



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

November 02, 2021

10:00 AM

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

Call To Order

Chair Hines called the meeting to order at 10:03 a.m.

Roll Call

Present: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

Ex Officio Member Mark Patterson was also in attendance.

All Council Members participated virtually.

Approval of Minutes

1. [21-1070](#) Minutes for the meeting of May 18, 2021
2. [21-1071](#) Minutes for the meeting of June 1, 2021

MOTION: Vice Chair Hunter moved to approve the minutes of the May 18, 2021, and June 1, 2021, meetings.

SECONDED BY: Council Member Walker.

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

Ayes: 3 - Hunter, Thoms and Walker

Absent: 1 - Hines

Briefing Items

3. [21-1072](#) Monthly Budget Update
[Katie Johnston, Budget Officer, Office of Management and Budget]

At approximately 10:04 a.m., Katie Johnston, Budget Officer, Office of Management and Budget, presented a monthly budget update, including the monthly financial report, noting the year-to-date variance, property tax collection rates, sales tax revenues, business taxes, utility taxes, intergovernmental revenues, Fire Department expenses, and non-departmental expenses; enterprise funds, noting parking revenues; and General Fund revenue annual trends.

Discussion ensued regarding whether utility companies pay taxes on unpaid utility bill values, and one-time mid-biennium modification budgeting requests.

Public Comment was addressed before Item No. 4.

Public Comment

There was no Public Comment.

Briefing Items Continued

4. [21-1073](#) Multifamily Tax Exemption Policy Discussion
[John Hines, Chair, Government Performance and Finance Committee]

At approximately 10:25 a.m., Chair Hines led a discussion on the Multi-Family Property Tax Exemption (MFTE) Program, including an overview of MFTE discussions at previous Government Performance and Finance (GPF) Committee meetings, and fast track permitting for affordable housing requests; and introduced Charla Kinlow, Development Specialist III, Planning and Development Services. Ms. Kinlow presented the Priority Review Policy (PRP), including the process, qualifications, the related Director's Rule, types of applicable developments, and the potential to streamline review processes.

Discussion ensued regarding the number of projects taking advantage of the PRP, Master Builders Association requests and awareness of the PRP, qualifications, reducing permitting timeframes, a request for a future update on the PRP, and a request for a full briefing on the PRP at the Infrastructure,

Planning, and Sustainability Committee.

Chair Hines further reviewed the proposed motions to amend the upcoming MFTE resolution.

Discussion ensued throughout regarding that a resolution on MFTEs will be brought to the full City Council next week, consensus on certain changes to the MFTE Program at a prior GPF Committee meeting, the process for voting on proposed changes, where the 12-year MFTE Program would expand along key corridors, potential displacement of small businesses, whether there are commercial space requirements, ensuring small business support, Washington State Bill (SB) 5287 elements to adopt, monitoring of the SB 5287 requirements, affordability requirements, potential to apply Tacoma's average median income (AMI) to MFTEs instead of Pierce County's, potential to include the upcoming 20-year program in these motions, the Development Regulation Agreement process, reasons why certain motions were not made, a request for further discussion on items not moved today, potential additions to the upcoming MFTE resolution, what the Committee accomplished during the MFTE Program discussions, making a noticeable dent in the affordable housing crisis, and expressed appreciation to staff for their work.

MOTION: Vice Chair Hunter moved to recommend expanding the 12-year MFTE along key corridors to areas already zoned as commercial and those areas included as “neighborhood nodes” as defined through the Home in Tacoma Project process where multi-family housing is currently allowed 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

MOTION: Vice Chair Hunter moved to recommend expanding the 12-year MFTE to areas rezoned as “mid-scale” through the Home in Tacoma project 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

MOTION: Vice Chair Hunter moved to recommend implementing elements of Washington SB 5287 (Chapter 187, Laws of 2021) required in order to take action 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

MOTION: Council Member Walker moved to recommend including a requirement in the resolution for the City Council to revisit changes to the MFTE Program in three years to the full City Council for consideration.

SECONDED BY: Vice Chair Hunter.

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

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

MOTION: Council Member Walker moved to recommend applying 70 percent of Pierce County AMI to affordable housing 12-year MFTE projects and to revisit the AMI relationship once a year to the full City Council for consideration.

SECONDED BY: Vice Chair Hunter.

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

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

MOTION: Council Member Walker moved to recommend eliminating the eight-year MFTE in mixed-use centers designated “very high” opportunity based on the City’s Equity Index (per Ordinance No. 28770) to the full City Council for consideration.

SECONDED BY: Vice Chair Hunter.

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

Ayes: 2 - Hunter and Walker

Nays: 1 - Hines

Absent: 1 - Thoms

MOTION: Council Member Walker moved to recommend including the 20-year MFTE Program in Motions 1 and 2 to the full City Council for consideration.

SECONDED BY: Vice Chair Hunter.

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

Ayes: 3 - Hines, Hunter and Walker

Absent: 1 - Thoms

Motion 1 proposed to recommend expanding the 12-year MFTE along key corridors to areas already zoned as commercial and those areas included as “neighborhood nodes” as defined through the Home in Tacoma Project process where multi-family housing is currently allowed to the full City Council.

Motion 2 proposed to recommend expanding the 12-year MFTE to areas rezoned as “mid-scale” through the Home in Tacoma project to the full City Council.

MOTION: Vice Chair Hunter moved to recommend initiating a Development Regulation Agreement for those parcels one acre in size or larger throughout the City 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

MOTION: Chair Hines moved to recommend including language in the proposed MFTE resolution providing direction for the City Manager’s Office to explore a requirement for a minimum number of units to use the eight-year MFTE, to require affordable rents to be lower than market rate rents, and to identify ways to support fast-tracking the permit process for affordable housing 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

Topics for Upcoming Meetings

5. [21-1074](#) November 16, 2021 - Cancelled
December 7, 2021 - Monthly Budget Update; Audit Advisory Board Meeting

Ted Richardson, Committee Liaison, stated the November 16, 2021, meeting has been cancelled, and that the next meeting will be on December 7, 2021, and will include a monthly budget update and an Audit Advisory Board meeting, and may also include items moved from the November 16, 2021, meeting.

Other Items of Interest

Vice Chair Hunter stated the December 7, 2021, meeting will be her last GPF Committee meeting, and requested an update on the Rainier Connect contract be brought to the committee in the future.

Adjournment

There being no further business, the meeting adjourned at 11:45 a.m.



John Hines, Chair



Jered Lobban, City Clerk's Office