



City of Tacoma

Government Performance and Finance Committee Minutes

747 Market Street, Tacoma, WA 98402, Conference Room 248

Dial: 253-215-8782 Meeting ID: 844 1669 0206

Webinar Link: www.zoom.us/j/82752998740 Passcode: 614650

October 18, 2022

10:00 AM

Chair John Hines, Vice Chair Kristina Walker, Joe Bushnell,
Sarah Rumbaugh, Kiara Daniels (alternate)

Call To Order

Chair Hines called the meeting to order at 10:06 a.m.

Roll Call

Present: 4 - Bushnell, Hines, Rumbaugh and Walker

Briefing Items

1. [22-1146](#) Senate Bill 5755 Sales & Use Tax Incentive for Underdeveloped Land
[Jeff Robinson, Director, Community and Economic Development,
Andy Cherullo, Director, Finance]

At approximately 10:07 a.m., Andy Cherullo, Director, Finance, provided opening remarks and presented the Washington Senate Bill (SB) 5755 sales and use tax incentive program, including background and purpose, issues, what the sales tax would do, how it would be administered, the application and approval process, where the funds from the tax could be used, and the monitoring period. Jeff Robinson, Director, Community and Economic Development (CED), concluded by presenting comparisons to other funding sources and what the funds would go towards over the life of the tax.

Discussion ensued regarding the definitions of affordable and low income, affordability requirements, the differences between Washington SB 5755 and the Multi-Family Property Tax Exemption (MFTE) Program, qualifying properties, zoning requirements, other eligible cities, the length of the MFTE Program, non-profit organizations, what happens after the ten-year period ends, utilizing both Washington SB 5755 and the MFTE Program, Washington State Department of Revenue involvement, the development process, limiting the number of projects approved, staffing needs and issues, forgiveness guidelines, construction costs, accessibility of affordable

housing, residential target areas, what defines a parking lot, priority areas, economic development tools versus affordable housing tools, and next steps.

2. [22-1147](#) Multifamily Property Tax Exemption Program Review
[Debbie Bingham, Project Manager, Community and Economic Development]

At approximately 10:43 a.m., Chair Hines provided opening remarks. Debbie Bingham, Project Manager, CED, presented the MFTE Program, including an overview; changes implemented in 2021; Area Median Income (AMI) reduction for 2022 rents; current data for 2022; the 12-year MFTE option; noting increased usage between 2020 and 2022; and size of projects permitted; future changes; and trends.

Discussion ensued regarding percentage of low income earners paying 30 percent or more for housing, the number of units that have utilized MFTEs, the City's goal for creating new units, gap between current units and units needed, the types and size of units being built, changing from a commercial space to a residential space, using MFTEs for condominiums, projects converting from the eight-year to the twelve-year exemption, and the number of projects happening before the end of the year.

Topics for Upcoming Meetings

3. [22-1148](#) November 1, 2022 - Board of Ethics Interviews
November 15, 2022 - Audit Advisory Board Interviews
December 6, 2022 - Audit Advisory Board Quarterly Meeting;
Monthly Budget Update; Streets Initiative Update

Joe Franco, Committee Liaison, stated that the next meeting will be on November 1, 2022, and will include interviews for the Board of Ethics; the November 15, 2022, meeting will include interviews for the Audit Advisory Board (AAB) and an update from the Office of Health and Safety; and the December 6, 2022, meeting will include the AAB quarterly meeting and updates on the monthly budget and Streets Initiative.

Discussion ensued regarding the Government Performance and Finance (GPF) Committee's calendar; a possible update from the Civil Service Board; a presentation on the code of conduct for the committees, boards, and commissions; and that the topic of Council District redistricting is coming forward to the full City Council.

Other Items of Interest

Chair Hines stated that the GPF Committee schedule will be more open in the year 2023.

Council Member Bushnell stated that he would like to see an update on the City's communication study brought to the GPF Committee.

Public Comment

Public Comment was heard from:

1. Amanda DeShazo, speaking on Washington SB 5755.

Adjournment

There being no further business, the meeting adjourned at 11:17 a.m.



John Hines, Chair

 for

Katie Foster, City Clerk's Office