
Capital Fund Committee Meeting

Friday, July 19, 2024

Members Present: Heather Moss (Pierce County), John Barbee (Pierce County - Alternate), Ryan Windish (Sumner), Taylor Jones (Fife)

Members Excused: Derek Matheson (Fife - Alternate), Jason Wilson (Sumner - Alternate)

Members Absent: None

SSHA³P Staff: Jason Gauthier, Mary Connolly

Pierce County Staff: Bryan Schmid, Jared Wright

Guests: Ted Richardson

Call to Order

Jason called the meeting to order at 9:03 AM.

Roll Call

Jason called roll; a quorum was present.

Agenda Modifications

There were no requests to modify the agenda.

Approval of Minutes

Heather moved to approve the meeting minutes from February 27, 2024. Ryan seconded the motion. The motion carried with 3 in favor and 0 against.

Public Comment

There were no public comments during the meeting. No written comments were received.

Review and Discussion of 2024 NOFA Applications

Jason provided a brief presentation on the 3 applications to the 2024 SSHA³P Housing Capital Fund Notice of Funding Availability (NOFA) and the timeline for making awards. A description of the 3 applications can be found in the table below.

Developer	CJK Community Homes	CJK Community Homes	Urban Black Community Development
Project Name	1 and 2 Bedrooms	Microunits	Rialto/Exley/St. Helens
Address	1902-1910 S Wilkeson Tacoma	3565 E McKinley Tacoma	311 S 9 th St Tacoma
Project Type	Acquisition Only	Acquisition Only	Acquisition – Rehabilitation
Funding Requested	\$342,000	\$330,000	\$1,000,000
Total Units	40	17	78

Bryan gave a broad overview of the Pierce County’s procurement process and the role of Pierce County as the Administering Agency.

Jared discussed the fiscal risk assessments conducted by Pierce County. The Committee will receive these assessments after the meeting. CJK Community Homes was rated a moderate risk. Urban Black Community Development did not provide fiscal documentation, so staff could not conduct the risk assessment at this time.

Jared discussed the budgets provided by the applicants in the Combined Funders Application (CFA). In reviewing these applications, one of his impressions was that the development budgets and pro formas in the CFA were not thoroughly completed. Pierce County is going to consider how to better support applicants in completing the CFA for future NOFA cycles.

Ryan asked if CJK Community Homes has a history of developing properties. Jared said that it appears they have experience acquiring units to keep them affordable but don’t have experience as a developer of new construction. Their application indicates they have a developer partner. Bryan said that Pierce County has not funded CJK Community Homes with capital dollars. John said Pierce County has awarded the organization operations funding for homelessness services.

Ryan asked if the applications indicate that the organizations are leveraging other private and public funds. Jared said that CJK Community Homes’ application does not indicate leverage of other fund sources. Urban Black Community Development’s application indicates other funding sources.

Heather asked if materials could be acquired from Urban Black Community Development to conduct the pre-award risk assessment if the organization were awarded funding. Jared said yes.

Heather asked if they have asked Urban Black Community Development if they would accept an award less than their request of \$1,000,000. Jared said it would be possible to offer them less than their request. Heather asked if the applicants also applied to the Pierce County rental housing NOFA for these projects. Jared and Bryan said they did. Bryan said it is common for developers to not be awarded what they ask for and identify alternative funding sources.

Heather noted that CJK Community Homes has a short and long-term plan for one of its projects. She asked if they are supposed to evaluate the project based on what will happen

soon, or what might happen one day? Jason said that it is difficult to evaluate acquisition only projects for this reason. He asked staff from Tacoma for feedback on the projects:

- CJK Community Homes, 1 and 2 Bedrooms – The proposed use is not currently allowable and depends on passage of a land use change in the future.
- CJK Community Homes Microunits – This project is fully permitted.
- Urban Black Community Development – This project doesn't add or remove units, but the project would be the highest and best use of the land.

Heather and Ryan expressed disappointed that all 3 projects are in Tacoma.

Ryan said provided some comments on each of the projects. He likes that the CJK Community Homes Microunits project is fully permitted. He doesn't think it is a good idea to award funds to a project that depends on a zoning change. He loves the location of Urban Black Community Development's project, thinks that it would be great to rehab 78 units, and would also hope to see commercial space on the ground floor to support Black businesses. He said that his initial scores for all three projects were all low.

Jason said that Committee members should complete their scoring by Monday.

Heather asked how important is it that dollars awarded this year. Bryan said that for Pierce County, it's not optimal for affordable housing dollars to sit. However, it would be an option to keep the fund balance and put another NOFA out next year.

Ryan noted that Urban Black Community Development's project is not creating any new units, so according to the scoring guide, the project should score low for unit production. He asked if he is looking at this the right way. Jason said that there are some other ways to consider this criterion. He noted that it wouldn't be economically viable to knock down these buildings. The project does maximize units that can be on the property in the current context. The project also keeps these units affordable and keeps them from being redeveloped into market-rate units.

Heather noted that Pioneer currently owns and runs the building. She asked for more information. Bryan said that Pioneer has been trying to sell the building for years. Tacoma Housing Authority (THA) has some project-based vouchers in the building. Pioneer would like to keep the building as affordable housing if possible. The City of Tacoma does not have interest in putting funding into the building.

Taylor asked why the building hasn't been bought yet. Bryan thinks that the concern is the cost of the capital needs of the buildings. Jared said that they did not provide a Capital Needs Assessment (CNA) in their application. Bryan noted that if they were awarded funding, Pierce County would follow up to acquire a CNA. Jason noted that a CNA was completed in February of 2024.

Jared noted that the Urban Black Community Development Project's application would require a technical correction to ensure, because currently the \$1,000,000 requested is listed as funding non-residential uses of the building.

Ryan asked what the CNA includes? Bryan said that the CNA is conducted by a third party entity and gives a comprehensive overview of the capital needs of the building, including the lifecycle of all components.

Taylor asked that after a decision is made with conditions attached, does the Fund Committee or the County determine that the conditions have been met? Bryan said that a conditional award is made, and before contracting, the organization would have to satisfy the conditions. Pierce County evaluates if the conditions have been met.

Taylor asked what happens if an award is funded but the organization does not secure enough financing for the project. Bryan said the conditional award includes conditions regarding financial commitments from other funders.

Taylor asked what happens to the funding if conditions in the conditional award aren't met. Bryan said that the funding would go into the next NOFA cycle.

The Fund Committee will meet again on Monday to review scores and potentially take action on award recommendations. Jason requested members' scoring sheets by 10 AM on Monday at the latest.

Updates/Comments of the Capital Fund Committee

No updates or comments from the Committee.

Adjournment

Jason adjourned the meeting at 10:02 AM.