

# Kōz Development's Cathy Reines is living out her passion for affordable housing

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The need for affordable housing became painfully apparent to Cathy Reines when she was the CEO of a bank during the Great Recession. Struggling homeowners would show up at her office and put their keys down on her desk.

“It was heart-wrenching to see that,” she said. “It was eye-opening and very revealing. After that, everyone became aware of the need for affordable housing.

Thirteen years later, Reines — now president and CEO of Kōz Development — has completed 14 multifamily projects focused on providing

affordable housing. Another 10 are in the pipeline. The company’s niche is providing housing for those in the 30% to 60% of the area median income range. That amount varies across jurisdictions.

Launching the 7-year-old company wasn’t easy, Reines said. The books “Shoe Dog” and “Tipping Point, How Little Things Can Make a Big Difference” provide insight into the company’s early struggles.

“It was a very small startup where we had ups and downs and challenging moments,” she said. “We had weeks we didn’t know if we were going to make payroll.”

Commercial real estate requires capital to get off the ground, she said.

“It requires tenacity, the ability to pivot, long hours and staying focused,” she said.

“And never give up on what you believe in.”

What she and her co-founder, [Josh Scott](#), believe in is building affordable housing. By the end of their second year they had turned a corner with the completion of their first project.



ANTHONY BOLANTE | PSBJ  
*Kōz Development CEO Cathy Reines lives in a 600-square-foot home in Snohomish that her company developed.*

“We had a number of other projects started at that time, but it was the success of this first project that took us, as a company, to the next level,” she said.

Kōz develops small units with little parking. At the time, that concept was being challenged across the industry.

“It still wasn’t easy, but being able to tell our story after having one successful project was meaningful,” she said. “It also reminded us that if you get partnerships with good people and the right people you can be successful.”

Kōz typically builds to hold, but it did sell a property in Washington and one in Oregon as a way to communicate to investors that this type of asset was attractive and could get capitalization rates similar to market-rate buildings.

Reines credits the effects of the Great Recession for putting the need for affordable housing on the community’s collective radar. Yet, developing more housing is a challenge.

“There are days when I think development is not for the faint at heart,” she said. “Every day there are different challenges. But I avoid the noise and stay focused to move these projects forward.”

Ironically, the biggest challenges to development are the cities themselves, she said.

“One of the reasons we work in Tacoma is that the city welcomes and embraces development and affordable housing,” she said. “They encourage developers to come into the city. That, for us, allows us to get buildings constructed and occupied quickly. Time is real money.”

Since Kōz targets those in the 60% of area median income range without using subsidies, the city’s ability to process the permits equates into cost savings.

The timely turnaround of permits is a priority in Tacoma, said [Jeff Robinson](#), director of community and economic development for Tacoma.

“We have a very responsive planning and development services department that work hard to provide the information early in the process to get the permits done in a timely way,” he said. “The permit phase is important to building development and we do an extremely good job of that. We also have a city council that is receptive to development.”

Jurisdictions looking for more affordable housing should consider multifamily tax exemptions, Reines said.

Kōz’s trick to keeping unit prices low are the buildings’ small unit footprints and minimal amenities. Despite the sizes, they are still comfortable, she said.

“In fact, I live in one of our micro units,” she said. “I love it.”

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## About Cathy Reines

**Born:** Bakersfield, California

**Grew up:** Hillsboro, Oregon

**Current residence:** Snohomish

**Education:** Bachelor’s degree in accounting from Central Washington University

**Careers prior to CRE:** Accountant and banker

**Age:** 57

**Who was your inspiration:** The late [Jim Potter](#), who was one of the first to champion the idea of affordable housing in Seattle.

**Family:** Three boys, one girl and six grandchildren

**Interests outside of work:** “My family. Also, anything that has to do with physical activity, hiking.”

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## Lesson learned

"In all of my careers, I've been torn between: always be tenacious and never give up, and pivot and be creative. Tenacity is really critical. Also, I stay focused and remember that when things come up, it's just noise."

**Shawna De La Rosa** Reporter  
Puget Sound Business Journal

