




TO: Elizabeth A. Pauli, City Manager
FROM: Jennifer Hines, Assistant Division Manager, Public Works
Josh Diekmann, P.E. PTOE, Interim Public Works Director/City Engineer 
COPY: City Council and City Clerk
SUBJECT: Resolution – Amending the City’s Policy for the Sale/Disposition of City-owned General Government Real Property – January 24, 2023
DATE: December 13, 2022

SUMMARY AND PURPOSE:

A resolution amending the Policy for the Sale/Disposition of City-owned General Government Real Property to add two tracks for disposition: one for ownership developments and one for rental developments, and to update the Area Median Income (AMI) baseline requirements to allow a sliding scale for rental developments.

BACKGROUND:

This Department’s Recommendation is Based On: On September 17, 2019, the City Council adopted Resolution No. 40429, which amended the Policy for the Sale/Disposition of City-owned General Government Real Property to better align with the City’s goals to prioritize affordable housing and equity. At that time baseline requirements for affordable housing were set using specific AMI percentages per the input received from the Affordable Housing Action Strategy Tacoma Advisory Group (AHAS TAG) and members of the Infrastructure, Planning, and Sustainability Committee. For Tier 1 and 2 properties, the AMI baselines were set at a minimum of 25 percent units constructed at or below 50 percent AMI. Further weight was offered for proposals meeting 50 percent units constructed at or below 30 percent AMI. For those real properties the City would convey at no cost under the Policy’s enactment of House Bill 2382 (2017-2018 Regular Session), the AMI baseline was set at a minimum of 50 percent units constructed at or below 50 percent AMI.

The stated baseline requirements currently apply to all proposed residential General Government dispositions, regardless of whether the proposed development is a rental or homeownership model. The City completed their 2021 Disparity Study focused on homeownership, and has goals related to homeownership within the Affordable Housing Action Strategy (AHAS). New programs, such as the Black Homeownership Initiative, have placed focus on homeownership opportunities. Most homeownership programs target 80 percent AMI as their baseline. The current City Policy sets baselines lower than 80 percent AMI and therefore limits the ability to advance proposals for homeownership projects.

In addition, the current Policy sets AMI baselines, without offering alternative sliding scales for proposed rental developments. This limits staff’s ability to secure affordability in new development where no proposals are made at 50 percent AMI. Adding a sliding scale will broaden the City’s ability to achieve affordability in a greater number of developments, thereby increasing our total number of affordable units.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Staff engaged several times with the AHAS TAG regarding the proposed changes. The proposed changes have received favorable feedback from the affordable housing development community. Staff also presented to the Infrastructure, Planning, and Sustainability Committee on June 22, 2022 and at Study Session on November 22, 2022.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The updates to the current Policy will help affordable housing developers provide homeownership developments and will allow a sliding scale on rental developments, with expected outcomes of increased affordable units. This will assist the City in addressing the information found in the 2021 Disparity Study and to meet the goals of the City’s AHAS.

Livability: *Equity Index Score:* Very Low Opportunity

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

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

The updates to the current Policy will help affordable housing developers provide sustainable homeownership opportunities and will allow a sliding scale on rental developments, with expected outcomes of increased affordable units. This will assist the City in addressing the information found in the 2021 Disparity Study and to meet the goals of the City’s AHAS.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. No change to current Policy.	None.	May not achieve Policy objectives; Sustainable homeownership opportunities may be missed.

EVALUATION AND FOLLOW UP:

Outcomes from this Policy are tracked through the City’s AHAS and corresponding teams.

STAFF/SPONSOR RECOMMENDATION:

The Public Works Department recommends Council approve the proposed changes to the Policy for the Sale/Disposition of City-owned General Government Real Property.



City of Tacoma

City Council Action Memorandum

FISCAL IMPACT:

There are no fiscal impacts for this action.

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

No

Will the legislation have an ongoing/recurring fiscal impact?

No

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

No

ATTACHMENTS:

- Draft Policy for the Sale/Disposition of City-owned General Government Real Property