



RESOLUTION NO. 40527

1 A RESOLUTION relating to affordable housing; establishing the activities and
2 income criteria for the City's Affordable Housing Fund, for the purpose of
3 prioritizing projects that are eligible for funding.

4 WHEREAS the City Council approved a one-time \$1.2 million allocation in
5 the 2019-2020 Biennial Budget, which represented an initial investment into the
6 Affordable Housing Fund ("AHF"), and receipt of approximately \$853,000 annually
7 in sales tax revenue authorized by Substitute Housing Bill 1406 ("SHB 1406"); after
8 passage of SHB 1406, a portion of sales tax revenue that would otherwise go to
9 the State remits back to the City, and

10 WHEREAS revenue from SHB 1406 is available for 20 years, effective
11 October 1, 2019, and

12 WHEREAS the Affordable Housing Fund ("AHF") has limited resources, and
13 to allocate the resources within the Affordable Housing Action Strategy ("AHAS"),
14 criteria is necessary which will establish proposed uses as well as proposed
15 eligibility requirements for a project to receive funds, and

16 WHEREAS the use of funds will be measured against three metrics
17 included in the AHAS, specifically: (1) number of units created; (2) number of unit
18 preserves; and (3) number of households served, and

19 WHEREAS the eligibility requirements were first presented at the City
20 Council's November 12, 2019 Study Session as part of the AHAS quarterly update,
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1 WHEREAS staff recommendations for eligible use are: (1) augment existing
2 projects that may have funding shortfalls, and in which an award from AHF will
3 expedite the project timeline; (2) place emphasis on Permanent Supportive
4 Housing projects; (3) allow for some, or all, funding to address the current
5 homeless state of emergency, including potential service funding; and (4) provide
6 as site acquisition capital for projects that meet eligibility requirements, and
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8 WHEREAS the recommendations for eligibility requirements are: (1) target
9 households that make 50 percent of Tacoma’s Area Median Income (“AMI”); (2)
10 require projects to have other funding committed prior to AHF investment; and (3)
11 require projects to spend down funds within an 18-24 month period, and
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13 WHEREAS staff will update the City Council on projects or programs funded
14 on a biannual basis during the same time as the delivery of the second and fourth
15 quarter overall AHAS updates, and
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17 WHEREAS if a future action results in a significant increase in funding, staff
18 will reevaluate the uses and requirements to determine whether changes are
19 necessary; Now, Therefore,
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BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City are hereby authorized to establish activities and income criteria for the Affordable Housing Fund, for the purpose of prioritizing projects that are eligible for funding.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney