Community & Economic Development (CED)

October 25, 2022

Agenda

• Departmental Overview and Strategy
  • Departmental Overview
  • 2021-2022 Major Accomplishments
  • Issues and Considerations
  • 2023-2024 Strategy/Goals
  • 2023-2024 Major Initiatives & Proposals

• Financials and Personnel Overview
Overview and Strategy

Departmental Overview

Facilitate equitable economic growth and opportunity by supporting existing businesses, enabling reinvestment and revitalization, and promoting the attraction and creation of new businesses, living wage jobs, and housing options to enhance the quality of life in the community.
Departmental Overview

CED Return on Investment

Profit-making center for the City
- Generated millions of dollars in construction sales and property tax and from Convention Center Marriott, Hailey Apartments, Old City Hall and Town Center projects
- Facilitated revenue through Permit Fees, on-going sales, Real Estate Excise and Business & Occupation tax revenue through direct assistance to property owners, developers and commercial enterprise
- Leveraged $10 million in competitive and contracted non-entitlement funding for housing, and economic and business development from the federal and State governments

Addressing City cross-departmental needs and livability
- Contributed $1.5 million from UDAG funds to LID Trust for temporary homeless shelter
- Firsthand knowledge of community concerns and solution facilitator
- Active engagement with businesses and neighborhoods to assist in crime reduction essential to enable success through the Tacoma Police Department's problem-oriented, place-based approach
- Deliver public art, community engagement and creative placemaking projects throughout the city in response to City initiatives and goals
Affordable Housing
Major Accomplishments 2021-2022

• Enabled significant new investment in previous City-owned and private property and facilitated enactment of additional funding through the 1590 sales tax for affordable housing and assisted with acquisition of Aspen Court and Heron Apartments
• Facilitated investment of $770 million in 34 new projects representing 3,076 units in Mixed-Use Centers through the Multi-Family Tax Exemption Program
• Provided foreclosure prevention for 88 households, 60% non-white and completed 26 single-family rehabilitation projects to date
• Established over 170 affordable housing units and funded an additional 622 to date in 2022 for future development
• Negotiated acquisition of County property for use as temporary shelter and mixed-use housing

Affordable Housing Trust Fund

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Project Name</th>
<th>Type of Project</th>
<th>Address</th>
<th>Population Served</th>
<th># of Units</th>
<th>Funding Award</th>
<th>Total Project Cost</th>
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<tbody>
<tr>
<td>Tacoma/Pierce County Habitat for Humanity</td>
<td>Proctor Place</td>
<td>16 Homeownership units</td>
<td>67th and S. Proctor</td>
<td>60-80% AMI</td>
<td>16</td>
<td>$550,000</td>
<td>$6,185,205</td>
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<td>Low Income Housing Institute</td>
<td>Lincoln District Phase 1</td>
<td>Permanent Supportive Housing for Seniors</td>
<td>711 S. 38th St</td>
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<td>Shiloh Baptist/New Life Housing</td>
<td>Shiloh Redevelopment</td>
<td>Permanent Supportive Housing</td>
<td>815 S 13th / 1206-1208 S I</td>
<td>30-50% AMI</td>
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<td>Korean Womans Association</td>
<td>15th and Tacoma</td>
<td>New Construction, Senior Multi Family Rental</td>
<td>1347 15th Avenue S.</td>
<td>Seniors, 50% or less AMI</td>
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<td>Horizon Housing Alliance</td>
<td>Hilltop Lofts</td>
<td>Permanent Supportive Housing</td>
<td>1124 M.L.K. Jr. Way</td>
<td>30-60% AMI</td>
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<tr>
<td>Total</td>
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<td>$5,918,480</td>
<td>$119,663,975</td>
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# AHAS Budget Summary

## AHAS Objective 1: Create More Homes for More People
- Affordable Housing Acquisition: CED $2.5M
- Affordable Housing Equity-Accessibility Infrastructure: PW $500k
- Add Contract and Program Auditor for Affordable Housing Programs: CED $212k
- Increase Staff: Engineering Procurement & Grants Manager: PW $44k
- Impact Fees - Affordable Housing Subsidy for Affordable Housing (Mid MOD): PW $175k
- Priority Review Permitting for Affordable Housing: PDS $288k

**TOTAL:** $3.7M

## AHAS Objective 2: Keep Homes Affordable and in Good Repair
- Maintain Program Technician for Single Family Rehab Program: CED $180k
- Allocate CDBG Revenue for Housing Rehabilitation Program: CED $1.4M

**TOTAL:** $1.58M

## AHAS Objective 3: Keep People in their Homes and Communities
- Tenant Relocation Increase: OEH $80k
- First-time Homebuyer Assistance Program: CED $500k

**TOTAL:** $580k

## AHAS Objective 4: Reduce Barriers for those who often Encounter Them
- Maintain Emergency & Temporary Shelter Capacity: NCS $10.5M
- Expand Emergency & Temporary Shelter Capacity: NCS $1.8M
- Expand Tacoma Rescue Mission Men’s Shelter Project: NCS $3.5M
- Expand Tacoma Rescue Mission Shelter Project Operating Cost: NCS $300k

**TOTAL:** $16.1M

### Total New Budget Proposals to Support the Affordable Housing Action Strategy
- **$21.96M**

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## Economic & Business Development Major Accomplishments 2021-2022

- Supported family-wage job creation through business attraction and expansion *(including TOTE Headquarters and the U.S. General Services Administration and reactivation and location of SAFE Boats Tacoma Shipyard and Sound Credit Union expansion)*
- Established the Maritime Blue Incubator
- Provided training and technical assistance to over 1,000 businesses through the Minority Business Development Agency
- Received an additional five-year funding commitment from the U.S. Department of Commerce for the Minority Business Development Agency
Business & Workforce Partnerships  
Major Accomplishments 2021-2022

- Underwrote and awarded $7.5M in loans and grants to 548 businesses and 31 non-profits over 55% of which were BIPOC-owned and 71% in low- and very-low opportunity areas
- Initiated and modeled first KIVA crowd source loan program in WA with Spaceworks
- Initiated and Implemented the National League of Cities Healthcare Career Pathways in partnership with Workforce Central, Tacoma Housing Authority, Clover Park College and Anchor Institutions
- Established Equity In Contracting Advisory Committee
- Increased use in 2021 of Minority & Disadvantaged Business Enterprise in Public Works Contracting by 59% (+13) in the number of awards and 69% ($3.86M) in amounts awarded to Tacoma’s small, minority, and woman owned businesses

Arts & Culture  
Major Accomplishments 2021-2022

**Tacoma Creates** Support to non-profit Arts, Culture, Science & Heritage organizations to increase access to cultural programming in Tacoma

- $4.2 Million distributed to 51 cultural organizations who produced over 1,000 programs and events.
  - 74% of these programs were FREE for all participants. 38% focused on Youth Education
- $4.7 million to be distributed to 57 cultural organizations in 3rd funding cycle for 2022-23.
- Partnership programs with Tacoma Public Schools and Tacoma Public Library include after-school classes at schools and cultural presentations at branches increasing access to neighborhood programming

**Public Art & Community Engagement** Increasing community impact through partnership

- Public Art Reaching Community (PARC) Trained 14 artists in public art and community engagement in collaboration with Metro Parks
- Black Lives Matter Mural completed in partnership with City Council, OEHR, and Tacoma Art Museum.
- Storm Drain Murals, Traffic Box Art Wraps, and Lushootseed Language Stamps in sidewalks in partnership with Environmental Services and Public Works
Issues & Considerations

• Real Estate / Construction Constraints
  - Vacant parcels and existing structures
  - Lack of available sites for manufacturing & processing Adaptive re-use and redevelopment of commercial properties
  - Increasing construction costs

• Assisting development of Permanent Supportive Housing and identification and assurance of on-going funding resources for operations & services

• Facilitating expanded capacity to develop, own and operate affordable housing

• Land banking for future affordable housing development

Issues & Considerations

• Controlling the pace and mitigating the potential negative impacts of gentrification while implementing economic development, creative placemaking strategies, and neighborhood vitality activities

• Focusing the use of the commercial revolving loan fund for larger and leveraged transactions

• Training & Technical Assistance to BIPOC-owned businesses to meet the goals of the Equity in Contracting Program and create economic resilience

• Managing the increasing demand for CED services – including Office of Arts & Cultural Vitality for Public Art Efforts -- with constrained resources and staff
2023-2024 Strategy/Goals

• Enhancing livable wage job creation, specifically related to the Green Economy and the Information Technology sectors
• Enabling the development of commercial & industrial buildings and sites
• Providing & Coordinating Technical Assistance with partner organizations to micro and minority owned businesses and completion of the BIPOC Business Alliance study
• Managing the increasing demand for CED services including Office of Arts & Cultural Vitality (OACV) with constrained resources and staff
• Increase equitable community engagement in civic initiatives and projects through public art

2023-2024 Strategy/Goals

• Promote Racial Equity Action Plan (REAP) goals by maintaining and enhancing the diversity of CED staff
• Improving community outreach & engagement with Global Majority, Minoritized and underrepresented Business Owners/Entrepreneurs.
• Engage with workforce partners to promote Green Economy skill development with improved access to under-represented populations for area residents to fill labor gaps and further Resource Conservation & Climate Plan Goals
2023-2024 Strategy/Goals

• Promote wealth creation in the BIPOC community through homeownership and "Black Home" Initiative
• Continuance of Single-family rehabilitation program
• Use of Loan advances for Equity In Contracting Payrolls
• Training & Technical Assistance to BIPOC and disadvantaged businesses to meet the goals of the Equity in Contracting Program

Continued Program Emphasis 2023-2024

• Increase and diversify location and types of affordable housing
• Tacoma Creates Voter Approved Sales Tax Initiative
• Expand programs of the Minority Business Development Agency
• Complete and implement Green Economy Study recommendations
• Complete BIPOC Business Alliance Study
Major Initiatives and Proposals 2023-2024

- Affordable Housing Development (+$14M)
- Acquire Land /Buildings for Affordable Housing (+$2.5M)
- Down Payment Assistance (+$500K)
- Disparity Study (+$300K)
- Equity in Contracting Staffing, Trainings & Architectural & Engineering Expansion (+$260K)
- Green Economy Staffing & Implementation, 1FTE (+$256K)
- Jobs 253 (+$150K)

Financials and Personnel
Financials by Fund

2019 - 2020 Actual
- General Fund: $9M
- Human Services: $30M
- Community, Economic Development, & Housing: $42M
- Small Business Enterprise: $32M
- Local Employment Apprenticeship Program (LEAP): $9M
- Tacoma Training & Employment Program (TTEP): $53M
- Tacoma Community Redevelopment Authority: $4M

2021 - 2022 Proposed
- General Fund: $9M
- Human Services: $30M
- Community, Economic Development, & Housing: $42M
- Small Business Enterprise: $32M
- Local Employment Apprenticeship Program (LEAP): $9M
- Tacoma Training & Employment Program (TTEP): $53M
- Tacoma Community Redevelopment Authority: $4M

Financials by Cost Category

2019 - 2020 Actual
- External Services: $22M
- Personnel Services: $9M
- Internal Transfers: $8M
- Operating Expenses: $110M
- Indirect Costs: $8M
- Reserves: $6M
- Employee-Related Costs: $16M

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