

# **Who does the State claim owns the Colman School?**

## **A study of public records filed with the settler colonial state**

*The African American Heritage Museum & Cultural Center  
hereby launches a Community Audit, part I*

The Colman School is situated on unceded Duamish Territory, and is therefore under the jurisdiction of the Duamish Tribal Council.

The Colman School is also the site of the longest occupation of a public building in US history. From 1985-1998, it was occupied in order to become a world class international African American Heritage Museum & Cultural Center.

In 1998, the Seattle School District signed a purchase and sale agreement with the African American Heritage Museum & Cultural Center (AAHM&CC). But the City never intended for the activists who had been occupying the building and were on the AAHM&CC board to get control of the building. The City and the Feds were working with the people they had positioned on the AAHM&CC board, trying to outplay the activists — until they got outplayed and the activists got control of the AAHM&CC. Rather than concede, they denied the purchase and sale — and to this day, they are doing everything they can to obstruct the AAHM&CC's rightful ownership under settler laws.

In obstructing the rights of the original occupiers under Articles 15, 17, 26 and 27 of the Universal Declaration of Human Rights, as well as the rights of the Duamish and Coast Salish people to self-determination, autonomy and self-government under the United Nations Declaration on the Rights of Indigenous Peoples, the City is guilty of human rights violations. Beyond this, they may too be guilty of corruption, racketeering and additional civil and criminal offenses.

What follows is an investigation into who the settler colonial state claims owns the Colman School since obstructing the rightful ownership of the Duamish Tribe and the AAHM&CC.

### **Transparency and Availability of Records**

In Seattle, King County, we are lucky to have free online access to many public records through the King County Recorder's Office<sup>1</sup>. Limited information can be gleaned through annual filings with the Washington State Secretary of State. Only isolated annual reports are available on the organizations' own websites. Using [guidestar.org](http://guidestar.org) we have have free access to three years of federal IRS 990 nonprofit organization tax filings. Additionally, we were able to obtain records from the Chicago Title Insurance Company.

The initial findings are contradictory and inclusive.

It is not clear yet what additional records may be available upon public records request. The public should be able to access all records pertaining to city, county and state funds that have

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<sup>1</sup> <https://recordsearch.kingcounty.gov/LandmarkWeb/home/index>

*Who Owns Colman School?*

AAHMCC

*Page 1 of 21*

been invested in the development of the Colman School property and the contractual agreements that have been made.

City of Seattle, Seattle Housing Authority, King County, State and federal funds have all been invested in the development of the Colman School<sup>2</sup>. For this reason alone, the public should have a right to see the following records, whether or not they are officially a part of the public record:

- 1) All annual reports of all corporate entities<sup>3</sup> benefitting from public grants.
- 2) All state and federal tax filings for entities with ownership or investment claims in Colman School.
- 3) A complete list of all partners and their percent holdings in the Urban League Apartments at Colman School LP.
- 4) A complete list of all Eligible Mortgagees.
- 5) All loan documents, and in particular, an accounting of interest rates and fees paid.
- 6) All contracts and agreements made between the City, SHA, County, State, the developers, WA State Housing Finance Commission, WA Community Reinvestment Association, the Urban League and NAAM for development, operation and ownership (including, but not limited to, WA State Housing Trust Fund Contract Number 06-94100-102 and King County Department of Community and Human Services Housing and Community Development Contract — 2006 Contract Number D3461D).
- 7) All lease agreements between NAAM & Urban League, and other materials that the State and banking institutions are entitled to.
- 8) A copy of the 2001 Purchase and Sale agreement between Seattle Public Schools and the Urban League of Metropolitan Seattle.
- 9) The Coast Management contract; also, the Quantum Management Services contract, which predated the Coast Management contract.
- 10) An accounting of all public funds granted or loaned to NAAM, any of the Urban League entities or any other entity operating at the Colman School.

The African American Heritage Museum & Cultural Center hereby calls on the City of Seattle and King County elected officials to obtain and release the above items to the public so that members of the community may conduct the next phase of our Community Audit. Of course, releasing this information does not absolve local officials of their responsibility to conduct City and County investigations.

## Searching County Records

The Colman School itself sits on two parcels: parcel A (029900-0060) and parcel B (092404-9010).<sup>4</sup>

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<sup>2</sup> See Appendix I. Public funds invested in the Colman School Project

<sup>3</sup> It is imperative that we have transparency of power while protecting the privacy of individuals. The State ought to abandon its reporting requirements for those who are money-poor and seeking low-income housing, while increasing demands for accurate reporting and transparency of corporate entities — especially those that control over \$1 million in resources and those that are receiving public funds.

<sup>4</sup> A third parcel, parcel C, corresponds to walkways, parking and other easements surrounding the building.

Searching County records by parcel A yields many of the same results as searching by parcel B; however, each search also yields unique results. Furthermore, searching County records by name of the different entities on the deeds yields additional unique results pertaining to ownership of these parcels. While all of this points to a clear lack of transparency in the public record, it is possible that this is an unintentional result of simple human error.

### **So, who owns the deeds to the Colman School?**

Comparing County records with Chicago Title records and with filings made to the WA Secretary of State and the IRS, the answer to this question is anything but straightforward.

The full deed history in the County record is described below.

First, we look at various Chicago Title records that speak to present ownership. It is important to note here that in July 2007, Colman School was divided into two Condo Units: Unit 1 and Unit 2.

#### *Chicago Title records*

According to the Property Profiles stored by Chicago Title of Washington, Northwest African American Museum (NAAM) is the owner of Unit 1, and the Urban League of Metropolitan Seattle (ULMS) owns Unit 2.

These property profiles are contradicted by the “last deed of record” that Chicago Title has on file for each unit, which match those that this study found in the King County Public Record.

According to the last deed of record held by Chicago Title of WA and filed with King County Records:

A July 24, 2007 deed for Unit 1 lists Urban League Village LLC as owner of Unit 1. There is no deed on record specifically for Unit 2.

In response to “the last deed of record” for Unit 2: Chicago Title supplied the December 11, 2006 deed for the entire building before it was divided into condos. In this deed Urban League Village LLC transfers ownership of Colman School to Urban League Apartments at Colman School LP. We are to infer that Urban League Apartments at Colman School LP remains the owner of Unit 2. Subsequent agreements on record support this finding.

Chicago Title records suggest that NAAM pays taxes for Unit 1 and Urban League of Metropolitan Seattle pays taxes for Unit 2.

#### *County Record of the Deed(s)*

Initially built in 1909, the Colman School was counted as property of Seattle School District Number 1 by the settler colonial state. The first deed recorded in public record transferring ownership away from the Seattle School District is dated December 21, 2005 and filed Jan 18, 2006 granting the “statutory warranty deed” to Urban League of Metropolitan Seattle (ULMS). Then, six months later, without any “quit claim deed”, the same parcels are awarded by a new “statutory warranty deed” to Urban League Village LLC, dated June 22, 2006 and filed June 26,

2006. Both deeds reference a March 5, 2003 Real Estate Contract that is filed in the County record. This Real Estate Contract, in turn, references a 2001 Purchase & Sale Agreement, which is not on record. Keep in mind here that the AAHM&CC has a signed 1998 Purchase & Sale Agreement with the Seattle School District for the same property.

After the 2nd deed is issued to Urban League Village LLC, another four months go by with two conflicting deeds on record, before the record is cleaned up and the deed is then awarded to a third Urban League entity.

On December 8, 2006, two quit claim deeds are filed dated November 6, 2006, voiding the two warranty deeds on record. The same day a new deed is awarded from Seattle School District to Urban League Village LLC dated November 7, 2006. Then just three days later on Dec 11, 2006 a quit claim deed and statutory warranty deed are filed (dated the same day), transferring ownership of Colman School from Urban League Village LLC to The Urban League Apartments at Colman School LP.

Nine months later, in July of 2007 a fourth Urban League entity is created. The Urban League Apartments at Colman School LP is the original registered agent of the Urban League Village Condominium Association whose Condominium Declaration is dated July 11, 2007 and whose Articles of Incorporation were filed July 23, 2007.

The following day Colman School was divided into two condo units. The deed for Unit 1 "Colman School Commercial Unit" was granted by the Urban League Apartments at Colman School LP to its General Partner, the Urban League Village LLC, on July 24, 2007. Thirteen years later — according to King County Records and according to Chicago Title — there is no deed on public record explicitly for Unit 2, the "housing unit" or "residential unit". As stated above, we are to infer that The Urban League Apartments at Colman School LP remains the owner of the deed for Unit 2.

Looking only at deeds in the County records, one might say that Unit 1 is owned by Urban League Village LLC and that Unit 2 is owned by Urban League Apartments at Colman School LP. As outlined above the Chicago Title records are internally contradictory. Furthermore, there are other public records that contradict these conclusions as well.

Before looking at other county records, including subordination agreements, and the annual filings with WA State and the IRS, let's pause to try to better understand the relationship between the four different Urban League corporate entities on record who have held some ownership and/or management rights to Colman School since 2003 according to the settler colonial state.

### **Who are the four different Urban League corporations tied to the Colman School?**

The Urban League has four corporate entities in Seattle that are connected to the Colman School.

1. Urban League of Metropolitan Seattle (ULMS)
2. Urban League Village LLC
3. The Urban League Apartments at Colman School LP
4. Urban League Village Condominium Association (also, "Condo Association")

*Urban League of Metropolitan Seattle* (ULMS) was originally incorporated in 1936, with articles of amendment filed in December 2015. It is a nonprofit corporation registered as a 501c3.

*Urban League Village LLC* was incorporated March 18, 2003, thirteen days after the real estate contract with Seattle School District was signed, nine months before the first deed was issued to ULMS and fifteen months before a second deed was issued to the LLC. According to its first three annual reports, the nature of its business is to “Own & develop the Colman School property and any other legally permitted activity.” Its certificate of formation states, “The Company shall be managed by its member.” *Urban League Village LLC* appears to have only ever had one member/owner: *Urban League of Metropolitan Seattle*. James Kelly is listed as President and CEO and then registered agent until 2010. He continues to sign for ULMS and *Urban League Village LLC* through 2011; after 2011, there are no new records in the King County Records where an *Urban League* entity signs in relation to the Colman School parcels.

*The Urban League Apartments at Colman School LP* was founded on June 14, 2006 by its General Partner, *Urban League Village LLC*. This entity made its first annual filing with the State of Washington Secretary of State in January 2012, which is especially glaring since they began owning property and entered into agreements for millions of dollars in December 2006, and began operating low-income housing in January 2008. It is not clear from the records on file with the Secretary of State what other entity or entities may be a part of this partnership. However, from the Condominium Declaration of *Urban League Village Condominium Association* on record with the County, we know that *Homestead Equity Fund* is “a Limited Partner of the entity that owns the Housing Unit”, which appears to be *The Urban League Apartments at Colman School LP*. From ULMS’s 990s it appears that ULMS had a 10% stake in the partnership in 2015 and 2016. Presumably this is in addition to the LLC’s General Partnership, keeping in mind that the LLC seems to be 100% synonymous with ULMS. Or perhaps the 10% stake refers to the LLC. More research is needed to understand whether a General Partner can have a minority stake in a limited partnership. Additionally more transparency and access to documents are needed to know the complete history of all of the general and limited partners in the limited partnership, whether they have changed over time, and if so, how.

*Urban League Village Condominium Association* completed its Condominium Declaration July 11, 2007 and filed Articles of Incorporation July 23, 2007. The following day, Colman School was divided into two condo units: Unit 1 — the Commercial Unit — houses the Northwest African American Museum; Unit 2 — the Housing Unit — is the owner of 36 publicly funded low-income housing units. The original registered agent of *Urban League Village Condominium Association* is *The Urban League Apartments at Colman School LP*. It is governed by the terms outlined in its Condominium Declaration.

It thus follows that according to the settler colonial state, management of Colman School is now governed by the Condominium Declaration of *Urban League Village Condominium Association*, with the condominium owners and the Board of the Directors of *Urban League Village Condo Association* forming the governing body.

According to the Condominium Declaration, certain decisions must be approved by the Board. Other decisions need to be approved not only by some percentage of owners, but also by *Homestead Equity Fund*<sup>5</sup> and “*Eligible Mortgagees*”. This means that city, county, state and banking entities that hold, insure or guarantee a Mortgage of either Unit also have rights in the

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<sup>5</sup> as “a Limited Partner of the entity that owns the Housing Unit”

*Who Owns Colman School?*

AAHMCC

Page 5 of 21

governance of Colman School, though this list of Eligible Mortgagees is not available online as part of the public record of King County. Hopefully a public records request will reveal this info.

This is furthermore important info to the public as, according to the Condominium Declaration, “An Owner may … grant a conditional proxy to any Mortgagee of the Owner’s Unit, such that the Mortgagee shall have the right, after default by the Owner under the Mortgagee’s loan documents … to exercise the Owner’s rights to vote”.

#### *Condo Association Board*

Does the Condo Association Board reveal any additional info as to ownership of the two units?

The Board consists of three board members appointed as follows: Unit 1 appoints one member; Unit 2 appoints two members.

*“Each Unit Owner is entitled, but not obligated, to appoint one or more (as applicable) directors to serve on the Board at the pleasure of the Owner. … The Owner of the Commercial Unit shall have the right to appoint one Director. The Owner of the Residential Unit shall have the right to appoint two Directors.”*

A review of the affiliations of Directors on the Condo Association Board may then give some indication as to the ownership of each of the Units.

Only the original incorporating files list the organizational associations of Board members. The initial Board of the Condo Association<sup>6</sup> named FBI agent and NAAM director Carver Gayton, as representing NAAM. All subsequent board members listed the Urban League’s address as their address, which follows from the LP being its registered agent.

Annual filings with the Washington State Secretary of State reveal the Directors on the Board, but not their associations or which entity appointed them. Since any Director may have multiple associations and the existence of one association does not preclude other associations, or even necessarily point to which entity they were appointed by, we cannot be sure who any Director is representing on the Board.

That said, Appendix II charts “Known affiliations of members of the Urban League Village Condominium Association Board of Directors, 2007-2019”.

From 2007-2016, there is one representative of NAAM and two representatives of the Urban League on the Condo Association Board. From 2017-2019, all three Condo Association board members are representatives of the Urban League.

This suggests that from 2007-2016 NAAM may have had some stake in ownership of Unit 1, but more transparency and access to documents are needed to understand why NAAM had representation on the Condo Association Board for a decade. It also could be that NAAM not only did, but also still does have some stake in ownership or right of first refusal to purchase, but that they have waived their right of appointment to the Condo Association Board.

It should also be noted here that Leesa Manion, Chief of Staff to King County Prosecuting

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<sup>6</sup> The initial board was established when Articles of Incorporation were filed in July 2007.

Attorney Dan Satterberg and member of the Urban League of Metropolitan Seattle Board<sup>7</sup>, has served on the Condo Association Board since 2017. Manion's job for the County has included "complex real estate and lease negotiations"<sup>8</sup>. As King County has invested in the Colman School project and has some rights at least until its loan is repaid and possibly beyond, it is possible that Manion may be representing King County on the Condo Association Board.

***What is the relationship between the different Urban League Corporations?***

This is unclear.

It does appear that the original nonprofit entity and the LLC are basically one and the same. The sole member / owner of the LLC is the ULMS. The President and CEO are the same.

The LP appears to introduce at least one new entity: Homestead Equity Fund, a limited partner. We only learn this from the Condo Declaration of the Condo Association and nowhere else; we do not know if there are additional limited partners, and if so, who they might be, or what is their relationship to one another. The general partner of the LP is the LLC. Thus the original nonprofit controls both the LLC and the LP.

Any time that any of the above Urban League entities require a signature on record in King County with regards to Colman School, the document is signed by James Kelly, President & CEO.

Many such signatures read similarly to the following:

"IN WITNESS HEREOF, Borrower has executed this Amendment as Grantor and Lender has consented to the terms hereof as Beneficiary, as of the day and year first above written.

'Borrower': The Urban League Apartments at Colman School LP, a Washington limited partnership

By: Urban League Village LLC, a Washington limited liability company, its General Partner

By: The Urban League of Metropolitan Seattle, a Washington nonprofit corporation, its Sole Member

By: James Kelly, President & CEO"

The LP is also the Declarant of the Condo Association. The LP may own all or part of Unit 2. It is not clear whether Homestead Equity Fund still has some ownership, or whether any additional entities, now or ever, have or have had some ownership. According to Chicago Title, ULMS owns Unit 2 and pays taxes as the owner of this unit. Ownership of Unit 2 corresponds to 60.2% of the Common Ownership Interest, 60.2% of the Voting Interest of the Association and the right to appoint 2 out of 3 of the Directors to the Board.

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<sup>7</sup> <https://gunresponsibility.org/alliance-board-directors/>

<sup>8</sup> LinkedIn Profile

In addition, the LLC may own all or part of Unit 1. It is not clear what agreements the LLC has with NAAM or other public or private entities that have implications for ownership. Again, according to Chicago Title, NAAM is the owner of Unit 1 and pays taxes as the owner of this unit. Unit 1 confers 39.8% of the Common Ownership Interest, 39.8% of the Voting Interest of the Association and the right to appoint 1 out of 3 of the Directors to the Board.

The most recent Colman School record on file at King County Records<sup>9</sup> when searching by either parcel A, parcel B, or Urban League Apartments at Colman School LP is dated August 30, 2011. The most recent Colman School record on file at King County Records<sup>10</sup> when searching Northwest African American Museum is a Full Reconveyance dated March 11, 2015.

***Who is NAAM, what is their stake in Colman School and how are they related to the Urban League?***

The Northwest African American Museum began as a fiscally sponsored project of the ULMS in 2004. FBI agent Carver Gayton was the first Executive Director and Barbara Earl Thomas the first Deputy Director. In 2006, according to NAAM's website, "The Museum gains independence from the Urban League of Metropolitan Seattle and obtains its own 501(c)3 status." The museum opened to the public March 8, 2008 in less than one third of the Colman School building, which was sold to the AAHM&CC in 1998; the remainder committed to low-income housing for 50 years.

*Does NAAM own the unit or pay rent?*

There's a rumor on the street that NAAM has an agreement to pay rent at the rate of \$1/year for 75 years. In this scenario, as the rumor goes, they are not the owner. This study has been unable to access any official or media reports of an arrangement like this.

According to NAAM's 990s, they have rental income:

- In 2015 they reported that they received \$83,693 in Gross rents, less rental expenses of \$80,540, totaling \$3,153 in Rental income.
- In 2016 they reported that they received \$77,725 in Gross rents, less 0 rental expenses, totaling \$77,725 in Rental income.
- In 2017, they reported that they received \$97,212 in Gross rents, less 0 rental expenses, totaling \$97,212 in Rental income.

This income could be from subleasing or renting out meeting rooms and does not imply ownership.

They do not report ownership of Land or Buildings on any of their 990s from 2015-2017.

A 2010 loan document clearly named NAAM to be tenants and the LLC as landlord. A 2010 lease subordination agreement also states that the "Tenant has no claims to or interest in the Premises, legal or equitable, or any contract option therefore, other than as a tenant under the lease."

However, another document issued in conjunction with this loan, record 20100728001137, ties the Washington Community Reinvestment Association to the loan, and equally significantly refers to "Urban League Village LLC and Northwest African American Museum" as "the owner

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<sup>9</sup> As of August 1, 2020

<sup>10</sup> As of August 1, 2020

of all real property described in the mortgage identified above.” According to Washington Community Reinvestment Association’s website, the loan was made to NAAM directly and not the Urban League. It appears that Washington Community Reinvestment Association has not partnered with the Urban League Village Apartments at Colman School. From King County Records we have very little information on the terms of this loan. It’s possible that this loan is linked to the Washington State Housing Finance Commission which partners with the Washington Community Reinvestment Association on certain loans. It is also possible that one of the goals of this loan was for NAAM to get ownership of the unit. NAAM opened its doors more than 2 years before this loan was issued.

According to record 20100728001136 NAAM’s lease with Urban League Village LLC began July 1, 2007 with a First Amendment dated July 28, 2010. A 2007 lease subordination agreement from NAAM and the LLC to US Bank for Unit 1 names the “Initial lease term” to be “20 years”. No other terms of their lease are available from King County Records.

In NAAM’s federal tax filings, under Other Assets they report “Prepaid rent” equaling \$544,000 in 2015; \$533,990 in 2016; and \$520,965 in 2017. There is no indication of when this was paid, nor the period for which it is paid; not to mention, how/what mechanism or by whom it was paid. From 2015-2016 prepaid rent decreased by \$10,010 (a rate of \$834/month); from 2016-2017 it decreased by \$13,025 (a rate of \$1,085/month).

Prepaying over half a million dollars in rent is one indicator that NAAM and the Urban League Village LLC/ULMS do not have a traditional landlord-tenant relationship.

The fact that in the Assignment of Rents and Leases US Bank is granted “a security interest in and to all cash or security deposits, advance rentals and deposits of a similar nature under the Leases” signals that this prepayment of rent is something to be further investigated.

In addition, as part of a subordination agreement signed in 2007, NAAM and the LLC agreed that “Tenant has not paid any rental to landlord more than one month in advance and Landlord holds no security deposit for tenant except \$0.” This same clause is repeated in a July 28, 2010 lease subordination agreement.

More transparency is needed to understand the terms of the lease, the over half a million dollars prepayment of rent, whether there is some collusion or corruption with US Bank, and whether any settler laws or legal agreements have been violated.

It is not clear the current status of any rights of first refusal to purchase, or other clauses under which NAAM might assume ownership of Unit 1.

As stated above, NAAM’s representation on the Board of Directors of the Condo Association for its first decade suggests that from 2007-2016, at least, NAAM may have had some stake in ownership of Unit 1, but more information is needed.

On February 19, 2015, in a Deed of Reconveyance (record no. 20150311000460), Northwest African American Museum and Urban League Village LLC are listed as “legally entitled thereto, all of the estate held by the undersigned in and to said premises by virtue of said Trust Deed.”

A copy of all leases and other agreements between NAAM and Urban League Village LLC is needed to better understand the relationship between the two entities that each separately began as the ULMS.

A copy of all agreements between these entities and the City, County, State and financial institutions is needed as well.

### ***So who owns the property?!?***

While LLCs are one way for corporations to hide actual ownership of a company or companies and associated property, this does not appear to be the function of the Urban League Village LLC. (To use an LLC to hide ownership, it seems that it is necessary to create two LLCs that own each other, which is not the case here.)

In the instance of the Colman School, it appears that true ownership, in the eyes of the settler colonial system, is being hidden in the Limited Partnership and Subordination Agreements.

### **Homestead Equity Fund**

Homestead Equity Fund is a Limited Partner of Urban League Village Apartments at Colman School LP, the deed holder of Unit 2. Additionally, they have some governance rights to the building outlined in the Condo Declaration.

More information is needed to understand how this entity is connected to the other entities involved in this project and the full nature of its rights.

Furthermore, a full list of partners of Urban League Village Apartments at Colman School LP must be disclosed to the public.

### **Mortgages, Regulatory Agreements and Subordination Agreements**

An evaluation of mortgages, Regulatory Agreements and Subordination Agreements is key to understanding ownership of each of the units.

Concurrent to the last deed of record suggesting that The Urban League Apartments at Colman School LP may be the owner of Unit 2 are a series of Priority Agreements granting rights to additional entities.

Priority Agreement record 20061211000023, which predates the division of the property into condos, outlines the following rights and priorities regarding the property. The following Grantors are granting away rights; Grantees are receiving rights.

Grantors:

1. The Urban League Apartments at Colman School LP
2. US Bank National Association
3. The City of Seattle
4. State of WA, Dept of Commerce, fka Dept of Community, Trade, & Economic Development
5. Housing Authority of the City of Seattle
6. King County
7. Urban League of Metropolitan Seattle
8. Urban League Village LLC

Grantees:

1. US Bank National Association
2. The City of Seattle
3. State of WA, Dept of Commerce, fka Dept of Community, Trade, & Economic Development
4. Housing Authority of the City of Seattle
5. King County
6. Urban League of Metropolitan Seattle
7. Urban League Village LLC
8. Washington State Finance Commission

Priorities:

- 1st City Covenant
- 2nd State Covenant
- 3rd County Covenant
- 4th Regulatory Agreement (SHA)
- 5th Bank Deed of Trust
- 6th City Deed of Trust
- 7th State Deed of Trust
- 8th County Deed of Trust
- 9th Sponsor Deed of Trust
- 10th Option to Purchase

There is an associated series of Subordination Agreements on record where all Grantors each subordinate their rights to the Washington State Housing Finance Commission.

According to the December 11, 2006 Priority Agreement, “the General Partner in the Company’s amended and restated limited agreement (“LP Agreement”), dated as of December 7, 2006 the General Partner holds an option to purchase the Limited Partner’s interest in the Company and a right of first refusal to purchase the Project upon the terms and conditions set forth in the LP Agreement and a right of first refusal” (p. 3). This means that Urban League Village LLC, which is synonymous with ULMS, had a right of first refusal to purchase the entire property in 2006. This option to purchase is noticeably last among the ten listed priorities.

An August 13, 2010 Priority Agreement, recorded several years after the property was divided into condos, states that this agreement applies to Units 1 and 2 and reaffirms the priorities in the December 11, 2006 Priority Agreement. Two weeks prior to this agreement, however, NAAM received a loan from the WA Community Reinvestment Association, which may have been issued in conjunction with funds from the WA State Housing Finance Commission. It may be that this loan was to support NAAM to acquire ownership of Unit 1. While it is true that NAAM is not listed anywhere in the priorities of these agreements, it is possible that WA State Housing Finance Commission rights could separately be transferred to NAAM.

The December 11, 2006 Priority Agreement specifies that “The liens, rights and interests of the Bank under the Bank Loan Documents, the City under the City Loan Documents (other than the City Covenant), the State under the State Loan Documents (other than the State Covenant), the County under the County Loan Documents, the SHA under the Regulatory Agreement, the Sponsor under the Sponsor Loan Documents, and General Partner under the Option to Purchase, all are hereby made subordinate and subject to the rights and interests of the State under the State Covenant” (p. 4). This was reaffirmed in 2010.

## **Washington State Housing Finance Commission**

It appears that all rights to Units 1 and 2 were subordinated to the Washington State Housing Finance Commission in 2006 and that this Priority Agreement was reaffirmed in 2010.

The Washington State Housing Finance Commission is an entity created by the WA State legislature in 1983.

RCW<sup>11</sup> Chapter 43.180 establishing the Commission outlines that “The commission acts as a constituted authority on behalf of the state” and “is a ‘public body’”. Further, “Contracts entered into by the commission shall be entered into in the name of the commission and not in the name of the state of Washington. The obligations of the commission under the contracts shall be obligations only of the commission and are not in any way obligations of the state of Washington.”

From the 2020-2021 Housing Finance Plan, “The Commission was created in 1983 to act as a financial conduit which, without lending the credit of the state, can issue non-recourse revenue bonds; participate in federal, state, or local housing programs; make additional funds available at affordable rates to help provide housing throughout the state; and encourage the use of Washington forest products in residential construction. The Commission is authorized to provide construction and permanent financing for low- and moderate-income housing, nonprofit facilities, capital equipment, beginning farmers and ranchers, energy efficiency and energy production within the state.”

The WA State Department of Community, Trade and Economic Development contracts with the Commission.

The Washington State Housing Finance Commission is the only entity that can grant Low-Income Housing Tax Credits in WA State.

It is expected that the WA State Housing Trust Fund Contract Number 06-94100-102 will yield information about the nature and terms of the rights subordinated to the Washington State Housing Finance Commission.

## **WA Community Reinvestment Association**

The WA Community Reinvestment Association (WCRA) issued a loan to NAAM in 2010. It does not appear that they have invested in the Apartments at Colman School. For comparison, they invested in both commercial and residential projects at the El Centro de la Raza project Plaza Roberto Maestas.

From the WA Community Reinvestment Association’s website, then US Bank of Washington President, Gerry Cameron, is credited with leading the formation of the WCRA between 1990-1992 with the goal of generating “a revolving, shared-risk loan pool that would provide a renewable source of permanent financing. In addition, they were looking for a way to reduce and control administrative costs, develop and share expertise in the specialized underwriting and lending functions of affordable and special needs housing and otherwise assist member financial institutions in meeting the community development needs of their communities.”

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<sup>11</sup> Revised Code of Washington  
*Who Owns Colman School?*

in order to receive a loan, “A regulatory agreement from the Washington State Housing Finance Commission, the Washington State Office of Community Development, HUD, USDA-RD and/or local municipalities will be required.” Also from their website, “In 2003, WCRA partnered with the Washington State Housing Finance Commission (WSHFC) to create the Capital Plus! program.”<sup>12</sup>

Eight board members of the WA Community Reinvestment Association are associated with banks; two with the Washington State Housing Finance Commission; one with the Washington State Department of Commerce; and one with Enterprise Community Partners.

When this researcher emailed them for more information on the loan to NAAM, the President responded that all information was proprietary other than any info on the website which was public. Given their relationship with public entities, it is disturbing if this is, in fact, true.

### **Bellwether Housing**

Bellwether Housing is the nonprofit developer for the project. Formerly Housing Resources Group, they were incorporated by the Downtown Seattle Association in 1980. According to their website, “Bellwether is Seattle's largest nonprofit affordable housing provider.”

There is basically no information in the King County Records or on Bellwether Housing’s website about their role in the Colman School project. The only clue that they are involved is that the Housing Resources Group is listed on the Return Address for some of the subordination agreements granting rights to the WA State Housing Finance Commission.

All contracts with the entity that is now known as Bellweather Housing pertaining to the Colman School project are being formally requested.

### **What do annual filings with WA State and the IRS say about ownership of Colman School?**

#### *Washington State Secretary of State findings*

Some of the annual reports filed with the Washington State Secretary of State required corporations to answer the question: “Does your entity own real property such as land or buildings (including leasehold interests) in Washington?”

The following chart shows how Urban League Village LLC and The Urban League Apartments at Colman School LP answered this question in their annual filings.

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<sup>12</sup> <https://wcra.net/about/>

*Who Owns Colman School?*

**Urban League Entities' Ownership of Property**  
*“Does your entity own real property such as land or buildings  
 (including leasehold interests) in Washington?”*

<b>Year</b>	<b>Urban League Village LLC</b>	<b>The Urban League Apartments at Colman School LP</b>
<b>2004</b>	—	
<b>2005</b>	—	
<b>2006</b>	—	formed
<b>2007</b>	No	
<b>2008</b>	Yes	
<b>2009</b>		
<b>2010</b>	No	
<b>2011</b>	Yes	
<b>2012</b>	Yes	Yes / Yes
<b>2013</b>	Yes	Yes / Yes
<b>2014</b>	Yes	Yes
<b>2015</b>	Yes	Yes
<b>2016</b>	Yes	—
<b>2017</b>	Yes	—
<b>2018</b>	—	No
<b>2019</b>	Yes	Yes
<b>2020</b>	No	No

Surprisingly, Urban League Village LLC's answer varies from year to year. Some years the question does not appear. Other years the question is there, but the answer is left blank. Significantly, their answer was "No" in 2007, 2010 and 2020; they answered "Yes" for years 2008, 2011-2017 and 2019.

Answers from The Urban League Apartments at Colman School LP vary less, but still they vary: "Yes" from 2012-2015 and again in 2019; no answer 2016-2017; "No" in 2018 and 2020.

***In 2020, both the LLC and the LP report that they do not own land or buildings in WA State. Yet the last deed of record per King County Records suggests that they both do own property at Colman School.***

This raises questions about aspects of the agreements between these entities and the banking and public institutions that have given loans or otherwise invested in the development. Have the Urban League entities defaulted? Were agreements made for NAAM or other public entities to acquire ownership? Is it possible that ownership might have changed without new deeds being issued?

Perhaps ULMS does now own all or part of the building even though new deeds have not been issued and they own the unit or units as ULMS and not as the LLC or LP.

### **IRS filings**

Of the four Urban League corporations with interests in Colman School, only the Urban League of Metropolitan Seattle and Urban League Village Condominium Association are nonprofits. The Condo Association does not have any records that are searchable via [guidestar.org](http://guidestar.org).

990s for the Urban League of Metropolitan Seattle from 2015-2017 are available for free on [guidestar.org](http://guidestar.org).

In 2015 they list two Other Assets totaling "913,969":

<u>Description</u>	<u>Book value</u>
(1) Investment in low income housing partnership	\$415,850
(2) LLC investment in Urban League Apartments	\$498,119

In 2016 and 2017 they list only one Other Asset:

"Investment in Urban League Apts"	\$498,119
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Thus, in 2015, 2016 and 2017 they list the book value of their "LLC investment in Urban League Apartments" or "Investment in Urban League Apts" to be exactly the same, despite Seattle's rising housing and property market.

***How are the two separate values for 2015 Other Assets calculated and what is the distinction between the 2? ULMS owes the public a clear explanation.***

### *ULMS and the LLC*

2015-2017: They answer “Yes” to the question, “Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3?” and identify “Urban League Village LLC” as the disregarded entity.

2015: Urban League Village LLC, Primary activity: “condominium rental”; Total income: “-282,715”; End-of-year assets: “5,072,572”; Direct controlling entity: “Urban League of Metropolitan Seattle”.

2016: Urban League Village LLC, Primary activity: “rental”; Total income: “-283,195”; End-of-year assets: “4,711,031”; Direct controlling entity: “ULMS”.

2017: Urban League Village LLC, Primary activity: “rental”; Total income: “-283,945”; End-of-year assets: “4,349,661”; Direct controlling entity: “ULMS”.

### *ULMS and the LP*

Was the organization related to any tax-exempt or taxable entity? “Yes”, 2015-2017, listing “Urban League Apartments at Colman School LP”

ULMS re: Urban League Apartments at Colman School LP

2015: General or managing partner? “Yes”, “0 010%” Percentage ownership.

2016: General or managing partner? “No”, “0 010%” Percentage ownership.

2017: General or managing partner? “No”, Percentage ownership is left blank.

Reminder: The LLC = General Partner of Urban League Apartments at Colman School LP. Also, the LLC = ULMS.

## ULMS Ownership of Land & Buildings on their 990s 2015-2017

<b>Part VI Land, Buildings, and Equipment.</b> Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.				
Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		408,637		408,637
<b>b</b> Buildings . . . . .		3,821,736	1,119,594	2,702,142
<b>c</b> Leasehold improvements . . . . .		3,839,279	2,058,619	1,780,660
<b>d</b> Equipment . . . . .		189,081	185,361	3,720
<b>e</b> Other . . . . .				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . . . ►				4,895,159

  

<b>Schedule D (Form 990) 2015</b>				
<b>Part VI Land, Buildings, and Equipment.</b> Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.				
Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		408,637		408,637
<b>b</b> Buildings		3,821,736	1,246,986	2,574,750
<b>c</b> Leasehold improvements		3,839,279	2,313,059	1,526,220
<b>d</b> Equipment . . . . .		44,846	43,130	1,716
<b>e</b> Other . . . . .				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . . . ►				4,511,323

  

<b>Schedule D (Form 990) 2016</b>				
<b>Part VI Land, Buildings, and Equipment.</b> Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.				
Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		408,637		408,637
<b>b</b> Buildings . . . . .		3,827,131	1,374,744	2,452,387
<b>c</b> Leasehold improvements		3,879,279	2,568,165	1,311,114
<b>d</b> Equipment . . . . .		54,755	44,046	10,709
<b>e</b> Other . . . . .				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . . . ►				4,182,847

  

<b>Schedule D (Form 990) 2017</b>				
<b>Part VI Land, Buildings, and Equipment.</b> Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.				
Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		408,637		408,637
<b>b</b> Buildings . . . . .		3,827,131	1,374,744	2,452,387
<b>c</b> Leasehold improvements		3,879,279	2,568,165	1,311,114
<b>d</b> Equipment . . . . .		54,755	44,046	10,709
<b>e</b> Other . . . . .				
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) . . . . . ►				4,182,847

It seems suspect that the value of their land and buildings is only depreciating in a market that is otherwise climbing.

## Conclusions

This report is inconclusive. Hopefully, a community audit of the items that are readily available to the IRS, the banks, the City, the County and the State will reveal more answers.

Chicago Title Insurance Company's own records are internally contradictory. They say that Northwest African American Museum is the owner of and pays taxes on Unit 1, and that the Urban League of Metropolitan Seattle owns and pays taxes on Unit 2. However, the last deeds of record they have on file point to Urban League Village LLC as the deed holder for Unit 1 and Urban League Apartments at Colman School LP as the deed holder for Unit 2.

A full list of partners and their percent holdings of Urban League Village Apartments at Colman School LP is needed, as is a complete list of all Eligible Mortgagees of Units 1 and 2. Very little is known about Homestead Equity Fund, one of the limited partners revealed in the Condo Declaration. More information is needed to understand their role in this project.

There are a lot of inconsistencies in the filings of the various connected Urban League entities. More information is needed to understand why in 2020, both the LLC and the LP report that they do not own land or buildings in WA State, yet the last deed of record per King County Records suggests that they both do own property at Colman School.

More information is needed to understand the relationship between NAAM and the Urban League entities. The fact that they prepaid over half a million dollars in rent is one indication that they do not have a traditional landlord-tenant relationship. The fact that US Bank seems to directly benefit from this prepayment raises further questions.

It is the aim of this report to outline the above inconsistencies and the suspicious facts highlighted throughout this document to prompt the Seattle City Council and the King County Council to A) make available to the public the documents required for a more complete Community Audit; and B) conduct their own investigations.

## **Appendix I. Public funds invested in the Colman School Project**

Records 20061211000013 – 20061211000023, recorded on Dec 11, 2006, document the following public loans issued to the Colman School Project in 2006:

The Urban League Apartments at Colman School LP gets a tax-exempt loan of \$5,750,000 from SHA that is held by US Bank

The Urban League Apartments at Colman School LP gets a loan of \$2,050,000 from Seattle at 12% interest

Urban League Apartments at Colman School LP and ULMS gets a \$1,350,000 Loan under 2002 Seattle Housing Levy's Operating and Maintenance Trust Fund Program

The Urban League Apartments at Colman School LP gets a loan of \$1,000,000 from Dept of Community, Trade, and Economic Development payable to Urban League of Metropolitan Seattle

The Urban League Apartments at Colman School LP gets a loan of \$750,000 (can be increased to \$1M) from King County, King County Housing and Community Development Program, 12% interest

The Urban League Apartments at Colman School LP gets a loan of \$762,852 from Urban League of Metropolitan Seattle

The project has received additional public funds. A public accounting of all public funds received is requested.

## **Appendix II. Known affiliations of members of the Urban League Village Condominium Association Board of Directors, 2007-2019**

The initial Board of Directors of the Urban League Village Condominium Association, July 2007:

James Kelly % The Urban League of Metropolitan Seattle

Paul Chiles % The Urban League of Metropolitan Seattle

Carver Gayton % The Northwest African American Museum

July 2008:

James Kelly % The Urban League of Metropolitan Seattle

Paul Chiles % The Urban League of Metropolitan Seattle

Ruby Smith Love<sup>13</sup>, Northwest African American Museum

July 2009:

James Kelly % The Urban League of Metropolitan Seattle

Paul Chiles % The Urban League of Metropolitan Seattle

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<sup>13</sup> Board Chair, Northwest African American Museum (Jan 2005 – Sep 2011)

*Who Owns Colman School?*

AAHMCC

Page 19 of 21

Barbara Earl Thomas<sup>14</sup>, Northwest African American Museum

July 2010:

Paul Chiles % The Urban League of Metropolitan Seattle  
Barbara Earl Thomas, Northwest African American Museum  
James Kelly % The Urban League of Metropolitan Seattle

December 2011:

Walle R. Ralkowski  
Barbara Earl Thomas, Northwest African American Museum  
Steven M. Okamura

October 2012:

Walle R. Ralkowski  
Barbara Earl Thomas, Northwest African American Museum  
Pamela L Banks, The Urban League of Metropolitan Seattle

July 2013:

Walle R. Ralkowski  
Barbara Earl Thomas, Northwest African American Museum  
Pamela L Banks, The Urban League of Metropolitan Seattle

July 2014:

Nathaniel Miles, The Urban League of Metropolitan Seattle<sup>15</sup>  
Pamela Banks, The Urban League of Metropolitan Seattle  
Rosanna Sharp<sup>16</sup>, Northwest African American Museum

July 2015:

Pamela Banks, The Urban League of Metropolitan Seattle  
Rosanna Sharp, Northwest African American Museum  
Robert Williams<sup>17</sup>, The Urban League of Metropolitan Seattle

July 2016:

Pamela Banks, The Urban League of Metropolitan Seattle

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<sup>14</sup> Thomas was appointed deputy director of the Northwest African American Museum in 2005, before the museum opened to the public, and moved up to the position of executive director in 2008.<sup>18</sup> Wanting to spend more time on her art, she stepped down from her full-time executive director job in January 2013.<sup>19</sup> Manitach, Amanda. "[Mayor's Arts Award: Barbara Earl Thomas](#)". City Arts Online. Retrieved May 20, 2015. "[Northwest African American Museum | Art, History, Culture](#)". naamnw.org. Retrieved March 25, 2018.

<sup>15</sup> Chairman, Board of Directors 2012. Check additional paperwork.

<sup>16</sup> Executive Director, Northwest African American Museum, Feb 2013 – Oct 2016

<sup>17</sup> Also, Community Reinvestment Act (CRA) loans and investment manager at Union Bank  
*Who Owns Colman School?* AAHMCC Page 20 of 21

Rosanna Sharp, Northwest African American Museum  
Robert Williams, The Urban League of Metropolitan Seattle

July 2017:

Keely Brown<sup>18</sup>, The Urban League of Metropolitan Seattle  
Pamela Banks, The Urban League of Metropolitan Seattle  
Leesa Manion, Chief Administrator of King County Prosecuting Attorney's Office

July 2018:

Keely Brown, The Urban League of Metropolitan Seattle  
Leesa Manion, Chief Administrator of King County Prosecuting Attorney's Office  
Michelle Meriweather, The Urban League of Metropolitan Seattle

August 2019:

Keely Brown, The Urban League of Metropolitan Seattle  
Leesa Manion, Chief Administrator of King County Prosecuting Attorney's Office  
Michelle Meriweather, The Urban League of Metropolitan Seattle

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<sup>18</sup> Board of Directors, September 2013-present  
*Who Owns Colman School?* AAHMCC