



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

**TO:** Mayor & City Council  
**FROM:** Council Member Anders Ibsen and Council Assistant Claire Goodwin  
**COPIES TO:** Elizabeth Pauli, City Manager; Tadd Wille, Deputy City Manager; Bill Fosbre, City Attorney  
**SUBJECT:** HUD Established Maximum Home Values Eligible for Down Payment Assistance  
**DATE:** December 3, 2019

---

**I ask for your support for a Resolution.**

**LEGISLATIVE INTENT:**

**Council Contingency Fund Request:** That up to \$5,000 be provided to the City's Housing Division to conduct a survey of home sale prices over a two to three month period of time and take needed steps towards requesting the U.S. Department of Housing and Urban Development (HUD) revise the area-median sales prices on existing homes and new construction in order to submit with the Fiscal Year 2020-2021 Annual Action with an effective date of July 1, 2020.

**Background:**

The City of Tacoma offers down payment assistance to income-eligible residents through the federal HOME Investment Partnerships Program (HOME) administered by HUD. The Washington State Housing Finance Commission (WSHFC) manages the program on the City of Tacoma's behalf. The program provides a maximum loan of \$20,000 with \$10,000 coming from HOME funds and the other \$10,000 coming from WSHFC. In 2019, the City allocated \$75,000 to the program. Eligibility is based on income (households that make up to 80% area-median income) and maximum purchase price of the home to be purchased. HUD determines this amount annually and limits it to 95% of the area-median sales price using Federal Housing Administration (FHA) single family mortgage program data. For Fiscal Year 2020 (July 1, 2019 – June 30, 2020), HUD determined the maximum amounts were \$285,000 for existing homes and \$354,000 on new construction. HOME regulations allow a local jurisdiction to request a change to these amounts through an administrative action. This action requires a survey of sale prices over at least a two-month period. The survey includes both new and existing housing sales prices and includes sales only within the city limits of Tacoma. Based on this survey and analysis the jurisdiction can recommend approval from HUD of the new amounts. The request is reviewed by the local HUD office in Seattle and is allowable during the city's "program year" (July 1 – June 30).

**Problem Statement:**

The problem to be solved is that HUD's established maximum home values eligible for assistance through the HOME grant program is below what the actual median sales prices are for the City. The formula HUD uses to establish the area median sales price is flawed. In order to make the HOME grant program useable for those who qualify based on income, the City should take action towards requesting a revision to HUD. This begins by moving forward with a survey of home sales prices over at least a two-month period of time to include the revised sales prices in the Annual Action Plan for the next program year beginning in July 2020.

**FUNDING REQUESTED:** Up to \$5,000

**ALIGNMENT WITH TACOMA 2025 KEY FOCUS AREAS:**

This legislation, program, project, or event is best aligned with the following (Check all that apply):

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

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.

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


If you have a question related to the Council Consideration Request, please contact Claire Goodwin, Council Assistant at 253-591-5164 or [claire.goodwin@cityoftacoma.org](mailto:claire.goodwin@cityoftacoma.org).

SUBMITTED FOR COUNCIL CONSIDERATION BY: Council Member Anders Ibsen

**SUPPORTING COUNCIL MEMBERS SIGNATURES (2 SIGNATURES ONLY)**

*(Signatures demonstrate support to initiate discussion and consideration of the subject matter by City Council for potential policy development and staff guidance/direction.)*

1.  POS# 5

2.  POS# 6

3.  POS# 3

## 2019-2020 Council Contingency Commitments

<b>2019-2020 Biennium Budget</b>	<b>\$500,000</b>
	Committed
<b>Community Work Force Agreement Task Force Support</b>	<b>\$35,000</b>
<i>Adopted on January 22, 2019, Resolution No. 40216 (DM McCarthy)</i>	
<i>Supporting and facilitating ongoing efforts of the CWA Taskforce</i>	
<b>Tenant Outreach and Education Support</b>	<b>\$20,000</b>
<i>Resolution No. 40241 adopted February 6, 2019 (CM Beale)</i>	
Supporting Tenant Outreach and Education through Contracts with Tenants Union of Washington and Tacoma Tenants Organizing Committee	
<b>Installation of a Rain Garden for Orca Health</b>	<b>\$10,000</b>
<i>Resolution 40296 adopted April 16, 2019 (added to ESD Contract with Pierce Co Conservation District) (CM Beale)</i>	
Installation of a Rain Garden for Orca health at one or more Tacoma Schools	
<b>2019 Tacoma Reads Together Events</b>	<b>\$10,000</b>
<i>Resolution No. 40310 adopted on April 23, 2019 (CM Ushka)</i>	
Book reading, discussion and signing events with author Tommy Orange for the novel <i>There There</i>	
<b>Funding for KNKX 88.5 FM Radio</b>	<b>\$45,000</b>
<i>Resolution No. 40426 adopted September 10, 2019 (CM Mello)</i>	
Funding for the renovation of the CN Gardner building and technical operations ( 8/20/19 Study Session)	
<b>Funding for Calavera Collective's Día de los Muertos Celebration</b>	<b>\$5,000</b>
<i>Resolution No. 40444 adopted October 8, 2019 (CM Ushka)</i> Funding to support Calavera Collective's Dia de los Muertos celebration. (10/1/19 Study Session)	
<b>6th Avenue Santa Parade Funding</b>	<b>\$5,000</b>
<i>Shared at October 29, 2019 Study Session (Council Member Hunter).</i> Funding to support the cost of traffic control devices for the 2019 Santa Parade on Sunday, December 8th.	
<b>2019-2020 Biennium Budget Remaining</b>	<b>\$370,000</b>
<b>Contingency Requests Awaiting Consideration</b>	
<b>HUD Established Maximum Home Values Eligible for Down Payment Asst</b>	<b>\$5,000</b>
<i>Shared at December 3, 2019 Study Session (Council Member Ibsen)</i>	
<i>Funding for a survey of home sales prices to request HUD revision of the area-median sales prices for the Down Payment Assistance program.</i>	

# City Council Policy Development Flowchart Worksheet

