

City of Tacoma

City Council Action Memorandum

TO: Elizabeth Pauli, City Manager
FROM: Jeff Robinson, Director, Community & Economic Development; Steve Victor, Senior Deputy City Attorney
COPY: Mayor, City Council & City Clerk
SUBJECT: Resolution to Invest Funds for Development of Multicultural Child & Family HOPE Center
DATE: June 25, 2024

SUMMARY AND PURPOSE:

A resolution authorizing the execution of a financing arrangement with the Multicultural Child & Family Hope Center in the amount of \$1.5 million budgeted from Fund 1195 (UDAG) for the development and construction of a new facility to consolidate operations, expand services and increase capacity and efficiency in the delivery of services. To date the project has amassed \$14.5M of the necessary \$20.8M development costs. Other public entities with commitments to the project include federal, State and County agencies.

COUNCIL SPONSORS:

Councilmembers Daniels, Walker & Mayor Woodards

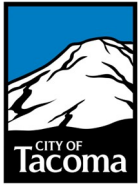
BACKGROUND:

This resolution would authorize the City Manager to enter into a financing arrangement with the Multicultural Child & Family Hope Center in the amount of \$1.5 million budgeted from Fund 1195 (UDAG) to support the Multicultural Child and Family Hope Center (MCFHC) capital campaign for the planned development of the new Cora Whitley Family Center. This 32,000 sq. ft. facility will include a 3,700 sq. ft. gym and 19 classrooms for 326 early learners. It will also have 186 employees. This facility would double the current MCFHC capacity and fill 10 percent of the early learning and childcare needs in Tacoma.

- The MCFHC has received private/philanthropic, county, state, and federal funding commitments for the planned Cora Whitley Family Center facility totaling \$14,515,989 and requires additional funding to reach the total project cost of \$20,745,142. City funding would be restricted to use for construction and development costs and the MCFHC would be required to abide by Washington State public works contracting requirements, including payment of prevailing wages. And prior to the disbursement of any City funds evidence of a fully funded project will be required and the City funds will be the last funding into the project.
- The UDAG account (Fund 1195) is comprised of repayments from historic HUD resources that were granted to the City and lent to the private sector for economic development activities. Previous projects funded through the City's UDAG funds include development of the downtown hotel now the Murano, acquisition and redevelopment of Old City Hall, and construction of a parking facility for the University of Washington – all of which were structured as loans to be repaid to the UDAG account administered by CED.

The MCFHC is a non-profit human services and early learning center that has operated in Tacoma for more than thirty years. The MCFHC's mission is to provide culturally relevant support services that educate, empower, and uplift Tacoma's children, youth, and community to increase access to opportunities.

- **Childcare services:** The MCFHC offers a variety of childcare services, such as a before and after school program, support for children in foster care, and free early learning programs. The demand for the MCFHC Early Childhood Education and Assistance Program is robust, with a current two-year waitlist.
- **Parenting services:** The MCFHC provides services to assist parents, including programs designed to develop parenting skills, improve parental self-care to lower the risk of child neglect or abuse, and help fathers navigate the child welfare system. The MCFHC also provides free groceries and diapers to families in need.



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- **Housing support services:** The MCFHC works to help prevent homelessness through its homeless prevention project, while also providing transitional housing for families experiencing housing instability and a recovery home that supports sober living for women and children.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

See below.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The redevelopment and expansion of the Center will solidify and expand the vital services provided to BIPOC and other children and families in a new facility centrally located for ease of access.

Economy/Workforce: *Equity Index Score:* Moderate Opportunity

Increase the number of diverse livable wage jobs.

Education: *Equity Index Score:* Very High Opportunity

Increase the number of quality out of school time learning opportunities distributed equitably across the city.

Increase the availability and accessibility of early childhood education programs.

Civic Engagement: *Equity Index Score:* Very High Opportunity

Paid staff, organizational board, leadership and community volunteers will reflect the diversity of the Tacoma community.

Livability: *Equity Index Score:* High Opportunity

Improve access and proximity by residents to diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.

Improve health outcomes and reduce disparities, in alignment with the community health needs assessment and CHIP, for all Tacoma residents

ALTERNATIVES:

Presumably, your recommendation is not the only potential course of action; please discuss other alternatives or actions that City Council or staff could take. Please use table below.

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. Do not approve funding	Retain a larger portion of funds for alternative future projects.	Require Hope Center to- raise additional fund from other sources and delay development.

EVALUATION AND FOLLOW UP:

No funds disbursed until evidence of a fully-funded project

Quarterly progress reports on development activities

Monitoring of site utilization and reports on number of persons served

Financing arrangement shall include terms including, but not limited to, repayment of the \$1.5M if the property is not utilized for the intended use for a period of 30 years; transfer of ownership which will be secured by a covenant recorded on the property; and any other terms as may be deemed necessary by the City Manager.



STAFF/SPONSOR RECOMMENDATION:

It is recommended that the City manager be authorized to enter into a financing arrangement with conditions as may be deemed necessary, and that prior to the disbursement of any City funds, evidence of a fully funded project will be required.

FISCAL IMPACT:

Please provide a short summary of the fiscal impacts associated with the grant, agreement, policy action, or other action.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1195-UDAG Repayment Fund	N/A	*1810000	\$1,500,000.00
TOTAL			

What Funding is being used to support the expense?

Resources from the UDAG economic development fund.

***Notes and Contracts Receivable-
Long Term**

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

The UDAG fund is not specifically budgeted for expenditures as part of the annual City budget but is utilized for emergent important and highly leveraged investment opportunities that create or preserve jobs and create tax and permit revenues.

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

YES

The project will likely be delayed as additional, and not currently identified and/or committed resources would be needed to fill the gap in total funds available for implementation.

Will the legislation have an ongoing/recurring fiscal impact?

No

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

No

ATTACHMENTS:

- Funding Request from MCFHC
- Preliminary project Design Concepts