



STATE OF WASHINGTON

DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT
128 - 10th Avenue SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

January 31, 2008

Ms. Joy McDonald, Executive Director
Citizens for Responsible Justice
813 South 11th Street
Tacoma, Washington 98405

Dear Ms. McDonald:

On December 6, 2007, I sent a letter to Edryce Reynolds informing her that the Department of Community, Trade and Economic Development (CTED) conditionally approved the application submitted by Citizens for Responsible Justice (C4RJ) for project funding under the Re-entry Housing Pilot Program (RHPP). Final funding was conditional pending timely receipt and approval of additional program and budget detail.

During our subsequent due diligence, the Department identified areas of concern in the proposed program and budget and requested further documentation from C4RJ by January 28, 2008. Based on our review of the information you submitted and on further research to confirm aspects of C4RJ's application, we have concluded that CTED must withdraw its approval of this project application. This notice is to formally notify you of our decision.

The major areas that influenced the decision to withdraw approval of this project are as follows:

1. **Memorandums of Understanding (MOU):** The original proposal submitted by C4RJ stated that the organization collaborated formally with partners through MOUs. C4RJ has not provided documentation to verify this statement. Although MOUs were not required as part of the application, the statement of collaborative partnerships has not been supported by documentation.
2. **Close working relationships with neighbors and local police:** The original proposal submitted by C4RJ stated that the organization works closely with neighbors and local police through conversations, regular meetings, and formally in annual reports. Additional documentation provided by C4RJ included flyers for two community meetings and an email notification of a meeting date. Two, one-page annual reports were provided for 2006 and 2007 that did not include information on the distribution or intended recipients of the report. This documentation does not substantiate the statement of regular meetings or close working relationships with neighbors.

C4RJ submitted a summary of a meeting held with the Tacoma Police Department (TPD) on January 9, 2008. The summary provided minimal information about the meeting. The Tacoma Police Department stated that they requested the meeting with C4RJ because TPD was concerned that a relationship with local police was identified in the C4RJ application and TPD was not aware of C4RJ. The Tacoma Police Department representatives also stated that during this meeting they informed C4RJ of their concerns that C4RJ does not have a safety plan in place for its offender housing program.

3. **Nonprofit status:** The original proposal submitted by C4RJ identified the organization as a 501c(3) nonprofit. Although eligibility requirements for the RHPP do not require programs to have 501c(3) status, the Department requested documentation to verify this statement made in the application. C4RJ has not provided documentation that verifies current 501c(3) status for the organization. C4RJ did submit a letter from the IRS giving an advanced ruling on the organization's status beginning June 26, 2002 and ending on December 31, 2006. As C4RJ is a newly created organization, the IRS did not make a final determination of foundation status. C4RJ reports that documents have been submitted to the IRS and they are waiting for the final determination.
4. **Housing Availability:** C4RJ provided a list of houses that were under contract for purposes of the program on January 24, 2008. CTED requested copies of signed leases to verify this information, and C4RJ was able to partially substantiate this information with four of eight lease agreements. Two of the lease agreements submitted to us had incomplete information.
5. **Business License:** The City of Tacoma requires a general business license for nonprofits renting out rooms. C4RJ did not submit the required business license.
6. **Financial Status:** On January 24, 2008, C4RJ verbally reported an annual operating budget of approximately \$200,000. On January 28, C4RJ provided written information about their 501c(3) status, indicating the organization has not filed IRS form 990 because their annual budget is less than the required \$25,000. The written information provided on January 28 is inconsistent with statements made to CTED staff on January 24.

Throughout this process the Department has focused our attention and consideration on the capabilities and supporting documentation of your organization. We understand this project has generated a great deal of local commentary. We have taken seriously the issues raised by some of the local citizens in Tacoma and by local government, and we balanced this with an objective view of C4RJ's application, the partnerships necessary to be a cornerstone of the project, and documentation that could be provided to support claims made in the application.

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Given the results of the Department's review of C4RJ's application, CTED is unable to approve the application for project funding under the Re-entry Housing Pilot Program.

If you have any questions regarding this decision please contact me at (360) 725-2912 or by email at willg@cted.wa.gov.

Sincerely,

A handwritten signature in cursive script that reads "Will Graham".

Will Graham,
Assistant Director

cc: Edryce Reynolds, Chair, Citizens for Responsible Justice