



TO: Elizabeth Pauli, City Manager
FROM: Council Member Catherine Ushka
COPY: City Council and City Clerk
SUBJECT: **Resolution – Down Payment & Foreclosure Assistance disparity study outcomes – November 24, 2020**
DATE: 11/10/2020

SUMMARY & PURPOSE:

A resolution directing the City Manager:

1. Use the Down Payment & Foreclosure Assistance disparity study funded in the proposed 2021 – 2022 budget to identify any disparities caused by historic racism or displacement caused by gentrification that resulted in disproportionate home ownership and the inaccessibility of communities of color and particularly Black communities to build generational wealth.
2. Provide an update on the study to the City Council within 6 months, and bring recommendations forward no later than August 2021 to leverage learnings from the study to address the identified disparities.
3. The final report should include specific budget and policy recommendations to the City Council on how to leverage the results of the study to increase Black home ownership in Tacoma, to include consideration of dedicating a percentage of all down payment assistance funds to Black residents in Tacoma.
4. While City administration and the Council may choose to action on certain reforms or interim changes, the results of the study and any substantive proposed policy decisions should be brought to the Core Coordinating Team for the Heal the Heart of Tacoma initiative for input on proposed policy in advance of or concurrent to bringing recommendations to council.

[Council Member Catherine Ushka]

COUNCIL SPONSORS:

Deputy Mayor Keith Blocker, Council Member Catherine Ushka, and Council Member Kristina Walker

BACKGROUND:

This Council Member’s Recommendation is Based On:

In June 2020, the Tacoma City Council passed Resolution 40622. This resolution formally acknowledges that the City of Tacoma’s existing systems have not adequately served the needs of everyone in our community and, in particular, have not adequately served the needs of Black community members and other community members of color. This resolution affirmed the City of Tacoma’s commitment to improving existing systems for all community members.

The City of Tacoma has racial disparities in housing. Owning a home can increase a family’s financial security, but Black people and other people of color significantly lag behind white people in homeownership rates, a major factor contributing to the racial wealth gap. Systemic racism is deeply rooted in our nation's housing market. Redlining and other forms of housing discrimination, going back to slavery, have laid the foundation for a deeply unequal housing experience. The Black and white homeownership gap remains as wide today as it was at the dawn



of the 20th century. Nationally, nearly 75% of white households own their homes, compared with just 44% of Black households.

The City of Tacoma lags behind national numbers for home ownership, with an estimated 50.78% of our population owning a home. However, there are huge disparities in which residents own the homes they live in.

According to the 2018 ACS 5-year estimates, Tacoma’s owner-occupied housing demographics are as follows:

Race/ethnicity	Population in Tacoma	Percentage in owner-occupied units	Percentage of total population	Percentage in owner-occupied units out of total owner-occupied units
All	210103	50.78%	100%	100%
White alone	123,310	55.98%	58.69%	75.20%
Black or African American	20909	32.74%	9.95%	6.60%
American Indian and Alaska Native	3371	39.66%	1.60%	1.10%
Asian	19275	55.32%	9.17%	8.50%
Native Hawaiian and other Pacific Islander	2560	20.92%	1.22%	0.40%
Some other races	8462	35.98%	6.86%	1.90%
Two or more races	19268	38.19%	9.17%	3.80%
Hispanic or Latino origin	25038	35.31%	11.92%	5%

State and federal law limit how the City can target our programs based on race and ethnicity. The City has administered a race-neutral down payment assistance (DPA) program. Additionally, in 2021-2022 biennium budget, the Community and Economic Development Department will expand and focus the City's Down Payment Assistance Program by developing and implementing a marketing strategy that focuses on creating wealth-building opportunities among the City's underserved populations including BIPOC households. The Community and Economic Development Department will conduct a Down Payment & Foreclosure Assistance disparity study funded through Affordable Housing Trust Fund in 2021. The purpose of this disparity study is to determine whether the City’s race-neutral programs are sufficient in addressing the impacts of racism on housing in Tacoma in order to see if the City can meet legal requirements to create more specifically anti-racist programming. The study is scheduled to be completed in 2021.

COMMUNITY ENGAGEMENT:

In 2020, Tacoma City Council Members heard overwhelming that our community wants the City to address historic racism and its impact on all residents in our City.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility:

The City is investing in a disparity study to determine whether our race-neutral programs are sufficient in addressing the impacts of racism on housing in Tacoma in order to see if we meet legal requirements to create more specifically anti-racist programming. It is imperative that we do more than study this issue, and that we commit to taking action on the information gathered in this research. This resolution sets specific guidelines to take action and have the City Manager bring back information to the Council on how we can re-design our housing programs to address historic inequities creating financial racial disparities in the City of Tacoma.

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

Increase the percentage of people relocating to the city and affordability of housing compared to neighboring jurisdictions.

Livability: *Equity Index Score:* Moderate Opportunity

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

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Increase positive public perception of safety and overall quality of life.

ALTERNATIVES:

Alternative	Positive Impacts	Negative Impacts
1. Do not pass a resolution	Maximize flexibility for staff to work on Council priorities and policy goals.	Unclear timeline and expectations from Council.

EVALUATIONS AND FOLLOW UP:

The City Manager will bring back a report to Council by August 2021.

COUNCIL MEMBER RECOMMENDATION:

The recommendation is to pass this resolution.

FISCAL IMPACT:

No fiscal impact.