

SCIDpda Board Meeting Minutes

March 17, 2018
409b Maynard Ave S
Seattle, WA 98104

Board Present: Jen Reyes, Scott Yasui, Casey Huang, Aileen Balahadia, Hared Jonson, Jerilyn Young, David Della, Phillip Sit (phone), Kevin Huynh (phone), Wayne Lau, Nelson Young, Lanzi Li

Staff Present: Maiko Winkler-Chin, Vern Wood, Mike Omura, Joseph Guanlao, Rachtha Danh, Emiko Mizuki

Guests: Mindy Au, Barry Mar

1. Call to Order

The meeting was called to order by Jared Jonson, Board Chair, at 10:06 a.m.

Board Action and Approval

2. Incentive Compensation Plan (2018)

Vern explained the PDA had a cash flow that exceeded projections, which came from an overall increase in revenue from fundraising, grants, and a release on operating funds; the Incentive Compensation plan was formed and framed around goals stated in the strategic plan, with the plan of distributing money in June and December.

David asked if the compensation plan was tied to individual performance, and Vern explained it was based on performance tied to the organization, and accomplishments on a global scale; compensation is also based on the length of the employee's employment with the PDA. The board discussed if and how an organizational policy could be put in place in the future, with the suggestion of it becoming part of a financial policy rather than an HR policy. Scott affirmed that the PDA had a good year in 2018.

Resolution 18-03-17_01: Seattle Chinatown International District Preservation and Development Authority (SCIDpda), a Washington public authority (Authority), currently employs 85 full and part-time individuals.

The SCIDpda Board has long recognized and valued the SCIDpda skilled and committed staff. The Board desires to reward positive performance of the staff by providing an incentive to all permanent staff for meeting and/or exceeding the specified Authority goals.

The Board values tenured staff and wishes to recognize staff for their years of service to the Authority acknowledging that there were several years where staff did not receive any pay increases due to the Authority's difficult funding years.

The Board established a strategic plan for the years 2017-2020. The Board wishes to offer incentive compensation for meeting goals outlined in the strategic plan.

The Board wishes to provide incentive compensation to all permanent employees of record as of the award date and who remain employed as of the distribution date. Amounts will be prorated for part-time employees and employees who were employed for a portion of the award period.

For 2018, award dates will be June 30, 2018 and December 31, 2018. Distribution dates will be July 31, 2018 and January 31, 2019, respectively.

For 2018, the Board wishes to provide incentive compensation if the following goals are met:

- Organization Financially Sustainable
 - Payoff Credit Line
 - Refinance Bush Hotel Commercial Loans
- Buildings Financially Sustainable
 - Commercial Vacancy below 10%
 - Assisted Living Vacancy below budget
- More Housing Units/Options
 - Senior Services transition to ICHS
- More Positive Businesses
 - Recruit desirable businesses to vacant spaces
 - Assist businesses in technical assistance around issues such as financials, marketing, regulatory laws, etc.
- More Housing Units/Options Stronger Community Relations
 - Support neighborhood wide efforts in public safety
 - Support property owners in building improvements

The amount of award will be determined by recommendation of the Deputy Director to the Finance Committee who will review performance against goals and available cash for award payment.

Moved: David Della

Seconded: Lanzi Li

Board approved unanimously

3. Edge Developers Consultant Contract

Mike explained the progress of the PDA's involvement in the development of affordable housing at the North Lot, and the complexities of the inclusion of market rate housing, of which the Speaker of the House is pushing to be facilitated by a non-profit, preferably a public development corporation.

The PDA has been working with Edge Development, namely for their experience in working on a PACE program, working on public land to make affordable housing, and the experience and connections of Edge Development's principals Joel Ing and Don Mar working in the CID community. Don Mar is also connected to Kinon.

Mike explained the complexities of the development. There are two main buildings on the development site; the first building is an affordable housing building that also includes a PACE program and a childcare facility managed by El Centro de La Raza, the second building is a building that will have to a separate investor and/or developer.

The PDA's attorney suggested this contract gets approval from the board due to the consultation fees exceeding the \$50,000 maximum, as per the PDA's policies and procedures.

Maiko read the resolution to the board, and explained it is a sole source contract, and that staff believes Edge is uniquely qualified to serve in this role, as there is only one other PACE project on a publically owned site; it is a rare case. The board discussed the sole source contract.

Maiko amended the resolution to include the following language: "The board authorizes staff to enter into an agreement to cover feasibility study of development with expectation of issuing an RFQ for a subsequent phase."

Resolution 18-03-17_02: We, the Governing Body of the Seattle Chinatown International District Preservation and Development Authority (SCIDpda), authorize staff to enter into an Agreement for

Developer Consultation Services with Edge Developers for the Pacific Hospital PDA North Lot Development, which creates new affordable housing, a PACE facility, and an early education learning center.

In accordance with the SCIDpda Policies and Procedures (January 2018), section (4)(c)(i) Procurement by Non-Competitive Sole Source Contracts, Edge Developers is uniquely qualified for this work for the following reasons:

- An Edge Principal has recently experience developing a mixed-use project with affordable housing and a PACE program on publicly owned land
- Edge recent experience on a development involving public funding on a “non-fee-simple” site, which is extremely unusual.
- Edge has extensive, recent, relevant experience, skills and capacity in affordable housing development which the SCIDpda does not have as we have not done a project of this size and complexity in over 10 years. Edge would assist us in meeting requirements by the range of funders - investors, banks, public and private funders.
- SCIDpda partners in AiPACE - International Community Health Services and Kin On – are known to Edge Developers. The principals of Edge know AiPACE members, their organizational backgrounds, histories, cultures, and the unique issues and considerations of working in our community. Edge is culturally competent. Don Mar has been a Board member of Kin-On and is familiar with that organization.
- Joel Ing, one of the Edge principals, sits on the state Policy Advisory Team and Affordable Housing Advisory Board, and thus can keep us informed on the changing nature of affordable housing development finance.
- Edge is a registered City of Seattle Minority Business Enterprise. Edge’s offices are in the CID boundary, and thus a local business.

In addition, the SCIDpda needed to engage someone quickly due to the pace of the project and the requirements of the PHPDA process that the SCIDpda must also track, making a procurement process unlikely to generate comparable providers but also not feasible.

The board authorizes staff to enter into an agreement to cover feasibility study of development with expectation of issuing an RFQ for subsequent phase.

Moved: Jen Reyes

Seconded: David Della

Board approved unanimously

4. International Apartments LOI

Mike explained the LOI prepared for the International Apartments, and that the Real Estate Committee verified the PDA should try to acquire the building, as it meets the organization’s mission of maintaining affordable housing in the neighborhood. The LOI was due on the previous Thursday, and staff toured the building and had discussions with OH and Enterprise for acquisition funds. There are other offers on the building, and the PDA would find out in a week where they stood.

The board asked about the condition of the building, and Mike explained the International Apartments has not yet received a seismic update; a property magnitude loss study and capital needs assessment would also need to take place for funders as well.

Maiko explained a goal of the purchase of International Buildings would be to manage the property, and she explained that the CID needs more 30% AMI units. Mike explained that if a private developer acquires the building, those people would likely have to move out due to increases in rent rates.

Resolution 18-03-17_03: We, the Governing Body of the Seattle Chinatown International District Preservation and Development Authority (SCIDpda), authorize staff to enter into a Purchase and Sale agreement for the purchase of the International Apartments currently owned by International Apartments LLC (Abie Label & Associates) located at 315 Maynard Avenue S. upon acceptance of a non-binding Letter of Intent (LOI) submitted to the Owner's agent on March 15, 2018.

The Board also authorizes SCIDpda staff to move forward in all due diligence activities as deemed necessary and appropriate upon acceptance of the LOI.

The Board authorizes this work as the project will further the mission of the SCIDpda **to preserve, promote and develop the Chinatown International District (CID) as a vibrant community and unique ethnic neighborhood**, specifically to preserve an existing historically contributing building providing affordable housing for the residents of the CID:

Moved: Lanzi Li

Seconded: Wayne Lau

Board approved unanimously

8. Adjourn

The meeting was adjourned by Jared Jonson, Board Chair, at 11:22 AM