



**CITY OF TACOMA, WASHINGTON
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

TO: Mayor and City Council

FROM: Council Member Kiara Daniels and Policy Analyst Christina Caan

COPIES TO: Elizabeth Pauli, City Manager; Chris Bacha, City Attorney

SUBJECT: **Resolution acknowledging the need for additional early childhood care resources and directing the City Manager to negotiate an agreement for a proposed \$1.5 million loan with the Multicultural Child and Family Hope Center to help develop the Cora Whitley Family Center**

DATE: May 15, 2024

I ask for your support to advance a resolution acknowledging the need for additional early childhood care resources and directing the City Manager to negotiate an agreement for a proposed \$1.5 million loan with the Multicultural Child and Family Hope Center to help develop the Cora Whitley Family Center.

SUMMARY AND PURPOSE

Resolution request: This resolution would authorize the City Manager to negotiate an agreement for a proposed \$1.5 million from the Urban Development Action Grant loan program account (UDAG) with the Multicultural Child and Family Hope Center (MCFHC) to support the capital campaign for the planned development of the new Cora Whitley Family Center. This 32,000 sq. ft. facility will include a 3,700 sq. ft. gym and 19 classrooms for 326 early learners. It will also have 186 employees. This facility would double the current MCFHC capacity and fill 10 percent of the early learning and childcare needs in Tacoma.

- The MCFHC has received private/philanthropic, county, state, and federal funding commitments for the planned Cora Whitley Family Center facility totaling \$14,515,989 and requires additional funding to reach the total project cost of \$20,745,142. City funding would be restricted to use for construction and development costs and the MCFHC would be required to abide by Washington State public works contracting requirements, include payment of prevailing wages. Prior to the disbursement of any City funds evidence of a fully funded project will be required and the City funds will be the last funding into the project.
- The UDAG account (Fund 1195) is comprised of repayments from historic U.S. Department of Housing and Urban Development 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 the Community and Economic Development Department (CED).

Background: The MCFHC is a non-profit human services and early learning center that has operated in Tacoma for more than thirty years. The MCFHC's mission is to provide culturally relevant support

services that educate, empower, and uplift Tacoma's children, youth, and community to increase access to opportunities.

- **Childcare services:** The MCFHC offers a variety of childcare services, such as a before and after school program, support for children in foster care, and free early learning programs. The demand for the MCFHC Early Childhood Education and Assistance Program is robust, with a current two-year waitlist.
- **Parenting services:** The MCFHC provides services to assist parents, including programs designed to develop parenting skills, improve parental self-care to lower the risk of child neglect or abuse, and help fathers navigate the child welfare system. The MCFHC also provides free groceries and diapers to families in need.
- **Housing support services:** The MCFHC works to help prevent homelessness through its homeless prevention project, while also providing transitional housing for families experiencing housing instability and a recovery home that supports sober living for women and children.

Washington ranks as one of the top five most expensive states in the country for daycare, babysitting, and nanny care.¹ In fact, almost 50 percent of parents in Washington have found it difficult or very to find, afford, and keep childcare.² In Tacoma, less than 20 percent of the childcare needs for children ages 0-12 years old are met and only 44 percent of children in Tacoma's South End are kindergarten ready.^{3,4} While the need for high-quality and affordable childcare services is already high, demand is likely to grow further in the coming years due to the end of American Rescue Plan Funds for childcare programs, which supported about 700 childcare providers in Pierce County.⁵

Early childhood education is vital for children, parents, and our community. Early childhood education helps to spur brain development and improves high school graduation rates, a key goal for youth in Tacoma.^{6,7} In addition, analysis by the President's Council of Economic Advisors suggests that expanding early learning initiatives provides benefits to society of roughly \$8.60 for every \$1 spent, about half of which comes from increased earnings for children when they grow up.⁸ Access to affordable childcare also enables parents to maintain employment and pursue additional education and training opportunities to increase their earnings and job satisfaction.

- According to a 2019 survey conducted by the Washington State Child Care Collaborative Task Force, almost 30 percent of parents quit their job or left school or training in Washington due to childcare issues, and more than 25 percent shifted from full-time work, school, or training to part-time status.⁹ The same study showed the direct costs of turnover and missed work due to childcare issues in Washington is estimated to be \$2.08 billion.

¹ [How Much Does Child Care Cost? 2024 Cost of Care Survey](#)

² [The Mounting Costs of Childcare September2019.pdf \(svdcdn.com\)](#)

³ Multicultural Child and Family Hope Center, The Cora Whitley Family Center Information Document (hard copy)

⁴ [Child Care and Early Learning Need and Supply Data | WA Department of Children, Youth, and Families](#)

⁵ [Washington ARP Child Care Stabilization Fact Sheet \(hhs.gov\)](#)

⁶ [Impacts of Early Childhood Education on Medium- and Long-Term Educational Outcomes \(sagepub.com\)](#)

⁷ [Graduate Tacoma](#)

⁸ [The Economics of Early Childhood Investments \(archives.gov\)](#)

⁹ [The Mounting Costs of Childcare September2019.pdf \(svdcdn.com\)](#)

DESIRED RESOLUTION DATE: June 4, 2024

COMMUNITY ENGAGEMENT/CUSTOMER RESEARCH

Council Member and Chair of the Economic Development Committee Kiara Daniels, Mayor Victoria Woodards and other City Council Members toured the MCFHC facilities and met with the leaders of the MCFHC to discuss the project. The MCFHC has provided fact sheets and design renderings to CED and engaged with the CED Director.

2025 STRATEGIC PRIORITIES

Equity and Accessibility: The MCFHC is a by-and-for communities of color service provider. About 75 percent of the families the MCFHC serves are Black, Indigenous, and other people of color (BIPOC), making the MCFHC a key partner for advancing equity and access to human services in Tacoma. In addition, lower-income families tend to have a higher cost of living, leading childcare to require a greater portion of the family budget.¹⁰ The free resources the MCFHC provides are vital to meeting the needs of low-income families.¹¹ The MCFHC also uses a trauma informed lens in much of its work, providing a level of care and compassion that helps ensure the accessibility of their programming.

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

Increase the number of diverse livable wage jobs.

Increase the number of Tacoma households that have livable wage jobs within proximity to the city.

Education: *Equity Index Score:* Very High Opportunity

Increase the availability and accessibility of early childhood education programs.

Increase the number of quality out of school time learning opportunities distributed equitably across the city.

Increase school choice options.

All students will graduate from high school and be prepared to enter the workforce or pursue post-secondary education.

Livability: *Equity Index Score:* High Opportunity

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

Increase positive public perception of safety and overall quality of life.

This funding would help preserve current employment positions, create construction jobs, provide permit and tax revenues, and add a range of new jobs at the Cora Whitley Family Care Center. It would also help parents utilizing childcare services to maintain their employment and increase the prospects for young people to graduate high school and secure jobs in the future. In addition, the Cora Whitley Family Care Center will expand access to early childhood education programs and before and after school activities, especially for BIPOC residents and low-income residents. The Cora Whitley Family Center will also help families with housing stability, food security, and resources for increasing family well-being and parenting skills, thereby expanding the overall quality of life for community members.

¹⁰ [Inflation Inequality: Measurement, Causes, and Policy Implications \(filesusr.com\)](https://filesusr.com)

¹¹ [Early Childhood Program Participation: 2019 \(ed.gov\)](https://ed.gov)

ALTERNATIVES

Alternative	Positive Impacts	Negative Impacts
Do not provide City funding.	This increment of City UDAG funding will be available for other eligible community and economic development projects.	The MCFHC will need to find alternative funders to finalize their capital campaign for the Cora Whitley Family Center and delay the start of construction.
Provide City funding as a grant rather than a loan.	The MCFHC would be able to use alternative funding for programming rather than repayment.	This would either 1.) Permanently decrease the total amount of money available as loans to support community development projects in the Urban Development Action Grant fund, or 2.) Require an alternative funding source to be identified.
Provide greater amount of City funding as loan.	The MCFHC would be able to launch their project with less reliance on and efforts into seeking additional external resources.	This would temporarily decrease the total amount of money available as loans to support community and economic development projects through the Urban Development Action Grant fund by a greater amount.

EVALUATIONS AND FOLLOW UP

If approved, the Economic Development Committee would request the MCFHC provide regular updates on the project.

SPONSOR RECOMMENDATION

Sponsors recommend advancing this resolution.

FISCAL IMPACT

The UDAG fund has a projected unreserved balance of \$5.1M based on current cash and projected expenses for small business loans in 2024. A loan of \$1.5M would bring the remaining funds to \$3.6M. By 2025, the staff projects that the City will receive funding from the sale of land totaling \$1.7M that will supplement the remaining funds. As the loan is negotiated, the term length, repayment options, and interest rates will be determined. In alignment with past practice, staff would also develop a budget proposal for the negotiated agreement to bring forward to the City Council during the budget process. Negotiating the loan agreement and tracking the agreement over time will involve staff time in 2024 and beyond.

If you have a question related to the Council Consideration Request, please contact Christina Caan, Policy Analyst, at (253) 219-0679 or ccaan@cityoftacoma.org.

SUBMITTED FOR COUNCIL CONSIDERATION BY:


Council Member Kiara Daniels

SUPPORTING COUNCIL MEMBERS SIGNATURES

1.  POS#__2__

2.  POS#__Mayor__

3.  POS#__3__