



TO: Elizabeth Pauli, City Manager
FROM: Council Member Kristina Walker and Melanie Harding, Chief Policy Analyst to the Mayor
COPY: City Council and City Clerk
SUBJECT: Resolution – Authorizing the execution of an Intergovernmental Agreement with governments in Pierce County establishing and confirming the City of Tacoma’s Participation in South Sound Housing Affordability Partners & allocating Council Contingency Funding for Tacoma’s proportion of startup and operations funding in 2021 – July 27, 2021
DATE: July 9, 2021

SUMMARY AND PURPOSE:

A Resolution authorizing execution of an Intergovernmental Agreement establishing and confirming the City of Tacoma’s participation in South Sound Housing Affordability Partners and allocating an estimated \$20,000 - \$22,000 in Council Contingency Funding for startup in 2021.

COUNCIL SPONSORS:

Mayor Victoria Woodards, Councilmember Conor McCarthy, and Councilmember Kristina Walker

BACKGROUND:

Mayor Woodards and the Tacoma City Council have long acknowledged the challenges posed to affordable housing due to accelerating housing market conditions, a limited rental supply, significant housing cost burdens on households across the region, and a need for community members experiencing barriers to access or remain in safe and stable housing. Because of this, they have prioritized the issue of affordable housing and supported the completion of the Affordable Housing Action Strategy (AHAS) in September 2018.

Despite ongoing work to enact strategic approaches from the AHAS, both rental rates and home prices have continued to increase, with Redfin again declaring Tacoma the fastest-selling housing market in the nation earlier in 2021. Redfin’s Chief Economist attributed this increase in part to the increase in virtual work during the pandemic, as the Tacoma market provides Seattle workers more for their dollar with a reduced need to commute.¹ A June report from John L. Scott Real Estate indicated that Pierce County is “virtually sold out” of existing single-family homes valued at up to \$1.5 million.² COVID-19 has significantly impacted the stability of jobs and wages for many across the nation, and the Washington State eviction moratorium is scheduled to end on September 30, 2021.³ When combined, these factors combined further threaten housing stability in Tacoma and throughout the region.

While the City of Tacoma continues work to enact the strategies in AHAS, the challenges of housing affordability are regional and the factors that impact market conditions do not stop at city limits. The actions taken by neighboring jurisdictions and governments have impacts on one another. At the same time, jurisdictions of various sizes have unique needs and varying levels of resources to address the complex issue of housing. In 2018, Mayor

¹ <https://www.kiro7.com/news/local/redfin-puts-tacoma-no-1-again-fastest-selling-housing-market-january/AXMHPRCG5CGHEDQUB6WCBINDE/>

² <https://www.thenewstribune.com/news/business/real-estate-news/article251955553.html>

³ <https://www.governor.wa.gov/news-media/inslee-announces-eviction-moratorium-%E2%80%9Cbridge%E2%80%9D>



Woodards began questioning whether there were opportunities for surrounding governments to create synergy by working collaboratively on the issue of affordable housing.

To hear from other government leaders on affordable housing and determine whether there were regional solutions that could be leveraged, Mayor Woodards was joined by County Executive Dammeier and County Councilmember Ladenburg in the fall of 2018 to convene elected officials in a roundtable discussion on housing affordability in Pierce County. The discussions initially focused on what might be done collectively across Pierce County to address housing affordability, attainability, and accessibility for residents of all income levels, while acknowledging each jurisdiction's unique housing market and challenges.

The 'Mayors' Roundtable on Affordability,' as it was originally called, conducted a series of meetings on:

- Local housing affordability data and needs;
- Individual jurisdiction needs and housing types;
- Incentives and needs of housing developers and what kinds of incentives are valued for spurring the creation of additional units including affordable units;
- How other local governments have partnered to achieve results, what tools have been effective, and what lessons have been learned; and
- How to continue collaborating to move the issue of housing affordability and attainable housing forward

The engaged governments recognized that housing affordability is a regional challenge that crosses jurisdictional boundaries and agreed that working together, sharing information and pooling resources would have a greater impact on addressing housing affordability than working separately.

In 2019, the Mayor's Roundtable group began calling itself the South Sound Housing Affordability Partners (SSHAP). Overtime, SSHAP collectively decided to move forward with both short- and long-term action items, including jointly funding and engaging a consultant to explore formalizing a regional coalition to ensure a collaborative and sustained focus on housing affordability. Cedar River Group was selected as the consultant to explore the development of a formal regional coalition.

In 2020-2021, the consultant worked with staff of several local governments and the Puyallup Tribe as well as a Steering Committee comprised of elected officials on the proposed structure, budget, and work plan of the coalition. As presented in City Council Study Session on March 30, 2021, the full SSHAP group agreed to move forward with a draft Intergovernmental Agreement that will establish the South Sound Housing Affordability Partners (SSHAP), a regional coalition of governments in Pierce County created to address housing affordability, attainability, and accessibility regionally. At a high level, the intergovernmental includes these five elements:

- The SSHAP coalition will be governed by an Executive Board comprised of elected officials (or other designated officials) of the members' governments. Each member will have one vote on the Executive Board;
- The SSHAP coalition will have an Advisory Board comprised of key housing stakeholders;
- There will be an identified administrative entity and fiscal agent (the full group has agreed that Pierce County will serve in this role);
- SSHAP will include 1.5 staff to provide services to all member governments; and
- SSHAP will be structured to include the possibility of creating a capital fund.



COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

The 2020 Community Survey conducted in development of the budget, the following issues made the list of top five major issues facing Tacoma in the next five years:

- Homelessness
- Affordable Housing/Housing Costs
- Housing/Housing Shortage

Mayor Woodards has worked with peers in governments across the County as a collaborative solution to these prevalent concerns.

In developing the Intergovernmental Agreement, the consultant worked with staff of several local governments and the Puyallup Tribe, attorney from involved jurisdictions, as well as a Steering Committee comprised of elected officials on the proposed structure, budget, and work plan of the coalition and kept interested stakeholders apprised of the ongoing meetings and discussion topics. Edits were made to incorporate all feedback provided.

The Intergovernmental Agreement is an initial step to formalize the structure of SSHAP. Once formally established, SSHAP Executive Board will create its work plan and there will be opportunity for community engagement. The Intergovernmental Agreement calls for the appointment of a 15 - 20 Advisory Board to provide public education and community outreach support” and one of their specific objectives will be to advise the SSHAP Executive Board regarding the assessment of affordable/attainable housing needs for different populations in Pierce County and the development of policies and/or funding resources to meet those needs.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: *(Mandatory)*

Housing instability is not experienced equitably across the nation or in Tacoma/Pierce County. As noted in the January 2018 report from Supporting Partnerships for Anti-Racist Communities (SPARC): “People of color are disproportionately represented in the homeless population. Black people, in particular, are more likely to become homeless than people of other racial and ethnic backgrounds. Although Black people comprise 13% of the US population and 26% of those living in poverty, they account for more than 40% of the overall homeless population.”⁴

In Pierce County, Black/African American people represent the population at a rate of 26.3% population in the Homeless Management Information System, despite only making up 6.6% of the general population in this area.

The governments engaged in the formation of SSHAP have captured their shared common goal to eliminate housing inequities for all races, ethnicities and other vulnerable or marginalized communities and geographic locations in Pierce County within the Intergovernmental Agreement.

⁴ <https://www.piercecountywa.gov/DocumentCenter/View/67289/SPARC-Tacoma---Pierce-County-Report-February-2018?bidId=#:~:text=The%20SPARC%20initiative%20focuses%20on,Tacoma%2FPierce%20County%2C%20WA.>



Livability: *Equity Index Score:* Moderate Opportunity

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

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

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

Collaborative work on this issue ensures that governments across the County are all working in some way to keep housing attainable, affordable, and accessible. This will help ensure that the City of Tacoma’s work to implement the Affordable Housing Action Strategy doesn’t create/preserve the only affordable housing units in Pierce County. This will allow area residents additional options for housing that do not leave them cost burdened, and it will allow residents of multiple income levels a choice to live in closer proximity to community facilities, infrastructure, and employment or transit that allows them to access these amenities.

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. Take no action	There will be an annual cost savings of ~\$60,000/year that could be allocated to other services.	SSHAP work plan will be significantly constrained by a lack of staff support and collaborative solutions will be limited. Partner governments (particularly those constrained by smaller budgets) may not have access to expertise/services outlined to be defined in the SSHAP work plan to forward affordable/attainable housing in their jurisdiction.

EVALUATION AND FOLLOW UP:

In the Intergovernmental Agreement, the Executive Board will determine how it will track, monitor and report on progress on the work plan and the timeliness of deliverables. For purposes of accountability and transparency, the Intergovernmental Agreement commits to establishing timely reporting to members and to the public.

STAFF/SPONSOR RECOMMENDATION:

The sponsors recommend approval.



FISCAL IMPACT:

Initial estimates for the SSHAP budget through 2023 are outlined below. Member governments pay a proportionate share of the budget based on population and the total cost will vary based on the number of governments that join (varying annual between roughly \$3,000 and \$138,000 per member per year). Tacoma’s estimated contributions are currently:

	Total SSHAP Budget	Tacoma Contribution: 10 total SSHAP Members	Tacoma Contribution: 16 total SSHAP Members*
2021	\$106,150	22,000	20,000
2022	\$293,090	66,000	60,000
2023	\$302,309	68,310	62,100

*= The additional governments considering membership are smaller jurisdictions; dues are driven by proportion of population.

Because the Intergovernmental Agreement includes approval of the draft budget, this resolution will also will allocate Council Contingency funds for operations start up in 2021. Mayor Woodards will seek a Mid-biennial Budget Modification for operations in 2022.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
Council Contingency Fund			\$20,000 - \$22,000
TOTAL			\$20,000 - \$22,000

What Funding is being used to support the expense?

COUNCIL CONTINGENCY FUND

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

NO, PLEASE EXPLAIN BELOW

The budget for SSHAP was constructed as part of the drafting of the Intergovernmental Agreement, and it was not available for consideration during the City’s budget process.

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

YES

Affordable housing units created/preserved under AHAS may have greater demand from renters/buyers across the region if governments are not all working to keep housing affordable, attainable, and accessible.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Mayor Woodards will make a request for the estimated 2022 funding during the mid-biennium budget modifications, and funds for 2023-2024 will be considered during the City’s next budget cycle.

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

NO



City of Tacoma

City Council Action Memorandum

City staff will remain connected with the efforts of SSHAP, but the joint funding of 1.5 FTE for SSHAP provide support for this initiative.

ATTACHMENTS:

- Intergovernmental Agreement establishing SSHAP
- Council Contingency Fund Balance Sheet

2021-2022 Council Contingency Commitments

2021-2022	\$250,000
	Committed
Council Requested- South Sound Together	\$12,000
<i>Resolution 40747</i>	
A resolution authorizing the one-time use of \$12,000, budgeted from the Council Contingency Fund, for City membership in South Sound Together, for the year 2021.	
Council Requested- Joint Municipal Action Coalition	\$6,000
<i>Resolution 40751</i>	
A resolution authorizing the one-time use of \$6,000, budgeted from the Council Contingency Fund, as the City's contribution towards a Joint Municipal Action Committee sponsored Request for Proposal to provide consulting services to better align the work of participating organizations.	
Council Requested- Opioid Task Force	
<i>Resolution 40753</i>	\$2,000
A resolution directing the City Manager to allocate \$2,000 from the City Council Contingency Fund to the Tacoma Pierce County Health Department to support media and broadcasting for the 2021 Pierce County Opioid Summit.	
Council Requested- Gun Violence Prevention	
<i>Resolution 40767</i>	\$25,000.00
A resolution directing the City Manager to allocate \$25,000 from the City Council Contingency Fund in order to hire a facilitator to convene workgroups to determine best practices for funding gun violence prevention efforts, and hire a research team to review best practices to address gun and youth violence reduction.	
Council Requested- Tacoma Reads	
<i>Resolution 40793</i>	\$ 10,000.00
City Council concurrence for a \$10,000 City Council Contingency Fund request to support the 2021 Tacoma Reads Together events	
Council Requested - Alling Park	
<i>Resolution 40792</i>	\$ 1,500.00
Council Contingency Fund expenditure of \$1,500 to support neighborhood outreach around Alling Park to address illegal use of fireworks by the Safe Streets Campaign, a grassroots organization that unites and inspires neighbors, youth, and businesses to build safe, healthy, and thriving communities.	
Council Requested - Accommodations for Korean Delegation	\$ 5,000.00
<i>Resolution 40811</i>	
Council Contingency Fund expenditure of \$5,000 to support the lodging and accommodations of a student group and host from Korea who are participating at the Asia Pacific Cultural Center's 25th Anniversary fundraiser as educational and cultural ambassadors.	
Council Request - Black Lives Matter Mural	\$ 10,000.00
To Council July 27, 2021	
A resolution authorizing a Council Contingency Fund expenditure of \$10,000 to support the Kinsey African American Art & History Collection and installation of a Black Lives Matter mural in Tollefson Plaza.	
Council Requested - South Sound Housing Affordability Partners	\$ 22,000.00
To Council July 27, 2021	
A Resolution authorizing execution of an Intergovernmental Agreement establishing and confirming the City of Tacoma's participation in South Sound Housing Affordability Partners and allocating an estimated \$20,000 - \$22,000 in Council Contingency Funding for startup in 2021.	

\$93,500