

TACOMA COMMUNITY REDEVELOPMENT AUTHORITY

Meeting Agenda

February 11, 2021
Zoom Virtual Meeting- Call in and link information provided

Meeting No. 706

7:30 A.M. **ROLL CALL**

CALL TO ORDER

THE FOLLOWING ITEMS ARE PRESENTED FOR BOARD REVIEW AND DISCUSSION:

CONSENT AGENDA

1. TCRA Meeting Minutes for December 17, 2020 Exhibit 1
2. TCRA Meeting Minutes for January 28, 2021 Exhibit 2

HOUSING

3. Horizon Housing: Hilltop Lofts Project – Felicia Medlen Exhibit 3

Staff will request approval of loan terms, and authorization for the Tacoma Community Redevelopment Authority (TCRA) Administrator to execute the loan document and related security documents with Hilltop Loft Housing, LLC.

4. House Bill 1590: Affordable Housing Funding – Jeff Robinson

HB 1590 allows for 1/10 of 1% of sales tax to be set-aside for affordable housing. Information will be provided regarding its potential in the City of Tacoma.

5. 2021-22 Annual Action Plan and CDBG NOFA – Heidi Burbidge & Erika Bartlett Exhibit 4

Staff will provide an overview of the 2021-22 Annual Action Plan and Community Development Block Grant Notice of Funding Availability (CDBG NOFA) processes.

EXECUTIVE SESSION

Discussion with legal counsel.

FOR THE GOOD OF THE ORDER

ADJOURN



MINUTES
Meeting No. 702

December 17, 2020
Virtual Zoom Meeting Video and Call-information provided

Steve Snider called the meeting to order at 7:31 a.m.

ROLL CALL

TCRA Members Present: Steve Snider, Ian Northrip, Terri Scott, Meredith Neal, Jason Kors, Kimber Starr, and Karsen Keever

TCRA Members Absent: Dan Montopoli, Alex Hogan, Lacey Barker, and Tera Williams

TCRA Staff in Attendance: Karlee Iverson, Jason Meija, Drena Sellers, Carol Wolfe, Will Suarez, Felicia Medlen, Erika Bartlett, Carrie Wickstrom, Heidi Burbidge and Jeff Robinson

Guests in Attendance: Kathy McCormick, Cindy Norton, and Karen Peterson

THE FOLLOWING ITEMS WERE PRESENTED FOR BOARD REVIEW AND DISCUSSION:

CONSENT AGENDA

1. TCRA Meeting Minutes for November 19, 2020
2. TCRA Quarter 3 Administrative Report
3. November Check Register

MOTION: Jason Kors moved to approve the Consent Agenda. Terri Scott seconded the motion, which passed unanimously.

ADMINISTRATIVE

4. TCRA 2021-2022 Biennium Budget – Felicia Medlen

Staff presented the TCRA Administrative Budget for 2021 and 2022.

MOTION: Meredith Neal moved to approve the budget as amended with a correction to the line item title for “Construction Management Services”, which will now read “Due Diligence Services”. Terri Scott seconded the motion, which passed unanimously.

HOUSING

5. Tacoma Housing Authority – Property Acquisition Support – Felicia Medlen

Staff from the City of Tacoma and the Tacoma Housing Authority (THA) presented an opportunity to invest Community Development Block Grant (CDBG) funds in support of THA’s acquisition of the Conifer South property located at 5234 South Warner Street.

MOTION: Ian Northrip moved to invest up to \$1.5 million in CDBG funds toward the acquisition of Conifer South, located at 5234 South Warner Street. Meredith Neal seconded the motion, which passed unanimously.

ECONOMIC DEVELOPMENT

6. IX RLF Administration Plan Amendment Scoring Range – Will Suarez

At the request of the Board, staff presented a mapping application showing overlaps between the city of Tacoma's Equity Index and federal Empowerment Zones, HUBZones, and Opportunity Zones. Staff then requested approval of a scoring threshold that would allow the Community and Economic Development director to approve applications for Revolving Loan Fund Resurgence Loans.

MOTION: Meredith Neal moved to authorize the Community and Economic Director to approve applications for Revolving Loan Fund Resurgence Loans with a score between 3 and 32 for applicants that opened a business during or prior to 2020. Terri Scott seconded the motion, which passed unanimously.

EXECUTIVE SESSION

The Board did not enter into an Executive Session.

FOR THE GOOD OF THE ORDER

Will Suarez requested a special meeting before December 31, 2020 to seek Board action on an additional deferral period for Economic Development Revolving Loan Fund Payments.

ABSENT MEMBERS WERE EXCUSED

MOTION: Jason Kors moved to excuse Dan Montopoli, Alex Hogan, Lacey Barker, and Tera Williams. Ian Northrip seconded the motion, which passed unanimously.

ADJOURN

The meeting adjourned at 8:48 a.m.

Respectfully Submitted,

Ian Northrip



MINUTES
Meeting No. 705

January 28, 2021
Virtual Zoom Meeting Video and Call-information provided

Dan Montopoli called the meeting to order at 7:33 AM.

ROLL CALL

TCRA Members Present: Kimber Starr, Dan Montopoli, Lacey Barker, Karsen Keever, Meredith Neal, Terri Scott, and Ian Northrip.

TCRA Members Absent: Jason Kors, Tera Williams, Alex Hogan, and Steve Snider

TCRA Staff in Attendance: Mylene Malabana, Diana Kerin-Tate, Carrie Wickstrom, Felicia Medlen, Erika Bartlett, Megan Gustafson, Drena Sellars, Heidi Burbidge, and Jason Mejia

Guests in Attendance: Leah Hafterson, Saundra Groshong, Linda Sao, and Kathy McCormick

THE FOLLOWING ITEMS WERE PRESENTED FOR BOARD REVIEW AND DISCUSSION:

CONSENT AGENDA

1. TCRA Meeting Minutes for January 14, 2021
2. December 2020 Check Register

MOTION: Ian Northrip moved to adopt the Consent Agenda. Terri Scott seconded the motion, which passed unanimously.

ADMINISTRATIVE

3. 2019 Audit Results – Office of the Washington State Auditor

The Office of the Washington State Auditor presented the results of the TCRA audit. This item was informational purposes only. No Board action was required.

HOUSING

4. Acquisition Update – Felicia Medlen

Staff provided an update on the Conifer South Acquisition Project, located at 5234 South Warner Street. The acquisition will preserve 32 units of senior housing affordable to households at or below 50% area median income. A representative from Tacoma Housing Authority was available to answer questions from Board members.

MOTION: Terri Scott moved to authorize a 10-year, deferred loan of \$1.5 million at an interest rate of 1% to Tacoma Housing Authority for the acquisition of Conifer South. The loan document and related security

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documents will be executed by the TCRA Administrator. Lacey Barker seconded the motion, which passed unanimously.

FOR THE GOOD OF THE ORDER

ABSENT MEMBERS WERE EXCUSED

MOTION: Karsen Keever moved to excuse Jason Kors, Tera Williams, Alex Hogan, and Steve Snider. Lacey Barker seconded the motion, which passed unanimously.

ADJOURN

The meeting adjourned at 8:19 AM.

Respectfully Submitted,

Terri Scott



TO: Tacoma Community Redevelopment Authority Board

FROM: Felicia Medlen, Housing Division Manager

SUBJECT: Hilltop Lofts- Permanent Supportive Housing Project

DATE: February 11, 2021

SUMMARY

Request approval of loan terms, and authorization for the Tacoma Community Redevelopment Authority (TCRA) Administrator to execute the loan document and related security documents with Hilltop Loft Housing, LLC.

BACKGROUND

Horizon Housing Alliance, submitted an application for HOME funding through the NOFA application process in 2019 for a 57 unit complex for permanent supportive housing for individuals experiencing homelessness. Horizon Housing Alliance was awarded HOME funds of \$600,000 from the TCRA with a grand total of \$15,527,163.85 in development funds from other partners. The breakdown of those funds include the following:

TCRA/City of Tacoma (HOME funds)	\$600,000
Pierce County (2060 Funds)	\$650,000
Housing Trust Fund	\$2,600,000.00
LIHTC Equity Tax Credit	\$11,467,300.85
Deferred Developer Fee	\$209,863.00

ISSUE

The project has firm commitments for all funding required for construction and underwriting has been completed. The project is scheduled to close March 1st 2021. In order to close we need to approval of the loan terms.

RECOMMENDATION

Staff recommends providing the investment of six hundred thousand dollars (\$600,000) to Horizon Housing Alliance with the following terms:

- 40 year deferred loan
- 1% interest

Staff also requests the Board authorize the TCRA Administrator to execute the loan and related security documents once they are finalized.

NEXT STEPS

Staff will work with Horizon Housing Alliance to finalize and execute documents.



TO: Tacoma Community Redevelopment Authority Board

FROM: Heidi Burbidge, Management Analyst II
Erika Bartlett, Contract & Program Auditor

SUBJECT: **2021-2022 Annual Action Planning + Notice of Funding Availability for Community Development Block Grant Projects**

DATE: February 11, 2021

SUMMARY

Provide information on the context of 2021-2020 Annual Action Planning pursuant to HUD's Consolidated Planning process requirements and on the status of the City of Tacoma/TCRA 2021 Community Development Block Grant Notice of Funding Availability.

BACKGROUND

2020-24 Consolidated Plan

As a participating jurisdiction in federal Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) programs administered by the Department of Housing and Urban Development (HUD), the City of Tacoma implements the Consolidated Planning process for the Tacoma-Lakewood HOME Consortium. The five-year cycle begins with the development of a Consolidated Plan (Con Plan), followed by yearly Annual Action Plans (AAPs) and Consolidated Annual Performance and Evaluation Reports (CAPERs). All plans, reports, and funding opportunities are available on the [City of Tacoma's Housing Division webpages](#).

The 2020-24 Con Plan provides the current framework for addressing housing, human services, and community and economic development needs in Tacoma. An extensive public process generates qualitative input, which is supported by quantitative data presented in the Con Plan's Housing Needs Assessment and Market Analysis. The five-year Strategic Plan offers a foundation for administering programs through yearly AAPs.

2021-22 Annual Action Plan

Each program year, which runs July 1st – June 30th, goals and objectives are identified based on this analysis. These guide the strategic work carried out through AAPs delineating activities and specific federal and non-federal resources that will be used that program year. At the end of the program year, progress towards these goals and objectives is reported in the CAPER and submitted to HUD for review.

Annual planning begins midway through the prior program year. Coordination on the 2021-22 AAP began in December, 2020 and is currently underway. The process centers on developing a spending plan that describes how CDBG, HOME, and ESG formula grants, and any other expected resources being leveraged, will be used to support Con Plan objectives.

HOME and a portion of CDBG funds are allocated through two annual competitive funding opportunities managed by the Housing Division. The CDBG Notice of Funding Availability (NOFA) process, which allocates a portion of CDBG funds to minor capital projects, home repair, and microenterprise assistance, coincides with the Annual Action Planning process. During this time, Neighborhood and Community Services is also developing a spending plan for ESG and CDBG Public Services funds. An Affordable Housing NOFA is released later in the program year.

In compliance with the City's Community Participation Plan, recommendations on which projects will receive grants through the CDBG NOFA are made by the Tacoma Community Redevelopment Authority (TCRA), the Human Services Commission, and the five-member ESG panel. Recommended projects are incorporated into the draft AAP and made available for public review and comment. Staff then seeks City Council approval on the plan before submitting it to HUD in mid-May preceding the 2021-2022 program year. The plan is finalized once it is approved by HUD.

The planning process allocates HOME, CDBG, and any other dedicated funds to the TCRA to administer directly in support of Economic Development and Affordable Housing. After the Annual Action Plan process is completed, staff releases the Affordable Housing NOFA for projects funded by HOME, CDBG, and any other local resources dedicated to Affordable Housing. The TCRA is the approval body for projects receiving funds through the Affordable Housing NOFA.

Community Development Block Grant NOFA: Project Evaluation and Selection Process

As part of the current Annual Action Planning portion of the Con Plan cycle, the 2021 CDBG NOFA was released on January 19, 2021 to solicit applications for funds in support of the following project types:

- Housing Assistance: Residential Rehabilitation and Preservation of Single-Family Homeowner Occupied Households
- Economic Development: Microenterprise Assistance
- Off- Site Public Improvements/ Public Facilities

The deadline for submitting an application was February 8, 2021. Housing staff then conduct a technical review to determine whether the proposed projects accomplish an eligible activity and will comply with CDBG program regulations. Eligible applicants will present projects to the TCRA Board on February 25, 2021. Oral presentations are for informational purposes only. No board action will be needed at that meeting.

During the application review process, Housing Division staff will evaluate projects based on the general funding priorities of the Tacoma City Council, as well as the 2021 CDBG NOFA criteria. These priorities and criteria are listed below.

General Funding Priorities of the Tacoma City Council

CDBG and HOME Funds will support activities that: (a) are consistent with existing, City of Tacoma plans (e.g. Consolidated Plan, Comprehensive Plan, Human Services Strategic Plan); (b) leverage other funding resources when applicable; (c) can commit funds within 12 to 24 months; (d) are proposed by an organization with a proven capacity for project completion and good management; (e) show reasonable cost effectiveness; and (f) do not require General Fund monies for project operation and maintenance.

2021 CDBG NOFA Criteria

1. Program Need;
2. Experience;
3. Collaboration;
4. Performance;
5. Capacity;
6. Effectiveness;
7. City Council Priorities;
8. Fiscal Responsibility; and
9. Completeness of Application.

Staff will prepare a matrix of recommendations that will be presented to the board on March 11, 2021. Funding decisions will be limited by the scope and quality of applications received. Approved projects are incorporated into the AAP. Following a 30-day public comment period and opportunity for public comment, the AAP is submitted to City Council

for final action. The approved plan will be submitted to HUD as required by the Consolidated Planning Process.

NEXT STEPS

Eligible applicants will provide oral presentations at the February 25, 2021 TCRA Board meeting.