

# TACOMA COMMUNITY REDEVELOPMENT AUTHORITY

## Meeting Agenda

October 22, 2020  
Zoom Virtual Meeting- Call in and link information

Meeting No. 699

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 October 8, 2020 Exhibit 1

### HOUSING

2. 2020 Affordable Housing Applications Presentations and Update- Felicia Medlen Exhibit 2

Each applicant eligible to receive funding through the 2020 Affordable Housing NOFA will provide a short presentation on their project. The Board will then have time to ask questions of the applicant. Presentations are informational only.

### ECONOMIC DEVELOPMENT

3. IX RLF Administration Plan Amendment- Will Suarez Exhibit 3

Staff requests the board to authorize the following: Loan request in the amount of \$25,000 or below will not require TCRA Board approval and will be approved by the Community and Economic Development Director at the City of Tacoma. The Community and Economic Director at the City of Tacoma or anyone with his or her authority has the authority to waive application fee and other loan fees for requests up to \$25,000 or below. Collateral requirement will be considered on a case-by-case basis for loan requests at \$25,000.00.

### EXECUTIVE SESSION

### FOR THE GOOD OF THE ORDER

### ADJOURN



**MINUTES**  
Meeting No. 698

October 8, 2020  
Virtual Zoom Meeting Video and Call-in information provided

Steve Snider called the meeting to order at 7:33 a.m.

**ROLL CALL**

TCRA Members Present: Steve Snider, Ian Northrip, Lacey Barker, Terri Scott, Dan Montopoli, Meredith Neal, Kimber Starr, and Jason Kors.

TCRA Members Absent: Alex Hogan, Karsen Keever, and Tera Williams.

TCRA Staff in Attendance: Danai Mangum, Karlee Iverson, Jason Meija, Drena Sellers, Jeff Robinson, Felicia Medlen, Erika Bartlett, and Carrie Wickstrom.

Guests in Attendance: Carol Wolfe and Will Suarez

***THE FOLLOWING ITEMS WERE PRESENTED FOR BOARD REVIEW AND DISCUSSION:***

**CONSENT AGENDA**

1. TCRA Meeting Minutes for September 10, 2020
2. TCRA Loan Write Off's September 2020

**MOTION:** Meredith Neal motioned to approve the consent agenda. Lacey Barker seconded the motion, which passed unanimously.

**HOUSING**

3. 2020 Affordable Housing Application Public Meeting and Update- Felicia Medlen

**MOTION:** Public comment period was called to close at 7:43AM. All eligible applicants will present to board on 10/22/2020 Meeting. No board action was necessary.

4. Request of funds for Consultation for Neighborhood Revitalization Strategy Area Community Engagement Consultant- Felicia Medlen

**MOTION:** Meredith Neal motioned for TCRA Staff to authorize and approve the use of \$25,000.00 in UDAG funding to complete the NRSA application and enter into a contract with FAB-5. Dan Montopoli seconded the motion, which passed unanimously.

**FOR THE GOOD OF THE ORDER**

- Will Suarez announced another round of EDA Grant funds.
- Erika Bartlett was introduced as a new Contract and Program Auditor to the Housing Team.
- Erika Bartlett was announced to be taking over as TCRA Liason in upcoming month.

**EXECUTIVE SESSION**

Meredith Neal Motioned to Entered Executive Session at 8:28 a.m. for 20 minutes. Steve Snider seconded the motion. Exited Executive Session at 8:48 a.m.

**MOTION:** Dan Montopoli moved to excuse Alex Hogan, Karsen Keever, and Tera Williams. Ian Northrip seconded the motion, which passed unanimously.

**ADJOURN**

The meeting adjourned at 8:53 a.m.

Respectfully Submitted,

Dan Montopoli



**TO:** Board of the Tacoma Community Redevelopment Authority  
**FROM:** Felicia Medlen, Housing Division Manager  
**SUBJECT:** 2020 Summer Affordable Housing Application Presentations and Update  
**DATE:** October 22, 2020

### SUMMARY

The purpose of this memo is to update the Board on the 2020 affordable housing funding round and provide information on the projects they will be hearing presentations about.

### BACKGROUND

On August 6<sup>th</sup> staff released the notice of funding availability (NOFA) for the following fund sources and amounts: HOME- 1,060,000; CDBG- 607,000; AHF- 640,000. Applications were due on September, 17<sup>th</sup>. Six 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):

- Korean Women's Association for the development of 82 units of multi-family rental housing located in the New Tacoma Neighborhood and serving senior citizens earning up to 60% of area median income;
- Shiloh Baptist Church for the development of 20 units of multi-family rental housing located in Tacoma's Hilltop Neighborhood and serving residents earning up to 50% of area median income.
- Homeownership Center North West for new construction of 5 single family homes on the east side of Tacoma. This grouping of cottage style homes will be for first time homebuyer families earning 80% AMI. Homes will vary in style and amenities to offer diverse options for residences that include single story, ADA accessible units and units for larger and extended families.
- Homeownership Center North West for the purchase of scattered site single-family homes that will be rehabilitated and sold to first-time homebuyers earning up to

80% of Area Median Income. Funds may also be utilized to assist first-time homebuyers earning up to 80% of Area Median Income to purchase a home in the City of Tacoma;

- Tacoma/ Pierce County Habitat for Humanity for the development of up to 8 units of single-family housing that will be sold to first-time homebuyers earning up to 80% of Area Median Income on 69th 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 up to 9 homes.
- 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 September 28, 2020 and invited public comment, both orally at the October 8, 2020 TCRA meeting and in writing through October 19, 2020. All comments will be considered by staff when compiling funding recommendations for the board to consider in November 2020.

### Next Steps

Recommendations will be presented to the board on November 5<sup>th</sup>.

Applicant	Project Name	Type of Project	Location	Population Served	# of Units	Funding Request	Total Project Cost	Eligible Funding Source(s)	Use of TCRA Proceeds	Proposed Start Date (Construction or Program)
Tacoma / Pierce County Habitat for Humanity	Madison	Building 8 Single Family Homes	69 <sup>th</sup> and South Proctor	30-80% AMI	8	\$400,000	\$2,500,000	HOME	Construction	6/1/2021
Homeownership Center Northwest	Buyback & Rehab	SF acquisition and DPA	Scattered Sites	80% or less AMI	6	\$1,290,000	\$2,105,000	HOME CDBG	Construction Developer Fee DPA Development Costs	8/2021
Homeownership Center Northwest	Blueberry Cottages (5 New Builds)	Building 5 Single Family Homes	1922-28 E. 61st Street. Four SF homes 1406 E. 53rd Street. One SF home	80% or less AMI	5	\$1,006,045	\$2,378,545	HOME	Construction Soft Costs Construction Financing DPA Development Costs	3/1/2021
Korean Women's Association	KWA 15 <sup>th</sup> & Tacoma	New Construction	1347 Tacoma Ave S	Seniors	82	\$1,375,388	\$30,408,843.13	HOME AHF	Construction	1/22/2022
Shiloh Baptist Church/New Life Housing	Shiloh Redevelopment	Redevelopment- New Construction	813-815 S 13th Street	30-50%	20	\$1,892,729	\$7,957,308	HOME AHF	Acquisition Construction Soft Costs Capitalized Reserves Development Costs	11/14/2022
WSHFC	Tacoma DPA	DPA	Scattered Sites	80% or less AMI	10H H	\$100,000	\$200,000	HOME	DPA	Upon award
					Total	\$6,064,162				

HOME: \$1,060,000  
CDBG: \$607,000  
AHF: \$640,000  
Total Funds Available: \$2,307,000



**TO:** Tacoma Community Redevelopment Authority Board  
**FROM:** Will Suarez, Business Loan Officer, Community and Economic Development Department  
**COPY:** Carol Wolfe, Division Manager, Community and Economic Development Department  
Jeff Robinson, Director, Community and Economic Development Department  
**SUBJECT:** Amendment to City of Tacoma Title IX Revolving Loan Fund Administrative Plan  
**DATE:** October 22, 2020

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**SUMMARY AND PURPOSE:**

The purpose of this memo is to seek Tacoma Community Redevelopment Authority (TCRA) board approval of amendments to the City of Tacoma IX RLF Administrative Plan in the form of a letter to the Economic Development Administration (EDA). The amendments would help expedite the deployment of loans of up to \$25,000 for Tacoma businesses. The Economic Development Administration awarded the City of Tacoma \$1,287,000.00 in additional Revolving Loan Funds to be deployed as business loans. Community and Economic Development will deploy the funds awarded as 5-year loans of up to \$25,000. The amendments to the Administrative Plan appear in red below:

- Loan requests of \$25,000 or below will not require Tacoma Community Redevelopment Authority Board approval and may instead be approved by the Community and Economic Development Director at the City of Tacoma or any City staff with his or her authority. (page 16)
- The Community and Economic Director at the City of Tacoma or anyone with his or her authority has the authority to waive any application fee and other loan fees for requests of \$25,000 or below. (page 17)
- Collateral requirements will be considered on a case-by-case basis for loan requests at \$25,000 or below by the Community and Economic Development Director or any City of Tacoma staff with his or her authority. (page 18)

**BACKGROUND:**

On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to the outbreak of coronavirus disease 2019 (COVID-19) and its resulting impact on the economy and public health across the nation. Staff was contacted in May regarding the Economic Development Administration Supplemental RLF funds that would be made available to assist existing RLF jurisdictions to address COVID-19 impacts to the business community. The funds must be disbursed within 24 months and jurisdictions will be able to keep loan repayments as part of their overall RLF fund program for future uses. Future uses will not need to be tied to COVID-19 impacts.

**PROJECT DELIVERY METHODOLOGY:**

CED staff will deploy loans of up to \$25,000, to Tacoma businesses beginning January 2021 using the non-competitive \$1,287,000 in EDA CARES ACT RLF Supplemental funds. A total of \$1,170,000 will be distributed as micro-loans with \$117,000 allocated toward administration and management of the program. Portions of the administrative funds will be used to contract with “Community Navigators” that have a track record of assisting underrepresented businesses in accessing resources during the COVID-19 pandemic, and, in general, to build business capacity and provide technical assistance. These Community Navigators will work with CED Staff to



City of Tacoma

Memorandum

increase the awareness of the loan funds to underrepresented businesses, assist those businesses in overcoming systemic and other barriers to applying, and direct businesses to technical assistance services to address broader issues in their ability to access capital to sustain/grow their business.

**STAFF RECOMMENDATION:**

Staff recommends the adoption of the amendments and approval of a letter to the EDA.

**ATTACHMENTS:**

TCRA letter from March 2020 approving amendments to the Administrative Plan.





March 17, 2020

After discussion on 3/12/2020, as TCRA's Vice President, we give our approval to amend Title IX RLF Administrative Plan. To use TCRA funds to do the following during this state of emergency due to COVID-19 with limited operations.

- Loan requests of \$15,000 or below will not require Tacoma Community Redevelopment Authority Board approval and may instead be approved by the Community and Economic Development Director at the City of Tacoma or any City staff with his or her authority.
- The Community and Economic Director at the City of Tacoma or anyone with his or her authority has the authority to waive any application fee and other loan fees for requests of \$15,000 or below.
- Collateral requirements will be considered on a cases-by-case basis for loan request at \$15,000 or below by the Community and Economic Development Director or any City of Tacoma staff with his or her authority.
- Payments will generally be made monthly; however, with the approval of the TCRA board or that of the Community and Economic Development Director at the City of Tacoma, customized payment structures may be extended to borrowers depending upon their individual cash flow needs. In the case of multiple disbursement loans for equipment or tenant improvements, there may be an interest-only period until the loan is fully disbursed, generally not more than 180 days. Temporarily reduced or deferred payments may be considered as options in structuring a loan workout plan.
- The changes suggested will allow the City of Tacoma to deploy small loans of up to \$15,000 at a fast pace to alleviate the loss of revenue among businesses affected by Covid-19.
- The City of Tacoma hopes to assist small business with less than 10 employees that have a physical location within Tacoma City limits and were affected by Covid-19.

A handwritten signature in blue ink, appearing to read "Steve Snider", is written over a horizontal line.

Steve Snider  
TCRA Vice President

Resurgence Loan Scoring Sheet

Name of Business:					
Name of Owner:					
FIRST PHASE					
				Total Points	Rationale
<b>Tacoma Economic Equity Index</b>	Business in area of Very Low Economic Opportunity (7 pts)	Business in area of Low Economic Opportunity (5 pts)	Business in area of Moderate Economic Opportunity (3 pts)	0	To allow for an equitable distribution of funds, businesses located in areas of very low to moderate economic opportunities will be prioritized.
				Total Points	
<b>Received federal, state, or local financial assistance through a grant or loan</b>	Yes (0 pts)	No (5 pts)		0	Prioritize businesses that have not received any assistance.
				Total Points	
<b>Years in Business</b>	less than 3 (1 pt)	Between 3-5 (2 pts)	Over 5 (3 pts)	0	According to the SBA, only 50% of new businesses with employees make it past 5 years.
				Total Points	
<b>Involved in Bankruptcy in the past 7 years</b>	Yes (-5 pts)	No (0 pts)		0	Bankruptcy shows the inability of a borrower to pay a commercial loan
				Total Points	
<b>Latest Business Taxes or Financial Statements</b>	Show a Net Loss in 2019 (-2 pts)	Show Net Loss in 2020 (0 pts)	Show a Net Profit in 2020 (4 pts)	0	Need to make sure businesses make enough profit to repay back the loan.
				Total Points	

<b>Debt/Equity Ratio</b>	Greater than 2 or negative (-2 pts)	Greater than 1 (1 pt)	Less than 1 (2 pts)	0	It is a measure of the degree to which a business is financing its operations through debt versus-wholly owned funds. It reflects the ability of shareholder equity to cover all outstanding debts in the event of a business downturn. Equity is the owner's ownership in company assets such as property after the debt on the asset is paid
				Total Points	
<b>Personal Net Worth</b>	Over 100K (0 pts)	Less than 100K (3 pts)		0	Business owners with a high personal net worth tend to have reserves they can tap into such as savings and are more likely to get a loan or be approved for a line of credit with a bank. This metric applies equity as those with less need the most help.
<b>TOTAL PTS</b>				<b>0</b>	

SECOND PHASE

		Lowest Score	Highest Score
<b>Credit Report</b>	Examine amount of delinquencies and collections. Move forward as long as there is nothing alarming on the credit report. Case by case basis.	-7	29

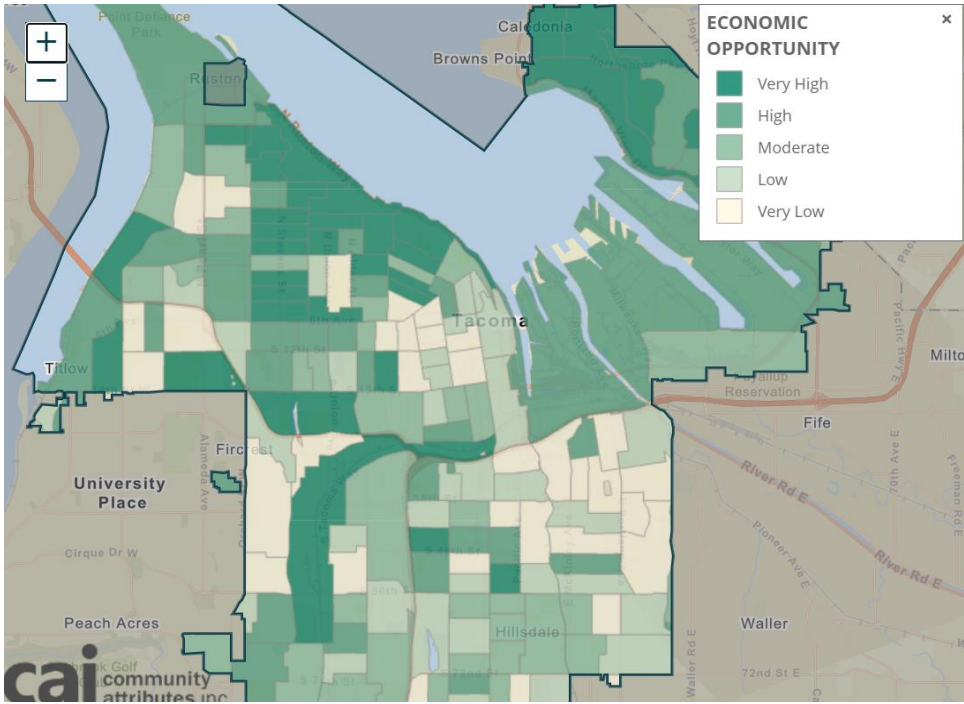


Exhibit 3