



RESOLUTION NO. 40528

1 BY REQUEST OF COUNCIL MEMBERS BEALE, BLOCKER, HUNTER, AND
2 IBSEN

3 A RESOLUTION authorizing the use of up to \$5,000 of City Council Contingency
4 Funds, to conduct a survey of home sale prices over a two to three month
5 period of time, and take needed steps towards requesting that the U.S.
6 Department of Housing and Urban Development revise the area-median
7 sales prices on existing homes and new construction, in order to submit the
8 changes with the Fiscal Year 2020-2021 Annual Action Plan, with an
9 effective date of July 1, 2020.

10 WHEREAS the City offers down payment assistance to income-eligible
11 residents through the federal HOME Investment Partnerships Program (“HOME”)
12 administered by the U.S. Department of Housing and Urban Development (“HUD”),
13 and managed for the City by the Washington State Housing Finance Commission
14 (“WSHFC”), with \$10,000 coming from HOME funds and the other \$10,000 coming
15 from WSHFC, for a maximum loan of \$20,000, and

16 WHEREAS in 2019 the City allocated \$75,000 to the HOME program, and

17 WHEREAS eligibility for the program is based on income (households that
18 make up to 80 percent of the area-median income), and maximum purchase price
19 of the home to be purchased, and

20 WHEREAS HUD determines the maximum purchase price annually, and
21 limits it to 95 percent of the area-median sales price using Federal Housing
22 Administration (“FHA”) single family mortgage program data, and for fiscal year
23 2020 (July 1, 2019-June 30, 2020), HUD determined the maximum amounts were
24 \$285,000 for existing homes and \$354,000 for new construction, and
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WHEREAS HOME regulations allow a local jurisdiction to request a change to these amounts through an administrative action, which requires a survey of sale prices over at least a two-month period, that includes both new and existing housing sales prices, and sales only within the city limits of Tacoma, and

WHEREAS the City can then recommend approval from HUD of the new amounts based on this survey and analysis, and

WHEREAS the request is reviewed by HUD and is allowable during the City's "program year" of July 1-June 30, and

WHEREAS the City is concerned that HUD's established maximum home values eligible for assistance through the HOME grant program are below what the actual median sales prices are for the City, and

WHEREAS in order to make the HOME grant program useable for those who qualify based on income, the City should take action towards requesting a revision to HUD, if necessary, and

WHEREAS, at the December 3, 2019, Study Session, Council Member Ibsen shared a Council Consideration Request to authorize the one-time use of up to \$5,000 from the Council Contingency Fund to conduct a survey of home sale prices over a two to three-month period of time, in order to take the necessary steps towards requesting that HUD revise the area-median sales prices on existing homes and new construction, and

WHEREAS RCW 35.33.145 and 35.34.250 authorize a withdrawal from the Council Contingency Fund for any municipal expense, the necessity or extent of



1 which could not have been foreseen or reasonably evaluated at the time of
2 adopting the budget, and

3 WHEREAS the extent of the need for the survey of home sale prices could
4 not have been foreseen or reasonably evaluated at the time the City adopted its
5 biennial budget, and
6

7 WHEREAS Ordinance No. 22569 requires an affirmative vote of not less
8 than six members of the Council in order to withdraw moneys from this fund; Now,
9 Therefore,

10 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

11 Section 1. That one-time funding in the amount of up to \$5,000, budgeted
12 from the Council Contingency Fund, is hereby approved for the purpose of
13 supporting the survey of home sale prices over a two to three-month period, in
14 order to request that the U.S. Department of Housing and Urban Development
15 ("HUD") revise the area-median prices on existing homes and new construction,
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17 with an effective date of July 1, 2020.
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Section 2. That the proper officers of the City are hereby authorized to confirm deliverables with the U.S. Department of Housing and Urban Development (“HUD”) for the purposes hereinabove enumerated, and document as appropriate.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney