


**Disposition Policy For General
Government Real Property**

City of Tacoma | Public Works Department and
Community and Economic Development Department

**City Council
January 24, 2023**

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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 proposed changes to current AMI baselines

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BACKGROUND



- 2018 request from Council to update policy
 - Prioritize Equity and Affordable Housing
 - Establish AMI baselines
- Current baselines
 - Apply to 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
- These requirements currently apply to both rental and homeownership projects

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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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ISSUES



- Current policy limits City's ability to advance homeownership projects
 - Could set potential homeowners up to fail
 - Consistency with efforts to implement recommendations from the 2021 Homeownership Disparity Study
- 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
- Solution is to create two AMI baselines in policy; one for ownership and one for rental

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OUTREACH



- Engagement with Technical Advisory Group (TAG) to the Affordable Housing Action Strategy (AHAS)
- Engagement of Infrastructure, Planning, and Sustainability Committee on June 22, 2022
- Study Session Presentation on November 22, 2022

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OWNERSHIP LANGUAGE



- Set required baseline percentages at 50% of proposed units at or below 80% AMI for Ownership Developments
 - Potential Outcomes
 - May result in fewer units built on a site
 - Builds equity into communities across our City
 - Builds generational wealth

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RENTAL LANGUAGE



- Creates a sliding scale for Rental Developments
 1. Scoring will be weighted highest for proposals with a minimum of thirty percent (30%) of proposed units at or below fifty percent (50%) AMI.
 2. Where no proposals meeting the baseline in #1 above are received, scoring will be weighted highest for proposals with a minimum of fifty percent (50%) of proposed units at or below sixty-five percent (65%) AMI.
 3. Where no proposals meeting the baselines in #1 or #2 above are received, scoring will be weighted highest for proposals with a minimum of fifty percent (50%) of proposed units at or below eighty percent (80%) AMI.
- Potential Outcomes
 - Rental developments may achieve higher number of units created on a site
 - May better meet critical need for housing at or below 50% AMI

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 **RECOMMENDATIONS** 

- Staff recommends approval of proposed changes to the Disposition Policy for General Government Real Property.

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