



MINUTES
Meeting No. 712

June 24, 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: Meredith Neal, Kimber Starr, Dan Montopoli, Miriam McBride, Karsen Keever, Jason Kors, Terri Scott, Ian Northrip

TCRA Members Absent: Lacey Barker, Steve Snider, Joseph van Dyk

TCRA Staff in Attendance: Felicia Medlen, Erika Bartlett, Jeff Robinson

Guests in Attendance: Paul Miller

THE FOLLOWING ITEMS WERE PRESENTED FOR BOARD REVIEW AND DISCUSSION:

CONSENT AGENDA

1. TCRA Meeting Minutes for May 13, 2021
2. April Check Register
3. May Check Register

MOTION: Ian Northrip moved to adopt items presented in the Consent Agenda. Meredith Neal seconded the motion, which passed unanimously.

ADMINISTRATION

4. TCRA Board Officer Election

Board members were provided a virtual ballot and casted their vote for new officers. Results were tabulated during the meeting.

MOTION: Jason Kors moved to authorize the results of the 2021 TCRA Officer Election, appointing the following Board members to their new roles beginning June 25, 2021:

President – Dan Montopoli
Vice President – Meredith Neal
Treasurer – Jason Kors
Secretary – Kimber Starr

Terri Scott seconded the motion, which passed unanimously.

ECONOMIC DEVELOPMENT

5. LeMay Museum – Covid Relief Loan Request

Staff requested Board action on a Covid relief loan for the LeMay Car Museum. Paul Miller of the LeMay Museum made a presentation in support of the request.

MOTION: Jason Kors recused from voting due to a potential conflict of interest. Terri Scott moved to authorize a loan from the Urban Development Action Grant (UDAG) fund in the amount of up to \$262,000 (inclusive of any interest due) to the LeMay Museum with a term of 10 years, at an interest rate of .865%, and with a one-year deferral period. Meredith Neal seconded the motion. Voice vote was taken and carried. The motion was declared adopted.

Ayes: 7 Nays: 0 Absent: 3 Abstain: 1

FOR THE GOOD OF THE ORDER

Erika Bartlett reminded Board members of requirements to complete OPMA training.

ABSENT MEMBERS WERE EXCUSED

MOTION: Jason Kors moved to excuse Lacey Barker, Steve Snider, and Joseph van Dyk. Karsen Keever seconded the motion, which passed unanimously.

ADJOURN

The meeting adjourned at 8:00 AM.

Respectfully Submitted,

Ian Northrip

TCRA
Check/Voucher Register
From 6/1/2021 Through 6/30/2021

Number	Date	Payee	GL Title	Amount
16970 (void)	6/10/2021	Schnabel, Miklaus & Batts, Kar	Notes Receivable (LT)	(104.17)
16972	6/11/2021	LAKEWOOD AREA SHELTER ASSN	MISC EXPENSES	890.23
ACH1016	6/3/2021	Pacific Coast Renovations, LLC	Rehabilitation Payable	18,513.60
ACH1017	6/3/2021	Defiance Construction LLC	Rehabilitation Payable	16,530.00
ACH1018	6/3/2021	FISERV DIRECTSOURCE	Loan Processing Fee	30.31
ACH1019	6/3/2021	EISENHOWER & CARLSON, PLLC	Legal Fees	4,111.79
ACH1020	6/3/2021	DOWNHOME SOLUTIONS	Prof Membership & Subscription	3,843.45
ACH1021	6/10/2021	CITY TREASURER	Accrued Account Payable	393.75
ACH1021b	6/10/2021	CITY TREASURER	Accrued Account Payable	5,463.77
ACH1021c	6/10/2021	CITY TREASURER	Accrued Account Payable	4,074.19
ACH1021d	6/10/2021	CITY TREASURER	Accrued Account Payable	27,784.70
ACH1022	6/10/2021	Schnabel, Miklaus & Batts, Kar	Notes Receivable (LT)	104.17
ACH1023	6/10/2021	Schnabel, Miklaus & Batts, Kar	Notes Receivable (ST)	104.17
ACH1024	6/10/2021	EISENHOWER & CARLSON, PLLC	Pro Fees (Legal)	819.00
ACH1025	6/10/2021	PUGET SOUND TITLE & ESCROW	Title Recordings	2,760.00
ACH1026	6/17/2021	NVL LABORATORIES, INC	Operating Agency Costs	3,680.52
ACH1027	6/17/2021	Defiance Construction LLC	Rehabilitation Payable	14,339.77
ACH1028	6/18/2021	Pacific Coast Renovations, LLC	Operating Agency Costs	5,702.85
ACH1029	6/24/2021	STATE AUDITOR'S OFFICE	Pro Fees (Audit)	1,713.23
ACH1030	6/24/2021	STATE AUDITOR'S OFFICE	Pro Fees (Audit)	1,611.93
ACH1031	6/24/2021	STATE AUDITOR'S OFFICE	Pro Fees (Audit)	4,354.33
ACH1032	6/24/2021	Tacoma News Inc	Advertising	256.63
ACH1033	6/24/2021	NVL LABORATORIES, INC	Operating Agency Costs	859.80
ACH1034	6/24/2021	Timber Coast Construction	Operating Agency Costs	1,114.10
WIRE105	6/9/2021	YWCA OF PIERCE COUNTY	Housing Development Loan Funds	<u>93,541.64</u>
				<u>212,493.76</u>



TO: Tacoma Community Redevelopment Authority

FROM: Jeff Gumm, Program Manager

DATE: July 22, 2021

SUBJECT: HOME Funding for Living Access Support Alliance (LASA) –
Acquisition of 8966 Gravelly Lake Dr. SW, Lakewood, WA

Introduction: This is an advisory memorandum for the purpose of providing TCRA with information regarding a request to commit \$600,000 in HOME Investment Partnership Program (HOME) funds to Living Access Support Alliance (LASA) for the acquisition of a single family residence located at 8966 Gravelly Lake Dr. SW for the purpose of maintaining affordable rental housing. Funding is proposed to be provided as a 15-year forgivable loan.

Project Information: This project proposes to acquire 8966 Gravelly Lake Dr. SW. The parcel (APN# 5130001660; 23,000 sf/.528 acres) sits directly adjacent to the LASA Prairie Oaks Client Services Center and 15-unit affordable housing project located at 8956 Gravelly Lake Dr. SW (APN#9009950010/20; 43,200 sf/.7759 acres). This acquisition would complete LASA's acquisition of all parcels located directly to the N (5516 Fairlawn Dr. SW- APN# 5130001640; 14,400 sf/.3305 acres – acquired Jan. 15, 2021) and to the W of the service center (5520 Fairlawn Dr. SW- APN#5130001650; 22,950 sf/.5268 acres – acquired Oct. 12, 2011). In total, the four contiguous parcels would total 103,550 sf or slightly larger than 2.377 acres.

The four parcels listed above are presently zoned Arterial Residential Commercial (ARC) and Residential 4 (R4); however, the parcels directly adjacent are zoned Multi Family 2 (MF2) which allows for greater density. Current zoning would only allow for the future development of 18 units on the combined parcels; if rezoned MF2 (Lakewood staff anticipates City Council support for a rezone), the site could be redeveloped as a planned development district and eligible for between 50 and 60 units of affordable housing.

LASA has submitted an application to acquire the property for a total of \$625,000 in HOME funds and additional project funds of \$50,000 (\$26,000 2060 funding and \$24,000 donations in kind for real estate services donated), for a total project cost of \$675,000. Negotiations with the present owner have reduced the acquisition cost to \$550,000 with another \$50,000 in possible garage demolition costs and minor repairs (i.e. painting and removal of illegal bedrooms). The property was recently appraised at \$530,000. Total project costs requested to acquire this property are \$600,000 in HOME funds; no additional funds required.

The property is presently being used as a single family rental unit and would continue to be used as a low income single family rental. Income levels for rental families would be restricted so as not to exceed 80% of the area median income (i.e. \$72,650 for a family of 4), with rents not to exceed approved high HOME rent limits (\$1,306 for a 2-bedroom house). The house would be brought up to HOME-required Housing Quality Standards (HQS) as part of this project.

Property History: The Assessor's website lists the property as a 0 bedroom, 0 bathroom, commercial property built in 1946; however, there have been some modifications (without proper permit) to add bedrooms. The house was inspected by City of Lakewood Rental Housing staff (Jeff Gumm and Sam Maloney) on December 17, 2020 and again on April 5, 2021. Inspection noted possibly two bedrooms which were added illegally (dining room being used as a bedroom and upstairs attic being used as a bedroom), and two rooms which could qualify as bedrooms which appeared to be unmodified from original construction. The house does have a bathroom and a kitchen. The property appeared to have once been a single family residence which was later converted into commercial use and is expected to be repaired and placed into service as a single family rental unit with minimal effort. With the house being used as a residential property, zoning would allow continuation of an existing use.

Use of Funds: Funding for this project would be provided through Lakewood's HOME Affordable Housing Fund established as part of HUD's Annual Action Plan process. To make funds available for this project Lakewood is moving \$244,466 from its 2021 Housing Rehab Fund to the Affordable Housing Fund. This fund adjustment will bring the Affordable Housing Fund balance up to \$641,493 available to be allocated to eligible HOME projects.

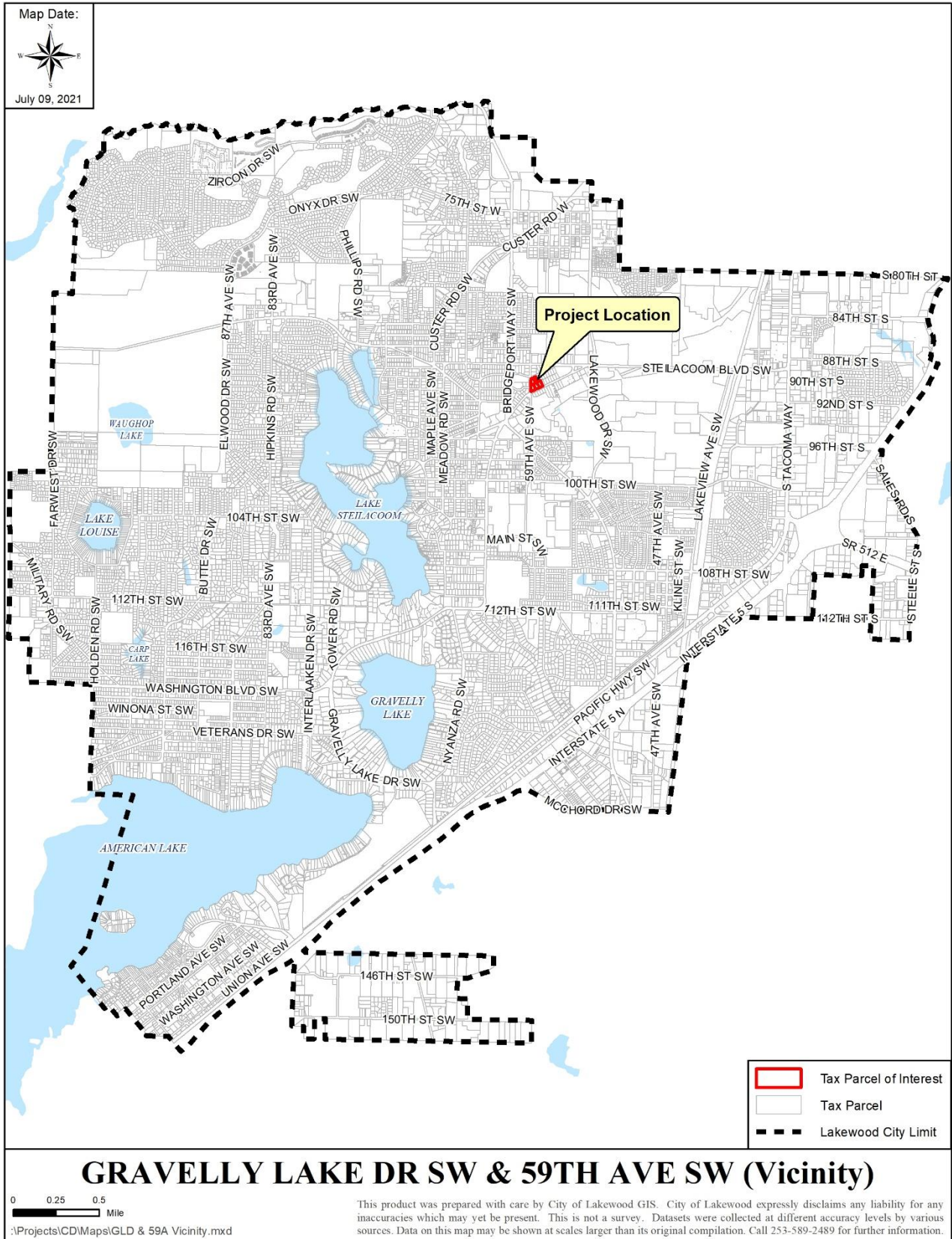
While this allocation (\$600,000) is high for a single family residence, it does make sense when looking at the highest and best use for the property. Developed on its own, 8966 Gravelly Lake Dr. SW, with its 23,000 sf or .528 acres could be developed into at most 8 units. The same for LASA's other adjacent parcels 5516 Fairlawn Dr. SW (8 units) and 5520 Fairlawn Dr. SW (2 units). In total, were the parcels developed on their own, one could construct at most 18 units. When combined with LASA's other adjacent parcels, including the existing Prairie Oaks Client Service Center parcel, and rezoned to Multifamily 2 (MF2) zoning, the property would be in excess of 2 acres, eligible to be developed as a planned development district, and would be able to construct between 50 and 60 units. It is this higher density and potential for development which make the parcel valuable and highly desirable for LASA to acquire.

Additionally, due to the COVID-19 pandemic HUD has relaxed some of its regulatory requirements to allow for the economic impacts of the coronavirus, allowing grantees to develop projects which may otherwise have been out of reach due to long development timelines or extensive development costs associated with land acquisition and rising construction costs. One of those exemptions is HUD's waiver of the Maximum Per Unit Subsidy Limit through September 30, 2021. Under current rules, a grantee may not exceed the per unit dollar limitations established under section 221(d)(3) of the National Housing Act. For Lakewood and this specific project, that cap would be set at \$213,717 (limit for a 2-bedroom home). Without this waiver in effect, the project as a single family rental would not qualify for federal funding at this level as it would exceed the maximum per unit subsidy limits. With this waiver in effect, there exists a one-time window to acquire this property and secure future development options for LASA.

Project Funding: Funding is proposed as a forgivable development subsidy to the developer; however, the property will carry an affordability covenant guaranteeing the property meets HUD's 15-year term of affordability for low income households, and a repayment clause should the terms of Lakewood's agreement not be met. The subsidy would be arranged as a 15-year deferred loan with forgiveness at the end of the affordability period provided all conditions of the agreement were met. The purpose of a development grant vs. development loan would be to allow LASA to provide lower rents to those low- and very-low income families who may otherwise be unable to afford current rents without deep subsidies. Additionally, rental income received from this property would not be sufficient to debt service a loan of this size while serving low-income rental households.

Request for Approval: TCRA Board approval is being requested to proceed with the proposal to authorize a development subsidy agreement in the amount of \$600,000 for Living Access Support Alliance (LASA) for the purpose of acquiring 8966 Gravelly Lake Dr. SW for low income rental opportunities.

Map showing project location within Lakewood city limits:



Map of 8966 Gravelly Lake Dr. SW and LASA's adjacent parcels:



GRAVELLY LAKE DR SW & 59TH AVE SW

0 50 100 Feet

:\Projects\CD\Maps\GLD & 59A.mxd

This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-589-2489 for further information.

Lakewood Zoning Map:

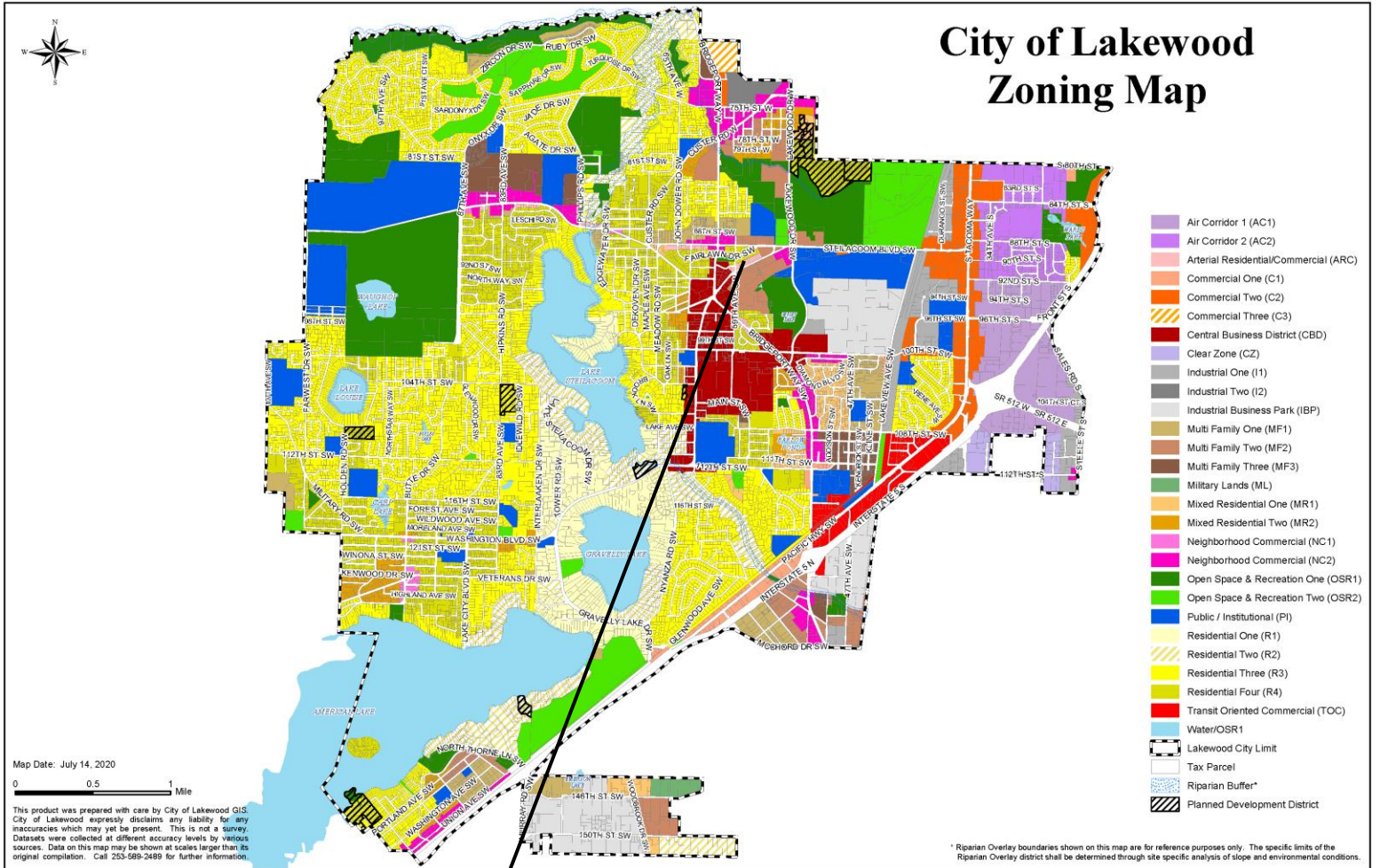


Exhibit 3



TO: Board of the Tacoma Community Redevelopment Authority
FROM: Heidi Burbidge, Management Analyst II
SUBJECT: 2021 Summer Affordable Housing Application Presentations and Update
DATE: July 22, 2021

SUMMARY

The purpose of this memo is to update the Board on the 2021 affordable housing funding round and provide information on the projects they will be hearing presentations about.

BACKGROUND

On May 17th staff released the notice of funding availability (NOFA) for the following fund sources and amounts: HOME- 770,584; AHF- 2,981,088. Applications were due on June 25th. Seven applications are currently under consideration and will be presenting to the board.

Below are the applications that will be presented (additional details can be found on pg. 3):

- Tacoma/ Pierce County Habitat for Humanity for the development of up to 16 units of single-family housing that will be sold to first-time homebuyers earning up to 80% of Area Median Income on 67th and Proctor St South in South Tacoma. Funds may also be utilized to assist first-time homebuyers earning 80% of Area Median Income to purchase one of the homes;
- Low Income Housing Institute for the development of 74 units of multi-family rental housing located in the Lincoln District 38th St. Corridor and serving senior citizens earning up to 50% of area median income;
- MacDonald Ladd Development LLC/Vaughn Bay for the development of 176 units of multi-family rental housing located on South Orchard Street and serving senior citizens earning up to 50% of area median income;

- Shiloh Baptist Church/New Life Housing for the development of 60 units of multi-family rental housing located in Tacoma's Hilltop Neighborhood and serving residents earning up to 50% of area median income;
- Tacoma Housing Authority for the development of 53 units of rental housing located in the Hilltop Neighborhood serving senior citizens earning up to 60% of area median income;
- Rescue Mission for systems replacement consisting of new furnaces and water heaters in 15 affordable units located at the Tyler Street Housing Development and serving formerly homeless households with incomes up to 30% AMI;
- Washington State Housing Finance Commission to provide down payment assistance to first-time homebuyers earning up to 80% of Area Median Income to purchase a home in the City of Tacoma.

Public Comment

As a requirement of the City's Citizen Participation Plan, staff advertised the eligible applicants in the Tacoma News Tribune on July 12, 2021 and invited public comment, both orally at the July 22, 2021 TCRA meeting and in writing through August 12, 2021. All comments will be considered by staff when compiling funding recommendations for the board to consider in August, 2021.

Next Steps

Recommendations will be presented to the Board on August 26, 2021.

Applicant	Project Name	Type of Project	Location	Population Served	# of Units	Funding Request	Total Project Cost	Eligible Funding Source(s)	Use of TCRA Proceeds	Activity Start Date
Tacoma / Pierce County Habitat for Humanity	Proctor Place	Building 16 Single Family Homes	67 th and South Proctor	60-80% AMI	16	\$800,000	\$4,317,626	HOME	Construction	10/1/2022
Low Income Housing Institute	Lincoln District Phase 1	New Construction— Rental for Seniors	711 S. 38 th St	Seniors, 50% or less AMI	74	\$3,750,000	\$30,799,169	Local and HOME	New Construction	4/29/2022
MacDonald Ladd Development LLC/Vaughn Bay	The Lookout	New Construction— Rental for Seniors	2401 S. Orchard St.	50% or less AMI	176	\$2,000,000	\$52,591,993	Local	Acquisition	6/15/2022
Shiloh Baptist/New Life Housing	Shiloh Redevelopment	New Construction— Multi Family Rental	815 S 13th Street / 1206-1208 S I Street	30-50% AMI	60	\$1,956,279	\$23,104,307	Local and HOME	Construction, Soft Costs	12/1/2022
Tacoma Housing Authority	1500 Hillside	New Construction— Rental for Seniors	1500 Hillside	60%, 40% and 30% AMI	53	\$1,117,039	\$24,460,483	Local and HOME	Construction, Soft Costs	10/1/2022
WSHFC	Tacoma DPA Program	Down Payment Assistance	Scattered Sites	80% or less AMI	10HH	\$100,000	\$200,000	HOME	DPA	Upon award
Rescue Mission	Tyler Lifecycle Replacement	Rehab-systems replacement	3202 S. Tyler St.	30% AMI or less	15	\$121,632	\$121,632	Local	Replace furnaces/hot water heaters	Not indicated
					Total	\$9,844,950				

HOME: \$559,061
HOME CHDO: \$211,523
AHF: \$2,981,088
Total Funds Available: \$3,751,672