When we think of the work of Capitol Hill Housing, we do so within the context of our values. Inclusion, equity, community—these are the values that guided our work 40 years ago, and remain the foundation of everything we do.

Seattle has changed a lot over 40 years, and so have we. We’ve moved from supporting home improvement loans on Capitol Hill to providing affordable apartments to over 2,200 of our neighbors in 48 buildings across the city. We've made building vibrant and engaged communities central to our mission and worked hard to create homes where our residents can thrive.

Today, we stand ready to meet the challenges posed by one of the greatest crises of affordability our city has ever seen. The struggle we face is not limited to a single group or neighborhood. Increasingly, we find ourselves working in new communities and forging new partnerships.

We have a long history of working collaboratively to support the goals and priorities of others, but 2016 marked another stage in our evolution. Our newest development in the Central District, the Liberty Bank Building, symbolizes the shift.

The project reaffirms a community that has persevered despite a history of institutional racism and policies of exclusion. The Liberty Bank Building not only provides affordable homes, it captures a valuable and powerful legacy in the African American community and creates opportunity for capacity-building ownership.

By partnering with local organizations, by engendering thoughtful dialogue, by listening and following the lead of the community, great things can happen. Our partners hold us accountable to local priorities and we build, rather than supplant, local capacity.

When we lead with our values, great things can happen. We can cross deep divides. We can lift people up in communities of hope rather than pushing them out. We can build an organization full of smart, hardworking people equipped with 40 years of experience responding to community needs, and ready to tackle 40 years more.
An early project of ours was a tool bank providing necessary supplies to neighborhood residents.

Gale Place opened in 1987 to provide 24 homes in the Ranier Valley. It was renamed after site manager Joe Black in 2016.

We renovated and reopened 30 homes at the Melrose Apartments in 1990.

The Capitol Hill EcoDistrict launched in 2012 to pioneer sustainability on a neighborhood scale.

The historic Fredonia Apartments on 15th Avenue was one of our first property acquisitions in 1986.

We celebrated the grand opening of 12th Avenue Arts in 2014.

Gale Place opened in 1987 to provide 24 homes in the Ranier Valley. It was renamed after site manager Joe Black in 2016.

Broadway Crossing in the heart of Capitol Hill opened in 2007. Residents have access to a marvelous rooftop lounge and garden.
**1970s**

**A COMMUNITY’S RESPONSE**

Our organization was founded in 1976 as the Stevens Neighborhood Housing Improvement Program by the Capitol Hill Community Council and residents concerned about redlining and disinvestment within the neighborhood. In our early years, we provided a tool bank with Environmental Works for neighborhood residents, home improvement lending, and homesharing for seniors.

**1980s**

**FROM HOMES TO APARTMENTS**

The '80s were an important time of transition. We officially changed our name to Capitol Hill Housing Improvement Program, or CHHIP, and began an important shift from home improvement assistance to affordable apartments to better serve the growing needs of the neighborhood. We acquired our first apartment building for renovation in 1986.

**1990s**

**A DECADE OF FIRSTS**

By 1990, CHHIP managed 172 units in 11 buildings. In a decade of firsts, we purchased our first senior housing, the Elizabeth James Apartments, and completed our first new construction development, the John Carney Apartments. Before the turn of the century, CHHIP had grown to manage 24 buildings with 535 apartments.

**2000s**

**PIONEERING SUSTAINABILITY**

As the neighborhood grew and changed, so did we. We rebranded as Capitol Hill Housing in 2005 and began creating more buildings that mixed residential and commercial spaces like the Broadway Crossing, the first LEED Silver affordable housing development in the Puget Sound. In the same decade, the Pantages won a “Green Hammer” award for environmentally-friendly building practices and we renovated the Holiday Apartments with a focus on environmental benefits. By the end of the decade, we were serving well over 1,000 residents.

**2010 TO THE PRESENT**

**VIBRANT AND ENGAGED COMMUNITIES**

By 2011, we were providing homes for more than 1,600 people. As our organization grew, so did our vision for community development. The Capitol Hill Housing Foundation was established to lead our communications and outreach efforts in the community. The formation of the Capitol Hill EcoDistrict and the Capitol Hill Arts District furthered our goal of building vibrant and engaged communities. All the while, we continued to provide our neighbors with quality, affordable homes, extending our portfolio as far south as White Center. Most recently, our efforts to increase affordability were marked by new developments like The Jefferson, and the award-winning 12th Avenue Arts Building.
TODAY, our communities face rapid changes. The qualities that make them vibrant, engaging places to live and work are threatened by rising rents and decreased affordability. It is becoming harder for working people to live in our neighborhoods, and the impact increasingly falls on those who can least afford it: seniors on fixed income, teachers, freelance artists, and people transitioning out of homelessness. As we lose the people at the heart of our communities, we lose what makes them work.

Seattle is growing and changing, but we believe that growth can occur in a way that prioritizes inclusion and the needs of the community. Capitol Hill Housing uses our 40 years of experience and relationships in the community to provide quality apartments that are affordable to working households and keep housing that’s already affordable from disappearing. As we build and preserve housing, we also work to make the city a more welcoming place, whether by preserving arts and green spaces, by supporting access to transit, or by helping our neighbors have a voice in the decisions shaping the city.

Every DAY from 2010 to 2015, Seattle grew by ...

- **40 people**
- **35 jobs**
- **12 housing units**

Sources: Sightline Institute, Seattle Office of Housing, U.S. Census Bureau
CREATING AND PRESERVING AFFORDABILITY IN OUR NEIGHBORHOODS

Empowerment of the African American community
We signed an agreement with our Central District partners to guide redevelopment of the Liberty Bank Building. The project will not only provide 115 affordable homes, but also establish a pathway for African American ownership of the building, support local business, and honor the legacy of a bank founded as a community response to redlining and disinvestment in Central Seattle.

Affordable apartments at a major transit hub
Housing close to transit options opens up the opportunities our city offers. We signed a purchase and sale agreement at our site at the Capitol Hill Light Rail Station, moving forward a unique opportunity to bring 110 much-needed affordable homes to the heart of dense, thriving Capitol Hill.

Partners in community development
In 2016, CHH served as Local Initiatives Support Corporation’s Interim Program Manager, providing LISC with an on-the-ground presence in King County and helping distribute over $180,000 in grants to build community capacity. This comes as CHH prepares to launch Community Development Partners, a new nonprofit entity that will draw upon 40 years of expertise in community building to help build the capacity of organizations across the region.

BUILDING VIBRANT AND ENGAGED COMMUNITIES

Renter power
Renters make up 80% of the residents on Capitol Hill, but historically their voices have been left out of the decisions that shape the neighborhood. In September 2016, we hosted the first-ever Capitol Hill Renter Summit, bringing more than 100 renters together with the Mayor of Seattle and local officials to chart a new course for civic engagement.

Housing and transit go hand in hand
In 2016, we worked with the Seattle Department of Transportation to pilot a program that provided 65 of our residents low-cost ORCA passes. This program works to ensure that while our city builds a world-class transit system, it also builds an equitable system. We also advocated for a Parking Benefit District on Capitol Hill and continued working with the University of Washington to develop a shared parking system to pilot in our buildings.

Sustainability in our portfolio
This year, we enrolled five buildings in Emerald Cities Collaborative’s RENEW Program to identify cost-effective energy and water efficiency retrofits. The Liberty Bank Building has signed on as the Pacific Northwest pilot project for Healthy Building Network’s HomeFree Initiative, a national program of affordable housing leaders improving health by using less toxic building materials.
A PLATFORM FOR GROWTH

Fair Chance Housing
A criminal record can be a significant barrier keeping people from finding a home. In 2016, we developed an individualized assessment process (IAP) for evaluating applicants facing barriers to housing, such as possession of a criminal history. This new process limits bias in applicant screening and provides opportunities for rehabilitated applicants to succeed.

Job Coaching
We ramped up our Navigating Employment with Assistance and Resources (NEAR) program to help our residents improve their employment situation. 14 residents were paired with mentors from the community – and to date six have been connected to employment.

Honoring Joe Black
We officially renamed the Gale Place Apartments the Joe Black Apartments, in honor of the longtime site manager who retired this year. Joe represents our commitment to our residents at its best. He has been a community leader for over two decades in the Rainier Valley, a mentor and role model to youth and a tireless employee.

IAP BY THE NUMBERS

46 individual assessments conducted

27 people housed who would otherwise have been denied

“Whereas, Joe Black will be retiring on July 27 of 2016 and has left an indelible mark on this organization and the community; Now, therefore I, Edward B. Murray, Mayor of Seattle, do hereby proclaim July 27, 2016 to be Joe Black Day.”

—Mayoral Proclamation
Our Properties
For property details, visit
capitolhillhousing.org/properties
For more than three years, LT Patterson has lived in the Ponderosa Apartments, a quiet, well-maintained 23-unit building just off of bustling Madison Avenue. With the support of a caseworker, LT was able to secure an affordable home located near the treatment services he was accessing at Harborview Medical Clinic.

The change, he says, was immediate. “Moving to the Ponderosa cleared my head. It gave me a chance to get the feel of things, and let me know that I could work and still maintain my housing. So that’s what’s I did. I went to work.”

For the past year LT has worked locally as a custodian, and is currently looking for a more engaging career. He was paired with Frank Houston, a volunteer job coach, through Capitol Hill Housing’s NEAR program, and together they created a resumé to share with potential employers.

“Frank listens,” says LT. “He gives me pointers on the little things, little hints – but things that matter to a boss. He’s been in a managing position for years, so he knows what it takes to succeed.”

With the help of the NEAR program, LT is confident he can find a better position. It’s not just about the paycheck; it’s a point of pride. “It's work. You get tired. You get stressed out, but it's still work. Waking up in the morning or going to work at night, it matters. It gives you something to do. It motivates you.”

For now, LT is grateful to call the Ponderosa his home. It provides the peace and quiet of a safe space, with no intrusions, no drugs or alcohol. He's friendly with his neighbors in the building and enjoys getting to know them through different events put on through Resident Services, like a yearly Thanksgiving meal that brings everyone together. “Seattle is blowing up. Prices are going up everywhere. Places like this really make a difference,” he says. “I’m very appreciative of it.”
Capitol Hill Housing properties maintained low vacancy rates, averaging 2.8% in 2015. At the end of 2015, assets exceeded liabilities and totaled over $20 million; unrestricted cash totaled $3,046,758. In 2015, we sold our equity interest in Firestation 7, the former fire station converted to office and retail space. We completed the purchase of the Union James, a two-building, 24-unit property from the Central Area Development Association. In addition to ongoing maintenance of our portfolio, we also invested $1.7 million in upgrades to Hazel Plaza, including a new roof, exterior and interior renovations.

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<th>YEAR ENDED 12/31/15</th>
<th>YEAR ENDED 12/31/14</th>
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<tbody>
<tr>
<td></td>
<td>CHH and CHH-Owned Buildings</td>
<td>Tax Credit Partnerships</td>
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<tr>
<td><strong>OPERATING REVENUES</strong></td>
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<tr>
<td>Tenant rents</td>
<td>8,405,990</td>
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<td>Fees, donations &amp; other income</td>
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<td>Project development fees</td>
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<td><strong>TOTAL OPERATING REVENUES</strong></td>
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<td><strong>OPERATING EXPENSES</strong></td>
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<td>Salaries, benefits &amp; payroll taxes</td>
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<td>Operating, maintenance, utilities, insurance</td>
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<td>Administration, professional fees &amp; other</td>
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<td><strong>DEPRECIATION</strong></td>
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<td>Operating income (loss) after depreciation</td>
<td>(20,689)</td>
<td>(1,195,622)</td>
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<td><strong>NON-OPERATING REVENUE (EXPENSE)</strong></td>
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<td>Grants for capital projects</td>
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<td>Gain (loss) on sale of property</td>
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<td>Interest expense</td>
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<td>(1,773,378)</td>
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<td><strong>TOTAL NON-OPERATING INCOME (EXPENSE)</strong></td>
<td>$ 1,846,615</td>
<td>$ (1,941,183)</td>
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<td>Change in net assets</td>
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<td><strong>NET POSITION</strong></td>
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<td>Beginning of year</td>
<td>19,003,964</td>
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<td>Change in component units &amp; other changes</td>
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<td>(408,404)</td>
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<td>Capital contributions</td>
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<td><strong>END OF YEAR</strong></td>
<td>$ 20,871,268</td>
<td>$ 16,158,758</td>
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Abraham Laryea
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THANK YOU, DONORS!
The annual Community Forum gave an opportunity for neighbors to voice their opinions on preserving art spaces, building a lid on I-5, and other pressing issues.

Omnivorous brought together 27 of Capitol Hill’s favorite restaurants and bars in support of our Resident Services program.

CHH staff are dedicated to building vibrant and engaged communities.

65 residents received low-cost ORCA cards as part of a pilot program in three of our buildings.

New street signs were installed to help mark the Capitol Hill Arts District.

The Capitol Hill EcoDistrict launched in 2012 to pioneer sustainability on a neighborhood scale.

The grand opening of the 12th Avenue Arts building, in 2014.

90 community dinners, potlucks, back to school events and outings

75 residents kept in their homes thanks to rental assistance

721 individual meetings with residents, an 80% increase over 2015