)
- Puget Sound Business Journal Recognition June 2004 "50 Largest Puget Sound Construction Projects"

Tashiro Kaplan Building Rehabilitation and Addition

- Associated Builders & Contractors of Washington "2005 Excellence in Construction" – Historic Restoration
- Puget Sound Regional Council: "Vision 2020 Award - 2005"
- NCBC/NHAB 2005 Awards of Excellence "Building Excitement" – Grand Prize, Mixed Use Commercial/ Residential
- Northwest Construction Magazine's Best of 2004 – Architectural Design
- Northwest Wall and Ceiling Bureau 2004 Outstanding Project of the Year - Exterior Commercial

Walsh Office Building Rehabilitation

- Gold Nugget Award - 2005 Award of Merit Best in the West "Best Rehab Commercial/Industrial Project"

King County Courthouse Seismic Retrofit

- Northwest Construction Magazine's Best of 2004 – Renovation

Yesler Houses Condominiums (Rehabilitation Design and Permit Drawings)

- "Housing the Northwest" Public Tour, June 2004 – AIA Seattle and The Seattle Times

RECENT AWARDS AND RECOGNITION

Cadillac Hotel Rehabilitation

- Associated Builders & Contractors - 2006 Excellence in Construction Award for Historical Preservation
- Brochure Inclusion: Washington State Office of Archeology and Historic Preservation "Strengthening Communities through Historic Preservation", The Washington State Preservation Plan, 2004

Oakland Block Rehabilitation

- Brochure Inclusion: – Washington State Office of Archeology and Historic Preservation "Strengthening Communities through Historic Preservation", The Washington State Preservation Plan, 2004
- Agency Award of Merit, 2003 – NAHRO (presented to owner)

Delridge Public Library & Vivian McLean Place Apartments

- Washington State Department of Community, Trade, and Economic Development "Director's Award for Leadership in Housing Development - 2003"
- "Housing the Northwest" Public Tour, June 2002 - Seattle AIA / Seattle Times
- PCBC Gold Nugget 2006 (Best in the West) Awards Program "Award of Merit"

Harbor House Safe Haven

- Video Documentary, 2001 – HUD

Villa Apartments Rehabilitation and Addition

- Award of Merit, 2000 – Washington Trust for Historic Preservation
- Housing the Northwest" Public Tour, June 2000 – Seattle AIA / Seattle Times

Sand Point Family Housing

- Dream Builders (First Place) Award, 2000-National HGTV's Dream Builders Program (presented to Owner and Development Consultant for three Sand Point Housing projects)
- Best Practice Award 2000-HUD (presented to Owner and Development Consultant for three Sand Point Housing Projects)

Housing Hope Village

- Fannie Mae Foundation 1999
"Maxwell Awards of Excellence - National Finalist Award Program for the Production of Low Income Housing" (award + \$7500 grant presented to Owner)
- City of Everett 1998 "Monte Cristo Neighborhood Friendly Business Award (presented to Owner)

Highland Gardens (in association with M. Pyatok)

- Fannie Mae Foundation 1999
"Maxwell Awards of Excellence - National Honorable Mention Program for the Production of Low-Income Housing" (award + \$2,000 grant presented to Owner)
- Builder's Choice Awards (BUILDER magazine) 1998 - "Focus on Affordability Award"
- Community Housing Recognition Award: Best Project, 1998 – ARCH (presented to Owner)

The Salvation Army Puyallup Silvercrest Residence (in association with M. Pyatok)

- PCBC Gold Nugget 1997 (Best in the West) Awards Program
"Grand Award: Best Seniors Project"
- Builders Choice Awards 1997 (BUILDER magazine) – "Focus on Affordability Award"
- Seattle AIA/Daily Journal of Commerce June 1997 – "Project of the Month"

Malden Court Condominiums

- MAME Award: Best Multiplex, 1997 - Master Builder's Association of King & Snohomish Counties
- PCBC Gold Nugget 1997 (Best in the West) Awards Program
"Award of Merit: Best Attached Condo under 1200 SF"
- The League of Women Voters of Washington 1997 "Growth Management Award"
"Housing the Northwest" Public Tour, June 1997 - Seattle AIA / Seattle Times
- Seattle Times - January 1997 Times Sunday Open House



RONALD F. MURPHY, AIA

ARCHITECTURAL REGISTRATION

Washington

EDUCATION

Master of Architecture
University of Washington
Tau Sigma Delta (National Architectural Honorary)
National AIA Institute Scholar

Bachelor of Science (Fine & Applied Arts)
University of Oregon

PROFESSIONAL EXPERIENCE

1997-Present

Principal
Stickney Murphy Romine Architects PLLC, Seattle

1977-1996

Partner
Stickney & Murphy Architects, Seattle

1973-1977

Project Manager/Associate
Ralph D. Anderson & Partners Architects, Seattle

1970-1973

Various part time architectural positions with the City of Seattle, V.A. Hospital, and Seattle Architect

HONORS/AWARDS

King County Executive's Certificate of Distinction for Achievement in Historic Preservation
Washington Trust for Historic Preservation Award of Honor
--Preservation Education Course
UW Historic Preservation Club Contribution to Historic Preservation
Washington Trust for Historic Preservation
--Recognition for preservation activities

SERVICE & MEMBERSHIPS

American Institute of Architects (AIA)
Historic Preservation Advisory Committee, King County CDA
State Advisory Council on Historic Preservation, past member
Historic Seattle
King County Landmarks Commission, past member and chairman
WA Trust for Historic Preservation, past board member
National Trust for Historic Preservation

MILITARY SERVICE

Officer, United States Marine Corps

911 Western Avenue, Suite 200
Seattle, Washington 98104
P: 206-623-1104
F: 206-623-5285
info@smrarchitects.com



MICHAEL W. ROMINE, AIA

ARCHITECTURAL REGISTRATION EDUCATION

Washington, 1988

Master of Architecture, 1985
University of Washington

Integrative Program in Business Administration, 1984
University of Washington

Bachelor of Arts (History/Literature), 1969
University of Colorado

PROFESSIONAL EXPERIENCE

1997-Present

Principal: **Stickney Murphy Romine Architects PLLC**, Seattle

1985-1996

Associate/Project Manager
Stickney & Murphy Architects, Seattle

1985

Hobbs Fukui Davison Architects, Seattle

1984

Canatsey Weinstein Architects, Seattle

1984

The Bumgardner Architects, Seattle

1972-Present

Professional Freelance Photographer

HONORS/AWARDS

Washington Trust for Historic Preservation Award of Merit
--Commerce Building Rehab, 1997

State Historic Preservation Officer's Annual Award for Outstanding
Achievement--Pacific Hotel, 1996

Washington Trust for Historic Preservation Award of Merit
Josephinum apartments Rehab, 1992

AIA National Scholastic Award, 1983

REPRESENTATIVE PROJECTS

Farestart Seattle, Restaurant, office and educational facility

Plymouth on Stewart, Seattle, Renovation of a nine story historic
building for affordable housing

Morrison Hotel Rehab, Seattle; affordable housing, shelter, retail, &
offices

Plymouth Place Apartments, Seattle; new affordable housing & retail

David Colwell Building, Seattle; new affordable housing & retail

Opportunity Place, Seattle; new affordable housing, womens' day
center, retail, & human services offices

Villa Apartments Rehab & Addition, Seattle; affordable housing &
retail

Corona Loft Apartments Rehab, Seattle; market rate housing

Admiral Apartments, Seattle; new special needs housing

Madison Heights, Seattle; new market rate town homes

Commerce Building Rehab, Everett, WA; affordable housing & retail

Pacific Hotel, Seattle; historic rehab for affordable housing

Kerner-Scott House, Seattle; new affordable special needs housing

Miller Park Apartments, Seattle; new affordable family housing

Josephinum Apartments Rehab, Seattle; affordable housing

MEMBERSHIPS

American Institute of Architects (AIA)

TEACHING EXPERIENCE

Teaching Assistant/Lecturer, 1983-1985

University of Washington Architecture Department

MILITARY SERVICE

Officer, United States Army, 1969-1972

911 Western Avenue, Suite 200
Seattle, Washington 98104
P: 206-623-1104
F: 206-623-5285
Info@smrarchitects.com



PANTAGES APARTMENTS

803 East Denny Way
Capitol Hill Neighborhood





OPPORTUNITY PLACE

2024 Third Avenue
Belltown Neighborhood





SAND POINT FAMILY HOUSING

6831 62nd Avenue NE

Seattle, Washington





THE VILLAGE at ANGLE LAKE

4010 South 188th Street

Angle Lake





YOUNGSTOWN CULTURAL ARTS CENTER

4408 Delridge Way SW
Delridge Neighborhood





LUTHERAN COMMUNITY SERVICES BUILDING

South 188th Street & 42nd Avenue South

SeaTac, Washington





YWCA LEARNING CENTER AT GREENBRIDGE

Parcel 20, Greenbridge

White Center, Washington



Tonkin/Hoyne/Lokan

Architecture & Urban Design

Tonkin/Lokan/Hoyne, Architecture & Urban Design, has been providing complete architectural and planning services for over 25 years. The firm is a corporation with three principals, Les Tonkin, Barry Hoyne, and Kim Lokan, and a total of seventeen employees, six of whom are licensed architects in the State of Washington.

The firm has over 30 years experience in the design and construction of low-income and special needs housing, with offices and community facilities. As well as new building design, our experience encompasses evaluations of existing conditions including seismic repairs; re-roofing; building alterations; ADA improvements; repair of masonry, concrete and building structure; acoustical improvements; HVAC & plumbing modifications, lighting and electrical upgrades; and site improvements. Major past clients include the Seattle Housing Authority, the Archdiocesan Housing Authority, the Diocese of Yakima Housing Services, the Low Income Housing Institute, and the Walla Walla Housing Authority.

THL has extensive experience in site investigations, urban design, public process and the preparation of final design documents for low income and affordable, multi-family housing developments. Recently THL assisted the Seattle Housing Authority with the master planning for the 1010 unit Rainier Vista and 195 unit Roxbury Village HUD Hope VI redevelopments. Our experience also includes the design of over 5000 units of single and multi-family, new and renovated housing for public agencies, non-profits and private developers.



As the lead architectural firm for the recent master planning for the Rainier Vista Redevelopment, THL performed extensive building and site condition surveys, feasibility studies for renovation and new housing schemes, assisted the housing authority staff with resident and community workshops and presentations, and provided programming assistance for community and social service agencies to be located at Rainier Vista. The resulting Rainier Vista Master Plan provides a vision that is innovative, increases the density but fits well within the context of its old, South Seattle neighborhood.

Tonkin/Hoyne/Lokan has received recognition for its affordable, multi-family housing design.



The Low Income Housing Institute's Denice Hunt Townhomes and the Seattle Housing Authority's Villa Park townhomes, designed by Tonkin/Hoyne/Lokan, were Seattle Times/AIA Award winners in 1998 for excellence of design in multi-family housing. Again in 2001 a Tonkin/Hoyne/Lokan family housing design, the Westwood Court and Longfellow Court Townhomes at Roxbury Village, were selected as Seattle Times/AIA Award Winners for excellence of design in multi-family housing. In 2003 the AIA selected the Tonkin/Hoyne/Lokan designed Lakeview Apartments and the Historic Julie Apartment Restoration as Times/AIA award winners in multifamily excellence.

Residential Housing Experience

Rainier Vista HOPE VI Redevelopment, Seattle Housing Authority

As the lead architectural firm THL performed extensive building and site condition surveys, feasibility studies for renovation and new housing schemes, assisted the Seattle Housing Authority (SHA) staff with resident and community workshops and presentations, and provided programming assistance for resident, community and social service agencies to be located in Rainier Vista.



The Rainier Vista Master Plan provides for:

- Redevelopment of the 65-acre site including roads and infrastructure



- Replacement of the existing circa 1941 housing with 1050 new housing units, including 350 low-income family units, 100 senior housing units, 200 low-income, for sale units, 300 Market rate, for sale units, and 100 Market rate rentals
- Commercial/retail, mixed-use buildings
- Provisions of a new, community center and Boy's & Girls Club.
- Provisions for social and community services spaces

Master planning, Master Use Permit, Neighborhood Design Review, entitlements, subdivision work, street vacations, site, road and utility design at Rainier Vista is complete. Phase 1 was completed in 2005 and Phase 2 is currently in the design phase.

Denice Hunt Townhomes, Seattle

Tonkin/Hoyne/Lokan designed this 30-unit townhouse development around a spacious landscaped courtyard, which includes a children's play area, and meeting and recreation access to the development own community, meeting and recreation building. Units are all ground-related, and are two to four bedrooms. The development utilizes the "Mutual Housing", self-management model. Soon after completion the project was featured by the American Institute of Architects and the Seattle Times newspaper for an open house as an example of excellent multi-family housing design. Construction Cost: \$2,400,000 Construction complete: March 1998. Owner: LIHI. Funding for the project included low income housing tax credits.



Lakeview Apartments, Seattle

Fifty-nine units of housing located at Harrison & Minor Avenue North in Seattle. The development provides studio, one and two-bedroom apartments at a construction cost of approximately \$4 million. The five-story building provides laundry facilities on three floors, a community room and a computer area. Owner: LIHI. Funding: Washington State Housing Trust Funds, Low Income Tax Credits, City of Seattle Housing Levy funds.



La Casa de San Juan Diego, Woodland, Washington

La Casa de San Juan Diego provides 51 units of affordable, agricultural worker, family housing and a community building. Set on a five acre site, the development consists of one, two, three and four bedroom townhomes and flat apartments. A commons building houses a meeting space, laundry, kitchen, computer room and management offices. The development was designed to preserve the significant large trees on the site and encompasses a large, common, open, green, play space for children. Construction complete May 2004. Construction Cost: \$4,100,000. Funding: Low Income Housing Tax Credits, Washington State Housing Trust Funds, Key Community Development Corporation. Owner: Archdiocesan Housing Authority.



Westwood Court and Longfellow Court, Seattle

Tonkin/Hoyne/Lokan provided full design services for the redevelopment of Roxbury Village, a multi-family housing development consisting of 45 new, two-story, wood frame, family townhouse apartments. A&E services includes neighborhood design review, site and facility analysis, existing condition report, MUP application, SEPA checklist, and design drawings. Funding: HUD Hope VI, City of Seattle Housing Levy funds, State Housing Trust funds. Construction Cost: \$4,700,000.



Aki Kurose Village, Seattle



Sixty-two, low-income, family housing units. The development provides 1, 2, 3 and 4-bedroom apartments and townhouses at a construction cost of approximately \$5 million. The design criteria called for as many ground-related units as possible in order to establish a sense of community within the complex. Another primary concern was to save many of the 100-year old Madrona trees. Generous porches and street entries give a sense of individuality.

THL Experience Working with Non-Profit Organizations

Tonkin/Hoyne/Lokan has extensive experience working with non-profits in the State of Washington. The following list contains some of Tonkin/Hoyne/Lokan's design projects with non-profit organizations:

Archdiocesan Housing Authority

- Westlake Hotel Renovations for elderly men, 1988
- Aloha Inn Renovations, homeless housing, 1993
- Matsusaka Townhomes, 26 units, 1995
- Renton Highlands Family Housing, 24 units, 1998
- La Casa del Padre Miguel, farm worker housing, 1999
- Dorothy Day Apartments, renovation and new addition, 1999
- Spruce Park Apartment Renovation, 1999
- Township Family Housing, agricultural worker housing, 2002



Diocese of Yakima Housing

- Mabton Agricultural Worker Housing, 36 units, 2003
- Mattawa Agricultural Worker Housing, 2003
- Warden Family Housing Schematic Design, 2003



Catholic Community Services of King County

- Katherines House
- Benedict House

Low Income Housing Institute

- Julie Apartment Renovation and the Urban Rest Stop
- Denice Hunt Townhomes
- Aki Kurose Village Phase 1, 2 and 3
- Jensen Block Remodel
- Lakeview Apartments
- Fleetwood Building Renovation
- Sand Point Building 224 Renovation



SouthEast Effective Development

- Charlestown Apartments
- Oregon Place Renovations
- Lilac Lodge Renovations

Shelter Resources

- Mitchell Place, senior housing, 2002
- Magnolia Square, 2005

Mercy Housing Washington

- Sterling Meadows Agricultural Worker Housing, 2000



LESLIE PROVENZANO TONKIN
Principal

EDUCATION: University of Oregon
Degree: Bachelor of Architecture, 1965

REGISTRATION: Architect, State of Washington Certificate No. 1846
Architect, State of Arizona Certificate No. 15107
NCARB, 1991, No. 41,397

GENERAL: As an urban designer and architect for the last 30 years in the Northwest, Les has been responsible for the design of many significant public and private buildings and developments, and is primarily known for his innovative approaches to the design of low income and multi-family housing, and for the architectural design for the restoration of historic buildings.

Les was principal-in-charge for the master planning redevelopment of the Seattle Housing Authority's Rainier Vista, which was awarded a HUD Hope VI grant of \$35 million in 2000, and will provide over 1000 new units of affordable and market rate housing. Les also was in charge of SHA's successful Roxbury Village HUD Hope VI redevelopment which completed construction of 150 renovated senior housing units for the Seattle Housing Authority and 45 new townhouses, (now owned separately by LATCH and renamed Longfellow Court and Westwood Court). Longfellow Court and Westwood Court were featured in the 2001 Seattle Times/AIA Award Program for design excellence in multi-family housing. The 30-unit, affordable housing developments, Denice Hunt and Villa Park townhomes, were also featured in the Seattle Times/AIA program in 1998. Recently Les has design agricultural worker housing throughout Washington State, including Woodland, Mabton, Mattawa, Othello and Mount Vernon.

Les is an expert in the restoration of unreinforced masonry, stone and terracotta clad buildings. Tonkin has been responsible for preservation planning and design of many significant projects in Pioneer Square, Seattle, and throughout the state. These projects have included conversion of older and historic buildings into housing, commercial and institutional uses. Examples of this restoration work include the Snoqualmie Valley School District Administrative Complex at the historic (1906) Snoqualmie School site and renovation of the Bush Hotel (1915) in Seattle's International District. Tonkin's recent experience includes the renovation of the Washington School (1901) to provide elderly housing for the Walla Walla Housing Authority, Pioneer Square's 11-story historic Frye Hotel Restoration, and the 1929 El Rio (or Julie Apartments) in Seattle.

Other historic studies and design commissions include restoration of the Port Townsend City Hall (1891), Port Townsend Carnegie Library (1911), Hoquiam Carnegie Library (1913), Seattle's Interlake School (1904) now Wallingford Center, and the Old State Capitol Building, 1891. Most recently Tonkin has been commissioned by the City of Port Angeles to study their historic underground area, and the Shoreline Historical Museum to provide restoration design services.

LESLIE PROVENZANO TONKIN
Architect & Urban Designer

**AWARDS, PUBLICATIONS
& TV FEATURES:**

Puget Sound Regional Council, VISION 2020 Award – Julie Apartments/Urban Rest Stop/Hygiene Center, 2002. (aka El Rio Apartments)

Washington State Housing Finance Commission, 2003 “Friend of Housing Award” for Dedication and Commitment to Affordable Housing.

Westwood Court and Longfellow Court Townhomes were featured in the Seattle Times/AIA Awards Program for excellence and innovation in multi-family housing design, 2001.

Washington State Historic Preservation Officer's 1998 Annual Award for Rehabilitation of the Washington School, Walla Walla, Washington.

Washington Trust for Historic Preservation, 1998 Design Award for Washington School Restoration, Walla Walla.

Washington Trust for Historic Preservation, 1998 Award of Merit for the Jensen Block Restoration, Seattle.

Denice Hunt Townhomes and Villa Park Townhomes were featured in the Seattle Times/AIA Awards Program for excellence and innovation in multi-family housing design, June 1998.

Washington Trust for Historic Preservation, 1994 Award for Restoration Design of the Snoqualmie Valley School District Administrative Office Complex

Washington Trust for Historic Preservation, 1986 Award for Outstanding Merit for Wallingford Center/Interlake School Restoration.

Seattle Chapter, American Institute of Architects, Award of Merit, 1983 for the Old Capitol Building Renovation, Olympia, Washington

"Outstanding Individual Award" to Les Tonkin from the Washington Trust for Historic Preservation, 1981

**ASSOCIATIONS &
COMMUNITY SERVICE:**

Washington Trust for Historic Preservation, Stimson Green Mansion Advisory Committee, 2001-2003

Washington Trust for Historic Preservation, Board member 1984-2000, President 1988-91, Treasurer 1992-1999

Historic Seattle Preservation and Development Authority Council Member, Mayoral appointment 1996-2003

Pioneer Square Community Council Board, 1984-1988

Pioneer Square Community Council Board Vice President, 1985-1987

President, Wallingford Community Council, 1985-87

Member, Georgetown Steamplant Mayor's Advisory Committee, Seattle City Light, 1982-83

National Endowment for the Arts Grants Panelist, 1988; Architectural Awards Juror, 1990

KIM LOKAN, LEED AP
Principal Architect

EDUCATION: University of California, Berkley
Degree: Masters of Architecture, 1983

University of California, Santa Barbara
Degree: Bachelor of Arts, 1977, Hispanic Civilizations

REGISTRATION: Architect, Washington No. 4767

EXPERIENCE: Tonkin/Hoyne/Lokan, 1986-90, 1992-2006
Project Architect:

- Rainier Vista Redevelopment, mixed income housing for SHA
- Villa Esperanza, 23 units of transitional housing for women and their children for Consejo
- Jubilee Women's Center Renovation
- Katherine's House, women's transitional housing, CCS
- Roxbury Village, 45 new units of low income Housing, LATCH
- Bush Hotel Renovation, 98 units low income housing
- Dorothy Day Apartments Renovation & Addition: 41 SRO units for the Archdiocesan Housing Authority
- Spruce Park Apartment Renovation for Archdiocesan Housing Authority
- Villa Park Townhomes, 43 low-income housing units, Seattle Housing Authority
- Stevens Street 31 low-income housing units for Tacoma Housing Authority
- Arion Court: Remodeling of a 1920's three-story hotel for use as 37 SRO low-income apartments for formerly homeless
- Lilac Lodge Remodel of 3-story apartment building for seniors and disabled.
- Building 224 conversion of barracks into 52 SRO units with common facilities
- Sand Point Community Housing Plan
- 71 OPQ Housing Renovation, Whidbey Island
- Remodel of 30 units of Housing at McChord Air Force Base
- Hull Building Historic Renovation
- Seattle Club, Bellevue Place

AWARDS Phi Beta Kappa
Most Outstanding Graduate in Hispanic Civilization

GENERAL Kim Lokan has been practicing architecture for twenty years and joined Les Tonkin and Barry Hoyne, as a principal of the firm Tonkin/Hoyne/Lokan in 1995. She has been project architect on the Dorothy Day Renovation and Addition, and the Villa Park and Dixon Village new townhouse, low-income developments, as well as the remodel of the Arion Court apartments in Seattle. She has also been responsible for the design of the renovation of housing projects at Whidbey Island and McChord Air Force Base. Kim currently serves on the Pioneer Square Preservation Board.

MICHAEL MOEDRITZER
Architect/Planner

EDUCATION: University of Washington, Seattle, Washington
Degree: Masters of Architecture with Urban Design Certificate, 1988
Architecture in Rome Program - University of Washington, 1986
Washington University, St. Louis, Missouri
Degree: Bachelor of Arts in Architecture, *cum laude*, 1981

REGISTRATION: Architect, Washington No. 5403

EXPERIENCE: Tonkin/Hoyne/Lokan Architects, Project Architect, 1995-2006

Rainier Vista Redevelopment, mixed-use & 1000+ units of mixed-income housing, as a HUD HOPE VI funded project, for the Seattle Housing Authority.

Urban Neighborhoods - Multifamily Code Update for the City of Seattle
Department of Planning and Development

Mar Hotel Renovation, renovation of historic building in Seattle's International District.

Seward Park Townhomes, 40 units of new housing, in South Seattle

Roxbury Village, Master plan, 60+ units rehabilitated and/or new housing, as a HUD HOPE VI funded project for the Seattle Housing Authority

Lakeview Apartments, 59 units at Minor & Harrison, in the Cascade Neighborhood in Seattle for the Low Income Housing Institute

Garden Court Apartments, new 34-unit apartment 2-building complex, Seattle

Aki Kurose Village, 62 new, low-income townhouses and apartments, in North Seattle for the Low Income Housing Institute

Denice Hunt Townhomes, 30 new townhouses and apartments in North Seattle for the Low Income Housing Institute

EXTRACURRICULAR: King Street Grounds, Seattle, Open-air Ballpark Design, 1995
Essential Housing Competition, First Place, 1991, (built as Dawson Park Place Rowhouses), Portland
A New American House Competition, Selected Entry for Exhibit, 1984, Minneapolis, MN
Citizen volunteer on several task force committees and community planning efforts addressing issues of zoning, design review and neighborhood plans.
Member of the Upper Ave Task Force for Design Review Guidelines, 1999
Member of the University Community Urban Plan Group, 1997-99

AWARDS Oregon Governor's Livability Award (Dawson Park Place, Portland) 1995
Valle Graduate Scholarship, University of Washington, 1987-88
Pio Prize for Italian Studies, University of Washington, 1986
Naramore Fellowship, University of Washington, 1986
AIA Foundation Scholarship, National AIA, 1985

Tonkin/Hoyne/Lokan
Architecture & Urban Design

ELLEN CAMPBELL, LEED AP
Intern Architect

EDUCATION: Tulane University, New Orleans
Master's of Architecture, 2005

EXPERIENCE: Ellen joined Tonkin/Hoyne/Lokan in 2003 as a student intern. She began as a full time employee in the fall of 2005 and has worked as an intern architect on the design of several housing facilities. Ellen's experience includes:

- Rainier Vista, Phase 2, new housing for the Seattle Housing Authority 2006-7.
- Washington School Homes, 25 new homes for the Walla Walla Housing Authority , 2006
- College Way Family Housing, 30 new units of agricultural worker housing for the Archdiocesan Housing Authority, 2006
- Devoe Street Housing, 25 new apartments and a shelter for homeless men for the Catholic Community Services, 2006
- Villa Esperanza, 23 apartments and community facilities for Consejo , 2006
- Alder Crest Renovation, complete rehabilitation of apartment building for the Seattle Housing Authority.
- Rainier Vista, Phase 1, new housing for the Seattle Housing Authority 2004-5.

La Casa de San Juan Diego



Location: Woodland, Washington

Owner:
Archdiocesan Housing Authority

Developer:
Beacon Development Group

Construction Cost: \$4,100,000

51 units of housing for agricultural workers and their families. Community facilities include a central play area and Commons Building. Completed 2004



Tonkin/Hoyne/Lokan

Westwood Court / Longfellow Court



OWNER / DEVELOPER:
Seattle Housing Authority
Lutheran Alliance to Create
Housing

CONTRACTOR:
Walsh Construction Co.

CONSTRUCTION COST:
\$4,700,000

DATE COMPLETED:
Summer 2001



45-unit townhouse development with two Mutual Housing Groups, Longfellow Court and Westwood Court. Developed by LATCH with SHA as a partner/owner of 15 units.

The unusual design approach was the result of extensive local community input to the design team at workshops and charrettes held on site.

The design incorporates the restoration of the wetlands and pond located on the north end of the property and in the adjacent park.



Tonkin/Hoyne/Lokan

Villa San Martin



Location: Kelso, Washington

Owner:
Archdiocesan Housing Authority

Developer:
Beacon Development Group

Construction Cost: \$3,000,000

26 units of housing for agricultural workers and their families. Community facilities include a central play area and Commons Building. Completed 2006



Tonkin/Hoyne/Lokan

Villa Santa Maria



Location: Mattawa, Washington

Owner: Diocese of Yakima Housing Services

Developer: Beacon Development Group

Construction Cost: \$3,800,000

45 units of housing for agricultural workers and their families. Community facilities include a central play area and Commons Building.

Completed: April 2004



Tonkin/Hoyne/Lokan

Stoneview Village Condominiums



Location:
11550 Stone Ave. North
Seattle, Washington

Unit Types:
1, 2, & 3 bedroom

Unit Sizes:
695 SF to 1356 SF

Developer:
Low Income Housing
Institute

Construction Cost:
\$2,500,000

Date Completed:
2001



Stoneview Village consists of 25 market-rate, for-sale condominium units. Units have gas fireplaces, picture windows, elevator access and garage parking. Top floor units have cathedral ceilings.



REDEVELOPMENT PLAN FOR 65 ACRE SITE

RAINIER vista

H O P E V I
Seattle Housing Authority • Tonkin / Hoyne / Lokan • GGD



OWNER: SEATTLE HOUSING AUTHORITY

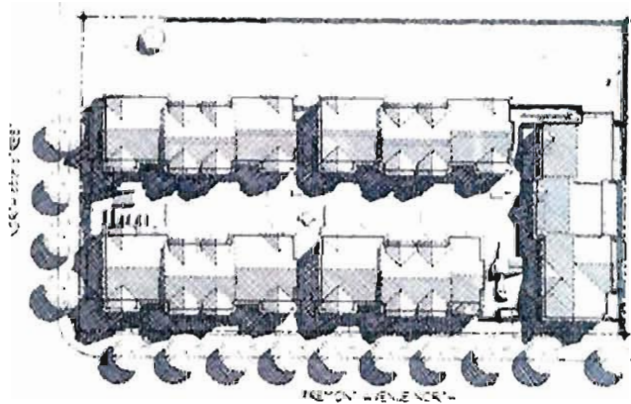
DESIGN CHALLENGE: SEAMLESSLY INTEGRATE 1050 NEW HOMES ON A 65-ACRE SITE, BISECTED BY A NEW LIGHT RAIL SYSTEM ON MLK JR WAY SO. INTO THE SOUTH SEATTLE COLUMBIA CITY NEIGHBORHOOD WHERE 481 UNITS OF AGING PUBLIC HOUSING NOW STAND.

NEW COMMUNITY TO INCLUDE:
 350 PUBLIC HOUSING UNITS, MOSTLY GROUND-RELATED TOWNHOMES
 150 LOW INCOME SENIOR HOUSING UNITS
 300 MARKET RATE, FOR SALE UNITS
 200 PUBLIC HOUSING SUBSIDIZED FOR SALE UNITS
 200 MARKET RATE RENTAL UNITS

NEW COMMUNITY FACILITIES FOR SOCIAL AGENCIES, SERVICE PROVIDERS AND CHILD AND ADULT RECREATION.

MIXED-USE AND COMMERCIAL STRUCTURES AT THE SOUTHERN END OF THE COMMUNITY NEAR THE NEW EDMUNDS LIGHT RAIL STATION.

Denice Hunt Townhomes



➤ SITE PLAN

Location:
North 85th & Fremont Avenue North
Seattle, Washington

Owner:
Low Income Housing Institute

Partner:
Seattle Housing Authority

Construction Cost: \$2,400,000

Design Concept:

- Create single-family home character within larger community.**
- Create a transition from commercial/multi-family to single-family.**
- Provide community room for meetings of the resident council as well as neighborhood residents.**



Tonkin/Hoyne/Lokan

Aki Kurose Village

Aki Kurose Village consists of 62 Low Income Family Townhomes and Flats

Location:
North 115th Street and
Stone Avenue North, Seattle

Unit Types:
1, 2, 3, & 4 bedroom

Owners:
Low Income Housing Institute
Seattle Housing Authority

Construction Cost:
Phase I: \$2,200,000
Phase II: \$2,800,000



The design criteria called for as many ground related units as possible in order to establish a sense of community within the complex. Another primary concern was to save many of the 100-year old Madrona trees on the site.

Generous porches and street entries give a sense of individuality to each home.



Tonkin/Hoyne/Lokan



Downtown Emergency Service Center

Ending homelessness one person at a time

www.desc.org

Administration

515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Supportive Housing

515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Clinical Services

216 James Street
Seattle, WA 98104
(206) 464-6454
Fax: 652-1236

Emergency Shelter

517 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Kerner-Scott House

510 Minor Avenue N.
Seattle, WA 98109
(206) 621-7027
Fax: 621-8529

The Lyon Building

607 Third Avenue
Seattle, WA 98104
(206) 341-9575
Fax: 749-9945

The Morrison

509 Third Avenue
Seattle, WA 98104
(206) 340-8206
Fax: 624-4196

The Union Hotel

204 Third Avenue S.
Seattle, WA 98104
(206) 587-2460
Fax: 587-6856

1811 Eastlake

1811 Eastlake Avenue
Seattle, WA 98101
(206) 957-0700
Fax: 621-2094

Something Old, Something New

200 Third Avenue S.
Seattle, WA 98104
(206) 748-9080

Board of Directors

Clark Kimerer, Chair
Ron Wright, Vice Chair
David Wertheimer, Secretary
Merlyn Bell, Treasurer
J. Thomas Byers
Laura Iyveen
Mark Sidran
Chris Spitters
Richard Stevenson

January 10, 2007

Mark Ellerbrook
Fort Lawton LRA
Seattle Office of Housing
Seattle Municipal Tower
700 5th Avenue, 57th Floor
P.O. Box 94725
Seattle, WA 98124-4725

Dear Mr. Ellerbrook:

On behalf of the Downtown Emergency Service Center (DESC), I am pleased to submit this Notice of Interest for Surplus Property at Fort Lawton to develop permanent supportive housing for chronically homeless individuals. This proposal is in alignment with the Federal Base Realignment and Closure Act as well as the City's desire to use this opportunity to further implement our community's Ten Year Plan to End Homelessness.

We are grateful for our 26 year partnership with the City of Seattle in providing our community's most profoundly disabled and impaired individuals with safety from the street and the opportunity for a more stable, independent life.

This Notice of Interest is submitted with the caveat that it is very difficult to estimate development costs so far into the future. These budgets contained in this Notice of Interest do not commit DESC to building the project at the proposed costs. I assume that, once the project is closer to development, DESC will apply via the OH NOFA, at which time we will have more refined cost estimates.

For questions on this initial proposal or at any point during the review process, please feel free to contact me or Jessica Cohen, Housing Developer, at 206-515-1522, or jcohen@desc.org. Thank you for considering this proposal.

Sincerely,

William G. Hobson
Executive Director

Enclosures



Downtown Emergency Service Center

Ending homelessness one person at a time

www.desc.org

Administration
515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Supportive Housing
515 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Clinical Services
216 James Street
Seattle, WA 98104
(206) 464-6454
Fax: 652-1236

Emergency Shelter
517 Third Avenue
Seattle, WA 98104
(206) 464-1570
Fax: 624-4196

Kerner-Scott House
510 Minor Avenue N.
Seattle, WA 98109
(206) 621-7027
Fax: 621-8529

The Lyon Building
607 Third Avenue
Seattle, WA 98104
(206) 341-9575
Fax: 749-9945

The Morrison
509 Third Avenue
Seattle, WA 98104
(206) 340-8206
Fax: 624-4196

The Union Hotel
204 Third Avenue S.
Seattle, WA 98104
(206) 587-2460
Fax: 587-6856

1811 Eastlake
1811 Eastlake Avenue
Seattle, WA 98101
(206) 957-0700
Fax: 621-2094

**Something Old,
Something New**
200 Third Avenue S
Seattle, WA 98104
(206) 748-9080

Board of Directors
Clark Kimerer, Chair
Ron Wright, Vice Chair
David Wertheimer, Secretary
Merlyn Bell, Treasurer
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Chris Spitters
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January 10, 2007

Mark Ellerbrook
Fort Lawton LRA
Seattle Office of Housing
Seattle Municipal Tower
700 5th Avenue, 57th Floor
P.O. Box 94725
Seattle, WA 98124-4725

Dear Mr. Ellerbrook:

This letter acknowledges the Downtown Emergency Service Center's (DESC) Notice of Interest for Surplus Property at Fort Lawton. This Notice of Interest does not commit DESC to building a project within the costs proposed nor to building at project at all.

DESC's Board of Directors plan to more fully discuss the opportunity at Fort Lawton at its February 2007 meeting and consider a resolution supporting the Notice of Interest submitted today.

Thank you.

Sincerely,

Clark Kimerer
Chair, Board of Directors

ORGANIZATIONAL PROFILE

1. Provide the legal name of institution or entity requesting use of buildings or property at Fort Lawton and the name, title, and telephone number of the key contact person.

Organization: Downtown Emergency Service Center (DESC)
Contact: William G. Hobson, Executive Director
Telephone: (206) 464-1570

2. Describe the organization, including brief history, major accomplishments and organizational goals.

In 1979, DESC was created through a collaborative effort by the City of Seattle, Washington Advocates for the Mentally Ill (now National Alliance for the Mentally Ill-Greater Seattle) and the Church Council of Seattle to provide emergency services to mentally ill men and women on the streets and being discharged from King County jails and psychiatric hospitals. Today, the agency is a major provider of survival and long-term stabilization services that go well beyond an emergency response. In fact, DESC is the only organization in Washington with a primary mission of serving homeless people that is licensed by the state as a mental health and chemical dependency treatment provider.

DESC's mission is to end the homelessness of vulnerable people, particularly those with serious mental and addictive illnesses. Through partnerships and an integrated array of comprehensive services, treatment and housing, we give people the opportunity to reach their highest potential.

This mission is guided by DESC's vision of a community in which no one is treated as a throwaway person, and where homeless people are not abandoned and ignored. We believe that the leading institutions of our society must cooperate to ensure people do not become homeless in the first place, and to quickly offer an effective helping hand to those who do become homeless. In order to achieve this goal, organizations that work with homeless people must use the knowledge and skills they have developed to help shape our community's policies and actions.

DESC reaches towards this vision by meeting our clients where they are and working collaboratively to provide housing first, linked to treatment and other services that meet their needs and human aspirations. Further, DESC works with the broader community, its leaders and institutions, contributing the experiences of our organization and the people we serve and applying those lessons to the community efforts to prevent and end homelessness.

With over 25 years of experience, DESC has developed a unique expertise in providing intensive services to chronically homeless people facing multiple obstacles and challenges in their lives. In 1999, the U.S. Department of Housing and Urban Development presented DESC with a “**Best Practice**” award in recognition of our comprehensive continuum of care. In 2003, the U.S. Department of Health and Human Service recognized DESC for its uniquely integrated model of treatment and housing with the prestigious “**Exemplary Program Award.**”

In 2004, DESC was awarded the **MetLife Award for Excellence in Affordable Housing** for its management and services provided at the Lyon Building. DESC’s Kerner-Scott House won the MetLife Award for Affordable Housing again in 2005, making the agency the first organization to win the award in consecutive years.

In 2005, DESC Executive Director Bill Hobson was named the “**Advocate of the Year**” by the Washington State Coalition for the Homeless, and in 2006, was named one of the “**26 Most Influential People**” by *Seattle Magazine*.

3. For applicant agencies with a board of directors or trustees, attach a board resolution endorsing this application.

The resolution will come before the Board of Directors for endorsement at the meeting scheduled for Tuesday, February 13th.

PROPOSED PROGRAM

1. Describe in detail the proposed use of the property(ies) or building(s). Include a description of the population to be served, services to be provided on-site, whether additional services will be provided off-site, key partners in development, operation and service provision.

The primary goals of DESC's Supportive Housing Program is to end homelessness and help residents maintain their housing. At the same time, we try to help residents stabilize both clinically and socially, and improve the quality of their lives. A DESC Ft. Lawton project will house 75 homeless men and women who are extremely low-income, chronically homeless, disabled by mental illness and may have a dual diagnosis of chemical dependency.

The project will feature a number of on-site services, including: 24-hour crisis management, mental health case management, information and referral, assistance in securing entitlement income and other financial resources, coordination of health care services, money management, and medication monitoring, along with recreational and social activities. For the severely disabled clients we serve, our ability to contain all the services under one organizational canopy is a significant

advantage.

By providing 24-hour on-site supervision and supportive services we are able to work with people to maintain their housing. The wraparound services offered in the building will help tenants stabilize and keep their housing, ending their tenures on the streets and in shelters, while at the same time, helping them stabilize both clinically and socially, and to improve the quality of their lives.

2. Describe the need for the proposed homeless assistance program.

There are several community indicators that estimate the number of chronically homeless in Seattle and King County. The 2005-2008 Seattle Consolidated Plan for Housing and Community Development refers to 4,900 adults meeting the federal definition of chronic homelessness in 2002. *A Roof Over Every Bed in King County: Our Community's Ten-Year Plan to End Homelessness* estimates over 5,000 homeless single adults in King County every night, nearly half of whom are chronically homeless. Over the course of the year, over 3,300 will spend a night in one of DESC's emergency shelters.

This population suffers from serious health consequences. A 2006 study by Public Health- Seattle & King County identified 94 individuals who died in 2005 while homeless. Suffering from multiple disabilities, the average age of death was 47 years old, over 30 years younger than the overall average age of death in the United States of 77.5 years. "These deaths openly reflect the suffering and challenges faced by individuals who have no safe, stable place to call home," said Dorothy Teeter, Interim Director and Health Officer for Public Health - Seattle & King County.

For chronically homeless adults, DESC is the front door to the most comprehensive array of services in the region. Men and women who are mentally ill or chemically-dependent, elderly, medically compromised, physically or developmentally disabled are prioritized for a comprehensive continuum of care designed to transition them into supportive permanent housing and address their needs to help them break the cycle of homelessness.

As you might expect, DESC clients are people who typical housing providers and even some low-income housing providers attempt to screen-out. DESC has taken this standard practice and reversed it, using these same factors to screen-in the most vulnerable and disabled tenants. Without the kind of housing and services that DESC provides, it is unlikely that these individuals would be able to succeed in permanent housing.

3. Describe how the program will be coordinated with other homeless assistance

programs in the communities in the vicinity of Fort Lawton and/or the community at-large.

Fort Lawton represents a unique opportunity for permanent, supportive housing development. DESC's on-site service model will help to address the isolative nature of the property from other already established social service locations. DESC staff will provide on-site case management, 24/7 staffing and help facilitate connection to transportation so that other services and community amenities can be accessed. In addition, DESC will make every effort to partner with other service and housing providers selected for the redevelopment of Fort Lawton.

4. Provide an assessment of the time required to commence carrying out the proposed program and a timeline for physical development and program implementation.

DESC estimates it will take three years from the conveyance of a development-ready property until occupancy. The first year will entail design and application to funding sources. Application for tax credits will continue through the first half of the second year and construction will commence shortly thereafter with a 14-16 month duration. Occupancy can be expected by the end of the third year of development.

5. If any significant aspect of the program, including development, operation, or service delivery, will be carried out by any entity other than the applicant, please identify each Notice of Interest for Homeless Assistance Programs at Fort Lawton key partner, describe its proposed role in the program, and provide the same information about each key partner as is requested about the applicant under "Organizational Capacity." For proposals with more than one partner, provide letters of support. Please attach a Memorandum of Understanding or letter describing the roles, responsibilities and services to be provided by each partner.

DESC has a long history of working collaboratively with other agencies and in the community. This tradition serves the larger community by helping to plan policy responses to homelessness and reducing duplication of services (and costs), while improving our own services and programs. We enjoy close relationships with major emergency service entities and have formal cooperative service agreements with over 100 agencies.

Specific to the development of supportive housing, DESC is uniquely qualified to develop, operate, provide services for and manage its supportive housing projects. Consistent with our previous developments, no significant aspects of the program will be carried out by any entity other than DESC.

6. Describe how the proposed program aligns with the goals of the King County Ten-Year Plan to End Homelessness and the City of Seattle Consolidated Plan for Housing and Community Development.

Since 2002, the U.S. Department of Housing and Urban Development (HUD) has emphasized ending chronic homelessness as one of their five major policy priorities. HUD defines chronically homeless individuals as single men or women with one or more disabilities and/or chemical dependency who have experienced prolonged or frequent instances of homelessness. Communities across the country, including Seattle/King County, have drafted “Ten Year Plans” to end homelessness.

Among several recommendations, *A Roof Over Every Bed in King County: Our Community's Ten-Year Plan to End Homelessness* calls for the creation or acquisition of 9,500 units of affordable housing by 2015 to effectively end homelessness. Of those units, 2,900 will need the intensive services located on-site that we are proposing at a DESC Ft. Lawton project.

BUILDINGS OR PROPERTY NECESSARY TO CARRY OUT PROGRAM

1. Describe which buildings or property are necessary to carry out the program and the other physical requirements necessary to carry out the program.

DESC requests 20,000 –25,000 square foot property zone appropriately for multi-family residential development. Construction of a 55,000-60,000 square foot building is anticipated.

2. Indicate whether existing buildings will be used and any new construction or rehabilitation anticipated on the requested property necessary for program implementation.

DESC anticipates building a new construction project.

3. Describe any land use and zoning requirements or entitlements that may be necessary to implement the proposed program.

The property is currently zoned single family and will need to be rezoned for multi-family residential use.

ORGANIZATIONAL CAPACITY

1. Describe the applicant's past performance and experience developing, operating and delivering programs and services similar to those proposed.

DESC has been developing and operating permanent supportive housing since 1994.

By closely coordinating its licensed clinical programs with its array of housing programs, DESC has been able to establish the capacity to successfully house hundreds of chronically homeless adults.

Our existing housing projects provide on-site supervision and supportive services to highly vulnerable homeless single adults with disabling conditions, primarily severe and persistent mental illnesses (82% of those housed in 2006) and chronic substance use disorders (60%), as well as those with chronic physical disabilities such as HIV or AIDS. Many of the residents of DESC housing are multiply disabled. In addition, all residents will meet the HUD McKinney definition of homelessness prior to moving in. Their incomes will be at or below 30% of the Area Median Income, HUD's official benchmark for poverty. HUD estimates that figure for a single Seattle adult to be \$16,350. In comparison, DESC residents earned an average of less than \$7,000 last year.

DESC has an established record of success in the provision of housing for the most dysfunctional subsets of the single adult homeless population in Seattle. We currently operate the following housing programs:

- **The Union Hotel** provides 52 permanent apartments for individuals whose lives have been disrupted by mental illness, chemical dependency, or both. Opened in 1994, The Union has a stable resident population, with a turnover rate of only 13% in 2006.
- **The Lyon Building** has 64 permanent units for people living with multiple disabilities, including HIV/AIDS, mental illness or chemical dependence, who have failed in conventional housing due to the complex needs and problems resulting from their disabilities. DESC manages and provides services at the Lyon Building for AIDS Housing of Washington.
- **Kerner-Scott House** offers 25 "Safe Haven" units for severely mentally ill adults who are not connected to services, and 15 "clean and sober" units for chemically-dependent adults in recovery.
- **The Morrison** has 190 apartments for disabled or vulnerable adults who have been unable to succeed in conventional housing. In 2005, DESC completed a \$27 million renovation of the building, which also includes our main emergency shelter, administrative offices and clinical spaces.
- **1811 Eastlake** provides 75 units of pre-recovery housing and connections to chemical dependency services for chronic homeless alcoholics.

- We manage 156 units in various private housing options throughout the city by way of our **scattered-site housing program**. The program provides on-site housing support services in Kent, Kenmore, Renton, Burien, Bellevue, Tukwilla, Federal Way, Seattle, Shoreline and Auburn.

2. Describe any organizational adjustments by the applicant that would be needed to meet an increased demand for development or human services from the proposed programs. Provide a detailed list of current and proposed projects, including project timelines.

In 1991 the DESC Board of Directors made the decision to develop permanent supportive housing for individuals with severe mental illness and/or chronic addictive illnesses. The decision was driven by the fact that the vast majority of existing providers were not willing or successful providing housing for our participants. Today, the DESC strategic plan emphasizes the importance of developing as much stable, supportive housing for our participants as possible. In response to the directives of the Board, we have three projects in various stages of development that collectively represent over 200 new units of housing.

Most immediately, a 75-unit project located at 415 10th Avenue is currently under construction and scheduled for completion by September 2007. In addition we are developing a 60-unit building at 5270 Rainier Avenue South that is slated for completion in fall 2008.

3. Provide audited financial statements for the applicant for the last two years and, if applicable, copies of federal income tax returns for the last two fiscal years. Provide lead organization's itemized balance sheet as of a recent date and a statement of revenues and expenses for the most recent full fiscal year and most recent interim period.

Copies of the 2005 and 2004 Audited Financial Statements are attached. Copies of the 2005 and 2004 990s are attached.

Form 4 Project Schedule

Instructions:

- Provide "Date Completed" and "Status" information for the following project tasks at a minimum.
- If a task does not apply to your project, enter N/A. To add additional tasks, insert additional lines as needed.
- Submit this form in chronological order. Use the sort function to reorder the form by the "Date Completed" column.
- Project schedule must be consistent with Form 10A Estimate of Cash Flow During Development.

For each new task you enter in this column, also enter the appropriate category in the first column.

Category	Tasks	Date Completed/	Status
Site Control	Acquire	1/1/09	(e.g., Purchased property 2/15/05.)
Site Control	Option		
Feasibility Analysis/Due Diligence	Site survey	1/2/09	
Feasibility Analysis/Due Diligence	Market study	complete 1/2010	(e.g., Completed market study was provided on 2/29/05.)
Feasibility Analysis/Due Diligence	Phase I Environmental Assessment	1/2/09	
Feasibility Analysis/Due Diligence	Phase 2 Environmental Assessment	NA	
Feasibility Analysis/Due Diligence	SEPA/NEPA	NA	
Feasibility Analysis/Due Diligence	Capital needs assessment		
Feasibility Analysis/Due Diligence	Neighborhood notification (if required)	9/1/08	
Feasibility Analysis/Due Diligence	Relocation of existing tenants	NA	

**Form 4
Project Schedule**

Financing	Appraisal	NA			(e.g., Appraisal completed in February 2005)
Financing	Financial underwriting	NA			
Financing	Application for funding Office of Housing, City of Seattle		4/1/09		
Financing	Application for funding HTF, State of Washington		9/1/09		
Financing	Application for funding HFP, King County		9/1/09		
Financing	Construction cost estimate		4/1/09		
Financing	Lender selection	NA			
Financing	Funding for services		5/1/09		
Financing	Award date for funding source (OH):*		5/1/09		
Financing	Award date for funding source (HTF):		12/1/09		
Financing	Award date for funding source (HFP):		12/1/09		
Financing	Application for funding LIHTC		1/1/10		(e.g., Completed architectural drawings in February 2005.)
Design/Permitting	Preliminary drawings completed		3/1/09		
Design/Permitting	Zoning approval		2/1/09		
Design/Permitting	Site plan approval		5/1/10		
Design/Permitting	Building permits issued		5/1/10		
Construction	Selection of general contractor				(e.g., Completed general contractor selection process in February 2005.)
Construction	Begin construction		7/1/10		
Construction	Issued certificate of occupancy		10/1/11		
Occupancy	Selection of management entity	NA			(e.g., Completed management company selection process in February 2005.)
Occupancy	Selection of service providers	NA			
Occupancy	Begin lease-up		10/1/11		

Form 4
Project Schedule

Occupancy	Placed in service (90% Occupancy)	12/31/11

Form 8A Residential Development Budget

Instructions:

- Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

	Total Project Cost	Residential Total	HTF	City of Seattle	KC HOF	LIHTC Equity
Acquisition Costs:						
Purchase Price	\$0	\$0				
Liens	\$0	\$0				
Closing, Title & Recording Costs	\$0	\$0				
Extension payment	\$0	\$0				
Other _____	\$0	\$0				
SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$0
Construction:						
Basic Construction Contract	\$7,180,248	\$7,180,248	\$651,487	\$1,000,000	\$195,000	\$5,333,761
Bond Premium	\$35,828	\$35,828				\$35,828
Construction Contingency 10.0%	\$542,676	\$542,676				\$542,676
Sales Taxes 8.809%	\$516,308	\$516,308				\$516,308
Other Construction Costs: EEE _____	\$300,000	\$300,000				300000
Other Construction Costs: Soils Contingency	\$18,000	\$18,000	18000			
SUBTOTAL	\$8,593,060	\$8,593,060	\$669,487	\$1,000,000	\$195,000	\$6,728,573
Development:						
Appraisal	\$14,000	\$14,000		\$14,000		
Architect/Engineer	\$628,000	\$628,500	\$325,899	\$176,901		\$125,700
Environmental Assessment	\$25,000	\$25,000			\$25,000	
Geotechnical Study	\$6,000	\$6,000		\$6,000		
Boundary & Topographic Survey	\$10,000	\$10,000		\$10,000		
Legal	\$70,000	\$70,000	\$70,000			
Developer Fee	\$379,000	\$379,000		\$100,000	\$279,000	
Project Management	\$379,000	\$379,000				\$379,000
Syndication Legal	\$25,000	\$25,000				\$25,000
Other Consultants: Design Contingency	\$25,000	\$25,000				\$25,000
SUBTOTAL	\$1,561,000	\$1,561,500	\$395,899	\$306,901	\$304,000	\$554,700
Other Development:						
Real Estate Tax	\$0	\$0				
Insurance	\$10,000	\$10,000			\$10,000	
Relocation	\$0	\$0				
Bidding Costs	\$19,910	\$19,910		\$8,666	\$11,244	
Permits, Fees & Hookups	\$176,920	\$176,920			\$176,920	
Impact/Mitigation Fees	\$85,000	\$85,000			\$85,000	
Development Period Utilities	\$2,550	\$2,550	\$2,550			
Construction Loan Fees	\$0	\$0				
Construction Interest	\$0	\$0				
Other Loan Fees (Impact Capital, State HTF, etc.)	\$29,750	\$29,750	\$29,750			
LIHTC Fees	\$130,535	\$130,535	\$83,563		\$33,346	\$11,626
Accounting/Audit	\$32,660	\$32,660				\$32,660
Marketing/Leasing Expenses	\$15,000	\$15,000			\$7,500	\$7,500
Carrying Costs at Rent up	\$67,175	\$67,175				\$67,175
Operating Reserves	\$163,060	\$163,060			\$13,060	\$150,000
Replacement Reserves	\$536,670	\$536,670				\$536,670
SUBTOTAL	\$1,269,230	\$1,269,230	\$115,863	\$8,666	\$339,070	\$805,631
Total Development Cost:	\$11,423,290	\$11,423,790	\$1,181,249	\$1,315,567	\$838,070	\$8,088,904

Form 8B Non-Residential Development Budget

Instructions:

- Note: Add an extra page if more columns are needed. Do NOT combine funding sources in a column.
- Minimum construction contingencies are 10% for new construction, 15% for rehabilitation; explain variations.

Acquisition Costs:

Purchase Price
 Liens
 Closing, Title & Recording Costs
 Extension payment
 Other: _____
 SUBTOTAL

Non-Residential Total	Non-Residential			
	Source	Source	Source	Source
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Construction:

Basic Construction Contract
 Bond Premium
 Infrastructure Improvements
 Hazardous Abate. & Monitoring
 Construction Contingency (____%)
 Sales Taxes
 Other Construction Costs: _____
 Other Construction Costs: _____
 SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Development:

Appraisal
 Architect/Engineer
 Environmental Assessment
 Geotechnical Study
 Boundary & Topographic Survey
 Legal
 Developer Fee
 Project Management
 Technical Assistance
 Other Consultants: _____
 Other: _____
 SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Other Development:

Real Estate Tax
 Insurance
 Relocation
 Bidding Costs
 Permits, Fees & Hookups
 Impact/Mitigation Fees
 Development Period Utilities
 Construction Loan Fees
 Construction Interest
 Other Loan Fees (Impact Capital, State HTF, etc.)
 LIHTC Fees
 Accounting/Audit
 Marketing/Leasing Expenses
 Carrying Costs at Rent up
 Operating Reserves
 Replacement Reserves
 SUBTOTAL

\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0				
\$0	\$0	\$0	\$0	\$0

Total Non-Residential Cost:

\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----

**Form 8C
Residential Development Budget Narrative**

Instructions:
• For each cost item, explain the basis for the cost, when the estimate was made and identify who made the estimates

Acquisition Costs:

Purchase Price
Liens
Closing, Title & Recording Costs
Extension payment
Other: _____

Total Residential Cost	
\$0	
\$0	
\$0	
\$0	
\$0	

Construction

Basic Construction Contract
Bond Premium
Construction Contingency (%)
Sales Taxes
Other Construction Costs: FFE
Other Construction Costs: Soils Contingency

\$7,180,248	Walsh Construction Estimate-Commercial Prevailing Wage
\$35,828	% of Base construction
\$542,676	10% of Base Construction
\$516,308	8.8% of WSST
\$300,000	Based on similar project (DESC 1811)
\$18,000	small contingency for any unforeseen matters

Development:

Appraisal
Architect/Engineer
Environmental Assessment
Geotechnical Study
Boundary & Topographic Survey
Legal
Developer Fee
Project Management
Technical Assistance
Design/Professional Contingency
Other: _____

\$14,000	Based on Program design including universal design
\$628,000	AIA Fee Schedule
\$25,000	PBS Environmental Phase I and Phase II
\$6,000	PBS Environmental
\$10,000	ABA Inc.-Actual plus \$3,000 for survey revisions at equity closing
\$70,000	Tax Credit legal and Real Estate Legal-Kantor and QSB
\$379,000	Based on the City of Seattle NOFA
\$379,000	Based on the City of Seattle NOFA
\$25,000	GEJ Law, Investor Equity-Flat Fee
\$25,000	Based on similar project for design revisions (1811 Eastlake)

Other Development:

Real Estate Tax
Insurance
Relocation
Bidding Costs
Permits, Fees & Hookups
Impact/Mitigation Fees
Development Period Utilities
Construction Loan Fees
Construction Interest
Other Loan Fees (Impact Capital, State HTF, etc.)
LIHTC Fees
Accounting/Audit
Marketing/Leasing Expenses
Carrying Costs at Rent up
Operating Reserves
Replacement Reserves

\$0	
\$10,000	Based on previous Builder Risk policy (1811)
\$0	Based on approved relocation plan
\$19,910	Olympic Redographics
\$176,920	Based on known fee schedule and estimates from Utilities for 415 10th
\$85,000	City of Seattle DPD schedule
\$2,550	reasonable estimate
\$0	Saving construction loan fee by using equity for construction
\$0	Saving construction interest by using equity for construction
\$29,750	HTF 2% loan, Impact Capital loan fee
\$130,535	WSHFC Fee schedule
\$32,660	Blume Lovern CPA for 10% Carryover and Final Cost Cert and Audit
\$15,000	Contingency for unforeseen cost increases beyond standard and usual
\$87,175	Per Client projections based on similar project
\$163,060	Par Equity Investor
\$536,870	

**Form 11A
Proposed Rent Levels**

Instructions:

- Use the current HUD Household Income Table to identify the percent of median household income for each unit size. The most current HUD table is located at <http://www.huduser.org/datasets/il.html>.
- In reading the HUD table, low income means 80% and very-low income means 50% of the area median income.

A	B	C	D	E	F	G	H
% of Median Income Served	Number of Units or Beds	Unit Size (Number of Bedrooms)	Tenant-Paid Monthly Rent	Tenant-Paid Utilities	Sum of Tenant-Paid Rent and Utilities (D + E)	PHA/HUD/USDA Contract Rent **	Annual Gross Rental Income ** [B x (D or G) x 12]
</= 30% AMI	26	Studio	\$170	\$0	\$170		\$53,040
</= 30% AMI	49	Studio	\$0	\$0	\$0	\$642	\$377,496
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
					\$0		\$0
Totals	75						\$430,536

* Rent—if the project includes PHA/HUD/USDA subsidy, include the maximum contract rent in column G and leave columns D-F blank.

** Annual gross rental income must match Year 1 "Gross Rental Income" entered on Operating Pro Forma. Revenue other than rental income must be noted on Forms 12B and 13A and 13B.

Form 11A
Proposed Rent Levels

**Form 11B
Service Revenue and Expenses**

Instructions:

- Include services on Form 11B and the operating pro-forma.
- Indicate each source of service revenue and type of service expense, the corresponding term of commitment and the revenue/expense for years one, five and ten.

Support Services Revenue		
	(Term of Commitment)	YEAR 1
A Rent / Housing Operations Income Applied		
B Other Sources King County MHCADS	ongoing	\$ 109,800.00
C Other Sources (Name here)		
D Total Support Services Revenue		\$ 109,800.00

Support Services Expenses		YEAR 1
1 Total Personnel (autofill from form 11C)		\$ 109,800.00
2 Local Travel / Mileage		
3 Equipment		
4 Supplies		
5 Telecommunications		
6 Printing / Duplication		
7 Mail / Postage		
8 Subcontracted Services - Agency A (autofill from form 11D)		\$ -
9 Subcontracted Services - Agency B (autofill from form 11D)		\$ -
10 Cash Assistance to Families		
11 Other		
12 Other		
13 Other		
14 Other		
15 Other		
16 Subtotal Direct Expenses (Sum Line 1-15)		\$ 109,800.00
17 Project Administration (up to 10% of Line 16)		
18 Total Support Services Expenses		\$ 109,800.00

19 Net Gain / Loss (this amount should be zero)	\$ -
---	------

Attachments

- Services funding commitment letters

FORM 11C
Services Personnel Detail
Salaries And Fringe Benefits

No.	Position Title	FTE	Annual Base Salary	Total In-House Support Services	
				% of Time Attributable to Project D.	Amount of Salary Attributable to Project E.
A.	B.	C.	D.	E.	
1	Case Managers	3.00	\$ 91,500	100%	\$ 91,500
2			\$ -	0%	\$ -
3			\$ -	0%	\$ -
4			\$ -	0%	\$ -
5			\$ -	0%	\$ -
6			\$ -	0%	\$ -
7			\$ -	0%	\$ -
8			\$ -	0%	\$ -
9			\$ -	0%	\$ -
10			\$ -	0%	\$ -
11	Subtotal Salaries		\$ 91,500	0.00	\$ 91,500
12	Fringe Benefits @ 20%		\$ 18,300		\$ 18,300
13	Total Personnel - FTE, Salaries & Fringe Benefits		\$ 109,800	0.00	\$ 109,800

**Form 11D
Subcontracted Support Services Budget Detail**

Please complete on budget for each agency with which you intend to subcontract for support services, both On- and Off-site.

Subcontracted Support Service Expenses - Agency A	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Subcontracted Support Service Expenses - Agency B	
Service Agency Name:	
1 Total Personnel	
2 Local Travel/Mileage	
3 Supplies	
4 Other:	
5 Other:	
6 Other:	
7 Other:	
8 Total Agency Services Contract	\$ -

Form 12A Operating ProForma

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
REVENUES							
<i>Residential Income (Use 2.5%/year inflation factor)</i>							
(From Rent Level Form) Gross Rental Income	\$424,296	\$434,903	\$445,776	\$456,920	\$468,343	\$480,052	\$492,053
<i>Other Revenue Sources and Operating Subsidies</i>							
McKinney SHP	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800
City O&M	\$42,283	\$43,340	\$44,424	\$45,534	\$46,673	\$47,839	\$49,035
Other Income/DESC Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$2,059
DESC Fee -HUD Admin Fee	\$0	\$1,356	\$3,189	\$5,107	\$7,117	\$9,222	\$9,370
Subtotal services and other revenue							
Total Residential Income	\$217,083	\$219,496	\$222,413	\$225,441	\$228,590	\$231,861	\$235,264
Total Non-Residential- King County MHCADS @ 1% inflation	\$641,379	\$654,399	\$668,189	\$682,362	\$696,933	\$711,913	\$727,318
Vacancy Factor	\$109,625	\$110,721	\$111,828	\$112,947	\$114,076	\$115,217	\$116,369
Less Residential Vacancy (at 5%)	\$21,215	\$21,745	\$22,289	\$22,846	\$23,417	\$24,003	\$24,603
Less Non-Residential Vacancy (at 10%)							
Effective Gross Income	\$729,789	\$743,376	\$757,728	\$772,462	\$787,592	\$803,128	\$819,084
EXPENSES							
<i>Operating Expenses- (Use 3.5%/year inflation factor)</i>							
Heat - GAS	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Electric	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Water & Sewer	\$22,500	\$23,288	\$24,103	\$24,946	\$25,819	\$26,723	\$27,658
Garbage Removal	\$7,200	\$7,452	\$7,713	\$7,983	\$8,262	\$8,551	\$8,851
Contract Repairs/Maint. (Elevator, F&LS Monit., HVAC, Pest, C	\$13,880	\$14,366	\$14,869	\$15,389	\$15,928	\$16,485	\$17,062
Maintenance and janitorial	\$62,763	\$64,960	\$67,233	\$69,586	\$72,022	\$74,543	\$77,152
Food	\$52,560	\$54,400	\$56,304	\$58,274	\$60,314	\$62,425	\$64,610
Replacement Reserve	\$22,500	\$22,950	\$23,409	\$23,877	\$24,355	\$24,842	\$25,339
Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - Off-site - Project Supervisory	\$27,532	\$27,807	\$28,085	\$28,366	\$28,650	\$28,936	\$29,226
Management - On-site - Project Manager	\$42,000	\$42,420	\$42,844	\$43,273	\$43,705	\$44,142	\$44,584
Building Personnel	\$269,208	\$271,900	\$274,619	\$277,365	\$280,139	\$282,940	\$285,770
Insurance	\$20,625	\$21,347	\$22,094	\$22,867	\$23,668	\$24,496	\$25,353
Accounting	\$15,000	\$15,525	\$16,068	\$16,631	\$17,213	\$17,815	\$18,439
Case Managers- paid by King County MHCADS	\$109,625	\$110,721	\$111,828	\$112,947	\$114,076	\$115,217	\$116,369
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Office supp., Legal, Furnishings,	\$19,000	\$19,665	\$20,353	\$21,066	\$21,803	\$22,566	\$23,356
Total Expenses	\$729,393	\$743,375	\$757,728	\$772,463	\$787,592	\$803,128	\$819,084
Net Operating Income (Income - Total Expenses)	\$396	\$0	\$0	\$0	\$0	\$0	\$0

Form 12A Operating ProForma

Debt Service on	Loan Amount	Rate (%)	Amortization
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

- =

	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$396	\$0	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	\$0
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Form 12A Operating ProForma

REVENUES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<i>Residential Income - (Use 2.5%/year inflation factor)</i>								
(From Rent Level Form) <i>Gross Rental Income</i>	\$504,355	\$516,963	\$529,888	\$543,135	\$556,713	\$570,631	\$584,897	\$599,519
Other Revenue Sources and Operating Subsidies								
McKinney SHP	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800	\$174,800
City O&M	\$50,261	\$51,518	\$52,806	\$54,126	\$55,479	\$56,866	\$58,288	\$59,745
Other Income/DESC Contribution	\$3,740	\$7,313	\$11,060	\$14,991	\$19,113	\$23,437	\$27,972	\$32,728
DESC Fee - HUD Admin Fee	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370	\$9,370
Subtotal services and other revenue	\$238,171	\$243,001	\$248,036	\$253,287	\$258,762	\$264,473	\$270,430	\$276,643
Total Residential Income	\$742,526	\$759,964	\$777,923	\$796,422	\$815,475	\$835,104	\$855,326	\$876,162
Total Non-Residential- King County MHCADS @ 1% inflation	\$117,533	\$118,708	\$119,895	\$121,094	\$122,305	\$123,528	\$124,763	\$126,011
Vacancy Factor								
Less Residential Vacancy (at 3%)	\$25,218	\$25,848	\$26,494	\$27,157	\$27,836	\$28,532	\$29,245	\$29,976
Less Non-Residential Vacancy (at 10%)								
Effective Gross Income	\$834,841	\$852,824	\$871,324	\$890,359	\$909,945	\$930,101	\$950,845	\$972,197

EXPENSES	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Operating Expenses - (Use 3.5%/year inflation factor)								
Heat- GAS	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Electric	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Water & Sewer	\$28,626	\$29,628	\$30,665	\$31,738	\$32,849	\$33,999	\$35,189	\$36,421
Garbage Removal	\$9,160	\$9,481	\$9,813	\$10,156	\$10,512	\$10,880	\$11,260	\$11,655
Contract Repairs/Maint. (Elevator, F & LS Monil., HVAC, Pest, Maintenance and janitorial)	\$17,659	\$18,277	\$18,917	\$19,579	\$20,264	\$20,974	\$21,708	\$22,467
Food	\$79,852	\$82,647	\$85,540	\$88,533	\$91,632	\$94,839	\$98,159	\$101,594
Replacement Reserve	\$66,871	\$69,211	\$71,634	\$74,141	\$76,736	\$79,422	\$82,202	\$85,079
Operating Reserve	\$26,226	\$27,143	\$28,093	\$29,077	\$30,094	\$31,148	\$32,238	\$33,366
Management - Off-site - Project Supervisory	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management - On-site - Project Manager	\$30,249	\$31,307	\$32,403	\$33,537	\$34,711	\$35,926	\$37,183	\$38,485
Building Personnel	\$46,144	\$46,606	\$47,072	\$47,542	\$48,018	\$48,498	\$48,983	\$49,473
Insurance	\$285,770	\$288,627	\$291,514	\$294,429	\$297,373	\$300,347	\$303,350	\$306,384
Accounting	\$26,241	\$27,159	\$28,110	\$29,094	\$30,112	\$31,166	\$32,257	\$33,386
Case Managers- paid by King County MHCADS	\$19,084	\$19,752	\$20,443	\$21,159	\$21,900	\$22,666	\$23,459	\$24,280
Real Estate Taxes	\$117,533	\$118,708	\$119,895	\$121,094	\$122,305	\$123,528	\$124,763	\$126,011
Other (Office supp., Legal, Furnishings, Telephone, Misc., Resident Activities)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$24,173	\$25,019	\$25,895	\$26,801	\$27,739	\$28,710	\$29,715	\$30,755

Form 12A Operating ProForma

Total Expenses

\$834,841	\$852,824	\$871,324	\$890,359	\$909,945	\$930,100	\$950,844	\$972,197
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Net Operating Income (Income - Total Expenses)

\$0	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0
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Debt Service on	Loan Amount	Rate (%)	Amortization (years)
Lender			
Lender			
Lender			

Total Debt Service
Projected Gross Cash Flow
Debt Coverage Ratio (DCR)

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	(\$0)	\$0	(\$0)	\$0	\$0	\$0
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Form 12B Operating Budget Details

Operating Subsidies

Instructions:

- Note the source, amount, and status of any non-rental income (i.e., laundry, parking) and operating subsidies (i.e., program fees or operating and maintenance subsidies). This information is also summarized on Form 12A.
- Do not include service revenue on this page.

Source	Proposed	Conditional/ Committed	Total
HUD SHP McKinney			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Total Operating Subsidies	\$0	\$0	\$0

Vacancy Rates and Inflation Factors

If vacancy rates and/or inflation factors do not match HTF guidelines, provide an explanation for any discrepancies.

Operating Expenses

Instructions:

- Indicate whether estimates are based upon current operations. If not, what is the basis for the estimate?

Heat	Based on 100% of budgeted costs for 415 10th Avenue building
Electric	Based on 100% of budgeted costs for 415 10th Avenue building
Water & Sewer	Based on 100% of budgeted costs for 415 10th Avenue building
Garbage Removal	Contract Price
Contract Repairs	Based on 100% of budgeted costs for 415 10th Avenue building
Maintenance and Janitorial (pest control, fire safety, painting and decorating, etc.)	Based on 100% of budgeted costs for 415 10th Avenue building
Replacement Reserve	\$300 per unit per year
Operating Reserve	Capitalized and based on likely investor requirement
Off-Site Management	Actual cost for supervisory oversight
On-Site Management	Salary for 24 hour onsite coverage
Insurance	Quote from agent
Accounting	Based on 100% of budgeted costs for 415 10th Avenue building
Marketing	
Real Estate Taxes	Exempl - HTF award

Form 12B
Operating Budget Details

Other (Include Identification of Items and cost estimates for each)	Supplies - \$2,000; Phone - \$5,000; Advertising - \$1,500, Misc. Expense - \$2,000, Computer Equip. \$1,200; Training \$1,600; Residential Activities \$5,700
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DOWNTOWN EMERGENCY SERVICE CENTER
(A NOT-FOR-PROFIT CORPORATION)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004



Blume Loveridge & Co., PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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Blume Lovridge & Co., P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Directors
Downtown Emergency Service Center
Seattle, Washington

We have audited the accompanying statements of financial position of Downtown Emergency Service Center (a not-for-profit corporation) (DESC), as of December 31, 2005 and 2004, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of Downtown Emergency Service Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Downtown Emergency Service Center, as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated April 17, 2006, on our consideration of Downtown Emergency Service Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS - (CONTINUED)

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis, for the year ended December 31, 2005 and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of City of Seattle Non-federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Partnership Revenues and Expenses has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it. The amounts shown in the Schedule of Limited Liability Company Revenues and Expenses have been audited by us, and we expressed an unqualified opinion on the financial statements in our report dated April 17, 2006, but we have not performed any auditing procedures since that date.

Blume Savidge & Co. PLLC

April 17, 2006

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF FINANCIAL POSITION

	December 31,	
	2005	2004
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,491,418	\$ 1,346,786
Temporarily restricted cash	-	<u>282,796</u>
	<u>1,491,418</u>	1,629,582
Advances receivable	964,761	204,127
Grants and contracts receivable	596,845	614,124
Current portion of pledge receivable	-	250,000
Prepaid expenses	<u>35,015</u>	<u>-</u>
	1,596,621	1,068,251
Restricted deposits:		
Housing projects reserve	89,197	73,899
Client custodial accounts	370,165	321,229
Tenant trust - security deposits	<u>6,600</u>	<u>-</u>
	465,962	395,128
Leasehold improvements and equipment, at cost:		
Leasehold improvements and equipment	1,716,932	1,550,480
Accumulated depreciation	<u>(618,908)</u>	<u>(534,338)</u>
	1,098,024	1,016,142
Land	776,850	776,850
Other assets:		
Investment in partnerships/LLCs	1,433,028	983,022
Pre-development costs	107,826	5,253
Accrued interest receivable	468,859	398,336
Developer fees receivable	700,000	558,813
Notes receivable	<u>5,886,121</u>	<u>5,251,356</u>
	<u>8,595,834</u>	<u>7,196,780</u>
	<u>\$ 14,024,709</u>	<u>\$ 12,082,733</u>

Continued on page 4.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF FINANCIAL POSITION - (Continued)

	December 31,	
	2005	2004
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 245,704	\$ 105,553
Accrued payroll and payroll taxes	460,291	422,235
Accrued developer fees	<u>395,870</u>	<u>471,496</u>
	1,101,865	999,284
Other liabilities:		
Client custodial accounts	<u>370,165</u>	<u>321,229</u>
	370,165	321,229
Long-term debt:		
Notes payable	1,284,389	884,389
Deferred lease expense	<u>183,435</u>	<u>141,864</u>
	<u>1,467,824</u>	<u>1,026,253</u>
Total liabilities	2,939,854	2,346,766
Net assets:		
Unrestricted	11,084,855	9,453,171
Temporarily restricted	<u>-</u>	<u>282,796</u>
	<u>11,084,855</u>	<u>9,735,967</u>
	<u>\$ 14,024,709</u>	<u>\$ 12,082,733</u>

The accompanying notes are an integral part of these financial statements.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2005 and 2004

	2005			2004 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues and other support:				
Government fees and grants	\$ 6,776,263	-	\$ 6,776,263	\$ 5,386,480
Commercial grants	-	-	-	783,179
Contributions	745,411	-	745,411	773,012
In-kind contributions	105,147	-	105,147	249,710
United Way	195,439	-	195,439	124,190
Housing management fees and rental income	74,118	-	74,118	188,111
Interest	96,750	-	96,750	27,404
Development fees	613,670	-	613,670	898,338
Other	<u>227,367</u>	<u>-</u>	<u>227,367</u>	<u>135,417</u>
	8,834,165	-	8,834,165	8,565,841
Expenses:				
Clinical	2,676,070	-	2,676,070	2,662,555
Housing	3,762,919	-	3,762,919	3,929,997
Management and general	815,110	-	815,110	852,552
Fund raising	<u>231,173</u>	<u>-</u>	<u>231,173</u>	<u>208,172</u>
	<u>7,485,272</u>	<u>-</u>	<u>7,485,272</u>	<u>7,653,276</u>
Change in net assets	1,348,893	-	1,348,893	912,565
Net assets at beginning of year	<u>9,735,967</u>	<u>-</u>	<u>9,735,967</u>	<u>8,823,402</u>
Net assets at end of year	<u>\$ 11,084,860</u>	<u>-</u>	<u>\$ 11,084,860</u>	<u>\$ 9,735,967</u>

The accompanying notes are an integral part of these financial statements.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2005 and 2004

	2005			2004		
	Clinical	Housing	Total	Management and General	Fund Raising	Total
Salaries and wages	\$ 1,915,971	\$ 1,836,680	\$ 3,752,651	\$ 468,470	\$ 147,976	\$ 4,369,097
Payroll taxes	145,826	135,772	281,598	35,066	11,675	328,339
Employee benefits	322,494	381,503	703,997	61,616	22,028	787,641
Total salaries and related expenses	\$ 2,384,291	\$ 2,353,955	\$ 4,738,246	\$ 565,152	\$ 181,679	\$ 5,485,077
In-kind expenses		99,647	99,647	5,500		105,147
Food and beverage	315	352	667	472	279	1,418
Occupancy	55,517	271,218	326,735	62,139	6,382	395,256
Supplies	25,907	63,149	89,056	19,641	3,834	112,531
Professional fees	32,517	14,121	46,638	12,675	65	59,378
Contract labor	11,578	671,301	682,879	11,398	2,298	696,575
Equipment expense	17,484	13,472	30,956	34,787	2,009	67,752
Insurance	61,808	20,607	82,415	11,440	654	94,509
Telephone	17,771	20,638	38,409	4,591	733	43,733
Meetings and travel	9,025	24,148	33,173	14,288	96	47,557
Postage and printing	3,946	623	4,569	9,156	22,491	36,216
Staff training	6,445	1,620	8,065	2,896	970	11,931
Client assistance	9,227	183,050	192,277		143	192,420
Depreciation	21,876	14,936	36,812	45,459	2,300	84,571
Interest expense				2,200	9	2,209
Advertising	14,105	4,457	18,562	1,835	1,129	21,526
Miscellaneous	4,258	5,625	9,883	11,481	6,102	27,466
Total Expenses	\$ 2,676,070	\$ 3,762,919	\$ 6,438,989	\$ 815,110	\$ 231,173	\$ 7,485,272
2004 Totals	\$ 2,662,555	\$ 3,929,997	\$ 6,592,552	\$ 852,552	\$ 208,172	\$ 7,653,276

The accompanying notes are an integral part of these financial statements.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Change in net assets	\$ 1,348,893	\$ 912,565
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	84,570	92,907
In-kind contributions of depreciable assets	-	(63,100)
Loss on investment in partnerships/LLCs	-	883
Changes in certain assets and liabilities:		
Accounts receivable	-	(169,854)
Advances receivable	(760,634)	-
Grants and contracts receivable	17,279	-
Pledge receivable - current portion	250,000	500,000
Prepaid expenses	(35,015)	84,348
Accrued expenses	(70,528)	-
Developer fees receivable	(141,187)	(373,654)
Accounts payable and accrued payroll	178,207	537,858
Accrued developer fees	(75,626)	-
Deferred lease expense	41,571	45,358
Tenant security deposits	<u>(6,600)</u>	<u>-</u>
Net cash provided by operating activities	830,930	1,567,311
Cash flows from investing activities:		
Deposits from housing projects reserve	(15,298)	(5,400)
Purchase of depreciable assets	(166,452)	(661,558)
Held in trust	-	245,000
Investment in partnerships/LLCs	(450,006)	(88,712)
Pre-development costs	(102,573)	(135,926)
Notes receivable	<u>(634,765)</u>	<u>(1,442,145)</u>
Net cash provided (used) by investing activities	(1,369,094)	(2,088,741)
Cash flows from financing activities:		
Proceeds from notes payable	400,000	332,195
Payments on notes payable	<u>-</u>	<u>(182,581)</u>
Net cash provided by financing activities	400,000	149,614

Continued on page 8.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

STATEMENT OF CASH FLOWS - (Continued)
Increase (Decrease) in Cash

For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Net increase (decrease) in cash	(138,164)	(371,816)
Cash and cash equivalents at beginning of year	<u>1,629,582</u>	<u>2,001,398</u>
Cash and cash equivalents at end of year	<u>\$ 1,491,418</u>	<u>\$ 1,629,582</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ (74,741)	\$ 6,486
Supplemental schedule of noncash investing and financing activities:		
Conversion of the following to investment in partnership/LLC:		
Buildings and equipment, net		
Accounts payable and accrued expenses	-	(32,753)
Land	-	1,424,366
Pre-development costs	-	1,243,957
Notes payable	<u>-</u>	<u>(2,702,053)</u>
Noncash investment in partnership/LLC	<u>\$ -</u>	<u>\$ (66,483)</u>
Retirement of fully depreciated leasehold improvements	\$ -	\$ 562,777

The accompanying notes are an integral part of these financial statements.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES

Mission

The Downtown Emergency Service Center works to end the homelessness of vulnerable people, particularly those with serious mental and addictive illnesses. Through partnerships and an integrated array of comprehensive services, treatment and housing, DESC gives people the opportunity to reach their highest potential. At DESC, uncommon efforts produce uncommon results that eliminate homelessness, one person at a time.

Background

Originally conceived as an emergency shelter program in 1979, DESC has evolved to a major provider of survival and long term stabilization services to homeless people in the Seattle/King County region, serving over 5,000 individuals each year.

Today, DESC delivers a comprehensive array of services in the Seattle/King County region for chronically homeless adults, serving men and women who are mentally ill, chemically-dependent, elderly, medically compromised, physically or developmentally disabled with a continuum of care designed to transition them into permanent supportive housing and address their needs to help them break the cycle of homelessness.

This continuum is designed to meet both the critical emergency needs of homeless men and women and to provide long-term solutions to homelessness. It is comprised of three central programs: emergency shelter, supportive housing, and clinical services.

Emergency Shelter

Emergency Shelter

Each night, 278 people find refuge in our shelters, including an intensively-staffed, 20-bed Crisis Respite Program for individuals who have experienced a recent behavioral health crisis, a shelter in Sacred Heart Church providing 50 men with a place to sleep, and a 25 bed shelter for mentally ill homeless women. DESC provides more emergency shelter beds to chronically homeless adults than any other provider in the region, including 91 beds for women. On any given night, more homeless women refuge in The Morrison than any other shelter in Seattle.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES - (CONTINUED)

During the day, the main emergency shelter becomes a drop-in center where people seek refuge from the streets and the weather, and access a wide variety of services including hygiene facilities, mail and phone services and emergency clothing. Besides providing safe, secure shelter, hot meals, and day-time safe haven from the streets, the shelter is a focal point for DESC's outreach efforts, and helps people access a wide range of programs (both at DESC and elsewhere) that help them stabilize their lives, and ultimately attain permanent housing. In 2005, the Emergency Shelter Program provided 86,000 nights of shelter, 17,000 showers, 48,000 meals and processed almost 17,000 pieces of mail for more than 4,000 clients.

Supportive Housing

DESC's Supportive Housing program seeks permanent alternatives to homelessness by providing a unique housing model of integrated, client-focused services designed to help people to remain in housing. DESC operates over 575 units in the following projects:

Union Hotel

The Union Hotel provides 52 permanent apartments for individuals whose lives have been disrupted by mental illness, chemical dependency, or both. Opened in 1994, The Union was DESC's first supportive housing project.

Lyon Building

The Lyon Building has 64 permanent units for people living with multiple disabilities, including HIV/AIDS, mental illness or chemical dependence, who have failed in conventional housing due to the complex needs and problems resulting from their disabilities. In 2004, DESC was awarded the MetLife Award for Excellence in Affordable Housing for its management and services provided at the Lyon Building.

Kerner-Scott House

Kerner-Scott House offers 25 transitional "Safe Haven" units for severely mentally ill adults who are not connected to services, and 15 transitional "clean and sober" units for chemically-dependent adults in recovery. Many residents who have graduated from the Safe Haven program have transferred to other permanent supportive housing operated by DESC. Kerner-Scott House won the MetLife Award for Affordable Housing again in 2005, making DESC the first organization to win the award in consecutive years.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES - (CONTINUED)

The Morrison

The Morrison Hotel has 190 apartments for disabled or vulnerable adults who have been unable to succeed in conventional housing. DESC recently completed a \$27 million renovation of the building, which also includes its main emergency shelter, administrative offices and clinical spaces.

Scattered Site Housing Program

DESC manage 96 housing vouchers for placing clients in rental properties throughout the city, providing ongoing staff support and supervision. DESC recently received a federal award that allowed DESC to expand this program. This award will help DESC turn 60 existing, market-rate apartments into quality, low-income housing.

1811 Eastlake

In December 2005, DESC opened a new project to provide permanent housing and connections to chemical dependency services to 75 homeless men and women with chronic alcohol addiction. This group of individuals dies on the streets at incidence rates much higher than that of any other subset of the homeless population, and they are heavy utilizers of costly taxpayer-funded public health and criminal justice systems -- a costly and ineffective alternative to ongoing supportive services.

415 10th Avenue

DESC is developing a new 75-unit supportive housing project for homeless people disabled by severe and persistent mental illness at 415 10th Avenue. The project will operate with mental health case managers on site, working exclusively with residents. DESC expects to begin construction on this project by summer 2006.

Clinical Services

The overwhelming majority of the clients DESC serves are mentally ill, suffer from a chemical dependency or both. DESC responds by outreaching and engaging clients, providing case management, mental health counseling and chemical dependency treatment. It is the only organization with a primary mission of serving homeless people in the state that Washington has licensed as a mental health and chemical dependency treatment provider. DESC provides a continuum of care that includes street outreach and engagement, case management, and short- and long-term care. The Clinical Services Program served over 1,400 people in 2005. DESC's clinical services are delivered through the following four components:

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ACTIVITIES - (CONTINUED)

Homeless Outreach Stabilization and Treatment (HOST)

HOST case managers conduct outreach and provide intensive case management on the streets, in shelters, hospitals, jails, libraries and other facilities, seeking out people who are mentally ill and homeless. HOST outreach staff develop trusting relationships with people and encourage them to begin seeking assistance. DESC's drop-in center allows people to proceed at their own pace and become familiar with the environment. Case managers help clients identify underlying issues and service needs, facilitate access to these services (whether at DESC or with other service providers), help achieve clinical and social stabilization, secure housing, and transition into long-term case management.

Support, Advocacy and Growth Enhancement (SAGE)

SAGE is the ongoing comprehensive case management component of DESC's mental health program. SAGE case managers work with clients to help them obtain and maintain housing, improve clinical and social stability, and enrich and enhance their level of independence and self-sufficiency. SAGE is now the eighth largest mental health provider in King County.

Chemical Dependency (CD)

Chemical dependency clients usually have a sustained and/or complicated substance abuse history, while many also suffer from a co-occurring mental disorder. The breadth of the organization allows counselors to work in coordination with mental health case managers, in the emergency shelter and in supportive housing projects so that services meet clients at their current level and offer support for change. DESC is a Title XIX and King County Drug Court provider.

Crisis Respite Program (CRP)

The CRP provides a 20-bed shelter and case management services for severely mentally ill homeless adults. The program accepts referrals from emergency rooms mental health courts and crisis and commitment Services throughout the county as well as patients discharged from West Seattle Psychiatric Hospital and Harborview Medical Center. CRP provides severely mentally ill homeless adults, still emerging from a recent crisis or jail, with a chance to stabilize in safe, secure and supportive surroundings and connect with services and housing.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accrual method of accounting is used for financial statement purposes.

Recognition of donor restricted contributions

DESC reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments available for current use with an initial maturity of three months or less are deemed to be cash equivalents.

Concentration of Credit Risk

DESC maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. DESC has not experienced any losses in such accounts. Management believes that DESC is not exposed to any significant credit risk on cash and cash equivalents.

Receivables

Grants and contracts receivable are stated at net realizable value. DESC was pledged a contribution of \$1,250,000 in 2002, to be paid over the following three years, dependent on DESC meeting certain milestones in the Morrison Hotel rehabilitation. DESC received \$500,000 of that pledge in 2004 and \$250,000 during 2005.

Depreciation

Depreciation is computed for financial statement purposes using the straight-line method over the estimated useful lives of the related assets.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Advertising

Advertising costs are expensed as incurred.

Client Custodial Accounts

DESC maintains cash accounts on behalf of certain clients who need assistance with their personal money management. These funds are kept in separate custodial bank accounts.

Investments in Partnerships/LLCs

DESC is general partner with a 1 percent ownership interest in two limited partnerships and a managing member with a .01 percent ownership interest in two limited liability companies. Because DESC, as general partner/managing member, can exert significant control over the operations of these entities in which it has invested, DESC accounts for its investment in these entities under the equity method even though DESC's interests are less than 20 percent. The initial investment in each entity has been adjusted for capital contributions and withdrawals and for DESC's share of rental gains, losses and interest income from the date of investment. DESC's potential exposure to loss with respect to its investments in these entities is generally limited to its positive investments and advances, since the underlying assets of the entities are financed on a non-recourse basis.

Pre-Development Costs

Costs incurred relating to the pre-development of low-income housing projects have been capitalized as incurred.

In-kind Revenues

DESC receives donated goods in the course of fulfilling its purpose. In-kind revenues are recorded in the financial statements on the basis of rates that would otherwise have been paid for similar purchased items. In-kind donations benefited the Housing Program and are summarized as follows:

Food and beverage	\$	7,015
Client assistance		11,562
Clothing		16,655
Other		<u>69,915</u>
	\$	<u>105,147</u>

DESC also receives donated services. Many individuals volunteer their time and perform a variety of tasks that assist DESC in carrying out its mission. DESC recognizes revenue from donated services only when the services performed require specialized skills and are provided by individuals with those skills.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Revenue Recognition

A substantial portion of the public support and revenue of DESC is derived from grants and contracts administered by various federal, state and local government agencies. Revenue from these grants and contracts is subject to audits that could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can first reasonably be determined, normally upon notification by the government agency. During the year ended December 31, 2005 and 2004, no such adjustment was made.

DESC earns developer fees on housing projects developed for related entities (limited liability companies in which DESC is the managing member). Revenue from developer fees is recognized over the development period of the project.

Federal Income Tax

DESC is exempt from federal income tax as an entity described in Section 501(c)(3) of the Internal Revenue Code. No income taxes were paid in 2005.

NOTE 3 - DETAIL OF FEES AND GRANTS FROM GOVERNMENT AGENCIES

DESC receives 77% of its unrestricted support from federal, state and local government grants and contracts. These grants and contracts are typically for the 12 month calendar year and in past years have been renewed or extended on a regular basis. DESC expects to be able to renew or extend these contracts for the immediate future.

The following details sources of support from government agencies:

City of Seattle	\$ 1,961,260
King County	1,791,137
AIDS Housing of Washington (HUD)	385,623
State of Washington	258,726
Fremont Public Association/FEMA	27,682
King County/PHP	-
U.S. Department of Housing and Urban Development (HUD)	<u>112,465</u>
Total support from government agencies	\$ <u>4,536,893</u>

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - NOTES PAYABLE AND RECEIVABLE

	<u>Notes Payable</u>	<u>Notes Receivable</u>
<u>Kerner Scott</u>		
State of Washington Department of Community, Trade and Economic Development	\$ 777,500	\$ -
Kerner Scott Limited Partnership	-	777,500
<u>Union Hotel</u>		
Union Hotel Limited Partnership	-	867,000
<u>Morrison Hotel</u>		
Morrison Hotel LLC	106,889	-
Morrison Hotel LLC - rehabilitation costs #1	-	2,362,689
Morrison Hotel LLC - rehabilitation costs #2	-	1,350,000
<u>1811 Eastlake</u>		
DESC 1811 Associates LLC - development costs	-	528,932
<u>415 10th</u>		
415 10th Ave Associates LLC	<u>400,000</u>	<u>-</u>
	<u>\$ 1,284,389</u>	<u>\$ 5,886,121</u>

Kerner Scott

A note is payable to the State of Washington Department of Community, Trade and Economic Development. The proceeds were loaned to the Kerner Scott Limited Partnership and used to construct, in part, the Kerner Scott House (see Note 1). No interest or principal payments are due during a 50-year compliance period ending in 2047, provided that the property is used to serve its targeted client population of low-income, chronically mentally ill adults. The note payable will be forgiven at the end of the compliance period if all compliance requirements are met. The note is secured by a deed of trust.

A note receivable is due from Kerner Scott Limited Partnership is subject to the same terms and conditions with the exception that interest accrues at 8.5 percent per annum, to be paid from available cash flow. Accrued interest due to DESC of \$398,336 represents amounts accrued through December 31, 2003. No accruals have been recorded since that date (see Note 10).

Union Hotel

A note receivable is due from the Union Hotel Limited Partnership. Interest accrues

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

at 8 percent per annum, to be paid from available cash flow. DESC's financial statements do not include accrued interest receivable and interest income because the amount and timing of payment is unknown.

Morrison Hotel

A note is payable to the City of Seattle for the Morrison Hotel elevator renovation that was done in 1998, and was assumed at the time of purchase. No interest or principal payments are due during a 10-year period ending in 2008, provided that the property is used to serve its targeted population. The loan was funded by Community Development Block Grants. The note payable will be forgiven at the end of the period. The note is secured by a deed of trust.

A note receivable from the Morrison Hotel LLC for rehabilitation costs are to be paid from available cash flow.

1811 Project

A note receivable from DESC 1811 Associates LLC for development costs is to be paid from available cash flow.

415 10th Ave

A note is payable to the City of Seattle. The proceeds were loaned to the acquire 415 10th Ave.

NOTE 5 - OPERATING LEASES

DESC leases its facilities and office equipment under operating leases ranging from one to twenty years. Rent expense for facilities and office equipment under these leases was \$190,696 and \$9,293, respectively, for 2005.

DESC leases space in the basement of the Lyon Building under provisions of a 20-year lease through December, 2018. The lease agreement provides for rent-free space for the first 10 years and provides for annual lease payments during the second 10 years with specified annual increases. The annual lease payments have been aggregated and expensed on a straight-line basis over the 20-year life of the lease. As of December 31, 2005, the deferred lease expense, resulting from the excess of lease expense over lease payments, totaled \$120,842.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - OPERATING LEASES - (CONTINUED)

Future minimum rental payments under these leases for 5 years are as follows:

2006	\$	127,882
2007		99,772
2008		102,356
2009		126,407
2010		<u>126,300</u>
	\$	<u>582,717</u>

NOTE 6 - PENSION PLAN

DESC participates in a Tax Sheltered Annuity Plan under Section 403(b) of the Internal Revenue Code. Employer contributions occur after an employee works 1,000 hours and completes one year of employment. Employees may also participate in the program through a salary reduction feature. The plan calls for a 5-year vesting schedule for all employer contributions. For 2005, DESC recorded retirement expense of \$52,996.

NOTE 7 - RELATED PARTIES

DESC is the general partner of the Union Hotel Limited Partnership (UHLP) and earns fees for managing the project. The financial statements reflect the following amounts relating to UHLP:

<u>Assets</u>		
Advances receivable	\$	127,995
Investment in partnership		338,004
Notes receivable		867,000
 <u>Revenues/Expenses</u>		
Property management fees earned	\$	23,309
Wage and benefit costs reimbursed		197,606

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RELATED PARTIES - (CONTINUED)

DESC is the general partner of the Kerner Scott Limited Partnership (KSLP) and earns fees for managing the project. The housing project was built on land leased from DESC at \$10 per year for 50 years. The financial statements reflect the following amounts relating to KSLP:

<u>Assets</u>	
Advances receivable (payable)	\$ 1,412
Note receivable	777,500
Accrued interest receivable	398,336
<u>Revenues/Expenses</u>	
Property management fees earned	\$ 11,179
Wage and benefit costs reimbursed	34,199

DESC is the managing member of Morrison Hotel LLC (MHLLC). During 2004, DESC continued rehabilitation of the Morrison Hotel. DESC earns compensation for the development of the project and fees for management of the project. The financial statements reflect the following amounts relating to MHLLC:

<u>Assets</u>	
Advances receivable (payable)	\$ (9,318)
Investment in partnership	672,787
Development services fee receivable	700,000
Notes receivable - rehabilitation costs	3,712,689
<u>Revenues/Expenses</u>	
Property management fees earned	\$ 96,000
Development services fees earned	206,851
Wage and benefit costs reimbursed	785,350

DESC leases office, commercial and shelter space from the Morrison Hotel LLC. Rent expense under this lease was \$110,082 for 2005.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RELATED PARTIES - (CONTINUED)

DESC is managing member of DESC 1811 Associates LLC (1811). DESC earns compensation for the development of the project and will earn fees for management of the project. The financial statements reflect the following amounts relating to 1811:

<u>Assets</u>	
Advances receivable	\$ 62,585
Investment in partnership	422,236
Development services fee receivable	448,794
Notes receivable - development costs	528,932
<u>Revenues/Expenses</u>	
Development services fees earned	\$ 406,819
Property management fees	-
Wage and benefit costs reimbursed	1,523

NOTE 8 - COMMITMENTS AND CONTINGENCIES

DESC is contingently liable to the State of Washington for a 50-year, non-interest bearing Housing Assistance Loan of approximately \$776,363 as of December 31, 2005. The loan was assumed by the Union Hotel Limited Partnership. The obligation is payable at \$18,936 annually which began June, 2001. The note is due May, 2012 with an option to extend the maturity date to May, 2044.

DESC has ceased accrual of interest income receivable from Kerner Scott Limited Partnership. Management has determined that the source of payment, a future sale or refinance of the Partnership, may not be sufficient to pay interest accrued in excess of the \$398,336 receivable at December 31, 2003. Management has elected to treat interest income for years subsequent to 2003 as a contingent receivable.

Under the terms of the Morrison Hotel LLC operating agreement, DESC has subscribed to capital contributions totaling \$757,164 of which \$61,647 remains payable as of December 31, 2005.

DESC is contingently liable to the Morrison Hotel LLC to make an equity contribution for any operating deficits through the stabilization date, as defined in the operating agreement, and to make an equity contribution for any operating deficits after the stabilization date to an additional maximum equity contribution of \$330,000.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - COMMITMENTS AND CONTINGENCIES - CONTINUED

DESC is contingently liable to the Morrison Hotel LLC for the completion of construction and rehabilitation completion guaranty agreement. Any funds required under this contingency will be treated as equity contributions by DESC.

Under the terms of the DESC 1811 Associates LLC operating agreement, DESC has subscribed to capital contributions totaling \$425,016 of which \$402,787 remains payable as of December 31, 2005.

DESC is contingently liable to DESC 1811 Associates LLC for the completion of construction guaranty agreement. Any funds required under this contingency will be treated as equity contributions by DESC.



Blume Loveridge & Co., PLLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Downtown Emergency Service Center
Seattle, Washington

We have audited the financial statements of Downtown Emergency Service Center (a not-for-profit corporation) (DESC) as of and for the year ended December 31, 2005, and have issued our report thereon dated April 17, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered DESC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DESC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS- (CONTINUED)

This report is intended solely for the information and use of the Board of Directors, management, City of Seattle and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

B. Bruce Lovelidge and Co. PLLC

April 17, 2006



Blume Lovelidge & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Downtown Emergency Service Center
Seattle, Washington

We have audited the compliance of Downtown Emergency Service Center (a not-for-profit corporation) (DESC) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. DESC's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of DESC's management. Our responsibility is to express an opinion on DESC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DESC's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of DESC's compliance with those requirements.

In our opinion, DESC complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 - (CONTINUED)

Internal Control Over Compliance

The management of DESC is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered DESC's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Blaine Lovelidge & Co. PLLC.

April 17, 2006

DOMITOVAN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2005

Federal Grantor	Pass-Through Grantor	Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Award	Federal Expenditures
U.S. Dept. of Housing and Urban Development	-	Multifamily Housing Service Coordinators	14.191	NA19HS0006	\$ 412,847	\$ 76,503
U.S. Dept. of Housing and Urban Development	-	Multifamily Housing Service Coordinators	14.191	NA19HS0007	173,785	35,962
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Community Development Block Grants / Entitlement Grants	14.218	DA-2005-5009	508,069	508,069
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Community Development Block Grants / Entitlement Grants	14.218	CL-1997-0521	106,889	106,889
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Emergency Shelter Grants Program	14.231	DA-2005-5009	315,387	315,387
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Supportive Housing Program	14.235	DA-2005-5408	432,913	432,913
U.S. Dept. of Housing and Urban Development	AIDS Housing of Washington	Supportive Housing Program	14.235	NA01B300027	395,623	395,623
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Supportive Housing Program	14.235	DA-2005-1230	1,454,285	29,920
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Supportive Housing Program	14.235	DA-2005-1189	1,727,250	50,093
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Supportive Housing Program	14.235	DA-2001-8160	400,000	400,000
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Housing Opportunities for Persons with AIDS	14.241	CA-2005-1172	125,271	125,271
U.S. Dept. of Housing and Urban Development	City of Seattle, WA	Housing Opportunities for Persons with AIDS	14.241	NA-H02-0017	1,307,305	221,521
<i>Total U.S. Dept. of Housing and Urban Development</i>						<u>2,688,151</u>

DOMITOMAN ENERGY SERVICE CENTER
(A Not-for-profit Corporation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2005

Federal Grantor	Pass-Through Grantor	Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Award	Federal Expenditures
Federal Emergency Management Agency	Fremont Public Association	Federal Emergency Management Food and Shelter Program	83.523	.	27,682	27,682
<i>Total Federal Emergency Management Agency</i>						
U.S. Dept. of Health and Human Services	King County	Projects for Assistance in Transition from Homelessness (PATH)	93.150	03346120	121,114	121,114
U.S. Dept. of Health and Human Services	State of Washington	Medical Assistance Program (Medicaid: Title XIX)	93.778	4000CX	218,397	218,397
U.S. Dept. of Health and Human Services	King County	Homeless, Outreach, Stabilization and Transition (HOST)	93.958	0337150	697,555	697,555
<i>Total U.S. Dept. of Health and Human Services</i>						
<i>Total Expenditures of Federal Awards</i>						
						<u>\$ 3,752,900</u>

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2005

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Downtown Emergency Service Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

OTE 2 - LOANS OUTSTANDING

At December 31, 2005, DESC had the following loan balances outstanding. The loan balances are also included in the federal expenditures.

<u>Program or Cluster Title</u>	<u>Federal CFDA Number</u>		<u>Amount Outstanding</u>
Home Investment Partnerships Program	14.239	\$	50,093
Community Development Block Grants	14.218		106,889

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No

- Reportable condition(s) identified that
are not considered to be material weaknesses _____ Yes X No

Noncompliance material to financial statements
noted: _____ Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No

- Reportable condition(s) identified that
are not considered to be material weaknesses _____ Yes X No

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with section
510(a) of Circular A-133? _____ Yes X No

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (Continued)

Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITOR'S RESULTS - (Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.191	Multifamily Housing Service Coordinators
14.235	Supportive Housing Program
93.914	HIV Emergency Relief Project Grant
93.958	Homeless, Outreach, Stabilization and Transition (HOST)

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee: X Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings were noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs were noted.

DOWNTOWN EMERGENCY SERVICE CENTER
(A Not-for-profit Corporation)

SCHEDULE OF CITY OF SEATTLE NON-FEDERAL AWARDS

Year Ended December 31, 2005

<u>Name of Program</u>	<u>Non-Federal Funding Source</u>	<u>Non-Federal Contract Number</u>	<u>Funding Amount</u>	<u>Expenditures</u>
Kerner Scott Women's Shelter	Human Services	DA-04-5408	\$ 165,788	\$ 165,788
Main Shelter	Human Services	DA-04-5009	443,012	443,012
Union Meals	Human Services	DA-04-1042	<u>11,706</u>	<u>11,706</u>
			<u>\$ 620,506</u>	<u>\$ 620,506</u>

Return of Organization Exempt From Income Tax

2005

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning _____, **and ending** _____

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
 Downtown Emergency Service Center
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
 515 Third Avenue
 City or town State or country ZIP + 4
 Seattle WA 98104

D Employer identification number
 91-1275815

E Telephone number
 206 464-1570

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ www.desc.org

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no. 4947(a)(1) or 527

K Check here ▶ If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 9,071,300

H and I are not applicable to section 527 organizations.
 H(a) Is this a group return for affiliates? Yes No
 H(b) If "Yes," enter number of affiliates ▶ _____
 H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
 H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
 I Group Exemption Number ▶ _____

M Check ▶ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue					
1	Contributions, gifts, grants, and similar amounts received:				
a	Direct public support	1a	1,208,376		
b	Indirect public support	1b	64,496		
c	Government contributions (grants)	1c	5,929,304		
d	Total (add lines 1a through 1c) (cash \$ 7,104,674 noncash, \$ 97,502)	1d		7,202,176	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		1,439,554	
3	Membership dues and assessments	3		0	
4	Interest on savings and temporary cash investments	4		74,797	
5	Dividends and interest from securities	5		21,954	
6a	Gross rents	6a	51,040		
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		51,040	
7	Other investment income (describe ▶)	7		0	
8a	Gross amount from sales of assets other than inventory	(A) Securities	244,785	8a	0
b	Less: cost or other basis and sales expenses	(B) Other	250,000	8b	0
c	Gain or (loss) (attach schedule)		-5,215	8c	0
d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	-5,215
9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>				
a	Gross revenue (not including \$ 0 of contributions reported on line 1a)	9a	0		
b	Less: direct expenses other than fundraising expenses	9b	0		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		0	
10a	Gross sales of inventory, less returns and allowances	10a	0		
b	Less: cost of goods sold	10b	0		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		0	
11	Other revenue (from Part VII, line 103)	11		36,994	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		8,821,300	
Expenses					
13	Program services (from line 44, column (B))	13		6,436,844	
14	Management and general (from line 44, column (C))	14		809,610	
15	Fundraising (from line 44, column (D))	15		225,958	
16	Payments to affiliates (attach schedule)	16		0	
17	Total expenses (add lines 16 and 44, column (A))	17		7,472,412	
Net Assets					
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,348,888	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		9,735,967	
20	Other changes in net assets or fund balances (attach explanation)	20		0	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		11,084,855	

Part I **Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	24,478	24,478		
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	94,167	66,213	21,766	6,188
26	Other salaries and wages	4,274,932	3,686,440	446,704	141,788
27	Pension plan contributions	52,996	48,639	3,713	644
28	Other employee benefits	734,645	655,358	57,903	21,384
29	Payroll taxes	328,339	281,598	35,066	11,675
30	Professional fundraising fees	0			
31	Accounting fees	21,000	15,684	5,316	
32	Legal fees	4,474	60	4,414	
33	Supplies	404,844	348,144	50,634	6,066
34	Telephone	43,733	38,409	4,591	733
35	Postage and shipping	13,687	71	6,941	6,675
36	Occupancy	386,332	312,926	67,024	6,382
37	Equipment rental and maintenance	41,076	34,730	6,130	216
38	Printing and publications	23,298	4,497	2,985	15,816
39	Travel	37,837	33,173	4,568	96
40	Conferences, conventions, and meetings	21,650	8,065	12,615	970
41	Interest	885		876	9
42	Depreciation, depletion, etc. (attach schedule)	84,571	36,812	45,459	2,300
43	Other expenses not covered above (itemize):				
a	Contract Labor	43a 715,152	701,551	11,356	2,245
b	Insurance	43b 103,433	96,224	6,555	654
c	Advertising	43c 21,526	18,562	1,835	1,129
d	Dues & Fees	43d 11,654	8,643	2,946	65
e	Laundry expense	43e 13,979	13,979	0	0
f	Bank charges	43f 2,014	0	1,324	690
g	Miscellaneous	43g 11,710	2,588	8,889	233
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 7,472,412	6,436,844	809,610	225,958

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ Provide services and shelter to homeless adults. All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Clinical Services: Provide mental health outreach and engagement services to homeless adults. Also provide long-term mental health case management services, substance abuse counseling, and crisis respite services. Over 1400 clients were served in 2005. (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	2,676,070
b Housing Services: Provide an emergency shelter open 24 hours every day. In 2005, the shelter provided 86,000 nights of shelter, 17,000 showers, 48,000 meals and processed almost 17,000 pieces of mail for more than 4,000 clients. Also operate a supportive housing program for 575 formerly homeless disabled adults through 5 low income housing limited partnerships. More low income housing projects are in development. (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	3,760,774
c (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
d (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	6,436,844

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)	
		Beginning of year		End of year	
Assets	45	Cash—non-interest-bearing	260,917	45	555,615
	46	Savings and temporary cash investments	1,763,793	46	1,395,165
	47 a	Accounts receivable	1,773,778		
	b	Less: allowance for doubtful accounts	0	47c	1,773,778
	48 a	Pledges receivable	0		
	b	Less: allowance for doubtful accounts	0	48c	0
	49	Grants receivable	603,581	49	487,828
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)	0	50	0
	51 a	Other notes and loans receivable (attach schedule)	6,354,980		
	b	Less: allowance for doubtful accounts	0	51c	6,354,980
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	35,015
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54	0
	55 a	Investments—land, buildings, and equipment: basis	0		
	b	Less: accumulated depreciation (attach schedule)	0	55c	0
56	Investments—other (attach schedule)	983,022	56	1,433,028	
57 a	Land, buildings, and equipment: basis	2,493,782			
b	Less: accumulated depreciation (attach schedule)	618,908	57c	1,874,874	
58	Other assets (describe <input checked="" type="checkbox"/> See attached statement)	5,253	58	114,426	
59	Total assets (must equal line 74). Add lines 45 through 58	12,082,733	59	14,024,709	
Liabilities	60	Accounts payable and accrued expenses	999,284	60	1,101,865
	61	Grants payable		61	
	62	Deferred revenue		62	
	63	Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0
	64 a	Tax-exempt bond liabilities (attach schedule)	0	64a	0
	b	Mortgages and other notes payable (attach schedule)	884,389	64b	1,284,389
	65	Other liabilities (describe <input checked="" type="checkbox"/> See attached statement)	463,093	65	553,600
66	Total liabilities. Add lines 60 through 65	2,346,766	66	2,939,854	
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines					
Net Assets or Fund Balances	67 through 69 and lines 73 and 74.				
	67	Unrestricted	9,453,171	67	11,084,855
	68	Temporarily restricted	282,796	68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	9,735,967	73	11,084,855	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73.	12,082,733	74	14,024,709	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	8,834,165
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2	7,645	
3	Recoveries of prior year grants	b3		
4	Other (specify): See attached statement	b4	5,220	
	Add lines b1 through b4		b	12,865
c	Subtract line b from line a		c	8,821,300
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2	0	
	Add lines d1 and d2		d	0
e	Total revenue (Part I, line 12). Add lines c and d		e	8,821,300

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	7,485,272
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1	7,645	
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify): Loss on investment	b4	5,215	
	Add lines b1 through b4		b	12,860
c	Subtract line b from line a		c	7,472,412
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2	0	
	Add lines d1 and d2		d	0
e	Total expenses (Part I, line 17). Add lines c and d		e	7,472,412

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
Name William Hobson City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Exec Director Hr/WK 37.5	94,167	7,408	2,578
Name Clark Kimerer City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Board Chair Hr/WK 3	0	0	0
Name Ron Wright City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Vice Chair Hr/WK 3	0	0	0
Name Thomas Byers City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5	0	0	0
Name Merlyn Bell City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Treasurer Hr/WK 3	0	0	0
Name D. Wertheimer City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Secretary Hr/WK 2.5	0	0	0
Name Chris Spitters City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5	0	0	0
Name R. Stevenson City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5	0	0	0
Name Mark Sidran City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5	0	0	0
Name Laura Inveen City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5	0	0	0

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Table with 3 columns: Question, Yes, No. Rows include 75a (total number of officers... 9), 75b (Are any officers... X), 75c (Do any officers... X), and 75d (Does the organization have a written conflict of interest policy? X).

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Multiple rows for listing individuals.

Part VI Other Information (See the instructions.)

Table with 3 columns: Question, Yes, No. Rows include 76 (Did the organization engage in any activity... X), 77 (Were any changes made... X), 78a (Did the organization have unrelated business gross income... X), 78b (If "Yes," has it filed a tax return... N/A), 79 (Was there a liquidation... X), 80a (Is the organization related... X), 80b (If "Yes," enter the name of the organization... and check whether it is exempt or nonexempt), 81a (Enter direct and indirect political expenditures... 81a 0), and 81b (Did the organization file Form 1120-POL... X).

Part VII Other Information (continued)

Yes No

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)

Table with columns for question ID, Yes, and No. Row 82a: X. Row 82b: 7,645.

83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

Table with columns for question ID, Yes, and No. Row 83a: X. Row 83b: X. Row 84a: X. Row 84b: N/A.

85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.
c Dues, assessments, and similar amounts from members
d Section 162(e) lobbying and political expenditures
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
f Taxable amount of lobbying and political expenditures (line 85d less 85e)
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

Table with columns for question ID and value. Row 85c: empty. Row 85d: empty. Row 85e: empty. Row 85f: 0. Row 85g: empty.

Table with columns for question ID, Yes, and No. Row 85a: empty. Row 85b: empty. Row 85g: empty.

h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?

Table with columns for question ID, Yes, and No. Row 85h: empty.

86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12.
b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

Table with columns for question ID and value. Row 86a: empty. Row 86b: empty. Row 87a: empty. Row 87b: empty.

Table with columns for question ID, Yes, and No. Rows 86a, 86b, 87a, 87b: empty.

88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX

Table with columns for question ID, Yes, and No. Row 88: X.

89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0; section 4912 0; section 4955 0.
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
d Enter: Amount of tax on line 89c, above, reimbursed by the organization

Table with columns for question ID, Yes, and No. Row 89a: empty. Row 89b: X. Row 89c: 0. Row 89d: 0.

90 a List the states with which a copy of this return is filed WA
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)

Table with columns for question ID and value. Row 90b: 221.

91 a The books are in care of Name Mark Siler Telephone no. 206 464-1570
Located at 515 Third Avenue City Seattle ST WA ZIP + 4 98104

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?
If "Yes," enter the name of the foreign country
See the Instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Table with columns for question ID, Yes, and No. Row 91b: X. Row 91c: X.

c At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041— Check here and enter the amount of tax-exempt interest received or accrued during the tax year

Table with columns for question ID and value. Row 92: N/A.

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Thrift Shop					11,145
b Payeeship Fees					25,053
c Low Income Housing Rent					22,704
d Housing Mgmt Fees					154,542
e Development Fees					1,226,110
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	74,797	
96 Dividends and interest from securities			14	21,954	
97 Net rental income or (loss) from real estate:					
a debt-financed property			01	51,040	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-5,215	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Misc Revenue			01	36,994	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		179,570	1,439,554
105 Total (add line 104, columns (B), (D), and (E))					1,619,124

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Thrift shop operated to train and serve clients
93b	Revenue from serving as payee for over 200 clients
93c	Low income housing tenant rents as set by HUD
93 d & e	Revenue from managing & developing low income housing projects and providing services

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
DESC 415 Tenth LLC 515 Third Avenue Seattle WA 981	100.00%	Development of low income housing	21,994	2,072,626
	%		0	0
	%		0	0
	%		0	0

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If "Yes" to (a), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *[Signature]* Date: 7.12.06

William Hobson, Executive Director

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. V): _____

EIN: _____

Phone no.: _____

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization: **Downtown Emergency Service Center** Employer identification number: **91-1275815**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
James Hopfenbeck, MD, 515 Third Avenue Seattle, WA 98104	Medical Director 38	124,800	8,051	0
Noel Howes, 515 Third Avenue Seattle, WA 98104	ARNP 38	74,016	6,981	0
Graydon Andrus, 515 Third Avenue Seattle, WA 98104	Dir Clinical Services 38	64,792	6,784	843
Daniel Malone, 515 Third Avenue Seattle, WA 98104	Dir Housing Programs 38	64,792	6,784	787
Mark Siler, 515 Third Avenue Seattle, WA 98104	CFO 38	64,792	6,784	0
Total number of other employees paid over \$50,000 ▶	2			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Stickney Murphy Romine, 911 Western Avenue, Suite 200 Seattle, WA 98104	Architectural services	222,797
Evergreen Treatment Services, 1700 Airport Way S Seattle, WA 98134	Chemical dependency services	94,195
		0
		0
		0
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

Table with 3 columns: Question, Yes, No. Contains questions 1 through 4b regarding lobbying activities, grants, and compensation.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
11 a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
11 b [] A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
12 [] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions...
13 [] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: [] Type 1 [] Type 2 [] Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

Table with 2 columns: (a) Name(s) of supported organization(s), (b) Line number from above.

- 14 [] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	7,861,823	9,591,898	6,921,815	5,277,711	29,653,247
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,080,284	617,546	477,549	264,526	2,439,905
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	50,923	126,521	197,963	154,547	529,954
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	4,137	7,708	12,092	17,519	41,456
23 Total of lines 15 through 22	8,997,167	10,343,673	7,609,419	5,714,303	32,664,562
24 Line 23 minus line 17	7,916,883	9,726,127	7,131,870	5,449,777	30,224,657
25 Enter 1% of line 23	89,972	103,437	76,094	57,143	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 604,493
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 814,236
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 30,224,657
d Add: Amounts from column (e) for lines:	18 529,954	19 0			
	22 41,456	26b 814,236			26d 1,385,646
e Public support (line 26c minus line 26d total)					26e 28,839,011
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 95.42%
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:				
	(2004)	(2003)	(2002)	(2001)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2004)	(2003)	(2002)	(2001)	
c Add: Amounts from column (e) for lines:	15 0	16 0			
	17 0	20 0	21 0		
d Add: Line 27a total	0	and line 27b total	0		
e Public support (line 27c total minus line 27d total)					27e 0
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f 0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.00%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a [] if the organization belongs to an affiliated group. Check b [] if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

Table with 3 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for ALL electing organizations. Rows include lines 36-44 for lobbying expenditures and nontaxable amounts.

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions.

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for 2005, 2004, 2003, 2002, and Total. Rows include lines 45-50 for nontaxable and ceiling amounts.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
b Paid staff or management (Include compensation in expenses reported on lines c through h.)
c Media advertisements
d Mailings to members, legislators, or the public
e Publications, or published or broadcast statements
f Grants to other organizations for lobbying purposes
g Direct contact with legislators, their staffs, government officials, or a legislative body
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
i Total lobbying expenditures (Add lines c through h.)

Table with 3 columns: Yes, No, Amount. Rows correspond to items a through i, with 'X' marks in the Yes/No columns and values in the Amount column.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
(ii) Other assets

b Other transactions:

Table with 3 columns: Question label, Yes, No. Rows include 51a(i), a(ii), b(i) through b(vi), and c.

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Line 8 (990) - Gain/loss from sale of assets other than inventory

Index	Description	Check if gain/loss is from sale of public securities	Check if gain/loss is from sale of non public securities	Check if purchaser is a business	Purchaser	Date acquired	Acquisition method	Date sold	Gross sales price	Cost or other basis (Enter one field only)		Expense of sale and cost of improvements	Depreciation
										Cost	Donated value		
1	Norcliffe Foundation -stock	X		X	Broker	12/31/2004	Pledge	6/30/2005	244,785	244,785	250,000		
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
Totals:													
Public Securities										244,785		250,000	
Non-Public Securities										0		0	
Other sales										0		0	

Line 23 (990) - Specific Assistance to Individuals

Class of Activity		Amount
1	Housing	730
2	Food	1,232
3	Medical expense	822
4	Transportation	21
5	Clothing	2,957
6	Personal sundry items	6,002
7	Cash and Miscellaneous expenses	9,317
8	Recreation	3,397
9		
10		
11	Total	24,478

Downtown Emergency Service Center
Form 990 2005, 91-1275815

Part II, Line 42 & Part IV, Line 57: Fixed Assets & Depreciation

	<u>Cost</u>	<u>Method</u>	<u>2005 Depreciation</u>	<u>Accum. Depreciation</u>	<u>Net Book Value</u>
Leasehold Impr.	1,028,049	SL	33,682	223,389	804,660
Equipment	335,473	SL	22,195	262,214	73,259
Furnishings	227,325	SL	16,037	109,146	118,179
Software	34,507	SL	11,502	23,004	11,503
Vehicles	41,578		1,155	1,155	40,423
	<u>1,666,932</u>		<u>84,571</u>	<u>618,908</u>	<u>1,048,024</u>

Line 51 (990) - Other notes

Check here if a business	Borrower's name and Title	Original amount	Net balance due beginning of year	Balance due end of year	Allowance for doubtful accounts end of year
1 <input type="checkbox"/>	Kerner Scott LP	777,500	777,500	777,500	
2 <input type="checkbox"/>	Union Hotel LP #1	600,000	600,000	600,000	
3 <input type="checkbox"/>	Interest on KS loan		398,336	468,859	
4 <input type="checkbox"/>	Union Hotel #2	267,000	267,000	267,000	
5 <input type="checkbox"/>	1811 Associates loan	185,159	528,932	528,932	
6 <input type="checkbox"/>	Morrison Hotel -Loan #1	2,625,271	1,932,889	2,362,689	
7 <input type="checkbox"/>	Morrison Hotel -Loan #2	1,350,000	1,145,035	1,350,000	
8 <input type="checkbox"/>			0		
9 <input type="checkbox"/>			0		
10 <input type="checkbox"/>			0		
11 <input type="checkbox"/>			0		
12 <input type="checkbox"/>			0		
13 <input type="checkbox"/>			0		
14	Totals	5,804,930	5,649,692	6,354,980	0

	Security provided	Date of note	Maturity date	Repayment terms	Interest rate
1	Deed of Trust	1/1/1997	1/1/2047	Forgivable	8.5000%
2	None	12/31/1996	12/31/2044	Contingent on c:	8.0000%
3	None				
4	None	12/1/2003	12/31/2013	Contingent	1.0000%
5	None	6/23/2003	12/31/2005	As services renc	%
6	None	10/1/2003	3/20/2055	Contingent	1.0000%
7	None	10/1/2003	3/20/2055	Contingent	%
8					
9					
10					
11					
12					
13					

	Purpose of loan	Description & fair market value of consideration	Relationship
1	Low Income housing	Cash	none
2	Low Income housing	Cash	none
3	Low Income housing		none
4	Low Income housing	Cash	none
5	Low Income housing	Cash	none
6	Low Income housing	Cash	none
7	Low Income housing	Cash	none
8			
9			
10			
11			
12			
13			

Line 56 (990) - Other Investments

Check one box to indicate how investments are listed:

Cost

End of year market value (FMV)

		Book value	Beginning	End
		Cost	Cost	Cost
1			0	0
2	Investments in partnerships		983,022	1,433,028
3			0	0
4			0	0
5			0	0
6			0	0
7			0	0
8			0	0
9			0	0
10			0	0
11	Total other investments	0	983,022	1,433,028

Line 57 (990) - Land, buildings, and equipment

Land (net of any amortization)

Land (net of any amortization)

		Land (net of any amortization)	
		Beginning	End
1	Land	776,850	776,850
2			
3			
4			
5			
6	Total land (net of any amortization)	776,850	776,850

Buildings and equipment

		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
7	Leasehold Improvements	1,024,000	1,028,049	189,708	223,389
8	Equipment	294,284	335,473	240,019	262,214
9	Furnishings	197,689	277,325	93,109	109,146
10	Software	34,507	34,507	11,502	23,004
11	Vehicles		41,578		1,155
12					
13					
14					
15					
16					
17	Total buildings and equipment	1,550,480	1,716,932	534,338	618,908
18	Buildings and equipment (less accumulated depreciation)			1,016,142	1,098,024
19	Total land, buildings and equipment			1,792,992	1,874,874

Category or Item	Cost/Other Basis	Accumulated Depreciation	Book Value
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11	0	0	0

Line 58 (990) - Other assets

5,253

114,426

		Beginning	End
1	Development Costs	5,253	107,826
2	Security Deposits		6,600
3			
4			
5			
6			
7			
8			
9			
10			

Line 64b (990) - Mortgages and other notes payable

	Lender's name	Check if lender is a business	Original amount	Balance due beginning of year	Balance due end of year
1	State of WA	<input type="checkbox"/>	777,500	777,500	777,500
2	City of Seattle	<input type="checkbox"/>	106,889	106,889	106,889
3	City of Seattle	<input type="checkbox"/>	400,000		400,000
19	Totals	19	1,284,389	884,389	1,284,389

	Security provided	Date of note	Maturity date	Repayment terms	Interest rate
1	Deed of trust	1/1/1997	1/1/2047	Forgivable	%
2	Deed of trust	10/1/2001	9/30/2008	Forgivable	%
3	Deed of trust	10/1/2001	12/31/2023	Forgivable	%

	Purpose of loan	Description of consideration	FMV of consideration
1	Low income housing construction	Cash	
2	Elevator in low income housing	Cash	
3	Purchase real property for low inc housing	Cash	

	Lender's Title	Relationship to Insider
1	Government	None
2	Government	None
3	Government	None

Line 65 (990) - Other liabilities

463,093

553,600

		Beginning	End
1	Client custodial accounts	321,229	370,165
2	Deferred lease expense	141,864	183,435
3			
4			
5			
6			
7			
8			
9			
10			

Line b(4) and line d(2), Part IV-A (990) - Reconciliation of Rev. per Audited Financial Stmtts.

Line b(4) Other			
1	Loss on investment	1	5,215
2	Rounding	2	5
3		3	
4		4	
5		5	
6	Total Line b(4), Part IV-A	6	5,220
Line d(2) Other			
1		1	
2		2	
3		3	
4		4	
5		5	
6	Total Line d(2), Part IV-A	6	0

Line b(4) and line d(2), Part IV-B (990) - Reconciliation of Exp. per Audited Financial Stmtts.

Line b(4) Other			
1	Loss on investment	1	5,215
2		2	
3		3	
4		4	
5		5	
6	Total Line b(4), Part IV-B	6	5,215
Line d(2) Other			
1		1	
2		2	
3		3	
4		4	
5		5	
6	Total Line d(2), Part IV-B	6	0

Line 22 (Sch A (990/990-EZ)) - Other Income

Description	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
1 Miscellaneous Income	4,137	7,708	12,092	17,519	41,456
2					0
3					0
4					0
5					0
6					0
7					0
8					0
9					0
10					0
Total of Other Income	4,137	7,708	12,092	17,519	41,456

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2004

Open to Public Inspection

Department of the Treasury Internal Revenue Service

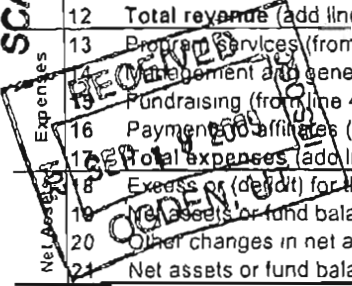
The organization may have to use a copy of this return to satisfy state reporting requirements.

Header section containing organization details: A For the 2004 calendar year, or tax year beginning, and ending; B Check if applicable; C Name of organization: Downtown Emergency Service Center; D Employer identification number: 91-1275815; E Telephone number; F Accounting method: Accrual; G Website; J Organization type: 501(c)(3); K Check here; L Gross receipts: 8,976,921

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Table with 21 rows detailing revenue and expenses. Revenue items include contributions (1), program service revenue (2), membership dues (3), interest (4), dividends (5), gross rents (6a), net rental income (6c), gross amount from sales (8), special events (9), gross sales (10a), other revenue (11), and total revenue (12). Expense items include program services (13), management and general (14), fundraising (15), payments to affiliates (16), total expenses (17), excess or deficit (18), and net assets/fund balances at beginning (19) and end (21) of year.

SCANNED OCT 06 2005



1/5

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on lines 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	102,350	102,350		
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	75,000	30,000	37,500	7,500
26	Other salaries and wages	3,969,878	3,382,304	459,245	128,329
27	Pension plan contributions	40,751	36,565	3,236	950
28	Other employee benefits	636,646	562,510	55,739	18,397
29	Payroll taxes	392,832	341,941	38,312	12,579
30	Professional fundraising fees	0			
31	Accounting fees	27,586	13,362	12,793	1,431
32	Legal fees	3,275	1,741	1,534	
33	Supplies	349,167	316,886	28,387	3,894
34	Telephone	48,467	41,467	6,051	949
35	Postage and shipping	13,034	107	6,786	6,141
36	Occupancy	363,257	271,153	90,203	1,901
37	Equipment rental and maintenance	22,852	16,499	5,056	1,297
38	Printing and publications	19,959	3,032	1,983	14,944
39	Travel	25,032	21,258	3,774	
40	Conferences, conventions, and meetings	14,128	6,421	4,517	3,190
41	Interest	6,590	6,092	478	20
42	Depreciation, depletion, etc. (attach schedule)	92,907		92,907	
43	Other expenses not covered above (itemize): a Misc	13,625	1,359	10,669	1,597
	b Contract labor	1,168,587	1,152,727	13,420	440
	c Insurance	163,031	142,804	17,992	2,235
	d Advertising	34,962	33,451	586	925
	e Dues & Fees	11,809	9,160	2,094	355
	f Laundry	13,682	13,682		
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	7,607,207	6,506,871	893,262	207,074

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 0, (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? Provide services and shelter to homeless adults.	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)
a Clinical Services: Provide mental health outreach and engagement services to homeless adults. Also provide long-term mental health case management services, substance abuse counseling, and crisis respite services. 1706 clients were served in 2004. (Grants and allocations \$)	2,609,502
b Housing Services: Provide an emergency shelter open 24 hours every day -92,267 bednights in 2004. Also operate a supportive housing program for 286 formerly homeless disabled adults through low income housing limited partnerships. Another low income housing project is in development. (Grants and allocations \$)	3,897,369
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	6,506,871

Part IV Balance Sheets (See page 25 of the instructions.)

				(A)		(B)
				Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.						
Assets	45 Cash—non-interest-bearing			93,807	45	260,917
	46 Savings and temporary cash investments			2,229,816	46	1,763,793
	47 a Accounts receivable	47a	773,483			
	b Less allowance for doubtful accounts	47b	0	351,682	47c	773,483
	48 a Pledges receivable	48a	250,000			
	b Less: allowance for doubtful accounts	48b	0	750,000	48c	250,000
	49 Grants receivable			296,715	49	603,581
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			0	50	0
	51 a Other notes and loans receivable (attach schedule)	51a	5,649,692			
	b Less: allowance for doubtful accounts	51b	0	4,392,706	51c	5,649,692
	52 Inventories for sale or use				52	
	53 Prepaid expenses and deferred charges			84,348	53	
	54 Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			0	54	0
	55 a Investments—land, buildings, and equipment: basis	55a	0			
	b Less accumulated depreciation (attach schedule)	55b	0	0	55c	0
56 Investments—other (attach schedule)			1,099,788	56	983,022	
57 a Land, buildings, and equipment: basis	57a	2,327,330				
b Less accumulated depreciation (attach schedule)	57b	534,338	2,585,607	57c	1,792,992	
58 Other assets (describe <input type="checkbox"/> Development Costs)			1,113,284	58	5,253	
59 Total assets (add lines 45 through 58) (must equal line 74)			12,997,753	59	12,082,733	
Liabilities	60 Accounts payable and accrued expenses		494,179	60	999,284	
	61 Grants payable			61		
	62 Deferred revenue			62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			0	63	0
	64 a Tax-exempt bond liabilities (attach schedule)			0	64a	0
	b Mortgages and other notes payable (attach schedule)			3,328,940	64b	884,389
65 Other liabilities (describe <input type="checkbox"/> See attached worksheet)			350,232	65	463,093	
66 Total liabilities (add lines 60 through 65)			4,174,351	66	2,346,766	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			7,567,999	67	9,453,171
	68 Temporarily restricted			1,255,403	68	282,796
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)			8,823,402	73	9,735,967
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)			12,997,753	74	12,082,733

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	8,565,841
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments		\$
(2)	Donated services and use of facilities		\$ 102,961
(3)	Recoveries of prior year grants		\$
(4)	Other (specify):		\$
	-----		\$
	-----		\$
	Add amounts on lines (1) through (4)	b	102,961
c	Line a minus line b	c	8,462,880
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		\$
(2)	Other (specify):		\$
	Investment loss		\$ -5,409
	-----		\$
	-----		\$
	Add amounts on lines (1) and (2)	d	-5,409
e	Total revenue per line 12, Form 990 (line c plus line d)	e	8,457,471

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	7,653,276
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities		\$ 40,660
(2)	Prior year adjustments reported on line 20, Form 990		\$
(3)	Losses reported on line 20, Form 990		\$
(4)	Other (specify):		\$
	Investment loss		\$ 5,409
	-----		\$
	-----		\$
	Add amounts on lines (1) through (4)	b	46,069
c	Line a minus line b	c	7,607,207
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		\$
(2)	Other (specify):		\$
	-----		\$
	-----		\$
	Add amounts on lines (1) and (2)	d	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	7,607,207

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Name William Hobson City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Exec Director Hr/WK 37.5 hours	75,000	6,461	1,800
Name Clark Kimerer City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Board Chair Hr/WK 3 hours	0	0	0
Name Ron Wright City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Vice Chair Hr/WK 3 hours	0	0	0
Name Thomas Byers City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5 hours	0	0	0
Name Merlyn Bell City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Treasurer Hr/WK 3 hours	0	0	0
Name D. Wertheimer City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Secretary Hr/WK 2.5 hours	0	0	0
Name Chris Spitters City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5 hours	0	0	0
Name R. Stevenson City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5 hours	0	0	0
Name Mark Sidran City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5 hours	0	0	0
Name Darby Langdon City Seattle Str 515 Third Avenue ST WA ZIP 98104	Title Director Hr/WK 2.5 hours	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see page 28 of the instructions.

Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	102,960
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	0
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter:		
a	Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter:		
a	Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90 a	List the states with which a copy of this return is filed		WA
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	
91	The books are in care of Name Mark Slier Telephone no. 206 464-1570 Located at 515 Third Avenue City Seattle ST WA ZIP + 4 98104		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041— Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue:					
a Thrift Shop					17,688
b Payeeship Fees					10,981
c Low Income Housing Rent					14,233
d Housing Mgmt Fees					149,587
e Development Fees					898,338
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	8,585	
96 Dividends and interest from securities			14	18,819	
97 Net rental income or (loss) from real estate:					
a debt-financed property			01	23,519	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-5,222	
101 Net income or (loss) from special events			01	-201	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a Misc Revenue			01	4,137	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		49,637	1,090,827
105 Total (add line 104, columns (B), (D), and (E))					1,140,464

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Thrift shop operated to train and serve clients
93b	Revenue from serving as payee for over 200 clients
93c	Low income housing tenant rents as set by HUD
93 d & e	Revenue from managing & developing low income housing projects and providing services

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
DESC 1811 Associates LLC 515 Third Avenue Seattle WA	100.00%	Development of low income housing	0	0
	%		0	0
	%		0	0
	%		0	0

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (a), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please [Signature] Date 9/6/2005

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2004

Supplementary Information—(See separate instructions.)

Department of the Treasury
Internal Revenue Service

MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

Name of the organization Downtown Emergency Service Center	Employer identification number 91-1275815
---	--

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Name Daniel Malone Str 515 Third Avenue City Seattle ST WA Zip 98104 Country	Title Dir Housing Avg hr/wk 40	60,000	6,249	
Name Graydon Andrus Str 515 Third Avenue City Seattle ST WA Zip 98104 Country	Title Clinical Dir Avg hr/wk 40	59,712	6,249	
Name Ken Tanzer Str 515 Third Avenue City Seattle ST WA Zip 98104 Country	Title Dir Info Services Avg hr/wk 40	60,000	6,249	
Name Mark Siler Str 515 Third Avenue City Seattle ST WA Zip 98104 Country	Title CFO Avg hr/wk 40	58,572	6,249	
Name James Hofenbeck Str 515 Third Avenue City Seattle ST WA Zip 98104 Country	Title Med director Avg hr/wk 40	116,880	7,165	
Total number of other employees paid over \$50,000	2			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
Name Housing Resource Group Str 1651 Bellevue Avenue City Seattle ST WA ZIP 98122 Country Check here if a business <input type="checkbox"/>	Development & management fees	533,562
Name Low Income Housing Institute Str 2407 First Avenue, Suite 200 City Seattle ST WA ZIP 98121 Country Check here if a business <input type="checkbox"/>	Development & management fees	397,780
Name Evergreen Treatment Services Str 1700 Airport Way S City Seattle ST WA ZIP 98134 Country Check here if a business <input type="checkbox"/>	Outreach & case management	81,268
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Total number of others receiving over \$50,000 for professional services		

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V, Form 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____ City _____ ST _____ Country _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11 a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11 b A community trust. Section 170(b)(1)(A)(v). (Also complete the Support Schedule in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	9,591,898	6,921,815	5,277,711	4,644,583	26,436,007
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	617,546	477,549	264,526	263,103	1,622,724
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	126,521	197,963	154,547	108,288	587,319
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.	7,708	12,092	17,519	123,872	161,191
23 Total of lines 15 through 22	10,343,673	7,609,419	5,714,303	5,139,846	28,807,241
24 Line 23 minus line 17	9,726,127	7,131,870	5,449,777	4,876,743	27,184,517
25 Enter 1% of line 23	103,437	76,094	57,143	51,398	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	543,690
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.	26b	546,889
c Total support for section 509(a)(1) test. Enter line 24, column (e)	26c	27,184,517
d Add Amounts from column (e) for lines:		
18 587,319	19	0
22 161,191	26b	546,889
e Public support (line 26c minus line 26d total)	26e	25,889,118
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	95.23%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2003) (2002) (2001) (2000)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2003) (2002) (2001) (2000)

c Add Amounts from column (e) for lines:	15	0	16	0		
	17	0	20	0	21	0
d Add Line 27a total	0		and line 27b total	0		
e Public support (line 27c total minus line 27d total)						0
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f	0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g	0.00%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h	0.00%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	0	0
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0
41	Lobbying nontaxable amount. Enter the amount from the following table—		
	<i>If the amount on line 40 is—</i>		
	<i>The lobbying nontaxable amount is—</i>		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000	41	0
	Over \$1,500,000 but not over \$17,000,000 . . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45	Lobbying nontaxable amount				0
46	Lobbying ceiling amount (150% of line 45(e))				0
47	Total lobbying expenditures				0
48	Grassroots nontaxable amount				0
49	Grassroots ceiling amount (150% of line 48(e))				0
50	Grassroots lobbying expenditures				0

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Line 8 (990) - Gain/loss from sale of assets other than inventory

Index	Description	Check if gain/loss is from sale of public securities	Check if gain/loss is from sale of non public securities	Check if purchaser is a business	Purchaser	Date acquired	Acquisition method	Date sold	Gross sales price	Cost or other basis (Enter one field only)		Expense of sale and cost of improvements
										Cost	Donated value	
1	155 sh Paccar stock	X			Through broker	7/16/2004	Donation	7/16/2004	15,697		15,510	
2	9000 sh Paccar stock	X			Through broker	7/2/2004	Donation	7/12/2004	498,330		503,739	
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
Totals:												
Public Securities										514,027	Cost, other basis and expenses	
Non-Public Securities										0	519,249	
Other sales										0	0	

To add more lines to this schedule, press CTRL+Q.

Line 9 (990) - Special events and activities

	Event A	Event B	Event C	All others	Totals
1 Special event name	Battle of the Bands				
1a Number of special events	1				
2 Gross receipts	2,536			2	2,536
3 Less contributions	2,536			3	2,536
4 Gross revenue	0	0	0	0	0
5 Less direct expenses	201			5	201
6 Net income or (loss)	-201	0	0	0	-201

Line 20 (990) - Other changes in net assets or fund balances

1 Capitalized in kind donation of services	1	62,300
2 Rounding	2	1
3	3	
4	4	
5	5	
6	6	
7	7	
8	8	
9	9	
10 Total	10	62,301

Line 47 (990) - Accounts receivable

		Accounts receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	1	351,682	773,483		
2	2				
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total accounts receivable	11	351,682	773,483	0	0

Line 48 (990) - Pledges receivable

		Pledges receivable		Allowance for doubtful accounts	
		Beginning	End	Beginning	End
1	1	750,000	250,000		
2	2				
3	3				
4	4				
5	5				
6	6				
7	7				
8	8				
9	9				
10	10				
11 Total pledges receivable	11	750,000	250,000	0	0

Line 51 (990) - Other notes

Check here if a business	Borrower's name and Title	Original amount	Net balance due beginning of year	Balance due end of year	Allowance for doubtful accounts end of year
1 <input type="checkbox"/>	Kerner Scott LP	777,500	777,500	777,500	
2 <input type="checkbox"/>	Union Hotel LP #1	600,000	600,000	600,000	
3 <input type="checkbox"/>	Interest on KS loan		398,336	398,336	
4 <input type="checkbox"/>	Union Hotel #2	267,000	267,000	267,000	
5 <input type="checkbox"/>	1811 Associates loan	185,159	185,159	528,932	
6 <input type="checkbox"/>	Morrison Hotel -Loan #1	2,625,271	1,380,000	1,932,889	
7 <input type="checkbox"/>	Morrison Hotel -Loan #2	1,350,000	784,711	1,145,035	
8 <input type="checkbox"/>			0		
9 <input type="checkbox"/>			0		
10 <input type="checkbox"/>			0		
11 <input type="checkbox"/>			0		
12 <input type="checkbox"/>			0		
13 <input type="checkbox"/>			0		
14	Totals	5,804,930	4,392,706	5,649,692	0

	Security provided	Date of note	Maturity date	Repayment terms	Interest rate
1	Deed of Trust	1/1/1997	1/1/2047	Forgivable	8.50%
2	None	12/31/1996	12/31/2044	Contingent on c:	8.00%
3	None				
4	None	12/1/2003	12/31/2013	Contingent	1.00%
5	None	6/23/2003	12/31/2005	As services renc	%
6	None	10/1/2003	3/20/2055	Contingent	1.00%
7	None	10/1/2003	3/20/2055	Contingent	%
8					
9					
10					
11					
12					
13					

	Purpose of loan	Description & fair market value of consideration	Relationship
1	Low income housing	Cash	none
2	Low income housing	Cash	none
3	Low income housing		none
4	Low income housing	Cash	none
5	Low income housing	Cash	none
6	Low income housing	Cash	none
7	Low income housing	Cash	none
8			
9			
10			
11			
12			
13			

Downtown Emergency Service Center
2004 Form 990
91-1275815

Part II, Line 23: Specific Assistance to Individuals

Housing	272
Food	1,265
Medications & Other Medical	167
Transportation	206
Clothing	29,607
Personal Sundry Items	32,278
Recreation	8,587
Loans and miscellaneous cash	32,451
	<u>104,833</u>

Part II, Line 42 & Part IV, Line 57: Fixed Assets & Depreciation

	<u>Cost</u>	<u>Method</u>	2004 <u>Depreciation</u>	Accum. <u>Depreciation</u>	Net <u>Book Value</u>
Leasehold Impr.	1,024,000	SL	48,578	189,708	834,292
Equipment	294,284	SL	25,182	240,019	54,265
Furnishings	197,689	SL	7,645	93,109	104,580
Software	34,507	SL	11,502	11,502	23,005
	<u>1,550,480</u>		<u>92,907</u>	<u>534,338</u>	<u>1,016,142</u>

Seattle Veterans Museum



PO Box 82333
Kenmore, WA 98028
425-821-0489

Todd L. Crooks
President, Seattle Veterans Museum
9325 NE 141 Place
Bothell, WA 98011

Jan. 7, 2006

City of Seattle
Mark Ellerbrook

Mr. Ellerbrook,

The proud history of Fort Lawton and the future development plans make it a perfect location for a museum to honor our veterans. We are very interested in the buildings that are available. This opportunity can provide a great new location for our growing museum which has been in existence since 2001.

After studying the floor plans of the buildings available, we plan to submit a proposal. This letter shall serve as our Letter of Interest to occupy any available space at the Fort Lawton area of Discovery Park.

Thank you for your assistance in honoring our Veterans and teaching others of the sacrifices our Veterans have made for our country and our freedom.

Sincerely,



Todd L. Crooks

"If you love your freedom,.... thank a Veteran."

Fort Lawton NOI

Deadline: **January 7, 2007**

ORGANIZATIONAL PROFILE

1. Applicant	Organization Name: THE SEATTLE VETERANS MUSEUM		
	Director: Mr.	Title: President	
	First Name: Todd	Last Name: Crooks	
	Address: 2 nd Ave and University Street ----- Mailing Address: Seattle Veterans Museum P. O. Box 82333 Kenmore, WA 98028	City: Seattle	Zip: 98101
	Area Code: Phone: 425-821-0489	e-mail: crooksy@msn.com	
	Area Code: Fax:	http:// www.SeattleVeteransMuseum.org	
	Date of Incorporation: 11 /OCT / 2001	Federal Tax ID#: 31-1808860	
	Fiscal Year End Date: 31 /DEC / 2005		
Contact	Mr.	Title: Pres	
	First Name: Todd	Last Name: Crooks	
	Address: 9325 NE 141 Place	City: Bothell	Zip:98011
	Area Code: 425 Phone: 821-0489	e-mail: crooksy@msn.com	
Address Location & KC Council District of Primary Activities	Location A: Second Ave. & University St. , Seattle, WA	County Council District #: 10	
	Location B:	County Council District #:	
Total Operating Income for the last 2 Fiscal Years	2003: \$ 15,767.20		
	2004: \$ 13,231.89		

2. Proposed Programs – Same as Existing Programs 1 A. Mission and Goals.

The mission of The Seattle Veterans Museum is to honor and thank our military veterans for their service to our County, and to teach all our citizens about the price our veterans have paid for our freedom. In short, "To Honor and To Educate".

The Seattle Veterans Museum is located in downtown Seattle on 2nd Ave, between Union and University Streets (on the west side of Benaroya Symphony Hall). This is also the location of the "Remembrance Garden Memorial Wall" which lists Washington state's service-members killed-in-action since 1940. The museum is open every Friday and Saturday from 10am - 5pm. It is also open Memorial Day, 4th of July, Veteran's Day (Nov. 11th) and also by appointment for groups. Admission is \$3.00.

The doors of the museum were first open on Sept 11, 2002, The displays cover every major conflict in our Country's history from a reproduction Revolutionary War uniform to a display of Republican Guard relics from Iraq. All branches of the service are represented, including the Merchant Marine. Items of special interest are a collection of authentic civil war infantry accoutrements, WW2 flight gear, and a Korean War bazooka.

The prized collection of the museum is the "Price of Freedom" displays. The stories of six young men who gave their lives for our Country are told in a display of their personal effects, including purple heart medals, dog tags, pictures, letters, and even the dreaded Western Union telegrams informing the families of the fate of their loved ones. It is stories like these, and the stories of all service members, that the museum is dedicated to preserving and passing on to future generations of Americans.

Every generation of Americans have paid a great price for the freedom of those that followed. "Freedom is not free" - it has been paid for by the blood, sweat, hardship, tears and lives of millions that have served this country in uniform. To every service member that has stood the watch for our County, the Seattle Veterans Museum would like to say, "Thank you for your service to our Country". The museum not only teaches kids to appreciate their freedom, but also teaches them the basic concept of making a contribution to their community. Seattle needs an institution like this to properly thank ALL our vets and to educate our citizens, and especially our kids.

The museum has an all-volunteer staff working the front desk, acting as docents to answer questions and many other projects, from fundraising to restoring antiques. The volunteer's duties are tailored to whatever a volunteer is interested in doing.

Our museum accomplishes the "Educate" part by teaching through the interpretation of antique military artifacts and the personal stories behind those very artifacts. SVM collects, preserves and displays the personal stories, uniforms and equipment of the men and women that earned, fought for, died for and maintain the freedom of our Country. When community members come forward and offer to donate a relatives uniform or gear to the museum, we always request information about the veteran. Their name, hometown, service history, and a picture of the veteran preferably wearing the very uniform or article they are donating. The artifact is then displayed in the museum next to the old black-and-white photo of the veteran wearing the artifact. All people, but especially kids will comprehend and relate to a history

lesson better when they can see a piece of that history right in front of them. Reading about a World War II battle is a typical classroom scenario. At our museum, the same history lesson is taught by seeing the Purple Heart medal engraved with the name "Jack Cornelius Calvin", a Seattle boy that was killed in action on the pacific island of Saipan on the 4th of July, 1944, and also seeing the dog tag he was wearing, and the letter from the Marine Corps to his parents.

Our museum has collected and preserved groupings of artifacts from 6 US service members that were killed or died while serving our Country. In most of these cases, the lost service member had no children of their own. Their stories might be remembered by uncles or cousins for a few decades, but eventually they are lost to the ages and scattered to the winds like their uniforms and personal effects are sold off at estate sales and auctions. The Seattle Veterans Museum keeps these groupings of items together and the story and memory of these brave Americans alive for younger citizens to hear and appreciate. There is no other organization in all of King County that serves this purpose of history and heritage preservation. Considering the supreme sacrifice that some of our community members have made for this Country, the least we can do is remember them and thank them. SVM does not limit our display items to those only of veterans from King County, yet a vast majority of what is donated to us is from King County residents, simply because that is where we are located. We feel that any veteran that served our County, or died for our County, is part of the history and heritage of King County no matter where they grew up.

2 B. Current King County Heritage Related Programs, Events, Services or Public Benefits.

Since before our museum officially began, we have been setting up a booth at community events to get out to the public our efforts to thank vets and teach kids. We set up a 12' X 12' tent and have a small museum display with 2 or 3 mannequins in full uniform and gear. It is an opportunity for community members to stop by and be thanked for their service to the Country, or to teach younger kids about what their parents or grandparents had done during their service. At many of these events, people have told us the stories of their veteran, and then followed up by bringing the artifacts and documented details of their veteran's story for SVM to preserve and share with the community. Attachment J-1 is a partial list of some of the events we have attended. At the larger community events, thousands of people attend each of these with hundreds of them visiting our booth. The smaller events probably brought 25-100 visitors to our booth.

On Memorial Day our museum began it's own program of recognition of our fallen service members. Each hour on the hour, in The Remembrance Garden, which is directly in front of our museum, we held a military style Flag-folding ceremony. This included a narration during the flag folding explaining what each fold of the flag represents. The triangular shaped flag was then placed next to a wreath of flowers in front of the Remembrance Wall and a local boy scout played TAPS to close the ceremony. Any time you can draw attention to honoring our fallen heroes and telling their stories to the public you are passing on our history and heritage for future generations. Each time we performed this ceremony about two dozen passers by would take time from their too busy day to stop and remember.

On Memorial Day, we also assisted other local veterans groups as they dedicated the names

that had been added to the Remembrance Wall for the current War on Terror. This Wall is the center piece of the Remembrance Garden. It contains the names of Washington service members that have given their life for our Country since 1940.

SVM also participated and supported the Veterans Day Parade hosted by the Compass Center. This parade to honor local veterans and allow them the praise and applause they deserve terminates at the Remembrance Garden where speeches and comments are offered by local authorities.

Our museum also assisted one Seattle resident to get his father's name added to the Remembrance Garden Wall. His father was listed as missing in action during WW2. Since no body was recovered, after a year his name was moved to the killed in action list. The Garden Wall is supposed to contain the names of all Washington residents that have been killed or died during wartime since 1940. Through some oversight, this particular name was neglected. The son of this soldier had tried a couple of time to get his father s name added, but had been unsuccessful. SVM staff attend many of the meetings of the Remembrance Garden Committee. The committee was notified and SVM assisted the son with getting all the necessary paperwork to the Garden Committee. On Memorial Day, when the new names were added to The Wall, the WW2 soldiers name was included.

The museum also assisted another local family to have a misspelled name corrected. The name was missing an "i". This error was also corrected for Memorial Day. These small services that SVM provides mean a lot to Seattle families who have their son's names on that wall.

SVM is happy to provide assistance and support to the Remembrance Garden Wall and its governing Committee. Benaroya Hall and The Garden Committee have aired their appreciation to SVM for bringing attention and public understanding of the Wall and its meaning. SVM has also started it's own project to coincide with The Wall. It is called "The Faces on The Wall ". Whenever our museum encounters a visitor or passerby that knows one of the names on the wall, we ask them to share it with us. We are collecting all this data in one file. Sometimes we are told their hometown, high school and maybe a few words about what kind of person they were or what they liked. Other times, SVM has received photos and some artifacts to go with the name. Here again, our museum is serving to preserve the personal story and face that go along with the Name on the Wall

2 c. Planned or Proposed Programs, Events and Services Relating to King County Heritage that your organization intends to develop and offer in the next two years.

Last veterans day we made arrangements with a local filming professional to record some interviews with local veterans for The Veterans History Project. This is a federal project to record and preserve the personal accounts of history as told by the vets themselves. Unfortunately, a last minute emergency prevented the filming. We plan to pursue this again in the near future. We have recently acquired the use of a video camera and will be adding video as a way of preserving the stories of veterans that visit or donate artifacts to our museum.

In the summer of 2007 we will be holding our first "Kids Boot Camp". This will be either a one or two day event for kids age 8 to 13 to have their first taste of military life. On the "Plan of the Day" we will have the basics of standing at attention in formation, basic marching, physical training, first aid, setting up camp with a two-man "pup" tent. At least one of their meals will be the wonderful military experience of eating MRE's (Meals Ready to Eat). We have some military clothing and gear that the 'cadets' will be able to wear and use to add to the fun, and of course we will include a trip to the museum for a lesson on history and the debt we all owe our veterans.

We have also been in contact in the past with a local military historian named Manfred Wolfenstien. He and some colleagues have collected a list of every King County military site, museum, monument, marker, etc. We hope to obtain a copy of Mr. Wolfenstien's list and publish it for public use.

Time Required to Commence Operations in Fort Lawton

Since our program is already in operation in downtown Seattle, it would just be a matter of moving all our collections to the new facility and removing and re-installing any cabinets from our existing location. We can adjust our museum layout to accommodate building that has one large area, or one that has several smaller rooms.

One of our volunteers is a carpenter and cabinet-maker and, if required, would be in charge of any minor physical modifications to the interior of the building. Roy Shadbolt is one of our volunteers that works at the museum every Friday morning. Roy has 18 years of experience as a cabinet-maker, carpenter, shop supervisor and manager. His experience covers all aspects of projects from the details of the construction to the ordering of materials. His knowledge and skill will guarantee that the project is of the highest quality.

2. Public Benefit/Audience Served **2 A. Accessibility.** *Describe public access to King County heritage programs and services, including open hours of any facilities.*

The museum is open every Friday and Saturday from 10am – 5pm and also on Memorial Day, Independence Day, and Veterans Day from 10am – 5pm. The museum is free to veterans on Veterans Day and is free to everyone on Memorial Day. We are also open to groups by appointment on any day of the week. We have three volunteers that live near the museum and are semi-retired and can make arrangements for almost any desired visit.

Several of our museum staff and volunteers are also available to make presentations and displays off-site. We typically provide a couple tables of military antiques ranging from the Revolutionary War to today's War on Terror. We explain the museum's mission and programs thank all the attending veterans for their service.

2 B. Audiences Served / Geographic Area. *Describe the primary audiences and service area(s) of your organization, including the character any known internet / web-based audiences.*

Our target audience is the entire Puget Sound community, but our location in the heart of Seattle brings in predominantly King County residents. We receive emails on a regular basis via our website from veterans, teachers, military history buffs and folks appreciating our efforts

2 C. Community Outreach. *Describe your organization's community outreach activities, including those that expand and/or diversify audiences, membership, staff and leadership.*

The locations of many of our public displays have been at public events that cover the whole spectrum of our population (shopping malls as an example). We feel that EVERY member of our community that enjoys the freedoms of this Country have a vested interest in the service members who make the sacrifices to safeguard those freedoms for us all. And, every person in this Country also a vested interest in our museum.

Our museum volunteers have also filmed and produced several video products. These include a 30 minute "Seattle Veterans Museum Show" as well as 30 sec – 1 minute Public Service Announcements. These have aired on Seattle Cable Access Network (SCAN-TV), which caters to a very diverse audience.

These productions, like all our displays and daily operations are NON-POLITICAL. Our museum has adopted a "non-political" policy. We do not want the political debating about a war or conflict to detract from the sacrifices of those that served in that war. We concentrate on the fact that service members are there to serve the Country and risk their lives to guarantee our freedom to choose our politics.

3. Contributions to and Management of King County Heritage Resources. *Describe significant contributions to, or management of, King County history and heritage resources, including any that relate to **threatened and neglected** aspects, such as those defined by theme, ethnicity or geography.*

Our World War II veterans of The Greatest Generation are passing from us at a rate of over 1000 per week. With each passing veteran we are losing a valuable story unless it is recorded and preserved. Our museum is venturing to preserve not only the written or spoken story but also the artifacts that are part of the story and can bring the story alive for future generations. We are not just limiting ourselves to the WWII veterans. We recently received a contact from a man who is planning to donate a grouping of his father's WWII personal effects as well as his grandfather's Spanish American War artifacts. We have already asked the donor to record the stories of both of these brave Americans to preserve them for generations to come. Other than the "Veterans History Project" which films interviews with the veterans, we believe SVM is the only organization in King County striving to preserve detailed personal military experiences. We have recently acquired the use of a video camera and will be adding video as a way of preserving the stories of veterans that visit or donate artifacts to our museum.

Every day, the personal effects and the stories of sacrifice of our neighborhood veterans are being lost in estate sales, garage sales, auctions and even the trash can. When people first hear about our museum, they realize that this is where their loved-ones story can be

preserved and serve a much higher purpose than a garage sale.

BUILDINGS NECESSARY TO CARRY OUT PROGRAM

Since Sept 11, 2002 The Seattle Veterans Museum has been operating out of "The Remembrance Place" thanks to Priscilla "Patsy" Collins. Mrs. Collins was the chairperson and major sponsor for The Remembrance Garden on 2nd Ave and University Streets, on the west side of Benaroya Hall. After the Garden was complete, Mrs. Collins rented out a small office space right behind the Garden and she named it "Remembrance Place". She wanted it to be a family meeting place or an interpretive site for the garden. The space was set up and furnished, but was never put into function. .

Our museum staff members visited the Garden in the fall of 2001 and saw the unused office space. We contacted Mrs. Collins and worked with her until we achieved our 501c3 status and eventually met her at the Remembrance Place to talk about how our museum might be able to get started in her unused office space. She agreed and our museum was off and running.

We are still managing on an all-volunteer staff. We hope to expand in the next 6 months to having a paid front desk docent for Thursday and eventually Wednesday. This paid staff position will have a requirement of working on fundraising efforts. The employee will work on museum fundraising efforts when there are no visitors at the museum and this position will hopefully pay for itself in the near term.

The museum is obviously now our main focus of attention and the number of displays and "traveling" events we do have decreased in the last year. We do realize the value of getting out to the community to attract attention to our museum efforts, and will continue to do so. The space we are currently in is only about 600 square foot and our displays are VERY crowded. We have many display items in storage, enough display items to occupy a space ten times as large.

We are also hoping to have a conference room where events could be held or other attractions to our museum such as guest speakers , fund-raising dinners, and other public events and fund-raising events.

We have recently received a grant for \$4,500 to build display cabinets for our collections. These cabinets can be moved into any future location.

4 B. Operating Budget Notes. See Attachment .

The future operating budget would be similar to years past except the \$600 per month rent would be allocated to building maintenance/improvements and other expenses.
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November 21, 2006

David Siegenthaler, Program Manager
Pacific West Region, National Parks Service
U.S. Department of the Interior
111 Jackson Street; Suite 700
Oakland, CA. 94607

Subject: Fort Lawton Army Reserve Facilities

Dear Mr. Siegenthaler:

This letter is a follow-up to my e-mails to you and our subsequent conversations from earlier this month; and is intended to express Seattle Parks and Recreation's interest in acquisition of portions of the surplus Army Reserve property in Seattle, Washington.

The Fort Lawton Army Reserve Facilities are federal properties remaining from the former Fort Lawton military reservation, much of which has been converted into Discovery Park in recent years. The park is the largest in Seattle at 530 acres of forests, meadows, bluffs, beaches and other parklands, and is the home of a very popular environmental education program.

The Fort Lawton Reserve Facilities amount to approximately 46 acres and have been deemed surplus to the needs of the military per the 2005 Base Realignment and Closure (BRC) processes. The property includes three existing parcels known as Texas Way West (approximately 2 acres), the Cemetery (approximately 7 acres), and the Army Reserve Complex (approximately 37 acres) that includes the new Fort Lawton Army Reserve Center as well as Leisy Center, Harvey Hall and maintenance shops. At this time, we understand that the Army at Fort Lewis will assume operation of the Cemetery, and that the Veterans Administration will acquire approximately 8 acres and the new Fort Lawton Army Reserve Center (FLARC) of the Army Reserve Complex. The City of Seattle has assumed the role of the Local Redevelopment Authority (LRA) per the BRAC process to recommend use for the remaining property.

To date, the City has begun the solicitation process for public agencies and homeless housing providers that may be interested in acquiring the property. Seattle Parks and Recreation wishes to express interest in acquiring portions of the property for parks and recreation purposes, for an addition to Discovery Park, under a public benefit conveyance.

At this time we are undertaking a planning study of the property and its relationship to the adjacent Discovery Park relative to wildlife corridors that may be extant between Discovery Park and the nearby Kiwanis Ravine, as well as environmentally sensitive (wildlife habitat) lands that may be coterminous with and would be desirable to add to Discovery Park. We are particularly interested in the Texas Way parcel and the northern edge of the Army Reserve Complex parcel, where there is a steep wooded slope. Other portions of the Army Reserve Complex parcel may be of interest as well. We expect to finish this study by year end and be ready to submit a formal application for specific properties at that time.

In summary, we are interested in acquiring portions of the Fort Lawton property for parks and recreation purposes; to use such property as an addition to Discovery Park; to use the property in perpetuity for park purposes, as is the case with the rest of Discovery Park; and to benefit the community by protecting valuable wildlife habitat in Seattle.

We would appreciate the support of the National Park Service in this interest, and ask that you provide us the necessary application materials such that we may file the complete application at the appropriate time in the very near future.

The City of Seattle's Office of Housing is serving as the point of contact for the Local Redevelopment Authority and is handling the receipt of all Notices of Interest (NOI's) for the Fort Lawton Army Reserve Properties. I am sending them a copy of this letter of interest as well.

Enclosed is an aerial photograph of Discovery Park that shows several property transactions that are currently in progress. These include the pending "500 Area" transfer from the Army to the City; the City's pending acquisition of the Capehart housing from the Navy; and the Navy's proposed sale of historic housing to private parties; as well as the current Fort Lawton BRAC process properties that are the subject of this letter. I have also enclosed a map of the Fort Lawton Army Reserve properties to indicate the areas that Seattle Parks and Recreation has preliminarily identified for addition to Discovery Park.

Please do not hesitate to contact me at telephone 206 684-7053 or by e-mail at kevin.stoops@seattle.wa should you have questions on our interest in this property.

Sincerely,

Kevin B. Stoops, Manager
Major Projects and Planning

Cc: Kenneth R. Bounds Erin Devoto Linda Cannon, OIR
Mark Ellerbrook, OH

Encl

U:KBS:Discovery:Fort Lawton NPS letter 112106

(Cover)

DRAFT

Application for
Surplus Federal Real Property
For Public Park and Recreation Purposes

**ARMY RESERVE FACILITIES
FORT LAWTON
SEATTLE, WASHINGTON**



January 5, 2007

(divider)

**APPLICATION FOR FEDERAL REAL PROPERTY FOR PUBLIC
PARK AND RECREATION PURPOSES**

Part A

Part A:

Acceptance of Terms and Conditions by the Applicant

Date: January 5, 2007 (draft)

To: U. S. Department of the Interior, National Park Service
Attn: David Siegenthaler
1111 Jackson Street, Suite 700
Oakland, CA 94607-4816

The undersigned, City of Seattle

Hereinafter referred to as the Applicant or Grantee, acting by and through

Kenneth R. Bounds, Superintendent
Seattle Parks and Recreation
100 Dexter Avenue North
Seattle, WA 98109 Phone: 684-8022

hereby makes application to the U.S. Department of Interior, National Park Service, acting for and on behalf of the Secretary of the Interior pursuant to 40 U.S.C. § 550 (3), and in accordance with the regulations and policies of the U.S. Department of the Interior for the transfer of the following property which has been declared surplus by the Department of the Army and is subject to assignment to the National Park Service for disposal for public park or recreational purposes:

Property: Parcel 4 and portions of Parcel 5, U.S. Army Reserve Center, Fort Lawton Washington, situated in a portion of the NE ¼, Section 15, Township 25N, Range 3E, Willamette Meridian; and a portion of the SE ¼, Section 10, Township 25N, Range 3E, Willamette Meridian.

Acres: 8 (approximately)

General Services Administration Control Number: to be assigned

The property is more fully described in Part B of this application, attached hereto and made a part thereof. Enclosed herewith as Part C of the application is a resolution or certified statement showing the authority of the undersigned to execute this application and to do all other acts necessary to consummate the transaction.

The following agreement is made by the Applicant in consideration of and for the purpose of obtaining the transfer of any or all property covered by this application, and the Applicant recognizes and agrees that any such transfer will be made by the United States of America in reliance on said agreement. The undersigned understates and agrees that the application is made and the property is conveyed subject to the following terms and conditions which may be enforced through a reversionary right in the property reserved to the United States of America:

1. This application and its acceptance by the National Park Service shall constitute the entire agreement between the Applicant and the United States of America, unless modified and approved in writing by both parties. This agreement becomes binding once the instrument of conveyance has been executed by the applicant. The applicant is required to duly record the instrument of conveyance in a timely manner.
2. The description of the property set forth herein is believed to be correct, but any error or omission shall not constitute ground or reason for nonperformance of the agreement resulting from the acceptance of this application.
3. The Applicant understands and agrees that the property is to be conveyed "as is" and "where is" without representation, warranty, or guaranty as to quantity, quality, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose intended and no claim for any adjustment upon such grounds will be considered after this application has been accepted. Notwithstanding the foregoing, the United States is bound by any covenants contained in the deed regarding Section 120(h) of CERCLA, 42 U.S.C. § 9620(h).
4. The Applicant agrees to assume constructive possession of the property upon receipt of written notification from the National Park Service. Should the Applicant fail to assume constructive possession upon receipt of such notification from the National Park Service.
5. At the date of assumption of constructive possession of the property, or the date of Conveyance, whichever ever occurs first, the Applicant shall assume responsibility for any general and special real and personal property taxes, which may have been or may be assessed on the property, and to prorate sums paid, or due to be paid, by the United States of America in lieu of taxes; and for care and handling and all risks of loss or damage to the property, and have all obligations and liabilities of ownership.
6. If a purchase price is due, the Applicant shall tender the purchase price to the United States of America on a mutually agreeable date after the property has been assigned to the National Park Service.
7. Conveyance of the property shall be accomplished by an instrument, or instruments, in a form satisfactory to the National Park Service without warranty, express

or implied, and shall contain substantially, but may not be limited to, the following reservations, restrictions, and conditions.

- (a) The Grantee shall forever use the property exclusively for public park and recreational use in accordance with its application for property, particularly the Program of Utilization contained in Part B of the application, and approved amendments thereto, as provided below.
- (b) The Program of Utilization contained in Part B of the application may be amended only for the continued use of the property for public park or recreational purposes at the request of either the Grantee or the National Park Service with the written concurrence of the other party. Such amendments will be added to and become a part of the original application and of this Quitclaim Deed, and shall be consistent with purposes for which the property was originally transferred. The Grantee shall furnish any documentation, maps, photographs, studies, and other information to support the request as requested by the National Park Service to evaluate any proposed use or development of the property.
- (c) The property shall not be sold, leased, assigned, or otherwise disposed of except to another eligible governmental agency that the National Park Service agrees in writing can assure the continued use and maintenance of the property for public park or recreational purposes subject to the same terms and conditions in the original instrument of conveyance. Any mortgage, lien, or any other encumbrance not wholly subordinate to the reverter interest of the Grantor shall constitute an impermissible disposal. However, this provision shall not preclude the Grantee and its successors or assigns from issuing revenue or other bonds related to the use of the property to the extent that such bonds shall not in any way restrict, encumber, or constitute a lien on the property, or from providing related recreational facilities and services consistent with the approved application through concession agreements, permits, and licenses entered into with third parties, provided prior concurrence to such agreements is obtained in writing from the National Park Service.
- (d) The Grantee shall, within three months of the date of the recording of the instrument of conveyance, erect and forever maintain a conspicuous sign or signs near the principal point or points of access to the property that states: “The National Park Service, U.S. Department of the Interior, donated this land to the *name of Grantee* for public recreational use through the Federal Lands to Parks Program.”
- (e) Beginning two years from the date of conveyance, the Grantee shall prepare biennial reports describing the development and use of the property, and any revenue generated from its operation during the preceding two-year period. The Grantee shall prepare and submit ten consecutive biennial reports to the

appropriate National Park Service office and further as the National Park Service may determine to be necessary.

(f) All revenue received by the Grantee through concession agreements, use permits, or other fees generated by activities on the property shall be used only for the implementation of an approved Program of Utilization or the operation of park and recreation facilities and programs on the property. After the Program of Utilization is fully implemented, and as long as the property is properly and sufficiently operated and maintained, the revenue may be used only for other public park and recreational purposes by the Grantee. Any revenue received by the Grantee which is generated through the operation of the property shall be listed and accounted for in its biennial reports to the National Park Service.

(g) The Grantee further covenants and agrees for itself, its successors, and assigns, to comply with the provisions of the Federal Disaster Protection Act of 1973 (87 Stat. 975); Executive Order 11988, relating to the evaluation of flood hazards; Executive Order 11288, relating to the prevention, control, and abatement of water pollution; and Executive Order 11990, relating to the protection of wetlands, where and to the extent said Act and Orders are applicable to the property herein conveyed and the Grantee shall be subject to any use restrictions issued under said Act and Orders.

(h) The Grantee further covenants and agrees for itself, its successors and assigns, to comply with all Federal laws relating to nondiscrimination in connection with any use, operation, program, or activity on or related to the property requested in this application, including, but not limited to:

All requirements imposed by or pursuant to the regulations of the U. S. Department of the Interior (43 C.F.R. Part 17);

Title VI of the Civil Rights Act of 1975, as amended (42 U.S.C. § 6101 et seq.), which prohibits discrimination on the basis of age;

Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicap;

The Architectural Barriers Act of 1968, as amended (82 Stat. 718), which requires facilities located on the property to be accessible to the physically handicapped; and

The Americans with Disabilities Act of 1990 (104 Stat. 337), which requires that no otherwise qualified handicapped individual shall, solely by reason of his or her handicap, be excluded from the participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

The Applicant further agrees to require any other person or entity who, through contractual or other arrangements with the Applicant, is authorized to provide services or benefits on or in connection with the property requested herein, and to promptly take and continue to take such action as may be necessary to effect this agreement.

(i) Title to the property transferred shall revert to the United States of America at its option for non-compliance with any of the terms and conditions of the conveyance. In the event that there is a breach of any of the conditions and covenants herein contained by the Grantee, its successors and assigns, whether caused by legal or other inability of the Grantee, its successors and assigns, to perform said conditions and covenants, or otherwise, all right, title, and interest in and to the said premises shall revert and become the property of the Grantor at its option which, in addition to all other remedies for such breach, shall have the right of entry upon said premises, and the Grantee, its successor and assigns, shall forfeit all right, title, and interest in said premises and in any and all of the tenements, hereditaments, and appurtenances thereunto belonging.

(j) The Grantee, by its acceptance of this deed, covenants and agrees for itself, and its successors and assigns, that in the event the Grantor exercises its option to revert all right, title, and interest in the property to the Grantor, or the Grantee voluntarily returns title to the property in lieu of a reverter, then the Grantee shall provide protection to and maintenance of said property at all times until such time as the title is actually reverted or returned to and accepted by the Grantor, including the period of any notice of intent to revert. Such protection and maintenances shall, at a minimum, conform to the standards prescribed by the General Services Administration in its Federal Property Management Regulations in effect at the time of the reversion. Prior to any such reversion, the Grantee further agrees to complete and submit to the Grantor an environmental assessment of the property that sufficiently documents and evaluates its condition in regard to the release of hazardous substances as defined under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9620 (h)).

(k) The National Park Service, and any representative it may so delegate, shall have the right of entry upon said premises at all reasonable times to conduct inspections of the property for the purpose of evaluating the Grantee's compliance with the terms and conditions of the conveyance.

(l) The failure of the National Park Service, or any other agency of the United States, to Exercise any right or remedy granted under this instrument shall not have the effect of waiving or limiting the exercise of any other right or remedy or the use of such right or remedy at any other time.

(m) The Grantee, its successors and assigns, shall hold harmless, defend, and indemnify the United States, its employees, agents, and representatives from and

against any suit, claim for personal injury or property damage (including death, illness, or loss of or damage to property or economic loss) that arises from the Grantee's or the Grantee's agent's use or occupancy of the property and/or the Grantee's failure to comply with the terms of this deed.

(n) The United States of America shall have the right to reserve all oil, gas, and mineral rights in the property.

8. Any title evidence which may be desired by the Applicant will be procured by the Applicant at its sole expense. The National Park Service will, however, cooperate with the Applicant or its authorized agent in this effort and will permit examination and inspection of such deeds, abstracts, affidavits of title, judgments in condemnation proceedings, or other documents relating to the title of the premises and property involved as it may have available. The United States of America will not be obligated to pay for any expense incurred in connection with title matters or survey of the property.

9. The Applicant shall pay all taxes imposed on this transaction and shall obtain at its own Expense and affix to all instruments of conveyance and security documents such revenue and documentary stamps as may be required by Federal and local law. All instruments of conveyance and security documents shall be recorded at the Applicant's expense within 30 days of their receipt in the manner prescribed by local recording statutes. The Applicant shall provide the National Park Service with a certified copy of the instrument of conveyance within 30 days of the date of recordation which indicates the date, location, and book and page number of its recording.

10. The Applicant agrees to comply with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470) by (a) consulting with the State Historic Preservation Officer and conducting investigations, as necessary, to identify sites and resources on the property listed on or eligible for nomination to the National Register of Historic Places, (b) notifying the National Park Service and disposal agency of the existence of any such sites and resources, and (c) complying with the requirements of 36 C.F.R. Part 800, as established under the National Historic Preservation Act of 1966, as amended, to avoid or mitigate adverse effects on such sites and resources.

11. The National Park Service or disposal agency may require additional reservations restrictions, and conditions in the instrument of conveyance to safeguard the interests of the United States of America, including covenants relating to environmental protection and historic preservation. The National Park Service will give the Applicant sufficient opportunity to review any additional requirements prior to the conveyance of title to the property.

I agree that the instrument effecting the transfer to the Applicant of any property covered by this application will contain provisions satisfactory to the United States of America, incorporating the substance of the foregoing agreement, with such provisions to consist of (1) a condition. Coupled with a right reserved to the United States of America to cause the property to revert to the United States of America at its option in the event of any

breach of such condition, and (2) a covenant running with the land. The Applicant understands that the United States of America shall have the right to seek judicial enforcement of this agreement, and that this agreement shall be binding upon the successors and assigns of the Applicant.

(Date of Application)

(Signature)

(Title)

(Agency)

(divider)

*Application for
Surplus Federal Real Property
For Public Park and Recreation Purposes*

PART B

Part B

1. Description of Property

a. Background: The Fort Lawton Army Reserve Facilities are federal properties remaining from the former Fort Lawton military reservation, much of which has been converted into Discovery Park in recent years.

Fort Lawton was established as an Army installation in the late 1890's on Magnolia Bluff in Seattle. Originally, the fort was a military reservation of over 700 acres. In the late 1960's, much of the perimeter of the base became surplus to the needs of the United States Army. This surplus property was transferred by the federal government to the City of Seattle at no cost under the "Legacy of Parks" program to create Discovery Park in 1972. Several other parcels, including the Fort Lawton Uplands that included portions of the Fort Lawton Historic District that is listed to the National Register of Historic Places, have subsequently added to the park such that is now approximately 530 acres in size. The park has a rich diversity of forest, meadow and marine shoreline habitats and is home to environmental education programs.

The federal government's 2005 Base Realignment and Closure (BRAC) process included the closure of the Fort Lawton Army Reserve Facilities that exist in the northeast portion of the original Fort Lawton military reservation. The remaining military uses at Fort Lawton will be transferred elsewhere. The Fort Lawton Army Reserve Center (FLARC), Leisy Center, Harvey Hall and other ancillary facilities that have been used by reserve units will be closed and declared surplus to the needs of the Department of Defense. The Veteran's Administration has applied to the Department of Defense for acquisition of the Fort Lawton Army Reserve Center (FLARC), but no other federal agencies have expressed interest in the rest of the site or the surplus facilities. The City of Seattle has been identified by the Department of Defense as the Local Reuse Authority and will develop a Fort Lawton Reuse Plan to address the future uses of remaining property.

The Fort Lawton Reserve Facilities site amounts to approximately 46 acres of property in total. The property includes three existing parcels, known as the Cemetery (Parcel 3, approximately 7 acres), Texas Way West (Parcel 4, approximately 2 acres) and the Army Reserve Complex (Parcel 5, approximately 37 acres) that includes the new Fort Lawton Army Reserve Center (FLARC) as well as Leisy Center, Harvey Hall and two maintenance shops as well as large parking areas and a small parade ground. Seattle Parks and Recreation is interested in acquisition of Texas Way West parcel and the north forest area of the Army Reserve Complex parcel, approximately 2 acres and 8 acres, respectively, in size.

Texas Way: The Texas Way parcel extends from the entrance to Discovery Park at 36th Avenue West and West Government Way to the north, parallel to 36th West. It contains the Texas Way roadway as well as open lawns and trees along roadway. The roadway includes asphalt paving and concrete curb and gutters that were installed ca. 2001. An entry sign for the Fort Lawton Army Reserve is located at the far southwestern corner of the parcel on the park side of the intersection of 36th West and West Government Way. A new (ca. 2001) gateway of wrought iron gate leaves and concrete/stone plinths is approximately midway in the parcel to mark the entrance to the Army Reserve area. There is chain link fencing on the easterly edge of the parcel to separate it from the Cemetery beyond the gate. Wrought iron fencing extends beyond the

gateway on the westerly side of the roadway. This fence extends the remaining length of the Army Reserve property, to separate the Reserve facilities from 36th Avenue West and a neighborhood of single family homes.

There are a number of large native coniferous trees that occur that occur along the easterly side of the Texas Way roadway. These trees, primarily Douglas firs and Western red cedars, provide for an extensive tree canopy that extends the mixed deciduous forest canopy of Discovery Park as well as the canopy at the perimeter of the Fort Lawton Cemetery to 36th West. The eastern slope of the adjacent Cemetery parcel includes a mixed conifer-hardwood forest predominated by Douglas fir, western hemlock, western red cedar, big leaf maple, red alder and Pacific madrone. Native shrubs and groundcover are patchily distributed on this slope, where invasive species such as English ivy and Himalayan blackberry also occur. Snags, large woody debris, and tree fall from recent storms also are extant in this area. This plant community is similar to that of other forested areas in Discovery Park. At West Ohman Place, restored open space continues across 36th West to the east into Kiwanis Ravine, a wooded park property set aside for native habitat. An extensive heron colony occurs in Kiwanis Ravine.

North Forest: The north forest area is irregular in shape, with the north edge essentially being the unopen street right of way of West Lawton Street. The south edge is shaped by the topography. In the westernmost part of the area, the north forest meets the north edge of Texas Way. In the middle of the site, the southerly edge is the edge of the cleared area used as a parade ground by the Army Reserve. In the easterly part, the North Forest is bound to the south by the large paved expanse of the Army Reserve Organizational Maintenance Shop (OMS). The total area of this area is approximately 8 acres.

The northerly edge of the Army Reserve Complex is a steep, wooded slope bounded by streets to the east and west, and with single family residential homes downslope to the north. The north forest is dominated by deciduous native trees, including red alder, big leaf maple, and black cottonwood. Non-native shrubs such as Himalayan blackberry, English ivy, English holly, and cherry laurel dominate the understory. There are dead snags, partially dead maple trees, and large woody debris in the area. A slope wetland is located at the west end of the north forest area. Red alder, salmonberry, water parsley, giant horsetail, and skunk cabbage occur in the wetland, where soils are a mix of muck and sandy loam.

The only built features in the north forest area are fencing. There is a short stretch of chain link fencing extending northerly from the Army Reserve's western gateway on Texas Way. A new black vinyl coated chain link fence (ca. 2001) forms the area boundary along the northerly edge of Texas Way and the Parade Ground. A fence separates the OMS parking area from the northern forest on the easterly end of the site. Immediately south of this area, on a terrace just off the Parade Ground is the brick smokestack and concrete slab from the original Fort Lawton incinerator. This structure, built ca. 1900, is not part of the Fort Lawton Historic District noted above nor is it an individual structure listed to the National Register of Historic Places.

b. Maps

Maps are provided following the narrative sections of Part B. These include:

- Location Map

- Fort Lawton and Discovery Park
- Fort Lawton site Map
- Proposed Acquisitions
- Site Plan

c. Legal Description: Exact legal descriptions of the two pieces of property, using metes and bounds, are not available at this time. However, the properties in question can tentatively be identified as Parcel 4 and portions of Parcel 5, U.S. Army Reserve Center, Fort Lawton Washington, situated in a portion of the NE ¼, Section 15, Township 25N, Range 3E, Willamette Meridian; and a portion of the SE ¼, Section 10, Township 25N, Range 3E, Willamette Meridian.

d. Photographs

2. Program of Utilization

a. Narrative: Seattle Parks and Recreation will add the Texas Way parcel and the North Forest to Discovery Park. Both areas are wooded extensions of the extant forests at the park and both are recognized, in part, as wildlife corridors by the City of Seattle.

At the Texas Way parcel, the Texas Way roadway will be removed, as will the entry gateway, chain link fence and wrought iron fence. The removal of the roadway will eliminate the awkward “double intersection at 36th and Government Way and make a better and safer entrance to Discovery Park. The roadway corridor will be regraded, soils amended, and plantings installed to restore the site. A mix of Douglas fir, red alder and other early successional, native tree and shrub plantings will be used to complement the adjacent forest on the eastern slope of the Cemetery parcel and the existing mature trees on the eastern edge of the Texas Way parcel. A trail will be installed along the old roadway alignment to link to the visitor center area of Discovery Park to the West Ohman Place entrance to Kiwanis Ravine.

At the North Forest, fencing at the western entrance will be removed. Over time, vegetation management consistent with other work in Discovery Park will be undertaken to control invasive species and to restore the wooded slope and wetland area.

b. Schedule of Development: The roadway removal and site restoration work will be undertaken after the property is acquired and other street work is undertaken to provide alternate access from 36th West to the other future uses of the Army Reserve site. At this time, property transfers are not expected to occur until 2009 in order to allow for Army Reserve units to be reassigned to new facilities at Fort Lewis and elsewhere. Roadway removal and site restoration described above would likely occur sometime in the 2009-2010 time period.

Funding will need to be provided in the Seattle Parks and Recreation’s 2009-2010 Capital Improvement Program. It is estimated that the roadway and fencing removal, site restoration and trail development will cost approximately \$200,000 in current dollars. The City’s Cumulative Reserve Fund (CRF) or the Shoreline Park Improvement Fund’s Opportunity Fund may be the sources of such money.

c. Site Plan: See the maps at the end of the narrative sections of Part B.

d. Historic Preservation Plan: There are no known historic resources on the two areas proposed to be acquired. As noted previously, the brick smokestack from the original Fort Lawton incinerator is adjacent to the north forest area. The stack is not part of the Fort Lawton Historic District that is listed to the National Register of Historic Places. The district is approximately a mile away, to the southwest and in the middle of Discovery Park.

3. Need

a. Current Population: The 2000 census placed Seattle's population at 563,374 persons. This represents approximately a 9% increase in population since the 1990 census. Recent estimates of Seattle's population indicate continued population growth. Seattle is the center of a large metropolitan area with a population of nearly 3,000,000 people. Continued population growth due to strong aerospace, computer software and other information technology, electronics, genomics, biotechnology, medical equipment and other industries is expected in the future.

Seattle's population grew by only 1.1 % during the period from 1960 to 1990, but the number of households grew by 29%. In 2000, only two of every five households had children. Of the nation's 25 largest cities, only San Francisco had fewer children in 2000; and of the nation's 25 largest cities, only Washington, DC had more one-person households than Seattle. However, in 2000, one of seven children lived in poverty in Seattle, compared to one in eleven adults.

The percentage of 20-34 year old adults represent the largest age cohort of Seattle's population, even more than the "baby-boomer" generation that ranged in age from 34 to 54 years in 2000. While the portion of the population age 65 years and older declined from 1990 to 2000 to approximately 11% of the population, this portion of the population is expected to increase in coming years as the "baby boom" generation reaches that age group.

Seattle's population continues to increase in racial diversity. In 1990, Seattle's population was 75% white; by 2000 this had decreased to 70%. This figure is expected to be even lower at present, as people of color now are estimated to constitute 33% of the population. People of Asian or Pacific Islander descent are estimated to be the largest non-white group, amounting to approximately half of all people of color in Seattle. Over 20% of the people in Seattle speak a language other than English at home. Over 17% of the city's population was born in a foreign country. This represented a 40% increase over 1990 figures. Nearly half of the foreign born population entered the United States in the 1990's. Asia was the birthplace of half of the foreign born population in Seattle. While the largest groups of the foreign born population were from the Philippines, Vietnam, and China, there was significant immigration in recent years from Mexico as well as from Ethiopia and other east African countries. Poverty rates for the non-white portion of the population is twice that of the white portion of the population.

The continued population growth and increase in density of population, along with the evolving nature of Seattle's population has meant increased recreational demands on the Seattle park system in recent years, along with increased pressure to protect urban open space.

b. Parks and Recreation Areas in Seattle: Seattle Parks and Recreation manages over 6100 acres of parkland in over 400 individual parks in Seattle. This land base represents over 10% of the land in Seattle. The parks range in size from the 550 acres at Discovery Park to small mini-parks. The park system includes 26 community centers, 8 indoor swimming pools, the Seattle Aquarium, the Woodland Park Zoo (operated by the Seattle Zoological Society), several arts facilities, nature centers, and three 18-hole golf courses and two smaller ones. There are numerous sportsfields, tennis courts, basketball courts, and play areas throughout the park system as well as extensive natural areas.

As noted previously, Discovery Park has been created from the former Fort Lawton. The long range development plan for the park calls for the park to be a place of quiet and tranquility. It is a sanctuary for wildlife and an outdoor classroom for Seattle's citizens to learn about the natural world. The park features nearly two miles of saltwater beaches on Puget Sound, steep wooded bluffs, open meadows and mixed conifer and deciduous forests, wetlands, and maintained park land. An extensive trail network loops through the park and provides access to these various environments. The park is well used for walking, jogging, bird watching and other passive activities. Park features such as tennis courts, a basketball court, and play area are at the southeast part of the park to support other traditional park uses.

The park's visitor center supports a popular environmental education program that is primarily geared to pre-school and elementary aged children. These programs make use of the rich diversity of forest, thicket, meadow and marine shoreline habitats at the park.

Historic resources in the park include the Fort Lawton Historic District and the West Point Light Station, both listed to the National Register of Historic Places. The Fort Lawton Historic District includes renovated Army buildings and the fort's original Parade Ground that date from 1898. These features recall the site's past as a military installation. The light station includes the 1884 vintage lighthouse as well as two lighthouse keepers quarters. These structures will be renovated in the next two years to preserve them and allow for public use.

Other parks in the Magnolia area of Seattle include:

- Bayview Playground, 4.6 acres
- Commodore Park, 3.9 acres
- Etta Bailey Park, 2.4 acres
- Kiwanis Ravine, 8.7 acres
- Lawton Park, 11.9 acres
- Magnolia Boulevard
- Magnolia Park, 12.1 acres
- Magnolia Playfield, 15.3 acres
- Smith Cove Park, 4.4 acres

The Magnolia Community Center and Pop Mounger outdoor swimming pool are at Magnolia Playfield. There is a play area, four tennis courts, and sportsfields at Magnolia Playfield as well.

Other, smaller sportsfields are at Bayview Playground, Lawton Park and Smith Cove Park; and play areas are at Bailey Park, Bayview Playground, Lawton Park and Magnolia Park.

c. Parks and Recreation Deficiencies: The City of Seattle's Comprehensive Plan includes a goal of providing for one acre of "breathing room" open space per every 100 residents in Seattle. With a land base of 6100 acres for a population of 563,374, Seattle has met such a goal on a citywide basis at present. However, Seattle Parks and Recreation has continued to acquire selected open space to meet the demands for future population growth and to preserve wooded hillsides, creek corridors and other wildlife habitat.

Portions of the Fort Lawton Army Reserve Facilities are mapped as Environmentally Critical Areas (ECA) by the Seattle Department of Planning and Development. Additional land use controls are in place in such areas to protect health and safety or to preserve environmental qualities. In particular, portions of the north forest are mapped as steep slope ECA. Much of the north forest is mapped as a wildlife habitat conservation area, as is the east slope of the cemetery parcel upslope from the Texas Way parcel. The wildlife area designation is based on Urban Natural Open Space mapping by the Washington Department of Fish and Wildlife to identify wildlife habitat that should be protected.

The north forest at the Army Reserve Facilities site and the nearby Kiwanis Ravine have recently been identified as a great blue heron nesting colony and much of the Army Reserve Facilities site is mapped as a management area buffer for the nesting area. Great blue herons are large birds listed as a priority bird by the Washington Department of Fish and Wildlife. They aggregate during breeding season in large colonies with nests in tall trees proximate to water. Suitable habitat for the birds is in decline due to population growth and urban development and the birds are vulnerable to human disturbance. The Seattle Department of Planning and Development has prepared draft rules to protect large trees in the great blue heron management area and to limit construction activities to the non-nesting season (February 1 to July 31). The great blue heron is officially listed as Seattle's City bird.

Acquisition of the north forest would preserve the great blue heron colony nesting area at the Army Reserve Facility. This would be part of a continuous wildlife corridor linking the northeast part of Discovery Park with northern end of the Kiwanis Ravine. Similarly, acquisition of the Texas Way parcel would protect the wildlife area extant at the east slope of the cemetery parcel, and help create a wildlife corridor from Discovery Park to the southerly end of Kiwanis Ravine at West Ohman Place.

d. Public Use: Neither the Texas Way parcel nor the north forest area are envisioned for active recreational use. As noted above, both would be additions to Discovery Park in order to preserve urban wildlife habitat. Public use of Discovery Park is estimated to be in the vicinity of a half million visitors per year, with much of that use focused on bird-watching and other nature study. The acquisition, environmental restoration and habitat protection of the two areas would further the enjoyment of Discovery Park for study of the natural environment in the future.

4. Suitability

Appropriateness: As indicated previously, the Texas Way parcel and the north forest area both directly adjacent to existing Discovery Park property. Both are wooded open spaces that allude

to being immediately added to Discovery Park and which provide valuable wildlife habitat in relation to Discovery Park and Kiwanis Ravine. The north forest is already mapped as a wildlife habitat conservation area, and mapped as a great blue heron nesting colony area that extends to Kiwanis Ravine. The Texas Way parcel is a treed roadway corridor that forms a green link between Discovery Park and Kiwanis Ravine as well. The Texas Way parcel offers the potential to create a pedestrian link (trail) from the Discovery Park Visitor's Center to the West Ohman Place entrance to Kiwanis Ravine.

b. Buildings, Facilities: There are no buildings or other improvements that would be reused at the Texas Way parcel or the north forest area. As indicated in the Program of Utilization, the Texas Way roadway would be removed, along with the gateway and fencing.

c. Location of Property: The Fort Lawton Army Reserve Facilities are immediately adjacent to Discovery Park, approximately five miles from the City center. Discovery Park is located in Seattle's Magnolia community, atop Magnolia Bluff.

d. Public Transportation: The park is served by Metro Transit Route #33, which enters the park entrance at West Government Way at 36th West. The south side of the park is served by two other Metro Transit routes. West Government Way is an arterial street that links Discovery Park to bridges that connect to 15th Avenue West, a major arterial corridor from downtown to northwest Seattle.

Bike lanes and sidewalks on West Government Way provide access to Discovery Park. Plans are in place to link these bike lanes to other future paths at Fisherman's Terminal and along the Lake Washington Ship Canal and provide connections to existing trails at the Ship Canal and around Lake Union, as well as the City's popular Burke-Gilman Trail at the Fremont Bridge. A pedestrian and bicycle link at Kiwanis Ravine and to Commodore Park already allows for a connection to the Burke-Gilman Trail at the Hiram Chittenden Locks on the Ship Canal.

5. Capability

a. Programming, Development and Operational Experience: Seattle Parks and Recreation is an operating department of the City of Seattle. The Seattle park system has been in existence since 1884 and has grown from a single 5-acre park to the vast system of over 6100 acres in over 400 separate parks. Seattle Parks and Recreation operates numerous recreational facilities in these parks, including, various sportsfields, play courts, play areas and 26 community centers, 8 indoor swimming pools, 2 outdoor swimming pools, 7 swimming beaches, two small craft centers, 10 boat ramps, three 18-hole and 2 smaller golf courses, four environmental education centers, a zoo and an aquarium. There are facilities in the park system for active recreation as well as both large expanses and small pockets of natural open space for passive enjoyment. Seattle Parks and Recreation is responsible for not only the day-to-day operation of this system, but is also responsible for planning and development related to improvements of the system. Seattle Parks and Recreation has developed, operated, and maintained Discovery Park since taking possession of the first surplus portions of Fort Lawton in 1972.

b. Financial Ability: Seattle Parks and Recreation has an operating budget in 2007 of \$117,594,998, financed primarily by the City's General Fund. This fund is generated by a

combination of business and occupation, property, and utility taxes, as well as other fees, charges, and fines. The 2007-2008 capital improvement program for Seattle Parks and Recreation totals over \$121,000,000. It is generated by a variety of fund sources, including the City's Cumulative Reserve Fund that is derived from real estate excise taxes, voter approved levies, and capital grants-in-aid from federal, state and other government agencies.

The Texas Way parcel and north forest additions to Discovery Park will be maintained as part of the operation of Discovery Park in the future. Removal of roadways and fences, and site restoration as indicated in the Program of Utilization will involve a future capital improvement project in the future, likely in the 2009-2010 biennial capital improvement program.

c. **Organization:** The City of Seattle has a strong mayor-strong council form of government in which the mayor is the chief executive officer and the city council the legislative body. Seattle Parks and Recreation is an operating department of the city and is administered by a Superintendent appointed by the Mayor of Seattle and confirmed by the Seattle City Council. The department is organized into seven divisions with a total of 1,091 full-time employees. An organization chart for Seattle Parks and Recreation is included with the maps and other figures at the end of the narrative sections of Part B.

(divider)

**APPLICATION FOR FEDERAL REAL PROPERTY FOR PUBLIC
PARK AND RECREATION PURPOSES**

Part C

RESOLUTION _____

A Resolution authorizing the Superintendent of Parks and Recreation to file an application with the National Park Service, U.S. Department of the Interior, to acquire portions of the Fort Lawton Army Reserve Facilities for additions to Discovery Park.

WHEREAS, certain real property owned by the United States of America, located in the City of Seattle, King County, State of Washington, has been declared surplus and, at the discretion of the Department of Defense, may be assigned to the Secretary of the Interior for disposal for public park or recreational purposes under the provisions of 40 U.S.C. § 550 (e), and any regulations and policies promulgated pursuant thereto, more particularly described as follows:

Fort Lawton Army Reserve Facilities:

Approximately 10 acres in two separate parcels:

- (1) Approximately two acres constituting the Texas Way parcel; and
- (2) Approximately 8 acres of the north forest at the northern margin of the Army Reserve Complex parcel.

WHEREAS, the City of Seattle needs and will use said property in perpetuity for public park or recreational purposes as set forth in its application and in accordance with the requirements of said Act and any regulations and policies promulgated thereunder;

BE IT RESOLVED BY THE CITY COUNCIL, THE MAYOR CONCURRING,
THAT:

Section 1. The City of Seattle shall make application to the National Park Service for, and secure the transfer to, the above-mentioned property for said use and subject to such exceptions, reservations, terms, covenants, agreements, conditions, and restrictions as the National Park Service, and the Federal disposal agency may require in connection with the disposal of said property under said Act and the regulations and policies issued pursuant thereto.

Section 2. The City of Seattle has legal authority, and is willing and able, to properly develop, maintain, operate, and assume liability of the property, and that the Superintendent of Parks and Recreation is hereby authorized, for and on behalf of the City of Seattle to do and perform any and all acts and things which may be necessary to carry out the foregoing resolution, including the preparing, making, and filing of plans, applications, reports, and other documents, the execution, acceptance, delivery, and recordation of agreements, deeds, and other instruments pertaining to the transfer of said property, including

the filing of copies of the application and the conveyance documents in the records of the governing body, and the payment of any and all sums necessary on account of the purchase price thereof or fees or costs incurred in connection with the transfer of said property for survey, title searches, recordation of instruments, or other costs identified with the acquisition of said property.

Adopted by the City Council of the City of Seattle this _____ day of _____, 2007 and signed by me in open session on _____, 2007.

Nick Licata,
President of the City Council

The Mayor concurring

Greg Nickels, Mayor, City of Seattle

Acceptance by the United States of America

The foregoing application is hereby approved and accepted by and on behalf of the Secretary of the Interior for the United States of America this _____ day of _____, 20__.

(Signature)

(Title)

(Office)

National Park Service
U. S. Department of the Interior



SEATTLE PARKS
AND RECREATION

Fort Lawton Army Reserve and Discovery Park

Puget Sound

Shilshole Bay

Green Lake

Union Bay

Lake Union

Elliott Bay

Lake Washington

Puget Sound

LEGEND

- ★ Fort Lawton AR/
Discovery Park
- City Parks



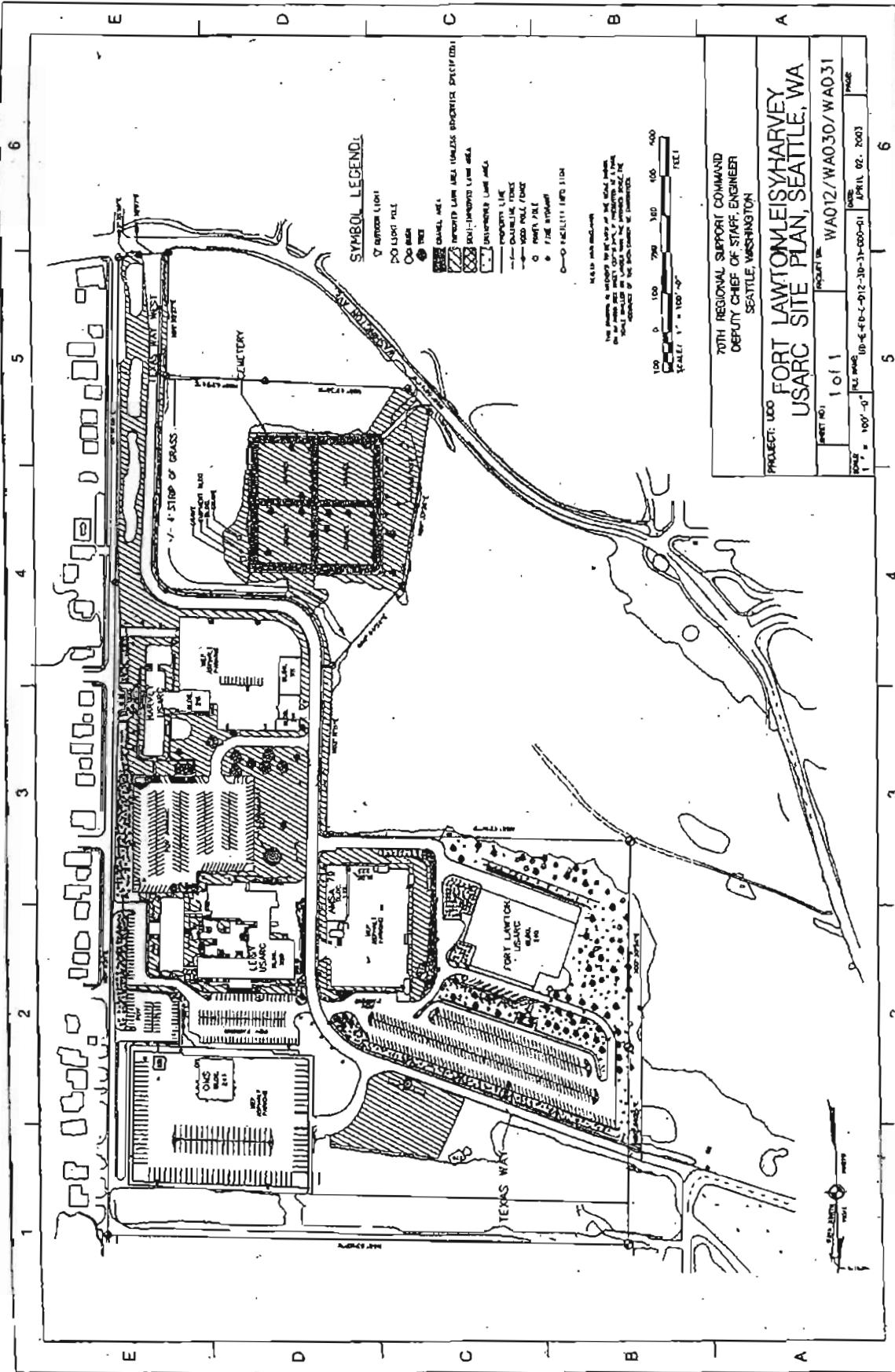
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accompany this product.

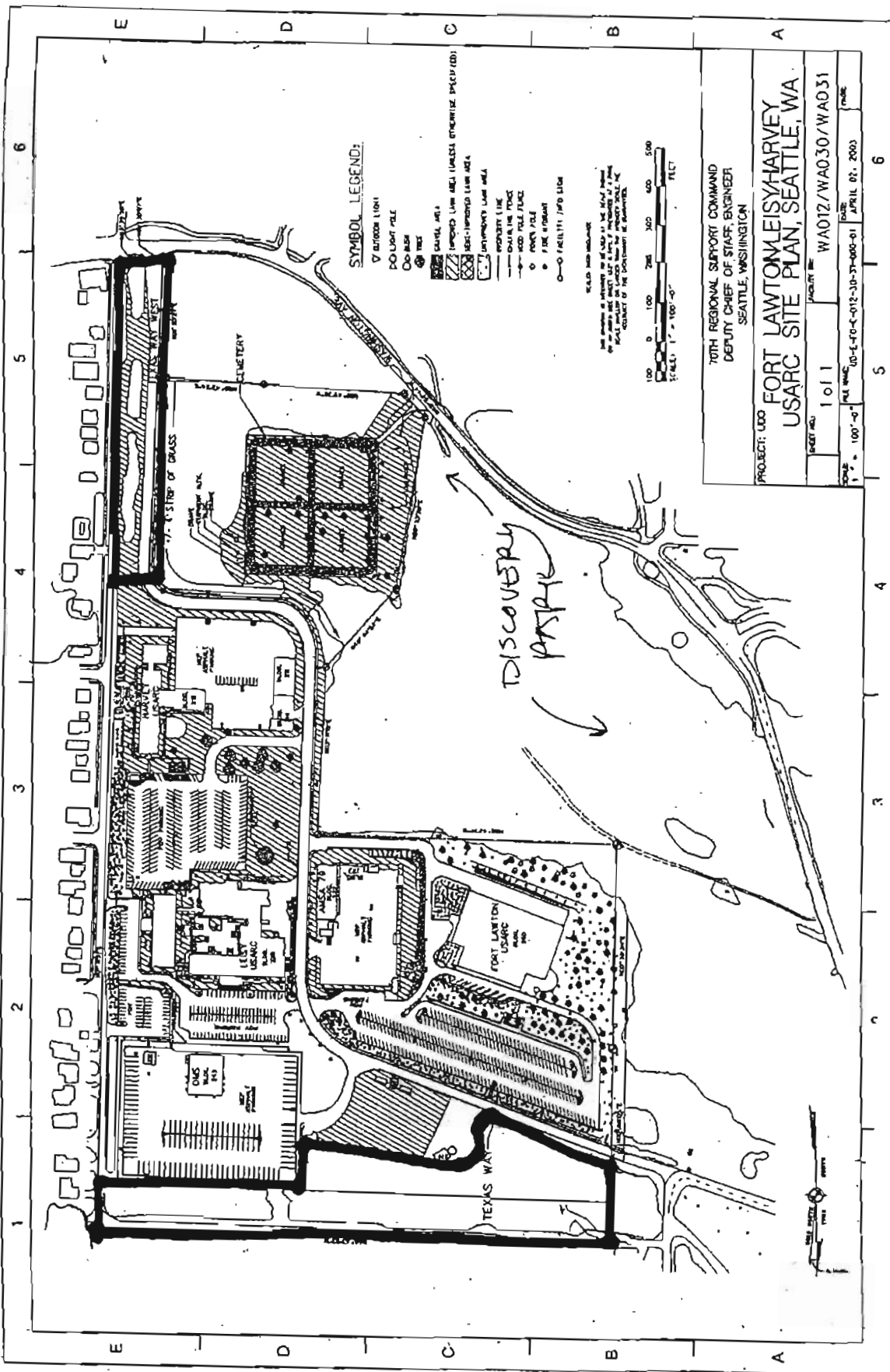
Map date, January 8, 2007



Fort Lawton
Army Reserve
Facilities



EXISTING CONDITIONS



PROPOSED SEATTLE PARKS
 ACQUISITIONS



King County

Ron Sims

King County Executive
701 Fifth Avenue, Suite 3210
Seattle, WA 98104

206-296-4040 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

June 30, 2008

The Honorable Greg Nickels
Office of the Mayor
P.O. Box 94749
Seattle, WA 98124-4749.

Dear Mayor Nickels:

The City of Seattle has a unique opportunity to redevelop the Fort Lawton site, encompassing more than 30 acres of federal land inside the city limits. This is an extraordinary chance to work with the neighborhood, along with other visionary Seattle residents to create a 21st Century livable and walkable community.

King County understands the reuse plan for Fort Lawton will include a variety of housing types. Affordable and workforce housing continues to be a challenge for many residents to obtain in Seattle, and a growing challenge in almost all parts of King County. One fact is clear, and that is that housing gives people the opportunity to build better lives. To succeed you need a place to call home.

I commend the city for reaching out to the community for their public input and ensuring that For Lawton becomes a livable and diverse mixed-income community, at the same time balancing open space and environmental habitat priorities. I strongly believe that with partnership and collaboration, a vibrant, walkable and sustainable housing development can appropriately fit into the surrounding neighborhood.

King County will be a supportive partner in this important endeavor. As partners, King County understands that increased bus service will be needed to support this neighborhood and will work with the city to develop service plans that provides adequate bus service to residents.

I have asked Nori Catabay, Housing and Sustainability Coordinator to represent King County in this process. She may be reached, at 206-296-4629. I look forward to our future partnership in providing housing so that everyone has a safe, decent place to live.

Sincerely,

Ron Sims
King County Executive

cc: Nori Catabay, Housing and Sustainability Coordinator, Office of the King County Executive

Appendix D – Legally Binding Agreements

After recording return to:

City of Seattle
Office of Housing
PO Box 94725
Seattle, WA 98124-4725
Attention: Mark Ellerbrook

LEASE

Reference numbers of related documents:

N/A

Grantor:

THE CITY OF SEATTLE

Grantee:

Archdiocesan Housing Authority

Legal Description:

Summary: _____

Additional description on Exhibit D

Assessor's Property Tax Parcel Account Nos.:

LEASE

LEASE

Between

The City of Seattle
a municipal corporation
of the State of Washington and

Archdiocesan Housing Authority
a Washington nonprofit corporation

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- D. Legal Description of Premises
- E. Information Received by Lessee

LEASE

Between

The City of Seattle
a municipal corporation
of the State of Washington and

Archdiocesan Housing Authority
a Washington nonprofit corporation

**FOR THE DEVELOPMENT AND OPERATION
OF HOUSING FOR HOMELESS PERSONS AT FORT LAWTON**

This Lease is entered into as of the ____ day of _____, 20__ by The City of Seattle, a municipal corporation of the State of Washington and the Archdiocesan Housing Authority, a Washington nonprofit corporation (“AHA” or, together with any Assignee of its interest hereunder, “Lessee”).

RECITALS

On _____, 20__, the City acquired title to portions of the Fort Lawton Army Reserve Center from the United States government under terms and conditions requiring, among other public and community uses, the development and management of housing for the homeless and related services.

AHA was selected by the City through a Notice of Interest to construct and operate 55 units of housing for homeless seniors age 55 and older as part of the redevelopment of property identified by the Army for disposition as surplus at Fort Lawton. AHA will provide an appropriate residential environment and plan, arrange and coordinate social and health services for the project Tenants. AHA’s supportive services model is to provide a high level of on-site programming including case management and a daily meal program designed to promote Tenant housing stability and self-sufficiency. On-site property management services are to include 24-hour front office staffing.

AHA will enter into an agreement with United Indians of All Tribes Foundation (“United Indians”) to provide residents culturally appropriate supportive services both on-site and off. United Indians operates the nearby Daybreak Star Cultural Center, which serves as a nucleus of Native American cultural activity in the region. United Indians was selected by the City through the Notice of Interest process to provide culturally appropriate support services.

The City and AHA anticipate the assignment of the Lessee’s interest in this Lease to a limited liability company or limited partnership for the purpose of securing financing for the construction of the homeless housing units on the Premises.

THEREFORE, in consideration of the lease of the below-described premises by the City as Lessor to AHA as Lessee and the mutual covenants made herein, the parties agree as follows:

1. DEFINITIONS

The following capitalized terms used in this Lease shall have the following meanings unless the context otherwise requires:

“Application” means the redevelopment plan and homeless assistance submission by the City to the United States Department of Housing and Urban Development (“HUD”) and United States Department of Defense (“DoD”) for the transfer of the Premises to the City, as finally approved by HUD and DoD.

“AHA” means Archdiocesan Housing Authority, a Washington nonprofit corporation.

“Article” means a portion of this Lease designated by a number and a heading in all capital letters, and includes all Sections thereunder.

“Army Deed” means the deed conveying the Premises from the United States Army to the Lessor dated _____, 20__ and recorded under King County recording no. _____

“Assignee” means the recipient of any Assignment, made with written consent of Lessor, that assumes the obligations of Lessee hereunder.

“Assignment” means the assignment of all of the Lessee’s rights and interests under this Lease.

“Building” means the residential building to be constructed by the Lessee pursuant to this Lease, including all fixtures thereon and therein, and any replacements for such building and fixtures.

“Certificate of Occupancy” means a temporary certificate of occupancy issued by DPD after the construction of Improvements, or, if no temporary certificate of occupancy is issued, then a permanent certificate of occupancy.

“City” means The City of Seattle, a Washington municipal corporation.

“Codes” include all land use, building, housing, fire, electrical, mechanical, plumbing and other codes applicable under City ordinances or State law, and all valid interpretations thereof issued by the agencies responsible for the administration thereof.

“Construction Plans” means plans and specifications for the construction of new Improvements, or for the restoration of Improvements, in sufficient detail for submission of a building permit application and in compliance with all applicable Codes.

“DoD”: means the United States Department of Defense, and any successor agency.

“DPD” means the Seattle Department of Planning and Development, and any successor agency.

“Director” means the City of Seattle Director of the Office of Housing and any official who may succeed to the authority or responsibility of such Director to act for the Lessor under this Lease in the future. In addition, in any instance in which action by the “Director” is contemplated by the terms of this Lease, “Director” shall include any other City employee authorized by the Director or by the Mayor of The City of Seattle to take such action.

“Effective Date” means the date when this Lease has been executed by both parties.

“Environmental Review” means review by the United States government under the National Environmental Policy Act and related laws in connection with the transfer of the Premises or Fort Lawton Property.

“Fort Lawton Property” means the land generally depicted on Exhibit A, including both land acquired from the United States by the Lessor and land acquired or to be acquired by other parties, and all buildings and improvements now or hereafter located thereon, subject to any deletions, additions or adjustments as may have been or may be required by the United States government in connection with the transfers of property.

“Homeless person” has the meaning set forth in 24 CFR Section 586.5.

“HUD” means the United States Department of Housing and Urban Development and any successor department or agency.

“Improvements” means the Building, any additions or modifications thereof, and any other structures or fixtures that shall be constructed or installed on the Premises during the Term of this Lease, but shall not include any infrastructure or utility improvements (including but not limited to streets; light and power poles; signs; water, sewer, electric and gas lines) presently existing or hereafter installed and owned by the City or any other public utility.

“Lessor” means the City, solely in its capacity as the owner of the Premises and lessor under this Lease, and any successor owner of the Premises.

“Personal Property” means any personal property acquired for the operation or maintenance of the Premises with funding provided by the City or another government.

“Premises” means the land depicted in Exhibit C and described in Exhibit D attached hereto and incorporated by this reference.

“Rent” means the rent fixed in Section 4.1.

“Section” means a part of this Lease designated by a number with a numeral after a decimal point, such as “11.3”, including all subsections, paragraphs and clauses therein.

“Tenant” means any residential tenant or subtenant occupying a housing unit, and any member of any such person’s household, and shall include any residential client of a facility for the homeless, whether or not such person has the status of a tenant under applicable law.

“Term” means the term of this Lease specified in Section 3.1, as extended, if applicable, pursuant to Section 3.4.

“United Indians” means United Indians of All Tribes Foundation, a Washington nonprofit corporation.

2. CONSTRUCTION OF BUILDING

2.1 The Lessee shall cause to be constructed and installed on the Premises, at Lessee’s expense, a residential building including 55 dwelling units, with a central kitchen and communal dining area sufficient to serve all residents, other suitable common areas, fixtures, systems and furnishings, and the driveways, parking areas, walkways reasonably required to serve the Building, and all landscaping required in connection with applicable permits, all in accordance with Construction Plans acceptable to the Director. The Lessee shall diligently pursue all necessary private, federal, state and local financing, permits, approvals, design and engineering work, and contracts for the development and construction of the Building and such related site Improvements.

2.2. The Lessee shall comply with the development process set forth in Exhibit B to this Lease, which is incorporated herein by this reference, in each case unless extended by the Director in writing, in the discretion of the Director. Regardless of any extensions or any other provisions of this Lease, the Lessee shall ensure that the Building is completed, has a Certificate of Occupancy, and is ready for occupancy of all Units, no later than 5 years after the Effective Date.

3. TERM

3.1 Term of Lease. Subject to the provisions of this Lease and the terms of the Army Deed, Lessor leases to Lessee and Lessee leases from Lessor the Premises described below. This Lease shall be in effect from the Effective Date for a period of 60 years, ending the day before the 60th anniversary of the Effective Date (“Initial Term”), unless sooner terminated as provided elsewhere in this Lease.

3.2 Early Termination. The Lease may be terminated prior to expiration of the Term by written agreement of the Lessor and Lessee; or for default as described in Article 17, after any applicable cure period; or due to casualty as provided in Article 15; or as provided below in this Article or in Articles 5, or 31. If not otherwise specified, termination shall be effective ninety (90) days after written notice of termination from the Lessor.

3.3 Termination if Premises Not Used for Homeless. Lessor shall have the right to terminate this Lease by written notice to Lessee if the Building is not completed by the date required under the last sentence of Section 2.2, or if within 90 days after that date there are not at least 75% of the units occupied by Tenants eligible under the terms of this Lease. In addition, Lessor shall have the right to terminate this Lease by written notice to Lessee if the Premises cease to be used for the homeless.

3.4 Extension of Lease. If this Lease shall be in full force and effect, the Lessee shall be in full compliance with the terms of this Lease, and the Building shall then be at least 90% occupied by Tenants eligible under the terms of this Lease, then at the option of the Lessee, exercisable by written notice to the Lessor no more than one year and no less than 180 days prior to the scheduled expiration of the Term of this Lease, the Term of this Lease shall be extended for an additional 25-year period. This option to extend may be exercised only twice, so that the total Term of this Lease shall not exceed 110 years.

4. RENT AND OTHER CHARGES

4.1 Rent. Lessee shall pay Lessor base rent for the Premises during the Term at the rate of ONE HUNDRED DOLLARS (\$100.00) per year. Rent shall be due and payable by Lessee to Lessor on the Effective Date of the Lease for the first year of the Term and subsequently payable by Lessee on each anniversary of the Effective Date of the Lease. Lessee reserves the right to prepay the entire Term or portions thereof, but no acceptance of prepayment shall affect the right of the Lessor to terminate this Lease upon the circumstances set forth herein, and there shall be no right to any rebate of prepaid rent upon any such termination.

4.2 Other Charges. Lessee shall pay all other charges as set forth in Article 9. It is the purpose and intent of the parties and they agree that Rent payable hereunder shall be absolutely net to Lessor so that this Lease shall yield to Lessor the Rent specified, free of any charges, assessments, or impositions of any kind charged, assessed, or imposed on or against the

Premises, and without abatement, counterclaim, deduction, defense, deferment or set-off by the Lessee, and Lessor shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth. The foregoing notwithstanding, if Lessor shall be subject to property taxes on the Premises, the Lessor, not the Lessee, shall be obligated for such taxes.

5. PREMISES; USE

5.1 Use of Premises.

(a) Lessee agrees that, except as otherwise expressly provided herein, the Premises shall be solely devoted to the development and operation of a residential Building for homeless persons (including community space, landscaping, gardens, playgrounds and other open space available to such residents), and for related services to the homeless persons as may be approved by the Lessor and as may be consistent with applicable federal or state laws and regulations.

(b) Any nonresidential space in any buildings on the Premises shall be used solely for services to the homeless persons residing on the Premises unless otherwise expressly agreed in writing by the Lessor. Lessee shall maintain and produce for inspection and copying upon demand by the Lessor or HUD records demonstrating compliance with this Section.

(c) At all times during the Lease, unless otherwise approved in writing by the Lessor, all usable space in the Improvements on the Premises shall be used for purposes that qualify as the necessary support of the poor or infirm, as authorized under Article VIII, Section 7 of the Washington State Constitution.

5.2 Supportive Services for Homeless.

Lessee shall provide supportive services to all residents of the Premises. The supportive services model shall include, at a minimum, case management and a daily meal program serving resident 3 meals per day designed to promote Tenant housing stability and self-sufficiency. In addition, Lessee shall cause culturally appropriate services including but not limited to alcohol and other drug abuse treatment, mental health services, and the coordination of healthcare benefits according to the needs of Tenants, consistent with the Application. These additional services shall be provided through a contract with United Indians acceptable to the Lessor, unless the Lessor shall approve a substitute contractor. Should United Indians be unable or unwilling to provide appropriate services, and should no acceptable substitute contractor be available, then Lessee shall directly provide culturally appropriate services.

5.3 Inability to Continue Use for Homeless. If Lessee is unable to continue operation of any part of the Premises consistent with this Lease due to unavailability of

sufficient operating funds, then Lessee shall so inform Lessor in writing and Lessee shall have no liability in damages to Lessor for failure to continue such use. Upon such notification, Lessor shall then have the right to terminate this Lease, by thirty (30) days' written notice to Lessee.

6. OWNERSHIP OF IMPROVEMENTS AND PERMISSION OF LESSOR

6.1 Title to Improvements and Personal Property. Lessee shall hold title to the Building and any other Improvements constructed on the Premises. Lessee's title to all Improvements and Personal Property shall be subject to all the terms and conditions of this Lease, including without limitation the reversion to the Lessor upon termination. Lessee shall have no right to remove, destroy, damage or alter any Improvement or portion thereof, nor to permit any person to do any of the foregoing, without the express written consent of the Director. At the expiration of the Term, or if this Lease is earlier terminated as provided under this Lease, the Improvements, together with all related Personal Property, shall become the property of Lessor without any payment by Lessor; provided, that the Lessor may require the Lessee to remove, within ten (10) days after notice to Lessee, at Lessee's sole expense, any fixtures or structures on or under the Premises that were constructed, affixed or substantially modified without the approval of the Lessor or in violation of applicable laws, regulations or Codes, or that were permitted by Lessor on condition that they be removed upon expiration or termination of the Lease.

6.2 Permission of Lessor. Subject to any restrictions on the Premises reserved in the conveyance by the United States, the Director shall not unreasonably withhold permission for Lessee and its contractors and subcontractors to engage in any excavation or construction activities reasonably necessary to construct, repair, alter or improve the Improvements contemplated by this Lease, consistent with Construction Plans acceptable to the Director. Lessor agrees to timely review and respond to requests for approvals or permissions for related excavation and construction as may be necessary under this Lease or as may be necessary to secure building or other permits as may be required by applicable law. Lessor further agrees to cooperate with and permit the hook-up of any and all necessary utilities to the Building. However, Lessee shall obtain any and all necessary permits for utility hook-ups as required by applicable law.

7. MANAGEMENT AND OPERATION

7.1 Applicable Laws. The operation and management of the Premises by Lessee shall be conducted consistent with the requirements of applicable laws, regulations and ordinances.

7.2 Property Manager. Beginning no later than the commencement of occupancy of the Building, Lessee shall ensure that there is competent on-site property management staff on duty at all times, 24 hours each day. Lessee may contract with one or more property

managers with the written consent of the Director, to manage the operation of the Premises consistent with this Lease, but no delegation of any duty or obligation to any property manager shall limit the responsibility or liability of Lessee hereunder.

7.3 Rules and Regulations. The Lessee agrees to observe, and to take all reasonable measures to cause Tenants and other persons allowed on the Premises to observe, such reasonable rules and regulations governing the Premises as the Lessor may promulgate from time to time, to the full extent such rules and regulations are permitted under applicable law.

8. DELAY IN PERFORMANCE

8.1 Force Majeure. Subject to Section 8.2, to the extent that delays in the performance of Lessee's obligations, including but not limited to the development of plans and specifications, securing of funding commitments or commencement, completion of construction of the Improvements, and repair or restoration of the Improvements, are due to causes or events beyond Lessee's reasonable control and without its negligence, including but not restricted to, any delays or suspensions of construction compelled by court order, acts of God, acts of the public enemy, reasonably unforeseeable acts of a unit of local, state or federal government, reasonably unforeseeable acts or omissions by other parties, fires, floods, labor strikes or suspensions, embargoes, delays in or suspension or loss of essential utility services, loss of ingress or egress to the Premises, earthquake, volcanic event, earth movement, accident, war or military action, civil unrest, riot, unavailability of necessary materials for construction or repair, unusually severe weather, or delays of contractors or subcontractors due to such causes or events, the time for the performance of the obligation shall be extended, and Lessee shall not be considered in breach of its obligations under this Lease, for the period of the enforced delay if Lessee shall request an extension of time in writing from Lessor promptly and in any event within thirty (30) days after Lessee becomes aware, or reasonably should have been aware, of the cause of any such delay. Failure of the Lessee to obtain sufficient funding for the construction of new Improvements, after exercising its best efforts, shall be considered a cause beyond Lessee's reasonable control under this Section, provided that Lessee shall be continuing diligent efforts to obtain such funding.

8.2 Certain Termination Rights Not Affected. Nothing in this Article shall affect the right of the Lessor to terminate this Lease if otherwise authorized under Section 3.3, Section 5.3, Article 15, Article 17, or Section 31.3.

9. TAXES AND UTILITY CHARGES

9.1 Taxes. The Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises such as the rental or sale of goods or services; taxes and other impositions levied on its property, equipment, and improvements on the Premises; and taxes on the Lessee's interest under this

Lease and any leasehold interest deemed to have been created thereby under Ch. 82.29A RCW. In the event the State of Washington makes any demand upon the City as Lessor for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the Lessor to enforce collection of leasehold excise taxes, the Lessee shall, at its sole expense, contest such action and indemnify the Lessor for all sums expended by, or withheld by the State from, the Lessor in connection with such taxation.

9.2 Utility Charges. The Lessee, at the Lessee's sole expense, shall pay for, when due, all costs for providing all utilities and other services on or to the Premises, including but not limited to, elevator service, electricity, gas, water, telephone and other communications services, sewer, surface water management and other charges customarily billed with property taxes, garbage, recycling, heating and janitorial, and shall also pay all charges for new connections to water or sewer mains required in connection with the construction, rehabilitation, modification or use of Improvements. The Lessor shall be responsible for the installation or improvement of water or sewer mains, drainage facilities and electricity lines to the Premises if required for the purposes of the uses contemplated by this Lease, but shall not be responsible for connections, meters and related installations that would be the responsibility of the owner or developer of a building on private property according to standard policies of the City for utilities. Lessor's installations and improvements shall be made, to the extent required, in time to serve new Improvements constructed on the Premises in accordance with this Lease. The Lessor shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of utility services due to any causes whatsoever except the Lessor's gross negligence or breach of this Lease. The Lessee shall not be entitled to an offset, reduction, or return of Rent as a result of any interruption or failure of said services.

9.3 No Charges for Service to Other Property. Nothing contained herein shall require Lessee to pay any gas, electrical, water, sewer or any other charge for utility service furnished to parts of the Fort Lawton Property not conveyed to Lessee under the terms of this Lease.

9.4 Lessee's Right to Contest. Lessee shall have the right to contest or review by legal proceedings or in such other manner as may be legal, any tax, assessment, utility charge or other governmental imposition mentioned above and to pay such items under protest; provided, that nothing in this Section shall be construed to restrain the exercise of any remedy by any City utility for nonpayment, and provided further that notwithstanding any protest or challenge Lessee shall timely pay such amounts as are necessary to avoid interruption in service, including any interruption that would occur from application of the normal policy or procedure of any City utility.

10. ALTERATIONS; CONDITION AND CARE OF PREMISES

10.1 General Condition. The Lessee shall at all times keep the Premises in a neat, clean, safe and sanitary condition, and shall use and maintain the Premises in accordance with

the laws of the State of Washington and the Charter, ordinances and Codes of The City of Seattle, and in accordance with all valid rules and regulations of the Director of the Department of Public Health of Seattle & King County (“Health Officer”), Fire Marshal, Director of DPD and other appropriate officers of The City of Seattle, including without limitation those laws, regulations, ordinances and Codes applicable to public health, public safety, noise, and nuisance. The Lessee shall comply with the previous sentence at the sole cost and expense of the Lessee, except as otherwise expressly provided herein. The Lessee shall not cause or permit any waste, damage, or injury to the Premises, or permit anything to be done upon the Premises that in any way will tend to create a nuisance.

10.2 Lessee Accepts Premises AS IS.

(a) Lessee has fully inspected the Premises. Lessee is fully familiar with the condition of the Premises. Lessee accepts the Premises **AS IS**, in their condition on the Effective Date, and **ASSUMES THE RISK** of any defects in the condition of the Premises and of all the matters set forth below. Lessor makes **NO WARRANTIES OR REPRESENTATIONS OF ANY KIND**, except as follows:

(1) Lessor has provided Lessee with copies of all documents in Lessor’s possession pertaining to the United States’ transfer of interest in the Fort Lawton Property to Lessor that restrict or condition the Lessee’s use of the Premises.

(2) To the best of the knowledge of the Housing Director of Lessor, Exhibit E is a complete list of the reports, studies, and assessments regarding the environmental condition of the Premises or any abatement or remediation of any environmental conditions of the Premises, that were provided by the DoD and HUD to the Lessor in connection with the transfer of the Premises to the Lessor, or were undertaken by Lessor or by third parties on Lessor’s behalf. Lessor does not represent or warrant that the information in any such documents is complete or accurate.

(3) The Housing Director has no actual knowledge, obtained after the date of the recording of the Army Deed, that there is any condition of the Premises, not reasonably discoverable by the Lessee and not disclosed in any of the reports listed on Exhibit E or otherwise disclosed to the Lessee, that would have a material adverse effect on the use of the Premises for the purposes intended by this Lease.

(b) Without limiting the generality of the foregoing paragraph, Lessee agrees that, except as may be specifically set forth in this Lease, neither Lessor nor any person for whom Lessor may have any responsibility makes any representation, warranty or promise of any kind with regard to any of the following: (1) the physical condition of the Premises or improvements (land, buildings, fixtures, or infrastructure), whether or not readily determined by inspection; (2) the presence or absence of any underground tanks or any hazardous or defective substances or conditions on or about the Premises, or on adjacent properties; (3) the history of the Premises or activities that may have occurred or been conducted thereon or

thereunder; (4) soils conditions or drainage; (5) square footage of land or buildings; (6) encroachments; or (7) location or condition of utility lines.

(c) Except as otherwise expressly provided in this Lease, Lessee hereby irrevocably releases and waives any and all claims that Lessee has or may have hereafter against Lessor with respect to the condition of the Premises or arising pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or the Washington State Model Toxics Control Act, as amended.

(d) Lessee agrees that the Lessor shall have no liability or obligation as a result of any defect or condition of the Premises, including without limitation latent defects, except for any defect created by the negligent act or omission of Lessor or its contractors, employees, or agents after the date of recording of the Army Deed. Lessee acknowledges that the Housing Authority of the City of Seattle (“SHA”), a public body corporate and politic and not an agency or instrumentality of Lessor, has undertaken certain work on the Fort Lawton Property, including the Premises, in preparation for development and construction activities, and Lessee agrees that SHA and its contractors, employees and agents shall not be considered contractors, employees, or agents of Lessor. The Lessor shall have no obligation for any repairs, maintenance, or work of any kind except as expressly set forth in this Lease.

(e) Lessee and Lessor acknowledge that this Section has been specifically bargained for and that Lessor would not be willing to lease the Premises on the terms and conditions set forth herein without Lessee’s agreement to the terms of this Section.

10.3 Alterations.

(a) The Lessee shall not make, or cause to be made, any alteration, addition or improvement in the Premises, including without limitation installation, removal or modification of fencing or landscaping, without first obtaining the written consent of the Director for such work. The Director’s approval of alterations, additions or improvements expressly contemplated by this Lease shall not be unreasonably withheld, provided that the Lessee demonstrates the availability of sufficient financial resources to complete such alterations, additions or improvements. Ordinary repairs and any non-structural alteration of any structure that, together with all other items of the same nature during the calendar year, cost less than \$15,000.00, and emergency repairs immediately necessary for the usual and customary usage of the Premises, in each case if at the sole expense of Lessee, shall not require such prior written consent. Except for actions of the Lessor under Article 32, and except for any repairs required as a direct result of any damage to the Premises by Lessor after the date of this Lease, all alterations, additions and improvements made shall be at the sole cost and expense of the Lessee, and unless otherwise agreed in writing by the Director, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Lease, without disturbance, molestation or injury.

(b) The Lessor reserves an unqualified right to make repairs or alterations to the Premises or to the buildings thereon (i) where conditions deemed by the Director to constitute an emergency exist, or (ii) after prior written notice to Lessee requesting Lessee to make such repair or alteration in order to correct deficiencies in compliance with any applicable law, regulation or Code. Lessee shall reimburse Lessor on demand for the cost of any such repairs or alterations if made after the Lessee shall have failed or refused to do so. The Lessor also reserves the right to make general alterations to the Premises or to any buildings thereon at no cost to Lessee where such general alterations will not unreasonably interfere with the ordinary operation or use of the Premises or such building by the Lessee.

(c) In the event that, at any time after the Building has been placed in service, the Building shall, in the Lessor's reasonable judgment, immediately require an extraordinary capital improvement (such as replacement of a major building system), and sufficient funds are not available in the Lessee's capital reserves for such purpose, then the Lessor may make such capital improvement, and may require that the Lessee contribute all available funds in Lessee's capital reserves toward the cost of such capital improvement, subject to any approval required by any funding agreement approved in writing by the Lessor.

(d) During any alterations or construction the Lessee shall secure and provide on-site containers for the collection of waste materials, debris and rubbish associated with work. The Lessee shall keep the work site and all adjacent property free from the accumulation of waste materials, rubbish and windblown debris and, on a daily basis, shall dispose of all flammable, hazardous and toxic materials generated by or otherwise associated with the work. Storage and disposal shall be in accordance with Title 40 CFR, WAC Ch. 173-303 and Title 49 CFR and state and local fire codes and regulations. Lessee shall ensure that all waste materials, debris and rubbish generated by or otherwise associated with any work on the Premises shall be disposed of legally at disposal areas away from the Premises.

10.4 Access. The Lessor reserves for itself, its officers, employees, agents and contractors, free access to said Premises, including the buildings thereon, at all reasonable times for the purpose of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of the Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make said inspections, or to clean or make repairs, additions or alterations.

10.5 Signs. Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except those indicating the name of Lessee and the names and nature of the programs, services and facilities provided by Lessee and United Indians on the Premises, without approval in writing by the Director prior to such placement.

10.6 Keys. Lessee shall provide the Director with one (1) key for each exterior door lock of the Building immediately after the Building has been completed.

10.7 Equipment; Personal Property. All equipment and all appliances such as dishwashers, stoves, refrigerators, washers, and dryers located on the Premises shall be maintained and repaired by the Lessee at no cost to the Lessor.

10.8 Contracting for Alterations, Maintenance, Repairs, and Construction. Lessee shall ensure that all contracts and subcontracts for any alterations, maintenance, repairs, and construction activities (including contracts for related professional services), including without limitation the initial construction of the Building and related Improvements, shall be made, entered into, and performed in full compliance with all applicable laws, regulations, ordinances, fund source requirements, and the terms of this Lease (collectively, “requirements”), whether such contracts are let or made by the Lessee or by any other person. Lessee shall ensure, under all such contracts and subcontracts, that work shall be performed by licensed and qualified contractors, and that wages and benefits shall be paid in compliance with all applicable requirements. Lessee shall defend, indemnify and hold harmless the Lessor and its officers and employees from any claim, demand, liability, or cost (including attorneys fees) resulting from any failure by Lessee to ensure compliance as set forth in this Section.

10.9 Hazardous Waste or Materials.

(a) Restriction on Use; Response Plan; Definition. Lessee shall not dispose of or otherwise allow the release of any hazardous substances in, on or under the Premises, or any adjacent property, or in any Improvements placed on the Premises. Lessee represents, warrants and agrees that Lessee’s uses of the Premises (including uses by Tenants, invitees or licensees) shall not involve the use, production, disposal or bringing onto the premises of any hazardous substances, except for cleaning and maintenance supplies normally used in the operation of similar buildings that shall be used, stored and disposed of in compliance with all applicable laws, regulations and prudent practices. Lessee understands and agrees that flammable or hazardous substances, except those items necessary for the construction and the normal and reasonable maintenance and operation of the Building, are not allowed on the Premises without the express written permission of the Lessor. In any event, Lessee shall handle and dispose of all hazardous materials in accordance with all applicable laws. Prior to bringing any hazardous substance onto the Premises, Lessee shall prepare and submit to the Lessor a hazardous materials response plan, acceptable to the Lessor. Lessee shall comply fully with such plan, at Lessee’s sole expense. As used herein, the term “hazardous substances” includes asbestos, polychlorinated biphenyls, petroleum products, lead, explosives, paint, resins, solvents and any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute, regulation, rule or ordinance now or hereafter in effect, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and the Model Toxics Control Act, RCW 70.105D.

(b) Receipt of Information. Lessee acknowledges that it has received a copy of each of the documents listed in Exhibit E.

(c) Compliance. Lessee shall promptly comply at Lessee's expense with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal or cleanup of hazardous substances in, on or under any other part of the Premises or any adjacent property if resulting from a release caused by the act or omission of Lessee or any of its employees, agents, contractors, Tenants, licensees or invitees.

(d) Rights of Lessor. After notice to Lessee and a reasonable opportunity for Lessee to effect such compliance, Lessor may, but is not obligated to, enter upon the Premises and take such actions and incur such costs and expenses to comply with any applicable laws, regulations or guidelines regarding hazardous substances as the Lessor deems advisable to protect its interest in the Premises, provided, however, that Lessor shall not be obligated to give Lessee notice and an opportunity to effect such compliance if such delay may reasonably result in material harm to the City, the Tenants, providers, the public or the United States and either (i) Lessee has already had actual knowledge of the situation and a reasonable opportunity to effect such compliance, or (ii) Lessor deems that an emergency exists. Whether or not Lessee has actual knowledge of the release of hazardous substances, Lessee shall reimburse Lessor on demand for the full amount of all costs and expenses incurred by Lessor in connection with compliance activities with respect to hazardous substances for which Lessee has responsibility under subsection 10.09 (c) of this Lease, and such obligation shall continue even after the Assignment or termination of this Lease.

(e) Lessee's Duty to Notify and Cooperate; Response to Release. Lessee agrees to cooperate in any environmental assessments conducted by the Lessor's staff or independent third parties. Lessee agrees to provide the Lessor with notice of every governmental inspection of the leased Premises, notice of violation, and order to clean up contamination, within five (5) days after the receipt thereof by Lessee. Lessee agrees to permit the Lessor to participate in all settlement or abatement discussions. In addition, Lessee shall notify Lessor immediately of the presence or release of any hazardous substances as described in subsection (c) of this Section (other than hazardous substances permitted under subsection (a) that are stored, used, handled and disposed or in compliance herewith) and shall take timely and appropriate steps to protect persons and property from, and remedy the effects of, any such hazardous substances, which steps shall include immediate action in the case of any material release of hazardous substances.

(f) Removal Upon Surrender. Upon surrender of the Premises to the Lessor, whether upon expiration or earlier termination of this Lease (in whole or in part), Lessee shall remove and properly dispose of any hazardous substances that were introduced into, or released on, in or under, the Premises at any time during the Term hereof, whether by Lessee, or any of its employees, agents, contractors, Tenants, licensees or invitees, or any other person except for the Lessor or its employees, agents or contractors.

(g) Indemnity. Lessee agrees to defend, indemnify and hold harmless Lessor against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, clean-up costs, remedial actions, costs and expenses (including, without limitation, consultants' fees, attorneys' fees and disbursements) that may be imposed on, incurred or paid by, or asserted against Lessor or its officers or employees or the Premises by reason of, or in connection with (i) any misrepresentation, breach of warranty or other default by Lessee of any obligation in Article 10; (ii) the acts or omissions of Lessee or any of its employees, agents, contractors, Tenants, licensees or invitees, resulting in the release of any hazardous substances (unless such release is directly caused by Lessor, its employees, agents or contractors as such licensee or invitee); (iii) any actual or alleged injury, illness, death or damage to any person resulting from the presence or release of any hazardous substance in, on, or under the Premises (unless such presence or release is directly caused by Lessor, its employees, agents or contractors); or (iv) any off-site disposal, handling, treatment, storage, or transportation of any hazardous substances, including petroleum products, removed from the Building or Premises by Lessee or its contractors or subcontractors. This indemnity provision shall survive termination or expiration of this Lease.

(h) No Waiver of Federal Obligations; Notices and Enforcement by Lessee. Nothing in this Section shall be construed to relieve the United States government or any department thereof from any liability or responsibility with respect to hazardous substances. In the event that Lessee becomes aware of any hazardous substance condition, or any complaint, notice or claim related to any hazardous substance(s), with respect to which the United States or a department thereof may have any obligation pursuant to the terms of the Army Deed or pursuant to applicable law, the Lessee shall give written notice of the pertinent facts, together with a copy of any written complaint, notice or claim, to the Director and to the United States Department of the Army as soon as practicable and in any event not later than ninety (90) days after learning of any such condition or fifteen (15) days after receipt of any such complaint, notice or claim, whichever is earlier. Lessee shall provide the United States Army, and any other agency responsible for investigation, remediation, or defense of the matter, all additional documents and cooperation requested or required by the terms of the Army Deed or by law. To the full extent permitted by the terms of the Army Deed and applicable law, the Lessee shall have the right, after consultation with Lessor, to make demand on the United States to fulfill its obligations with respect to any hazardous substances discovered in, on or under the Premises and to enforce such obligations in its own name, provided that (i) Lessee shall not waive or release any rights without the express written consent of the Director; (ii) Lessee shall send copies of all related correspondence to the Director immediately upon sending or receipt thereof by Lessee; (iii) Lessee shall not request or authorize any excavation, demolition or other response action without the written consent of the Director if such action could reasonably adversely affect any Improvements on the Premises or any utilities on, in, or under the Premises, or if such action could reasonably interfere materially with the use of any portion of the Premises for the purposes intended by this Lease.

(i) Mutual Obligations to Cooperate Regarding Federal Environmental Obligations. If any circumstances arise that would provide reasonable grounds for the enforcement of any obligations (including without limitation indemnities) of the United States regarding environmental matters in the Army Deed, or any obligations of the United States with respect to the Premises under applicable laws regarding environmental matters (either generally or with respect to base closures), and if Lessee or Lessor gives notice to the other of such circumstances and requests cooperation in pursuing such enforcement, then the other party shall cooperate in securing the benefits of such obligations. Nothing in this subsection (i) shall require either party (A) to expend funds except as authorized by its governing body, in its discretion, nor (B) to bring or join in any legal or administrative action if such party determines in good faith that such action would not be in the best interests of such party.

11. MAINTENANCE

11.1 Protection and Maintenance Obligations of Lessee.

(a) Lessee shall at all times keep the Building, other Improvements and the Premises in a neat, clean, safe and sanitary condition; shall not cause or permit waste, damage or injury; and shall use and maintain the Building and other Improvements in accordance with the laws of the State of Washington and Charter, ordinances and Codes of The City of Seattle, and in accordance with all valid rules and regulations of the Health Officer, Fire Marshal, Director of Planning and Development (“DPD”) and other appropriate officers of The City of Seattle. Lessee shall maintain and repair or replace as necessary all Building components, systems, fixtures, and equipment, including without limitation appliances in individual units and equipment for the central kitchen. Lessee shall maintain and clear as necessary all drainage systems, shall keep walkways, steps, ramps and parking areas free of snow, ice and debris and otherwise in safe and clean condition. Lessee shall maintain in good, safe and neat condition, and replace as necessary, all landscaping and screening on the Premises installed in connection with the development of the Building, shall maintain and trim as reasonably required all vegetation on the Premises.

(b) Lessee shall comply with this Section and Section 10.1 at the sole cost and expense of the Lessee, except as otherwise expressly provided herein. The Lessee shall not cause or permit any waste, damage, or injury to the Building.

(c) Unless otherwise agreed in writing by Lessor, Lessee, and not Lessor, shall be responsible for the prompt removal of any rubbish deposited on the Premises by Lessee or by Tenants, licensees or invitees, including without limitation any abandoned automobiles or appliances, and for any grounds maintenance or restoration required as a result of the acts of Lessee or the Tenants, licensees or invitees of Lessee.

11.2 Lessor's Right to Initiate Repairs and Maintenance. In the event the Lessee fails to perform maintenance or to make repairs required to be made pursuant to Section 11.1 of this Lease, or shall fail to maintain the Premises as required by Section 10.1 of this Lease,

the Lessor may give notice to the Lessee specifying the necessity of such maintenance or repairs. If the Lessee fails to commence such maintenance or repairs within a reasonable time not to exceed thirty (30) days after the giving of such written notice, or shall fail to finish said maintenance or repairs within a reasonable time from and after said maintenance or repairs are commenced, which shall in no event exceed 180 calendar days from said date without the written consent of the Lessor, the Lessor, in addition to any other remedies provided for herein, may make or cause such maintenance to be performed or repairs to be made at the expense of the Lessee. The Lessee shall pay the Lessor for the cost of such maintenance or repairs within ten (10) days of receipt of billing from Lessor. The Lessor shall not be obligated or have any responsibility to maintain the Premises, or to maintain, repair or replace the Improvements.

12. COMPLIANCE WITH LAWS AND FEDERAL REQUIREMENTS

12.1 General Requirement. The Lessee, at its sole cost and expense, shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter, ordinances and Codes of The City of Seattle; the rules, regulations, orders, and directives of their administrative agencies and officers thereof; and all requirements associated with any fund source for the improvement of, or operations on, the Premises. Lessee shall take all reasonable measures to cause its Tenants, and each of their invitees and licensees, to comply with all requirements of all of the foregoing.

12.2 Licenses and Similar Authorizations. The Lessee, at no expense to the Lessor, shall secure and maintain in full force and effect during the term of this Lease, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

12.3 Nondiscrimination and Affirmative Action.

(a) Fair Housing and Other Nondiscrimination Laws. Lessee agrees to and shall comply with, and shall require any person managing or operating any part of the Premises or any Improvements thereon, to comply with, all Federal, State and local laws and ordinances, including without limitation Fair Housing Laws, prohibiting discrimination with regard to race, color, national origin, age, “families with children status,” ancestry, creed, religion, political ideology, sex, sexual orientation, gender identity, marital status, the presence of any sensory, mental or physical handicap or the use of a guide or service animal by a person with a disability. Without limiting the generality of the foregoing, Lessee shall ensure that the Building is operated and all units therein are rented and advertised on terms and conditions that satisfy the requirements for “housing for older persons” under the Federal Fair Housing Act and HUD regulations thereunder, and Lessee shall maintain complete and accurate records to demonstrate that such requirements are satisfied.

(b) Equal Employment Opportunity and Nondiscrimination. The Lessee shall comply with, and shall require all contractors and subcontractors to comply with, all

applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code (SMC), as they may be amended; and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

12.4 Lead-based Paint. Lessee shall comply with all requirements of applicable laws and regulations with regard to lead-based paint.

12.5 U.S. Government and Funding Agency Restrictions. Lessee agrees to comply, and to take all reasonable measures to cause each Tenant, and all invitees or licensees of Lessee or any Tenant, to comply with the terms and conditions of all covenants and restrictions imposed by the United States related to the transfer of the Fort Lawton Property to the Lessor, and of all agreements now or hereafter entered into by the Lessee for the funding of the Improvements; the construction, maintenance, repair, or rehabilitation thereof; or the operations thereof. Without limiting the foregoing, Lessee agrees that as between Lessee and Lessor, each and every covenant of "Grantee" in Army Deed from the United States to the Lessor for the Premises, as such covenant relates to the Premises, for so long as this Lease remains in effect, shall be the obligation of Lessee, and that Lessee shall defend and indemnify Lessor from any liability, loss, damage or expense (including attorneys' and experts fees) arising from Lessee's breach of any such obligation. Lessee acknowledges that prior to the execution of this Lease the Lessee has reviewed the Army Deed.

13. LIENS

13.1 If, because of any act or omission of Lessee, any valid and non-frivolous mechanic's or other lien or order for payment of money shall be filed against the Premises or the Improvements, Lessee shall at its sole expense cause the same to be discharged or bonded within thirty (30) days after the date of such filing.

14. LIABILITY AND INSURANCE.

14.1 Indemnity: To the full extent permitted by applicable law, the Lessee hereby releases the Lessor from, and shall indemnify and hold the Lessor harmless from, any and all losses, claims, actions, damages and expenses arising or that may arise in the future out of or resulting from any occurrence, including without limitation any death or injury of or to any person, in or on the Building or the Premises, from any cause or causes whatsoever including without limitation latent defects existing at commencement of this Lease, except that this release and indemnity does not apply to the extent that claims, actions, loss, damage or expense directly results from (a) the wrongful or negligent actions (not omissions) of the Lessor, its contractors, agents and employees, or (b) the presence of any defect on the Premises for which Lessor is not relieved of liability by the terms of Section 10.2(d). Neither the approval by the Lessor of any action, omission or policy proposed by Lessee, nor the failure by the Lessor to enforce any obligation of Lessee, shall give rise to an exception from the foregoing release and indemnity. In the event that any suit based upon such losses,

claims, actions, damages, or expenses is brought against the Lessor, the Lessee, upon notice of the commencement thereof, shall defend the same by counsel satisfactory to the Lessor at Lessee's sole cost and expense (provided that the Lessor shall have the right to appear in and defend any such action by its own counsel); and if final judgment be adverse to the Lessor, or the Lessor and the Lessee jointly, or if the Lessor shall enter into a reasonable settlement of any such claim or action after notice to and consultation with Lessee, the Lessee shall promptly satisfy the same. Except as expressly set forth in this Section, the obligation of Lessee to indemnify the Lessor described in this Section shall not be diminished by the fact, if it be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by an act or omission of Lessor, its officers, employees or agents, provided that to the extent that RCW 4.24.115 (or successor provision) applies, (1) this indemnity shall not apply in case of any liability for damages arising out of bodily injury to persons or damage to property caused or resulting from the sole negligence of the Lessor, its agents or employees, and (2) in case of liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Lessor or its agents or employees, and (b) Lessee or its agents or employees, this indemnity shall apply only to the extent of Lessee's negligence.

14.2 Worker's Compensation. **Solely with respect to claims for indemnification under this Lease, Lessee waives its immunity under Industrial Insurance laws. This section has been negotiated by the parties as indicated by their initials below, and Lessee acknowledges that the Lessor would not enter into this Lease absent this Section.** Lessor may require as a condition to approval of any Assignment that the provisions of this Section be expressly incorporated in the Assignment for the benefit of the Lessor, but this Section shall be fully binding on any Assignee whether or not such provisions are set forth in the Assignment.

Lessor: _____

Lessee: _____

14.3 Insurance.

(a) Building Renovation and New Construction. The Lessee shall, at all times during the term of this Lease when any renovation or construction activity is in process on the Premises, obtain and maintain continuously, at its own expense, insurance as specified in this subsection (a), and shall file with the Director and the Lessor's Risk Manager, evidence of a policy or policies of insurance as enumerated below, covering such activity and each Building and Improvement affected by such activity:

(1) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 00 01) or equivalent, including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury
- Contractual Liability
- Independent Contractors Liability
- Stop Gap or Employers Contingent Liability
- Explosion, Collapse, or Underground (XCU), (as applicable)*
- Liquor Liability/Host Liquor Liability (as applicable)*
- Fire Damage Legal
- Per Location Aggregate CG2504

*These coverages are required only when the work on the Premises may include exposures to which these specified coverages respond.

Such policy(ies) must provide the following minimum limits:

Bodily Injury and Property Damage -
\$ 2,000,000 General Aggregate
\$ 2,000,000 Products & Completed Operations Aggregate
\$ 1,000,000 Personal & Advertising Injury
\$ 1,000,000 Each Occurrence
\$ 100,000 Fire Damage

Stop Gap or Employers Contingent Liability
\$ 1,000,000 Each Accident
\$ 1,000,000 Disease - Policy Limit
\$ 1,000,000 Disease - Each Employee

Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions. There shall be no deductible or self-insured retention except as expressly approved in writing by the Lessor's Risk Manager after consultation with Lessee. The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

(2) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent.

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -
\$ 1,000,000 per accident

(3) A policy of **Pollution Liability** providing coverage for claims (A) involving remediation, disposal or other handling of pollutants arising out of operations of Lessee or its contractors and subcontractors, including coverages generally known as “contractor’s operations for others”, and “contractor’s site (owned)”; (B) arising from the transportation of hazardous materials; or (C) involving remediation, abatement, repair, maintenance or other work with lead-based paint or materials and/or with asbestos or materials containing asbestos. Such Pollution Liability policy(ies) shall provide the following minimum limit:

Bodily Injury and Property Damage:
\$1,000,000 per occurrence

If any such policy is written on a claims made form, the policy shall state that coverage is claims made, and state the retroactive date, which shall be prior to or coincident with the date of this Lease. Claims made form coverage shall be maintained by the Lessee for a minimum of three years following the termination of the contract for the renovation or construction work, and the Lessee shall annually provide the Lessor with proof of renewal, on or before each anniversary of the Effective Date of this Lease. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Lessee shall purchase an extended reporting period (“tail”) or provide another form of security acceptable to the Lessor to assure financial responsibility for liability that would be covered by such policy.

Such insurance, as provided under subsections (1), (2) and (3) above, shall be endorsed to include as additional insureds Lessee, its officers, directors, employees, agents, volunteers and the City of Seattle, its officers, elected and appointed officials, employees, agents and volunteers, and shall not be reduced or canceled without forty-five (45) days prior written notice to Lessee and to the Lessor’s Risk Manager. In addition, the Lessee’s insurance shall be primary as respects the Lessor, and any other insurance maintained by the Lessor shall be excess and not contributing insurance with the Lessee’s insurance.

(4) A policy of **Worker’s Compensation**. As respects Workers’ Compensation insurance in the state of Washington, Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by letter signed

by a corporate officer indicating that it is a qualified self insured, and setting forth the limits of any policy of excess insurance covering its employees.

(5) A policy of **Builder's Risk Insurance - Physical Damage Insurance:**

Unless otherwise directed in writing by Lessor, the Lessee shall purchase and maintain property insurance, with Lessor as an additional insured, to include the perils of "All Risk", including Earthquake and Flood coverage to the extent required by the City's Risk Manager, for the full replacement value of the Improvements. Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions.

Lessor reserves the right to purchase Builder's Risk insurance to include the perils of "All Risk" including (in Lessor's discretion) Earthquake & Flood coverages. If Lessor gives notice to Lessee that Lessor shall maintain Builder's Risk insurance, then Lessee shall be responsible for the Lessor's policy deductible (currently \$10,000) and Lessee shall pay on demand to Lessor the amount of each premium billed to Lessor for such insurance. Lessee will be added as an additional insured to the policy.

Lessor and Lessee waive all subrogation rights against each other, their contractors, subcontractors, architects, architects' sub-consultants, separate contractors, if any, and any of their subcontractors, for damages caused by fire or other perils to the extent that the loss that would be the basis for a subrogation claim is covered by property insurance obtained pursuant to this subsection or other property insurance, except that Lessor and Lessee do not waive such rights as they have to proceeds of such insurance held by any person as fiduciary. This waiver shall not apply to the portion of any loss within the deductible of the applicable insurance policy. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

(6) **Insurance to Protect Lessee's/Contractor's Equipment:** Lessee shall purchase and maintain physical damage insurance upon Lessee's and contractors' equipment for the actual cash value of such equipment as of the time of any loss. This insurance shall insure against loss from the perils of Fire, and other risks of direct physical loss or damage, also known as "All Risk" perils protection.

Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions.

(b) General Insurance Requirements. Lessee shall, at all times during the Term of this Lease, obtain and maintain continuously, at its own expense, insurance as required by this subsection (b), and shall file with the Director and the Lessor's Risk Manager, evidence of a policy or policies of insurance as enumerated below:

(1) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 00 01) or equivalent, including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury, to include
 - Sexual Molestation*
 - Discrimination*
 - Sexual Harassment*
- Contractual Liability
- Independent Contractors Liability
- Stop Gap or Employers Contingent Liability
- Explosion, Collapse, or Underground (XCU) (as applicable)**
- Liquor Liability/Host Liquor Liability (as applicable)**
- Fire Damage Legal
- Per Location Aggregate CG2504

* Any reductions of limits for these coverages are subject to the Lessor's Risk Manager's and Lessee's agreement based on commercial availability and costs.

**These coverages are required only when the operations on the Premises may include exposures to which these specified coverages respond.

Such policy(ies) must provide the following minimum limits:

Bodily Injury and Property Damage -

\$ 1,000,000	General Aggregate
\$ 1,000,000	Products & Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage

Stop Gap Employers Liability

\$ 1,000,000	Each Accident
\$ 1,000,000	Disease - Policy Limit
\$ 1,000,000	Disease - Each Employee

There shall be no deductible or self-insured retention except as expressly approved in writing by the Lessor's Risk Manager after consultation with Lessee. The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

(2) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent. Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -
\$ 1,000,000 per accident

(3) A policy of **Excess Insurance** above the primary general and automobile liability policies that will provide a total limit of insurance of \$5,000,000. The excess policy must be at a minimum as broad as the primary policies.

Such insurance, as provided under items (1), (2), and (3) above, shall be endorsed to include The City of Seattle, its officers, elected and appointed officials, employees, agents and volunteers as additional insureds, and shall not be reduced or canceled without forty-five (45) days prior written notice to the Lessor's Risk Manager. In addition, Lessee's insurance shall be primary as respects the Lessor, and any other insurance maintained by the Lessor shall be excess and not contributing insurance with the Lessee's insurance.

(4) A policy of **Worker's Compensation**. As respects Workers' Compensation insurance in the state of Washington, the Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If the Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by a letter signed by a corporate officer setting forth the limits of any policy of excess insurance covering its employees.

(5) A policy of **Property Insurance** - the Lessee shall keep the Improvements and Personal Property on the Premises insured throughout the term of the Lease, for their full replacement value, with Lessor named as an additional insured, against the following hazards:

(A) Loss or damage by fire and such other risks as the Lessor shall require (including earthquake and flood damage to the extent required by the City's Risk Manager) in an amount sufficient to permit such insurance to be written at all times on a replacement cost basis;

(B) Loss or damage from leakage or sprinkler systems now or hereafter installed in any structure on the Premises;

(C) Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus now or hereafter installed in any structure on the Premises.

(D) Business Interruption with sufficient coverage to provide for the payment of rent and other fixed costs during any interruption of Lessee's business because of fire or other cause.

Lessor and Lessee waive all subrogation rights against each other, their contractors, subcontractors, architect, architect's sub-consultants, separate contractors, if any, and any of their subcontractors, for damages caused by fire or other perils to the extent that the loss that would be the basis for a subrogation claim is covered by property insurance obtained pursuant to this subsection or other property insurance applicable to the Premises, except that Lessor and Lessee do not waive such rights as they have to proceeds of such insurance held by any person as fiduciary. This waiver shall not apply to the portion of any loss within the deductible of the applicable insurance policy. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

(c) Contractors and Subcontractors. Lessee shall include all contractors and subcontractors as insureds under its policies or shall furnish separate evidence of insurance as stated above for its contractor or subcontractor. All coverages for its contractors and subcontractors shall be subject to all applicable requirements stated herein. Lessee may satisfy its obligations under this Section with respect to Pollution Liability (a)(3), Builder's Risk Insurance (a)(5), Lessee's/Contractor's Equipment (a)(6) and Property Insurance (b)(5) by causing insurance to be maintained by the contractors of Lessee, provided that such insurance satisfies all of the requirements of this Section and that evidence of insurance as set forth below is timely provided to Lessor and is satisfactory to the Lessor's Risk Manager.

(d) Evidence of Insurance. The following documents must be provided to Lessor as evidence of insurance coverage at the following times if such documents are then available to, or in the possession of, Lessee: (i) prior to the Effective Date of this Lease, as to coverage required under subsection (b); (ii) prior to commencement of work, as to coverage required under subsection (b) of this Section; (iii) with respect to any renewal or substitute policy, promptly upon issuance thereof, but in any event no later than ten (10) days before the expiration or termination of any previous policy:

(1) A copy of the policy's declarations pages, showing the Insuring Company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements. (Lessor reserves the right to request certified copies of all insurance policies.)

(2) A copy of the endorsement naming The City of Seattle (and, with respect to liability policies, Lessor's officers, elected and appointed officials, agents, employees, and volunteers) as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company on a form CG2026 (ISO), or such other form as the City's Risk Manager may require or deem acceptable.

(3) A copy of the “Endorsements Form List” to the policy or policies showing endorsements issued on the policy, and including full copies of any company-specific or manuscript endorsements.

(4) A copy of an endorsement stating that the coverages provided by the policy to Lessor or any other named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the Lessor.

(5) A copy of a “Separation of Insureds” or “Severability of Interests” clause, indicating essentially that, except with respect to the limits of insurance and any rights or duties specifically assigned to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought (Commercial General Liability, Business Automobile Liability Insurance, and Excess Insurance).

If any of the above documents is not available when required as stated above, the Lessor’s Risk Manager may accept, in his or her discretion, a binder showing the stated requirements. In such case Lessee shall cause all the above documents to be delivered to the City as soon as available, and in any event within such period as the Lessor’s Risk Manager shall specify.

In addition, within five (5) days of any request by Lessor, the Lessee shall provide full copies of all insurance policies for the Premises, together with all amendments and endorsements and proof of premiums paid.

(e) Approval of Risk Manager; Adjustments. All policies shall be subject to approval by the Lessor’s Risk Manager as to company (must be (i) issued by a company rated A- or better and with a size rating of VII or higher in the A.M. Best’s Key Rating Guide and (ii) licensed to do business in the State of Washington or issued as a surplus line by a Washington Surplus lines broker), form and coverage, and shall be primary to all other insurance. If Lessor shall determine that the required coverages and/or limits are not reasonably adequate for any reason, including without limitation inflation or changes in the nature or scope of activities on the Premises, then Lessee shall procure such coverage and/or increase in policy limits as the Lessor shall require, within sixty (60) days of written notice from Lessor.

(f) Definitions. Capitalized terms used in this Section and not otherwise defined in this Lease shall have the meanings commonly ascribed to such terms in the insurance industry.

14.4 Contractors’ Bonds. Unless otherwise expressly permitted in writing by the Lessor or not required by law, the Lessee shall require each contractor used by the Lessee for

any demolition, rehabilitation, repair or construction work on the Building or other Improvements, or in connection with any improvement, alteration, or addition to be made to any Improvements or to the Premises, to secure and maintain, at no cost to the Lessor, a performance and payment bond with dual obligee rider payable to the Lessee and the Lessor in the full and just sum of the total amount of the contract, conditioned that all the provisions of the contract shall be faithfully performed by the contractor, or the surety if so required, and for the payment of all laborers, mechanics, subcontractors and material suppliers, and all persons who shall supply such person or persons or subcontractors with provisions or supplies for the carrying on of such work. Each such bond shall be provided to Lessor within ten days of the award of the contract and in any event prior to commencement of any work. Each such bond shall be issued by a properly licensed surety company acceptable to the Lessor and shall be in form and content acceptable to Lessor.

14.5 Assumption of Risk. Subject to and except for Lessor's obligations under this Lease, the placement and storage of personal property on said Premises shall be the responsibility, and at the sole risk, of the Lessee.

14.6 Adjustments of Claims; Proceeds of Hazard Insurance. The Lessee shall promptly submit to its insurer and diligently pursue all claims for bodily injury, property damage or theft arising out of the activities of the Lessee under this Lease. Any amounts paid under any policy of insurance for the loss to, damage to, or destruction of all or part of the Premises or Improvements (during and after construction) shall be deposited in a trust account requiring the signature of both the Lessor and Lessee for disbursement. Except as otherwise provided in Article 15, all funds in such account, including interest earned thereon, shall be used solely for the restoration, repair or replacement of the damaged or destroyed Improvements, according to Construction Plans to be prepared by the Lessee subject to the reasonable approval of the Lessor, and according to a construction contract acceptable to Lessor, whose acceptance shall not unreasonably be withheld.

14.7 Compliance by Lessee. Lessee shall not violate or permit to be violated any of the conditions or provisions of any insurance policies affecting the Premises or the Improvements.

14.8 Contractor's Indemnification. Lessee shall ensure that every contract executed by it pertaining to any construction, renovation or other work on the Premises shall contain the following indemnification provision:

The contractor agrees to protect, defend, indemnify, and hold harmless the City and City's officials, employees, and agents from and against all claims, demands, and causes of action (including all costs and fees for defense thereof), judgments and/or awards of damage arising from or in connection with the performance of this agreement by the contractor or from the activities of any subcontractor or other person or entity employed by or having a contract with the contractor:

(a) *Arising out of bodily injury or death to persons or damage to property, except this obligation shall not apply when such injury or damage is solely and entirely the fault of the City, or when such injury or damage results from the concurrent negligence of the City and the contractor, in which case the contractor shall protect, defend, indemnify and hold the City harmless to the extent of the contractor's negligence.*

(b) *Arising out of other than bodily injury or death to persons or damage to property, except this obligation shall not apply when such injury or damage is solely and entirely the fault of the City.*

(c) *Arising from the use of any design, process, or equipment which constitutes, or is alleged to constitute, an infringement of any United States patent presently issued, or violates any other proprietary interest, including copyright, trademark, or trade secret.*

Contractor shall also hold the City harmless from any expense incurred to enforce the City's rights under this Section.

In the event that any action is brought against the City by any employee of contractor, its subcontractors, sub-subcontractors, agents, or anyone directly or indirectly employed by any of them the indemnification obligation of the contractor set forth in this Section shall not be limited by a limit on the amount or type of damages, compensation, or benefits payable by or for contractor or any subcontractor under RCW Title 51, the Industrial Insurance Act, or any other employee benefit acts. In addition, as to actions arising out of the performance of this agreement, contractor waives its immunity under RCW Title 51.

This indemnification agreement has been negotiated by the parties and shall survive the termination of this agreement.

14.9 Survival. Any liability of the Lessee hereunder for acts or omissions occurring during the Term of this Lease, or arising under any indemnity provision of this Lease, shall survive termination and surrender (whether or not any claim giving rise to such liability shall have accrued).

15. CASUALTY

15.1 Notice of Casualty; Reconstruction. If any Improvements, standing or erected, are destroyed or damaged in whole or in part as a result of fire, earthquake or any other casualty, Lessee shall give immediate written notice to Lessor. Except as otherwise expressly provided in Article 8 or this Article 15, or expressly agreed in writing by Lessor, if sufficient

insurance proceeds are available, together with any capital reserves for the Premises that are not restricted under agreements with third parties approved by Lessor, or the use of which is permitted by such third parties, the Lessee shall proceed with reasonable diligence to prepare plans and specifications for, obtain any necessary permits for, and thereafter to carry out, all work necessary to repair or replace the Improvements or any portions thereof that were damaged or destroyed, in substantial conformity with the character of the Improvements existing immediately prior to the casualty. If insurance proceeds, together with capital reserves of Lessee and any other funds reasonably available are not sufficient for complete repair or restoration, then subject to the right of Lessee to terminate this Lease as expressly provided in Section 15.5(b), (c) and (d), the Lessor may, at its option, require Lessee to pursue such partial repair or restoration as can be completed with the available funds.

15.2 Notice Prior to Commencement of Work. Lessee shall give Lessor at least thirty (30) days notice prior to the commencement of work described in Section 15.1.

15.3 Time for Commencement and Completion of Work. Subject to Article 8 and this Article 15, Lessee shall commence the work described in Section 15.1 within one hundred twenty (120) days after the date of any loss, damage or destruction or as soon as funds are available. Lessee shall diligently pursue the work to completion and shall complete the work within a reasonable time, which shall be no later than twelve (12) months after the date of the casualty unless delayed by events, conditions, or financing beyond the control of Lessee. Notwithstanding any such events, or conditions or any insufficiency of funds, and notwithstanding any other provision of this Lease, the Lessor shall have the right to terminate this Lease by ninety (90) days written notice to Lessee if work described in Section 15.1 is not commenced within twenty-four (24) months after the date of casualty, or is not completed within thirty-six (36) months after that date. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

15.4 Disbursements. For the cost of the repairs, replacement or rebuilding, Lessor shall authorize disbursement of funds from the account established pursuant to Section 14.6, as Lessee shall make such repair, replacement or rebuilding, and during the progress of the work, upon Lessee's written requisitions accompanied by certificates of an architect or engineer reasonably satisfactory to Lessor certifying that the work is in accordance with Construction Plans approved by Lessor and the percentage completion thereof, upon delivery of such other evidence as Lessor may reasonably require that such work is in place and paid for, and subject to holdback of five percent (5%) of the amount of each requisition until completion of the work. Lessor's authorization shall not be unreasonably withheld.

15.5 Termination for Certain Casualties.

(a) If the parties agree in writing that the Premises cannot be repaired or replaced, wholly or in part, within twenty-four (24) months from the date of the occurrence of the fire or other casualty, and the Lessor does not elect to require partial restoration under Section 15.1, then prior to commencement of any repair or replacement, either party may terminate

this Lease by giving ninety (90) days' written notice to the Lessor. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

(b) In the event that the Improvements now or hereafter erected on the Premises shall be damaged or destroyed to the extent in excess of fifty (50%) percent of their then-insurable value and the damage or destruction shall occur after the 30th year in the Term or the casualty is not covered by insurance, then either party may at its option cancel and terminate the Lease by giving the other party ninety (90) days notice within sixty (60) days after the date of any loss, damage or destruction. If such option is exercised by either party, the Lease shall wholly cease and expire on the date specified in the notice, in which event Lessee shall not be obligated to rebuild. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

(c) If all or a portion of the Improvements are destroyed or damaged by casualty so that more than 50% of the Improvements are rendered unfit for occupancy, and any insurance proceeds, together with available capital reserves and any other funds made available by Lessor or any other government agency, are insufficient to restore or replace such Improvements, then except to the extent that the Lessor and Lessee agree in writing to apply available insurance proceeds to partial repair or restoration, and if the Improvements remaining shall be insufficient for the reasonable operation a residential facility for the homeless, either party may terminate the Lease with ninety (90) days notice. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

(d) If all or a portion of the Improvements are destroyed or damaged by casualty, and no other subsection of this Section applies, and Lessor desires that insurance proceeds be applied to repair or restoration but Lessee determines that proceeding with repair or restoration would not be feasible or would be economically detrimental to Lessee, then Lessee may terminate the Lease with ninety (90) days notice, and shall have no obligation for repair or restoration. In such event, all insurance proceeds shall be applied first to pay or provide for payment of financial obligations secured by mortgages or deeds of trust approved by Lessor hereunder, including, without limitation, any such mortgages or deeds of trust held by Lessor, but not including any such obligations under which recourse is limited to the Premises if the holders thereof agree to the application of insurance proceeds to repair or restoration, and the remainder shall be applied to repair or restoration or shall be paid to Lessor, in Lessor's discretion. In the event of termination under this subsection (d), the Lessee shall cooperate, without cost or liability of Lessee, in any assumption of any mortgages or deeds of trust and related obligations, and any subsidy contracts for the Premises, by any substitute lessee selected by Lessor.

15.6 Abatement of Rent. After any casualty, Rent shall be abated in the proportion that the untenable portion of the Premises bears to the whole Premises, in the Lessor's reasonable determination, for the period from the date of the fire or other casualty until either the completion of the repairs and restoration or the termination of this Lease as provided herein.

15.7 Lessor not Liable. Except to the extent resulting from Lessor's gross negligence, intentional misconduct or breach of this Lease, Lessor shall not be liable to Lessee for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Premises or to the termination of this Lease as provided herein.

15.8 Application of Insurance Proceeds not Applied to Repair or Restoration. If under the terms of this Article insurance proceeds are not required to be applied to restoration or repair; or if this Lease shall be terminated before all such proceeds are so applied; or if excess insurance proceeds remain after completion of repair or restoration, then such proceeds shall be applied first, to pay or provide for payment of financial obligations secured by mortgages or deeds of trust approved by Lessor hereunder (including, without limitation, any such mortgages or deeds of trust held by Lessor); second, to pay for such work as may be required to remove damaged or destroyed improvements and put the Premises in a condition substantially as at the commencement of the Lease Term, or such lesser scope of work as in the reasonable judgment of the Lessor is necessary to make the remaining Improvements and Premises safe and in compliance with applicable laws and ordinances; and third, and the balance, if any, shall be distributed as follows: if the casualty loss occurs during the first ten (10) years of the Lease, then 100% to Lessee, and otherwise the Lessor shall receive 1% of such balance for each full year after the tenth year of the Term that has passed prior to the date of the casualty loss; and the Lessee shall receive the remaining amount.

16. INSPECTION

16.1 Premises. Lessee shall permit Lessor, its agents and employees, to enter the Premises and Improvements at reasonable hours for the purpose of inspecting them or (at Lessor's sole option) making repairs that Lessee may neglect or refuse to make in accordance with the terms, covenants and conditions of the Lease, provided, that except in the event of emergency affecting health or safety, Lessor shall not enter any occupied dwelling units without giving such advance notice to Lessee as is specified by applicable law for a landlord's notice of entry for inspection or repair. Upon receipt of any such notice from Lessor, the Lessee shall promptly give proper notice under applicable law to Tenants whose units are to be subject to entry. Lessee's permission shall not constitute any indemnity nor create any liability concerning claims or causes of action by Tenants related to such entering or inspection, except that Lessee shall indemnify Lessor for any liability, loss, damage or expense to Lessor resulting from any failure by Lessee to include, in any sublease or other agreement with a Tenant, the rights of Lessor contemplated by this Section. Except as stated in the previous sentence, Lessor shall hold harmless, defend and indemnify Lessee from any liability for injury or death to persons or damage to property, in each case to the extent directly resulting from the wrongful or negligent actions (not omissions) of the Lessor, its agents and employees in the course of such entering or inspection.

16.2 Records. Subject to and without impairment or waiver of any rights of Tenants or Lessee under applicable law, Lessee shall also permit Lessor, its agents and employees, to inspect and copy all records of the Premises and Improvements as may be compiled or maintained by Lessee for purposes of Lessee's operations under this Lease. Lessor shall have the right to inspect and copy such records maintained on or outside the Premises upon reasonable advance notice to Lessee.

17. DEFAULT

17.1 Default; Cure Periods, Termination. Upon the occurrence of any of the Events of Default hereinafter described, Lessor, at Lessor's option, may terminate this Lease or any extension of it, as well as all right, title and interest of Lessee thereunder by giving Lessee at least ninety (90) days notice in writing of said termination, and/or may pursue and enforce all legal rights and remedies set forth in this Lease or otherwise available at law or in equity. Upon the expiration of the date and time fixed in the notice of termination, all right, title and interest of Lessee under this Lease, shall wholly cease and expire. Lessee shall then immediately surrender to Lessor the Premises and all Improvements and Personal Property, as more fully set forth in Article 20. Each of the following is an Event of Default:

A. Failure to pay when due any amount of Rent owing on the Lease, that is not cured within 30 days after notice to Lessee;

B. Any failure to pay when due any other charge required by this Lease other than amounts referred to in subsection A above, that is not cured within thirty (30) days after notice to Lessee;

C. Any failure to submit the annual report required by Article 34 of this Lease that is not cured within thirty (30) days after notice to Lessee;

D. Any breach of Article 18 or Article 21 of this Lease (relating to assignments and transfers of the Premises without consent and certain other matters);

E. Except as provided under Article 8, any breach or nonperformance of any provision of any of the Lease not included within any of subsections A-D above that is not cured within thirty (30) days after notice to Lessee of such breach or nonperformance, or such longer cure period as may be permitted under the specific terms of the Lease, provided that if any such breach or nonperformance cannot reasonably be cured within thirty days but can be cured within a reasonable time, there shall be no Event of Default under this subsection E for a period of up to six months so long as Lessee shall diligently pursue a cure;

F. The filing of a voluntary petition for bankruptcy or reorganization by any manager or managing member of any Lessee that is a limited liability company, or any general partner of a Lessee that is a partnership; the filing against any such manager, managing member or general partner of Lessee of any complaint for receivership or involuntary petition for bankruptcy or for reorganization (unless such complaint or petition be dismissed within forty-five (45) days of such filing); or if Lessee or any such managing member, manager or general partner of Lessee shall become insolvent, or make a general assignment for the benefit of creditors, or consent to the appointment of a receiver of all or any of its assets, or voluntarily suspend its usual business, or if the Lessee or any such managing member, manager or general partner or Lessee shall be dissolved or file a petition for dissolution, or if at any time there shall be a managing member or manager of the Lessee other than Archdiocesan Housing Authority, a Washington nonprofit corporation, without the express written consent in advance from the Director.

G. Any material misrepresentation by Lessee or managing member of Lessee in the Lease or in any information submitted by Lessee to Lessor or to any government agency in connection with the Lease or the Premises, or any material breach of any warranty made by this Lease;

H. Any default under, breach of, failure to comply with, or failure to satisfy any condition of any capital funding related to the Premises by Lessee unless such default, breach or failure is waived in writing by all interested parties or is cured within an applicable cure period permitted by those declaring the default in question.

17.2 Remedies Cumulative. The remedies under this Article 17 are in addition to, and not in limitation of, any other remedies provided in this Lease.

18. ASSIGNMENT OR SUBLEASE

18.1 Consent Required; Permitted Subleases to Tenants. Lessee shall not assign, mortgage or encumber or sublease its rights under this Lease or any rights to any portion of the Premises, nor consent to the assignment of any sublease or further subletting, in each case without the prior written consent of the Director, except that subleases or rental agreements for occupancy of individual units by residents eligible under the terms of this Lease, with terms no longer than one year including renewal options, shall not require consent of Lessor if made on a form submitted to Lessor at least 30 days prior the sublease, to which the Lessor shall not have objected in writing. Lessee shall be solely responsible for ensuring that the terms of any sublease or rental agreement comply with all applicable laws and ordinances, and for compliance with all applicable landlord-tenant laws and regulations. Lessee acknowledges that no subleases, except to Tenants for occupancy of units, are intended during the Term of this Lease, and Lessor shall have no obligation to consider any other proposed sublease.

18.2 Assignment. If the Lessee proposes a complete Assignment of the Lease for purposes of financing the development of the Building, the Director shall use his or her best

efforts to review the proposal and notify Lessee of approval or disapproval within thirty (30) days. The Lessor's consent shall not be unreasonably withheld if the Assignment of all of Lessee's rights under the Lease is consistent with all of the following terms and conditions:

(a) The Assignment is to a limited partnership or limited liability company of which the Lessee is the sole general partner, or is the sole managing member and manager, and that is formed for the purposes of financing the development of Improvements consistent with the terms of this Lease.

(b) The proposed partnership agreement, operating agreement, or similar control agreement and investment terms are approved by Lessor, whose approval shall not be unreasonably withheld.

(c) The Assignee will expressly assume in writing for the benefit of Lessor all the obligations of Lessee hereunder.

(d) The Lessee shall not be in breach or default of its obligations hereunder at the time of Assignment.

(e) The Assignment shall include, or there shall be simultaneously transferred to the Assignee, title to the Improvements and all contracts, warranties, permits, applications, reserves and personal property related to the development and operation of the Premises, unless otherwise approved in writing by the Director.

(f) The Assignment shall not cause any breach or default under any other agreements or financing arrangements for the Premises.

(g) The Assignment shall not release the assigning Lessee from any obligations under the Lease, whether accruing before or after the Assignment.

18.3 Assignment to Third Party Consistent with Purposes of Lease. Lessor shall not unreasonably withhold consent to an assignment by Lessee of all of its rights and obligations under this Lease to a third party that meets the following criteria:

(1) it is a non-profit entity with charitable purposes, which must include providing or managing housing for low-income and homeless persons and families and providing related services; and

(2) it demonstrates, to the reasonable satisfaction of the City, that it has experience in managing housing for low-income and homeless persons and families and providing related services, and has the capacity to perform under the Lease in a manner equivalent to that of Lessee;

if the conditions in subsection 18.2 (c) through (g) are also satisfied.

19. POSSESSION

19.1 Upon the Effective Date of the Lease, the Lessee shall have possession of the Premises subject to the rights reserved by the Lessor herein, and to the rights reserved by the United States in the Army Deed.

20. SURRENDER

20.1 Obligations of Lessee. On the expiration date of the Term, or on the earlier termination as provided in this Lease, Lessee shall surrender the Premises in reasonably clean condition together with all Improvements and all alterations, changes and additions thereto that may have been made upon the Premises (except moveable furniture and equipment or moveable trade fixtures paid for solely by Lessee), in good repair, good order and safe condition and shall, if so requested by the Lessor, convey to the Lessor by special warranty deed all Improvements, subject only to such encumbrances as shall have been specifically approved in writing by the Lessor as surviving expiration or termination of the Lease. On such date the Lessee shall deliver to the Lessor (a) all keys to any structures, fixtures or Personal Property on the Premises; (b) all plans, blueprints, surveys, diagrams, leases, contracts and documents relating to the Premises or the Improvements; and (c) all security deposits, prepaid rent and any other deposits from any Tenants still in possession (but nothing herein shall be construed as the Lessor's consent to any such continued possession), and the balances in any reserve accounts maintained for the Premises or Improvements pursuant to any grant agreement, loan documents, or other financing or subsidy arrangements for the Premises or any Improvements; and (d) all Personal Property. Lessee, on or before said termination date, shall remove from the Premises all of Lessee's personal property other than Personal Property as defined in Article 1 hereof. All property not removed by Lessee shall be deemed to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed or otherwise disposed of by Lessor without notice to Lessee and without obligation to account for it. Lessor may require Lessee to remove, within ten (10) days after notice to Lessee, at Lessee's sole expense, any fixtures or structures in or on the Buildings or other Improvements or otherwise on or under the Premises that were constructed, affixed or substantially modified without the approval of the Lessor or in violation of applicable laws, regulations or Codes, **or that were permitted by Lessor on condition that they be removed upon expiration or termination of the Lease. Lessee shall repair any damage to the Premises caused by removal of any fixtures or other property.**

20.2 Transfer of Contracts. Except as otherwise expressly set forth in this Section 20.2, upon any termination of the Lease, Lessee shall assign and transfer to Lessor or Lessor's designee, immediately upon Lessor's demand, any and all contracts that are assignable and relate to the Premises that Lessor may specify, including without limitation any contracts for operating subsidies, rent supplements, or other support of the Premises or the operation

thereof. Lessee shall take all actions necessary or appropriate to expedite and complete the transfer of such contracts, immediately upon the demand of Lessor. If Lessee would suffer actual financial loss or liability as the result of assignment of a contract, and Lessee notifies Lessor in writing of the amount and nature of the loss or liability, with supporting documentation, within thirty days after Lessor's demand for assignment, then unless Lessor shall compensate or indemnify Lessee for such loss or liability, Lessee shall not be obligated to assign such contract.

20.3 Re-entry by Lessor. If the Premises shall be vacated or abandoned by Lessee, or in the event of the termination of the Lease under any provision hereof, Lessor may re-enter the Premises in such manner as Lessor may deem necessary in its sole discretion, and Lessor may repossess the Premises by force, summary proceedings or by any other procedure provided by law or equity.

20.4 Survival of Liabilities. Any liability of Lessee or Lessor hereunder for negligent or intentional acts or omissions occurring during the Term of this Lease, or arising under the indemnity provisions of this Lease, shall survive termination and surrender (whether or not any claim giving rise to such liability shall have accrued).

21. SOLE MANAGER OR GENERAL PARTNER OF LESSEE

This Section shall take effect upon any Assignment by Lessee subject to Section 18.2(a). Lessee represents, warrants and covenants that either (i) the sole general partner, if Assignee is a limited partnership, or (ii) the sole managing member and manager, if Assignee is a limited liability company, of Lessee is and shall continue to be Archdiocesan Housing Authority ("AHA"); that AHA is a duly organized Washington nonprofit corporation with a charitable purpose that includes serving the homeless and is exempt from federal taxes under Section 501(c)(3) of the United States Internal Revenue Code; and that without the express written consent of the Director, there shall be no change in the managing member or general partner, as the case may be, of Lessee, nor any additional general partner, managing member or manager, nor any change in the form of organization, purposes, or income tax status of the AHA, as stated above. Lessee acknowledges that this Section is material to the purposes of the Lessor in entering into this Lease and that the Lessor would not have allowed the Assignment of the Lease to Lessee without such representation, warranty and covenants. The Lessor shall not unreasonably withhold its consent to the transfer of the interest of AHA as sole managing member and manager or as general partner to an entity that would satisfy the conditions stated in Section 18.3(1) and (2) as a proposed assignee of this Lease, if the conditions stated in Section 18.2 (d) and (f) are then satisfied.

22. QUIET ENJOYMENT

22.1 Lessor covenants that, subject to the express provisions of this Lease, and to the terms of the conveyance of the Premises from the United States, if and so long as Lessee pays the Rent and other charges required by the Lease, and performs all of its obligations

pursuant to the terms, covenants and conditions of the Lease, Lessee shall quietly enjoy the Premises. Notwithstanding the foregoing or any other provision of this Lease, Lessor's covenants and warranty as to title to the Premises are limited to the agreement of Lessor to warrant and defend such title, subject to the express provisions of this Lease, against all persons lawfully claiming or to claim by, through or under Lessor, and Lessor expressly disclaims all other covenants and warranties.

23. LESSOR'S CONSENT OR APPROVAL

23.1 Consent Expressly for Lease Purposes; Discretion of Lessor. Whenever Lessor's consent or approval in writing to any act to be performed by Lessee is required under the Lease, (a) Lessee must obtain a consent or approval in writing expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by the Lessor in its regulatory, public utility, or other capacity; and (b) unless otherwise expressly stated herein, such consent or approval may be withheld in the Lessor's sole discretion, exercised in good faith. In any case in which it is stated that the Lessor's consent or approval shall not be unreasonably withheld, the Lessee agrees that valid reasons for withholding consent or approval shall include the Lessor's desire to maintain or ensure compliance with any of the following: any law, regulation, ordinance, or grant agreement; any Comprehensive Plan policy; any provision of the Application (except as the same shall have been modified or superseded by any of the foregoing); any City of Seattle adopted neighborhood plan policy; any provision of the City's Consolidated Plan; or any condition attached to any federal, state, or county funding, provided such withholding is reasonably related to such purpose.

23.2 Consents Under Lease Not for Regulatory Purposes. Any permission, consent, or approval of the Lessor contained herein or given pursuant to this Lease is or shall be granted solely in the Lessor's capacity of owner and lessor of the Premises, and not in the City's regulatory or public utility capacity, nor in its capacity as grantor of funds or lender. No such consent or approval shall be construed as any representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or Codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. It shall be the sole obligation of the Lessee to obtain, at its own expense, all regulatory approvals, consents, permits, and licenses necessary or convenient for the development of the Premises from all relevant authorities, including without limitation any permits from the City's Department of Planning and Development. Nothing herein shall be construed as assurance that any such approvals will be granted or that the City, as Lessor, will grant consents, approvals or modifications hereunder for the purpose of compliance with the conditions of any permit, approval, license or funding agreement sought or obtained by Lessee.

24. NO DISQUALIFICATION

24.1 Lessor and Lessee represent and warrant that they are not disqualified under federal, state or other laws, or under the rules or regulations of any governmental department

or authority, from acquiring, owning, leasing and holding any interest in real property or from obtaining any government contract.

25. BENEFIT AND BURDEN

25.1 Successors and Assigns. The terms, covenants and conditions contained in the Lease and in the Exhibits annexed thereto shall bind Lessee and its successors and assigns, and shall inure to the benefit of Lessor and its successors and assigns. The terms, covenants and conditions of this Lease shall inure to the benefit of Lessee's successors and assigns only if the Assignment, or other transfer (whether voluntary or involuntary) of Lessee's interests shall have received the express written consent of Lessor as provided under this Lease.

25.2 No Third Party Beneficiary. Except as expressly set forth in Section 25.1, no person other than Lessor or Lessee is intended to have any legal right or interest under this Lease.

26. NOTICE

26.1 Addresses. Any notice called for in this Lease shall be in writing and shall be hand-delivered to the respective parties at the addresses below, or deposited in the United States mail, postage prepaid, addressed as follows:

If hand-delivered to Lessor:

Director, Office of Housing
700 5th Avenue
Seattle, WA 98104

If mailed to Lessor:

Director, Office of Housing
PO Box 94725
Seattle, WA 98124-4725

If to Lessee:

Archdiocesan Housing Authority
100 23rd Ave. S
Seattle, Washington 98144
Attn: Executive Director

The parties, by written notice, may designate any further or different addresses to which some or all notices, certificates or other communications shall be sent.

26.2 Effectiveness of Notice. Notices shall be deemed to have been received by the parties two (2) working days after mailing to the proper address in accordance with Section 26.1 above or upon actual delivery to such address during normal business hours, whichever first occurs.

27. TERMINOLOGY

27.1 Headings. The headings of the various Articles and Sections of the Lease have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions herein.

27.2 Gender and Number. Words of any gender utilized in the Lease shall be held to include any other gender and words in singular numbers shall be held to include the plural when the context so requires.

28. SEVERABILITY

28.1 If any provision of the Lease, or any Section, sentence or clause, or its application to particular circumstances, is held invalid, the Lease shall be construed as if the invalid part were never included or were expressly made inapplicable to such circumstances, as the case may be, and the Lease shall remain valid and in force to the fullest extent permitted by law.

29. APPLICABLE LAW

29.1 The Lease shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any legal action under the Lease shall be King County Superior Court.

30. NEGOTIATED AGREEMENT; MERGER

30.1 Negotiated Agreement; Construction. The parties to this Lease acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Lease reviewed by their respective legal counsel, and that the terms and conditions of this Lease are not to be construed against any party on the basis of such party's draftsmanship thereof.

30.2 Entire Agreement. This Lease, and the terms and provisions herein, contain the entire agreement and understanding between the parties with respect to the leasing of the Premises and any other negotiations, agreements, or understandings with respect to the leasing of the Premises are hereby expressly merged and subsumed within the terms and provisions of this Lease. No negotiations, communications, agreements or understanding with respect to the Lease shall have any effect in the construction, application or enforcement of this Lease. Nothing herein shall supersede any written agreement with respect to the grant or loan of funds for the Premises.

31. PROCESS FOR ALTERNATIVES BASED ON ENVIRONMENTAL REVIEW

31.1 Events Requiring Renegotiation. Notwithstanding any other provision of this Lease, if (a) an environmental review conducted under 24 CFR Section 586.45(a) after HUD's approval of the Lessor's Application for the Premises indicates that any part of the Premises is not suitable for the intended purpose; or (b) after review under the State Environmental Policy Act ("SEPA") the Lessor determines that any of the uses or actions contemplated in this Lease or the Application may have an adverse effect on the environment that cannot be sufficiently mitigated without modification of such contemplated uses or actions, then in any such case the parties shall follow the process set forth in Section 31.2 to negotiate alternative arrangements that would enable the same balance of interests made originally.

31.2 Balance of Interests. Within fifteen (15) days after notice to either Lessor or Lessee of any of the circumstances set forth in Section 31.1, representatives of the Lessor, Lessee and United Indians shall meet to discuss alternatives designed to achieve substantially the same balance of interests as originally contemplated in the Application. Alternatives may include, without limitation, acquisition by the Lessee of alternative real property instead of any portion of the Premises that proves unsuitable for the purposes intended. Within ninety (90) days after such meeting, Lessee shall present to the Director in writing one or more alternatives. The Director shall make available such alternatives and any others selected by the Director, for public comment, and shall hold one or more community meetings to discuss such alternatives. Following such meeting(s) and any additional review or process required by applicable laws or ordinances, the Mayor or Director shall propose to the City Council a preferred alternative, with any other alternatives deemed feasible by the Mayor or Director. If the City Council approves any such alternative, then the Council shall authorize an appropriate amendment to this Lease and any other actions it deems necessary to implement the selected alternative.

31.3 Amendment of Lease. If the City Council authorizes an amendment to this Lease pursuant to Section 31.2 above, then the Lessor may give written notice to the Lessee of an amendment that the Lessor requires in the terms of this Lease. The Lessee shall have fifteen (15) days after receipt of such notice to deliver to the Lessor its written acceptance of such amendment. If such acceptance is not delivered or is made subject to any conditions by the Lessee, then at any time after the expiration of such 15-day period the Lessor shall have the right, at its sole option, to terminate this Lease by written notice to the Lessee. Upon such termination neither party shall have any liability to the other, except for such liabilities as expressly survive the termination of this Lease in accordance with the terms hereof.

32. RIGHTS RESERVED BY LESSOR

32.1 Reservation. The Lessor reserves the right to enter onto the Premises and, with reasonable advance notice to Lessee, to use any portion of the Premises for any purpose not inconsistent with or materially detrimental to the use and operation of the Premises for the purposes set forth in the Application, including without limitation the rights:

- (a) To construct, install, maintain, use, and/or modify -- across, under and over the Premises -- streets, roads, sidewalks, bicycle paths, utility lines and poles, and facilities of all kinds related to any of the foregoing;
- (b) To install, maintain, remove, or modify any and all landscaping, trees, shrubs, signs, or fences;
- (c) To obtain access to City-owned land.

32.2 Transfer of Rights. The rights reserved under this Article may be transferred by the Lessor wholly or in part to any private or public parties, whether or not in connection with the transfer of a fee interest in the Premises or any part thereof.

32.3 Manner of Exercise. The rights reserved under this Article shall be exercised in such manner as does not unreasonably interfere with Lessee's access to and use of the Premises.

33. EASEMENTS; LESSEE TO COOPERATE IN AND CONSENT TO ACTIONS BY LESSOR

33.1 Easements. This Lease, and all rights of Lessee with respect to the Premises, are subject to all outstanding easements and rights of way identified on Exhibit C to this Lease for location of any type of facility over, across, in and upon the Premises, or any portion thereof, and to the right of the Lessor to grant such additional easements and rights of way over, under, across, in and upon the Premises as it shall determine to be in the public interest; provided, that any such additional easement or right of way shall be conditioned on the assumption by the grantee thereof of liability to the Lessee for such damages as the Lessee shall suffer for property destroyed or property rendered unusable as a result of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights of way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon pursuant to the terms of such easements, and to any Federal, State or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

33.2 Cooperation in Actions by Lessor. Lessee acknowledges that in order to carry out the intent of the Application, as the same may be modified by the Lessor, or to carry out the intent of this Lease, it may be necessary or convenient for the Lessor as owner to effect or create various actions such as subdivisions, boundary line adjustments, easements, dedications or transfers of jurisdiction for utility and other purposes, or condominium declarations, concerning or affecting the Premises. Lessee irrevocably agrees, promptly on the request of the Lessor, to join in, consent to, and cooperate in, any and all such actions, and to execute and deliver such documents as the Lessor shall deem reasonably required for such purpose, provided only that such actions are not fundamentally inconsistent with the use of the Premises as a whole for the basic purposes described in the Application during the period of the Lease.

34. RECORDS AND ANNUAL REPORTING

34.1 Records. Lessee shall prepare and maintain in good order, accurate and up-to-date records demonstrating compliance with the terms of this Lease and documenting the operation of the Premises, and shall make all such records available for inspection and copying promptly upon the Lessor's request.

34.2 Annual Reporting. Lessee covenants and agrees that, for the term of the Lease, it will furnish to Lessor annually on or before June 30 of each year, or another date agreed to in writing by Lessor and Lessee, commencing in the first calendar year beginning after the date hereof, a written report showing Lessee's compliance with all the terms and conditions of the Lease during the previous calendar year. This report shall include but not be limited to:

- (1) a description of ongoing security activities for the Premises;
- (2) a description of supportive services provided to Tenants and the number of homeless households served.
- (3) certification that no hazardous materials are being stored on site, except in accordance with applicable laws;
- (4) insurance certificate showing the Lessor as loss payee and/or additional insured;
- (5) explanation of any alterations occurring to the Building or Premises during the prior year;
- (6) full financial statements for Lessee and for the Premises separately, if the Lessee has other assets or operations, prepared in accordance with Generally Accepted Accounting Principles, which shall be audited or reviewed by an independent certified public accountant if so requested (an audit satisfying federal OMB Circular A-133 will suffice);

(7) a description of any neighborhood issues or complaints raised during the prior year to include a description of any resolutions or outcomes;

(8) a description of any community or neighborhood meetings attended by any representative of the Lessee and issues discussed regarding the Premises;

(9) such other information as may be required by any provision of the Lease; and

(10) provided that Lessor gives such advance notice as is necessary to collect or prepare the information, such other information as may be reasonably requested by Lessor.

In addition, the Lessor shall have the right at any time to perform, or to commission a consultant to perform, audits or reviews of Lessee and of the operations on the Premises of Lessee, any managing or operating agent, and United Indians or any substitute social services contractor. Lessee shall cooperate, and shall ensure that any such agent, United Indians and any substitute contractor cooperate, fully with any such audit or review and allow the Lessor or its consultant to review and copy all relevant documents and records, including without limitation computerized records and data.

35. TIME

Time is of the essence of all terms and conditions of this Lease.

36. LIMITS ON LEASE TERMINATION; RIGHTS TO CURE

(a) The provisions of this Section 36 shall apply only if, with the written consent of Lessor, there is an Assignment of the Lessee's interest in this Lease to an entity that is organized on terms acceptable to the Director with intent to claim low income housing tax credits under the Internal Revenue Code and that has received a contribution of capital from one or more investor members or investor limited partners (collectively, the "Investor").

(b) Lessor agrees that solely as a result of any default under this Lease the Lessor shall not terminate the Lease, nor deprive or commence any action to deprive Lessee of possession of the Premises, until at least sixty (60) days after written notice as provided below in this subsection (b). The foregoing sentence shall not prevent Lessor from giving any notice to Lessee. Lessor agrees to accept performance by the Investor as curing Lessee's defaults under this Lease. If Lessee fails to cure any default within the time limit allowed under this Lease or if there is a default for which no time to cure is allowed to Lessee, then Lessor may terminate this Lease for such default only after sixty (60) days notice of such failure to cure given to the Lessee and to the Investor if the Lessor shall have been provided a current address for the Investor. Lessor shall not terminate the Lease for such default (i) if the Investor cures such default within such sixty days; or (ii) with respect to any default that is non-monetary and cannot reasonably be cured within such period, if Investor begins cure within such sixty day period, so long as the Investor proceeds diligently and continuously to

complete such cure, and provided that such cure is completed in no less than 12 months, unless extended by the Director in his or her discretion.

(c) The Investor shall not have any obligation to cure any default.

Signed:

LESSOR:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: _____
Print Name: Adrienne E. Quinn
Title: Director, Office of Housing
By authority of Ordinance _____

LESSEE:

ARCHDIOCESAN HOUSING AUTHORITY
a Washington nonprofit corporation

By: _____
Print Name: _____
Title: _____

List of Exhibits:

- A. Map of Fort Lawton Property
- B. Development Process
- C. Map of the Premises
- D. Legal Description of Premises
- E. Information Received by Lessee

LESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of

_____, a Washington non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____
Print Name: _____

LESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ___ was authorized to execute the instrument and acknowledged it as the _____ of

_____, a Washington non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____
Print Name: _____

Exhibit A: Map of Fort Lawton Property



Development Process

Definitions

Capitalized terms used in this Exhibit have the meanings set forth in Article 1 of the Lease unless otherwise specifically defined in this Exhibit.

Community Meetings on Design

If so requested by the Director, Lessee agrees to periodically provide progress reports to the community and attend at least one community meeting, in addition to any meetings required by the Design Review process, to present the architectural design and hear comments from neighboring residents and businesses, which comments shall not be binding upon Lessee or require Lessee to amend the design or other documents relating to the Improvements.

Design, Approval of Design by the Director

Lessee has prepared and the Director has approved plans and drawings in sufficient detail with respect to development of the Premises to describe the site plan, location of the Improvements, massing and height, site circulation, and relationship to the surrounding environment of the Improvements.

Construction Documents

Lessee shall prepare plans and specifications with respect to the construction of the Improvements (the "Construction Plans") substantially consistent with the approved design and all applicable state and local laws and regulations. The Construction Plans shall be sufficiently complete and detailed to satisfy requirements pertinent to application for a building permit to DPD and to demonstrate to the Director that the Improvements will be in accordance with the previously approved design.

Lessee shall submit one set of the Construction Plans, together with a construction or progress schedule, to the Director at the same time as Lessee submits the Construction Plans to DPD for the purpose of obtaining a building permit.

Changes in Design or Construction Documents

The Director shall review the Construction Plans solely for the purpose of determining whether they substantially conform to the approved design. The Director shall have ten (10) business days after receipt of the Construction Plans to notify the Lessee in writing of any objections to the design as shown in the Construction Plans. Such written notice shall contain a statement of the specific reasons for such objection. Lessee may within thirty (30) days after receiving Director's written notice of objection to the Construction Plans or to any proposed changes to approved Construction Plans,

submit revisions to the Construction Plans or to the proposed changes, as applicable, unless the revisions are manifestly inconsistent in material respects with the approved design. If in the Director's judgment the revised Construction Plans or revised proposed changes satisfy the Director's objections stated in the Director's prior written notice of rejection or otherwise satisfy the criteria set forth above, the Director shall approve the revised Construction Plans or the revised proposed changes and evidence that approval by endorsement of the same on the revised plan sheets and by notifying the Lessee in writing.

If the revised Construction Plans or revised proposed changes do not satisfy the Director's written objections or the Lessee does not submit revisions with such 30-day period, the Director may reject the revised Construction Plans or revised proposed changes and the Lessor may terminate this Lease by written notice to Lessee. In that case neither party shall have any further liability or obligation, of any kind whatsoever, to the other under the Lease (except pursuant to indemnity provisions, which survive termination of the Lease).

Permits

The Lessor acknowledges that the redevelopment of the Premises and the requirements of the Lease necessitate that Lessee apply for and obtain certain permits and other similar authorizations (collectively, the "Permits") from the City and other governmental agencies relating to the Premises and the Improvements. The term "Permits" shall include without limitation use permits; building permits; short plats and lot boundary adjustments and other similar authorizations and approvals; grading permits; shoring permits; permits for work in public rights-of-way; and utility permits.

Nothing in the Lease is intended or shall be construed to require that the City exercise its discretionary authority under its regulatory ordinances to further the development of the Premises, nor binds the City to do so. The City will process applications for Permits as if such applications were made in the absence of the Lease. Lessee assumes the risk of inability to obtain any such approvals, consents, or permits, for any reason. No consent, approval or requirement contained in or made by the Director or designees pursuant to the Lease shall constitute the approval, consent, or Permit required for any regulatory or other City purpose, nor require the City to grant any such approval, consent, or Permit. No regulatory requirement, condition or recommendation related to any Permit shall constitute approval for any change in the design or for any Construction Plans or changes therein, nor obligate the Director to grant any such approval. The Director will not unreasonably withhold approval of changes to the design necessitated by the Design Review process.

Timely Review of Changes in Design or Plans

If, with respect to any transmittal or submission of any changes to the design or Construction Plans, the Director does not give Lessee written notice of any objection thereto and reasons therefore within ten (10) business days of receiving such documents,

then if the first page of the transmittal conspicuously stated the effect of this Section with express reference hereto, the documents as transmitted to the Director shall be deemed approved.

Financing Commitment

Lessee represents that Lessee will use its best efforts to obtain a financing commitment (“Financing Commitment”) from one or more lending entities (individually and collectively, the "Lender(s)") to finance the construction of the Improvements to be built on the Premises.

Lessee shall provide to the Director financing commitments from the Lender(s), that demonstrate to the reasonable satisfaction of the Director that Lessee will obtain all financing necessary to complete the Improvements in accordance with the Lease, the approved design and the Construction Plans, and that no term of any Financing Commitment is in material conflict with the terms of the Lease, the approved design or the Construction Plans.

Map of the Premises

To be inserted

Legal Description of Premises

To be inserted

Information Received by Lessee

To be inserted



September 10, 2008

U.S. Department of Housing and Urban Development
Office of Special Needs Assistance Programs
BRAC Coordinator
451 Seventh Street, SW, RM 7266
Washington, DC 20410

Re: Legally Binding Agreements

To the BRAC Coordinator:

The Archdiocesan Housing Authority (“AHA”) is providing this letter to confirm that it has negotiated and agreed to the terms contained within the two Legally Binding Agreements, in the form of leases, submitted by the City of Seattle as part of its Homeless Assistance Submission provided to HUD and the Department of Defense together with the Fort Lawton Redevelopment Plan (The Plan). However, the Legally Binding Agreements do not create any contract or other legal obligations upon AHA unless and until the following conditions precedent and contingencies are satisfied:

1. There is no significant or material change(s) to The Plan as submitted; and
2. YWCA of Seattle-King County-Snohomish County provides a letter confirmation equivalent to this letter confirmation being provided by AHA for the homeless families housing project. United Indians of All Tribes Foundation provides a letter confirmation equivalent to this letter confirmation being provided by AHA for the homeless seniors housing project; and
3. Financing and other contingencies described in and/or as contemplated by the respective Legally Binding Agreements are satisfied for each housing project; and
4. AHA’s obligation to enter into and be bound by either of the Legally Binding Agreements is subject to and will require (1) formal approval of the AHA Board of Trustees, and (2) approval and execution of a Certificate of Action by AHA’s Corporate Member in accordance with AHA’s by-laws.

If you have any questions or require additional information, please contact John Hickman at (206) 328-5660.

Sincerely,

Michael Reichert
President
Archdiocesan Housing Authority



UNITED INDIANS
OF ALL TRIBES FOUNDATION

September 11, 2008

U.S. Department of Housing & Urban Development
Office of Special Needs Assistance Programs
BRAC Coordinator
451 Seventh Street SW – Room 7266
Washington, D.C., 20410

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Makah

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Linley Logan
Seneca

John McCoy
Tulalip

Joe Jay Pinkham
Yakama

Mel Tonasket
Colville

Subject: Fort Lawton Redevelopment Plan

Dear BRAC Coordinator:

On behalf of the United Indians of All Tribes Foundation (UIATF), I am pleased to confirm our participation in the City of Seattle's plan to redevelop Fort Lawton.

Providing housing for the Seattle Native population has been in the long-range plans of UIATF for many years and is finally at a point where vision can become a reality. UIATF was founded in the 1970s under the then leadership of Bernie Whitebear and has served as the heart beat of the Seattle off-reservation Native population for over 30 years.

We are committed to working with the Archdiocesan Housing Authority (AHA) to provide support services to Native homeless families at Fort Lawton that are consistent with the Redevelopment Plan.

Please feel free to call me if you have any questions, or need any additional information.

Best regards,

Marty Bluewater, CEO
United Indians of All Tribes Foundation

After recording return to:

City of Seattle
Office of Housing
PO Box 94725
Seattle, WA 98124-4725
Attention: Mark Ellerbrook

LEASE

Reference numbers of related documents:

N/A

Grantor:

THE CITY OF SEATTLE

Grantee:

Archdiocesan Housing Authority

Legal Description:

Summary: _____

Additional description on Exhibit D

Assessor's Property Tax Parcel Account Nos.:

LEASE – FAMILY HOUSING

LEASE

Between

The City of Seattle
a municipal corporation
of the State of Washington and

Archdiocesan Housing Authority
a Washington nonprofit corporation

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List of Exhibits:

- A. Map of Fort Lawton Property
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- C. Map of the Premises
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- E. Information Received by Lessee

LEASE

Between

The City of Seattle
a municipal corporation
of the State of Washington and

Archdiocesan Housing Authority
a Washington nonprofit corporation

**FOR THE DEVELOPMENT AND OPERATION
OF HOUSING FOR HOMELESS FAMILIES AT FORT LAWTON**

This Lease is entered into as of the ____ day of _____, 20__ by The City of Seattle, a municipal corporation of the State of Washington and the Archdiocesan Housing Authority, a Washington nonprofit corporation (“AHA” or, together with any Assignee of its interest hereunder, “Lessee”).

RECITALS

On _____, 20__, the City acquired title to portions of the Fort Lawton Army Reserve Center from the United States government under terms and conditions requiring, among other public and community uses, the development and management of housing for the homeless and related services.

AHA was selected by the City through a Notice of Interest to construct and operate 30 units of housing for homeless families as part of the redevelopment of property identified by the Army for disposition as surplus at Fort Lawton. AHA will provide an appropriate residential environment and plan, arrange and coordinate social and health services for the project Tenants. AHA’s supportive services partner will provide intensive on-site case management focused on resident goals and barriers.

AHA will enter into an agreement with YWCA of Seattle-King County-Snohomish County (“YWCA”) to provide residents intensive case management services to homeless

families. YWCA was selected by the City through the Notice of Interest process to provide support services to homeless families.

The City and AHA anticipate the assignment of the Lessee's interest in this Lease to a limited liability company or limited partnership for the purpose of securing financing for the construction of the homeless housing units on the Premises.

THEREFORE, in consideration of the lease of the below-described premises by the City as Lessor to AHA as Lessee and the mutual covenants made herein, the parties agree as follows:

1. DEFINITIONS

The following capitalized terms used in this Lease shall have the following meanings unless the context otherwise requires:

“Application” means the redevelopment plan and homeless assistance submission by the City to the United States Department of Housing and Urban Development (“HUD”) and United States Department of Defense (“DoD”) for the transfer of the Premises to the City, as finally approved by HUD and DoD.

“AHA” means Archdiocesan Housing Authority, a Washington nonprofit corporation.

“Article” means a portion of this Lease designated by a number and a heading in all capital letters, and includes all Sections thereunder.

“Army Deed” means the deed conveying the Premises from the United States Army to the Lessor dated _____, 20__ and recorded under King County recording no. _____

“Assignee” means the recipient of any Assignment, made with written consent of Lessor, that assumes the obligations of Lessee hereunder.

“Assignment” means the assignment of all of the Lessee's rights and interests under this Lease.

“Buildings” means the residential buildings to be constructed by the Lessee pursuant to this Lease, including all fixtures thereon and therein, and any replacements for such buildings and fixtures.

“Certificate of Occupancy” means a temporary certificate of occupancy issued by DPD after the construction of Improvements, or, if no temporary certificate of occupancy is issued, then a permanent certificate of occupancy.

“City” means The City of Seattle, a Washington municipal corporation.

“Codes” include all land use, building, housing, fire, electrical, mechanical, plumbing and other codes applicable under City ordinances or State law, and all valid interpretations thereof issued by the agencies responsible for the administration thereof.

“Construction Plans” means plans and specifications for the construction of new Improvements, or for the restoration of Improvements, in sufficient detail for submission of a building permit application and in compliance with all applicable Codes.

“DoD”: means the United States Department of Defense, and any successor agency.

“DPD” means the Seattle Department of Planning and Development, and any successor agency.

“Director” means the City of Seattle Director of the Office of Housing and any official who may succeed to the authority or responsibility of such Director to act for the Lessor under this Lease in the future. In addition, in any instance in which action by the “Director” is contemplated by the terms of this Lease, “Director” shall include any other City employee authorized by the Director or by the Mayor of The City of Seattle to take such action.

“Effective Date” means the date when this Lease has been executed by both parties.

“Environmental Review” means review by the United States government under the National Environmental Policy Act and related laws in connection with the transfer of the Premises or Fort Lawton Property.

“Fort Lawton Property” means the land generally depicted on Exhibit A, including both land acquired from the United States by the Lessor and land acquired or to be acquired by other parties, and all buildings and improvements now or hereafter located thereon, subject to any deletions, additions or adjustments as may have been or may be required by the United States government in connection with the transfers of property.

“Homeless family” means a household consisting of one or more adult homeless persons and, at the time of commencement of tenancy in the premises, including at least one minor child of whom at least one such adult is a parent or guardian.

“Homeless person” has the meaning set forth in 24 CFR Section 586.5.

“HUD” means the United States Department of Housing and Urban Development and any successor department or agency.

“Improvements” means the Buildings, any additions or modifications thereof, and any other structures or fixtures that shall be constructed or installed on the Premises during the Term of this Lease, but shall not include any infrastructure or utility improvements (including

but not limited to streets; light and power poles; signs; water, sewer, electric and gas lines) presently existing or hereafter installed and owned by the City or any other public utility.

“Lessor” means the City, solely in its capacity as the owner of the Premises and lessor under this Lease, and any successor owner of the Premises.

“Parcel” means one of the parcels of the Premises depicted in Exhibit C.

“Personal Property” means any personal property acquired for the operation or maintenance of the Premises with funding provided by the City or another government.

“Premises” means the land depicted in Exhibit C and described in Exhibit D attached hereto and incorporated by this reference.

“Rent” means the rent fixed in Section 4.1.

“Section” means a part of this Lease designated by a number with a numeral after a decimal point, such as “11.3”, including all subsections, paragraphs and clauses therein.

“Tenant” means any residential tenant or subtenant occupying a housing unit, and any member of any such person’s household, and shall include any residential client of a facility for the homeless, whether or not such person has the status of a tenant under applicable law.

“Term” means the term of this Lease specified in Section 3.1, as extended, if applicable, pursuant to Section 3.4.

“YWCA” means YWCA of Seattle-King County-Snohomish County, a Washington nonprofit corporation.

2. CONSTRUCTION OF BUILDINGS

2.1 The Lessee shall cause to be constructed and installed on the Premises, at Lessee’s expense, 15 residential duplex townhome buildings including 30 dwelling units, with at least 2 bedrooms in each unit, and with suitable common areas, fixtures, systems and furnishings, and the driveways, parking areas, walkways reasonably required to serve the Buildings, and all landscaping required in connection with applicable permits, all in accordance with Construction Plans acceptable to the Director. The Lessee shall diligently pursue all necessary private, federal, state and local financing, permits, approvals, design and engineering work, and contracts for the development and construction of the Buildings and such related site Improvements. Each Parcel shall have 2 units in 1 building.

2.2 The Lessee shall comply with the development process set forth in Exhibit B to this Lease, which is incorporated herein by this reference, in each case unless extended by the Director in writing, in the discretion of the Director. Regardless of any extensions or any

other provisions of this Lease, the Lessee shall ensure that each of the Buildings is completed, has a Certificate of Occupancy, and is ready for occupancy of all Units, no later than 5 years after the Effective Date.

3. TERM

3.1 Term of Lease. Subject to the provisions of this Lease and the terms of the Army Deed, Lessor leases to Lessee and Lessee leases from Lessor the Premises described below. This Lease shall be in effect from the Effective Date for a period of 60 years, ending the day before the 60th anniversary of the Effective Date (“Initial Term”), unless sooner terminated as provided elsewhere in this Lease.

3.2 Early Termination. The Lease may be terminated, in whole or in part, prior to expiration of the Term by written agreement of the Lessor and Lessee; or for default as described in Article 17, after any applicable cure period; or due to casualty as provided in Article 15; or as provided below in this Article or in Articles 5, or 31. If not otherwise specified, termination shall be effective ninety (90) days after written notice of termination from the Lessor.

3.3 Termination if Premises Not Used for Homeless. Lessor shall have the right to terminate this Lease, wholly or as to any specified Parcel or Parcels, by written notice to Lessee if Lessee has not completed all the Buildings contemplated by this Lease by the date required under the last sentence of Section 2.2, or if within 90 days after that date there are not at least 75% of the completed units occupied by Tenants eligible under the terms of this Lease. In addition, Lessor shall have the right to terminate this Lease by written notice to Lessee if the Premises cease to be used for homeless families.

3.4 Extension of Lease. If this Lease shall be in full force and effect, the Lessee shall be in full compliance with the terms of this Lease, and the Buildings shall then be at least 90% occupied by Tenants eligible under the terms of this Lease, then at the option of the Lessee, exercisable by written notice to the Lessor no more than one year and no less than 180 days prior to the scheduled expiration of the Term of this Lease, the Term of this Lease shall be extended for an additional 25-year period, but not as to any Parcel on which there is not then at least one occupied Building. This option to extend may be exercised only twice, so that the total Term of this Lease shall not exceed 110 years.

4. RENT AND OTHER CHARGES

4.1 Rent. Lessee shall pay Lessor base rent for the Premises during the Term at the rate of ONE HUNDRED DOLLARS (\$100.00) per year. Rent shall be due and payable by Lessee to Lessor on the Effective Date of the Lease for the first year of the Term and subsequently payable by Lessee on each anniversary of the Effective Date of the Lease. Lessee reserves the right to prepay the entire Term or portions thereof, but no acceptance of prepayment shall affect the right of the Lessor to terminate this Lease upon the circumstances

set forth herein, and there shall be no right to any rebate of prepaid rent upon any such termination. There shall be no reduction in rent if this Lease is terminated as to one or more but not all of the Parcels.

4.2 Other Charges. Lessee shall pay all other charges as set forth in Article 9. It is the purpose and intent of the parties and they agree that Rent payable hereunder shall be absolutely net to Lessor so that this Lease shall yield to Lessor the Rent specified, free of any charges, assessments, or impositions of any kind charged, assessed, or imposed on or against the Premises, and without abatement, counterclaim, deduction, defense, deferment or set-off by the Lessee, and Lessor shall not be expected or required to pay any such charge, assessment or imposition, or be under any obligation or liability hereunder except as herein expressly set forth. The foregoing notwithstanding, if Lessor shall be subject to property taxes on the Premises, the Lessor, not the Lessee, shall be obligated for such taxes.

5. PREMISES; USE

5.1 Use of Premises.

(a) Lessee agrees that, except as otherwise expressly provided herein, the Premises shall be solely devoted to the development and operation of residential Buildings for homeless families (including community space, landscaping, gardens, playgrounds and other open space available to such residents), and for related services to the homeless families as may be approved by the Lessor and as may be consistent with applicable federal or state laws and regulations.

(b) Any nonresidential space in any buildings on the Premises shall be used solely for services to the homeless families residing on the Premises unless otherwise expressly agreed in writing by the Lessor. Lessee shall maintain and produce for inspection and copying upon demand by the Lessor or HUD records demonstrating compliance with this Section.

(c) At all times during the Lease, unless otherwise approved in writing by the Lessor, all usable space in the Improvements on the Premises shall be used for purposes that qualify as the necessary support of the poor or infirm, as authorized under Article VIII, Section 7 of the Washington State Constitution.

5.2 Supportive Services for Homeless.

Lessee shall provide supportive services to all residents of the Premises. The supportive services model shall include an intensive home-based case management program focused on resident goals and barriers. Residents will complete a needs assessment and create an action plan suited for their circumstances. Action plans shall be focused on education, training, employment, wage progression, mental health, family stability and resource procurement, and address children's schooling, after school programming and childcare

needs. Case management, domestic violence advocacy and children's domestic violence counseling will occur predominately in the families' homes, while mental health and chemical dependency counseling, life skills classes, and children's programming will be provided outside the home. These services shall be provided through a contract with YWCA acceptable to the Lessor, unless the Lessor shall approve a substitute contractor. Should YWCA be unable or unwilling to provide appropriate services, and should no acceptable substitute contractor be available, then Lessee shall directly provide appropriate services.

5.3 Inability to Continue Use for Homeless. If Lessee is unable to continue operation of any part of the Premises consistent with this Lease due to unavailability of sufficient operating funds, then Lessee shall so inform Lessor in writing and Lessee shall have no liability in damages to Lessor for failure to continue such use. Upon such notification, Lessor shall then have the right to terminate this Lease, by thirty (30) days' written notice to Lessee, as to the Parcel or Parcels of the Premises affected by such insufficiency of funds.

6. OWNERSHIP OF IMPROVEMENTS AND PERMISSION OF LESSOR

6.1 Title to Improvements and Personal Property. Lessee shall hold title to the Buildings and any other Improvements constructed on the Premises. Lessee's title to all Improvements and Personal Property shall be subject to all the terms and conditions of this Lease, including without limitation the reversion to the Lessor upon termination. Lessee shall have no right to remove, destroy, damage or alter any Improvement or portion thereof, nor to permit any person to do any of the foregoing, without the express written consent of the Director. At the expiration of the Term, or if this Lease is earlier terminated as provided under this Lease, the Improvements, together with all related Personal Property, shall become the property of Lessor without any payment by Lessor; provided, that the Lessor may require the Lessee to remove, within ten (10) days after notice to Lessee, at Lessee's sole expense, any fixtures or structures on or under the Premises that were constructed, affixed or substantially modified without the approval of the Lessor or in violation of applicable laws, regulations or Codes, or that were permitted by Lessor on condition that they be removed upon expiration or termination of the Lease.

6.2 Permission of Lessor. Subject to any restrictions on the Premises reserved in the conveyance by the United States, the Director shall not unreasonably withhold permission for Lessee and its contractors and subcontractors to engage in any excavation or construction activities reasonably necessary to construct, repair, alter or improve the Improvements contemplated by this Lease, consistent with Construction Plans acceptable to the Director. Lessor agrees to timely review and respond to requests for approvals or permissions for related excavation and construction as may be necessary under this Lease or as may be necessary to secure building or other permits as may be required by applicable law. Lessor further agrees to cooperate with and permit the hook-up of any and all necessary utilities to the Buildings. However, Lessee shall obtain any and all necessary permits for utility hook-ups as required by applicable law.

7. MANAGEMENT AND OPERATION

7.1 Applicable Laws. The operation and management of the Premises by Lessee shall be conducted consistent with the requirements of applicable laws, regulations and ordinances.

7.2 Property Manager. Beginning no later than the commencement of occupancy of the Buildings, Lessee may contract with one or more property managers with the written consent of the Director, to manage the operation of the Premises consistent with this Lease, but no delegation of any duty or obligation to any property manager shall limit the responsibility or liability of Lessee hereunder.

7.3 Rules and Regulations. The Lessee agrees to observe, and to take all reasonable measures to cause Tenants and other persons allowed on the Premises to observe, such reasonable rules and regulations governing the Premises as the Lessor may promulgate from time to time, to the full extent such rules and regulations are permitted under applicable law.

8. DELAY IN PERFORMANCE

8.1 Force Majeure. Subject to Section 8.2, to the extent that delays in the performance of Lessee's obligations, including but not limited to the development of plans and specifications, securing of funding commitments or commencement, completion of construction of the Improvements, and repair or restoration of the Improvements, are due to causes or events beyond Lessee's reasonable control and without its negligence, including but not restricted to, any delays or suspensions of construction compelled by court order, acts of God, acts of the public enemy, reasonably unforeseeable acts of a unit of local, state or federal government, reasonably unforeseeable acts or omissions by other parties, fires, floods, labor strikes or suspensions, embargoes, delays in or suspension or loss of essential utility services, loss of ingress or egress to the Premises, earthquake, volcanic event, earth movement, accident, war or military action, civil unrest, riot, unavailability of necessary materials for construction or repair, unusually severe weather, or delays of contractors or subcontractors due to such causes or events, the time for the performance of the obligation shall be extended, and Lessee shall not be considered in breach of its obligations under this Lease, for the period of the enforced delay if Lessee shall request an extension of time in writing from Lessor promptly and in any event within thirty (30) days after Lessee becomes aware, or reasonably should have been aware, of the cause of any such delay. Failure of the Lessee to obtain sufficient funding for the construction of new Improvements, after exercising its best efforts, shall be considered a cause beyond Lessee's reasonable control under this Section, provided that Lessee shall be continuing diligent efforts to obtain such funding.

8.2 Certain Termination Rights Not Affected. Nothing in this Article shall affect the right of the Lessor to terminate this Lease, in whole or in part, if otherwise authorized under Section 3.3, Section 5.3, Article 15, Article 17, or Section 31.3.

9. TAXES AND UTILITY CHARGES

9.1 Taxes. The Lessee shall pay, before delinquency, all taxes, levies, and assessments arising from its activities on or occupancy of the Premises, including, but not limited to taxes arising out of the activity or business conducted on the Premises such as the rental or sale of goods or services; taxes and other impositions levied on its property, equipment, and improvements on the Premises; and taxes on the Lessee's interest under this Lease and any leasehold interest deemed to have been created thereby under Ch. 82.29A RCW. In the event the State of Washington makes any demand upon the City as Lessor for payment of leasehold excise taxes resulting from the Lessee's occupation of the Premises or withholds funds due to the Lessor to enforce collection of leasehold excise taxes, the Lessee shall, at its sole expense, contest such action and indemnify the Lessor for all sums expended by, or withheld by the State from, the Lessor in connection with such taxation.

9.2 Utility Charges. The Lessee, at the Lessee's sole expense, shall pay for, when due, all costs for providing all utilities and other services on or to the Premises, including but not limited to, elevator service, electricity, gas, water, telephone and other communications services, sewer, surface water management and other charges customarily billed with property taxes, garbage, recycling, heating and janitorial, and shall also pay all charges for new connections to water or sewer mains required in connection with the construction, rehabilitation, modification or use of Improvements. The Lessor shall be responsible for the installation or improvement of water or sewer mains, drainage facilities and electricity lines to the Premises if required for the purposes of the uses contemplated by this Lease, but shall not be responsible for connections, meters and related installations that would be the responsibility of the owner or developer of a building on private property according to standard policies of the City for utilities. Lessor's installations and improvements shall be made, to the extent required, in time to serve new Improvements constructed on the Premises in accordance with this Lease. The Lessor shall not be liable for any injury, loss or damage caused by or resulting from any interruption or failure of utility services due to any causes whatsoever except the Lessor's gross negligence or breach of this Lease. The Lessee shall not be entitled to an offset, reduction, or return of Rent as a result of any interruption or failure of said services.

9.3 No Charges for Service to Other Property. Nothing contained herein shall require Lessee to pay any gas, electrical, water, sewer or any other charge for utility service furnished to parts of the Fort Lawton Property not conveyed to Lessee under the terms of this Lease.

9.4 Lessee's Right to Contest. Lessee shall have the right to contest or review by legal proceedings or in such other manner as may be legal, any tax, assessment, utility charge

or other governmental imposition mentioned above and to pay such items under protest; provided, that nothing in this Section shall be construed to restrain the exercise of any remedy by any City utility for nonpayment, and provided further that notwithstanding any protest or challenge Lessee shall timely pay such amounts as are necessary to avoid interruption in service, including any interruption that would occur from application of the normal policy or procedure of any City utility.

10. ALTERATIONS; CONDITION AND CARE OF PREMISES

10.1 General Condition. The Lessee shall at all times keep the Premises in a neat, clean, safe and sanitary condition, and shall use and maintain the Premises in accordance with the laws of the State of Washington and the Charter, ordinances and Codes of The City of Seattle, and in accordance with all valid rules and regulations of the Director of the Department of Public Health of Seattle & King County (“Health Officer”), Fire Marshal, Director of DPD and other appropriate officers of The City of Seattle, including without limitation those laws, regulations, ordinances and Codes applicable to public health, public safety, noise, and nuisance. The Lessee shall comply with the previous sentence at the sole cost and expense of the Lessee, except as otherwise expressly provided herein. The Lessee shall not cause or permit any waste, damage, or injury to the Premises, or permit anything to be done upon the Premises that in any way will tend to create a nuisance.

10.2 Lessee Accepts Premises AS IS.

(a) Lessee has fully inspected the Premises. Lessee is fully familiar with the condition of the Premises. Lessee accepts the Premises **AS IS**, in their condition on the Effective Date, and **ASSUMES THE RISK** of any defects in the condition of the Premises and of all the matters set forth below. Lessor makes **NO WARRANTIES OR REPRESENTATIONS OF ANY KIND**, except as follows:

(1) Lessor has provided Lessee with copies of all documents in Lessor’s possession pertaining to the United States’ transfer of interest in the Fort Lawton Property to Lessor that restrict or condition the Lessee’s use of the Premises.

(2) To the best of the knowledge of the Housing Director of Lessor, Exhibit E is a complete list of the reports, studies, and assessments regarding the environmental condition of the Premises or any abatement or remediation of any environmental conditions of the Premises, that were provided by the DoD and HUD to the Lessor in connection with the transfer of the Premises to the Lessor, or were undertaken by Lessor or by third parties on Lessor’s behalf. Lessor does not represent or warrant that the information in any such documents is complete or accurate.

(3) The Housing Director has no actual knowledge, obtained after the date of the recording of the Army Deed, that there is any condition of the Premises, not reasonably discoverable by the Lessee and not disclosed in any of the reports listed on Exhibit

E or otherwise disclosed to the Lessee, that would have a material adverse effect on the use of the Premises for the purposes intended by this Lease.

(b) Without limiting the generality of the foregoing paragraph, Lessee agrees that, except as may be specifically set forth in this Lease, neither Lessor nor any person for whom Lessor may have any responsibility makes any representation, warranty or promise of any kind with regard to any of the following: (1) the physical condition of the Premises or improvements (land, buildings, fixtures, or infrastructure), whether or not readily determined by inspection; (2) the presence or absence of any underground tanks or any hazardous or defective substances or conditions on or about the Premises, or on adjacent properties; (3) the history of the Premises or activities that may have occurred or been conducted thereon or thereunder; (4) soils conditions or drainage; (5) square footage of land or buildings; (6) encroachments; or (7) location or condition of utility lines.

(c) Except as otherwise expressly provided in this Lease, Lessee hereby irrevocably releases and waives any and all claims that Lessee has or may have hereafter against Lessor with respect to the condition of the Premises or arising pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, or the Washington State Model Toxics Control Act, as amended.

(d) Lessee agrees that the Lessor shall have no liability or obligation as a result of any defect or condition of the Premises, including without limitation latent defects, except for any defect created by the negligent act or omission of Lessor or its contractors, employees, or agents after the date of recording of the Army Deed. Lessee acknowledges that the Housing Authority of the City of Seattle (“SHA”), a public body corporate and politic and not an agency or instrumentality of Lessor, has undertaken certain work on the Fort Lawton Property, including the Premises, in preparation for development and construction activities, and Lessee agrees that SHA and its contractors, employees and agents shall not be considered contractors, employees, or agents of Lessor. The Lessor shall have no obligation for any repairs, maintenance, or work of any kind except as expressly set forth in this Lease.

(e) Lessee and Lessor acknowledge that this Section has been specifically bargained for and that Lessor would not be willing to lease the Premises on the terms and conditions set forth herein without Lessee’s agreement to the terms of this Section.

10.3 Alterations.

(a) The Lessee shall not make, or cause to be made, any alteration, addition or improvement in the Premises, including without limitation installation, removal or modification of fencing or landscaping, without first obtaining the written consent of the Director for such work. The Director’s approval of alterations, additions or improvements expressly contemplated by this Lease shall not be unreasonably withheld, provided that the Lessee demonstrates the availability of sufficient financial resources to complete such

alterations, additions or improvements. Ordinary repairs and any non-structural alteration of any structure that, together with all other items of the same nature during the calendar year, cost less than \$15,000.00, and emergency repairs immediately necessary for the usual and customary usage of the Premises, in each case if at the sole expense of Lessee, shall not require such prior written consent. Except for actions of the Lessor under Article 32, and except for any repairs required as a direct result of any damage to the Premises by Lessor after the date of this Lease, all alterations, additions and improvements made shall be at the sole cost and expense of the Lessee, and unless otherwise agreed in writing by the Director, shall remain in and be surrendered with the Premises as a part thereof at the expiration or termination of this Lease, without disturbance, molestation or injury.

(b) The Lessor reserves an unqualified right to make repairs or alterations to the Premises or to the Buildings thereon (i) where conditions deemed by the Director to constitute an emergency exist, or (ii) after prior written notice to Lessee requesting Lessee to make such repair or alteration in order to correct deficiencies in compliance with any applicable law, regulation or Code. Lessee shall reimburse Lessor on demand for the cost of any such repairs or alterations if made after the Lessee shall have failed or refused to do so. The Lessor also reserves the right to make general alterations to the Premises or to any Buildings thereon at no cost to Lessee where such general alterations will not unreasonably interfere with the ordinary operation or use of the Premises or such Buildings by the Lessee.

(c) In the event that, at any time after the Buildings have been placed in service, any of the Buildings shall, in the Lessor's reasonable judgment, immediately require an extraordinary capital improvement (such as replacement of a major building system), and sufficient funds are not available in the Lessee's capital reserves for such purpose, then the Lessor may make such capital improvement, and may require that the Lessee contribute all available funds in Lessee's capital reserves toward the cost of such capital improvement, subject to any approval required by any funding agreement approved in writing by the Lessor.

(d) During any alterations or construction the Lessee shall secure and provide on-site containers for the collection of waste materials, debris and rubbish associated with work. The Lessee shall keep the work site and all adjacent property free from the accumulation of waste materials, rubbish and windblown debris and, on a daily basis, shall dispose of all flammable, hazardous and toxic materials generated by or otherwise associated with the work. Storage and disposal shall be in accordance with Title 40 CFR, WAC Ch. 173-303 and Title 49 CFR and state and local fire codes and regulations. Lessee shall ensure that all waste materials, debris and rubbish generated by or otherwise associated with any work on the Premises shall be disposed of legally at disposal areas away from the Premises.

10.4 Access. The Lessor reserves for itself, its officers, employees, agents and contractors, free access to said Premises, including the buildings thereon, at all reasonable times for the purpose of inspecting, cleaning, or making repairs, additions or alterations to the Premises or any other property owned by or under the control of the Lessor, but this right

shall not be construed as an agreement on the part of the Lessor to make said inspections, or to clean or make repairs, additions or alterations.

10.5 Signs. Lessee shall not display, inscribe, paint or affix to any part of the Premises any sign except those indicating the name of Lessee and the names and nature of the programs, services and facilities provided by Lessee and YWCA on the Premises, without approval in writing by the Director prior to such placement.

10.6 Keys. Lessee shall provide the Director with one (1) key for each exterior door lock of each Building immediately after the Building has been completed.

10.7 Equipment; Personal Property. All equipment and all appliances such as dishwashers, stoves, refrigerators, washers, and dryers located on the Premises shall be maintained and repaired by the Lessee at no cost to the Lessor.

10.8 Contracting for Alterations, Maintenance, Repairs, and Construction. Lessee shall ensure that all contracts and subcontracts for any alterations, maintenance, repairs, and construction activities (including contracts for related professional services), including without limitation the initial construction of the Buildings and related Improvements, shall be made, entered into, and performed in full compliance with all applicable laws, regulations, ordinances, fund source requirements, and the terms of this Lease (collectively, “requirements”), whether such contracts are let or made by the Lessee or by any other person. Lessee shall ensure, under all such contracts and subcontracts, that work shall be performed by licensed and qualified contractors, and that wages and benefits shall be paid in compliance with all applicable requirements. Lessee shall defend, indemnify and hold harmless the Lessor and its officers and employees from any claim, demand, liability, or cost (including attorneys fees) resulting from any failure by Lessee to ensure compliance as set forth in this Section.

10.9 Hazardous Waste or Materials.

(a) Restriction on Use; Response Plan; Definition. Lessee shall not dispose of or otherwise allow the release of any hazardous substances in, on or under the Premises, or any adjacent property, or in any Improvements placed on the Premises. Lessee represents, warrants and agrees that Lessee’s uses of the Premises (including uses by Tenants, invitees or licensees) shall not involve the use, production, disposal or bringing onto the premises of any hazardous substances, except for cleaning and maintenance supplies normally used in the operation of similar buildings that shall be used, stored and disposed of in compliance with all applicable laws, regulations and prudent practices. Lessee understands and agrees that flammable or hazardous substances, except those items necessary for the construction and the normal and reasonable maintenance and operation of the Buildings, are not allowed on the Premises without the express written permission of the Lessor. In any event, Lessee shall handle and dispose of all hazardous materials in accordance with all applicable laws. Prior to bringing any hazardous substance onto the Premises, Lessee shall prepare and submit to the Lessor a hazardous materials response plan, acceptable to the

Lessor. Lessee shall comply fully with such plan, at Lessee's sole expense. As used herein, the term "hazardous substances" includes asbestos, polychlorinated biphenyls, petroleum products, lead, explosives, paint, resins, solvents and any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state or local statute, regulation, rule or ordinance now or hereafter in effect, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and the Model Toxics Control Act, RCW 70.105D.

(b) Receipt of Information. Lessee acknowledges that it has received a copy of each of the documents listed in Exhibit E.

(c) Compliance. Lessee shall promptly comply at Lessee's expense with all statutes, regulations and ordinances, and with all orders, decrees or judgments of governmental authorities or courts having jurisdiction, relating to the use, collection, treatment, disposal, storage, control, removal or cleanup of hazardous substances in, on or under any other part of the Premises or any adjacent property if resulting from a release caused by the act or omission of Lessee or any of its employees, agents, contractors, Tenants, licensees or invitees.

(d) Rights of Lessor. After notice to Lessee and a reasonable opportunity for Lessee to effect such compliance, Lessor may, but is not obligated to, enter upon the Premises and take such actions and incur such costs and expenses to comply with any applicable laws, regulations or guidelines regarding hazardous substances as the Lessor deems advisable to protect its interest in the Premises, provided, however, that Lessor shall not be obligated to give Lessee notice and an opportunity to effect such compliance if such delay may reasonably result in material harm to the City, the Tenants, providers, the public or the United States and either (i) Lessee has already had actual knowledge of the situation and a reasonable opportunity to effect such compliance, or (ii) Lessor deems that an emergency exists. Whether or not Lessee has actual knowledge of the release of hazardous substances, Lessee shall reimburse Lessor on demand for the full amount of all costs and expenses incurred by Lessor in connection with compliance activities with respect to hazardous substances for which Lessee has responsibility under subsection 10.09 (c) of this Lease, and such obligation shall continue even after the Assignment or termination of this Lease.

(e) Lessee's Duty to Notify and Cooperate; Response to Release. Lessee agrees to cooperate in any environmental assessments conducted by the Lessor's staff or independent third parties. Lessee agrees to provide the Lessor with notice of every governmental inspection of the leased Premises, notice of violation, and order to clean up contamination, within five (5) days after the receipt thereof by Lessee. Lessee agrees to permit the Lessor to participate in all settlement or abatement discussions. In addition, Lessee shall notify Lessor immediately of the presence or release of any hazardous substances as described in subsection (c) of this Section (other than hazardous substances permitted under subsection (a) that are stored, used, handled and disposed or in compliance herewith) and shall take timely and appropriate steps to protect persons and property from, and remedy the

effects of, any such hazardous substances, which steps shall include immediate action in the case of any material release of hazardous substances.

(f) Removal Upon Surrender. Upon surrender of the Premises or any Parcel(s) to the Lessor, whether upon expiration or earlier termination of this Lease (in whole or in part), Lessee shall remove and properly dispose of any hazardous substances that were introduced into, or released on, in or under, the Premises or such Parcel(s) at any time during the Term hereof, whether by Lessee, or any of its employees, agents, contractors, Tenants, licensees or invitees, or any other person except for the Lessor or its employees, agents or contractors.

(g) Indemnity. Lessee agrees to defend, indemnify and hold harmless Lessor against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, clean-up costs, remedial actions, costs and expenses (including, without limitation, consultants' fees, attorneys' fees and disbursements) that may be imposed on, incurred or paid by, or asserted against Lessor or its officers or employees or the Premises by reason of, or in connection with (i) any misrepresentation, breach of warranty or other default by Lessee of any obligation in Article 10; (ii) the acts or omissions of Lessee or any of its employees, agents, contractors, Tenants, licensees or invitees, resulting in the release of any hazardous substances (unless such release is directly caused by Lessor, its employees, agents or contractors as such licensee or invitee); (iii) any actual or alleged injury, illness, death or damage to any person resulting from the presence or release of any hazardous substance in, on, or under the Premises (unless such presence or release is directly caused by Lessor, its employees, agents or contractors); or (iv) any off-site disposal, handling, treatment, storage, or transportation of any hazardous substances, including petroleum products, removed from the Buildings or Premises by Lessee or its contractors or subcontractors. This indemnity provision shall survive termination or expiration of this Lease.

(h) No Waiver of Federal Obligations; Notices and Enforcement by Lessee. Nothing in this Section shall be construed to relieve the United States government or any department thereof from any liability or responsibility with respect to hazardous substances. In the event that Lessee becomes aware of any hazardous substance condition, or any complaint, notice or claim related to any hazardous substance(s), with respect to which the United States or a department thereof may have any obligation pursuant to the terms of the Army Deed or pursuant to applicable law, the Lessee shall give written notice of the pertinent facts, together with a copy of any written complaint, notice or claim, to the Director and to the United States Department of the Army as soon as practicable and in any event not later than ninety (90) days after learning of any such condition or fifteen (15) days after receipt of any such complaint, notice or claim, whichever is earlier. Lessee shall provide the United States Army, and any other agency responsible for investigation, remediation, or defense of the matter, all additional documents and cooperation requested or required by the terms of the Army Deed or by law. To the full extent permitted by the terms of the Army Deed and applicable law, the Lessee shall have the right, after consultation with Lessor, to make demand on the United States to fulfill its obligations with respect to any hazardous

substances discovered in, on or under the Premises and to enforce such obligations in its own name, provided that (i) Lessee shall not waive or release any rights without the express written consent of the Director; (ii) Lessee shall send copies of all related correspondence to the Director immediately upon sending or receipt thereof by Lessee; (iii) Lessee shall not request or authorize any excavation, demolition or other response action without the written consent of the Director if such action could reasonably adversely affect any Improvements on the Premises or any utilities on, in, or under the Premises, or if such action could reasonably interfere materially with the use of any portion of the Premises for the purposes intended by this Lease.

(i) Mutual Obligations to Cooperate Regarding Federal Environmental Obligations. If any circumstances arise that would provide reasonable grounds for the enforcement of any obligations (including without limitation indemnities) of the United States regarding environmental matters in the Army Deed, or any obligations of the United States with respect to the Premises under applicable laws regarding environmental matters (either generally or with respect to base closures), and if Lessee or Lessor gives notice to the other of such circumstances and requests cooperation in pursuing such enforcement, then the other party shall cooperate in securing the benefits of such obligations. Nothing in this subsection (i) shall require either party (A) to expend funds except as authorized by its governing body, in its discretion, nor (B) to bring or join in any legal or administrative action if such party determines in good faith that such action would not be in the best interests of such party.

11. MAINTENANCE

11.1 Protection and Maintenance Obligations of Lessee.

(a) Lessee shall at all times keep the Buildings, other Improvements and the Premises in a neat, clean, safe and sanitary condition; shall not cause or permit waste, damage or injury; and shall use and maintain the Buildings and other Improvements in accordance with the laws of the State of Washington and Charter, ordinances and Codes of The City of Seattle, and in accordance with all valid rules and regulations of the Health Officer, Fire Marshal, Director of Planning and Development (“DPD”) and other appropriate officers of The City of Seattle. Lessee shall maintain and repair or replace as necessary all Building components, systems, fixtures, and equipment, including without limitation appliances in individual units. Lessee shall maintain and clear as necessary all drainage systems, shall keep walkways, steps, ramps and parking areas free of snow, ice and debris and otherwise in safe and clean condition. Lessee shall maintain in good, safe and neat condition, and replace as necessary, all landscaping and screening on the Premises installed in connection with the development of the Buildings, shall maintain and trim as reasonably required all vegetation on the Premises.

(b) Lessee shall comply with this Section at the sole cost and expense of the Lessee, except as otherwise expressly provided herein. The Lessee shall not cause or permit any waste, damage, or injury to the Building.

(c) Unless otherwise agreed in writing by Lessor, Lessee, and not Lessor, shall be responsible for the prompt removal of any rubbish deposited on the Premises by Lessee or by Tenants, licensees or invitees, including without limitation any abandoned automobiles or appliances, and for any grounds maintenance or restoration required as a result of the acts of Lessee or the Tenants, licensees or invitees of Lessee.

11.2 Lessor's Right to Initiate Repairs and Maintenance. In the event the Lessee fails to perform maintenance or to make repairs required to be made pursuant to Section 11.1 of this Lease, or shall fail to maintain the Premises as required by Section 10.1 of this Lease, the Lessor may give notice to the Lessee specifying the necessity of such maintenance or repairs. If the Lessee fails to commence such maintenance or repairs within a reasonable time not to exceed thirty (30) days after the giving of such written notice, or shall fail to finish said maintenance or repairs within a reasonable time from and after said maintenance or repairs are commenced, which shall in no event exceed 180 calendar days from said date without the written consent of the Lessor, the Lessor, in addition to any other remedies provided for herein, may make or cause such maintenance to be performed or repairs to be made at the expense of the Lessee. The Lessee shall pay the Lessor for the cost of such maintenance or repairs within ten (10) days of receipt of billing from Lessor. The Lessor shall not be obligated or have any responsibility to maintain the Premises, or to maintain, repair or replace the Improvements.

12. COMPLIANCE WITH LAWS AND FEDERAL REQUIREMENTS

12.1 General Requirement. The Lessee, at its sole cost and expense, shall perform and comply with all applicable laws of the United States and the State of Washington; the Charter, ordinances and Codes of The City of Seattle; the rules, regulations, orders, and directives of their administrative agencies and officers thereof; and all requirements associated with any fund source for the improvement of, or operations on, the Premises. Lessee shall take all reasonable measures to cause its Tenants, and each of their invitees and licensees, to comply with all requirements of all of the foregoing.

12.2 Licenses and Similar Authorizations. The Lessee, at no expense to the Lessor, shall secure and maintain in full force and effect during the term of this Lease, all required licenses, permits, and similar legal authorizations, and comply with all requirements thereof.

12.3 Nondiscrimination and Affirmative Action.

(a) Fair Housing and Other Nondiscrimination Laws. Lessee agrees to and shall comply with, and shall require any person managing or operating any part of the Premises or any Improvements thereon, to comply with, all Federal, State and local laws and ordinances, including without limitation Fair Housing Laws, prohibiting discrimination with regard to race, color, national origin, age, "families with children status," ancestry, creed,

religion, political ideology, sex, sexual orientation, gender identity, marital status, the presence of any sensory, mental or physical handicap or the use of a guide or service animal by a person with a disability.

(b) Equal Employment Opportunity and Nondiscrimination. The Lessee shall comply with, and shall require all contractors and subcontractors to comply with, all applicable equal employment opportunity and nondiscrimination laws of the United States, the State of Washington, and the City of Seattle, including but not limited to Chapters 14.04, 14.10, and 20.42 of the Seattle Municipal Code (SMC), as they may be amended; and rules, regulations, orders, and directives of the associated administrative agencies and their officers.

12.4 Lead-based Paint. Lessee shall comply with all requirements of applicable laws and regulations with regard to lead-based paint.

12.5 U.S. Government and Funding Agency Restrictions. Lessee agrees to comply, and to take all reasonable measures to cause each Tenant, and all invitees or licensees of Lessee or any Tenant, to comply with the terms and conditions of all covenants and restrictions imposed by the United States related to the transfer of the Fort Lawton Property to the Lessor, and of all agreements now or hereafter entered into by the Lessee for the funding of the Improvements; the construction, maintenance, repair, or rehabilitation thereof; or the operations thereof. Without limiting the foregoing, Lessee agrees that as between Lessee and Lessor, each and every covenant of "Grantee" in Army Deed from the United States to the Lessor for the Premises, as such covenant relates to any Parcel of the Premises, for so long as this Lease remains in effect as to that Parcel, shall be the obligation of Lessee, and that Lessee shall defend and indemnify Lessor from any liability, loss, damage or expense (including attorneys' and experts fees) arising from Lessee's breach of any such obligation. Lessee acknowledges that prior to the execution of this Lease the Lessee has reviewed the Army Deed.

13. LIENS

13.1 If, because of any act or omission of Lessee, any valid and non-frivolous mechanic's or other lien or order for payment of money shall be filed against the Premises or the Improvements, Lessee shall at its sole expense cause the same to be discharged or bonded within thirty (30) days after the date of such filing.

14. LIABILITY AND INSURANCE

14.1 Indemnity: To the full extent permitted by applicable law, the Lessee hereby releases the Lessor from, and shall indemnify and hold the Lessor harmless from, any and all losses, claims, actions, damages and expenses arising or that may arise in the future out of or resulting from any occurrence, including without limitation any death or injury of or to any person, in or on the Buildings or the Premises, from any cause or causes whatsoever including without limitation latent defects existing at commencement of this Lease, except that this

release and indemnity does not apply to the extent that claims, actions, loss, damage or expense directly results from (a) the wrongful or negligent actions (not omissions) of the Lessor, its contractors, agents and employees, or (b) the presence of any defect on the Premises for which Lessor is not relieved of liability by the terms of Section 10.2(d). Neither the approval by the Lessor of any action, omission or policy proposed by Lessee, nor the failure by the Lessor to enforce any obligation of Lessee, shall give rise to an exception from the foregoing release and indemnity. In the event that any suit based upon such losses, claims, actions, damages, or expenses is brought against the Lessor, the Lessee, upon notice of the commencement thereof, shall defend the same by counsel satisfactory to the Lessor at Lessee's sole cost and expense (provided that the Lessor shall have the right to appear in and defend any such action by its own counsel); and if final judgment be adverse to the Lessor, or the Lessor and the Lessee jointly, or if the Lessor shall enter into a reasonable settlement of any such claim or action after notice to and consultation with Lessee, the Lessee shall promptly satisfy the same. Except as expressly set forth in this Section, the obligation of Lessee to indemnify the Lessor described in this Section shall not be diminished by the fact, if it be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by an act or omission of Lessor, its officers, employees or agents, provided that to the extent that RCW 4.24.115 (or successor provision) applies, (1) this indemnity shall not apply in case of any liability for damages arising out of bodily injury to persons or damage to property caused or resulting from the sole negligence of the Lessor, its agents or employees, and (2) in case of liability for damages arising out of bodily injury to persons or damage to property caused by or resulting from the concurrent negligence of (a) Lessor or its agents or employees, and (b) Lessee or its agents or employees, this indemnity shall apply only to the extent of Lessee's negligence.

14.2 Worker's Compensation. **Solely with respect to claims for indemnification under this Lease, Lessee waives its immunity under Industrial Insurance laws. This section has been negotiated by the parties as indicated by their initials below, and Lessee acknowledges that the Lessor would not enter into this Lease absent this Section.** Lessor may require as a condition to approval of any Assignment that the provisions of this Section be expressly incorporated in the Assignment for the benefit of the Lessor, but this Section shall be fully binding on any Assignee whether or not such provisions are set forth in the Assignment.

Lessor: _____

Lessee: _____

14.3 Insurance.

(a) Building Renovation and New Construction. The Lessee shall, at all times during the term of this Lease when any renovation or construction activity is in process on the Premises, obtain and maintain continuously, at its own expense, insurance as specified in this subsection (a), and shall file with the Director and the Lessor's Risk Manager,

evidence of a policy or policies of insurance as enumerated below, covering such activity and each Building and Improvement affected by such activity:

(1) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 00 01) or equivalent, including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury
- Contractual Liability
- Independent Contractors Liability
- Stop Gap or Employers Contingent Liability
- Explosion, Collapse, or Underground (XCU), (as applicable)*
- Liquor Liability/Host Liquor Liability (as applicable)*
- Fire Damage Legal
- Per Location Aggregate CG2504

*These coverages are required only when the work on the Premises may include exposures to which these specified coverages respond.

Such policy(ies) must provide the following minimum limits:

Bodily Injury and Property Damage -
\$ 2,000,000 General Aggregate
\$ 2,000,000 Products & Completed Operations Aggregate
\$ 1,000,000 Personal & Advertising Injury
\$ 1,000,000 Each Occurrence
\$ 100,000 Fire Damage

Stop Gap or Employers Contingent Liability
\$ 1,000,000 Each Accident
\$ 1,000,000 Disease - Policy Limit
\$ 1,000,000 Disease - Each Employee

Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions. There shall be no deductible or self-insured retention except as expressly approved in writing by the Lessor's Risk Manager after consultation with Lessee. The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

(2) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent.

Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -
\$ 1,000,000 per accident

(3) A policy of **Pollution Liability** providing coverage for claims (A) involving remediation, disposal or other handling of pollutants arising out of operations of Lessee or its contractors and subcontractors, including coverages generally known as “contractor’s operations for others”, and “contractor’s site (owned)”; (B) arising from the transportation of hazardous materials; or (C) involving remediation, abatement, repair, maintenance or other work with lead-based paint or materials and/or with asbestos or materials containing asbestos. Such Pollution Liability policy(ies) shall provide the following minimum limit:

Bodily Injury and Property Damage:
\$1,000,000 per occurrence

If any such policy is written on a claims made form, the policy shall state that coverage is claims made, and state the retroactive date, which shall be prior to or coincident with the date of this Lease. Claims made form coverage shall be maintained by the Lessee for a minimum of three years following the termination of the contract for the renovation or construction work, and the Lessee shall annually provide the Lessor with proof of renewal, on or before each anniversary of the Effective Date of this Lease. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Lessee shall purchase an extended reporting period (“tail”) or provide another form of security acceptable to the Lessor to assure financial responsibility for liability that would be covered by such policy.

Such insurance, as provided under subsections (1), (2) and (3) above, shall be endorsed to include as additional insureds Lessee, its officers, directors, employees, agents, volunteers and the City of Seattle, its officers, elected and appointed officials, employees, agents and volunteers, and shall not be reduced or canceled without forty-five (45) days prior written notice to Lessee and to the Lessor’s Risk Manager. In addition, the Lessee’s insurance shall be primary as respects the Lessor, and any other insurance maintained by the Lessor shall be excess and not contributing insurance with the Lessee’s insurance.

(4) A policy of **Worker’s Compensation**. As respects Workers’ Compensation insurance in the state of Washington, Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by letter signed

by a corporate officer indicating that it is a qualified self insured, and setting forth the limits of any policy of excess insurance covering its employees.

(5) A policy of **Builder's Risk Insurance - Physical Damage Insurance:**

Unless otherwise directed in writing by Lessor, the Lessee shall purchase and maintain property insurance, with Lessor as an additional insured, to include the perils of "All Risk", including Earthquake and Flood coverage to the extent required by the City's Risk Manager, for the full replacement value of the Improvements. Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions.

Lessor reserves the right to purchase Builder's Risk insurance to include the perils of "All Risk" including (in Lessor's discretion) Earthquake & Flood coverages. If Lessor gives notice to Lessee that Lessor shall maintain Builder's Risk insurance, then Lessee shall be responsible for the Lessor's policy deductible (currently \$10,000) and Lessee shall pay on demand to Lessor the amount of each premium billed to Lessor for such insurance. Lessee will be added as an additional insured to the policy.

Lessor and Lessee waive all subrogation rights against each other, their contractors, subcontractors, architects, architects' sub-consultants, separate contractors, if any, and any of their subcontractors, for damages caused by fire or other perils to the extent that the loss that would be the basis for a subrogation claim is covered by property insurance obtained pursuant to this subsection or other property insurance, except that Lessor and Lessee do not waive such rights as they have to proceeds of such insurance held by any person as fiduciary. This waiver shall not apply to the portion of any loss within the deductible of the applicable insurance policy. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

(6) **Insurance to Protect Lessee's/Contractor's Equipment:**

Lessee shall purchase and maintain physical damage insurance upon Lessee's and contractors' equipment for the actual cash value of such equipment as of the time of any loss. This insurance shall insure against loss from the perils of Fire, and other risks of direct physical loss or damage, also known as "All Risk" perils protection.

Lessee shall be responsible for any deductibles and any amounts of losses not covered due to coinsurance provisions.

(b) General Insurance Requirements. Lessee shall, at all times during the Term of this Lease, obtain and maintain continuously, at its own expense, insurance as required by this subsection (b), and shall file with the Director and the Lessor's Risk Manager, evidence of a policy or policies of insurance as enumerated below:

(1) A policy of **Commercial General Liability Insurance**, written on an insurance industry standard occurrence form (CG 00 01) or equivalent, including all the usual coverages known as:

- Premises/Operations Liability
- Products/Completed Operations
- Personal/Advertising Injury, to include
 - Sexual Molestation*
 - Discrimination*
 - Sexual Harassment*
- Contractual Liability
- Independent Contractors Liability
- Stop Gap or Employers Contingent Liability
- Explosion, Collapse, or Underground (XCU) (as applicable)**
- Liquor Liability/Host Liquor Liability (as applicable)**
- Fire Damage Legal
- Per Location Aggregate CG2504

* Any reductions of limits for these coverages are subject to the Lessor's Risk Manager's and Lessee's agreement based on commercial availability and costs.

**These coverages are required only when the operations on the Premises may include exposures to which these specified coverages respond.

Such policy(ies) must provide the following minimum limits:

Bodily Injury and Property Damage -

\$ 1,000,000	General Aggregate
\$ 1,000,000	Products & Completed Operations Aggregate
\$ 1,000,000	Personal & Advertising Injury
\$ 1,000,000	Each Occurrence
\$ 100,000	Fire Damage

Stop Gap Employers Liability

\$ 1,000,000	Each Accident
\$ 1,000,000	Disease - Policy Limit
\$ 1,000,000	Disease - Each Employee

There shall be no deductible or self-insured retention except as expressly approved in writing by the Lessor's Risk Manager after consultation with Lessee. The cost of any claim payments falling within the deductible shall be the responsibility of the Lessee.

(2) A policy of **Business Automobile Liability**, including coverage for owned, non-owned, leased or hired vehicles written on an insurance industry standard form (CA 00 01) or equivalent. Such policy(ies) must provide the following minimum limit:

Bodily Injury and Property Damage -
\$ 1,000,000 per accident

(3) A policy of **Excess Insurance** above the primary general and automobile liability policies that will provide a total limit of insurance of \$5,000,000. The excess policy must be at a minimum as broad as the primary policies.

Such insurance, as provided under items (1), (2), and (3) above, shall be endorsed to include The City of Seattle, its officers, elected and appointed officials, employees, agents and volunteers as additional insureds, and shall not be reduced or canceled without forty-five (45) days prior written notice to the Lessor's Risk Manager. In addition, Lessee's insurance shall be primary as respects the Lessor, and any other insurance maintained by the Lessor shall be excess and not contributing insurance with the Lessee's insurance.

(4) A policy of **Worker's Compensation**. As respects Workers' Compensation insurance in the state of Washington, the Lessee shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. If the Lessee is qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington, Lessee shall so certify by a letter signed by a corporate officer setting forth the limits of any policy of excess insurance covering its employees.

(5) A policy of **Property Insurance** - the Lessee shall keep the Improvements and Personal Property on the Premises insured throughout the term of the Lease, for their full replacement value, with Lessor named as an additional insured, against the following hazards:

(A) Loss or damage by fire and such other risks as the Lessor shall require (including earthquake and flood damage to the extent required by the City's Risk Manager) in an amount sufficient to permit such insurance to be written at all times on a replacement cost basis;

(B) Loss or damage from leakage or sprinkler systems now or hereafter installed in any structure on the Premises;

(C) Loss or damage by explosion of steam boilers, pressure vessels, oil or gasoline storage tanks or similar apparatus now or hereafter installed in any structure on the Premises.

(D) Business Interruption with sufficient coverage to provide for the payment of rent and other fixed costs during any interruption of Lessee's business because of fire or other cause.

Lessor and Lessee waive all subrogation rights against each other, their contractors, subcontractors, architect, architect's sub-consultants, separate contractors, if any, and any of their subcontractors, for damages caused by fire or other perils to the extent that the loss that would be the basis for a subrogation claim is covered by property insurance obtained pursuant to this subsection or other property insurance applicable to the Premises, except that Lessor and Lessee do not waive such rights as they have to proceeds of such insurance held by any person as fiduciary. This waiver shall not apply to the portion of any loss within the deductible of the applicable insurance policy. This waiver of subrogation shall be effective to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, whether or not the person or entity paid the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

(c) Contractors and Subcontractors. Lessee shall include all contractors and subcontractors as insureds under its policies or shall furnish separate evidence of insurance as stated above for its contractor or subcontractor. All coverages for its contractors and subcontractors shall be subject to all applicable requirements stated herein. Lessee may satisfy its obligations under this Section with respect to Pollution Liability (a)(3), Builder's Risk Insurance (a)(5), Lessee's/Contractor's Equipment (a)(6) and Property Insurance (b)(5) by causing insurance to be maintained by the contractors of Lessee, provided that such insurance satisfies all of the requirements of this Section and that evidence of insurance as set forth below is timely provided to Lessor and is satisfactory to the Lessor's Risk Manager.

(d) Evidence of Insurance. The following documents must be provided to Lessor as evidence of insurance coverage at the following times if such documents are then available to, or in the possession of, Lessee: (i) prior to the Effective Date of this Lease, as to coverage required under subsection (b); (ii) prior to commencement of work, as to coverage required under subsection (b) of this Section; (iii) with respect to any renewal or substitute policy, promptly upon issuance thereof, but in any event no later than ten (10) days before the expiration or termination of any previous policy:

(1) A copy of the policy's declarations pages, showing the Insuring Company, policy effective dates, limits of liability and the Schedule of Forms and Endorsements. (Lessor reserves the right to request certified copies of all insurance policies.)

(2) A copy of the endorsement naming The City of Seattle (and, with respect to liability policies, Lessor's officers, elected and appointed officials, agents, employees, and volunteers) as an Additional Insured, showing the policy number, and signed by an authorized representative of the insurance company on a form CG2026 (ISO), or such other form as the City's Risk Manager may require or deem acceptable.

(3) A copy of the “Endorsements Form List” to the policy or policies showing endorsements issued on the policy, and including full copies of any company-specific or manuscript endorsements.

(4) A copy of an endorsement stating that the coverages provided by the policy to Lessor or any other named insured shall not be terminated, reduced or otherwise materially changed without providing at least forty-five (45) days prior written notice to the Lessor.

(5) A copy of a “Separation of Insureds” or “Severability of Interests” clause, indicating essentially that, except with respect to the limits of insurance and any rights or duties specifically assigned to the first named insured, this insurance applies as if each named insured were the only named insured, and separately to each insured against whom claim is made or suit is brought (Commercial General Liability, Business Automobile Liability Insurance, and Excess Insurance).

If any of the above documents is not available when required as stated above, the Lessor’s Risk Manager may accept, in his or her discretion, a binder showing the stated requirements. In such case Lessee shall cause all the above documents to be delivered to the City as soon as available, and in any event within such period as the Lessor’s Risk Manager shall specify.

In addition, within five (5) days of any request by Lessor, the Lessee shall provide full copies of all insurance policies for the Premises, together with all amendments and endorsements and proof of premiums paid.

(e) Approval of Risk Manager; Adjustments. All policies shall be subject to approval by the Lessor’s Risk Manager as to company (must be (i) issued by a company rated A- or better and with a size rating of VII or higher in the A.M. Best’s Key Rating Guide and (ii) licensed to do business in the State of Washington or issued as a surplus line by a Washington Surplus lines broker), form and coverage, and shall be primary to all other insurance. If Lessor shall determine that the required coverages and/or limits are not reasonably adequate for any reason, including without limitation inflation or changes in the nature or scope of activities on the Premises, then Lessee shall procure such coverage and/or increase in policy limits as the Lessor shall require, within sixty (60) days of written notice from Lessor.

(f) Definitions. Capitalized terms used in this Section and not otherwise defined in this Lease shall have the meanings commonly ascribed to such terms in the insurance industry.

14.4 Contractors’ Bonds. Unless otherwise expressly permitted in writing by the Lessor or not required by law, the Lessee shall require each contractor used by the Lessee for

any demolition, rehabilitation, repair or construction work on the Buildings or other Improvements, or in connection with any improvement, alteration, or addition to be made to any Improvements or to the Premises, to secure and maintain, at no cost to the Lessor, a performance and payment bond with dual obligee rider payable to the Lessee and the Lessor in the full and just sum of the total amount of the contract, conditioned that all the provisions of the contract shall be faithfully performed by the contractor, or the surety if so required, and for the payment of all laborers, mechanics, subcontractors and material suppliers, and all persons who shall supply such person or persons or subcontractors with provisions or supplies for the carrying on of such work. Each such bond shall be provided to Lessor within ten days of the award of the contract and in any event prior to commencement of any work. Each such bond shall be issued by a properly licensed surety company acceptable to the Lessor and shall be in form and content acceptable to Lessor.

14.5 Assumption of Risk. Subject to and except for Lessor's obligations under this Lease, the placement and storage of personal property on said Premises shall be the responsibility, and at the sole risk, of the Lessee.

14.6 Adjustments of Claims; Proceeds of Hazard Insurance. The Lessee shall promptly submit to its insurer and diligently pursue all claims for bodily injury, property damage or theft arising out of the activities of the Lessee under this Lease. Any amounts paid under any policy of insurance for the loss to, damage to, or destruction of all or part of the Premises or Improvements (during and after construction) shall be deposited in a trust account requiring the signature of both the Lessor and Lessee for disbursement. Except as otherwise provided in Article 15, all funds in such account, including interest earned thereon, shall be used solely for the restoration, repair or replacement of the damaged or destroyed Improvements, according to Construction Plans to be prepared by the Lessee subject to the reasonable approval of the Lessor, and according to a construction contract acceptable to Lessor, whose acceptance shall not unreasonably be withheld.

14.7 Compliance by Lessee. Lessee shall not violate or permit to be violated any of the conditions or provisions of any insurance policies affecting the Premises or the Improvements.

14.8 Contractor's Indemnification. Lessee shall ensure that every contract executed by it pertaining to any construction, renovation or other work on the Premises shall contain the following indemnification provision:

The contractor agrees to protect, defend, indemnify, and hold harmless the City and City's officials, employees, and agents from and against all claims, demands, and causes of action (including all costs and fees for defense thereof), judgments and/or awards of damage arising from or in connection with the performance of this agreement by the contractor or from the activities of any subcontractor or other person or entity employed by or having a contract with the contractor:

(a) *Arising out of bodily injury or death to persons or damage to property, except this obligation shall not apply when such injury or damage is solely and entirely the fault of the City, or when such injury or damage results from the concurrent negligence of the City and the contractor, in which case the contractor shall protect, defend, indemnify and hold the City harmless to the extent of the contractor's negligence.*

(b) *Arising out of other than bodily injury or death to persons or damage to property, except this obligation shall not apply when such injury or damage is solely and entirely the fault of the City.*

(c) *Arising from the use of any design, process, or equipment which constitutes, or is alleged to constitute, an infringement of any United States patent presently issued, or violates any other proprietary interest, including copyright, trademark, or trade secret.*

Contractor shall also hold the City harmless from any expense incurred to enforce the City's rights under this Section.

In the event that any action is brought against the City by any employee of contractor, its subcontractors, sub-subcontractors, agents, or anyone directly or indirectly employed by any of them the indemnification obligation of the contractor set forth in this Section shall not be limited by a limit on the amount or type of damages, compensation, or benefits payable by or for contractor or any subcontractor under RCW Title 51, the Industrial Insurance Act, or any other employee benefit acts. In addition, as to actions arising out of the performance of this agreement, contractor waives its immunity under RCW Title 51.

This indemnification agreement has been negotiated by the parties and shall survive the termination of this agreement.

14.9 Survival. Any liability of the Lessee hereunder for acts or omissions occurring during the Term of this Lease, or arising under any indemnity provision of this Lease, shall survive termination and surrender (whether or not any claim giving rise to such liability shall have accrued).

15. CASUALTY

15.1 Notice of Casualty; Reconstruction. If any Improvements, standing or erected, are destroyed or damaged in whole or in part as a result of fire, earthquake or any other casualty, Lessee shall give immediate written notice to Lessor. Except as otherwise expressly provided in Article 8 or this Article 15, or expressly agreed in writing by Lessor, if sufficient

insurance proceeds are available, together with any capital reserves for the Premises that are not restricted under agreements with third parties approved by Lessor, or the use of which is permitted by such third parties, the Lessee shall proceed with reasonable diligence to prepare plans and specifications for, obtain any necessary permits for, and thereafter to carry out, all work necessary to repair or replace the Improvements or any portions thereof that were damaged or destroyed, in substantial conformity with the character of the Improvements existing immediately prior to the casualty. If insurance proceeds, together with capital reserves of Lessee and any other funds reasonably available are not sufficient for complete repair or restoration, then subject to the right of Lessee to terminate this Lease in either its entirety or only as to the affected Parcel, as expressly provided in Section 15.5(b), (c) and (d) the Lessor may, at its option, require Lessee to pursue such partial repair or restoration as can be completed with the available funds.

15.2 Notice Prior to Commencement of Work. Lessee shall give Lessor at least thirty (30) days notice prior to the commencement of work described in Section 15.1.

15.3 Time for Commencement and Completion of Work. Subject to Article 8 and this Article 15, Lessee shall commence the work described in Section 15.1 within one hundred twenty (120) days after the date of any loss, damage or destruction or as soon as funds are available. Lessee shall diligently pursue the work to completion and shall complete the work within a reasonable time, which shall be no later than twelve (12) months after the date of the casualty unless delayed by events, conditions, or financing beyond the control of Lessee. Notwithstanding any such events, or conditions or any insufficiency of funds, and notwithstanding any other provision of this Lease, the Lessor shall have the right to terminate this Lease as to the Parcel(s) affected by the loss, damage or destruction, by ninety (90) days written notice to Lessee if work described in Section 15.1 is not commenced within twenty-four (24) months after the date of casualty, or is not completed within thirty-six (36) months after that date. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

15.4 Disbursements. For the cost of the repairs, replacement or rebuilding, Lessor shall authorize disbursement of funds from the account established pursuant to Section 14.6, as Lessee shall make such repair, replacement or rebuilding, and during the progress of the work, upon Lessee's written requisitions accompanied by certificates of an architect or engineer reasonably satisfactory to Lessor certifying that the work is in accordance with Construction Plans approved by Lessor and the percentage completion thereof, upon delivery of such other evidence as Lessor may reasonably require that such work is in place and paid for, and subject to holdback of five percent (5%) of the amount of each requisition until completion of the work. Lessor's authorization shall not be unreasonably withheld.

15.5 Termination for Certain Casualties.

(a) If the parties agree in writing that the Premises on any Parcel cannot be repaired or replaced, wholly or in part, within twenty-four (24) months from the date of the occurrence of

the fire or other casualty, and the Lessor does not elect to require partial restoration on such Parcel under Section 15.1, then prior to commencement of any repair or replacement, either party may terminate this Lease as to that Parcel by giving ninety (90) days' written notice to the Lessor. Upon such notice of termination, any insurance proceeds resulting from loss, damage or destruction on that Parcel shall be disbursed according to Section 15.8.

(b) In the event that the Improvements now or hereafter erected on any Parcel of the Premises shall be damaged or destroyed to the extent in excess of fifty (50%) percent of their then-insurable value and the damage or destruction shall occur after the 30th year in the Term or the casualty is not covered by insurance, then either party may at its option cancel and terminate the Lease as to the Parcel(s) on which the Improvements that are damaged or destroyed are located by giving the other party ninety (90) days notice within sixty (60) days after the date of any loss, damage or destruction. If such option is exercised by either party, the Lease as to such Parcel(s) shall wholly cease and expire on the date specified in the notice, in which event Lessee shall not be obligated to rebuild. Upon such notice of termination, any insurance proceeds resulting from loss, damage or destruction on that Parcel shall be disbursed according to Section 15.8.

(c) If all or a portion of the Improvements on any Parcel are destroyed or damaged by casualty so that more than 50% of the Improvements on that Parcel are rendered unfit for occupancy, and any insurance proceeds, together with available capital reserves and any other funds made available by Lessor or any other government agency, are insufficient to restore or replace such Improvements, then except to the extent that the Lessor and Lessee agree in writing to apply available insurance proceeds to partial repair or restoration, and if the Improvements remaining on that Parcel shall be insufficient for the reasonable operation a residential facility for homeless families, either party may terminate the Lease as to that Parcel with ninety (90) days notice. Upon such notice of termination, any insurance proceeds shall be disbursed according to Section 15.8.

(d) Notwithstanding any other provision in this Section 15.5, if at any time (i) all or a portion of the Improvements are destroyed or damaged by casualty on one or more Parcels, the result of which is to reduce the total number of habitable units on the Premises to 24 or less, and Lessor desires that insurance proceeds be applied to repair or restoration but Lessee determines that proceeding with repair or restoration would not be feasible or would be economically detrimental to Lessee, or (ii) Lessor and/or Lessee determines not to repair or restore damaged or destroyed Improvements on any Parcel, the result of which is to reduce the total number of habitable units on the Premises to 24 or less, then Lessee may terminate the Lease with ninety (90) days notice, and shall have no obligation for repair or restoration. In such event, all insurance proceeds shall be applied first to pay or provide for payment of financial obligations secured by mortgages or deeds of trust approved by Lessor hereunder, including, without limitation, any such mortgages or deeds of trust held by Lessor, but not including any such obligations under which recourse is limited to the Premises if the holders thereof agree to the application of insurance proceeds to repair or restoration, and the remainder shall be applied to repair or restoration or shall be paid to Lessor, in Lessor's

discretion. In the event of termination under this subsection (d), the Lessee shall cooperate, without cost or liability of Lessee, in any assumption of any mortgages or deeds of trust and related obligations, and any subsidy contracts for the Premises, by any substitute Lessee selected by Lessor.

15.6 Abatement of Rent. After any casualty, Rent shall be abated in the proportion that the untenable portion of the Premises bears to the whole Premises, in the Lessor's reasonable determination, for the period from the date of the fire or other casualty until either the completion of the repairs and restoration or the termination of this Lease as provided herein.

15.7 Lessor not Liable. Except to the extent resulting from Lessor's gross negligence, intentional misconduct or breach of this Lease, Lessor shall not be liable to Lessee for damages, compensation or other sums for inconvenience, loss of business or disruption arising from any repairs to or restoration of any portion of the Premises or to the termination of this Lease as provided herein.

15.8 Application of Insurance Proceeds not Applied to Repair or Restoration. If under the terms of this Article insurance proceeds are not required to be applied to restoration or repair; or if this Lease shall be terminated before all such proceeds are so applied; or if excess insurance proceeds remain after completion of repair or restoration, then such proceeds shall be applied first, to pay or provide for payment of financial obligations secured by mortgages or deeds of trust approved by Lessor hereunder that encumber the Parcel where the loss, damage or destruction resulting in the proceeds occurred (including, without limitation, any such mortgages or deeds of trust held by Lessor); second, to pay for such work as may be required to remove damaged or destroyed improvements and put the Premises on that Parcel in a condition substantially as at the commencement of the Lease Term, or such lesser scope of work as in the reasonable judgment of the Lessor is necessary to make the remaining Improvements and Premises on that Parcel safe and in compliance with applicable laws and ordinances; and third, and the balance, if any, shall be distributed as follows: if the casualty loss occurs during the first ten (10) years of the Lease, then 100% to Lessee, and otherwise the Lessor shall receive 1% of such balance for each full year after the tenth year of the Term that has passed prior to the date of the casualty loss; and the Lessee shall receive the remaining amount.

16. INSPECTION

16.1 Premises. Lessee shall permit Lessor, its agents and employees, to enter the Premises and Improvements at reasonable hours for the purpose of inspecting them or (at Lessor's sole option) making repairs that Lessee may neglect or refuse to make in accordance with the terms, covenants and conditions of the Lease, provided, that except in the event of emergency affecting health or safety, Lessor shall not enter any occupied dwelling units without giving such advance notice to Lessee as is specified by applicable law for a landlord's notice of entry for inspection or repair. Upon receipt of any such notice from Lessor, the

Lessee shall promptly give proper notice under applicable law to Tenants whose units are to be subject to entry. Lessee's permission shall not constitute any indemnity nor create any liability concerning claims or causes of action by Tenants related to such entering or inspection, except that Lessee shall indemnify Lessor for any liability, loss, damage or expense to Lessor resulting from any failure by Lessee to include, in any sublease or other agreement with a Tenant, the rights of Lessor contemplated by this Section. Except as stated in the previous sentence, Lessor shall hold harmless, defend and indemnify Lessee from any liability for injury or death to persons or damage to property, in each case to the extent directly resulting from the wrongful or negligent actions (not omissions) of the Lessor, its agents and employees in the course of such entering or inspection.

16.2 Records. Subject to and without impairment or waiver of any rights of Tenants or Lessee under applicable law, Lessee shall also permit Lessor, its agents and employees, to inspect and copy all records of the Premises and Improvements as may be compiled or maintained by Lessee for purposes of Lessee's operations under this Lease. Lessor shall have the right to inspect and copy such records maintained on or outside the Premises upon reasonable advance notice to Lessee.

17. DEFAULT

17.1 Default; Cure Periods, Termination. Upon the occurrence of any of the Events of Default hereinafter described, Lessor, at Lessor's option, may terminate this Lease or any extension of it, as well as all right, title and interest of Lessee thereunder by giving Lessee at least ninety (90) days notice in writing of said termination, and/or may pursue and enforce all legal rights and remedies set forth in this Lease or otherwise available at law or in equity. Upon the expiration of the date and time fixed in the notice of termination, all right, title and interest of Lessee under this Lease, shall wholly cease and expire. Lessee shall then immediately surrender to Lessor the Premises and all Improvements and Personal Property, as more fully set forth in Article 20. Each of the following is an Event of Default:

A. Failure to pay when due any amount of Rent owing on the Lease, that is not cured within 30 days after notice to Lessee;

B. Any failure to pay when due any other charge required by this Lease other than amounts referred to in subsection A above, that is not cured within thirty (30) days after notice to Lessee;

C. Any failure to submit the annual report required by Article 34 of this Lease that is not cured within thirty (30) days after notice to Lessee;

D. Any breach of Article 18 or Article 21 of this Lease (relating to assignments and transfers of the Premises without consent and certain other matters);

E. Except as provided under Article 8, any breach or nonperformance of any provision of any of the Lease not included within any of subsections A-D above that is not cured within thirty (30) days after notice to Lessee of such breach or nonperformance, or such longer cure period as may be permitted under the specific terms of the Lease, provided that if any such breach or nonperformance cannot reasonably be cured within thirty days but can be cured within a reasonable time, there shall be no Event of Default under this subsection E for a period of up to six months so long as Lessee shall diligently pursue a cure;

F. The filing of a voluntary petition for bankruptcy or reorganization by any manager or managing member of any Lessee that is a limited liability company, or any general partner of a Lessee that is a partnership; the filing against any such manager, managing member or general partner of Lessee of any complaint for receivership or involuntary petition for bankruptcy or for reorganization (unless such complaint or petition be dismissed within forty-five (45) days of such filing); or if Lessee or any such managing member, manager or general partner of Lessee shall become insolvent, or make a general assignment for the benefit of creditors, or consent to the appointment of a receiver of all or any of its assets, or voluntarily suspend its usual business, or if the Lessee or any such managing member, manager or general partner or Lessee shall be dissolved or file a petition for dissolution, or if at any time there shall be a managing member or manager of the Lessee other than Archdiocesan Housing Authority, a Washington nonprofit corporation, without the express written consent in advance from the Director.

G. Any material misrepresentation by Lessee or managing member of Lessee in the Lease or in any information submitted by Lessee to Lessor or to any government agency in connection with the Lease or the Premises, or any material breach of any warranty made by this Lease;

H. Any default under, breach of, failure to comply with, or failure to satisfy any condition of any capital funding related to the Premises by Lessee unless such default, breach or failure is waived in writing by all interested parties or is cured within an applicable cure period permitted by those declaring the default in question.

17.2 Partial Termination. The Lessor may, in its sole discretion, exercise its rights of termination under this Article as to one or more Parcels rather than as to the entire Premises, subject to the conditions in Section 36. In such case the Lease shall remain in full force and effect with respect to all portions of the Premises except those Parcels expressly designated by Lessor in the notice of termination, and the Improvements on the Parcel(s) as to which this Lease is terminated shall revert to Lessor.

17.3 Remedies Cumulative. The remedies under this Article 17 are in addition to, and not in limitation of, any other remedies provided in this Lease.

18. ASSIGNMENT OR SUBLEASE

18.1 Consent Required; Permitted Subleases to Tenants. Lessee shall not assign, mortgage or encumber or sublease its rights under this Lease or any rights to any portion of the Premises, nor consent to the assignment of any sublease or further subletting, in each case without the prior written consent of the Director, except that subleases or rental agreements for occupancy of individual units by residents eligible under the terms of this Lease, with terms no longer than one year including renewal options, shall not require consent of Lessor if made on a form submitted to Lessor at least 30 days prior the sublease, to which the Lessor shall not have objected in writing. Lessee shall be solely responsible for ensuring that the terms of any sublease or rental agreement comply with all applicable laws and ordinances, and for compliance with all applicable landlord-tenant laws and regulations. Lessee acknowledges that no subleases, except to Tenants for occupancy of units, are intended during the Term of this Lease, and Lessor shall have no obligation to consider any other proposed sublease.

18.2 Assignment. If the Lessee proposes a complete Assignment of the Lease for purposes of financing the development of the Building, the Director shall use his or her best efforts to review the proposal and notify Lessee of approval or disapproval within thirty (30) days. The Lessor's consent shall not be unreasonably withheld if the Assignment of all of Lessee's rights under the Lease is consistent with all of the following terms and conditions:

(a) The Assignment is to a limited partnership or limited liability company of which the Lessee is the sole general partner, or is the sole managing member and manager, and that is formed for the purposes of financing the development of Improvements consistent with the terms of this Lease.

(b) The proposed partnership agreement, operating agreement, or similar control agreement and investment terms are approved by Lessor, whose approval shall not be unreasonably withheld.

(c) The Assignee will expressly assume in writing for the benefit of Lessor all the obligations of Lessee hereunder.

(d) The Lessee shall not be in breach or default of its obligations hereunder at the time of Assignment.

(e) The Assignment shall include, or there shall be simultaneously transferred to the Assignee, title to the Improvements and all contracts, warranties, permits, applications, reserves and personal property related to the development and operation of the Premises, unless otherwise approved in writing by the Director.

(f) The Assignment shall not cause any breach or default under any other agreements or financing arrangements for the Premises.

(g) The Assignment shall not release the assigning Lessee from any obligations under the Lease, whether accruing before or after the Assignment.

18.3 Assignment to Third Party Consistent with Purposes of Lease. Lessor shall not unreasonably withhold consent to an assignment by Lessee of all of its rights and obligations under this Lease to a third party that meets the following criteria:

(1) it is a non-profit entity with charitable purposes, which must include providing or managing housing for low-income and homeless persons and families and providing related services; and

(2) it demonstrates, to the reasonable satisfaction of the City, that it has experience in managing housing for low-income and homeless persons and families and providing related services, and has the capacity to perform under the Lease in a manner equivalent to that of Lessee;

if the conditions in subsection 18.2 (c) through (g) are also satisfied.

19. POSSESSION

19.1 Upon the Effective Date of the Lease, the Lessee shall have possession of the Premises subject to the rights reserved by the Lessor herein, and to the rights reserved by the United States in the Army Deed.

20. SURRENDER

20.1 Obligations of Lessee. On the expiration date of the Term, or on the earlier termination as provided in this Lease, Lessee shall surrender the Premises in reasonably clean condition together with all Improvements and all alterations, changes and additions thereto that may have been made upon the Premises (except moveable furniture and equipment or moveable trade fixtures paid for solely by Lessee), in good repair, good order and safe condition and shall, if so requested by the Lessor, convey to the Lessor by special warranty deed all Improvements, subject only to such encumbrances as shall have been specifically approved in writing by the Lessor as surviving expiration or termination of the Lease. On such date the Lessee shall deliver to the Lessor (a) all keys to any structures, fixtures or Personal Property on the Premises; (b) all plans, blueprints, surveys, diagrams, leases, contracts and documents relating to the Premises or the Improvements; and (c) all security deposits, prepaid rent and any other deposits from any Tenants still in possession (but nothing herein shall be construed as the Lessor's consent to any such continued possession), and the balances in any reserve accounts maintained for the Premises or Improvements pursuant to any grant agreement, loan documents, or other financing or subsidy arrangements for the

Premises or any Improvements; and (d) all Personal Property. Lessee, on or before said termination date, shall remove from the Premises all of Lessee's personal property other than Personal Property as defined in Article 1 hereof. All property not removed by Lessee shall be deemed to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed or otherwise disposed of by Lessor without notice to Lessee and without obligation to account for it. Lessor may require Lessee to remove, within ten (10) days after notice to Lessee, at Lessee's sole expense, any fixtures or structures in or on the Buildings or other Improvements or otherwise on or under the Premises that were constructed, affixed or substantially modified without the approval of the Lessor or in violation of applicable laws, regulations or Codes, **or that were permitted by Lessor on condition that they be removed upon expiration or termination of the Lease. Lessee shall repair any damage to the Premises caused by removal of any fixtures or other property.**

20.2 Transfer of Contracts. Except as otherwise expressly set forth in this Section 20.2, upon any termination of the Lease, Lessee shall assign and transfer to Lessor or Lessor's designee, immediately upon Lessor's demand, any and all contracts that are assignable and relate to the Premises that Lessor may specify, including without limitation any contracts for operating subsidies, rent supplements, or other support of the Premises or the operation thereof. Lessee shall take all actions necessary or appropriate to expedite and complete the transfer of such contracts, immediately upon the demand of Lessor. If Lessee would suffer actual financial loss or liability as the result of assignment of a contract, and Lessee notifies Lessor in writing of the amount and nature of the loss or liability, with supporting documentation, within thirty days after Lessor's demand for assignment, then unless Lessor shall compensate or indemnify Lessee for such loss or liability, Lessee shall not be obligated to assign such contract.

20.3 Re-entry by Lessor. If the Premises shall be vacated or abandoned by Lessee, or in the event of the termination of the Lease under any provision hereof, Lessor may re-enter the Premises in such manner as Lessor may deem necessary in its sole discretion, and Lessor may repossess the Premises by force, summary proceedings or by any other procedure provided by law or equity.

20.4 Survival of Liabilities. Any liability of Lessee or Lessor hereunder for negligent or intentional acts or omissions occurring during the Term of this Lease, or arising under the indemnity provisions of this Lease, shall survive termination and surrender (whether or not any claim giving rise to such liability shall have accrued).

21. SOLE MANAGER OR GENERAL PARTNER OF LESSEE

This Section shall take effect upon any Assignment by Lessee subject to Section 18.2(a). Lessee represents, warrants and covenants that either (i) the sole general partner, if Assignee is a limited partnership, or (ii) the sole managing member and manager, if Assignee is a limited liability company, of Lessee is and shall continue to be Archdiocesan Housing Authority ("AHA"); that AHA is a duly organized Washington nonprofit corporation with a

charitable purpose that includes serving the homeless and is exempt from federal taxes under Section 501(c)(3) of the United States Internal Revenue Code; and that without the express written consent of the Director, there shall be no change in the managing member or general partner, as the case may be, of Lessee, nor any additional general partner, managing member or manager, nor any change in the form of organization, purposes, or income tax status of the AHA, as stated above. Lessee acknowledges that this Section is material to the purposes of the Lessor in entering into this Lease and that the Lessor would not have allowed the Assignment of the Lease to Lessee without such representation, warranty and covenants. The Lessor shall not unreasonably withhold its consent to the transfer of the interest of AHA as sole managing member and manager or as general partner to an entity that would satisfy the conditions stated in Section 18.3(1) and (2) as a proposed assignee of this Lease, if the conditions stated in Section 18.2 (d) and (f) are then satisfied.

22. QUIET ENJOYMENT

22.1 Lessor covenants that, subject to the express provisions of this Lease, and to the terms of the conveyance of the Premises from the United States, if and so long as Lessee pays the Rent and other charges required by the Lease, and performs all of its obligations pursuant to the terms, covenants and conditions of the Lease, Lessee shall quietly enjoy the Premises. Notwithstanding the foregoing or any other provision of this Lease, Lessor's covenants and warranty as to title to the Premises are limited to the agreement of Lessor to warrant and defend such title, subject to the express provisions of this Lease, against all persons lawfully claiming or to claim by, through or under Lessor, and Lessor expressly disclaims all other covenants and warranties.

23. LESSOR'S CONSENT OR APPROVAL

23.1 Consent Expressly for Lease Purposes; Discretion of Lessor. Whenever Lessor's consent or approval in writing to any act to be performed by Lessee is required under the Lease, (a) Lessee must obtain a consent or approval in writing expressly for purposes of this Lease, regardless of whether a consent or approval shall have been granted by the Lessor in its regulatory, public utility, or other capacity; and (b) unless otherwise expressly stated herein, such consent or approval may be withheld in the Lessor's sole discretion, exercised in good faith. In any case in which it is stated that the Lessor's consent or approval shall not be unreasonably withheld, the Lessee agrees that valid reasons for withholding consent or approval shall include the Lessor's desire to maintain or ensure compliance with any of the following: any law, regulation, ordinance, or grant agreement; any Comprehensive Plan policy; any provision of the Application (except as the same shall have been modified or superseded by any of the foregoing); any City of Seattle adopted neighborhood plan policy; any provision of the City's Consolidated Plan; or any condition attached to any federal, state, or county funding, provided such withholding is reasonably related to such purpose.

23.2 Consents Under Lease Not for Regulatory Purposes. Any permission, consent, or approval of the Lessor contained herein or given pursuant to this Lease is or shall be

granted solely in the Lessor's capacity of owner and lessor of the Premises, and not in the City's regulatory or public utility capacity, nor in its capacity as grantor of funds or lender. No such consent or approval shall be construed as any representation or assurance that the matter consented to or approved complies with applicable laws, regulations, ordinances or Codes, nor shall any such consent or approval be construed to authorize any failure to comply with any of the foregoing. It shall be the sole obligation of the Lessee to obtain, at its own expense, all regulatory approvals, consents, permits, and licenses necessary or convenient for the development of the Premises from all relevant authorities, including without limitation any permits from the City's Department of Planning and Development. Nothing herein shall be construed as assurance that any such approvals will be granted or that the City, as Lessor, will grant consents, approvals or modifications hereunder for the purpose of compliance with the conditions of any permit, approval, license or funding agreement sought or obtained by Lessee.

24. NO DISQUALIFICATION

24.1 Lessor and Lessee represent and warrant that they are not disqualified under federal, state or other laws, or under the rules or regulations of any governmental department or authority, from acquiring, owning, leasing and holding any interest in real property or from obtaining any government contract.

25. BENEFIT AND BURDEN

25.1 Successors and Assigns. The terms, covenants and conditions contained in the Lease and in the Exhibits annexed thereto shall bind Lessee and its successors and assigns, and shall inure to the benefit of Lessor and its successors and assigns. The terms, covenants and conditions of this Lease shall inure to the benefit of Lessee's successors and assigns only if the Assignment, or other transfer (whether voluntary or involuntary) of Lessee's interests shall have received the express written consent of Lessor as provided under this Lease.

25.2 No Third Party Beneficiary. Except as expressly set forth in Section 25.1, no person other than Lessor or Lessee is intended to have any legal right or interest under this Lease.

26. NOTICE

26.1 Addresses. Any notice called for in this Lease shall be in writing and shall be hand-delivered to the respective parties at the addresses below, or deposited in the United States mail, postage prepaid, addressed as follows:

If hand-delivered to Lessor:

Director, Office of Housing
700 5th Avenue

Seattle, WA 98104

If mailed to Lessor:

Director, Office of Housing
PO Box 94725
Seattle, WA 98124-4725

If to Lessee:

Archdiocesan Housing Authority
100 23rd Ave. S
Seattle, Washington 98144
Attn: Executive Director

The parties, by written notice, may designate any further or different addresses to which some or all notices, certificates or other communications shall be sent.

26.2 Effectiveness of Notice. Notices shall be deemed to have been received by the parties two (2) working days after mailing to the proper address in accordance with Section 26.1 above or upon actual delivery to such address during normal business hours, whichever first occurs.

27. TERMINOLOGY

27.1 Headings. The headings of the various Articles and Sections of the Lease have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions herein.

27.2 Gender and Number. Words of any gender utilized in the Lease shall be held to include any other gender and words in singular numbers shall be held to include the plural when the context so requires.

28. SEVERABILITY

28.1 If any provision of the Lease, or any Section, sentence or clause, or its application to particular circumstances, is held invalid, the Lease shall be construed as if the invalid part were never included or were expressly made inapplicable to such circumstances, as the case may be, and the Lease shall remain valid and in force to the fullest extent permitted by law.

29. APPLICABLE LAW

29.1 The Lease shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any legal action under the Lease shall be King County Superior Court.

30. NEGOTIATED AGREEMENT; MERGER

30.1 Negotiated Agreement; Construction. The parties to this Lease acknowledge that it is a negotiated agreement, that they have had the opportunity to have this Lease reviewed by their respective legal counsel, and that the terms and conditions of this Lease are not to be construed against any party on the basis of such party's draftsmanship thereof.

30.2 Entire Agreement. This Lease, and the terms and provisions herein, contain the entire agreement and understanding between the parties with respect to the leasing of the Premises and any other negotiations, agreements, or understandings with respect to the leasing of the Premises are hereby expressly merged and subsumed within the terms and provisions of this Lease. No negotiations, communications, agreements or understanding with respect to the Lease shall have any effect in the construction, application or enforcement of this Lease. Nothing herein shall supersede any written agreement with respect to the grant or loan of funds for the Premises.

31. PROCESS FOR ALTERNATIVES BASED ON ENVIRONMENTAL REVIEW

31.1 Events Requiring Renegotiation. Notwithstanding any other provision of this Lease, if (a) an environmental review conducted under 24 CFR Section 586.45(a) after HUD's approval of the Lessor's Application for the Premises indicates that any part of the Premises is not suitable for the intended purpose; or (b) after review under the State Environmental Policy Act ("SEPA") the Lessor determines that any of the uses or actions contemplated in this Lease or the Application may have an adverse effect on the environment that cannot be sufficiently mitigated without modification of such contemplated uses or actions, then in any such case the parties shall follow the process set forth in Section 31.2 to negotiate alternative arrangements that would enable the same balance of interests made originally.

31.2 Balance of Interests. Within fifteen (15) days after notice to either Lessor or Lessee of any of the circumstances set forth in Section 31.1, representatives of the Lessor, Lessee and YWCA shall meet to discuss alternatives designed to achieve substantially the same balance of interests as originally contemplated in the Application. Alternatives may include, without limitation, acquisition by the Lessee of alternative real property instead of any portion of the Premises that proves unsuitable for the purposes intended. Within ninety (90) days after such meeting, Lessee shall present to the Director in writing one or more alternatives. The Director shall make available such alternatives and any others selected by

the Director, for public comment, and shall hold one or more community meetings to discuss such alternatives. Following such meeting(s) and any additional review or process required by applicable laws or ordinances, the Mayor or Director shall propose to the City Council a preferred alternative, with any other alternatives deemed feasible by the Mayor or Director. If the City Council approves any such alternative, then the Council shall authorize an appropriate amendment to this Lease and any other actions it deems necessary to implement the selected alternative.

31.3 Amendment of Lease. If the City Council authorizes an amendment to this Lease pursuant to Section 31.2 above, then the Lessor may give written notice to the Lessee of an amendment that the Lessor requires in the terms of this Lease. The Lessee shall have fifteen (15) days after receipt of such notice to deliver to the Lessor its written acceptance of such amendment. If such acceptance is not delivered or is made subject to any conditions by the Lessee, then at any time after the expiration of such 15-day period the Lessor shall have the right, at its sole option, to terminate this Lease, either as to the Premises as a whole or, if deemed feasible by the Lessor, as to the Parcel or Parcels of the Premises affected by the proposed amendment, by written notice to the Lessee. Upon such termination neither party shall have any liability to the other, except for such liabilities as expressly survive the termination of this Lease in accordance with the terms hereof.

32. RIGHTS RESERVED BY LESSOR

32.1 Reservation. The Lessor reserves the right to enter onto the Premises and, with reasonable advance notice to Lessee, to use any portion of the Premises for any purpose not inconsistent with or materially detrimental to the use and operation of the Premises for the purposes set forth in the Application, including without limitation the rights:

- (a) To construct, install, maintain, use, and/or modify -- across, under and over the Premises -- streets, roads, sidewalks, bicycle paths, utility lines and poles, and facilities of all kinds related to any of the foregoing;
- (b) To install, maintain, remove, or modify any and all landscaping, trees, shrubs, signs, or fences;
- (c) To obtain access to City-owned land.

32.2 Transfer of Rights. The rights reserved under this Article may be transferred by the Lessor wholly or in part to any private or public parties, whether or not in connection with the transfer of a fee interest in the Premises or any part thereof.

32.3 Manner of Exercise. The rights reserved under this Article shall be exercised in such manner as does not unreasonably interfere with Lessee's access to and use of the Premises.

33. EASEMENTS; LESSEE TO COOPERATE IN AND CONSENT TO ACTIONS BY LESSOR

33.1 Easements. This Lease, and all rights of Lessee with respect to the Premises, are subject to all outstanding easements and rights of way identified on Exhibit C to this Lease for location of any type of facility over, across, in and upon the Premises, or any portion thereof, and to the right of the Lessor to grant such additional easements and rights of way over, under, across, in and upon the Premises as it shall determine to be in the public interest; provided, that any such additional easement or right of way shall be conditioned on the assumption by the grantee thereof of liability to the Lessee for such damages as the Lessee shall suffer for property destroyed or property rendered unusable as a result of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights of way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located thereon pursuant to the terms of such easements, and to any Federal, State or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

33.2 Cooperation in Actions by Lessor. Lessee acknowledges that in order to carry out the intent of the Application, as the same may be modified by the Lessor, or to carry out the intent of this Lease, it may be necessary or convenient for the Lessor as owner to effect or create various actions such as subdivisions, boundary line adjustments, easements, dedications or transfers of jurisdiction for utility and other purposes, or condominium declarations, concerning or affecting the Premises. Lessee irrevocably agrees, promptly on the request of the Lessor, to join in, consent to, and cooperate in, any and all such actions, and to execute and deliver such documents as the Lessor shall deem reasonably required for such purpose, provided only that such actions are not fundamentally inconsistent with the use of the Premises as a whole for the basic purposes described in the Application during the period of the Lease.

34. RECORDS AND ANNUAL REPORTING

34.1 Records. Lessee shall prepare and maintain in good order, accurate and up-to-date records demonstrating compliance with the terms of this Lease and documenting the operation of the Premises, and shall make all such records available for inspection and copying promptly upon the Lessor's request.

34.2 Annual Reporting. Lessee covenants and agrees that, for the term of the Lease, it will furnish to Lessor annually on or before June 30 of each year, or another date agreed to in writing by Lessor and Lessee, commencing in the first calendar year beginning after the date hereof, a written report showing Lessee's compliance with all the terms and conditions of the Lease during the previous calendar year. This report shall include but not be limited to:

- (1) a description of ongoing security activities for the Premises;
- (2) a description of supportive services provided to Tenants and the number of homeless families served.
- (3) certification that no hazardous materials are being stored on site, except in accordance with applicable laws;
- (4) insurance certificate showing the Lessor as loss payee and/or additional insured;
- (5) explanation of any alterations occurring to the Buildings or Premises during the prior year;
- (6) full financial statements for Lessee and for the Premises separately, if the Lessee has other assets or operations, prepared in accordance with Generally Accepted Accounting Principles, which shall be audited or reviewed by an independent certified public accountant if so requested (an audit satisfying federal OMB Circular A-133 will suffice);
- (7) a description of any neighborhood issues or complaints raised during the prior year to include a description of any resolutions or outcomes;
- (8) a description of any community or neighborhood meetings attended by any representative of the Lessee and issues discussed regarding the Premises;
- (9) such other information as may be required by any provision of the Lease; and
- (10) provided that Lessor gives such advance notice as is necessary to collect or prepare the information, such other information as may be reasonably requested by Lessor.

In addition, the Lessor shall have the right at any time to perform, or to commission a consultant to perform, audits or reviews of Lessee and of the operations on the Premises of Lessee, any managing or operating agent, and YWCA or any substitute social services contractor. Lessee shall cooperate, and shall ensure that any such agent, YWCA and any substitute contractor cooperate, fully with any such audit or review and allow the Lessor or its consultant to review and copy all relevant documents and records, including without limitation computerized records and data.

35. TIME

Time is of the essence of all terms and conditions of this Lease.

36. LIMITS ON LEASE TERMINATION; RIGHTS TO CURE

(a) The provisions of this Section 36 shall apply only if, with the written consent of Lessor, there is an Assignment of the Lessee’s interest in this Lease to an entity that is organized on terms acceptable to the Director with intent to claim low income housing tax credits under the Internal Revenue Code and that has received a contribution of capital from one or more investor members or investor limited partners (collectively, the “Investor”).

(b) Lessor agrees that solely as a result of any default under this Lease the Lessor shall not terminate the Lease, nor deprive or commence any action to deprive Lessee of possession of the Premises, until at least sixty (60) days after written notice as provided below in this subsection (b). The foregoing sentence shall not prevent Lessor from giving any notice to Lessee. Lessor agrees to accept performance by the Investor as curing Lessee’s defaults under this Lease. If Lessee fails to cure any default within the time limit allowed under this Lease or if there is a default for which no time to cure is allowed to Lessee, then Lessor may terminate this Lease for such default only after sixty (60) days notice of such failure to cure given to the Lessee and to the Investor if the Lessor shall have been provided a current address for the Investor. Lessor shall not terminate the Lease for such default (i) if the Investor cures such default within such sixty days; or (ii) with respect to any default that is non-monetary and cannot reasonably be cured within such period, if Investor begins cure within such sixty day period, so long as the Investor proceeds diligently and continuously to complete such cure, and provided that such cure is completed in no less than 12 months, unless extended by the Director in his or her discretion.

(c) The Investor shall not have any obligation to cure any default.

Signed:

LESSOR:

THE CITY OF SEATTLE,
a Washington municipal corporation

By: _____
Print Name: Adrienne E. Quinn
Title: Director, Office of Housing
By authority of Ordinance _____

LESSEE:

ARCHDIOCESAN HOUSING AUTHORITY
a Washington nonprofit corporation

By: _____

Print Name: _____
Title: _____

List of Exhibits:

- A. Map of Fort Lawton Property
- B. Development Process
- C. Map of the Premises
- D. Legal Description of Premises
- E. Information Received by Lessee

LESSEE ACKNOWLEDGMENT

STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that ___ signed this instrument, on oath stated that ____ was authorized to execute the instrument and acknowledged it as the _____ of

_____, a Washington non-profit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Date: _____

NOTARY PUBLIC in and for the State
of Washington, residing at _____
My commission expires: _____
Print Name: _____

Exhibit A: Map of Fort Lawton Property



Development Process

Definitions

Capitalized terms used in this Exhibit have the meanings set forth in Article 1 of the Lease unless otherwise specifically defined in this Exhibit.

Community Meetings on Design

If so requested by the Director, Lessee agrees to periodically provide progress reports to the community and attend at least one community meeting, in addition to any meetings required by the Design Review process, to present the architectural design and hear comments from neighboring residents and businesses, which comments shall not be binding upon Lessee or require Lessee to amend the design or other documents relating to the Improvements.

Design, Approval of Design by the Director

Lessee has prepared and the Director has approved plans and drawings in sufficient detail with respect to development of the Premises to describe the site plan, location of the Improvements, massing and height, site circulation, and relationship to the surrounding environment of the Improvements.

Construction Documents

Lessee shall prepare plans and specifications with respect to the construction of the Improvements (the "Construction Plans") substantially consistent with the approved design and all applicable state and local laws and regulations. The Construction Plans shall be sufficiently complete and detailed to satisfy requirements pertinent to application for building permits to DPD and to demonstrate to the Director that the Improvements will be in accordance with the previously approved design.

Lessee shall submit one set of the Construction Plans, together with a construction or progress schedule, to the Director at the same time as Lessee submits the Construction Plans to DPD for the purpose of obtaining building permits.

Changes in Design or Construction Documents

The Director shall review the Construction Plans solely for the purpose of determining whether they substantially conform to the approved design. The Director shall have ten (10) business days after receipt of the Construction Plans to notify the Lessee in writing of any objections to the design as shown in the Construction Plans. Such written notice shall contain a statement of the specific reasons for such objection. Lessee may within thirty (30) days after receiving Director's written notice of objection to the Construction Plans or to any proposed changes to approved Construction Plans,

submit revisions to the Construction Plans or to the proposed changes, as applicable, unless the revisions are manifestly inconsistent in material respects with the approved design. If in the Director's judgment the revised Construction Plans or revised proposed changes satisfy the Director's objections stated in the Director's prior written notice of rejection or otherwise satisfy the criteria set forth above, the Director shall approve the revised Construction Plans or the revised proposed changes and evidence that approval by endorsement of the same on the revised plan sheets and by notifying the Lessee in writing.

If the revised Construction Plans or revised proposed changes do not satisfy the Director's written objections or the Lessee does not submit revisions with such 30-day period, the Director may reject the revised Construction Plans or revised proposed changes and the Lessor may terminate this Lease by written notice to Lessee. In that case neither party shall have any further liability or obligation, of any kind whatsoever, to the other under the Lease (except pursuant to indemnity provisions, which survive termination of the Lease).

Permits

The Lessor acknowledges that the redevelopment of the Premises and the requirements of the Lease necessitate that Lessee apply for and obtain certain permits and other similar authorizations (collectively, the "Permits") from the City and other governmental agencies relating to the Premises and the Improvements. The term "Permits" shall include without limitation use permits; building permits; short plats and lot boundary adjustments and other similar authorizations and approvals; grading permits; shoring permits; permits for work in public rights-of-way; and utility permits.

Nothing in the Lease is intended or shall be construed to require that the City exercise its discretionary authority under its regulatory ordinances to further the development of the Premises, nor binds the City to do so. The City will process applications for Permits as if such applications were made in the absence of the Lease. Lessee assumes the risk of inability to obtain any such approvals, consents, or permits, for any reason. No consent, approval or requirement contained in or made by the Director or designees pursuant to the Lease shall constitute the approval, consent, or Permit required for any regulatory or other City purpose, nor require the City to grant any such approval, consent, or Permit. No regulatory requirement, condition or recommendation related to any Permit shall constitute approval for any change in the design or for any Construction Plans or changes therein, nor obligate the Director to grant any such approval. The Director will not unreasonably withhold approval of changes to the design necessitated by the Design Review process.

Timely Review of Changes in Design or Plans

If, with respect to any transmittal or submission of any changes to the design or Construction Plans, the Director does not give Lessee written notice of any objection thereto and reasons therefore within ten (10) business days of receiving such documents,

then if the first page of the transmittal conspicuously stated the effect of this Section with express reference hereto, the documents as transmitted to the Director shall be deemed approved.

Financing Commitment

Lessee represents that Lessee will use its best efforts to obtain a financing commitment ("Financing Commitment") from one or more lending entities (individually and collectively, the "Lender(s)") to finance the construction of the Improvements to be built on the Premises.

Lessee shall provide to the Director financing commitments from the Lender(s), that demonstrate to the reasonable satisfaction of the Director that Lessee will obtain all financing necessary to complete the Improvements in accordance with the Lease, the approved design and the Construction Plans, and that no term of any Financing Commitment is in material conflict with the terms of the Lease, the approved design or the Construction Plans.

Map of the Premises

To be inserted

Legal Description of Premises

To be inserted

Information Received by Lessee

To be inserted



September 10, 2008

U.S. Department of Housing and Urban Development
Office of Special Needs Assistance Programs
BRAC Coordinator
451 Seventh Street, SW, RM 7266
Washington, DC 20410

Re: Legally Binding Agreements

To the BRAC Coordinator:

The Archdiocesan Housing Authority (“AHA”) is providing this letter to confirm that it has negotiated and agreed to the terms contained within the two Legally Binding Agreements, in the form of leases, submitted by the City of Seattle as part of its Homeless Assistance Submission provided to HUD and the Department of Defense together with the Fort Lawton Redevelopment Plan (The Plan). However, the Legally Binding Agreements do not create any contract or other legal obligations upon AHA unless and until the following conditions precedent and contingencies are satisfied:

1. There is no significant or material change(s) to The Plan as submitted; and
2. YWCA of Seattle-King County-Snohomish County provides a letter confirmation equivalent to this letter confirmation being provided by AHA for the homeless families housing project. United Indians of All Tribes Foundation provides a letter confirmation equivalent to this letter confirmation being provided by AHA for the homeless seniors housing project; and
3. Financing and other contingencies described in and/or as contemplated by the respective Legally Binding Agreements are satisfied for each housing project; and
4. AHA’s obligation to enter into and be bound by either of the Legally Binding Agreements is subject to and will require (1) formal approval of the AHA Board of Trustees, and (2) approval and execution of a Certificate of Action by AHA’s Corporate Member in accordance with AHA’s by-laws.

If you have any questions or require additional information, please contact John Hickman at (206) 328-5660.

Sincerely,

Michael Reichert
President
Archdiocesan Housing Authority

September 4, 2008

U.S. Department of Housing & Urban Development
Office of Special Needs Assistance Programs
BRAC Coordinator
451 Seventh Street SW – Room 7266
Washington, D.C. 20410

Re: Fort Lawton Redevelopment Plan

To the BRAC Coordinator:

On behalf of the YWCA of Seattle-King County-Snohomish County, I am pleased to confirm our participation in the City of Seattle's plan to redevelop Fort Lawton. Once the buildings are completed as the Archdiocesan Housing Authority (AHA) and the City envision, we are committed to working with AHA to provide case management and other supportive services to homeless families at Fort Lawton consistent with the Redevelopment Plan.

If you have questions or need additional information, please do not hesitate to call me at 206-461-4854.

Sincerely,



Sue Sherbrooke
CEO

**Availability of Surplus Federal Property to State and Local Eligible Parties,
Including Homeless Service Providers
City of Seattle**

The City of Seattle is seeking notices of interest (NOIs) for surplus federal property at the Army installations described below (referred to collectively as “Fort Lawton”). The City has been designated as the Local Redevelopment Authority (LRA) for Fort Lawton and is providing this notice as required by the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, as amended, and its implementing regulations. State and local governments, homeless service providers and other interested parties may submit NOIs no later than 5 p.m. on January 10, 2007. However, the federal agencies listed below may have earlier deadlines, so entities interested in public benefit conveyances should contact them directly as early as possible.

The Department of the Army published a notice of the following surplus property in the *Federal Register* on May 9, 2006:

Seattle—2LT Robert R. Leisy USARC/AMSA 79, 4570 Texas West Way,
Seattle—CPT James R. Harvey USARC, 4510 Texas West Way

These installations are contiguous and are generally located adjacent to the northeast portion of Discovery Park in the Magnolia neighborhood.

The LRA understands that the surplus property consists of approximately 38 acres of land, two large office buildings, smaller storage and maintenance buildings, roadway, parade ground, cemetery, various equipment, furnishings and other personal property in the buildings. This information has changed from the Army’s May 9, 2006 notice in the Seattle Times, and may be subject to further revision. A more detailed listing may be obtained from the LRA contact person identified below.

NOIs for homeless assistance may be submitted by any state or local government agency or private nonprofit organization that provides or proposes to provide services to homeless persons and/or families in the city of Seattle.

A workshop will be held at Fort Lawton, on September 26, 2006, at 10:00 am which will include an overview of the base redevelopment planning process, a tour of the installation, information on any land use constraints known at the time, and information on the NOI process. To register for this workshop, please call or email Kristine Kertson at 206-233-0073 or Kristine.kertson@seattle.gov by September 22, 2006. Attendance at this workshop is not required to submit an NOI, but is highly encouraged.

NOIs from homeless service providers must include: (i) a description of the homeless assistance program that the homeless service provider proposes to carry out at Fort Lawton (ii) a description of the need for the program; (iii) a description of the extent to

which the program is or will be coordinated with other homeless assistance programs in the city of Seattle; (iv) information about the physical requirements necessary to carry out the program, including a description of the buildings and property at Fort Lawton that are necessary in order to carry out the program; (v) a description of the financial plan, the organizational structure and capacity, prior experience, and qualifications of the organization to carry out the program; and (vi) an assessment of the time required to commence carrying out the program.

Entities interested in obtaining property through a public benefit conveyance (PBC), other than a homeless assistance conveyance, are invited to contact the following federal agency offices to find out more about each agency's PBC program and to discuss with the agency the entity's potential for qualifying for a conveyance of property.

<p>Parks and Recreation and Lighthouses: David Siegenthaler Program Manager Pacific West Region National Parks Service U.S. Department of the Interior 1111 Jackson , Suite 700 Oakland, CA 94607 Telephone: 510-817-1324 E-mail: david_siegenthaler@nps.gov</p>	<p>Education: Peter Wieczorek, Director Federal Real Property Group U.S. Department of Education 33 Arch Street, Suite 1140 Boston, MA 02110 Telephone: 617-289-0172 E-Mail: peter.wieczorek@ed.gov</p>
<p>Public Health: John Hicks Chief, Space Management Branch Division of Property Management/PSC Department of Health & Human Services Parklawn Building, Room 5B-41 5600 Fishers Lane Rockville, MD 20857 Telephone: 301-443-2265 E-mail: rpb@psc.gov</p>	<p>Corrections and Law Enforcement: Janet Quist Special Projects Manager Bureau of Justice Assistance Office of Justice Programs U.S. Department of Justice 810 7th Street, NW, Room 4413 Washington, DC 20531 Telephone: 202-353-2392 E-mail: janet.quist@usdoj.gov</p>
<p>Self Help Housing: Janet Golrick Assistant Deputy-Assistant Secretary Office of Multi-Family Housing Department of Housing and Urban Development 451 7th Street, SW, Room 6110 Washington, DC 20410 Telephone: 202-708-2495 E-mail: janet_m.golrick@hud.gov</p>	<p>Port Facility: Keith Lesnick U.S. Department of Transportation Maritime Administration 400 7th Street, SW, Room 7206 Washington, DC 20590 Telephone: 202-366-4357, ext. 1624 E-mail: keith.lesnick@marad.dot.gov</p>

<p>Emergency Management Bill (Cheri) A. Smith Program manager Excess Federal Real Property Program Facilities Management and Services Division Federal Emergency Management Agency 500 C Street SW, Room 505 Washington, D.C. 20472 Telephone: 202-646-3383 E-mail: bill.smith1@dhs.gov</p>	<p>Historic Monument: Hank Florence National Park Service Pacific West Region – Seattle Office 909 First Avenue Seattle, WA 98104 Telephone: 206-220-4133 E-mail: hank_florence@nps.gov</p>
<p>Wildlife Conservation Department of the Army Attn: Base Realignment and Closure Office (DAIM-BD) Washington, D.C. 20310-0600 E-mail: brac2005@hqda.army.mil</p>	<p>Airport Paul Johnson Compliance Specialist Department of Transportation Federal Aviation Administration Seattle Airports District Office 1601 Lind Avenue SW Renton, WA 98057-3356 Telephone: 425-227-2655 E-mail: paul.johnson@faa.gov</p>

NOIs for PBCs must include: (i) a description of the eligibility for the proposed transfer, (ii) the proposed use of the property, including a description of the buildings and property necessary to carry out such proposed use, (iii) time frame for occupation; and (iv) the benefit to the community from such proposed use, including the number of jobs the use would generate.

NOIs should be sent or delivered to: ATTN: Fort Lawton LRA , Seattle Office of Housing, Seattle Municipal Tower, 700 5th Avenue, 57th Floor, PO Box 94725, Seattle, WA 98124-4725 no later than 5:00 pm on January 10, 2007. For additional information, contact Linda Cannon at 600 Fourth Avenue, 5th Floor, P.O. Box 94746, Seattle, WA 98124-4746, 206-684-8263, E-mail: linda.cannon@seattle.gov.

Appendix F

Mailing Address Contact	Contractor Name	Mailing Address Street	Mailing Address City	Mailing Address State	Mailing Address Zip	Mailing Address Phone No
Betsy Lieberman	AIDS Housing of Washington	2014 East Madison Street, Suite 200	Seattle	WA	98122	(206) 322-9444
Joanne Whitehead	Arc of King County	233 6th Avenue North	Seattle	WA	98109	(206) 364-6337
Bill Hallerman	Archdiocesan Housing Authority	1902 Second Avenue	Seattle	WA	98101-1155	(206) 728-8171
James Blanchard	Auburn Youth Resources	816 F Street Southeast	Auburn	WA	98002-6121	(253) 939-2202
Paul Lund	Cascade/Immanuel Emergency Services	1215 Thomas Street	Seattle	WA	98109-5427	(206) 622-1930
Josephine Tamayo Murray	Catholic Community Services of Western Washington	100 23rd Avenue South	Seattle	WA	98144	(206) 323-6336
Tony Orange	Central Area Motivation Program	722 18th Avenue	Seattle	WA	98122-4704	(206) 812-4940
Mervyn Chambers	Central Youth and Family Services	1901 Martin Luther King Way South	Seattle	WA	98144-4801	(206) 322-7676
Osborne D. Sharon	Children's Home Society of Washington	3300 Northeast 65th	Seattle	WA	98115	(206) 695-3200
Rev. Sanford Brown	Church Council of Greater Seattle	4 Nickerson Street, Suite 300	Seattle	WA	98109-4404	(206) 525-1213
Lynn Davison	Common Ground	401 Second Ave. South, Suite 500	Seattle	WA	98104	(206) 461-4500
Havenga is the director	Community Psychiatric Clinic	4319 Stone Way North	Seattle	WA	98103-7420	
Rick Friedhoff	Compass Center	77 South Washington Street	Seattle	WA	98104-2519	(206) 461-7835
William G. Hobson	Downtown Emergency Service Center	515 Third Avenue	Seattle	WA	98104	(206) 464-1570
Roberto Maestas	El Centro de la Raza	2524 16th Avenue South	Seattle	WA	98144-5104	(206) 329-9442

Ruthanne Howell	Family Services	615 Second Avenue, Suite 150	Seattle	WA	98104	206-826-3050 ext. 127
Doreen Cato	First Place	P. O. Box 22536	Seattle	WA	98122-0536	(206) 323-6715
Cheryl Cobbs	Fremont Public Association	1501 North 45th Street	Seattle	WA	98103-6708	(206) 694-6700
Kathleen Barry	Friends of Youth	16225 Northeast 87th, Suite A-6	Redmond	WA	98052-3536	(425) 859-6490
Kelle Nelson-Brown	Goodwill Development Association	1502 East Yesler Way, Suite 2	Seattle	WA	98122	(206) 323-7409
Robert Davis	Housing Authority of Snohomish County	12625 Fourth Avenue West	Everett	WA	98204	(206) 743-4505
Stella Chao	International District Housing Alliance	606 Maynard Avenue South, Suite 105	Seattle	WA	98104-2957	(206) 623-5132
Tina Podlowski	Lifelong AIDS Alliance	1002 East Seneca	Seattle	WA	98122-4214	(206) 328-8979
Sharon Lee	Low Income Housing Institute	2407 1st Avenue, Suite 200	Seattle	WA	98121-1311	(206) 443-9935 ex 111
Arthur Padilla	Multifaith Works	1801 12th Avenue, Suite A	Seattle	WA	98122	(206) 324-1520
Rick Reynolds	Operation Nightwatch	P. O. Box 21181	Seattle	WA	98111-3181	(206) 323-4359
Paul Lambros	Plymouth Housing Group	2209 1st Avenue	Seattle	WA	98121	(206) 374-9409
Mark Secord	Puget Sound Neighborhood Health Centers	905 Spruce Street, Suite 300	Seattle	WA	98104	(206) 461-6935
Scott Morrow	Seattle Housing And Resource Effort	P. O. Box 2548	Seattle	WA	98111	(206) 448-7889
Camille Monzon, M.P.A.	Seattle Indian Center	611 12th Avenue South, Suite 300	Seattle	WA	98144-2007	(206) 329-8700
Michael Shaw	Shalom Zone Non-Profit Association	1415 Northeast 43rd Street	Seattle	WA	98105-5877	(206) 632-5163
Kris Nyrop	Street Outreach Services	2028 Westlake Avenue	Seattle	WA	98121	(206) 625-0854

Nila Fankhauser	The Salvation Army, a California Corporation	1101 Pike Street	Seattle	WA	98101	(206) 405-4290
Norman Johnson Lane Jr. is the ED but Michelle is also still	Therapeutic Health Services, Inc. United Indians Of All Tribes Foundation	1116 Summit Avenue	Seattle	WA	98101-2831	(206)285-4425 ext. 13
Mark J. Snow	University Street Ministry	4740 B University Way	Seattle	WA	98105	(206) 522-4366
James Kelly	Urban League of Metropolitan Seattle	105 14th Avenue	Seattle	WA	98122-5558	(206) 461-3792
Brian Knowles	Virginia Mason Medical Center	2720 East Madison	Seattle	WA	98112	(206) 322-5300
Kris Stadelman	Workforce Development Council of Seattle-King County	2003 Western Avenue	Seattle	WA	98121	(206) 448-0474
Allison Wherry	YMCA of Greater Seattle	909 Fourth Avenue	Seattle	WA	98104	(206) 382-5013
Delores Lane	Youth and Outreach Services	P.O. Box 1921	Renton	WA	98052	(206) 723-9104/723-5513
Victoria Wagner Director is Bill Wilson	YouthCare	2500 Northeast 54th St	Seattle	WA	98105	(206) 694-4500
Sue Sherbrooke	YWCA of Seattle-King County-Snohomish County	1118 Fifth Avenue	Seattle	WA	98101	(206) 568-7845
Additions from HUD						
Contact	Contractor Name	Mailing Address	Address City	Address State	Mailing Address Zip	
Nina Auerbach	Child Care Resources	1225 S Weller Street, Suite 300	Seattle	WA	98144	
Mario Paredes	Consejo Counseling and Referral Services	3808 S Angeline Street	Seattle	WA	98118	

Director	Eastside Domestic Violence Program	PO BOX 6398	Bellevue	WA	98008
Doreene Marchione	Hopelink	16225 NE 87TH ST	Redmond	WA	98052
Michael Heinisch	Kent Youth and Family Services	232 2ND AVE S # 201	Kent	WA	98032
Dini Duclos	Multi Service Center	PO BOX 23699	Federal Way	WA	98093
Tom Tierney	Seattle Housing Authority Vietnam Veterans Leadership Program	PO BOX 19028	Seattle	WA	98109
Sherwood Dickie		2903 NE 193RD ST	Lake Forest	WA	98155

Appendix G

Here is a listing of the organizations represented at the September 26th, 2006 Workshop:

1. 36th Street Neighborhood
2. 70th RRC
3. AF Evans
4. Alesek Institute
5. Cascade Land Conservancy
6. Common Ground
7. The Compass Center
8. Community Psychiatric Clinic
9. Enterprise
10. Evergreen Treatment Services
11. Habitat for Humanity
12. Heron Habitat Helpers
13. HHH - 36th Neighborhood
14. The Homeless Project
15. King County
16. Low Income Housing Institute (LIHI)
17. Magnolia Historical Society
18. Mithun
19. Plymouth Housing Group
20. Seattle Housing Authority
21. SMR Architects
22. SVR Design Company
23. United Indians
24. YWCA

**Fort Lawton Workshop for Potential Applicants for Surplus Property
September 26, 2006**

Name	Organization	Address	Phone	Email	Interested in either	
					Homeless Use	Public Benefit Conveyance
Judy Leask Guthrie	United Indians	PO Box 99100 (Discovery Park)	206-285-4425	jquthrie@unitedindians.org		X
Phil Lane, Jr.	United Indians	PO Box 99100 (Discovery Park)	206-285-4425	ceo@unitedindians.org		X
Dorothy Bullitt	Habitat for Humanity	15439 53rd S. Suite B. Tukwila, 98188	206-292-2404 x103	dbullitt@seattle-habitat.org		X
Pam Garrison	70th RRC	4570 Texas Way W, 98199	206-281-3026	pamgarrison@usar.army.mil		
Donna Kostka	Heron Habitat Helpers	6516 A 24th Avenue NE, Seattle 98115	206-283-7805	donna4510@comcast.net		X
Christine Atkins	36th Street Neighborhood	4562 34th Avenue W, 98199	206-286-1908	coopatkins1@comcast.net	X	X
Heidi Carpine (sp?)	HHH - 36th Neighborhood	4663 36th West, 98199	206-284-6489			X
Anne Lockmiller	King County	500 4th Avenue	206-205-5638	anne.lockmiller@metrokc.gov	X	X
Stephen Reilly	Cascade Land Conservancy		206-292-5907 x209	stephenr@cascadeland.org		X
Jake McKinstry	AF Evans	2125 Western Avenue, Suite 400	206-443-2700 x15	jmckinstry@aefevans.com	X	X
Monica Wooton	Magnolia Historical Society	3607 40th W. Seattle 98199	206-284-2430	wootons@aht.net		X
Bill Kreager	Mithun	1201 Alaskan Way,	206-971-5534	billk@mithun.com	X	X
Tom Tierney	SHA	P.O. Box 19028, Seattle 98109	206-615-3500	execdirector@seattlehousing.org	X	X
Ron Murphy	SMR Architects	911 Western Avenue #200	206-623-1104	rmurphy@smrarchitects.com	X	X

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Name	Organization	Address	Phone	Email	Interested in:	
					Homeless Use	Public Benefit Conveyance
Rick Friedhoff	The Compass Center	77 S. Washington Street	206-357-3102	rfriedhoff@compasscenter.org	x	x
Kathy Roseth	Plymouth Housing Group	2209 1st Avenue, Seattle 98121	206-374-9409	kroseth@plymouthhousing.org	x	
Tom VonSchrader	SVR	815 Western Avenue, Suite 400, Seattle 98105	206-223-0326	tomvsv@svrdesign.com		
Lolly Kunkler	SVR	815 Western Avenue, Suite 400, Seattle 98105	206-223-0326	lollyk@svrdesign.com		
Mike Nielsen	CPC	4319 Stone Way N, Seattle, 98103	206-545-2377	mnielsen@cpccwa.org	x	
Dan Landes	Common Ground	401 2nd South, #500, Seattle 98104	206-461-4500 x115	dani@commonground.org	x	
Greg Gartell	LIHI	2407 1st Avenue, #200 Seattle, 98121	206-957-8028	gregg@lihi.org	x	
Sharon Lee	LIHI	2407 1st Avenue, #200 Seattle, 98121	206-443-9935 x111	sharonl@lihi.org	x	x
KC Dietz	Heron Habitat Helpers	4346 36th Avenue W, Seattle 98199		dietzkc@hotmail.com		x
Chloe Gale	ETS Reach	1930 Boren Ave	206-715-6483	chloegale@metrokc.gov	x	
Leslie Leber	YWCA	1118 5th Avenue, Seattle 98101	206-490-4353	lleber@ywcaworks.org	x	
Kollin Min	Enterprise	411 First Avenue S., Suite 411	206-223-4517	kmin@enterprisecommunity.org		
Tara Lee	The Homeless Project	4 Nickerson Street, 3rd Floor	206-525-1212	tlea@thechurchcouncil.org	x	
Kay L. Shoudy	Heron Habitat Helpers	5651 - 40th Avenue W	206-281-1635	shoudypk@comcast.net		
isa Folkins	Mithun	1201 Alaskan Way,	206-971-5574	lisaf@mithun.com		

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Name	Organization	Address	Phone	Email	Interested in either	
					Homeless Use	Public Benefit Conveyance
Al Levine	SHA	121 6th Avenue N.		alevine@seattlehousing.org	x	x
Gary Gaffner		P.O. Box 99555, Seattle, 98139	206-284-9999			
MJ Kiser	Compass Center	77 S. Washington Street	206-357-3124	mikiser@compasscenter.org	x	
Kelley Craig	ETS Reach	1930 Boren Ave	715-4103	kelleycraig@evergreentreatment.org	x	
Elizabeth Tail	Alesek Institute	5919 N. Levee Road East, Fife 98424	253-922-5269	elizabetht@alesek.org	x	