

SHB 2060 Steering Committee

Virtual Meeting
August 31, 2021

<p>Members Present: Heather Moss (Chair), Pierce County Human Services Felicia Medlen, City of Tacoma Marcy Boulet, Department of Health Paul Loveless, Town of Steilacoom Tiffany Speir, City of Lakewood</p>	<p>Staff Present: Bryan Schmid, Housing Supervisor John Barbee, Community Services Division Manager Robyn Lee, Office Assistant</p>
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Introductions, Heather Moss

Chair Heather Moss commenced the meeting at 1:05 pm and introductions were made.

- Chair Moss explained that there were more applicants than funding available.

Review Executive Summary, Bryan Schmid

Background of Affordable Housing Notice of Funding Availability (NOFA). Bryan went through the Executive Summary. Explained that this is the first year we are developing a waitlist for projects that are not funded. If additional funds become available, we could consider funding projects on the waitlist.

Highlights:

- Pierce County released the Affordable Housing Notice of Funding Availability (NOFA) in May 2021.
- \$4.65 million was made available for affordable housing activities.
 - 2060 Document Recording Fee funds:
 - Under the interlocal agreements signed in 2003 the 2060 Steering Committee reviews and approves projects for funding.
 - The amount of funding release was based on Revenue and expense projections.
 - Reserves in this account are recommended, due to unpredictable revenue projections.
 - \$1.3 million available (\$1,200,000 Capital Project and \$100,000 in O&M).
 - Under the legislation the max income for households served is 50% AMI.
 - HOME funds:
 - As the subrecipient of the County, the Pierce County Community Development Corporation (CDC) reviews and approves HOME loans and applications for HOME funds.
 - American Rescue Plan created additional HOME funding of \$5 million – waiting for implementation guidance from HUD.
 - \$1.85 million available from the 2021 grant and previous year dollars.
 - Under the HOME regulations the max income for households served is 80% AMI.
 - Local 1406 affordable housing sales tax funds – new funding source

- Based on revenue projections.
 - \$1.5 million available.
 - Holding back some dollars if County chooses to use some funds for potential bonding.
 - Under the legislation the max income for households served is 60% AMI.
- Eligible NOFA activities
 - Acquisition, new construction and/or rehabilitation of affordable homeownership or rental housing (Capital).
 - Operation and maintenance funding of affordable rental housing (O&M).
- The County combined HOME, 1406, and 2060 funding into one NOFA.
 - Allows for the County to strategically invest funding for each program.
 - Allows affordable housing owners and developers to submit a single application.
 - Paul: Prefers that we don't combine O&M with Capital so that we could see what goes into each?
 - Bryan: That is a policy decision the Steering Committee could discuss prior to releasing NOFA in 2022.
 - Marcy: There is more flexibility with combining funds, yet when you include federal this may cause restrictions.
 - Bryan: 2060 funds are issued in accordance with the County interlocal agreement issued in 2003 that outlines eligible projects. Rental housing vouchers are eligible however, the choice of Steering Committee in the past has been not to fund rental vouchers; however, with 1406 the RCWs state O&M is restricted to brand new projects.
 - Both sources (1406 and 2060) are locally generated and not subject to federal regulations; however, eligible target populations and projects are specified in the state statutes.
- Application deadline was June 25, 2021. Applications were prescreened to ensure they were complete and eligible for funding.
 - Tiffany: Trying to figure out why we don't receive applications for projects like these in Lakewood?
 - Bryan: Much of it has to do with affordable housing developers developing where they are able. The zoning and land use lends itself project that are located in Tacoma. Some restrictions make it a little more challenging to develop in other areas.
 - Felicia: Larger cities in the county tend to be the driving force. Encouraged off-line discussion. For it to happen in smaller cities and towns, there needs to be marketability. There are a lot of areas in the county that are not eligible due to accessibility to resources.
 - Marcy: In looking at the rubric sometimes from equity perspective the community members/organizations may be interested; however, they may not have equity.

- Bryan: We will need to revisit the rubric to determine what the HTF or Commerce can do to encourage more organizations to participate and how to balance underwriting.
- The application evaluation process was reviewed along with the eligibility for each funding source.
- 16 applications received, scored, and ranked - 11 capital, 5 O&M
 - 2060: 3 applications recommended for consideration for 2060 funding.
 - O&M: 2 applications recommended for consideration for O&M funding.
 - HOME: 2 applications recommended for consideration for HOME funding.
 - 1406: 2 applications recommended for consideration for 1406 funding.

Review of projects recommended for 2060 funding

Multi Service Center – Kenyon House

- Rehabilitate an existing 18-unit affordable housing apartment complex in Buckley.
- Subsidized rental housing to 18 low-income households.
- Sewer and water line replacements and repairs to the sidewalks presenting a safety hazard.
- Residents at or below 50% AMI.
- Majority of the predevelopment work completed and demonstrated proper planning for the project and financially stable.
- The County is the only proposed funding.
- The project was recommended for partial funding in the amount \$650,250, sufficient resources to proceed if funded.
- Paul: Trying to fund more projects outside City of Tacoma. Good idea to encourage developers to expand in outer areas.

Parkview Services - XXI

- Acquisition and new construction of ADA 4-bedroom home and rehabilitate adjacent 4-bedroom home in Graham.
- These 8 units will serve extremely low-income tenants with developmental disabilities – highly needed.
- Disabled residents under 30% AMI.
- Supported by DSHS Developmental Disabilities Administration.
- Washington State Dept of Commerce contributing to this project.
- Funding commitment from the State Housing Trust Fund still needed – project can advance once commitment is secured.
- The project was recommended for full funding in the amount of \$299,750.

Tacoma Housing Authority - Shiloh

- Redevelopment of 5 homes – adjacent to the Shiloh Baptist Church – located in Hilltop neighborhood of downtown Tacoma (12th & I St).
- Developed into 60 units of permanent rental housing.
- 30 units dedicated to providing housing to individuals and families with children who are homeless at entry.
- 30 units will serve very low and extremely low-income households (below 30% and 50% AMI).
- Financing proposed -- Low Income Housing Tax Credit; Tacoma; State Housing Trust Fund – yet no funding has been secured.
- Heather: How do you get 60 units from 5 houses?
- Bryan: The zoning allows for multi-family use. They want to maximize density. This is a teardown and new construction.
- Paul: Does THA or City of Tacoma have any skin in the game?
- Bryan: The church owns the property and THA is the developer. One of the tools the developers used is the 9% LIHTC. There are 3 pools: King County, Metro Pool, and the Balance of State. We compete with 5 other counties for credits. Typically, it goes toward one larger project or two smaller projects. There is a limited amount of credits. The local support is vital, which comes through funding these projects and will kickstart the LITC application.
- Felicia: After reviewing application, we did not see State appropriation identified. However, during budget cycle, they did secure funding from Commerce. The City will be following up. In terms of priority in Tacoma, they are positioned to be a demonstration project and an example to other churches to follow. The City did provide a 1406 commitment. Additionally, this is community driven for a church that has established its roots and very much supported by the City.
- John: Shiloh has also started 100-bed shelter for adults. Are these projects going to work together, being they are new to this work?
- Felicia: I don't think they are related. They are wanting to redevelop the homes they own. The way they will operate is undetermined. The houses being used are currently rental recovery units. They have small scale experience on property and management. Although they are not new, it would be a different scale. There are capacity hurdles in bringing a new developer into the arena.
- John: this could be a start of a new model. The County funded the City 100-bed unit.

Review of projects recommended for O&M funding

Greater Lakes Mental Healthcare – The Cedars

- O&M funding for 15 studio units.
- Permanent rental housing to very low and extremely low-income individuals with mental illness.
- Below 30% AMI-13 units / 30%-50% AMI-2 units
- Receives service support from fund raising and contributions; those funds are prohibited for use toward building operations, maintenance, or utility costs.
- These units serve vulnerable populations without rental voucher support.
- Ongoing need for O&M support.
- The project was recommended for full funding in the amount \$18,000.

MDC – Multiple Sites

- O&M funding for housing for homeless, very low income, and disabled households.
- Funding would cover 103 unsubsidized units that do not receive project-based voucher support.
- Operating and maintenance support.
- Below 50% AMI.
- High priority target population.
- Will need to provide further detail on their operating budgets - which units do not receive voucher support prior to contracting.
- The project was recommended for partial funding in the amount \$82,000.
- Heather: We assume these projects would trigger affordability period?
- Bryan: Our capital investment would trigger affordability period. O&M does not, these are contract based.
- Heather: Whenever they sell, we would cease contract?
- Bryan-Yes, the contract would end.

Review of projects recommended for HOME funding

LIHI – Lincoln District Phase I

- New construction of 75 affordable rental housing units in the Lincoln District of Tacoma.
- 38 units will provide supportive housing to extremely low-income homeless seniors.
- 37 units will provide rental housing for very low-income seniors and individuals with disabilities.
- Population served below 30% AMI & 30%-50% AMI.
- The CDC Board will consider approval for HOME funding.
- City of Tacoma will propose to commit HOME funds to this project as well.
- AEC recommended funding \$1,733,000 of HOME funds with an additional \$250,000 of 1406 funding.
- Heather: Some initial concern over development of this property with respect to shelter?
- Felicia: There is a tiny-home shelter nearby; however, there have been some planning obstacles, there haven't been any other concerns.

Habitat for Humanity - Canterwood

- New construction and resale of 3 single family homes, located in unincorporated Pierce County outside the city limits of Gig Harbor.
- Target population would be first-time homebuyers at or below 80% AMI.
- Significant down payment assistance available to qualify for purchase.
- Project eligible for HOME funding only, given income limits.
- Received funding in 2019; additional funding needed due to road requirements and to complete the project.
- The CDC Board will consider approval for HOME funding.

Review of projects recommended for 1406 funding

LIHI – Lincoln District Phase I

- Project description noted above in the HOME funding.
- AEC recommended funding \$1,733,000 of HOME funds with an additional *\$250,000 of 1406 funding.*

Tacoma Housing Authority - Shiloh

- Project description noted above in the 2060 funding.
- Project is high priority and AEC recommended funding this project with \$250,000 of 2060 funds and *\$1,250,000 of 1406 funds.*

Steering Committee Discussion and Action on Funding Requests

Waitlist

- Felicia: Will the waitlist have the same rules as HOME in some capacity?
- Bryan: Waitlist is not specific to HOME, it may be funded if other funding such as ARPA becomes available.
- The remaining balances of the unfunded requests were reviewed.

MDC

- Heather: Understands the decision; however, concerned about their single-family housing. At what point do we recognize these are assets that may be at risk?
- Bryan: MDC is going through leadership change and it is undetermined as to how they will manage their portfolio. There needs to be significant public dollars for rehabilitation, which is inevitable.
- Felicia: Tacoma is invested; however, have not yet received any applications for funding.
- Bryan: There may be an opportunity for the State Housing Preservation grant this Fall. We could encourage them to apply for some leverage dollars and a more complete plan.
- Marcy: What is the communication of long-term planning? Who is walking alongside them for investment? This can be concerning.
- Bryan: MDC has had some leadership changes and looking at divesting 8-9 single family homes to generate income, considering they are beyond the affordability period. There CFO is trying to pencil things out. Keeping the housing stock will be important. Investing funds into these projects are vital; however, currently, with the divesting of homes it isn't an ideal time.

THA / Hillside

- Felicia: This project wasn't recommended with current City of Tacoma funds. This has been placed on waitlist for HOME/ARPA and looking at the assessment for capacity. They have a lot of irons in the fire and this one appeared to be a competing priority. Although, it is a good project.
- Heather: When THA does a tear-down and rebuild does it include a relocation program?
- Bryan: Yes, in accordance with the Federal Relocation Act.
- Felicia: Is the URA applicable across all funding sources?
- Bryan: We would apply it on federally funded projects.

Habitat for Humanity / Boat Street

- Tiffany: Habitat for Humanity has reached out to the City of Lakewood and they have completed the zoning on the Boat Street Project. Lakewood is tracking for ARPA funding.

Chair Moss asked for a motion to distribute the 2060 and the O&M funding as shown in the table below. Marcy Boulet motioned, Tiffany Speir seconded, unanimously approved.

Agency	Funding Request	Recommended	2060 Funded	Unfunded Amount
Multi Service Center – Kenyon House	\$749,297	\$650,250	\$650,250	\$0
Parkview Services - XXI	\$299,750	\$299,750	\$299,750	\$0
Tacoma Housing Authority - Shiloh	\$1,956,277	\$250,000	\$250,000	\$0
		\$1,200,000	\$1,200,00	
Total Funding: \$1,200,000		Remaining Balance	\$0	

Agency	Funding Request	Recommended	O&M Funded	Unfunded Amount
MDC – Multiple Sites	\$200,000	\$82,000	\$ 82,000	\$0
Greater Lake Mental Healthcare – The Cedars	\$18,000	\$18,000	\$18,000	\$0
		\$100,000	\$100,000	
Total Funding: \$100,000		Remaining Balance	\$0	

The Pierce County CDC Board will be presented the HOME funding distributions for approval, as shown in the table below.

Agency	Funding Request	Recommended	HOME Funded	Unfunded Amount
Habitat for Humanity – Canterwood	\$117,000	\$117,000	\$	\$0
LIHI – Lincoln District Phase I	\$4,500,000	\$1,733,000	\$	\$0
		\$1,850,000	\$	
Total Funding: \$1,850,000		Remaining Balance	\$0	

Director Moss approved the 1406 funding distribution as shown in the table below.

Agency	Funding Request	Recommended	1406 Funded	Unfunded Amount
Tacoma Housing Authority - Shiloh	\$1,956,277	\$1,250,000	\$1,250,000	\$0
LIHI – Lincoln District Phase I	\$4,500,000	\$250,000	\$250,000	\$0
		\$1,500,000	\$1,500,000	
Total Funding: \$1,500,000		Remaining Balance	\$0	

Project Updates:

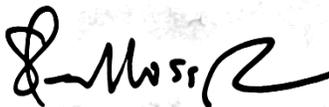
- Share accomplishment
 - 831 new affordable housing constructed
 - 216 existing affordable housing rehabilitation projects
 - 87 new affordable housing under construction
 - 44 existing affordable housing under construction
 - \$13 million allocated
- Projects
 - Orting Veterans Village - Opened Spring 2021
 - Mercy Housing MLK Senior Housing - Opening September 2021 on Hilltop
 - YWCA – One Family at a Time (renamed) - Opened Spring 2021
- Projects in Development
 - Horizon Housing Alliance
 - The Mustard Seed
 - MDC – Pacific Courtyard

Adjournment

Chair Moss adjourned the meeting at 2:42 PM. 😊

Chair

Date



9/16/21