



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Linda Stewart, Director, Neighborhood and Community Services Department  
Daniel Murillo, Housing Division Manager, Community and Economic  
Development Department  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution authorizing a Grant Agreement between the City and Tacoma Community  
Redevelopment Authority (TCRA) for \$800,000 already budgeted in the City's 2019-  
2020 budget as funding for construction of Tacoma Housing Authority's Youth Crisis  
Residential Center – December 18, 2018  
**DATE:** December 3, 2018

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**SUMMARY:**

This Resolution would authorize a Grant Agreement between the City and the Tacoma Community Redevelopment Authority (TCRA) for \$800,000 in Mental Health and Substance Use Disorder tax (MHSUD) revenue included in the approved 2019-2020 budget. The funds will support the construction of the Tacoma Housing Authority's (THA) Youth Crisis Residential Center (CRC). The Grant Agreement would allow the \$800,000 to be included by TCRA in a single agreement with THA to fund capital costs of the CRC. The TCRA will in turn create a single agreement with the THA that includes previously approved funds of \$300,000 in Community Development Block Grant funds, and \$700,000 in City Mental Health funds previously granted to TCRA. Upon authorization of this Resolution, these funds totaling \$1.8 million dollars will be the City's total maximum contribution to the CRC, whose operations and operating costs will be the responsibility of THA.

**STRATEGIC POLICY PRIORITY:**

The proposed grant agreement supports the following strategic policy priorities:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Assure outstanding stewardship of the natural and built environment.

**BACKGROUND:**

THA owns a 3.5 acre parcel adjacent to the Salishan neighborhood and buffered by First Creek Gulch. THA is proposing to use one acre of said land to develop a one story, 5,000 square-foot Youth Crisis Residential Center (CRC) to include 12 dorm-style bedrooms, two common bathrooms, a staff office, kitchen and living room space, and on-site parking.

The CRC is part of a larger planning effort between the City, Pierce County, TCRA, and THA. The CRC will serve a limited clientele that meets the definition of a public purpose for Community Development Block Grant (“CDBG”) funds, and is consistent with the City’s Consolidated Plan for Housing and Community Development 2015-2019.

The Consolidated Plan places a high priority on the development of affordable housing for low-income households, reducing homelessness, and increasing stability for all residents, including support for self-sufficiency. On May 11, 2017, the TCRA Board authorized staff to negotiate and execute a 30-year forgivable loan agreement, deed of trust, promissory note, and regulatory agreement with the THA for \$1,000,000, for Project construction and permanent financing costs.



The \$1,000,000 agreement between the TCRA and THA is currently funded as follows: \$300,000 in TCRA CDBG funds and \$700,000 from the City, budgeted from the Mental Health and Substance Use Disorder Fund. The additional \$800,000 budgeted from the MHSUD for the CRC in the City's 2019-2020 budget will bring the total to \$1.8 million dollars, which will be the City's total maximum contribution to the CRC, whose operations, and operating costs will be the responsibility of THA.

**ISSUE:**

It is in the interests of the City to streamline the funding process for the CRC by granting the additional \$800,000 to TCRA to be included in a single agreement with THA. This approach benefits the City and THA.

**ALTERNATIVES:**

The City Council could choose not approve the grant agreement with TCRA, which would necessitate a separate agreement with THA to provide the \$800,000 for its budgeted purpose of capital costs for the CRC.

**RECOMMENDATION:**

Staff recommends City Council approval of the grant agreement with THA.

**FISCAL IMPACT:**

\$800,000, already budgeted in the City's 2019-2020 budget for capital costs of the CRC.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
NCS Mental Health 1185 MHCD	859200	5330100	\$800,000
<b>TOTAL</b>			<b>\$800,000</b>

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
NCS Mental Health 1185 MHCD	859200	4313250	\$800,000
<b>TOTAL</b>			<b>\$800,000</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 800,000 (for 2019/2020 Biennium)**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A**