

CALL TO ORDER/ROLL CALL:

Councilman Darren Suen called the meeting to order at 3:06pm with the following in attendance:

Present: Darren Suen, Pat Hume

City staff: Sarah Bontrager, Inez Scott, Darren Wilson, Chelsea Mejia

Other attendees: The Pacific Companies: Mike Kelley
CRP: Paul Salib, Seth Sterneck
Other: Thad Johnson, Katherine Bardis-Miry

APPROVAL OF AGENDA:

Motion: M/S Hume/Suen to approve the agenda as presented. ***The motion passed by the following vote: Ayes: 2; Noes: 0.***

PUBLIC COMMENT:

There was no public comment on non-agendized items.

APPROVAL OF MINUTES:

Motion: M/S Hume/Suen to approve the minutes of May 23, 2018 as presented. ***The motion passed by the following vote: Ayes: 2; Noes: 0.***

REGULAR ITEMS:

Agenda Item 5A: Proposal for new affordable multifamily development projects

Ms. Bontrager gave a presentation and staff report that reviewed the details of the two proposals received for this RFP. She discussed the Affordable Housing Fund background and the Request for Proposals that would consist of two phases and an investment by the City of an estimated \$8 million.

Ms. Bontrager stated that today's review was of proposals for the first phase of the RFP, which were projects that could be submitted for 9% tax credit financing in the July 2021 round, and therefore the emphasis is on projects that are ready to proceed. Under phase one The City received two responses: Aspen Grove Villas by CRP Affordable Housing & Community Development and Villages at Bilby by The Pacific Companies. Both projects proposed 126 family units, and both located in the South East Policy Area. Both projects also met our thresholds.

Ms. Bontrager noted both projects' strengths, including development team experience, sound financials, and some extra social services. Ms. Bontrager then explained a few weaknesses, notably that the projects'

locations do not currently provide nearby services, such as shopping and transportation, and residents would likely need to wait for the surrounding area to develop in order to see nearer services develop. She also explained concerns and possible challenges with Aspen Grove Villas not being able to qualify as a hybrid 4%/9% tax project in time to apply for the July 2021 9% round.

Ms. Bontrager discussed what the Committee's role, which is to evaluate the proposals and decide whether to move one or more proposals the loan application stage. The Committee could, in lieu of advancing one or both proposals to loan application stage, choose to wait to see what is submitted under Phase II of the RFP, with those proposals being due in May 2021. Ms. Bontrager also explained the next steps after choosing to move one or more proposals the loan application stage.

The Committee asked some clarifying questions concerning affordability of the projects and the need for 80% units, as well as the timeline in making the July 2021 tax credit deadline. Ms. Bontrager explained that with our last project we had over 28,000 people enter the lottery for units and that we have need at all income levels, but for the price point it was more cost-effective to pursue and invest in more affordable units. She also stated that it would probably not be likely that the Aspen Grove Villas would be able to meet the July 2021 tax credit round and if we waited to the Phase II RFP deadline to make a decision neither project would be able to make the July 2021 tax credit round and that the next round would not be until February 2022.

Deliberation:

Motion: M/S Hume/ Suen to move The Pacific Companies project on to the loan application stage. ***The motion passed by the following vote: Ayes: 2; Noes: 0.***

ADJOURNMENT:

The meeting was adjourned at 3:38pm.

**Prepared by Inez Scott,
Administrative Assistant**