



2021 Annual Report to the City of Seattle

Approved March 8, 2022 by the PHPDA Governing Council

2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Overview

Purpose & Mission

The Pacific Hospital Preservation & Development Authority (PHPDA) is a public development authority established under Seattle Municipal Code 3.110 and a 501(c)(3) organization. In 1981, the City of Seattle chartered the PHPDA, placing in its trust the U.S. Public Health Service Hospital and its campus. The PHPDA purpose (per the revised Charter, as approved by the Mayor of Seattle on July 25, 2011) is to support and provide funding for the provision of the best possible health care to medically underserved communities in the greater Puget Sound area, including those referred through community clinics, those with limited access to medical care, and all others who are in need of charity health care. The PHPDA lease revenues fund these goals and our health mission, through grantmaking.

Report on 2021 Priorities

- Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.
 - The PHPDA awarded Major Grants to the following agencies for program funding from July 1, 2021 through June 30, 2022 (first half payment made 2021, second half payment made 2022):

AGENCY	AWARD	PROGRAM
Asian Counseling and Referral Service	\$120,000	Wellness for Asian Pacific Americans (WAPA) Nurse Project
Aurora Commons	\$199,999	Safe Healthy Empowered Women’s Clinic (SHE): A Kind, Non-judgmental, Accessible and Comprehensive Healthcare Delivery Model for Street Based Sex Workers (SBSW’s) on Aurora Avenue
Boyer Children’s Clinic	\$135,000	Providing Health-Related Services and Improving Health Access and Outcomes for Young Children Experiencing Homelessness
Chief Seattle Club	\$200,000	Indigenous-Designed Mental Health Program Targeting Homeless American Indians and Alaska Natives
Comunidad Latina de Vashon	\$100,000	Growing Supports, Strengths, and Resilient Action in the Latinx Community on Vashon Island
Country Doctor Community Health Center	\$190,000	Trans and Gender Diverse Healthcare and Patient Navigation Services
East African Community Services	\$140,000	Ubuntu Wellness Project
Entre Hermanos	\$124,562	End AIDS 2020-LGBTQ Latinos
Ethiopian Community in Seattle	\$150,000	Mental Health Promotion
Harborview Medical Center	\$165,000	Community Health Navigators to Decrease Disparity in Hypertension Control for African Americans

**2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority**

Living Well Kent	\$200,000	Healthy Starts for Immigrant and Refugee Children
Northwest Health Law Advocates	\$70,000	Affordable Health Coverage for Low-Income Seniors: Addressing Medicare Underinsurance
Powerful Voices	\$159,160	Culturally Responsive Mental Health Supports for BIPOC Youth
Rainier Valley Midwives	\$150,604	Rainier Valley Midwives' Expanded Reproductive Health Services for BIPOC Communities
Recovery Café	\$125,000	Recovery Café Medical Clinic
Seattle Children's Hospital Foundation	\$125,000	Odessa Brown Children's Clinic - Promoting the Resilience of Parents of Young Children Who Face Toxic Stress
Seattle Counseling Services	\$105,000	Immigrant, Refugee, Undocumented Outreach Program
Seattle Indian Health Board	\$200,000	Policy and Systems Changes for Traditional Indian, Medicine Integration
Somali Health Board	\$150,000	Understanding our Strengths; Elevating our Priorities: Community Health Board Coalition
Somali Health Board	\$127,142	Increasing Equity in Mental Health Services for Somalis in King County
Villa Comunitaria	\$75,000	Heart to Heart
TOTAL	\$3,011,467	

- The PHPDA awarded Nimble Grants to the following agencies for a contract year of January 1, 2021 to December 31, 2021:

AGENCY	AWARD	PROGRAM
Downtown Emergency Service Center	\$15,000	SAGE Intake and Enrollment
International Community Health Services	\$22,500	Bridging the Digital Divide
Mary's Place Seattle	\$25,000	Mary's Place Telehealth Access Rooms
Recovery Café	\$15,000	Recovery Café Pop-Up Cafes
Solid Ground	\$22,500	Sand Point Housing Behavioral Health Systems Assessment and Planning Project
TOTAL	\$100,000	

- The PHPDA awarded Nimble Grants to the following agencies for a contract year of April 1, 2021 to March 31, 2022:

AGENCY	AWARD	PROGRAM
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2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

Evergreen Treatment Services	\$10,000	Access to Medical and Mobility Equipment for Immigrant, Refugee, and Undocumented Clients
Friends of Youth	\$15,000	Specialized Training to Improve Behavioral Health Supports
Innovations Human Trafficking Collaborative	\$25,000	Human Trafficking Identification and Intervention Training Pilot Project
Washington Association for Infant Mental Health	\$10,000	Reflecting the Communities We Serve: Elevating BIPOC Voices and Leadership in Infant and Early Childhood Mental Health
YouthCare	\$15,000	Project Planning South Seattle Shelter Wellness Clinic for Homeless Youth
TOTAL	\$75,000	

- The PHPDA awarded Nimble Grants to the following agencies for a contract year of October 1, 2021 to September 31, 2022:

AGENCY	AWARD	PROGRAM
Atlantic Street Center	\$22,500	ACS Health Fair for Communities of Color
Global Perinatal Services	\$22,500	Doula Advocacy Project
Kindering	\$15,000	Improving Language Access for Early Developmental Supports
TOTAL	\$60,000	

- Expand work focused on grantee support and engagement, as well as communications and advocacy to amplify grantee programs, learnings, and other key health equity information.
 - Worked with 3 Health Equity Scholars from the University of Washington School of Public Health on topics including: Hepatitis B disease burden for different immigrant and refugee populations in King County, overlaps and gaps in healthcare services provided by community based organizations, and the actual needs of community based organizations providing maternal healthcare services to the immigrant communities.
 - Launched quarterly newsletters in 2021 with the goal of increasing public awareness of health equity issues and the hard work of PHPDA’s grantees addressing disparities in health outcomes and access to healthcare services.
 - Commenced discussions with Seattle University School of Law about creating a Health Law Policy Clinic, a 4 credit class for upper class law students.
- Participate in key local and regional health policy and planning workgroups and collaborations, as well as groups working in the philanthropic sector.
 - PHPDA’s Executive Director and Associate Director continued to participate in several philanthropic and health-focused groups, including Health Philanthropy Partnership, the Immigrant & Refugee Funder Collaborative, Cambia Grove, Washington Healthcare Alliance, Washington Healthcare Access Alliance, Alliance for a Healthy Washington, WA State BIPOC EDs, Asian Pacific Directors Coalition, and Bureau of Asian Research.

2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

- Provide financial stewardship by managing the Pacific Tower property and the revenues from long-term tenants in a responsible manner.
 - The PHPDA has two long-term leases: with the Washington State Department of Commerce (DOC), which subleases space in the Pacific Tower to a wide range of health, social service, academic, and governmental entities, and with Pacific Medical Centers, for clinic space in Pacific Tower and health-related administrative space in the Quarters buildings.
 - Both leases were active for all/most of 2021 with regular lease and operating cost payments made on time per lease schedules. Income from leases and operating cost reimbursements, as well as all PHPDA expenses, are regularly monitored by the Finance Committee and Governing Council.
- Finalize the process of re-leasing the Quarters buildings and Tower clinic either to Pac Med (current tenants) or potential new tenants.
 - Completed new lease for Pac Med in the Tower clinic space.
 - Negotiated a short term extension for Pac Med in Quarters 3-9.
 - Commenced feasibility studies regarding cost to refurbish Quarters 3-10 and otherwise prepare them for future use.
 - Toured multiple potential lessors through Quarters buildings.
- Complete a Master Plan of the PHPDA property to provide guidance and overall direction for all future planning, development, and leasing activities on the Pacific Tower campus.
 - Created a diverse Advisory Committee to guide PHPDA's outreach work.
 - Conducted focus groups, interviews, surveys, and other outreach to hear from stakeholders on campus, in the community, and throughout our network on issues relating to PHPDA's campus as well as generalized community needs.
 - Worked closely with Makers Architecture & Urban Design on generating the final report on community outreach and creating an evaluation tool to assist Governing Council members in considering potential uses on the campus.

Summary of Key 2021 Activities

The PHPDA's Health Equity Fund awarded about \$3 million total for Major Grant contracts beginning July 1, 2021 and continuing into 2022 and approximately \$235,000 in Nimble Grant awards.

Although applications were not limited to the following focus areas, funding priorities for our 2021 Major Grants included programs that:

- Provide health-related services and improve health access for communities of color, particularly focused on programs for African American and American Indian/Alaska Native communities.
- Provide health-related services and improve health access and outcomes for geographically-underserved areas of King County, such as South King County and rural King County
- Provide health-related services and improve health access and outcomes for Immigrants and Refugees
- Provide health-related services and improve access to women's and reproductive health

The funding priorities for our Nimble Grants were:

2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

- Short term, time-limited projects
- Infrastructure and capacity development
- Planning
- Technology improvement
- Training, including internal staff training and external community trainings/educational events
- Policy and advocacy work

As noted above, continuing stewardship and planning around the use of the PHPDA's Beacon Hill property was also a key focus in 2021. There were ongoing internal and external discussions through the year regarding the leasing of the space occupied by PacMed under a lease that ended in November 2021. As expected, this resulted in a long-term renewal for the portion of the space in the Pacific Tower and a short term renewal for most of the space in the Quarters buildings. PHPDA continues work to identify a long-term tenant for the Quarters buildings.

The PHPDA also continued discussions with SCIDpda regarding the sale of the North Lot portion of the property. As stated in our 2019 Report to the City, the PHPDA and SCIDpda entered into a purchase and sale agreement in late 2019. SCIDpda continues to keep PHPDA informed about progress on planning for the final sale and planned development of the property. We expect the sale to be finalized before the deadline of August 2022, likely later this year.

PHPDA commenced strategic planning process in August 2021 by creating a Strategic Plan Work Group (SPWG) consisting of staff, Governing Council members, and a third party facilitator. Meetings of the SPWG and full Governing Council were conducted monthly beginning in August 2021 through January 2022 to refresh the vision, mission, and value statements of PHPDA, to assess the current state of PHPDA's work, to imagine a desired future state of PHPDA's work, to establish strategic goals, and to begin discussion of success measures.

PHPDA created the position of Communications Manager and promoted the then current Office Coordinator to fill the new position. The new Communications Manager commenced the work of implementing PHPDA's strategic communications plan developed in conjunction with Pyramid Communication.

Financial Stewardship

Clark Nuber completed the 2020 external audit and reported compliance with policies and procedures. The 2021 external audit is scheduled for April- May 2022. The State Auditor conducted the 2018- 2019 audit in late 2020. The PHPDA received a clean audit report. The 2020- 2021 PHPDA State audit is expected in Fall 2022.

The PHPDA's Finance Committee reviewed financial statements on a monthly basis, with the full Governing Council reviewing them quarterly. On a quarterly basis, the Treasurer reviewed credit card expenditures, the check register, employment tax payments, and retirement contributions. Financial policies are continually reviewed and updated, and new policies developed.

Additionally, the Finance Committee tracked investments on a monthly basis, making investment decisions accordingly.

**2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority**

2021 PHPDA Council Members & Officers

The PHPDA is governed by a board of nine appointed members.

Council Member	Position(s)	Employment	Term Ends	Appointing Authority
Sue Taoka	Council Chair, Finance Committee Member	Community Member	December 2022	Mayor
Nancy Sugg	Council Vice Chair, Program Committee Chair	Dept. of Medicine, Harborview & the Pioneer Square Clinic	December 2022	Governing Council
Doris Koo	Council Treasurer, Finance Committee Chair	Crescent Collaborative	December 2021	County Executive
Ellie Menzies	Council Secretary, Program Committee Member	Community Volunteer	December 2021	Mayor
Gloria Burton	Finance Committee Member	Catholic Housing Services	December 2023	Mayor
Bob Cook	Finance Committee Member	WA State Housing Finance Commission	December 2021	Governing Council
AyeNay Abye	Finance Committee Member	Tubman Center for Freedom and Health	December 2022	Governing Council
Virgil Wade	Program Committee Member	Chief Seattle Club	December 2023	Governing Council
Susan Crane	Program Committee Member	Community Member	December 2023	Mayor
John Kim	Executive Director			

Financial Information

Operating Budget

The PHPDA 2021 Operating Budget was approved on December 8, 2020. The PHPDA has no capital budget.

Revenues:	\$7,802,034*
Operating Expenses:	\$4,653,623*
Grants/Projects/Services:	\$3,234,305
Depreciation (non-cash):	\$763,249

*A portion of the PHPDA's revenues and operating expenses are pass-through costs paid by the PHPDA and reimbursed by tenants.

PHPDA revenue sources in 2021 were: 1) rental income from long-term tenants, Department of Commerce and Pacific Medical Centers; 2) lessee tax reimbursements, 3) interest income, 4) parking lot income from daily and contract parking on the North Lot, and 5) lessee reimbursement of property operating, management, and other expenses. As of December 31, 2021, the PHPDA holds \$5,180,582 in the Pacific Tower and Property Reserve Fund.

2021 Annual Report to the City of Seattle
Pacific Hospital Preservation & Development Authority

The PHPDA's Crime Coverage insurance policy protects the PHPDA from theft and loss of/damage to money, securities and other property sustained by PHPDA officers and staff.

List of Depositories

As of December 31, 2021, PHPDA monies are deposited in a Columbia Bank checking account. Additional monies are invested in the State & Local Government Investment Pool.

Certified Statement of Assets, Liabilities, Income, and Expenses for 2019 and 2020

The December 31, 2020 PHPDA Financial Statements and Schedules (with Independent Auditors' Report thereon) were transmitted to the City of Seattle in June 2021. The 2021 Audit will be transmitted upon completion.

Priorities for 2022

- Through a competitive process, award grants to improve access to health resources and improve health outcomes among underserved populations.
- Expand work focused on grantee support and engagement, as well as communications and advocacy to amplify grantee programs, learnings, and other key health equity information.
- Participate in key local and regional health policy and planning workgroups and collaborations, as well as groups working in the philanthropic sector.
- Provide financial stewardship by managing the Pacific Tower property and the revenues from long-term tenants in a responsible manner.
- Launch new grantee relations work with the offering of technical assistance sessions for current and past grantees.
- Develop a relational database to better capture qualitative data from the diverse projects funded through the Health Equity Fund.
- Co-develop with Seattle University School of Law a new Health Law Policy Clinic.

Attachments

- 1. Certificates of Insurance**
- 2. PHPDA 2021 Operating Budget**
- 3. Resolution 12-2020, approving the 2021 Operating Budget**

2021 PHPDA Operating Budget

	2020 Budget	2020 Projection	2021 Proposed Budget
Rental income			
Dept. of Commerce Lease	\$ 2,942,642	\$ 2,942,642	\$ 2,942,642
PacMed Lease	\$ 945,624	\$ 945,624	\$ 847,122
North Lot parking income	\$ 72,000	\$ 67,000	\$ 27,000
<i>Rental income subtotal</i>	<i>\$ 3,960,266</i>	<i>\$ 3,955,266</i>	<i>\$ 3,816,763</i>
Reimbursement income			
Tower Operating reimbursement from PMC	\$ 1,088,656	\$ 1,034,000	\$ 1,132,667
Quarters building insurance reimbursement from PMC	\$ 17,500	\$ 17,000	\$ 18,000
Operating reimbursement from DOC	\$ 2,771,019	\$ 2,215,000	\$ 2,689,104
Property tax reimbursement	\$ 36,500	\$ 38,100	\$ 40,000
<i>Reimbursement income subtotal</i>	<i>\$ 3,913,675</i>	<i>\$ 3,304,100</i>	<i>\$ 3,879,771</i>
Other income			
Interest earnings	\$ 175,000	\$ 65,000	\$ 50,000
WA State grant			\$ 48,500
Other income	\$ 7,000	\$ 7,000	\$ 7,000
<i>Other income subtotal</i>	<i>\$ 182,000</i>	<i>\$ 72,000</i>	<i>\$ 105,500</i>
TOTAL INCOME	\$ 8,055,941	\$ 7,331,366	\$ 7,802,034
Tower/Property Operating expense			
Tower Insurance	\$225,000	\$240,000	\$270,000
Quarters Insurance	\$17,500	\$17,000	\$18,000
Tower Operating	\$3,625,675	\$3,000,000	\$3,542,771
Property Tax	\$40,000	\$40,500	\$42,000
<i>Tower/Property Operating expense subtotal</i>	<i>\$ 3,908,175</i>	<i>\$ 3,297,500</i>	<i>\$ 3,872,771</i>
Grant and related expense			
Major grants	\$3,049,106	\$2,990,000	\$2,997,305
Nimble Grants	\$225,000	\$270,000	\$225,000
Coalition Planning grants	\$15,000	\$0	\$0
Contracted Evaluation Services	\$0	\$0	\$0
Evaluation Projects with UW/Health Equity Scholars	\$10,000	\$10,000	\$12,000
<i>Grant and related expense subtotal</i>	<i>\$3,299,106</i>	<i>\$3,270,000</i>	<i>\$3,234,305</i>
Personnel expense			
<i>Executive Director</i>	<i>\$155,000</i>	<i>\$155,000</i>	<i>\$159,650</i>
<i>Other staff salaries</i>	<i>\$195,097</i>	<i>\$195,097</i>	<i>\$200,951</i>
<i>Possible salary adjustments mid-year</i>			<i>\$10,000</i>
Total Salaries	\$350,097	\$350,097	\$370,601
Health insurance	\$15,000	\$15,000	\$15,500
Dental insurance	\$1,900	\$1,900	\$1,900
403(b) contributions (3% of salary)	\$10,503	\$10,503	\$18,530
L&I and PMFL insurance	\$1,600	\$2,500	\$2,600
Social security/Medicare	\$25,710	\$25,710	\$27,306
Life and disability insurance	\$10,000	\$5,400	\$3,120
Other benefits	\$2,200	\$550	\$1,140
Professional development	\$7,500	\$1,000	\$7,500
<i>Personnel expense subtotal</i>	<i>\$424,510</i>	<i>\$412,660</i>	<i>\$448,197</i>

2021 PHPDA Operating Budget

	2020 Budget	2020 Projection	2021 Proposed Budget
Professional Services and Consultant expense			
N Lot (legal and real estate)	\$20,000	\$10,000	\$20,000
Legal	\$45,000	\$35,000	\$45,000
Accounting	\$22,500	\$21,000	\$22,000
External audit	\$24,000	\$22,500	\$23,000
State audit	\$10,000	\$11,000	\$2,000
Payroll services (ADP)	\$2,400	\$2,450	\$2,500
Real Estate Professional Advisors	\$45,000	\$0	\$30,000
Property Assessment Consultant	\$0	\$6,500	\$60,000
Executive Director Search Firm	\$0	\$0	\$0
Board Retreat Facilitator	\$10,000	\$6,000	\$0
Communications Consultant	\$27,000	\$30,000	\$55,000
IT support	\$7,500	\$7,800	\$8,500
Graphic Design	\$0	\$0	\$0
Website Developer	\$1,000	\$0	\$0
<i>Professional Services and Consultant expense subtotal</i>	<i>\$214,400</i>	<i>\$152,250</i>	<i>\$268,000</i>
PHPDA Operating expense			
Small Equipment	\$5,000	\$4,000	\$5,000
Grant Software and Licensing	\$5,800	\$5,300	\$5,505
Supplies	\$3,000	\$1,500	\$1,500
Quarters 2 Repairs & maintenance	\$6,000	\$4,500	\$6,000
Printing & Publicity	\$1,750	\$1,400	\$1,750
Postage	\$500	\$400	\$500
Telephone	\$2,500	\$2,200	\$2,500
Internet service	\$2,200	\$2,000	\$2,200
Meals/Catering	\$8,000	\$2,100	\$5,000
Travel + parking	\$5,000	\$2,200	\$3,000
Conference fees	\$7,500	\$0	\$5,000
Dues & Subscriptions	\$8,000	\$6,500	\$10,000
Insurance (Commercial, D&O)	\$12,500	\$12,000	\$13,000
Bank fees	\$750	\$600	\$700
Misc.	\$3,000	\$2,700	\$3,000
<i>PHPDA Operating expense subtotal</i>	<i>\$71,500</i>	<i>\$47,400</i>	<i>\$64,655</i>
TOTAL EXPENSE	\$ 7,917,691	\$ 7,179,810	\$ 7,887,928
Net before depreciation	\$ 138,250	\$ 151,556	\$ (85,894)
<i>Depreciation expense</i>	<i>\$763,249</i>	<i>\$763,249</i>	<i>\$763,249</i>
<i>Potential Broker Fees</i>	<i>\$1,063,951</i>		
Net total	\$ (1,688,950)	\$ (611,693)	\$ (849,143)

Note: Significant grant unexpended funds were returned in 2020 that can be used to cover 2021 deficit if needed.

Note: Assuming final sale of the N Lot in 2021, preliminary projection is for Net Assets to increase by around \$5 million.

12/8/2020

Pacific Hospital Preservation and Development Authority (PHPDA)

RESOLUTION NO. 12-2020

WHEREAS Article VII, Section 2 of the Charter of the Pacific Hospital Preservation and Development Authority (the "PHPDA") requires that the PHPDA Council adopt an annual operating budget;

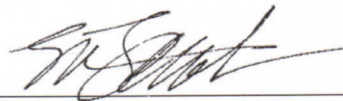
WHEREAS the PHPDA Finance and Program Committees have reviewed the proposed 2021 operating budget and assumptions and have recommended adoption of the 2021 operating budget in the form attached hereto as Exhibit A;

WHEREAS the PHPDA Governing Council has reviewed the recommended budget in an open public meeting;

THEREFORE, BE IT RESOLVED that the 2021 Operating Budget is hereby adopted and approved by the PHPDA Governing Council.

COUNCIL, PACIFIC HOSPITAL PRESERVATION & DEVELOPMENT AUTHORITY

BY: _____



Sue Taoka, Chair

BY: _____



Eleanor Menzies, Secretary

Adopted by the vote of a majority of the members of the Pacific Hospital Preservation & Development Authority Governing Council, present at a meeting held on December 8, 2020 at which a quorum was present.

Exhibit A