



## Disposition Policy For General Government Real Property

City of Tacoma | Public Works Department, Community and Economic  
Development Department, Media and Communications Office

**Infrastructure, Planning and Sustainability**  
**06/22/2022**



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## OVERVIEW



- Staff will provide history of how baseline Area Median Income (AMI) percentages were determined in current policy
- Staff will provide information on new studies, research and programs showcasing impacts of our current AMI baselines on homeownership development
- Staff will discuss the potential impacts of changes to current AMI baselines

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## BACKGROUND



- Request from Council to update policy
  - Prioritize Equity and Affordable Housing
  - Establish AMI baselines

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## BACKGROUND



- Current Baselines:
  - Tier 1 and 2 dispositions
    - 25% of units constructed at or below 50% AMI
    - Additional points for proposals meeting 50% units constructed at or below 30% AMI
  - Dispositions under House Bill 2382 (2017-2018 Regular Session)
    - 50% units constructed at or below 50% AMI
- These requirements currently apply to both rental and homeownership projects

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## ISSUES



- Current AMI baselines limit City's ability to advance proposals for homeownership projects
  - Could set potential homeowners up to fail
  - Consistency with efforts to implement recommendations from the 2021 Homeownership Disparity Study
  - Coordination with other Homeownership programs
- Current policy baselines do not offer alternative sliding scales for proposed rental projects
  - Greatest need in our market is for units at or below 50% AMI
  - Where no proposals received at the current baseline, staff must allow for proposals which do not include any affordability

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## ALTERNATIVES



- No change; Operate under the current policy for a few additional years before making changes
  - May not achieve policy objectives
  - Sustainable homeownership opportunities may be missed
- Create two AMI baselines in policy; one for ownership and one for rental
  - Ownership developments may result in fewer units built, but builds equity and generational wealth
  - Rental developments may achieve higher number of units created and can better meet critical need for housing at or below 50% AMI

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## ●●● HEALTH, EQUITY & SUSTAINABILITY ANALYSIS



- 2021 Disparity Study
  - Homeownership among Black households lags behind that of other races. A variety of strategies are needed to address this disparity
- Impacts on Equity vs Number of Total Units
  - Homeownership may yield fewer units
  - Equity goals and affirmative marketing for available units

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## ●●● OUTREACH



- Past and Current discussions with the Technical Advisory Group (TAG) to the Affordable Housing Action Strategy (AHAS)
- Past and Current Engagement of IPS Committee
- Affordable Housing Consortium

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## NEXT STEPS



- Staff will develop AMI baseline requirements which compliment homeownership developments
- Staff will develop an AMI baseline sliding scale which allows for flexibility in rental developments, while not diminishing our ability to create units at or below 50% AMI
- Staff will return to Committee and/or Study Session at a later date to present the draft changes.

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