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Seattle Social Housing Developer

April 2026 Board Meeting Agenda

(regular meetings 3rd Thursday every month)

<table>
<tr><td colspan="3">Date/Time: Thursday April 16, 5:30 - 7:30pm
Meeting Location: Seattle City Hall, rm L280
Online option:
https://seattle.webex.com/seattle/j.php?MTID=mbd809efc732765889405b07136c499c1</td></tr>
<tr><td>5:30pm
(5min)</td><td>Call to Order
● Roll Call
● One word Check-in
● Review & Approve Agenda
Items for Approval:
● Today's Agenda
● March Board Minutes
● March Financials
● April 2nd Special Board Minutes
● Resolution 2026-06: Project Approval Process
● Board Governance Committee Charter</td><td>ChrisTiana ObeySumner, (Chair)</td></tr>
<tr><td>5:35 pm
(10 min)</td><td>Public Comment</td><td>ChrisTiana ObeySumner, (Chair)</td></tr>
<tr><td>5:40 pm
(25 min)</td><td>Finance Report
● March Financials & Vote to Approve
● State Audit</td><td>Brian Abeel,
SSHD Interim CFO</td></tr>
<tr><td>6:10 pm
(30 min)</td><td>Prospective Board Consultant: In The Works
● Introduction – Board & In the Works
● Overview of In The Works and Our Way of Being
● Next Steps in Proposal Process</td><td>Kirsten Harris-Tally
Teddy McGlynn-Wright,
In the Works</td></tr>
<tr><td>6:45 pm
(10 min)</td><td>CEO/Staff Update</td><td>Tiffani McCoy,
Interim SSHD CEO</td></tr>
<tr><td>6:55 pm
(5mins)</td><td>BREAK</td><td></td></tr>
<tr><td>6:55 pm
(15 min)</td><td>Project Approval Process
Resolution 2026-06</td><td>Ginger Segel,
CREDO</td></tr>
</table>

Date/Time: **Thursday April 16, 5:30 - 7:30pm** **Meeting Location: Seattle City Hall, rm L280** Online option: https://seattle.webex.com/seattle/j.php?MTID=mbd809efc732765889405b07136c499c1		
7:15 (15 min)	**Board Governance Committee Charter** Vote to adopt and add committee members	Ryan Driscoll and Josh Nadel, Board Members
7:30 pm	**Adjourn**	ChrisTiana ObeySumner, (Chair)

April 2 2026 Special Board Meeting Minutes

Date/Time: **Thursday April 2nd, 5:30 - 7:00pm**
Meeting Location: Seattle City Hall, RM 370 |Online option:
https://seattle.webex.com/seattle/j.php?MTID=mbd809efc732765889405b07136c499c1

5:30pm 5:32	**Call to Order, Roll Call, Agenda Approval** The special meeting of the Seattle Social Housing Developer Board of Directors was called to order by Board Chair ChrisTiana at 5:30pm. **Roll Call:** Board Members Present: • Ryan Driscoll • Leah Salerno • Becca Book • Carl Nelson • ChrisTiana ObeySumner • Joshua Nadel • Kaileah Baldwin • Tom Barnard • Olivia Butkowski • Karen Estevenin A quorum was established **SSHD Staff or Affiliated Personnel Present:** • Tiffani McCoy • James Mayton • Mizan Howard • Lilly Fowler • Ginger Segel • Abesha Shiferaw **Carl moved to approve the agenda.** Leah seconded. 10 yes. 0 no. 0 abstain. Motion passed; agenda approved.	ChrisTiana ObeySumner (Chair)
5:33	**Public Testimony** Individuals who provided public testimony: • Jason Chueng, the Wildan group	All

5:40	**Executive Session: To Consider the Selection of a Site or Acquisition** Pursuant to RCW 42.30.110(1)(b) ChrisTiana, the Board Chair, announced that the board would enter an Executive Session to consider the selection of a site or acquisition pursuant to RCW 42.30.110(1)(b), for 40 minutes, from 5:40pm to 6:20pm.	James Mayton, Ginger Segel, Tiffani McCoy
6:20 6:30	**Company Credit Card Policy** Brian Abeel, Interim CFO, presented to the board and answered questions regarding the proposed Credit Card Policy and the corresponding SSHD Resolution No. 2026-005. **Josh moved to adopt SSHD Resolution No. 2026-005, adopting a credit card use policy.** Kaileah seconded. 10 yes. 0 no. 0 abstain. Motion passed; resolution adopted.	Brian Abeel
6:31	**Committee Charter Updates Overview** Ryan, the Board Member and Committee Liaison, presented to the board and led discussion regarding proposed board committee additions, changes, and charter updates. *Karen left the board meeting at 6:47pm; quorum was not affected	Ryan Driscoll
6:50	**Public Call for Community Developer Seat** Ryan provided an overview of the process for filling the vacant Community Developer seat. The public call for self-nominations was open until April 14th, and everyone was encouraged to share widely.	SSHD Executive Committee
6:53 6:54 6:54pm	ChrisTiana made final announcements, including a reminder of the upcoming regular board meeting. **Carl moved to adjourn the meeting early, as all business on the agenda was concluded.** Becca Seconded. 8 yes*. 0 No. 0 Abstain. *Tom Barnard left the meeting as the motion was called and was not present to participate in the vote; quorum was not affected. **Adjourned by the Board Chair.**	ChrisTiana ObeySumner (Chair)

March 2026 Board Meeting Minutes

Regular meetings 3rd Thursday every month

<table>
<tr><td colspan="3">Date/Time: Thursday March 19th, 5:30 - 7:30pm
Meeting Location: Seattle City Hall, RM L280 |Online option:
https://seattle.webex.com/seattle/j.php?MTID=mbd809efc732765889405b07136c499c1</td></tr>
<tr><td>5:30pm</td><td>Call to Order, Roll Call, Agenda & Minutes Approval, and Check-In

The regular meeting of the Seattle Social Housing Developer Board of Directors was called to order by Board Chair ChrisTiana ObeySumner at 5:30pm.

Roll Call:
Roll Call included one-word check-in from board members
Board Members Present:
• Ryan Driscoll
• Leah Salerno
• Becca Book
• Carl Nelson
• ChrisTiana ObeySumner
• Joshua Nadel
• Kaileah Baldwin
• Tom Barnard
• Olivia Butkowski
• Karen Estevenin*
A quorum was established

*Karen Estevenin joined the meeting a few minutes late, provided her check-in response and updated roll call response at that time. This did not impact quorum.

SSHD Staff or Affiliated Personnel Present:</td><td>ChrisTiana ObeySumner (Chair)</td></tr>
</table>

<table>
<tr><td></td><td>Tiffani McCoy
James Mayton
Mizan Howard
Lilly Fowler
Nikkita Oliver
Dmitri Iglitzin (Employment attorney for SSHD)
Leah moved to approve the agenda. Josh seconded. Dmitri Iglitzin spoke up to identify that the posted agenda contained a mistake in which RCW subsection should be cited for the executive session.
Leah withdrew their motion prior to calling a vote.
Leah then moved to approve the agenda with an amendment to correctly identify that the 20 minutes Executive Session on the agenda is pursuant to RCW 42.30.110 section 1.i. Becca Seconded.
10 yes. 0 no. 0 abstain.
Motion to approve agenda with noted amendment passes. </td><td></td></tr>
<tr><td>5:36</td><td></td><td></td></tr>
<tr><td>5:38

5:40</td><td> ChrisTiana moved to approve the February Regular Meeting Minutes. Carl Seconded.
8 yes. 0 no. 2 abstain (Becca and Olivia).
Motion passes; minutes approved.
ChrisTiana moved to approve the March Special Meeting Minutes. Ryan Seconded.
9 yes. 0 no. 1 Abstain (Olivia).
Motion passes; minutes approved. </td><td></td></tr>
<tr><td>5:41</td><td>Public Testimony
Individuals who provided public testimony:
Scott Bonjukian, Lid I-5
Alex Booth
Daniel Powell</td><td>All</td></tr>
</table>

5:50 – 6:10	**Executive Session (20 minutes)** Pursuant to RCW42.30.110 section 1.i Board Chair ChrisTiana Obeysumner announced that the board would enter a 20 minute executive session, beginning at 5:50PM and ending at 6:10PM, pursuant to RCW 42.30.110 section 1.i, to discuss certain personnel-related legal matters, that pose the risk of litigation, with legal counsel. The Board Chair again noted that the posted agenda mistakenly stated that the board was going to go into executive session pursuant to RCW 42.30.110 section 1.b, but that was a typographical error which they were correcting.	ChrisTiana ObeySumner (Chair)
6:10 6:21 6:34 6:35	**Finance Report** Josh, Board Treasurer, presented and led the monthly financial review: The board reviewed the statements of income and expenses which compared budgeted expenditures to actual expenditures for Feb ‘26. The Board also reviewed the balance sheets for Feb ‘26. Marc Greenough, from Foster Garvey, joined the board meeting to present and answer questions on the investment policy. **Josh moved to amend SSHD Resolution No. 2026-04 [Adopting an Investment Policy] by striking the words “and sell” in the following four places: page 1 of the resolution Section 1.(c) and Section 1. (d); Exhibit A (1)(c); and Exhibit A (1)(d).** Becca Seconded. 10 Yes. 0 No. 0 Abstain. Motion Passes, resolution amended. **Josh moved to adopt the amended SSHD Resolution No. 2026-04 [Adopting an Investment Policy].** Becca and Kaileah seconded. 10 Yes. 0 No. 0 Abstain.	Josh Nadel (Treasurer)

6:37	Motion Passes; resolution is adopted. **Josh moved to approve the February Financial documents the board reviewed.** Carl Seconded. 9 Yes. 0 No. 1 Abstain (Kaileah).	
6:39	**CEO/Staff Update** Tiffani McCoy provided an update regarding staff, including updates on hiring for open positions.	Tiffani McCoy (Interim CEO)
6:45	*- 5 min break -* *(May be shortened as needed for time)*	
6:50	**Real Estate Update** The Board Chair called the meeting back into session after the break at 6:50PM James Mayton presented to the board about the real estate acquisition process.	Tiffani McCoy (Interim CEO)
7:00	**Real Estate Committee Update** Becca Presented to the Board on updates from the Real Estate Committee.	Becca Book (RE Cmte Chair)
7:07	**Board Development** ChrisTiana presented to the board regarding the ongoing planning for board development and what board members can expect. It was announced that the initial members of the Board Development Committee are Ryan, Karen, and ChrisTiana.	ChrisTiana ObeySumner (Chair)
7:17	**Board Membership** ChrisTiana and Tiffani McCoy provided updates to the board about vacant board member seats, including: ● Updates on vacancies to be appointed by City Council, GNDOB ● Upcoming process for filling Marginalized Community Development seat	ChrisTiana ObeySumner (Chair)

7:23	**Reminders & Announcements** ChrisTiana provided reminders and anouncements, including: ● Need for special meeting in April	ChrisTiana ObeySumner (Chair)
7:29pm	**Adjourn** With nothing more on the agenda, **Carl moved to adjourn the meeting a minute early.** Becca Seconded. 10 yes. 0 no. 0 abstain. Motion Passed. Accordingly, ChrisTiana adjourned the meeting at 7:29PM	ChrisTiana ObeySumner (Chair)

Seattle Social Housing Developer PDA

Actual vs Budget Income Statement

	January 2026			February 2026			March 2026			YTD Thru March 2026		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Estimated tax Revenues	4,166,667	-	4,166,667	4,166,667	-	4,166,667	4,166,667	-	4,166,667	12,500,000	-	12,500,000
Interest Income	-	1,290	(1,290)	-	2,222	(2,222)	314,594	932	313,662	314,594	4,444	310,150
Total Revenue	**4,166,667**	**1,290**	**4,165,377**	**4,166,667**	**2,222**	**4,164,445**	**4,481,260**	**932**	**4,480,328**	**12,814,594**	**4,444**	**12,810,150**
Payroll	60,581	77,917	(17,336)	83,750	96,667	(12,917)	83,750	108,750	(25,000)	228,081	283,334	(55,253)
Payroll Taxes and Benefits	11,859	27,271	(15,412)	27,375	33,833	(6,458)	18,593	38,063	(19,470)	57,828	99,167	(41,340)
Board Stipends	3,400	7,200	(3,800)	7,600	7,200	400	4,800	7,200	(2,400)	15,800	21,600	(5,800)
Legal Fees	15,623	25,000	(9,377)	52,023	25,000	27,023	106,511	25,000	81,511	174,157	75,000	99,157
Professional Fees	49,366	160,667	(111,301)	66,374	150,667	(84,293)	121,843	150,667	(28,824)	237,582	462,001	(224,419)
Rent	-	3,000	(3,000)	7,380	3,000	4,380	-	3,500	(3,500)	7,380	9,500	(2,120)
Insurance	-	-	-	-	-	-	4,346	3,000	1,346	4,346	3,000	1,346
Admin Other	406	7,227	(6,821)	14,164	27,227	(13,063)	21,610	27,227	(5,617)	36,180	61,680	(25,500)
Interest Expense	5,428	8,485	(3,057)	4,903	8,520	(3,617)	-	-	-	10,332	17,005	(6,673)
Total Expenses	**146,663**	**316,767**	**(170,104)**	**263,569**	**352,114**	**(88,544)**	**361,452**	**363,407**	**(1,955)**	**771,684**	**1,032,287**	**(260,603)**
Net Income	**4,020,004**	**(315,477)**	**4,335,481**	**3,903,097**	**(349,892)**	**4,252,989**	**4,119,809**	**(362,475)**	**4,482,283**	**12,042,910**	**(1,027,843)**	**13,070,753**

Balance Sheet

	01/31/26	02/28/26	03/31/26
Assets	**Actual**	**Actual**	**Actual**
Bank Accounts	1,472,659	1,238,187	131,907,672
Due from Other Governments	137,516,799	141,683,465	12,500,000
Prepaid Expenses	28,402	36,921	38,569
Pension Asset	35,693	35,693	35,693
Credit Card Deposit	-	30,000	30,000
Total Assets	**139,053,553**	**143,024,267**	**144,511,934**
Liabilities & Equity			
Accounts Payable	334,414	368,275	184,125
Accrued Payroll and Related	75,113	99,987	87,478
Accrued Interest	24,169	29,072	-
Due to Other Governments	413,307	413,307	-
Note Payable City of Seattle	1,999,999	1,999,999	-
Equity	136,206,550	140,109,647	144,229,456
Total Liabilities & Equity	**139,053,553**	**143,020,288**	**144,501,059**

ANNUAL REPORT CERTIFICATION

Seattle Social Housing Developer

(Official Name of Government)

3294

MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended 12/31/2025

GOVERNMENT INFORMATION:

Official Mailing Address	419 Occidental Ave, Unit 403 Seattle, WA 98104
Official Website Address	https://www.socialhousingseattle.org/
Official E-mail Address	tmccoy@seattlesocialhousing.org
Official Phone Number	(206) 822-1812

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title	Brian P. Abeel, Interim CFO
Contact Phone Number	206-696-6257
Contact E-mail Address	babeel@seattlesocialhousing.org

I certify 6th day of April, 2026, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signature

Brian P. Abeel

The Seattle Social Housing Developer (SSHD) discussion and analysis offers readers of the SSHD's statements a narrative overview and analysis of the SSHD's financial activities for the fiscal years ended December 31, 2024 and 2025. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the SSHD. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements (which immediately follow this discussion.)

The Social Housing Developer was created through the passage of the City of Seattle initiative I35, under the authority of RCW 35.21. The SSHD is a special purpose business-type government.

FINANCIAL HIGHLIGHTS

The assets of the SSHD exceeded its liabilities at December 31, 2024, by $150,215 and at December 31, 2025 by $132,186,546. All of these amounts may be used to meet the government's ongoing obligations to citizens and creditors.

Of the SSHD's one governmental fund report at December 31, 2024 combined ending net position of $143,449, $28,030 is related to prepaid expenses and is non-spendable and the remaining $115,419 is unrestricted. At December 31, 2025, of the combined ending net position of $132,171,691, $25,628 is related to prepaid expenses and is non-spendable and the remaining $132,146,063 is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the SSHD's basic financial statements. This information will assist users in interpreting the basic financial statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the SSHD.

Basic Financial Statements

The basic financial statements comprised three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide the reader with a broad overview of the Agency's finances.

The statement of net position presents information on the total of the SSHD's assets and deferred outflows of resources, as well as the total of the SSHD's liabilities and deferred inflows of resources, with the difference between the two totals reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the SSHD is improving or deteriorating.

The statement of activities presents information showing how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will be related to cash flows in future fiscal periods (e.g. uncollected revenues).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The SSHD, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. The single fund of the SSHD is reported as a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, changes in net position over time may serve as a useful indicator of a government's financial position. The SSHD's net position totaled $150,215 at December 31, 2024; all of which is unrestricted in 2024. The net position totaled $132,186,546 at December 31, 2025; all of which is unrestricted in 2025.

Statement of Net Position
December 31, 2024 and 2025

ASSETS	**December 31, 2024**	**December 31, 2025**
Current and other assets	$ 222,175	$135,062,512
Total Assets	$ 222,175	$135,062,512
DEFERRED OUTFLOWS OF RESOURCES		
Pension	$ 6,766	$ 5,694
Total Deferred Outflows	$ 6,766	$ 5,694
LIABILITIES		
Other Liabilities	$ 78,770	$ 2,881,660
Total Liabilities	$ 78,770	$ 2,881,660
NET POSITION		
Unrestricted	$ 150,215	$132,186,546
Total Net Position	$ 150,215	$132,186,546

The largest component of "current and other assets" is made up of cash, which represent 87% of current assets in 2024. In 2025 the largest component was the receivable for taxes earned in 2025 but collected in 2026, which represents 99% of current assets.

As presented above, total short-term liabilities represent a working capital loan payable to the City of Seattle, fees charged by the City of Seattle for collecting tax revenue on behalf of SSHD, accounts payable, payroll liabilities and accrued interest on the City of Seattle loan.

Statement of Activities
Key elements in the changes in net position are discussed below. The full statement is a tabular depiction of the relationship of revenues and expenses for the SSHD.

Statement of Activities (changes in net position)
Years Ended December 31, 2024 and 2025

REVENUES	**2024**	**2025**
Tax Revenue	$ -	$ 133,350,132
Grants and other	$ 585,000	$ 450,208
Total revenue	$ 585,000	$ 133,800,340
EXPENSES		
Natural and Economic Environment	$ 434,785	$ 1,776,188
Total operational expenditures	$ 434,785	$ 1,776,188
Change in net position	$ 150,215	$ 132,024,152
Net Position beginning of the year	$ -	$ 150,215
Prior Period Adjustment		$ 12,180
Net position beginning of year - restated		$ 162,395
Net Position end of the year	$ 150,215	$ 132,186,546

The City of Seattle provided SSHD with startup funds in 2024 in the form of a pass-through grant from the Washington State Department of Commerce in the amount of $180,000. Additionally, the City of Seattle funded $405,000 of direct funding to SSHD. In 2025 the City of Seattle funded $445,500 of direct funding. 2025 also marked the first year that SSHD was entitled to collect the tax revenues that were approved by voters. These tax revenues, which amounted to $133,350,132, were earned in 2025 and collected by the City of Seattle on behalf of SSHD in early 2026. The taxes, net of the repayment of the working capital loan and related interest and the costs of collecting the tax, were remitted to SSHD in March 2026.

SSHD was very much in startup mode during both 2024 and 2025. Expenses, which consisted primarily of salaries, professional fees and the costs passed through by the City of Seattle for collecting the tax revenue, increased year over year as the agency ramped up its operations in preparation for collecting the first year of tax revenues and purchasing its first properties in 2026.

See Note 6 for a discussion on the prior period adjustment.

FINANCIAL ANALYSIS OF THE DEVELOPER'S FUND STATEMENT

The SSHD's general fund balance was $143,449 at year end 2024 and $132,171,691 at year end 2025.

The SSHD's Revenues consist primarily of grant revenue for 2024. These start up grant revenues continued in 2025 but paled in comparison to the tax revenue. In 2025 the revenues were primarily related to taxes accrued and collected on behalf of SSHD by the City of Seattle. The table below shows the trend data for grant and tax revenue for 2024 and 2025.

Operating Revenues

	2024	2025
Tax Revenue	$ -	$ 133,350,132
Operating Grants and other	$ 585,000	$ 450,208
Total	$ 585,000	$ 133,800,340
Total	$ 585,000	$ 133,800,340

Expenditure increases occurred as 2024 was the first year of reporting and SSHD was very much still in startup phase into 2025. The largest category of expenses for both years is professional services, which represents 70% of total expenses in 2024 and 57% in 2025. Professional services related to startup included attorney fees, communications, accounting services and human resources support services.

Unassigned fund balance on December 31, 2024, is $115,419 or 80.5% of total fund balance. The unassigned fund balance on December 31, 2025 is $132,146,063, or 99.9% of the total fund balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The SSHD is dependent upon a payroll tax on employers with highly compensated employees within the City of Seattle limits. These revenues are dedicated to develop, own, lease and maintain mixed-income housing that is permanently affordable, owned as a public asset forever and designed for people priced out of market-rate housing in the Seattle area.

Requests for Information

The financial report is designed to provide a general overview of Seattle Social Housing Developer's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Seattle Social Housing Developer, 419 Occidental Avenue Seattle, WA 98104.

Seattle Social Housing Developer
Statement of Net Position
As of December 31, 2024 and 2025

	December 31, 2024	December 31, 2025
ASSETS		
Cash, cash equivilents and pooled investments	$ 194,145	$ 1,656,753
Due from Other Government		$ 133,350,132
Prepaid Expenses	$ 28,030	$ 25,628
Pension Asset	$ -	$ 29,999
Total Assets	$ 222,175	$ 135,062,512
DEFERRED OUTFLOWS OF RESOURCES		
Pension	$ 6,766	$ 5,694
Total Deferred Outflows of Resources	$ 6,766	$ 5,694
LIABILITIES		
Accounts Payable	$ 60,206	$ 404,021
Payroll Payable	$ 18,517	$ 45,592
Interest Payable	$ -	$ 18,741
Due to Other Government	$ -	$ 413,307
Loan Payable to Other Government	$ -	$ 1,999,999
Total Liabilities	$ 78,723	$ 2,881,660
NET POSITION		
Unrestricted	$ 150,215	$ 132,186,546
Total Net Position	$ 150,215	$ 132,186,546

The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Statement of Activities - Government Activities
For the Year ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants and Contributions	Program Revenues: Tax Revenues	Net (Expense) Revenue and Changes in Net Position
Natural and Economic Environment	$ 441,551	$ -	$ 585,000	$ -	$ -	$ 143,449
Total Government Activities	$ 441,551	$ -	$ 585,000	$ -	$ -	$ 143,449
			Net position, beginning			$ -
			Net position, ending			$ 143,449

Seattle Social Housing Developer
Statement of Activities - Government Activities
For the Year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants and Contributions	Program Revenues: Tax Revenues	Net (Expense) Revenue and Changes in Net Position
Natural and Economic Environment	$ 1,775,117	$ -	$ 445,500	$ 4,708	$ 133,350,132	$ 132,025,223
Total Government Activities	$ 1,775,117	$ -	$ 445,500	$ 4,708	$ 133,350,132	$ 132,025,223
			Net position, beginning			$ 143,449
			Prior Period Adjustment			$ 12,180
			Net position beginning of year - restated			$ 155,629
			Net position, ending			$ 132,180,852

See Note 6 for a discussion on the prior period adjustment. The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Balance Sheet
Government Funds
As of December 31, 2024 and 2025

	December 31, 2024	December 31, 2025
ASSETS		
Cash, cash equivilents and pooled investments	$ 194,145	$ 1,656,753
Due from Other Government	$ -	$ 133,350,132
Prepaid Expenses	$ 28,030	$ 25,628
Pension Asset	$ -	$ 29,999
Total Assets	$ 222,175	$ 135,062,512
LIABILITIES		
Accounts Payable	$ 60,206	$ 404,021
Payroll Payable	$ 18,517	$ 45,592
Interest Payable	$ -	$ 18,741
Due to Other Government	$ -	$ 413,307
Loan Payable to Other Government	$ -	$ 1,999,999
Total Liabilities	$ 78,723	$ 2,881,660
FUND BALANCE		
Nonspendable	$ 28,030	$ 25,628
Unassigned	$ 115,419	$ 132,155,224
Total Fund Balance	$ 143,449	$ 132,180,852
Total Liabilities and Fund Balance	$ 222,172	$ 135,062,512

The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Reconciliation of the Balance Sheets to the Statement of Net Position
Government Funds
As of December 31, 2024 and 2025

	December 31, 2024	December 31, 2025
Fund Balance	$ 143,449	$ 132,180,852
Amounts reported for government actiities in the statement of net position are different because:		
Other items related to Pension activity that are not financial resources therefore, not reported in the funds	$ 6,766	$ 5,694
Net position of government activities	$ 150,215	$ 132,186,546

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position
Governmental Funds - General Fund
For the Years Ending December 31, 2024 and 2025

Revenues		**2024**		**2025**
Local Grants	$	585,000	$	445,500
Tax Revenue	$	-	$	133,350,132
Other	$	-	$	4,708
Total Operating Revenue	$	585,000	$	133,800,340
Expenditures				
Payroll, Salaries and Taxes	$	77,139	$	254,530
Board Stipends	$	27,600	$	34,400
Professional Services	$	310,361	$	1,018,221
Rent	$	990	$	-
City of Seattle Administrative Costs	$	-	$	413,307
Other administrative	$	25,461	$	36,034
Interest	$	-	$	18,626
Total Operating Expenses	$	441,551	$	1,775,117
Net Change in Fund Balance	$	143,449	$	132,025,223
Fund Balance - Beginning of Year	$	-	$	143,449
Prior Period Adjustment - Pension accounting	$	-	$	12,180
Fund Balance - as Restated	$	-	$	155,629
Fund Balance - End of Year	$	143,449	$	132,180,852

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Government Funds to the Statement of Activities

Net change in fund balance for government funds	$	143,449	$	132,025,223
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds	$	6,766	$	5,694
Changes in Net Position	$	150,215	$	132,030,917

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Seattle Social Housing Developer conform to generally accepted accounting principles as applied to local governmental units. The more significant accounting policies are described below.

A. The Reporting Entity

In 2023, the Seattle Social Housing Developer (SSHD) was created through the passage of the City of Seattle Initiative 135, under the authority of RCW 35.21. The Developer's mission is to develop, own, lease and maintain mixed-income housing that is permanently affordable, owned as a public asset forever and designed for people priced out of market-rate housing in the Seattle area.

The SSHD Board of Director's is comprised of thirteen members appointed by the Seattle City Council (2) and Mayor (1), Seattle Renters Commission (7) and commission (1), the Board of Directors (1) and labor (1). There are no component units that should be included.

B. Basis of Presentation – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. SSHD's policy is to allocate indirect costs to a specific function. During the first year of formation (2024), the program revenues consist of operating grants only. In 2025 tax revenue was accrued for the first time, in addition to an operating grant received.

Separate fund financial statements are provided for governmental funds.

The accounting records of the SSHD are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The SSHD uses the Budgeting, Accounting and Reporting System for GAAP for Cities, Counties and Special Purpose Districts in the State of Washington.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Capital asset purchases are capitalized and long-term liabilities are presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered earned when they are owed by the taxpayers. Grant revenues are considered to be available when they are billed. Expenditures are recorded when a liability is incurred, as under accrual accounting. The general (or current expense) fund is the operating fund of the SSHD.

C. Budgets and Budgetary Accounting

The Developer budgets on the full accrual basis. Each year the Chief Financial Officer and Board Treasurer presents to the Board a proposed budget for operation of the Developer for the next calendar year. The budget is prepared in accordance with the Developer's budget timetable. The annual budget is adopted by the thirteen-member Board. The budget is prepared for managerial control and can be amended only by Board approval.

D. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Pooled Investments

It is the Developer's policy to invest all temporary cash surpluses into an investment program that is within the legal requirements of the State of Washington. Investments are stated at fair value. For the purpose of the statement of cash flows, the Developer considers cash and cash equivalents to include cash and deposits, as well as pooled investments with original maturities of three months or less from the date of acquisition.

2. Receivables

Receivables will consist of amounts owed from private entities, or grants earned, taxes earned or amounts associated with leases.

3. Prepaid expense

Prepaid expense includes payment for insurance and similar services extending to future accounting periods.

4. Capital Assets

SSHD has established a policy for recognizing and reporting capital assets in accordance with the Generally Acceptable Accounting Principals. Although SSHD had no capital assets as of December 31, 2024 or 2025, it has adopted the following policies for future acquisitions and reporting of capital assets:

Capital assets will be recorded at historical cost or, if donated, at their estimated fair value at the date of donation. A capitalization threshold will be established to determine which assets are recorded in the financial statements. This threshold will be applied consistently across all asset categories. Capital assets will be assigned estimated useful lives based on industry standards, historical data, and government-specific considerations. The useful lives will be periodically reviewed and updated as necessary.

Depreciation will be calculated using the Straight-Line method over the estimated useful lives of the respective assets. Should SSHD have any right to use assets, the right to use assets will be amortized over the shorter period of the useful life of the underlying asset category or the agreement term.

5. Deferred Outflows of Resources and Deferred Inflows of Resources

A Deferred Outflows of Resources is a consumption of net position that is applicable to future periods. Deferred Inflows of Resources are acquisitions of net position in one period that are applicable to future periods. These are distinguished from assets and liabilities in the statement of net position. The Developer recognizes Deferred Outflows related to pensions. The Developer recognizes Deferred inflows related to pensions.

6. Accrued Liabilities

These accounts consist of accrued wages, accrued employee benefits and accrued interest.

7. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation leave. The Developer records unpaid leave for compensated absences as an expense and liability when incurred.

A minimum of 24 days of paid time off are awarded annually to full-time employees and a maximum of 20 days can be carried over from one year to the next. The amount of paid time off increases with years of service up to a maximum of 35 days. Part time employees accrue a pro rata share of what full time employees accrue.

8. Pensions

For purposes of measuring the net pension assets, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the Developer includes the net pension asset only.

9. Fund Balance Classification and Details

The SSHD fund balance is classified according to the relative strength of the spending constraints placed on the purpose for which resources can be used.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

Restricted fund balance has constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the SSHD's Board of Directors, which is the SSHD's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Director's removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The SSHD reports no committed fund balances.

Unassigned fund balance is the residual fund balance for the general fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The SSHD's policy reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

2. DEPOSITS AND INVESTMENTS

SSHD is authorized to invest all money held by SSHD that in the judgment of the Chief Financial Officer is in excess of current SSHD needs in the following investments currently authorized or required by chapters 39.58, 39.59, and 43.250 RCW:

- Bonds of the State of Washington and any local government in the State of Washington;
- General obligation bonds of a state and general obligation bonds of a local government of a state, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency;
- Subject to compliance with RCW 39.56.030, registered warrants of a local government in King County;
- Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States; or United States dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the United States government as its largest shareholder;
- Federal Home Loan Bank notes and bonds, Federal Land Bank bonds and Federal National Mortgage Association (Fannie Mae) notes, debentures and guaranteed certificates of participation, or the obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System;
- Bankers' acceptances purchased on the secondary market;
- Commercial paper purchased in the secondary market, provided that SSHD must adhere to the investment policies and procedures adopted by the State Investment Board;
- Corporate notes purchased on the secondary market, provided that SSHD must adhere to the investment policies and procedures adopted by the State Investment Board; and
- The Local Government Investment Pool managed by the State Treasurer.
- Non-negotiable certificates of deposit, time deposits, and savings accounts of any financial institution that is a public depositary subject to regulation by the Public Deposit Protection Commission under chapter 39.58 RCW.

Classification

Cash and cash equivalents held as long-term operating reserves or for the future payment of long-term liabilities are classified as non-current assets. Cash and cash equivalents legally or contractually restricted as to their use are classified as restricted.

At December 31, 2024, the Developer held $194,145 in unrestricted cash deposits. At December 31, 2025 the Developer held $1,656,753 in unrestricted cash deposits.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Developer's deposits may not be returned to it. The Developer does not have a deposit policy for custodial credit risk. At December 31, 2024, the Developer had $194,145 of bank deposits (checking accounts and savings accounts) and at December 31, 2025 it had $1,656,753 of bank deposits. All deposits in excess of NCUA and FDIC insurance limits ($250,000) are covered by the Public Deposit Protection Commission (PDPC) of the State of Washington established under Chapter 39.58 of the Revised Code of Washington,.

3. PENSION PLAN

State Sponsored Pension Plans

On September 19, 2024, Seattle Social Housing Developer, became a participant in the statewide retirement systems administered by the Washington State Department of Retirement Systems, under costsharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The PERS 1 and PERS 2/3 employer contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for fiscal year were as follows:

Employer Contribution Rates				
Time Frame	*Contribution Rate*	*PERS 1 UAAL*	*Administrative Fee*	*Employer*
January – June	6.36%	2.55%	0.20%	9.11%
July – December	5.38%	0.00%	0.20%	5.58%

Employee Contribution Rates	
PERS 1	6.00%
PERS 2	6.36% January – June and 5.38% July - December
PERS 3	Varies: 5% to 15%

The Developer's actual PERS plan contributions were $2,156 to PERS Plan 1 (including the UAAL contributions) and $5,389 to PERS Plan 2/3 for the year ended December 31, 2024 and were $2,454 to PERS Plan 1 (including the UAAL contributions) and $11,816 to PERS Plan 2/3 for the year ended December 31, 2025.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases**: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

Long-Term Expected Rate of Return

OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation..

Asset Class	**Target Allocation**	**% Long-Term Expected Real Rate of Return Arithmetic**
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7% was used to determine the total liability.

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the (city/county/district's) proportionate share* of the net pension liability calculated using the discount rate of 7%, as well as what the Developer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

Discount Rate Sensitivity For the Fiscal Year Ended June 30, 2025			
Plan	**1% Decrease 6.00%**	**Current Discount Rate (7.00%)**	**1% Inrease 8.00%**
PERS 1	$ 15,836	$ 9,385	$ 3,727
PERS 2/3	$ 63,909	$ (39,383)	$ (124,214)

At June 30, the Developer's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/2024	Proportionate Share 6/30/2025	Change in Proportion
PERS 1	None reported	0.000796%	0.000796%
PERS 2/3	None reported	0.001032%	0.001032%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans. Because the state PEFI showed no contributions at the end of June 2024 for the Developer, no proportionate share of the net pension liability was recognized at December 31, 2024.

Pension Expense

For the year ended December 31, 2025, the Developer recognized pension expense (income) as follows:

Plan	Pension Expense (Income)
PERS 1	$ (867)
PERS 2/3	$ (2,278)
Total	$ (3,144)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, the Developer reported deferred outflows of resources - contributions subsequent to the measurement date for PERS 1 and PERS Plan 2/3 respectively, of $1,933 and $4,833. At June 30, 2025, the Developer reported deferred outflows of resources - contributions subsequent to the measurement date for PERS 1 and PERS Plan 2/3 respectively, of $0 and $5,695.

4. **RISK MANAGEMENT**

The Developer is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

5. **RELATED PARTY TRANSACTIONS**

Initiative I35 required the City of Seattle to provide limited in-kind assistance as necessary for the first 18 months of startup, including but not limited to office space, staffing, supplies, insurance and bonding and legal services. Additionally, the City of Seattle provided SSHD with startup funds in the form of a pass-through grant from the Washington State Department of Commerce in the amount of $180,000. Additionally, the City of Seattle funded $405,000 of direct funding to SSHD in 2024, and $445,500 more through June 30, 2025.

In mid-2025 the City of Seattle agreed to provide up to $2 million of working capital financing in the form of a loan, of which, $1,999,999 was drawn as of December 31, 2025. The loan was repaid in full with interest in March 2026.

The City of Seattle is also the agent for collecting the payroll tax that funds the operations of SSHD. An Interlocal Agreement is in place to govern the arrangement. The city is obligated to forward collected taxes to SSHD on a quarterly basis within 30 days of collection.

6. **PRIOR PERIOD ADJUSTMENT**

Since SSHD was not a participant in the Washington State Public Employees Retirement System as of June 30, 2024, no pension asset or liability was recorded at December 31, 2024. As described fully in Note 3, SSHD did record a net pension asset on December 31, 2025. The cumulative impact of recording the net pension asset for the first time required a prior period adjustment to the Fund Balance during 2025 in the amount of $12,180.

7. **SUBSEQUENT EVENTS**

On January 15, 2026, the Board of SSHD voted to terminate and replace its Chief Executive Officer with an interim Chief Executive Officer. At the same meeting, the mayor of Seattle appointed a new board member to replace the Treasurer of the board. These actions occurred after the fiscal year end and do not affect the amounts reported in these financial statements.

Management evaluated subsequent events through the date the financial statements were available to be issued, and these events were determined to require disclosure but not adjustment.

Seattle Social Housing Developer

Schedule 01

For the year ended December 31, 2024

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
3294	001	General	3340420	State Award from Department of Commerce	$180,000
3294	001	General	3370000	Local Awards, Entitlements, Tribal Government Distributions, and Other Payments	$405,000
3294	001	General	5510010	Public Housing Services	$103,590
3294	001	General	5510020	Public Housing Services	$8,110
3294	001	General	5510030	Public Housing Services	$4,686
3294	001	General	5510040	Public Housing Services	$318,443
3294	001	General	5089000	Unassigned Fund Balance - Ending	$150,171
3294	001	General	8100000	Current Assets	$222,175
3294	001	General	8400000	Deferred Outflows	$6,766
3294	001	General	8500000	Current Liabilities	$78,770

Thank you for considering collaboration with *In The Works (ITW)*. We use a belonging-based™ facilitation approach that includes an anti-racism lens, as well as Black-Liberative and trauma-informed practices.

Our interactive style includes group and individual work with self-reflection, storytelling, play, ritual, structural / systems assessment, and 1:1 coaching. As facilitators, our role is to "make easy" connection and communication amongst your group.

We look forward to working with you.

ABOUT IN THE WORKS | Co-founders

Teddy McGlynn-Wright | teddy@belongingbased.com

A Belonging-Based™ Facilitator, politicized healer and award-winning professor. A seeker of justice and trickster who helps us find our way. Based in New Orleans, LA; Bulbancha ancestral lands of the Choctaw and Chitimacha. A professor, formerly of the UW School of Social Work, he previously directed a trauma-informed schools project in New Orleans, LA. When working with clients, (individuals and organizations), Teddy uses a body-based (or somatic) approach to healing and transforming the systems that break people, families and communities.

Teddy
McGlynn-Wright

Kirsten
Harris-Talley

Kirsten Harris-Talley | kirsten@belongingbased.com

A Belonging-Based™ Facilitator, community educator, and artist. A seer who clears the path and sits at the crossroads of change. Based in Seattle, WA; occupied territory in ancestral lands of the Duwamish and Coast Salish Peoples. She was blessed to be raised by community in activism circles; doing reproductive justice, cultural proficiency, and non-profit social change work over the last 25 years. She has also been active in political change and previously served as a legislator as a Washington State Representative for Southeast Seattle, and a Seattle City Council Member.

Learn more at: www.belongingbased.com/about

IN THE WORKS

www.BelongingBased.com

Our way of bringing intentional story, space, and solace to our communities of healers, educators, artists, activists, and change makers. We know the real work is always "in the works" and needs stewardship and time.

We Build Belonging™

in the Works

ITW APPROACH

At ITW, our approach is **Black-liberative, trauma-informed, and anti-racist**. Going beyond Diversity, Equity, and Inclusion (DEI) - **anti-racism requires collective action toward changed behavior and systems** to help Black, Indigenous, People of Color (BIPOC) communities thrive, belong, and lead in our organizations and work. Anti-racism also calls in white allies, men, and others who have granted privilege in our current systems - to work beside and follow the leadership and lived experience of BIPOC communities.

At ITW we truly believe every group has the skills, tools, and ways of being within them; but at times need a facilitator to make these clear and to use them in new ways. We have found that **interaction, connection, and embodiment is transformative** in organizations and work that feels "stuck", to find flow and collaboration again. We also work directly with our clients to build their internal skills and ways of being; so the work continues once our contract is complete. Because we know new ways of being must be fully embraced and actionable within our organizations **to keep lasting change moving forward.**

Our signature contribution is Belonging-Based™ Facilitation.

We work with organizations and groups who are interested in transitions - meaning you wish **to shift with accountability - from 'what's now,' to 'what's next.'** Transparency matters to you, and you do your best work in the public; in concert with community and those closest to the problem & solutions.

Your work and your actions are rooted in what you care about. Whether you are experiencing a change in leadership, source of funding, vision, or other condition, you wish to make sure you are moving into the future with responsibility and recognition of past rights and places for repair. We don't focus on fixing your organization, rather **we help you rebuild your organizational alignment and functioning,** by equipping you with strategies, practices and insights needed to move your organization forward.

We focus on belonging in **analysis-building, relationship-building and skill-building**.

This is what it takes to build belonging.

Individually | This is a felt sense of belonging, of welcome and of having a safe place/space. When belonging is present: we maximize participation and trust

Inter-personally | This is about how we belong to one another in relationship. How we are responsible to and for one another. How we turn toward one another in times of discomfort, crisis, duress, or joy. When belonging is present: conflict is expected and respectful, change is manageable, and we can be held by - and hold - the collective

Institutionally | This refers to the policies, protocols, and procedures that hold the people and work of the collective. How HR policies move. How decisions are made. When belonging is present: we see ourselves and others' ways of being within the practices

Founded on principles of belonging put forward by **john a. powell, of the Othering and Belonging Institute**; Belonging-Based Facilitation includes three components: 1) an individual's felt sense of belonging, 2) a relational imperative to take in or move toward another's suffering or discomfort, and 3) an institutional or organization response to claims being made to or against it.

ITW SERVICES

Gatherings | Group convenings to create a productive space for sharing, learning, mediation, and action-planning. Gatherings to build Culture of Belonging are in-person or online; and are ITW facilitated for safe, interactive, healing, and regenerative work

Coaching | 1:1 Coaching sessions help one identify and hone their personal discernment, wisdom, values, and actions toward a more healing and relational way of being

Summaries | Written Summaries are organized with clear goals that document the process and findings of the work. The format includes reflections from ITWs work with the client, recommendations based on goals, and an outline of next steps to continue deepening the work. Can include a co-presentation if helpful for transition

ITW CLIENTS government, non-profit, philanthropic + social change organizations

COLLECTIVE JUSTICE · FEEST · Hummingbird INDIGENOUS FAMILY SERVICES · King County · INATAI FOUNDATION · The Residency · Beloved COMMUNITY · ARTSWA · Seattle Works

ITW SAMPLE OF WORK

Amends Cycle – A Framework for Repair

This framework outlines how we move from apology to acceptance. It begins with accountability, includes true atonement, and requires change to reduce the risk of future harm

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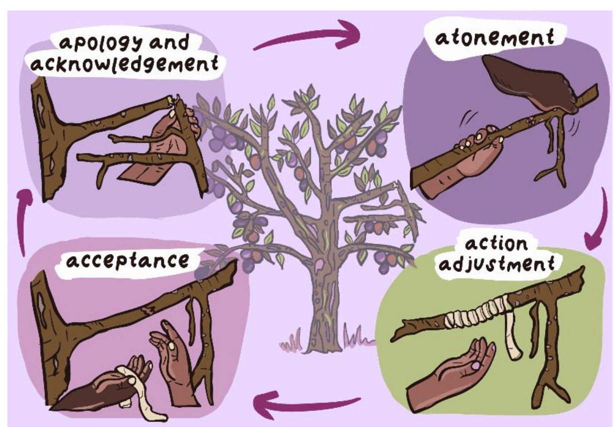

How can we help you build belonging?

Check out our website and join us for an initial 30MIN Zoom meeting to learn more and share how we can collaborate.

Seattle Social Housing Developer

Resolution 2026-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SEATTLE SOCIAL HOUSING DEVELOPER ADOPTING ACQUISITION POLICY

The Board of Directors ("Board") of the Seattle Social Housing Developer ("SSHD"), in Public Session, does hereby find and declare:

WHEREAS, the SSHD is a public development authority organized and operating pursuant to the laws of the State of Washington; and

WHEREAS, the core purpose and mission of the SSHD is to develop, own, and maintain social housing, as well as lease housing units of said social housing projects and developments, pursuant to Article II, Section (1), of the Charter of the SSHD; and

WHEREAS, the housing acquired by the SSHD must be owned exclusively by the SSHD, pursuant to Article II, Section (2), Subsection 1, of the Charter of the SSHD; and

WHEREAS, the housing acquired by the SSHD, to the extent possible, must include units that accommodate a mix of household income ranges, pursuant to Article II, Section (2), Subsection 2, of the Charter of the SSHD; and

WHEREAS, the SSHD is committed to acquiring and developing housing developments that meet green building and passive house standards, pursuant to Article II, Section (2), Subsection 8; and Section (3), Subsection 4, of the Charter of the SSHD; and

WHEREAS, the Board of the SSHD desires to adopt policies to guide and govern the acquisition of real property in a manner in keeping with the values and mission of the SSHD as reflected in the Charter of the SSHD;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Seattle Social Housing Developer as follows:

Section 1. The Board hereby adopts the foregoing recitals as findings of fact and conclusions as if set forth in full herein.

Section 2. The Board adopts the Acquisition Policy attached hereto as Exhibit A.

Section 3. This resolution is effective immediately.

ADOPTED by the Board of Directors of the Seattle Social Housing Developer at a regular meeting held on April 9, 2026.

ChrisTiana ObeySumner, Chair

SSHD Board of Directors

ATTEST:

Leah Salerno, Secretary

SSHD Board of Directors

ATTACHMENT A

REAL PROPERTY ACQUISITION POLICY

Seattle Social Housing Developer

Real Property Acquisition Policy

Adopted: April 9, 2026

I. POLICY

It is the policy of the Seattle Social Housing Developer ("SSHD") to identify and acquire real property for acquisition to advance the SSHD's core mission of providing social housing within the City of Seattle. Accordingly, the Board of Directors ("Board") of the SSHD adopts this policy to establish criteria to guide the acquisition of real property and make such delegations of authority as herein authorized to the Chief Executive Officer ("CEO") to advance such acquisitions.

II. DEFINITIONS

The following definitions shall apply to this policy:

A. **Area Median Income ("AMI")** is defined in the context of the Seattle-area income and rent limits by AMI bands established by the Seattle Office of Housing.

B. **Board** is the Board of Directors of the Seattle Social Housing Developer.

C. **Charter** means the Charter of the Seattle Social Housing Developer.

D. **Chief Executive Officer ("CEO")** means the CEO of the Seattle Social Housing Developer.

E. **Chief Real Estate Development Officer ("CREDO")** means the staff member designated by the CEO to oversee the acquisition and development of real estate.

F. **Committee** is the Real Estate Committee designated by the Board of Directors to provide oversight of real estate transactions.

G. Passive House Standards means buildings shall be designed to, and certified as, meeting the Passive House standard as established by the Passive House Institute (“PHI”) or the Passive House Institute US (“PHIUS”).

H. Real Estate Team means the staff serving as the Chief Real Estate Development Officer, the Director of Acquisitions, the Housing Developer II, and/or any other personnel designated by the CEO, or their designee.

I. Seattle Social Housing Developer (“SSHD”) is a public development authority organized under RCW 35.21.660, RCW 35.21.670, and RCW 35.21.730-.755.

J. Social Housing is housing removed from the speculative market, available to all incomes, permanently affordable and held as a public good in perpetuity.

III. ACQUISITION VALUES

The following values shall guide the CEO’s efforts to acquire real property:

A. Permanence as a Public Promise: The Seattle Social Housing Developer is building a housing portfolio that will remain indefinitely as a public good.

B. Income Diversity: Potential real property acquisitions should ideally support a mix of housing units that are suitable, and affordable, for families annually earning the following AMI:

- **a.** 10% of units below 30% AMI.
- **b.** 30% of units between 30-50% AMI.
- **c.** 30% of units between 50-80% AMI.
- **d.** 30% of units between 80-120% AMI.

Acquisitions of apartment buildings should ideally be able to reflect the mix of incomes identified above within five (5) years of acquisition.

C. Anti-Displacement and Restorative Justice: Priority will be given to potential acquisitions of real property that protect existing tenants and foster community input of the future operations and maintenance of the real property. During the due-diligence phase of any potential real property acquisition, the CREDO and Real Estate Team will prepare, and present to the Board, a “social impact analysis" consisting of the following information to the best of their knowledge:

a. Total number of existing tenants, with and/or without leases, residing on the real property.
b. The approximate mix of AMI among the households constituting the existing tenants.
c. The number of existing tenants at risk to be displaced by SSHD development plans.
d. Length of tenancy
e. Demographic Information

IV. DELEGATED AUTHORITY

The Board has hired a CEO to operate the SSHD and to implement the mission, goals, objectives, policies, and guidelines established by the Board. Subject to Article VII Sec. 5 of the Charter, and SMC 3.110.200, the Board must approve any transfer or conveyance of an interest in real estate. Subject to that limitation, the Board authorizes the CEO to:

A. Identify potential acquisitions of real property that substantially meet the criteria of the Acquisition Values.

B. Initiate and conduct all preliminary negotiations and take all necessary steps to advance the acquisition of real property for final Board consideration and approval.

C. Make presentations to the Committee to provide updates and solicit feedback from members of the Committee.

D. Take all necessary steps, including executing all required agreements, closing documents, deeds, decrees, and other necessary instruments to complete a real property acquisition transaction authorized by the Board.

E. Ensure compliance with all real property agreement terms and conditions and take necessary measures to cause compliance or to protect the SSHD, including, but not limited to, termination of an agreement, the giving of all notices provided for in an agreement, and filing actions for eviction, unlawful detainer, damages, and injunctive relief. The CEO may also take all necessary actions in connection with surety bonds, letters of credit, cash deposits, or other legal security and insurance coverage required pursuant to any real property agreements.

V. ACQUISITION PROCESS AND PROCEDURES

The SSHD shall comply with the following processes and procedures when acquiring real property of any value:

A. Identify Potential Acquisitions: The Director of Acquisitions, CREDO, CEO, or their designee, shall seek out opportunities to acquire real property for both the use of existing housing stock and opportunities for new construction. The Real Estate Team shall evaluate potential acquisitions based on their compatibility with the Acquisition Values.

B. Real Estate Committee Consideration: The CREDO, Real Estate Team, or their designee, shall present potential acquisitions of real property to the Committee for consideration and discussion. The presentation must include the following elements:

- **a.** The property's suitability for acquisition as demonstrated by its compatibility with the acquisition values.
- **b.** Estimated total cost of acquisition
- **c.** Any known risks of the development of the site, such as building conditions, environmental contamination, title encumbrances, and other characteristics that need mitigation or resolution. The presentation should include strategies for managing the identified risks.

The Committee presentation should occur before the CEO enters into a letter of intent, or similar agreement, with a potential seller.

C. Letter of Intent: The CEO, or their designee, may enter into a letter of intent, or similar expression of mutual agreement, with a potential seller to purchase any real property at any time following a presentation to the Committee regarding the subject property.

D. Purchase and Sale Agreement: The CEO, or their designee, may negotiate a purchase and sale agreement, with contingencies including approval of an authorizing resolution by the board, for the acquisition of real property with a potential seller. The CEO may meet with the Committee, or the Board as a whole, to give a presentation on the status of the acquisition for consideration and feedback.

E. Closing and Due Diligence: The CEO, or their designee, shall take all actions necessary and execute all required agreements to complete an acquisition of real property subject to the terms of a Board-approved authorizing resolution.

VI. AMENDMENT

The Board may amend this policy by resolution.

DRAFT – Board Governance Committee Charter – DRAFT

Purpose: The Board Governance Committee is a standing committee of the Seattle Social Housing Developer (SSHD). The Committee's purpose is to support strong governance practices for the SSHD Board of Directors. This includes overseeing the ongoing review and development of board bylaws and governance policies, supporting executive oversight and evaluation processes, coordinating board nominations and board leadership succession, and ensuring that the board operates in alignment with best practices in public developer governance and public accountability.

Led By: The Board Governance Committee Chair is elected by members of the Board Governance Committee.

Reports to: The SSHD Board through quarterly updates at regular board meetings.

Members: The Governance Committee shall consist of at least three voting members of the Board of Directors. The Committee and/or staff may invite non-board members with particular expertise to this Committee. A discussion will take place in the committee prior to the invitation. These members must be approved by the full Board prior to joining the committee. These non-board members will be non-voting members of the committee. There may never be more than 6 committee members who are also members of the Board.

Terms: Appointments to the committee are made on an annual basis and updated when new board members are added to the SSHD board.

Responsibilities:

The Committee will collaborate with SSHD staff and consultants to:

- Conduct periodic review of SSHD bylaws and recommend updates to ensure alignment with SSHD's mission, legal requirements, and best practices in nonprofit and public sector governance.
- Develop, maintain, and recommend updates to board governance policies and procedures, including policies related to board roles and responsibilities, conflicts of interest, ethics, transparency, accountability, and compliance with applicable state and local statutes.
- Coordinate the process for evaluating the Executive Director or Chief Executive, including recommending evaluation frameworks, timelines, and processes to the board.
- Support the development of executive succession planning policies to ensure continuity of leadership in the event of planned or unplanned leadership transitions.

- Coordinate board nominations with nominating groups and support the process for identifying, vetting, and recommending candidates for non-renter open board positions in accordance with SSHD bylaws and applicable law.
- Coordinate the process for nominating board officers and support leadership succession planning to ensure continuity of board leadership.
- Coordinate an annual board self-assessment process to evaluate the effectiveness of board governance, meeting structure, and committee operations, and recommend improvements to the SSHD Board.
- Identify opportunities to improve board governance practices and recommend updates that strengthen the board's effectiveness, transparency, and accountability.
- Review and recommend structures for board committees and ensure that committee charters remain consistent with SSHD bylaws and governance needs.
- Oversee the implementation of the SSHD resident board member election process; periodically review the process and make recommendations on adjustments

All governance policies, bylaw revisions, nomination recommendations, and evaluation frameworks developed by the committee will be brought to the full SSHD Board for approval.

Annually, the Committee will review this charter when new members are added to the committee. The Committee will make recommendations for updates to the charter which will be approved by the full SSHD board. The committee will meet at least 6 times each year.

Minutes: The Governance Committee shall maintain minutes of its meetings. The Committee will report quarterly to the Board on its findings, recommendations, actions, plans, and any other matters the Committee deems appropriate or that the Board requests.

Time Commitment: Committee members should anticipate being available for an average of 1–2 hours per month.