



**CITY OF TACOMA, WASHINGTON
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

TO: Deputy Mayor Blocker & Members of the City Council
FROM: Mayor Victoria Woodards and Chief Policy Analyst Melanie Harding
COPIES TO: Elizabeth Pauli, City Manager; Tadd Wille, Deputy City Mgr.; Bill Fosbre, City Attorney
SUBJECT: **Request for a Resolution authorizing execution of an intergovernmental agreement establishing and confirming the City of Tacoma’s participation in South Sound Housing Affordability Partners & allocating Council Contingency Funding for startup in 2021 – July 20, 2021 (Study Session Other Items of Business)**
DATE: July 8, 2021

I ask for your support for a Resolution authorizing execution of an intergovernmental agreement establishing and confirming City of Tacoma’s participation in South Sound Housing Affordability Partners & allocating Council Contingency Funding for startup in 2021.

LEGISLATIVE INTENT:

Mayor Woodards and the Tacoma City Council have long acknowledged the challenges posed to affordable housing due to accelerating housing market conditions, a limited rental supply, significant housing cost burdens on households across the region, and a need for community members experiencing barriers to access or remain in safe and stable housing. Because of this, they have prioritized the issue of affordable housing and supported the completion of the Affordable Housing Action Strategy (AHAS) in September 2018.

Despite ongoing work to enact strategic approaches from the AHAS, both rental rates and home prices have continued to increase, with Redfin again declaring Tacoma the fastest-selling housing market in the nation earlier in 2021. Redfin’s Chief Economist attributed this increase in part to the increase in virtual work during the pandemic, as the Tacoma market provides Seattle workers more for their dollar with a reduced need to commute.¹ A June report from John L. Scott Real Estate indicated that Pierce County is “virtually sold out” of existing single-family homes valued at up to \$1.5 million.² COVID-19 has significantly impacted the stability of jobs and wages for many across the nation, and the Washington State eviction moratorium is scheduled to end on September 30, 2021.³ When combined, these factors combined further threaten housing stability in Tacoma and throughout the region.

While the City of Tacoma continues work to enact the strategies in AHAS, the challenges of housing affordability are regional and the factors that impact market conditions do not stop at city limits. The actions taken by neighboring jurisdictions and governments have impacts on one another. At the same time, jurisdictions of various sizes have unique needs and varying levels of resources to address the complex issue of housing. In 2018, Mayor Woodards began questioning whether there were opportunities for surrounding governments to create synergy by working collaboratively on the issue of affordable housing.

¹ <https://www.kiro7.com/news/local/redfin-puts-tacoma-no-1-again-fastest-selling-housing-market-january/AXMHPRPCG5CGHEDQUB6WCBINDE/>

² <https://www.thenewtribune.com/news/business/real-estate-news/article251955553.html>

³ <https://www.governor.wa.gov/news-media/inslee-announces-eviction-moratorium-%E2%80%99Cbridge%E2%80%9D>

To hear from other government leaders on affordable housing and determine whether there were regional solutions that could be leveraged, Mayor Woodards was joined by County Executive Dammeier and County Councilmember Ladenburg in the fall of 2018 to convene elected officials in a roundtable discussion on housing affordability in Pierce County. The discussions initially focused on what might be done collectively across Pierce County to address housing affordability, attainability, and accessibility for residents of all income levels, while acknowledging each jurisdiction's unique housing market and challenges.

The 'Mayors' Roundtable on Affordability,' as it was originally called, conducted a series of meetings on:

- Local housing affordability data and needs;
- Individual jurisdiction needs and housing types;
- Incentives and needs of housing developers and what kinds of incentives are valued for spurring the creation of additional units including affordable units;
- How other local governments have partnered to achieve results, what tools have been effective, and what lessons have been learned; and
- How to continue collaborating to move the issue of housing affordability and attainable housing forward

The engaged governments recognized that housing affordability is a regional challenge that crosses jurisdictional boundaries and agreed that working together, sharing information and pooling resources would have a greater impact on addressing housing affordability than working separately.

In 2019, the Mayor's Roundtable group began calling itself the South Sound Housing Affordability Partners (SSHAP). Overtime, SSHAP collectively decided to move forward with both short- and long-term action items, including jointly funding and engaging a consultant to explore formalizing a regional coalition to ensure a collaborative and sustained focus on housing affordability. Cedar River Group was selected as the consultant to explore the development of a formal regional coalition.

In 2020-2021, the consultant worked with staff of several local governments and the Puyallup Tribe as well as a Steering Committee comprised of elected officials on the proposed structure, budget, and work plan of the coalition. As presented in City Council Study Session on March 30, 2021, the full SSHAP group agreed to move forward with a draft interlocal agreement that will establish the South Sound Housing Affordability Partners (SSHAP), a regional coalition of governments in Pierce County created to address housing affordability, attainability, and accessibility regionally. At a high level, the interlocal includes these five elements:

- The SSHAP coalition will be governed by an Executive Board comprised of elected officials (or other designated officials) of the members' governments. Each member will have one vote on the Executive Board;
- The SSHAP coalition will have an Advisory Board comprised of key housing stakeholders;
- There will be an identified administrative entity and fiscal agent (the full group has agreed that Pierce County will serve in this role);
- SSHAP will include 1.5 staff to provide services to all member governments; and
- SSHAP will be structured to include the possibility of creating a capital fund.

Initial estimates for the SSHAP budget through 2023 are outlined below. Member governments pay a proportionate share of the budget based on population and the total cost varies based on the number of governments that join (varying annual between \$3,000 and \$138,000 per member). Tacoma's estimated contributions are currently:

	Total SSHAP Budget	Tacoma Contribution: 10 total SSHAP Members	Tacoma Contribution: 16 total SSHAP Members*
2021	\$106,150	22,000	20,000
2022	\$293,090	66,000	60,000
2023	\$302,309	68,310	62,100

*= The additional governments considering membership are smaller jurisdictions; dues are driven by proportion of population.

Because the Intergovernmental Agreement includes approval of the draft budget, this resolution will also will allocate Council Contingency funds for operations start up in 2021. Mayor Woodards will seek a Mid-biennial Budget Modification for operations in 2022.

DESIRED RESOLUTION DATE: July 27, 2021

FUNDING ESTIMATE:

Amount: \$ 20,000 - 22,000 in Council Contingency Funds

One Time or Ongoing: There will be an ongoing need while the City continues membership

TIMELINE FOR CONSIDERATION:

Biennial budget

Mid-biennium budget adjustment: Mayor Woodards will request \$60,000-66,000 for 2022 dues

Other: Council contingency is being requested for 2021 startup of operations - \$20,000-22,000

ALIGNMENT WITH TACOMA 2025 KEY FOCUS AREAS:

This legislation, program, project, or event is best aligned with the following (Check all that apply):

Livability: Equity Index Score: Moderate Opportunity

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

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

In you have a question related to the Council Consideration Request, please contact Chief Policy Analyst to the Mayor Melanie Harding at 253-591-5156 or melanie.harding@cityoftacoma.org.

SUBMITTED FOR COUNCIL CONSIDERATION BY:



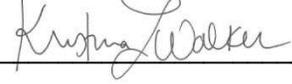
Mayor

SUPPORTING COUNCIL MEMBERS SIGNATURES (2 SIGNATURES ONLY)

(Signatures demonstrate support to initiate discussion and consideration of the subject matter by City Council for potential policy development and staff guidance/direction.)

1. 

POS# 7

2. 

POS# 8