



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Carol Wolfe, Acting Director, Community & Economic Development
Dierdre Patterson, Business & Economic Development Analyst, Community & Economic Development
COPY: City Council, City Manager, City Clerk, EIC Coordinator, LEAP Coordinator, Kacee Woods, and Hailey Erichsen, Senior Buyer, Finance/Procurement
SUBJECT: CED Tacoma Community Redevelopment Authority (TCRA) Community Reinvestment Project (CRP) Loan Administration for Revolving Loan Program Interagency Agreement, Contract No. CW2271737 – April 15, 2025, City Council
DATE: March 17, 2025

RECOMMENDATION SUMMARY: Community & Economic Development (CED) recommends awarding a contract to the Tacoma Community Redevelopment Authority (TCRA), Tacoma, WA, in the amount of \$3,185,000, plus applicable taxes, to act as the administrator and governing body over the CRP funds for the Revolving Loan Fund in coordination with City staff. The initial contract term is 30 years, with the option to automatically renew for additional 15-year periods unless otherwise terminated, for a cumulative contract amount of \$3,185,000 plus applicable taxes. The project is budgeted from Fund 1195 EDA and the Community Reinvestment Project.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND: The City applied for, and was awarded, the Community Reinvestment Project Grant (“Grant”), in the amount of \$4,650,000, from the Washington State Department of Commerce. The Grant is designed to address systemic barriers related to access to capital and the disproportionate impact of the Nixon-era War on Drugs on the Black, Latino, and Indigenous communities. The Grant will be implemented through a comprehensive approach that includes both loans and grants, designed to meet the diverse needs of Black, Latino, and Indigenous businesses. The Tacoma Community Redevelopment Authority (TCRA) has been designated as the subrecipient of the \$3,185,000 loans portion of the Grant, and its programs are designed to support businesses that are unable to access traditional financing due to lack of collateral or credit history. The remaining \$1,465,000 of the grant will be managed by the City, focusing on commercial rent and fixed asset grants, as well as technical assistance support for businesses and administrative support/tools.

TCRA agrees to work in coordination with City staff to:

- Oversee the administration and management of CRP funds as a revolving loan fund.
- Act as the loan approval body in alignment with CRP’s purpose and objectives.
- Establish and maintain financial and operational policies for the loan program.
- Maintain detailed records and provide reports to the City when requested.



ISSUE: The City currently lacks the necessary systems, processes, and management software to effectively monitor and service these loans. Developing an internal framework is not feasible within the CRP project's period of performance from October 1, 2024, to June 30, 2025, particularly given the ongoing SAP S4 transition, which has limited the capacity of Treasury, Finance, and IT to support the creation of new systems.

ALTERNATIVES: An alternative to contracting with the TCRA for loan administration could be for the City to manage the CRP loan program internally. Contracting with the TCRA—who has administered the City's revolving loan funds since 1979 and has established infrastructure in place—adds an essential layer of accountability and transparency. Without this approach, the City risks delays in loan disbursement, potential conflicts with regulatory requirements, and increased administrative costs to develop and manage an internal system, potentially jeopardizing the success of the CRP loan program.

COMPETITIVE ANALYSIS: The City of Tacoma intends to engage TCRA under interagency agreement to administer the CRP program due to the highly specialized knowledge required for managing loans tied to redevelopment initiatives, including compliance with state and federal funding regulations, borrower monitoring, and risk mitigation. TCRA possesses an in-depth understanding of the existing portfolio which will allow for seamless transition and minimal disruption to loan servicing. A single administrator for the programs will allow TCRA to maintain operational efficiency, safeguard financial integrity, and uphold its mission of sustainable economic development.

The TCRA was formed in 1973 by City of Tacoma Resolution No. 22366 (as amended) and Ordinance No. 19762 (as amended) as a public corporation charged with administering several community and economic development programs on behalf of the City. Since its inception, the TCRA has administered community and economic development programs on behalf of the City via Interagency Agreement. The TCRA currently manages Community Development Block Grant (CDBG) programs, HOME investment partnership (HOME) programs, Economic Development Administration (EDA) programs, and several state programs. The TCRA has performed well under its previous contracts with the City for similar functions and performs satisfactorily under its current contracts with the City of Tacoma that authorize them to administer HOME, CDBG, and EDA programs.

CONTRACT HISTORY: New contract. This contract was originally awarded to the TCRA as a result of a grant to the City of Tacoma from the Washington State Department of Commerce under the Community Reinvestment Project. The TCRA's sub-recipient relationship and role as loan administrator was accepted by Council Resolution No. 41547 on October 29, 2024.

SUSTAINABILITY: The TCRA administering the CRP loan program plays a crucial role in supporting sustainability by ensuring responsible lending practices that balance financial growth with environmental, social, and governance (ESG) considerations. Effective loan portfolio management promotes sustainable economic development by directing funds toward projects and businesses that address systemic barriers related access to capital and the disproportionate impact of the Nixon-era War on Drugs on the Black, Latino, and Indigenous communities. Additionally, sustainable loan administration encourages transparency and ethical



lending standards, ultimately contributing to a stable financial system that supports both present and future generations.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - EIC Exception: Interagency Agreement

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP)
COMPLIANCE: Not applicable.

LEAP Compliance: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195 EDA	GRT-00558-01	6530600	\$3,185,000
TOTAL			Up to \$3,185,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1195 EDA	GRT-00558-01	4334360	(\$3,185,000)
TOTAL			Up to (\$3,185,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$3,185,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? No

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. This is a recent WA State Department of Commerce Competitive Grant and was not planned in the biennial budgeting processes.