



City of Tacoma

Government Performance and Finance Committee Minutes

Dial: 253-215-8782 Meeting ID: 844 1669 0206

Webinar Link: www.zoom.us/j/84416690206 Passcode: 614650

October 05, 2021

9:30 AM

Chair John Hines, Vice Chair Lillian Hunter, Robert Thoms,
Kristina Walker, Keith Blocker (alternate), Mark Patterson (ex officio)

SPECIAL MEETING

Call To Order

Chair Hines called the meeting to order at 9:32 a.m.

Roll Call

Present: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

All Council Members participated virtually.

Ex Officio Member Mark Patterson was also in attendance.

Briefing Items

1. [21-0956](#)

Metrics for In-Person Public Meetings

[John Hines, Chair, Government Performance and Finance Committee]

At approximately 9:35 a.m., Chair Hines presented on the metrics for in-person public meetings, including an overview of what was discussed during the September 21, 2021, meeting; how other governments in Pierce County have held public meetings, noting that Pierce County is holding hybrid meetings, that the Cities of Puyallup, Lakewood, Fife, Fircrest, and Gig Harbor are holding virtual meetings only, and that the City of University Place has one rotating Council Member attend chambers in-person to receive comment while the others attend virtually; and that Mayor Woodards may make exceptions for some meetings at the end of the year to be conducted in hybrid format.

Discussion ensued regarding appreciation for staff, past hybrid public meetings, guidelines for the public to attend meetings held in Tacoma Municipal Building, how those guidelines will be monitored or enforced,

and support for the staff recommendations.

MOTION: Council Member Hunter moved to forward staff recommendations on metrics for in-person public meetings to the full City Council for consideration.

SECONDED BY: Council Member Walker.

ACTION: Voice vote was taken and carried. The motion was declared adopted.

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

2. [21-0959](#)

Multifamily Tax Exemption Policy Review

[Debbie Bingham, Project Manager, Community and Economic Development; Jacques Colon, 2025 Strategic Manager, Media and Communications Office]

At approximately 9:48 a.m., Chair Hines gave an introduction and overview on Multi-Family Tax Exemptions (MFTE) and introduced Debbie Bingham, Project Manager, Community and Economic Development; and Jacques Colon, Tacoma 2025 Strategic Manager, Media and Communications Office. Ms. Bingham and Mr. Colon presented on a review of the MFTE policy, including Pierce County average median income (AMI), maximum rents over time, Seattle Metro AMI versus Pierce County AMI, a comparison of Tacoma and Seattle average rents, and specific rent comparisons between Seattle and Tacoma.

Discussion ensued regarding how rents have increased over time.

Chair Hines introduced Steve Novotny, Property Manager, SNR Northwest Properties LLC; and Scott Carino, Owner, Carino and Associates. Mr. Novotny and Mr. Carino provided background information about their businesses, explained what kind of projects they have been a part of around the City, and what MFTEs they have utilized in those projects.

Discussion continued regarding rent values versus building costs, finding renters who qualify for units, buying property and constructing best-use buildings on it, the value of not paying taxes via MFTEs, criteria for builders getting bank loans, interest rates, whether past projects could have been built without MFTE use, building what renters and owners want, why certain MFTE Programs were chosen over others, offsetting costs related to MFTE requirements, potential impacts of proposed changes to the eight-year MFTE, what kind of city Tacoma wants to be, factors in deciding between the eight-year versus the 12-year MFTE, the Transfer of Development Rights

Program, impacts of lowering the AMI requirements on the 12-year MFTE, potential to expand the 12-year MFTE to more areas, what could the City do to get more 12-year MFTE projects built, the number of parking spaces required for new construction, what the City could do to incentivize construction in areas outside of downtown, fast tracking the permitting process, impacts of investing in infrastructure upgrades, the Grand Pacific Apartments project, making available land more attractive to builders, and a request for the Committee to speak with a loan officer to ask how MFTE changes would affect project financing.

Chair Hines summarized a letter sent by Council Member Thoms, noting interest in looking at how to best implement the MFTE Program, that Tacoma is ten thousand housing units short of community demand, concerns regarding changes to the MFTE Program, what revisions could be made to mitigate the impacts, how much housing has been generated over the program's life and the need for more housing, and partnering with developers to get more units built.

Discussion continued regarding a prior meeting with Tacoma-based developers on September 7, 2021, discussing their concerns about the MFTE Program, high-transit corridors, zoning, how design recommendations could impact fast track permitting, the timeline for further MFTE discussion, separating garden-style developments from more large scale development projects, connections between the proposed Home in Tacoma Project and the MFTE Program, the values of the Tacoma community as a whole, and negative perceptions people have about developers.

3. [21-0957](#)

Monthly Budget Update

[Hayley Falk, Lead Budget Analyst, Office of Management and Budget]

At approximately 9:33 a.m., Hayley Falk, Lead Budget Analyst, Office of Management and Budget, gave a monthly budget update, including that General Fund revenues are higher than anticipated; despite these higher revenues the City still has outstanding needs, noting the reserve rate, restoration of services, emergent needs, and deferred maintenance; and that the next budget update will be on November 2, 2021, and will include mid-biennium modification that will incorporate new projections, revenues, sales tax, and redirecting available resources for community needs.

Discussion ensued regarding whether property taxes are expected to be paid on time.

Topics for Upcoming Meetings

4. [21-0958](#) October 19, 2021 - Multifamily Tax Exemption Policy Review
November 2, 2021 - Hold for Multifamily Tax Exemption Policy Review;
Monthly Budget Update
November 16, 2021 - Interviews for the Board of Ethics;
Analytics Program Update

Ted Richardson, Committee Liaison, stated the next meeting will be on October 19, 2021, and will include MFTE policy review, and that the November 2, 2021, meeting will include further MFTE policy review, and a monthly budget update.

Other Items of Interest

There were no other items of interest.

Public Comment

Public Comment was heard from,

1. Heidi S., speaking on the MFTE policy review and affordable housing.

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Chair Hines asked for Council Members to send suggestions for proposed MFTE amendments to him or Claire Goodwin.

Adjournment

There being no further business, the meeting adjourned at 11:32 a.m.



John Hines, Chair



Jered Lobban, City Clerk's Office