



City of Tacoma

## City Council Action Memorandum

**TO:** Elizabeth Pauli, City Manager  
**FROM:** Debbie Bingham, Business & Economic Development Manager  
Tanja Carter, Director, Community and Economic Development

**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Resolution to approve loan agreement with CEIBA Redevelopment LLLP -  
July 29, 2025  
**DATE:** June 27, 2025

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### SUMMARY & PURPOSE:

A resolution authorizing the execution of a loan agreement with CEIBA REDEVELOPMENT LLLP in the amount of \$1 million budgeted from Fund 1195 (UDAG) for a redevelopment initiative involving three properties between Market St. and St. Helens Ave. along 9th Avenue.

### BACKGROUND

This resolution would authorize the City Manager to enter into a loan agreement in the amount of \$1 million budgeted from Fund 1195 (UDAG) to support the CEIBA REDEVELOPMENT LLLP redevelopment project. Ceiba Redevelopment LLLP is a partnership between Urban Black Community Development, a Black-led, mission-driven real estate development company, and Great Expectations, an apartment developer based in Seattle, WA. The redevelopment plan involves the acquisition and rehabilitation of three key properties: the Rialto Apartments: 52 affordable housing units and two ground-floor retail spaces of 2,500 square feet total; The Exley: A designated historic structure with 12 affordable housing units; and St. Helens Building: A mixed-use facility comprising 14 affordable housing units and 6,000 square feet of retail and office space.

In total, these properties offer 78 residential units and 9 retail spaces. The project is strategically located near the theater district, City Hall, and the downtown shopping area along St. Helens, targeting the 30%-50% Area Median Income (AMI) demographic, including workforce housing for frontline workers, seniors, veterans and students.

CEIBA REDEVELOPMENT LLLP has already purchased the buildings, and this loan will help fund the retail component of the project. The retail spaces within both Rialto and St Helens buildings, have suffered from neglect and disrepair over the years. CEIBA REDEVELOPMENT LLLP is committed to revitalizing this part of downtown Tacoma, through a comprehensive multifaceted approach:

Plans include re-evaluating current tenant and removing underperforming tenants, cleaning up existing spaces to create an inviting environment for future tenants and rehabilitating the remaining vacant retail including design & permitting for 6 retail spaces. Spaces will be renovated to a vanilla shell, meaning they will be equipped and ready for immediate tenant occupancy. The units will be broadly market the spaces utilizing partners at Downtown Tacoma Partnership and First Western Properties. The rental rates will be offered at below market rate.

The UDAG account (Fund 1195) is comprised of repayments from historic HUD resources that were granted to the City and lent to the private sector for economic development activities. Previous projects funded through the City's UDAG funds include development of the downtown hotel now the Murano, acquisition and redevelopment of Old City Hall, and construction of a parking facility for the University of Washington – all of which were structured as loans to be repaid to the UDAG account administered by CED as this will be.



**COMMUNITY ENGAGEMENT/ (CUSTOMER RESEARCH):** These retail properties have been long vacant and/or problematic to the surrounding area and a group of local residents has been very engaged in looking of solutions to reinvigorate the neighborhood.

**2025 STRATEGIC PRIORITIES:**

**Equity and Accessibility:**

The commercial revitalization, historic preservation, and housing development of this project will add value to the neighborhood. Marketing the retail locations at below market rent to local small businesses and using affirmative marketing strategies will provide opportunities to attract merchants, restaurateurs, artists, and small local businesses that provide quality, culturally specific goods and services that serve low-income customers and other resident and workforce needs.

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

Decrease the number of vacant properties downtown and in the neighborhood business districts.

Choose an item.

**Livability:** *Equity Index Score:* Low Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

**STAFF RECOMMENDATION:**

Staff has reviewed the application using our Urban Development Action Grant (UDAG) Revolving Loan Fund Policy framework for UDAG funds and the project scored 93/100 . The project also underwent a financial underwriting evaluation by an outside agency. Staff recommends the Council approve the resolution to enter into the loan agreement.

**ALTERNATIVES:**

Presumably your recommendation is not the only potential course of action; please discuss other alternatives actions for council or staff to take. Please use table below.

Alternative	Positive Impacts	Negative Impacts
1. Do not approved the loan agreement	Save funds for other purposes	The commercial units will stay unrenovated and potentially vacant.

**EVALUATIONS AND FOLLOW UP:**

The development will be tracked as it progresses and once completed will be monitored to ensure the intended outcomes are met.



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**FISCAL IMPACT:**

**Expenditures: Loan Issuance**

Fund Number & Fund Name *	Cost Object (cc/wbs/order)	Cost Element/GL	Total Amount
1195 - UDAG	852400	1810000	\$1,000,000
Total			\$1,000,000

**Revenues: Loan Repayment**

Funding Source	Cost Object (cc/wbs/order)	Cost Element/GL	Total Amount
1195 - UDAG	852400	1810000	\$1,000,000
1195 - UDAG	852400	6012000	\$40,000
Total			\$1,040,000

**Fiscal Impact to Current Biennial Budget:**

\$1M in expenses is budgeted in the 2025-2026 Budget for this loan. In future, the City expects to receive \$1.04M in loan repayments.

**What Funding is being used to support the expense?**

UDAG funds which are budgeted to be loaned.

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

**NO, PLEASE EXPLAIN BELOW**

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:**



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- City of Tacoma- CEIBA Redevelopment LLLP Loan Agreement