



City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Felicia Medlen, Division Manager, Housing, Community and Economic Development
Jeff Robinson, Community and Economic Development Director
COPY: City Council and City Clerk's Office
SUBJECT: Resolution - Funding Agreement Property Acquisition
DATE: November 28, 2023

SUMMARY AND PURPOSE:

A resolution approving an agreement between the City and the Tacoma Community Redevelopment Authority for property acquisition for affordable housing.

BACKGROUND:

This Department's Recommendation is Based On: The Tacoma Community Redevelopment Authority (TCRA) was created to provide an independent means of carrying out and administering programs that rebuild or revitalize blighted areas, expand housing, job, and income opportunities; develop housing programs including home rehabilitation, counseling, and maintenance; and stimulate economic development through use of available resources. Among the authorities granted through the formation of the TCRA are the ability to own, lease, and acquire land and personal property, contract with individuals and organizations including the state and federal government, and lend and borrow money. Under this agreement the City would be tasking the TCRA with carrying out functions consistent with why it was created.

The TCRA has currently undertaken one acquisition for property located at 1512-1520 Yakima Avenue. A developer for this site will be solicited using a request for proposal process. The TCRA is also looking for additional property that can be acquired for affordable housing and anticipates any additional acquisitions will occur before June of 2025.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Acquisition activities under this contract would not have specific community engagement as part of the acquisition process however there may be engagement opportunities as part of the developer solicitation process when future development may have a significant impact on the surrounding neighborhood.

Additionally, any property acquired under this agreement would be for future affordable housing development. Affordable housing comes up as a consistent need voiced by the community and this use aligns with the Objective 1 of the City's Affordable Housing Action Strategy (AHAS), Create More Homes for More People.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

Affordable housing is a need across all demographics, though we know that affordable housing is a disproportionate need among people of color. By creating a pathway for more units to be developed we increase opportunities to market units to households that are most in need of them.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.



Livability: *Equity Index Score:* Moderate Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

Acquisitions under this agreement will facilitate the provision of affordable housing units for households that are at or below 80% Area Median Income (AMI). It is anticipated that the development of rental housing would have some portion or all units affordable at 60% AMI and below; while a homeownership development would have some portion, or all units targeted to 80% AMI.

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

| Alternative(s) | Positive Impact(s) | Negative Impact(s) |
|------------------|--------------------|---|
| 1. Deny approval | None | The TCRA would need to turn the land acquired using the funds over to the City, the City would have to manage the property delaying the time it would take to solicit a developer for the site. |

EVALUATION AND FOLLOW UP:

Affordable housing units created from acquisitions under this agreement would be reported on as part of the AHAS reporting. Additionally, the long-term affordability of those units will be monitored by the Housing Division as part of the compliance portfolio.

STAFF/SPONSOR RECOMMENDATION:

The Community and Economic Development Department recommend Council approve the Agreement with the TCRA which would allow the TCRA to continue to utilize the funds to acquire property for affordable housing development.

FISCAL IMPACT:

| Fund Number & Name | COST OBJECT (CC/WBS/ORDER) | Cost Element | Total Amount |
|-----------------------------------|----------------------------|--------------|--------------|
| Expense: 1195- Affordable Housing | 733000 | 6530600 | \$2,500,000 |
| TOTAL | | | |



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What Funding is being used to support the expense?

Affordable Housing Fund resources

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

YES

Are there financial costs or other impacts of not implementing the legislation?

No

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

ATTACHMENTS:

None