

**EAST SHORE UNITARIAN CHURCH**

**HOLLY HOUSE TASK FORCE**

# **GUIDE TO OPTION PAPERS**

TOWN HALL MEETING APRIL 17, 2016

Prepared by Bob Weiss and Lee Dorigan

## Overview

In its first year, the task force will obtain facts about the property and consider options for its future use. In the second year viable options will be evaluated, and an implementation plan will be presented to the board and congregation for its consideration in 2017. This will be an intentional, deliberate, and fully transparent process with periodic town hall forums to include the congregation's thoughts and questions about this process and use of the property. Articles in the Beacon will report on the work of the task force, there will be regular reporting to the board, and reports to the congregation at its annual meeting each June. Meeting minutes will be available to all, and members of the task force are available to answer questions.

This guide is divided in to three parts grouping the option papers together by their similar general intent.

1. Keep the property as it is
2. Mixed Use Housing with East Shore Involvement to varying degrees
3. Sell the Property with or without restrictions

# HOLLY HOUSE PROPERTY

Admin Building

Music Building

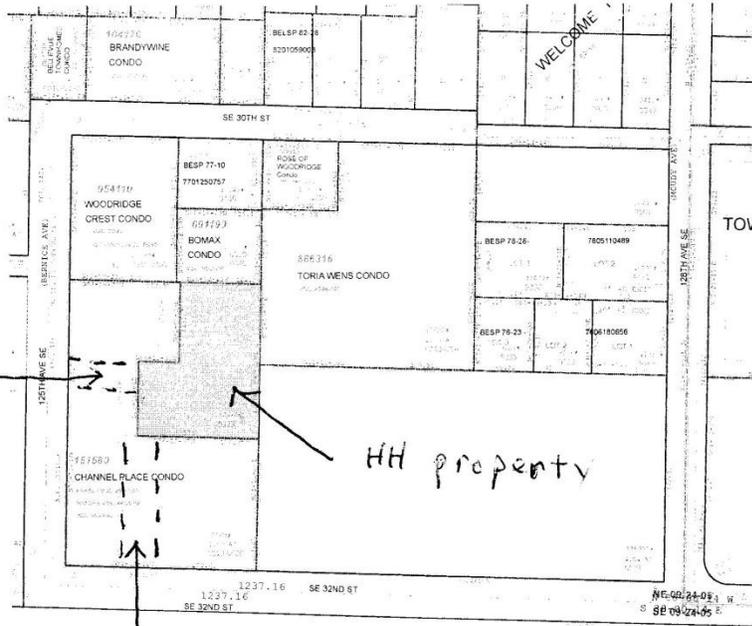
HH property



easement

HH property

easement



## **A. MAINTAIN HOLLY HOUSE AND PROPERTY LARGELY AS IS**

1. Preserve Holly House for use as transitional housing, preserve grounds as is. -- Vic Bloomfield and Essie Hicks
2. Preserve Holly House and use to produce income that promotes social justice, preserve grounds as is -- Vic Bloomfield and Essie Hicks

\*\*\*\*PLEASE ASK TO BE SENT THE EXCEL SPREADSHEET WHERE VIC PROVIDES CONCRETE NUMBERS OF EXPECTED COSTS. I COULD NOT COPY IT INTO THIS FILE.\*\*\*\*

## **Holly House Task Force Option Paper Outline**

### **Description**

Preserve Holly House for use as transitional housing facility for women, managed by a professional organization with appropriate expertise. Preserve the grounds, labyrinth, trees, and P-Patch.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

Providing housing for transitional women is a direct service that fits within ESUC's social justice initiative of economic equality. Retaining Holly House will positively affect the transitional women living in Holly House by continuing to provide housing so that they can gain the skills and financial foundation needed to live on their own. This is a direct and important contribution that our church has made for years and can continue to make--contribution to disadvantaged members of our community, consistent with the teachings of our faith. By preserving the grounds and P-Patch, sanctuary is provided to gardeners, wildlife, plants and trees. We will be actively demonstrating sustainable food production practices and taking steps to reduce our carbon footprint. A garden curriculum is being created to enhance our Religious Education program. The gardens have also provided outreach to the neighboring residents and the P-Patch program has made possible additional financial donations to deserving organizations. Holly House at nearly one hundred years is one of the oldest residences in Bellevue. Preservation of historic properties demonstrates long-term vision by preserving irreplaceable cultural resources and promoting sustainability practices by conserving our limited environmental resources. By preserving historic structures, we are able to share the very spaces and environments in which the generations before us lived. Historic preservation is the visual and tangible conservation of cultural identity.

### **Impacts**

Preserving and maintaining Holly House will improve the living conditions for the women residing in Holly House and make it possible to continue to provide housing for future residents. We all will benefit by keeping the standing trees and gardens through their cooling shade, cleansing of storm water runoff, carbon absorption, food, and spiritual inspiration and reflection. Demolition and new construction not only consume present-day energy, but negates and wastes the past energy investment made in a building. Preservation is a remarkably effective method of sustainability.

### **Implementation**

Repairs of defects can be done using local providers and ES members. We will need to form a committee similar to the previous sanctuary task force committee. This group will do project management, contract negotiations, project oversight, signoff, etc. A financial plan will be needed in order to ensure finances are available at the appropriate times. Currently, Sophia Way does not pay enough to cover the costs of repairing and maintaining the building to meet the costs of eliminating Holly House defects. To raise sufficient funds, we would have to raise the amount we charge Sophia Way and/or supplement it with grants and/or a capital campaign. We would need to approach this as one of the ways East Shore supports our social justice mission, rather than as a money-making property.

### **Financial Implications**

Please see attached spreadsheet. Depending on finances, a bridge loan of no more than five years would be needed. Grants would offset the loan principal, but would require effort and expertise to write them.

### **Benefit and Risk to East Shore**

Benefits: Continued fulfillment of social justice causes in a direct, tangible, and coordinated effort with local specialist organization(s). We would be preserving one of the oldest houses in Bellevue and its grounds.

Risks: Cost overruns and unexpected defects

## **Holly House Task Force Option Paper Outline**

### **Description**

Preserve Holly House and utilize it in a way that is income producing and that promotes social justice. Preserve the grounds, labyrinth, trees, and P-Patch.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

We would use Holly House for a social justice cause, but would charge market rates. For example, a potential scenario would be renting to seniors or at-need UUs in a communal living setting. If allowed, we could rent the building as office space to a nonprofit. Alternatively, we would partner with a social justice organization that has more resources, such as HopeLink. For any selected scenario, we would charge market rates. Since institutional integrity is an ES end, we would seek a partner or cause where our income needs would be met. By preserving the grounds and P-Patch, sanctuary is provided to gardeners, wildlife, plants and trees. We will be actively demonstrating sustainable food production practices and taking steps to reduce our carbon footprint. A garden curriculum is being created to enhance our Religious Education program. The gardens have also provided outreach to the neighboring residents and the P-Patch program has made possible additional financial donations to deserving organizations. Holly House at nearly one hundred years is one of the oldest residences in Bellevue. Preservation of historic properties demonstrates long-term vision by preserving irreplaceable cultural resources and promoting sustainability practices by conserving our limited environmental resources. By preserving historic structures, we are able to share the very spaces and environments in which the generations before us lived. Historic preservation is the visual and tangible conservation of cultural identity.

### **Impacts**

This would contribute to fulfillment of ES's mission for social justice. The social justice partner or cause that we coordinate with will be better positioned to do its work; ES would be directly improving the life of community members and organization(s). We all will benefit by keeping the standing trees and gardens through their cooling shade, cleansing of storm water runoff, carbon absorption, food, and spiritual inspiration and reflection. Demolition and new construction not only consume present-day energy, but negates and wastes the past energy investment made in a building. Preservation is a remarkably effective method of sustainability. Most likely, we would lose our partnership with Sophia Way as well as the residents who have benefited by living in Holly House.

### **Implementation**

Repairs of defects can be done using local providers and ES members. We will need to form a committee similar to the previous sanctuary task force committee. This group will do project management, contract negotiations, project oversight, signoff, etc. A financial plan will be needed in order to ensure finances are available at the appropriate times. It would be necessary that the income produced be sufficient to cover the costs of repairing and maintaining the building in order to eliminate Holly House defects. Tenant relations would be handled by a property management firm.

### **Financial Implications**

Please see attached spreadsheet. Depending on finances, a bridge loan of no more than five years would be needed. Grants would offset the loan principal, but would require effort and expertise to write them.

### **Benefit and Risk to East Shore**

Benefits: Continued fulfillment of social justice causes in a direct, tangible, and coordinated effort with local specialist organization(s). We would be preserving one of the oldest houses in Bellevue and its grounds. Risks: Cost overruns and unexpected defects

## **B. MIXED USE HOUSING WITH EAST SHORE CONTINUED INVOLVEMENT**

1. Partner with local government, agencies organizations to address homelessness and poverty on East Side (Jenny Hall)
2. Provide Senior Housing (Maxine Voetberg and Jean Sillars)
3. Develop in Partnership with other non-profits (Jason Puracal)
4. Work with Developer to create mixture of market rate condos, low income housing, housing for homeless women, parsonage (Bob Weiss)
5. Communal Housing (Kristi Brennan)

## **Holly House Task Force Option Paper Outline**

### **Description**

Describe the option in 2-3 sentences or as tightly as possible.

My ambitious idea is to partner with the City of Bellevue, King County, other agencies, congregations and community groups to remodel (or tear-down and rebuild) the Holly House and its yard with the goal of continuing to use it to address homelessness and poverty on the East Side.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

We can continue to support the worth and dignity of homeless people in our community, strengthen our ties to other supportive groups (interconnected web), and retain our sentimental attachment to the property.

### **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

Neighborhood residents might not realize that it is currently serving as a halfway house for homeless women. This idea would require public discussion. The Sophia Way may or may not benefit, depending on the plans that are decided on. There may be some in the congregation that would object to the effort and resources necessary to implement this plan.

### **Implementation**

What would it take to make this happen including permits and working with what other organizations?

This would require attention from the East Shore leadership and staff, during planning, construction, implementation and ongoing.

This would require much coordination with many groups, and we would likely need some professional architectural and construction services. It could only happen if the congregation supports it wholeheartedly with time, talent and treasure.

### **Financial Implications**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income?

My hope would be that the City, County and various agencies and organizations would share much of the cost. Applying for grants and exploring public-private partnership possibilities would take some time. My vision is that it could wind up costing East Shore no more than the current situation.

### **Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

Again, this would strengthen our ties to the community and demonstrate our values to our neighbors. There are risks in any such ambitious endeavor, but if our partnerships are strong, those would be mitigated.

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## Holly House Task Force Option Paper Outline

### Description

Provide for Senior Housing to be considered as Holly House option  
Housing Options: retirement, low cost, co-op or rental

### Relationship to East Shore Mission and Values and Unitarian Universalist Principles

East Shore reveres community and providing housing is a step in providing for a caring community. Providing for shelter as a basic need is part of our continuing mission of justice and compassion for all.

### Impacts

Groups impacted positively: 1) Those needing and finding a new option for housing/community  
2) East Shore, if a housing option were structured to provide an

income source

Groups impacted negatively: 1) Current Holly House tenants  
2) Others currently using parts of the property  
3) Potentially East Shore, if property is sold for less than highest

financial gain.

### Implementation

To make a senior housing project happen, whether retirement, low cost, co-op or rental, first, research would be needed to determine if this project was viable given the size of the property, the projected costs and projected income. Research would be needed to determine if there were an existing organization willing to take on this project and under what conditions.

### Financial Implications

Financial implications would be based on decisions concerning East Shore's involvement: e.g., if E.S. sold the property outright to a developer, with no restrictions, there would be financial gain of a greater degree. If E.S. restricts the property, the gain will likely be lessened. If East Shore determines to be a partner in this project, the financial implications will need to be determined.

### Benefit and Risk to East Shore

Benefits: Possibility of financial gain depending on the option selected. Possibility of housing options for member of East Shore as well as others seeking such options.

Risks: Possible financial loss by not selling the property for maximum gain. Possible complications for East Shore members if church becomes involved as a partner in a housing venture.

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Jean Sillers, sillers1960@gmail.com

## **Holly House Task Force Option Paper Outline**

### **Description**

East Shore would develop the HH property in partnership with several other non-profit organizations using a hybrid community land trust- cooperative model. This would allow for greater social justice impact by the church across multiple demographics, as well as diversify the financial revenue portfolio for the operating budget.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

The 7 principles of cooperatives have numerous similarities to UU principles specifically related to equity, democracy, self-improvement, freedom and community. Likewise, the organizational structure of co-ops and traditional UU churches are both inverted compared to the corporate structure. Through intentional design, we would adhere to our value of environmental stewardship.

### **Impacts**

Numerous groups at East Shore would benefit from such a project due to the increase in capacity to provide social justice related assistance to the larger community. The most notable challenges would be the relocation of the labyrinth and potentially parts of P-Patch. There are also opportunities for both of these groups in the new labyrinth playing a strategic role in connecting the HH property to the existing church, and more volunteers available for P-Patch production.

### **Implementation**

A project of this scale would take time and effort to vet and implement. We would need to do a thorough investigation into the market, find non-profit partners, work with the City of Bellevue, create the design, flush out a pro forma, go through permitting, hire the development team, build it out, and help set up on-going operations.

### **Financial Implications**

An in-depth pro forma would need to be created, however back of the envelope projections indicate an income gain to the church. In addition, the model proposed would limit the amount of upfront capital required by the church compared to traditional development.

### **Benefit and Risk to East Shore**

Increased social justice and increased revenues are the two main benefits to East Shore. There are always risks associated with development, however are spread using this model. There is also inherent risk in partnering with others, especially more than one organization.

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**Holly House Task Force Option Paper Outline**

## **Description**

Work with a developer to create a mixture of privately owned or rented condos at market rate, low income housing, housing for homeless women, and possibly a parsonage. The land would be either sold with restrictions or under a 100 year lease with escalation clauses. Mixed use housing is currently seen as the most practical model for a development including low income housing to retain its value.

## **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

Assuming 22 units can fit on the Holly House property, a mixture of half market rate, one quarter low income housing, and one quarter for homeless would continue East Shore's commitment to social justice by continuing to provide shelter for the homeless and adding low income housing.

## **Impacts**

This would require relocation of the P-patch garden or a reduction in the Holly House plat. This would also require either elimination or relocation of the labyrinth.

## **Implementation**

The process of getting governmental support for low income housing (tax breaks, permits, etc.) is complicated and would require the active cooperation with a developer and/or an organization that currently has developed and/or is operating low income housing. The developer or East Shore would have to seek financing with a bank.

## **Financial Implications**

?This option is specifically designed to create income for East Shore either through sale of the land or long term lease. The ideal scenario will be outside financing obtained by the developer with the guidance of the HHTF.

## **Benefit and Risk to East Shore**

The benefit to East Shore would be a large cash infusion that could be used, for example, to pay down the mortgage, set aside funds for reserve accounts, and social justice. A sale could be combined with a long term lease that could provide a large amount for the annual operating budget and reserve funds.

Author's Name: Bob Weiss

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## **Description**

Describe the option in 2-3 sentences or as tightly as possible.

Develop the property and communal housing for UU members based on UU principals. A model for this exists in the Boston area. It could be developed as a single communal house in which case members buy shares and form a partnership, or it could be several individual (townhome/condo) units and a shared common area, including shared grounds. Members covenant to share certain tasks and commit to engagement in intentional community. Legal structure like that of a condo association.;

## **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

It would give members a way to live in community around UU values. There are also many many UU members who struggle with housing. I am struck by how it never comes up in discussions that we may have socioeconomic differences within our community. The assumption is that everyone is settled, has owned their own home for generations and has a good income from Boeing or Microsoft or whatever. Lots of unspoken assumptions about the general socioeconomic status of our community. It is frankly kind of taboo – embarrassing – to present a personal situation that runs counter to that narrative. There is an assumed collective class standing that may not be true. Great to help the homeless and the truly poor, but we shouldn't be so blind as to think that everyone at Eastshore owns their own home and is secure in their housing. Serving housing-insecure members would be only one of the goals however, I would also see the ability to enact values like sustainable living, true community living – which I think could serve a strengthening pillar in the community. There are so few opportunities to do that. It could truly be something quite powerful and radical.

## **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

Well current residents would be negatively impacted, as they would lose housing access to the property. Otherwise it would only be positive. The community would assume responsibility for property maintenance, and for developing UU culture and values which would be brought to the larger community

## **Implementation**

What would it take to make this happen including permits and working with what other organizations?

I don't know. I imagine we would need to tear down existing structure and build new one. I imagine a single structure, designed to accommodate communal living (e.g. bedrooms w attached baths, several communal living areas – would not be that hard re permits. It would be more difficult to do a co housing arrangement of condo/townhouses and a shared common building. But that would be great too.

## **Financial Implication**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income? I don't know. Depedns on the arrangements. It would not be hard to find people to be able to finance/put up \$300k/party, six people could finance a 1.8 million construction. I don't know about land purchase or lease – thinking eastshore would want to retain control of the land so some type of lease? Port Townsend is building an eco friendly cohousing community, would be good to look at that arrangement. May need more land for that though.

**Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

Author's Name: Kristi Brennan

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## **C. SELL THE PROPERTY**

1. Sell to Imagine Housing to build low income housing (Abbie Birmingham)
2. Sell to pay off mortgage, (Carole Sinape)
3. Sell and create Fund like Endowment for social service grants (Jean Sillars)
4. Sell to a non-profit at market value to reduce debt (Cindy Snyder)
5. Sell and pay off the mortgage (Bill Austin)
6. Sell at Market Value to pay off mortgage, with remainder split between endowment, reserves, and pursue ongoing mission of the church (Winstrom)
7. Sell Portion to Group Aligned with Our Values (Fletcher/Keppler)
8. Co-Housing Community (Danna Schmidt)

## **Holly House Task Force Option Paper Outline**

### **Description**

Describe the option in 2-3 sentences or as tightly as possible.

Sell the Holly House property to Imagine Housing for development as an affordable housing community consisting of at least 50 units (floors 2 – 4), with the possibility of an additional 8 units for Sophia Way congregate care (first floor).

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

The sale would generate funds to support the ongoing operations of the church, including social justice, and would also ensure that the use of the property was consistent with the ongoing social justice mission of providing affordable housing and supportive services to low and very low income residents.

### **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

Imagine Housing will only do this project if it can generate at least 50 units. In order to support this size of development, it may be necessary to include additional church property such that the total is closer to 1 acre in size. This will be determined during a feasibility evaluation of the project. This project would require demolition of Holly House and at least temporary relocation of the current Holly House residents, and will eliminate uses currently existing on the .75 – 1.0 acre parcel, although these uses may be able to be relocated elsewhere on the ESUC campus. This development may raise concerns with the neighboring condo owners, and development of the property is conditioned on being able to use existing easements or negotiating other easements. The easement language does not appear to be a limitation, but the only easement that provides the necessary 30' access is from SE 32<sup>nd</sup> Street, along the east side of the Channel Place condos. Easement access from 125<sup>th</sup> Ave SE is only 20' wide, and this is insufficient for fire access purposes (minimum needs to be 26 feet).

### **Implementation**

What would it take to make this happen including permits and working with what other organizations?

The process of obtaining permits from the City of Bellevue is lengthy, probably in the range of 2 years. Imagine Housing would not want to close on its purchase of the property prior to issuance of the necessary permits, and also will need to obtain funding in order to acquire and develop the property. The total time period could be in the range of 3 years, as funding for affordable housing is generally limited by governmental sources, although Imagine Housing is in the process of developing a different funding model which would use private investor equity rather than governmental sources.

### **Financial Implications**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income?

The financial gain for the church would be significant, likely somewhere in the range of \$35,000 - \$40,000 per unit for the purchase price, and Imagine Housing would be solely

responsible for all development costs. If ESUC elected to sell to a for profit developer, it could undoubtedly obtain a higher purchase price, but I don't know what it would be, without further research.

### **Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

The benefits would be obtaining funds from the sale of the property in the range of \$1.75MM - \$2.0MM, while supporting a desperately needed social purpose of providing affordable housing. The risks will be waiting for a substantial period of time, approximately 2 – 3 years, to see if Imagine Housing can obtain the necessary permits and funding. A for profit developer would have the same challenges with obtaining the necessary permits, but would likely not have the same challenges that Imagine Housing may have in obtaining funding for the project.

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## **Holly House Task Force Option Paper Outline**

### **Description**

Describe the option in 2-3 sentences or as tightly as possible.

Sell outright & use money to pay off our Mortgage. HH, being >100yrs old, I expect, is in need of repair on a regular basis. My understanding is that we receive a small rent that in no way covers our expenses.

We do not need to be in the business of landlords.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

Perhaps we could sell to an organization that fits our principles—i.e. Social Justice,

### **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

Although this may cause a hardship, Expect Sophia Way can find another place to help with their needs.

### **Implementation**

What would it take to make this happen including permits and working with what other organizations?

Expect the land is prime and would not be a problem selling.

### **Financial Implications**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income?

We could get rid of an Albatross.

Hopefully there would be a net income.

### **Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

See above

PS THANK YOU FOR ALL YOUR WORK ON THIS BIG PROJECT!!

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## Holly House Task Force Option Paper Outline

### **Description:**            **Sale and Future Social Justice Funding**

Sell the Holly House Property at the highest price possible so East Shore has the flexibility to redistribute those funds for the best uses. Set up a new Fund structure resembling the current Endowment Fund to manage the distribution of Social Service grants on an annual basis.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

East Shore is a community whose members value and support the ever growing Social Justice needs of the community, through commitment of time, energy and funding. Every second Sunday we choose an existing social justice organization that embodies East Shore's mission to provide compassion in human relations. Our own spiritual growth comes from these social justice efforts.

Additionally, we value keeping East Shore strong as it is our anchor allowing for this social justice work. On our East Shore website it states this about the annual fund drive: "Together we are a community, and as a community we support the work of East Shore." This could be restated that through managing East Shore's resources, we support the work of East Shore. Utilizing the resources brought through the sale of Holly House, East Shore will be able to support its mission and work even that much more effectively.

### **Impacts**

The groups impacted by the option **positively** include: 1) the church as a whole as it has the flexibility to determine the best use of additional funds; e.g. social justice, mortgage debt etc.; and no longer has the annual costs associated with that property; 2) East Shore members as they determine which social justice organizations are best served through financial support on an annual basis; 3) And the Social Justice organizations that receive additional financial support.

**Negative** impacts include: 1) East Shore members who currently value different uses for the property. 2) Sophia Way which will lose living space for women in transition.

### **Implementation**

Determine the selling process for the Holly House property that balances the most agreeable terms to the East Shore membership and the best opportunity for maximizing the profits. The Finance Committee will provide the Board with recommendations for the most expedient use of the funds. The Board will initiate the process to set up the Social Justice Granting process.

**Financial Implications** 1) Positive financial impact to East Shore's budget; 2) Severs obligations with property so that East Shore can move forward in other directions; 3) Provides Social Justice funding for existing organizations that are providing needed social services.

### **Benefit and Risk to East Shore**

**Benefits:**            1) Positive financial impact to East Shore's budget; 2) Severs relationship with property so that East Shore can move forward in other directions; 3) As East Shore's membership and their interests change over time, East Shore no longer has ownership, nor the financial burden this ownership brings, to property that may not be valued for church use.

**Risk:** 1) Members currently using portions of this property will experience a loss. 2) The future use of the property may not be totally comfortable to some members.

**Author's Name:** Jean Sillers [sillers1960@gmail.com](mailto:sillers1960@gmail.com)

## **Holly House Task Force Option Paper Outline**

### **Description**

Describe the option in 23

sentences or as tightly as possible.

Sell to a non profit to help fulfill their mission for a fair market value.

Consider carrying the mortgage perhaps.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

We would be helping another agency

### **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

Our church would reduce their debt. We could focus on other issues for the church. It may help us by lessening the burden of staff who oversee the house (example: at times the grounds committee have been called up to rake leaves etc.) The profit would help us as our congregation has shrunk and we have lost a minister. When the house was converted it was a different time of staffing etc. for our congregation. I have overheard that the house costs us considerable resources to maintain.

### **Implementation**

What would it take to make this happen including permits and working with what other organizations?

A qualified real estate agent.

Lawyer fees

### **Financial Implications**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income?

Could have a net profit

### **Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

Additional monies and reduction of the debt.

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## **Holly House Task Force Option Paper Outline**

### **Description**

Describe the option in 2-3 sentences or as tightly as possible.  
Sell Holly House and use the funds to pay off the ESUC mortgage

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

How would the option further our mission and values?

**Frees up funds from the interest rathole for more valuable projects and causes.**

### **Impacts**

Who and what groups would be affected by this option? How would they be affected positively or negatively?

**All the ministry teams. Over \$100k would be available each year.**

### **Implementation**

What would it take to make this happen including permits and working with what other organizations?

**Agree on this plan then hire a professional real estate agent to find the best buyer**

### **Financial Implications**

What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income?

**See above**

### **Benefit and Risk to East Shore**

What benefit would this option have for the church and any corresponding risks?

Some would be disappointed with this approach and might act out in various ways.

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Bill Austin

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## **Sell Holly House for Commercial Value Option Paper**

### **Description**

Sell the property for its full commercial value. This is currently estimated at between \$1.5 and \$3 million. The proceeds would be used to first payoff the mortgage (current balance about \$950K) and the remainder would be split across the endowment fund, reserves and funds to pursue the ongoing mission of the church.

### **Relationship to East Shore Mission and Values and Unitarian Universalist Principles**

Funds from the sale in excess of the mortgage payoff could be used to pursue the broad mission of East Shore. Cash is very flexible in allowing us to look at many options. Locking us into just using this property presents a very narrow range of options.

### **Impacts**

Many groups could see a positive impact as it would allow them to pursue initiatives they'd not been able to due to funding limitations. Groups currently using the property would be negatively impacted. Alternate ways for them to pursue their activities would need to be found. Care would need to be taken so that any new development of the Holly House property did not impact the activities and security of the main East Shore Campus.

### **Implementation**

Full market analysis of the property would need to be done to be sure that East Shore would receive a fair price and one that, at a minimum, meets the expectation in this option. A transition plan for the current residents and uses needs to be developed and a real estate firm needs to be selected to manage the sales process.

### **Financial Implications**

This option would retire the current mortgage which has a remaining balance of about \$950K. We are coming up on the 5 year anniversary of the mortgage when we may pay it off with no penalty. This would save over \$100K in annual operating expenses. This and additional funds from the sale would secure the church's financial future which has been at risk in recent years.

### **Benefit and Risk to East Shore**

In summary, the main benefits are putting the church on a sound financial footing and giving us funds to pursue our initiatives. The risks are loss of a property that has been of marginal use to the church for many years and the impact of the development of this property on the church's activities and security.

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## Holly House Task Force Option Paper Outline

**Description:** Describe the option in 2-3 sentences or as tightly as possible.

1. Sell substantial portion of the property to a capable group aligned with our values that could develop and manage it within the legal agreements and covenants attached to the sale.
2. Use the sale funds to pay off most or all of the church mortgage (About \$1 Million) reducing monthly expenses by about \$10,000 per month and freeing funds for church mission/vision.
3. Divide the property to save the P-Patch sunny garden, shed and east portion of the forest as a natural buffer. If division is not possible, help P-Patch and Grounds Team relocate garden and native plants to other appropriate places on the church grounds.... . .

**Relationship to East Shore Mission and Values and Unitarian Universalist Principles,**

How would the option further our mission and values? By putting East Shore on a firmer financial grounding, we could better focus on growing souls and bringing peace and justice to ourselves and the world. It would also allow us to fulfill our values of compensating staff fairly and of funding stronger spiritual and social justice work. With another group developing and managing the project within covenants, we promote affordable and sustainable housing while keeping our energy focused on our mission. By supporting Grounds and P-Patch Teams, we show respect for earth and food justice.

**Impacts** Who and what groups would be affected by this option? How would they be affected positively or negatively? **NEGATIVE:** The Sophia Way housing would be discontinued and the Holly House dismantled. Depending upon the size of the parcel sold, the P-Patch could lose its sunny and forest garden spaces and the labyrinth. The shed would need to be taken down, moved, or rebuilt, and Grounds, P-Patch, Caretakers, and Chalice Players might need to find other storage spaces.. A natural area/buffer to our northwest could be lost..

**POSITIVE:** All members of the church, the staff, the Board, its Committees, and many teams would benefit from having a major debt removed and more effectively aligning the cost structure of the church with reasonable operating fund drive and other income. Instead of paying interest to the bank over the next ten years, the church could strengthen its social justice and spiritual ministry work. Less time would be needed for resolving funding shortfalls and finance issues, and more time could be spent on fulfilling our mission, values and principles. We could energize and better support projects of the economic and earth justice congregational focus teams and the membership team strengthening our church both internally and externally.

**Implementation** What would it take to make this happen including permits and working with what other organizations? This or another Implementation Task Force and our DOF would need to research, vet, and select an organization with mutual values, a desire to purchase the property and the willingness to work with ES on development agreements for affordable or mixed and housing that is sustainable. The church would need to get input from professionals, such as extended task force members or others, about what is possible and legal. .

**Financial Implications:** What are the financial implications for East Shore? Some real costs would help but ranges are fine. Would there be an overall financial loss or net income? As described above, the church would increase its yearly income by our debt amount (about \$100,000) per year over ten years) minus any costs associated with putting the plan into place. Extended task force members' professional assistance could reduce this cost considerably.

**Benefit and Risk to East Shore** What benefit would this option have for the church and any corresponding risks? **Benefit**—Financial grounding to fulfill our mission. **Risks**—finding and working with an organization capable of completing and managing this project in the future.

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Please do not exceed one page.

**Holly House Task Force Option Paper – COHOUSING COMMUNITY (submitted by Danna Schmidt;  
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**Description** Rezone land and sell Holly House for development of a small intergenerational, cohousing complex, with agreement negotiation in place to have P-Patch and labyrinth grounds utilized as shared land space between East Shore congregants and the co-housing community residents. ESUC would maintain ownership of those lands but a lease and shared usage agreement would be in place. The ESUC labyrinth would also be earmarked to have public access and listing on the International Labyrinth Network locator map. Cohousing is an innovative and sustainable living concept; one that was arguably invented by UUs. Songaia in Bothell is one such example of a successful community that was started by UUs who attend Woodinville UU. Cohousing is an intentional community living initiative which includes both private and shared/communal living spaces and opportunities. Most co-housing communities are eco and earth-based in sensibilities, and afford residents green space living through small parkland and working garden options.

**Relationship to East Shore Mission and Values and UU Principles (How would the option further our mission/values?)** Creating a UU-model cohousing community ideally aligns with ESUC's and UU mission and values. There is a spirit of intentionality and covenantal living alive in such cohousing communities, such that the inherent worth of dignity of each individual is upheld. UU principles privileging fairness, equity, compassion, community, democratic process, and stressing the interdependent web are at the heart of what it means to live communally and in intimate, intergenerational community. Creating a partnership such that the garden and labyrinth space might be co-tended and shared ideally fosters ESUC's values of modeling good earth stewardship and compassionate community.

**Impacts (Who/what groups would be affected by this option, and how so -positively or negatively?)**

**Positive:** This option provides a positive and viable next-stage living option for many congregants who would welcome a cohousing living environment. It permits single elders an opportunity for family and connection, single parents with young children an opportunity for elder connection, and young urban couples a non-traditional home environment. This option also positively impacts the ministry teams who use the garden and outdoor spaces for meditative, sanctuary, learning and earth connection purposes – namely the P-Patch, Labryinth, Earth-based Ministry and RE children and youth. **Negative:** This option displaces the women of Holly House as the building portion of the land would be put up for sale.

**Implementation (What would it take to make this happen including permits and organizations?)** To implement this plan, a task force team would need to be creative, consultative resources would need to be tapped, cohousing experts brought in (architects, planners, local cohousing contacts), and detailed plans and budgets developed. One barrier is that Bellevue does not currently have a co-housing community so significant hurdles might need to be jumped to get the necessary zoning and permits.

**Financial Implications for ESUC?** This option would result in a significant financial gain for East Shore – without a floorplan, total proposed unit count and estimated per unit sale price, revenues are difficult to project. The concept would be re-permit/zone the land to be sold as a residential cohousing urban condo development. Net income yield from this would thereby allow for capital and land improvements, FF&E upgrades and other necessary future expenditures for ESUC.

**Benefit and Risk to East Shore** **Benefits:** This option benefits those looking for small space, intergenerational, co-housing living. Individual and family member congregants looking for such living model would be afforded an opportunity to call East Shore home in a more holistic way. It could be designated as adult-only (55+) or multi-gen. East Shore would receive media attention for such an innovative model, the first of its kind in Bellevue. It could prove to be affordable for future owners and lucrative for East Shore. A small number of units coupled with high demand for cohousing and/or affordable housing in the heart of Bellevue, means all units have the potential to be pre-sold. **Risks:** Some cohousing initiatives do not get off the ground (eg. the recent Trails at Newcastle cohousing model project). Considerable expert planning to make this happen.

**Relevant Links/Resources:** <http://archive.uuworld.org/2004/04/forum.html>; [www.cohousing.org/creating](http://www.cohousing.org/creating); <https://pdxcommons.com/the-site-2/>; <http://capitolhillurbancohousing.org/building/>; <http://www.cohousingco.com/>