





TO: Elizabeth Pauli, City Manager

FROM:  Linda Stewart, Interim Director, Neighborhood and Community Services Department
 Pamela Duncan, Division Manager, Neighborhood and Community Services Department

COPY: City Council; City Clerk

SUBJECT: Execution of a Grant Agreement between the City and TCRA to include \$700,000 in City Mental Health Funds June 20, 2017

DATE: June 05, 2017

SUMMARY:

Requesting authorization to execute a grant agreement between the City of Tacoma (City) and Tacoma Community Redevelopment Authority (TCRA), to include \$700,000 in Mental Health funds, to assist with the development of the Youth Crisis Residential Center project (“CRC Project”).

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- 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.

BACKGROUND:

The CRC Project funding agreement presented today is a result of a larger planning effort between City, Pierce County, TCRA and Tacoma Housing Authority (THA) staff. The CRC Project will serve a limited clientele that meets the definition of a public purpose for Community Development Block Grant (CDBG) funds. Twelve beds will be available to homeless youth between the ages of 12 and 17 and the unit will be reserved for households earning no more than 80% AMI.

THA owns a 3.5 acre parcel adjacent to the Salishan neighborhood and buffered by First Creek Gulch. THA proposes to use one acre of this currently vacant land to develop a one story, 5,000 square foot CRC to include one residential unit that will include 12 dorm style bedrooms, two common bathrooms, a staff office, kitchen and living room space, and on-site parking. See attachment “A” for a site map.

The CRC Project is consistent with the City of Tacoma’s Consolidated Plan for Housing and Community Development 2015-2019, which is the implementation document for the City’s Comprehensive Plan and is administered by the City’s Housing Division of the Community & Economic Development Department. The Consolidated Plan places a high priority on the development of affordable housing for low income households, reducing homelessness and increasing stability for all residents, including support for self-sufficiency.



On May 11, 2017 the TCRA Board authorized its staff to negotiate and execute a 30 year forgivable loan agreement, deed of trust and promissory note, and a regulatory agreement with the THA for \$1,000,000. Of that \$1,000,000, TCRA will be giving the THA \$300,000 in CDBG funds. For remainder of the \$1,000,000, totaling \$700,000, the TCRA plans to use \$700,000 in Mental Health Substance Use Disorder funds from the City, if this resolution is approved.

Pierce County will contribute \$250,000 in SHB2163 Homeless Document Recording Fees to the project. These funds will be provided to the CRC Project in a loan agreement between the County and THA and are separate from the \$1 million loan issued by the TCRA to THA.

THA will ensure the additional financial resources necessary to closing the \$50,000 funding gap are secured prior to commencing with the CRC Project's construction phase.

ISSUE:

At issue is the Council's approval of an agreement between the City and TCRA whereby the City transfers \$700,000 of Mental Health and Substance Use Disorder Funds to the TCRA so that it can loan money to the THA for the CRC project.

ALTERNATIVES:

The alternative would be to not approve the transfer of the Mental Health and Substance Use Disorder Funds to the TCRA; however, this would result in a delay of the CRC Project until such time that other funding has been identified and approved (if City sourced).

RECOMMENDATION:

Staff recommends Council authorization of the agreement with TCRA for the transfer of \$700,000 to be drawn down for CRC Project construction and permanent financing costs.

FISCAL IMPACT:

As a result of taking the recommended action the City will transfer \$700,000 in MHSUD Funds to the TCRA to be drawn down for CRC Project construction and permanent financing costs.



EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1185-MHCD Mental Health and Substance Use Disorder	859100	5330100	700,000
TOTAL			\$700,000

REVENUES- FUNDING SOURCES

	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Mental Health and Substance Use Disorder Tax	858200	4313250	700,000
TOTAL			\$700,000

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$700,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.