



RESOLUTION NO. 41790

1 A RESOLUTION relating to affordable housing; authorizing the execution of an
2 amendment to the agreement with the Tacoma Community
3 Redevelopment Authority to increase compensation for administering a
4 portion of the City's Affordable Housing Fund.

5 WHEREAS this recommendation from the Community and Economic
6 Development Department is based on the City's Affordable Housing Action
7 Strategy ("AHAS") first presented in September 2018, and subsequent program
8 implementation to address the need for additional affordable housing in Tacoma,
9 and

10 WHEREAS on August 8, 2019, the City Council passed Substitute
11 Ordinance No. 28601 authorizing the maximum capacity of tax authorized under
12 the provisions of Substitute Housing Bill 1406 establishing an annual revenue
13 stream of approximately \$853,000 for affordable and supportive housing, and
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15 WHEREAS on December 17, 2019, the City Council adopted Resolution
16 No. 40527 establishing activities and income criteria for the City's Affordable
17 Housing Fund ("AHF"), that had been created by the City Council to hold such
18 public funds that would be used for affordable housing and that was initially seeded
19 using \$1.2 million of general funds as part of the passage of the 2019-2020
20 Biennial Budget, and
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22 WHEREAS in response to a worsening housing crisis affecting an
23 unprecedented number of residents living in our community, on March 30, 2021,
24 the City Council also passed Ordinance No. 28747 authorizing collection of
25 HB 1590 sales tax in the amount of one-tenth of one percent for affordable housing
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1 to be designated for: (1) persons with behavioral health disabilities; (2) veterans;
2 (3) senior citizens; (4) homeless, or at-risk of being homeless, families with
3 children; (5) unaccompanied homeless youth or young adults; (6) persons with
4 disabilities; or (7) domestic violence survivors; and related services, to supplement
5 the existing local funds, and
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7 WHEREAS on December 17, 2021, the City Council awarded a contract
8 ("Agreement") to the Tacoma Community Redevelopment Authority ("TCRA"), to
9 administer a portion of the AHF for the development of affordable housing units,
10 and
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12 WHEREAS the Agreement is effective December 1, 2021, through
13 December 1, 2031, and activities allowable in the contract's scope of work include
14 providing financing for the development (acquisition, rehabilitation and/or new
15 construction) of affordable rental or ownership housing, and administration, and
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17 WHEREAS the City's strategic implementation of an AHF has resulted in a
18 sustained availability of funds designated for affordable housing, each year since
19 2020, the TCRA has advertised AHF funds as part of its annual competitive
20 Affordable Housing Notice of Funding Availability ("NOFA") process, and
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22 WHEREAS applications are reviewed and underwritten by Housing
23 Division staff with funding decisions made by the TCRA board for agreements
24 issued to the developers for projects that are most competitive, with projects
25 selected having a minimum 40-year affordability period, and loan terms typically
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1 include deferred payments with principal and accrued interest due in full back to
2 the fund at the end of the affordability period, and

3 WHEREAS households to be served must have incomes below 60 percent
4 of Area Median Income ("AMI"), and some projects include lower income limits
5 (below 50 percent AMI or below 30 percent AMI), and rent limits are set so that
6 housing costs represent 30 percent or below household income for households at
7 the top of the applicable income category, and

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9 WHEREAS since the fund's inception, 224 new affordable rental units
10 serving households with incomes below 60 percent of the AMI have been
11 completed and 16 units have been provided major systems upgrades, 227 new
12 affordable rental units are currently under construction to be placed in service in
13 the next one-two years, and approximately 257 additional new affordable rental
14 units have received funding commitments that will enable the project developers
15 to leverage funds from other sources, and

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18 WHEREAS ten affordable housing projects have been awarded financing
19 under the Agreement and related amendments, including the amendment being
20 proposed, and the below table also includes the amount of AHF funds committed
21 and number of units per project:
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Projects financed by Affordable Housing Fund		
Completed	AHF Committed	# of Units
Tyler Lifecycle (Tacoma Rescue Mission)	118,954.77	16
Tahoma Place (KWA)	1,906,402.00	87
Shiloh New Life Apartments (Shiloh Baptist Church)	4,444,983.00	60
Patsy Surh Place (Low Income Housing Institute)	1,422,702.00	77
Subtotal	7,893,041.77	240
Under Construction		
Viridian Grove (Southport Construction)	2,000,000.00	98
Mercy Aviva Crossing (Mercy Housing Northwest)	6,000,000.00	129
Subtotal	8,000,000.00	227
Predevelopment		
Lincoln District Family Housing (Low Income Housing Institute)	4,000,000.00	72
Bridge Meadows Tacoma (Bridge Meadows)	6,329,500.00	39
South Yakima Senior Housing (HumanGood Affordable Housing)	4,700,000.00	66
35th and Pacific (Mercy Housing Northwest)	7,250,000.00	80
Subtotal	22,279,500.00	257
Total	38,172,541.77	724

WHEREAS to support these investments, three amendments to the original Agreement for \$3,536,218.77 have been executed: Amendment 1 added \$3,368,119; Amendment 2 added \$13,421,349; and Amendment 3 added \$6,949,311 for a current agreement value of \$27,274,997.77, and the recommendation today is to increase the compensation under the Agreement by \$10,897,544 for projects that were awarded funds by the TCRA in the 2025 funding round, which would bring the new contract amount to \$38,172,541.77; Now, Therefore,



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

That the proper officers of the City are hereby authorized to execute an amendment to the Agreement with the Tacoma Community Redevelopment Authority to increase compensation by \$10,897,544 for administering a portion of the City's Affordable Housing Fund as more specifically set forth in the document on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney