

BELLWETHER HOUSING'S 2018

IMPACT REPORT



FROM THE CEO

Dear friends,

As you will see in these pages of this Community Impact Report, 2018 was a year of unprecedented growth for Bellwether Housing. We invested significant energy laying the groundwork for our next phase of growth and advocating for policies and resources that will create more affordable housing for lower income people throughout our city, region, and state.

At the end of 2018, Bellwether staff members spent some time reflecting on this incredible year. While the workload was demanding and sometimes stressful, team members were energized by living out our mission in big, new ways. They were inspired to keep moving toward our vision of a diverse community where people of all incomes and backgrounds share in the opportunity and prosperity of our region.

Some of the things Bellwether celebrated in 2018 include:

- Opening 204 new affordable apartments at Arbora Court and Anchor Flats
- Restoring the historic Cambridge Apartments' 157 affordable homes
- Laying the ground work for 750 new homes at buildings in the Tukwila, Rainier Beach, First Hill and Roosevelt neighborhoods



In 2018:

3,497 residents

32 buildings from
Rainier Beach to Northgate

20% of new
residents moved in
from homelessness

- Being named a Neighborhood Builder by Bank of America in recognition of our nearly four decades of leadership in creating stable communities

I am grateful for our dedicated employees, our committed Board of Directors, and our generous supporters who make it possible for us to create a more equitable, inclusive and vibrant region through affordable housing.

With gratitude,
Susan Boyd
Chief Executive Officer

BELLWETHER HOUSING ENGAGES THE COMMUNITY AT OUR EVENTS

In 2018, over 1,200 people attended events that offered them fun, inspiring, and educational ways to engage with Bellwether Housing and learn about affordable housing issues.

On May 14th, four breweries hosted the 2nd Annual Ballard Putt Putt and Brew Crawl benefiting Bellwether Housing. Teams sporting costumes ranging from Star Wars characters to marine animals played a mini-golf hole at each brewery all while raising funds to fully furnish 40 new apartments at Arbora Court for families transitioning out of homelessness.

The very next day, as part of 2018 Affordable Housing Week, Bellwether hosted a panel discussion titled, "Solve 4 Home: Disrupting Seattle's Affordable Housing Crisis". The panel featured Nick Hanauer, founder of Civic Ventures, Jessyn Farrell, former Washington State Representative, and Gabriel Grant, Principal at Spectrum Development Solutions and Bellwether Board Member, in conversation with Susan Boyd, Bellwether's CEO. Over 200 people, ranging from software engineers to social workers, attended the event hosted on Amazon's South Lake Union campus.

On October 17th, over 500 guests joined Bellwether for our largest and most successful Closer to Home Breakfast at our new venue, the Washington State Convention Center. Our 8th annual breakfast raised over \$350,000. Keynote speaker, Shirley Franklin, the former Mayor of Atlanta and the first black female mayor of a major southern city, spoke about how to bring people together to solve seemingly unsolvable civic problems.

To round out the year, Bellwether teamed up with eleven Ballard micro-breweries for the Winter Beer Festival on November 3rd. 400 attendees tasted local beers, enjoyed live music, and raised \$14,500 for Bellwether's Resident Services Program. Ballard Brewed was so popular that we plan to hold the Festival every winter and spring.





THE RENOVATED CAMBRIDGE APARTMENTS OFFER GUS LEE A FRESH LEASE ON LIFE

Augustin “Gus” Lee, moved to Seattle in 1980, the same year Bellwether Housing was founded.

At age 17, Gus enlisted in the military. While serving overseas, he developed a drug addiction. Once in Seattle, Gus struggled to stay housed. He stayed in shelters; he slept outside. For a while, he lived in a tent village. Gus moved with the village nine times, at one point to University Christian Church’s parking lot in the U-District, the same site that was later sold to Bellwether and developed into The Arbora Court Apartments.

“It was a touching moment when the manager handed me the keys,” he said. “I am really, really thankful and blessed.”

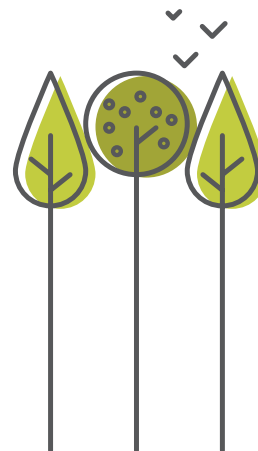
GUS LEE, CAMBRIDGE RESIDENT

In 2017, Gus graduated from a recovery program. “I was through,” he said. “[Drugs] took my life away from me. Now I’m getting it back.”

At the same time, Bellwether was restoring the historic Cambridge Apartments with The RAFN Co. and SMR Architects. Bellwether improved the 157-unit building’s seismic safety, energy efficiency, and accessibility.

After completing his recovery program, Gus discovered he was eligible for VA benefits and a housing voucher. Gus had four months to find an apartment and use the voucher.

Bellwether completed the Cambridge renovation in late 2018. Natural light now floods the refreshed lobby and new resident lounge. Every apartment received new carpet, cabinets and appliances.



1923 year
The Cambridge
was built.

In December 2018, Gus was ready for The Cambridge, and The Cambridge was ready for Gus. Bellwether quickly processed Gus’s application and waived past debt criteria. With two years of sobriety under his belt, Gus signed his lease. “It was a touching moment when the manager handed me the keys,” he said. “I am really, really thankful and blessed.”

Today, Gus’s focus is maintaining his sobriety – he says it’s easier with time and a stable home. Today, he’s helping others recover, saving money, and dancing to disco music. “When people see me dancing, they ask, “How old is this guy?” Some people tell me, “He’s still got it after all these years.”

When asked about his apartment at The Cambridge, Gus replies, “I love it. I really do.”





Bellwether Housing plans to develop 750 new homes by 2022.



All of them will be located less than 1 mile from light rail stations.

BANK OF AMERICA NAMES BELLWETHER A NEIGHBORHOOD BUILDER

On October 25th, 2018, Bank of America announced that it had selected Bellwether Housing as a 2018 Neighborhood Builder, recognizing Bellwether's efforts to create stable communities by developing affordable homes near job centers, transit hubs, and community services for people with limited incomes.

Since 2004, the Bank of America Charitable Foundation's Neighborhood Builders grant program has made monetary awards to two outstanding nonprofit organizations in 45 communities across the United States. These organizations receive \$200,000 in flexible funding

as well as leadership development programs for their senior executives and emerging leaders.

"This investment will help us launch an ambitious effort to build 750 affordable homes over the next five years and support new strategies for addressing our region's housing affordability and homelessness crisis," Susan Boyd, CEO of Bellwether Housing, said. "Bank of America shares our vision of a community in which people of all incomes and backgrounds can share in the opportunity and prosperity of our region. We are so grateful to them for helping us bring that vision to reality."



WITH PUBLIC FUNDING AWARDS, BELLWETHER MOVES FORWARD ON THREE NEW BUILDINGS

In the fall of 2018, Bellwether received public funding totaling \$28.3 million to support three new developments: The Confluence, Madison/Boylston, and Cedar Crossing.

The Confluence (above left) will be Bellwether's first development in the City of Tukwila. Bellwether plans to open 101 affordable apartments just a short walk away from the Tukwila Light Rail Station. The Confluence will help prevent displacement caused by rising housing costs in Tukwila. King County awarded Bellwether \$7 million for the development, which will fund homes for veterans, seniors, families, and people in alternative to incarceration programs.

In partnership with Plymouth Housing, Bellwether is developing Madison/Boylston (above center), Seattle's first nonprofit affordable high rise. This 17-story building will include 253 affordable Bellwether homes and 115 permanently supportive Plymouth homes for formerly homeless seniors. Located on First Hill, Madison/Boylston will maximize site density on a parcel of

surplus Sound Transit land, which is being transferred to the project at no cost. The City of Seattle awarded Madison/Boylston \$11.9 million. Additionally, King County awarded the project \$5 million from a special budget allocation.

In partnership with Mercy Housing, Bellwether is developing Cedar Crossing (above right) in Seattle's Roosevelt neighborhood. Immediately adjacent to the Roosevelt Light Rail Station, Cedar Crossing will include larger apartments for families, on-site resident services, and a child care facility. King County awarded \$4.4 million to Cedar Crossing. The funds will create 20 apartments set aside as permanent homes for families with children with chronic illnesses who receive care at Seattle Children's Hospital. Mary's Place will help connect these families to Cedar Crossing.

Securing these critical public funds moved us one step closer to fully funding the projects and provides a foundation for reaching our fundraising goals for these developments.

NEW BELLWETHER BUILDINGS PROVIDE 204 AFFORDABLE HOMES TO FAMILIES



In Spring 2018, Bellwether Housing opened two new buildings: Arbora Court in the University District and Anchor Flats in South Lake Union. Their combined 204 apartments represent the largest expansion of Bellwether Housing's portfolio in the past two decades.

Arbora Court opened in April. The 133-unit building, designed by Weber Thompson and built by Walsh Construction, features 53 two and three bedroom apartments designed for families. The building's amenities include a community room and kitchen, an enclosed courtyard with a playground, and a rooftop deck. Arbora Court is located within walking distance of buses going all over the region, a library, a community center, parks, and grocery stores.

Forty apartments at Arbora were designated for families transitioning out of homelessness. In an effort to

create welcoming homes for these families, Bellwether's Comforts of Home Campaign raised the funds to furnish the 40 apartments. The Boeing Employees Community Fund, The Norcliffe Foundation, and Zillow Group provided major philanthropic support to the Comforts of Home Campaign. Another 110 foundations, corporations, and individuals contributed.

"I went from nothing to moving into something that was already complete. It was really nice. I just added a couple of things, and I was set," Crystal Miller, a mother of three young children, said about moving into her furnished apartment.

The Millers and other households who experienced homelessness prior to moving into Arbora Court receive onsite support from Well-spring Family Services. A Bellwether Resident Services Coordinator also works at the building, connecting all residents to community resources and services and planning educational, community-building events.

Situated above the southwest corner of Lake Union, Anchor Flats opened in June 2018. Designed by Runberg Architecture Group and built by Rafn Company, Anchor Flats features 71 apartments ranging from studios to two-bedrooms.

The building features an airy lobby, a spacious community room and kitchen, and a large rooftop deck with views of Downtown and Lake Union. Anchor Flats' location puts residents close to job hubs as well as near transit, parks, cultural institutions, shops, and services.

For resident Paige McClurg, a graphic designer and artist, the location supports her professional goals.

"I went from nothing to moving into something that was already complete. It was really nice."

CRYSTAL MILLER, ARBORA COURT RESIDENT

"Ultimately, my goal is to reach as many people as I can through my art. What better place to feel the heartbeat of the city than from the center of it?" Paige asks.

For Theresa Scott, a senior with a disability, moving into Anchor Flats allowed her to stay in Seattle, her home of thirty years.

"I was being priced out of Seattle. Before moving in here, my rent went up \$200 a month, but my Social Security only went up \$19 a month," Theresa explained.

Her apartment has enabled Theresa to stay in her community. "I have my doctor, my church, some family, and friends here. If I had had to leave Seattle, it would have been really significant for me," Theresa said.

The affordable homes at Arbora Court and Anchor Flats allow residents to put down roots that anchor them in the community while being surrounded by the numerous opportunities the Seattle area has to offer.



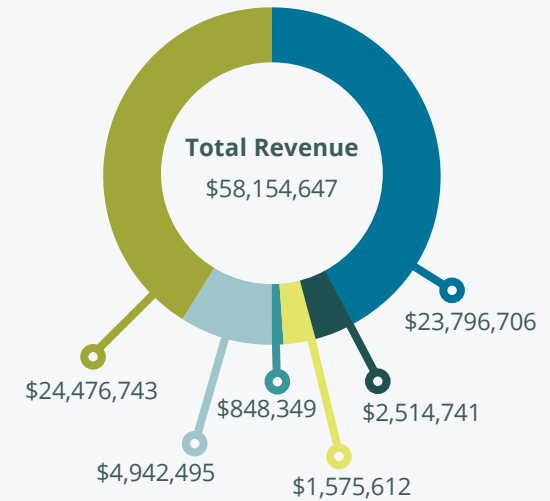
Major Contributors in 2018

Matt Aalfs	Marty Goodman	Chris McEver	Seattle Foundation
David Abbott	Tessa Gorman	Kym Michela	Sue Selman
Alaska Airlines	Liz Gorman	Kathryn Middleton	Michelle Sievers
Larry Almeleh	Trevor Graafstra	Scott Miles	Matthew Simo
Amazon	Gabriel Grant and	Nathan Moch	Nancy and Warren
Virginia Anderson	Allegra Calder	Richard Moore	Smith
Jerrid Anderson	Guardian Security	Ian Morrison	SMR Architects
Jon Baker	Systems, Inc.	MUFG Union Bank	Dale and Carol Ann
Bank of America	Julie Gunter	Foundation	Sperling
Banner Bank	Dinny Hansen	Christine Nagamine	Sprague Pest Solutions
BECU	Cleita Harvey	National Equity Fund	Thomas Stagg
Beneficial State Bank	Deva and Orin Hasson	Alison Nesmith	Frank Stauff
Amy Besunder	Michelle Hayden	Network for Good	Eric Svaren and Alice
Bill & Melinda Gates	Leslie Haza	Nitze-Stagen & Co	Shobe
Foundation	Heartland LLC	Taylor Noel	Michael Sweeney
Mindy Black	Jonathan Heller	NorthMarq Capital,	Debbie Tagliavore
John and Maria Bliss	Joni Henry	LLC	Michael Taylor
Frank Bosl	Kellanne Henry	Larry Numata	David Taylor
Matthew Bowers	Jason Henry	Tim Overland	John Teutsch
Susan Boyd	Heritage Bank	Jack Pace	The Commerce Bank
Micki Brunner	Michael Hill	Pacifica Law Group	of Washington
Whitney Bryant	Sharon Hopkins	Bradley Padden	James Tjoa
Heather Bunn	Alex Hudson	Joel Paisner	AJ Treleven
Becky Burns	Greg Inglin	Tom and Michele	Daniel Tuttle
Tom Bykonen	Jilma Jimenez	Parsons	U.S. Bank
Alexis Chartouni	Gerald Johnson	Tejal Pastakia	Umpqua Bank
Michael Christ	JPMorgan Chase & Co.	Pastakia + Associates	Unico Properties, Inc.
Bart Cima	Kantor Taylor PC	Brian Pavlovec	University Christian
Clark Nuber	Steve Kennedy	George Petrie	Church
Frank Close	Steven Kessel	Plymouth Housing	Urban Renaissance
Colliers International	KeyBank	Kelly Price	Group
Seattle Multifamily	Diana Keys	Puckett & Redford	US Bank Foundation
Team	Scott Koppelman	PLLC	USI Insurance Services
Chris Cook	Daniel Laster	The RAFN Co.	Jo and Blaine
Jackie Costigan	Stephen and Carol	Jeff Rakow and Diana	VanDerSnick
Shelly Crocker	Latimer	Birkett-Rakow	Virginia Mason
Dauby O'Connor &	Tory Laughlin Taylor	David Ratliff	Walsh Construction
Zaleski, LLC	Gregory Leddy	Raymond James &	Company
DCI Engineers	Duane Leonard	Associates, Inc.	Michele Wang
Cheryl DeBoise	Neil Lindsay	Jeff Reibman	Dennis Ward
Philip and Lenore	Gregory Linnell	James Reinhardsen	Weber Thompson
Defliese	Richard Loo	Christopher Roberts	Paul Weiden
Barbara Dingfield	Elise Lufkin	Matthew Roewe	Markus Wernli
Jill Domanico	MacDonald-Miller	Michelle Rosenberger	Joel Wilbur
Jae Easterbrooks	Facility Solutions	Lori Ross	Stuart and Lucy
Mark Eliassen	Jonathan Manheim	Mike Ruhl	Williams
David Enslow	Daniel Marks	Runberg Architecture	Andrew Wold
Bruce Eskeberg	Joanna Martin	Group, PLLC	Marni Wright
Kathy Feldman	Tom and Turie	Rae Ann Rushing	Guyanna Young
Foster Pepper PLLC	Martineau	Wolf Saar	Jane Zalutsky and
Katheryn Frierson	Harry and Dana	Andrea Sato	Mark Kantor
Thomas Geffner	Matsumoto	Barry Savage	Zillow Group
GeoTech Consultants,	Lisa McCarthy	Jason Scott	
Inc	John McCullough	Kristen Scott	

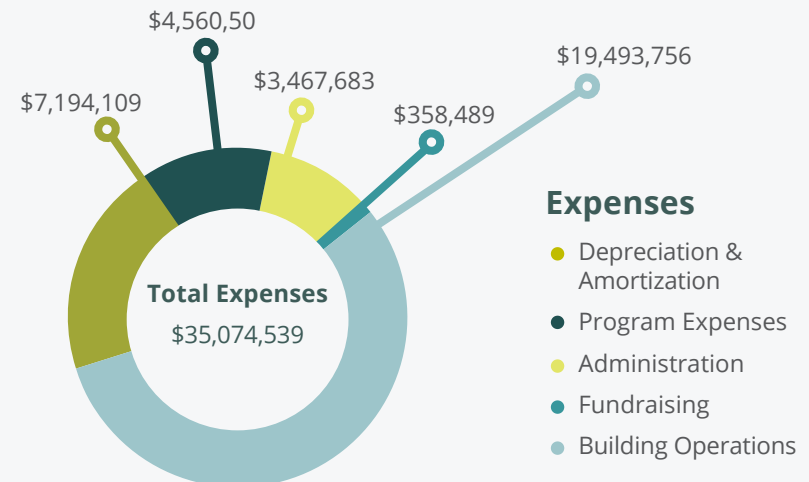
FINANCIALS

Revenue & Support

- Rental Income
- Development, Construction & Consulting Fees
- Contributions and Grants
- Interest & Other
- Property Management Fees
- Gain on Sale of Property*



*During 2018, Bellwether Housing sold two properties. Bellwether sold a parking lot adjacent to our Graham Terry Apartments in Downtown Seattle to a third party. The sale resulted in a gain in the amount of \$7,802,252. Bellwether also made the difficult decision to sell the John Winthrop Apartments. The 100 year-old building needed costly structural upgrades that would have required significant public investment and would ultimately have been a net drain on public resources. The sale resulted in a gain in the amount of \$15,560,093. Bellwether will use the proceeds from the sale to help create new homes at the Madison / Boylston development on First Hill. Bellwether uses net revenue to maintain our buildings and invest in building new homes with affordable rents.



Expenses

- Depreciation & Amortization
- Program Expenses
- Administration
- Fundraising
- Building Operations

2018 Board of Directors

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Rebekah Bastian, Zillow

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John Bliss, Urban Renaissance Group

Richard Kendall, Allison+Partners

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Pete Miller, The Essential Baking
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Peter Nitze, Nitze-Stagen & Co.

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Tejal Pastakia, Pastakia + Associates

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2018 Leadership Team

Susan Boyd, Chief Executive Officer

Cheryl DeBoise, Chief Operating
Officer

Amy Besunder, Director of Fund
Development & Communications

Lori Dorn, Director of Finance
(through late 2018)

Jacqueline Hansen, Chief Financial
Officer (starting late 2018)

Richard Loo, Director of Real Estate
Development

Julie Meschke, Interim Director
of Human Resources

Sue Selman, Director of Property
Management



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