



621 Tacoma Ave. S. #313
Tacoma, WA 98402
253-627-0949

February 6, 2021

By email

Mayor Woodards and City Councilmembers
City of Tacoma
Tacoma Municipal Building
747 Market Street, 12th Floor
Tacoma, WA 98402

Re: HB 1590 Tax for Affordable Housing

Dear Mayor Woodards and City Councilmembers:

HB 1590 (RCW 82.14.530) allows the City, by a vote of its Council, to impose a 1/10th of 1% sales tax for affordable housing. This would add a penny of sales tax to an eligible \$10 purchase. I understand that it would generate about \$5 million a year. I also understand that the City Council is considering a vote to approve this tax. I write to thank the City Council for its consideration. I also write to urge the Council to vote in favor of the proposal. I write as President of the Board of the Tacoma-Pierce County Affordable Housing Consortium (AHC) on behalf of its membership.

AHC members include the local banks, construction companies, architectural firms, developers and other organizations, public and private, for-profit and nonprofit, and individuals, who finance affordable housing, design it, build it, own it, manage it, provide the supportive services to residents who live in that housing, and who care about affordable housing and the people who need it. AHC members also share a deep concern that Tacoma does not have enough affordable housing and supportive services for its residents. As a result, it is not the healthy, prosperous, and equitable City we all wish it to be.

I assume the City Council needs no further convincing to recognize the City's crisis shortage of affordable housing and supportive services. Indeed, the Council has declared the resulting homelessness to be a public health emergency. We also assume that the Council needs no convincing about the value of affordable housing and how the City's economic and social welfare depends on having enough of it. The City Council recognized this value in City Council Resolution 38264 (May 11, 2011). I attach a copy. It may be the nation's finest municipal statement on the matter.

Instead, I note only that the minimum sales tax increase available under HB 1590 is a chance to continue the City's progress in addressing the crisis. The City Council should take this chance for many reasons. Here are three of them:

- 1. The HB 1590 tax would implement a recommendation of the City's Affordable Housing Action Strategy**
"[D]eveloping new revenue sources to increase monies for affordable housing" is a key recommendation of the City's Affordable Housing Action Strategy (AHAS)

(September 2018). In particular, the AHAS calls for the City to “increase its local resources through actions that seed and create a dedicated source of funding for the Tacoma Housing Trust Fund.” *See* Section 7. The City Council has stated its support for the AHAS. Approving the HB 1590 sales tax would make that support meaningful.

2. HB 1590 would be a progressive use of a sales tax

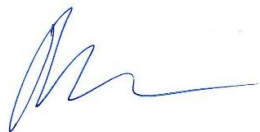
The AHC acknowledges, and shares, the concern that a sales tax is necessarily regressive in its proportionally greater burden on low income persons and households. We must acknowledge, however, that the City is constrained by the regressive tax structure of the state, which limits the financing tools available to cities. Yet, by way of mitigation, we also note that HB 1590 directs the uses of the revenue generated by the tax increase to a decidedly progressive focus on serving low-income persons and households.

3. The City is ready to put the revenue to very good uses

The City and its very capable community and economic development staff have the skills and experience for the effective uses of the revenue a HB 1590 tax would generate. We have this confidence for three reasons. **First**, the City’s AHAS provides a good blue print for that purpose. **Second**, the City has already made good progress assisting new projects. Yet the progress is not enough for the emergency. The effort needs local financing. **Third**, AHC members include developers - public housing authorities, nonprofit organizations, and private firms - that have their own pipelines of affordable housing projects that would put the revenue to very good use. Their use of the revenue would make these local projects, and the City generally, much more competitive for other financing, both public and private. These developers know how to take a dollar of City money and leverage many more dollars from state and federal sources, tax credit investors, and commercial debt. These uses make the revenue a multiplying bargain for the City.

The Tacoma Pierce County Affordable Housing Consortium and its members are grateful to have a City Council focused in this way, not only on the housing emergency, but also on some practical and effective solutions. We are prepared to give the City every support in its consideration of this proposal and in the effective uses of the revenues.

TACOMA PIERCE COUNTY AFFORDABLE
HOUSING CONSORTIUM



Peter Ansara
President of the Board



RESOLUTION NO. 38261

1 BY REQUEST OF DEPUTY MAYOR WALKER AND COUNCIL MEMBERS FEY,
2 LONERGAN, AND MANTHOU

3 A RESOLUTION relating to affordable housing; authorizing the adoption of the
4 Affordable Housing Policy Principles.

5 WHEREAS, throughout 2009, the Neighborhoods and Housing
6 Committee ("Committee") worked to create an affordable housing policy
7 recommendation for the City Council, and

8 WHEREAS, prior to recommending its final draft, the Committee
9 recommended that the City Council pursue additional public feedback, and

10 WHEREAS, on April 27, 2010, the City Council created and appointed
11 an Affordable Housing Policy Advisory Group ("Advisory Group") to perform the
12 following: (1) review the prior work of the Committee's affordable housing
13 policy development process and the work of the Pierce County Housing
14 Affordability Task Force; (2) review demographic data and identify data
15 development needs in order to inform planning efforts; (3) provide input and
16 consultation necessary to refine the Committee's affordable housing policy
17 recommendations; (4) recommend a series of supporting policy actions that are
18 consistent with or complementary to the City's Comprehensive Plan; and
19 (5) build a consensus of Advisory Group members, and

20 WHEREAS, on December 3, 2010, the Advisory Group provided a final
21 report to the Committee, and
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WHEREAS the Committee is in the process of reviewing the recommendations of the Advisory Group and recommends that the City Council adopt the eight policy principles recommended by the Advisory Group in recommendation 3.1 of the report, and

WHEREAS, in summary the policy principles include the following:

A. The City's welfare requires an adequate supply of well-built and well-managed affordable housing serving the full range of incomes appearing among its residents. An adequate supply of this housing is vital to the following important civic needs and values:

- The City's prosperity, economic development, and growth of employment opportunities;
- The appropriate management of the City's projected population growth and transportation needs;
- The City's fulfillment of its legal obligations under the Growth Management Act to make "adequate provisions for existing and projected (housing) needs of all economic segments of the community" and to comply with the related directives of the Pierce County Countywide Planning Policies;
- The survival of green spaces throughout the City and Pierce County;
- The success of the City's schools;
- The effectiveness of the City's emergency services;
- The City's ability to continue its accommodation of a population that is increasingly diverse by income, race, ethnicity, ability, disability, and age;
- The City's ability to accommodate a population that, in the aggregate, is getting older; and
- The City's values of social justice.



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B. Affordable housing developments by nonprofit developers, public and private, in the City, region, and nation have been among the most attractively designed, most environmentally innovative, and best managed in the market place.

C. Nonprofit developments of affordable housing will never likely be adequate to meet the City's needs. The City also needs a companion strategy to enlist the engine of private market rate developments to include a measure of affordable units. These strategies also provide the added benefit of economic and demographic integration.

D. Affordable housing developments have spurred the revitalization of neighborhoods, encouraging both public and private investment, helping the City attain its desired density, and furthering a neighborhood's economic development.

E. Affordable housing is an asset to be encouraged and not a detriment to be tolerated and controlled.

F. The City should promote the development of affordable housing in every City neighborhood.

G. In seeking the appropriate balance, the City should not have to compromise important neighborhood design standards in order to promote affordable housing. Instead, proper design should allow affordable housing to show the way for all developments servicing all incomes toward a greener,



1 more sustainable urban future that accommodates the appropriate density that
2 the City's planning documents anticipate to be necessary for the City's
3 projected population allocations.

4 H. In a complex community like Tacoma, interests and policies often
5 clash. Good governance is the effort to balance them appropriately. In doing
6 so, the City should give a very high priority to the promotion of affordable
7 housing development, and

8 WHEREAS the City Council wishes to include consideration of these
9 policy principles in future updates to the City's Comprehensive Plan,
10 Consolidated Plan, and Human Services Strategic Plan; Now, Therefore,

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

12 Section 1. That the City Council hereby adopts the policy principles set
13 out in recommendation 3.1 of the Affordable Housing Policy Advisory Group
14 Final Report, received on December 3, 2010.

15 Section 2. That the City Council requests the Planning Commission, the
16 Tacoma Community Redevelopment Authority, the Human Services
17 Commission, and other appropriate City bodies to incorporate the policy
18 principles into the City's Comprehensive Plan, Consolidated Plan, the Human
19 Services Strategic Plan, and other appropriate policy documents.

20 Section 3. That the City Manager is directed to make available staff from
21 the Tacoma Community and Economic Development Department, the Human
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Rights and Human Services Department, and other General Government
Departments, as may be necessary, to assist the appropriate boards and
commissions in the incorporation of these policy principles.

Adopted MAY 17 2011

Mark Ford
Mayor

Attest:

Doris Seum
City Clerk

Approved as to form:

[Signature]
City Attorney



REQUEST FOR

ORDINANCE RESOLUTION

Request #:

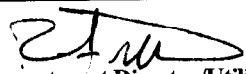

12934

Ord./Res. #:

38264

RECEIVED

1. DATE: May 2, 2011

2. SPONSORED BY: COUNCIL MEMBER(S) Deputy Mayor Walker, Council Member Manthou, Council Member Fey, and Council Member Lonergan		
3a. REQUESTING DEPARTMENT/DIVISION/PROGRAM City Manager's Office 3b. "DO PASS" FROM Neighborhoods and Housing <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> To Committee as information only <input type="checkbox"/> Did not go before a Committee 3c. DID THIS ITEM GO BEFORE THE PUBLIC UTILITY BOARD? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> Not required	4a. CONTACT (for questions): Tansy Hayward	PHONE: 253-591-5133
	4b. Person Presenting: Deputy Mayor Walker	PHONE: 253-591-5100
	4c. ATTORNEY: Elizabeth Pauli	PHONE: 253-591-5169
 Department Director/Utility Division	N/A Budget Officer/Finance Director	 City Manager/Director Utilities

5. REQUESTED COUNCIL DATE: May 17, 2011

(If a specific council meeting date is required, explain why; i.e., grant application deadline, contract expiration date, required contract execution date, public notice or hearing required, etc.)

6. SUMMARY AGENDA TITLE: (A concise sentence, as it will appear on the Council agenda.)

Adopting eight policy principles as recommended by the Affordable Housing Policy Advisory Group and directing further consideration of the policy principles in future planning and policy documents

7. BACKGROUND INFORMATION/GENERAL DISCUSSION: (Why is this request necessary? Are there legal requirements? What are the viable alternatives? Who has been involved in the process?)

Throughout 2009, the Neighborhoods and Housing Committee worked to create an Affordable Housing policy for recommendation to the full Council. Prior to recommending the committee's final draft, the committee sought additional public feedback through the creation and appointment of an Affordable Housing Policy Advisory Group. The Affordable Housing Policy Advisory Group provided a report to the Neighborhoods and Housing committee on December 3, 2010.

Since receiving the report, the Neighborhoods and Housing Committee has begun reviewing each recommendation and requesting additional evaluation by city staff, where appropriate. At this point, the Neighborhoods and Housing Committee is recommending that the full City Council adopt eight policy principles that were included in recommendation 3.1 of the report. In summary, the policy principles include:

(1) The city's welfare requires an adequate supply of well built and well managed affordable housing serving the full range of incomes appearing among its residents. An adequate supply of this housing is vital to the following important civic needs and values:

- The city's prosperity, economic development and growth of employment opportunities
- The appropriate amendment of the city's projected population growth and transportation needs;

REQUEST (CONT)

CITY CLERK USE ONLY

Request #:	12934
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- The city's fulfillment of its legal obligations under the Growth Management Act to make "adequate provisions for existing and projected [housing] needs of all economic segments of the community" and to comply with the related directives of the Pierce County Countywide Planning Policies;
- The survival of green spaces throughout the city and Pierce County;
- The success of the city's schools;
- The effectiveness of the city's emergency services;
- The city's ability to continue its accommodation of a population that is increasingly diverse by income, race, ethnicity, ability, disability and age;
- The city's ability to accommodate a population that, in the aggregate, is getting older; and
- The city's values of social justice.

(2) Affordable housing developments by nonprofit developers, public and private, in the City, region and nation have been among the most attractively designed most environmentally innovative and best managed in the market place.

(3) Nonprofit developments of affordable housing will never likely be adequate to meet the City's need. The City also needs a companion strategy to enlist the engine of private market rate developments to include a measure of affordable units. These strategies also provide the added benefit of economic and demographic integration.

(4) Affordable housing developments have spurred the revitalization of neighborhoods, encouraging both public and private investment, helping the City attain its desired density, and furthering a neighborhood's economic development.

(5) Affordable housing is an asset to be encouraged and not a detriment to be tolerated and controlled.

(6) The City should promote the development of affordable housing in every City neighborhood.

(7) In seeking the appropriate balance, the City should not have to compromise important neighborhood design standards in order to promote affordable housing. Instead, proper design should allow affordable housing to show the way for all developments servicing all incomes toward a greener, more sustainable urban future that accommodates the appropriate density that the City's planning documents anticipate to be necessary for the City's projected population allocations.

(8) In a complex community like Tacoma, interests and policies often clash. Good governance is the effort to balance them appropriately. In doing so, the City should give a very high priority to the promotion of affordable housing development.

In addition to adopting the policy principles, this resolution would request that the Planning Commission, the Human Services Commission, the Tacoma Community Redevelopment Authority, and other appropriate boards and commission incorporate these policy principles into appropriate policies and planning documents including the Comprehensive Plan, Consolidated Plan and Human Services Strategic Plan. It would also direct the City Manager to make staff available to support these boards and commissions.

REQUEST (CONT)

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8. LIST ALL MATERIAL AVAILABLE AS BACKUP INFORMATION FOR THE REQUEST AND INDICATE WHERE FILED:

Source Documents/Backup Material	Location of Document
Affordable Housing Policy Advisory Group Policy Recommendations to the City, dated December 3, 2010	City Clerk's Office

9. WHICH OF THE CITY'S STRATEGIC GOALS DOES THIS ITEM SUPPORT? (CHECK THE GOAL THAT BEST APPLIES)

- A. A SAFE, CLEAN AND ATTRACTIVE COMMUNITY
- B. A DIVERSE, PRODUCTIVE AND SUSTAINABLE ECONOMY
- C. A HIGH-PERFORMING, OPEN AND ENGAGED GOVERNMENT

10. IF THIS CONTRACT IS FOR AN AMOUNT OF \$200,000 OR LESS, EXPLAIN WHY IT NEEDS LEGISLATIVE APPROVAL:

11. FINANCIAL IMPACT: EXPENDITURE REVENUE

- A. NO IMPACT (NO FISCAL NOTE)
- B. YES, OVER \$100,000, Fiscal Note Attached
- C. YES, UNDER \$100,000, (NO FISCAL NOTE)
Provide funding source information below:

FUNDING SOURCE: (Enter amount of funding from each source)

Fund Number & Name:	State \$	City \$	Other \$	Total Amount
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If an expenditure, is it budgeted? Yes No Where? Cost Center:
Acct #:

Resolution No. 3820

Adopted: MAY 17 2011

Maker of Motion: WALKER

Seconded: LONERGAN

Voice Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Boe	✓			
Mr. Campbell	✓			
Mr. Fey	✓			
Mr. Lonergan	✓			
Mr. Manthou	✓			
Mr. Mello	✓			
Ms. Walker	✓			
Ms. Woodards	✓			
Mayor Strickland	✓			

Roll Call Vote:

MEMBERS	AYES	NAYS	ABSTAIN	ABSENT
Mr. Boe				
Mr. Campbell				
Mr. Fey				
Mr. Lonergan				
Mr. Manthou				
Mr. Mello				
Ms. Walker				
Ms. Woodards				
Mayor Strickland				