



City of Tacoma

Government Performance and Finance Committee Minutes

Dial: 253-215-8782 Meeting ID: 827 5299 8740

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

October 19, 2021

10:00 AM

Chair John Hines, Vice Chair Lillian Hunter, Robert Thoms,
Kristina Walker, Keith Blocker (alternate), Mark Patterson (ex officio)

Call To Order

Chair Hines called the meeting to order at 10:05 a.m.

Roll Call

Present: 4 - Hines, Hunter, Thoms and Walker

All Council Members participated virtually.

Ex Officio Member Mark Patterson was also in attendance.

Briefing Items

1. [21-1010](#) Multifamily Tax Exemption Policy
[Debbie Bingham, Project Manager, Community and Economic Development]

At approximately 10:05 a.m., Chair Hines stated that at the last Committee meeting a request was made for a lending professional to speak on the topic of Multi-Family Property Tax Exemption Program (MFTE) and introduced Chris Templeton, Commercial Real Estate Relationship Manager, Columbia Bank.

Discussion ensued regarding how the lending process begins for multi-family housing developers, noting budgets, proposed rents, how long it takes to build projects, loan amounts, and the amount of equity required; that developers get multiple lending quotes; what banks look for in developers seeking loans; closing times; term lengths; loan modifications and conversions; determining what problem the Committee is trying to fix; the impacts of qualifying for an MFTE on a loan application; past projects that would not have been built without MFTEs; the potential affect of losing the eight-year MFTE; how far out banks look into the developer's pro forma; what the City could do for banks to get more projects built; current uses and locations of eight- and

12-year MFTEs; the effects on lenders of extending MFTEs to other areas; and what effects the removal of the eight-year plan would have on lending.

Chair Hines, and Debbie Bingham, Project Manager, Community and Economic Development, presented on the MFTE policy, including aligning the time frame of the Committee's recommendations on the MFTEs with the Infrastructure, Planning, and Sustainability Committee's Home in Tacoma Project recommendations, eight- and 12-year MFTE options, and potential Washington State Bill (SB) 5287 elements to adopt.

Discussion ensued throughout regarding 12-year MFTE options, noting how changes to average median income requirements would affect loans, expanding zoning to more areas, fast track permitting for off-site improvements, lowering affordability requirements, transit corridors, lower than market rate rents, first floor commercial requirements, available buildable lands, being clear about what is meant by affordable housing, and correlations with the Home In Tacoma Project; the eight-year MFTE options, noting eliminating the program in some areas, size and density requirements, requiring a minimum number of multiple bedroom units, greater parking requirements, rent values, and mixed-use center growth; the legislation process of adopting SB 5287 elements; and that a request will be made to the full City Council for MFTEs to be readdressed at a future date.

Topics for Upcoming Meetings

2. [21-1008](#) November 2, 2021 - Hold for Multifamily Tax Exemption Policy Discussion, Monthly Budget Update
November 16, 2021 - Interviews for the Board of Ethics, Analytics Program Update
December 7, 2021 - Audit Advisory Board Meeting, Monthly Budget Update

Ted Richardson, Committee Liaison, stated the next meeting will be on November 2, 2021, and will include another MFTE discussion, and a monthly budget update. He further stated the November 16, 2021, meeting will include interviews for the Board of Ethics, an analytics program update, and a presentation on participatory budgeting.

Other Items of Interest

There were no other items of interest.

Public Comment

There was no Public Comment.

Adjournment

There being no further business, the meeting adjourned at 11:53 a.m.



John Hines, Chair



Jered Lobban, City Clerk's Office