



COMMUNITY ROOTS
— HOUSING —

PDA Board Meeting

January 2024

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COMMUNITY ROOTS
— HOUSING —

SECTION 1:

Meeting Keys

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January 2024

Community Roots Housing Board Meeting Keys and Agenda

The Meeting will start at 5:30 PM. Please try to join a little early so we can start on time.

As always, reading the Keys in advance of the meeting will provide you with a good overview of the topics to be addressed and voted on.

We will enter executive session as needed pursuant to RCW 42.30.110.

Because of anticipated low turnout for the Board meeting, we are taking the unusual step of addressing only one item at the Board meeting. Because there is no change in the date or time of the meeting, we are not required to re-notice this meeting. Carolina will be at 12th Ave Arts in case anyone shows up at that location for the meeting. All Board members should access through Ring Central. This action was approved by the Executive Committee.

Meeting

Welcome and Introductions, Agenda Review and Other: Board, staff and guests of the Board will make brief introductions as time permits. The Chair will review the agenda.

Disclosures and Recusals: Board members will review items on the agenda and make any necessary disclosures and recusals.

Public Comment: We will provide up to 10 minutes for public comment as needed, or members of the public can place comments in the chat.

Real Estate Development

Resolution 2024-01 – Jazz House Predevelopment Spending Increase: Project has a path forward to close in the first quarter of 2024. In order to continue to advance project through construction finance closing staff needs additional predevelopment spending authority up to \$500,000. Expenses to be incurred will advance architecture and engineering, preconstruction services, predevelopment interest, and other predevelopment expenses. This increase in predevelopment spending brings the total authorization up to \$4,300,000. This resolution was approved by the Property Development Committee.



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SECTION 2:

Agenda

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**COMMUNITY ROOTS HOUSING BOARD
REGULAR MEETING**

January 8, 2024
5:30-5:55 PM

RingCentral Link

<https://v.ringcentral.com/join/766871424?pw=388912b2be95af96cb38d750761b39ed>

AGENDA

5:30 Call to Order (Porter) – 5 mins total

- a. Welcome, Introductions, Agenda Review
- b. Disclosures and Recusals

5:35 Public Comment – 10 mins total Limited to consideration of Resolution 2024-01.

5:45 Real Estate Activities (McLin) – 10 mins total

- a. Resolution 2024-01 – Jazz House Predevelopment Spending Increase
(McLin) – 10 mins

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5:55 Adjourn (Porter)

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COMMUNITY ROOTS
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SECTION 3:
Resolution 2024-01 –
Jazz House
Predevelopment Spending
Increase

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Community Roots Housing PDA Board Resolution 2024 - 01

Overview: Jazz House Predevelopment Spending Increase

Purpose: Increase spending authority up to an additional \$500,000 to cover predevelopment costs through construction finance closing

Type of Resolution/Motion:

- **Is this a formal resolution?** Yes No
- **Are we requesting a motion from the floor?** Yes No
- **Has this resolution been presented to a Board Committee?:** Yes No
If so, which committee or committees?: Property Development Committee

Charter or Rules and Regulations Modification:

- **Does this Resolution change the Charter or Rules and Regulations?** Yes No
If yes, you need to give notice to the Board 15 days prior to the proposed change. Changes to the Charter or Rules and Regulations must use the strike out and underline format so change is clear to reader.

General description and purpose: Project has a path forward to close in the first quarter of 2024. In order to continue to advance project through construction finance closing staff needs additional predevelopment spending authority up to \$500,000. Expenses to be incurred will advance architecture and engineering, preconstruction services, predevelopment interest, and other predevelopment expenses. This increase in predevelopment spending brings the total authorization up to \$4,300,000.

Organizational requirements of resolution: None

Financial cost of the resolution: \$4,300,000

Pros: Passing the resolution allows CRH to continue with predevelopment activities necessary to take the project up to construction finance closing.

Cons: This will increase CRH’s finance risk in the project

Further Board Action or Reporting:

- **Is further action required from the Board or a Board Committee?** Yes No
If yes, please describe: The Board will be asked to pass final omnibus financing resolutions for the project.
- **Is further reporting required to the Board or a Board Committee?** Yes No
If yes, please describe: Staff will report to the PDC and Board through on-going progress of the project.

Author of Resolution Overview: Thea Munchel



**ADOPTED AT A MEETING OF
THE BOARD OF DIRECTORS OF THE
COMMUNITY ROOTS HOUSING,
A WASHINGTON PUBLIC CORPORATION**

January 8, 2024

**Resolution No 2024-01
Jazz House Predevelopment Spending Increase**

A RESOLUTION of the Board of Directors of Community Roots Housing authorizing an increase of spending authority up to an additional \$500,000 to cover predevelopment costs through construction financing closing.

Recitals:

Community Roots Housing is a public corporation organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-755, and Seattle Municipal Code Ch. 3.110. As such, it is a political subdivision of the State with an area of operation focused on the City of Seattle.

The purpose of the Program shall be to preserve, develop, own, and operate affordable multifamily housing, as well as cultural, social, and economic facilities and to provide programs and services to promote equity and resilience in communities and to perform other functions as the Board shall determine.

RCW 35.21.730 authorizes the creation of public development authorities (“PDAs”) to meet specified purposes, including (among other things) to “improve the general living conditions in the urban areas” of the state or any city, town, or county. PDAs may “perform any lawful public purpose or public function” to achieve these purposes. PDAs are specifically empowered to own and sell property, to contract with individuals and public entities, to loan and borrow funds and issue bonds, and to perform all manner and type of community services, among other things.

The City of Seattle (SMC 3.110.010 A) authorizes the establishment and chartering of one or more public corporations as an independent legal entity to: improve governmental efficiency and services and general living conditions within the City; administer and execute federal grants and programs; receive and administer federal funds; perform all manner and type of community services; provide and implement such municipal services and functions as the City Council may direct; and allow a character of community participation in appropriate municipal projects and activities that are, in practical effect, restricted by the organizational structure of City government, all as authorized by RCW 35.21.730 through 35.21.755.

Community Roots’ charter, as restated, provides that Community Roots shall have and exercise all powers necessary or convenient to affect the purposes for which it is organized including, without limitation, the power to lend and borrow money and to issue bonds and notes to provide sufficient funds for achieving its purposes.

Community Roots Housing first obtained predevelopment spending authority in 2017 for which the Board passed Resolutions 2017-18 and subsequently adopted several additional resolutions including 2017-27, 2019-10 and 2023-05.

Community Roots has previously approved a predevelopment spending limit of \$3,800,000.

Community Roots Housing deems it necessary and advisable and in the best interest of Community Roots to increase the predevelopment spending authority an additional \$500,000 to cover predevelopment expenses through construction financing closing, and

NOW, THEREFORE, BE IT RESOLVED by the Board of Community Roots Housing that the Chief Executive Officer is authorized to expend up to an additional \$500,000 from existing predevelopment sources to be used for the project.

1. The CRH Board of Directors hereby finds and determines that increasing pre-development spending will facilitate the further development of the Project and meet the mission of the organization.
2. The CRH Board of Directors hereby authorizes an increase of spending authority by \$500,000.
3. The CRH Board of Directors authorizes and directs the CEO to expend up to \$4,300,000 from existing predevelopment sources to be used for the Project in accordance to Exhibit A (attached).

ADOPTED by the Board of Community Roots Housing at an open public meeting thereof this 8th day of January 2024.

CERTIFICATION

I, George Stagers, certify that I am the Secretary of Community Roots Housing and that the foregoing Resolutions were duly adopted at an open public meeting of the Board of Directors of Community Roots Housing held on the 8th day of January 2024, in accordance with the law and with the Charter and Rules and Regulations of Community Roots Housing upon proper public notice and to which options for remote participation were readily available and at which time a quorum was present.

DATED the 8th day of January 2024.

By _____

Its: Secretary

Resolution prepared by: Jason McLin

Exhibit A

Architecture and Engineering	\$1,514,253.00	\$200,000.00	\$1,714,253.00
Preconstruction Services	\$504,357.00	\$100,000.00	\$604,357.00
Other Engineers	\$36,321.00		\$36,321.00
HazMat Consultant/Testing (phase I & II)	\$14,295.00		\$14,295.00
Property Taxes	\$169,014.00		\$169,014.00
Misc	\$101,445.00	\$25,000.00	\$126,445.00
Appraisal Fees	\$16,000.00		\$16,000.00
Market Study and Updates	\$4,500.00		\$4,500.00
Additional Loan Costs	\$34,500.00		\$34,500.00
Survey/Civil	\$2,800.00		\$2,800.00
Geotechnical	\$7,452.00		\$7,452.00
DCI Fees - MUP	\$127,261.00		\$127,261.00
Additional Permits (SDOT, etc)	\$140,570.00		\$140,570.00
Development Consultants - (see detail)	\$155,852.00	\$50,000.00	\$205,852.00
Predevt Loan Fee	\$38,715.00		\$38,715.00
Predevelopment Interest	\$793,125.00	\$125,000.00	\$918,125.00
PREDEV TOTAL	\$3,660,460.00	\$500,000.00	\$4,160,460.00