

# SSHA<sup>3</sup>P

## SSHA<sup>3</sup>P Housing Capital Fund Capital Fund Committee

### Meeting Agenda

3602 Pacific Ave Tacoma, WA 98418

Dial: 253-215-8782 Meeting ID: 938 1481 3741

Webinar Link: <https://piercecountywa.zoom.us/j/93814813741>

February 14, 2025, 8:30 a.m.

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VACANT (City of Auburn)

Taylor Jones (City of Fife)

VACANT (Pierce County)

Ryan Windish (City of Sumner)

VACANT (City of Auburn – Alternate)

Derek Matheson (City of Fife – Alternate)

John Barbee (Pierce County – Alternate)

Jason Wilson (City of Sumner – Alternate)

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#### I. CALL TO ORDER/ROLL CALL

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#### II. REVIEW AGENDA/AGENDA MODIFICATIONS

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#### III. APPROVAL OF MINUTES

ATTACHMENTS: 11-22-2024 Fund Committee Meeting Minutes

[Document Link](#)

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#### IV. PUBLIC COMMENT

The Capital Fund Committee meeting can be heard by dialing 253-215-8782 or through Zoom at <https://piercecountywa.zoom.us/j/93814813741> and entering the Meeting ID 938 1481 3741.

Written comments may be submitted to [jason.gauthier@piercecountywa.gov](mailto:jason.gauthier@piercecountywa.gov). Comments will be compiled and sent to the Fund Committee.

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#### V. PRESENTATIONS/ACTION

##### A. SSHA<sup>3</sup>P Housing Capital Fund Usage Policy Statement

**Purpose:** Review of SSHA<sup>3</sup>P Housing Capital Fund Usage Policy Statement.

ATTACHMENTS: DRAFT Policy Statement

[Document Link](#)

##### B. Update on Municipal Owned Properties for Potential Affordable Housing Development

**Purpose:** Update and discussion currently municipal owned properties and potential for future affordable housing development.

ATTACHMENTS: Frederickson Property  
Fife Levee Pond Property

[Document Link](#)

[Document Link](#)

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#### VI. UPDATES/COMMENTS OF THE FUND COMMITTEE

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#### VII. ADJOURN

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# Capital Fund Committee Meeting

Friday, November 22, 2024

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**Members Present:** Heather Moss (Pierce County), Ryan Windish (Sumner), Taylor Jones (Fife)

**Members Excused:** Derek Matheson (Fife - Alternate), Jason Wilson (Sumner - Alternate), John Barbee (Pierce County - Alternate)

**Members Excused:** None

**SSHA<sup>3</sup>P Staff:** Jason Gauthier, Mary Connolly

**Pierce County Staff:** Bryan Schmid

**Guests:**

## Call to Order

Jason called the meeting to order at 8:43 AM.

## Roll Call

Jason called roll. A quorum was present.

## Agenda Modifications

There were no requests to modify the agenda.

## Approval of Minutes

Ryan moved to add a sentence to the minutes such that if a jurisdiction has property available for affordable housing development, that there be an option to do an RFP instead of a NOFA. Heather seconded the motion. The motion passed with 3 in favor and 0 against.

## Public Comment

There were no public comments during the meeting.

## Presentations

### Review Scoring Criteria

Jason presented updated drafts of “unit production” and “timely completion of proposal” scoring criteria.

Committee members like the changes to “unit production” criteria.

Heather asked if the scoring for “timely completion of proposal” has been updated to reflect conversation around the opportunity for the fund to serve as “first-in” funding. Staff and committee members discussed some options, such as:

- Reducing the weighting for this priority
- Creating separate scoring guides for different activities for this priority

- Replacing this priority with one or more priorities related to confidence in proposal completion

Bryan said that Pierce County NOFAs include a lot of the same elements in the draft “timely completion of proposal” priority, but that they are broken out into different scoring criteria.

Committee members discussed the importance of ensuring that a project has completed the entitlement process or has prepared for this process, depending on the activity. For example, if the proposal is for acquisition, Committee members want to see that applicants have gone to a pre-application meeting and have a rough site plan showing that the proposal meets zoning standards. Staff will bring a draft of new scoring criteria related to entitlement to a future meeting.

### **Policy Statement on SSHA<sup>3</sup>P Housing Capital Fund**

Jason presented a draft policy statement for the Fund. Staff expect that in the future, the Fund Committee will consider recommendation of this policy to the Executive Board for adoption.

Committee members discussed whether the policy should call for an equitable distribution of funds/resources, projects, or units, and what an equitable distribution would look like. Staff will do some research on how to measure equitable distribution, including through discussion with sister organizations ARCH and SKHHP.

### **2025 SSHA<sup>3</sup>P Housing Capital Fund NOFA**

Jason reviewed the plan for the release of the 2025 Capital Fund NOFA. The NOFA should be released around Feb. 15, 2024. It will include between \$900,000 and \$1,000,000. Eligible projects must be within contributing members and in Pierce County. Staff will bring draft priorities/scoring at a future meeting for discussion. Staff plan to spend more time during this NOFA process doing outreach and marketing to developers.

### **Updates/Comments of the Capital Fund Committee**

Ryan said that he has been tasked to go to Sumner City Council with options for handling the Sumner library site on Fryar Ave. One of the options for discussion is potential development of the site for affordable housing through a Request for Proposals (RFP) process. The site is zoned for up to 6 stories.

Taylor said that at the City of Fife’s February Council retreat, she will discuss with Council the option of using a city-owned property in Fife for affordable housing development.

### **Adjournment**

Ryan made a motion to adjourn. Heather seconded the motion. The motion passed with 3 in favor and 0 against. The meeting was adjourned at 9:39 AM.



## Policy Statement for the SSHAP<sup>3</sup> Housing Capital Fund

The South Sound Housing Affordability Partners (SSHAP<sup>3</sup>) Housing Capital Fund (the Fund) was established in 2023 to support the development of affordable housing across the region, with a priority focus on projects located within the boundaries of the member governments that have contributed to the Fund. This approach prioritizes benefit to the contributing governments for their financial participation, while addressing affordable housing needs in their communities. This policy aligns with the shared regional goal of expanding affordable housing opportunities while maintaining local flexibility and ensuring that each contributing government benefits from its investment in the Fund.

The SSHAP<sup>3</sup> Housing Capital Fund Committee shall use the following principles to guide the Fund's usage and the Committee's award recommendations.

### Principle 1

#### Funder Priority

In effort to that each contributor to the Fund realizes progress toward local housing targets, the Fund shall be prioritized for award within the boundaries of the governments that contributed to the Fund. The Fund Committee may choose to limit eligible projects to those within boundaries of contributing members.

### Principle 2

#### Government Owned Properties

The Fund shall prioritize the funding of projects on properties owned by contributing members, and secondarily prioritize projects that leverage other publicly owned lands (example: Sound Transit, Department of Transportation, etc.). Through this priority, the Fund encourages the use of publicly owned assets for affordable housing development.

### Principle 3

#### Geographic Funding

Over the 20-year Comprehensive Planning horizon, the Fund shall seek to fund an equitable distribution of projects across contributing members.

Pierce County Community Development Corporation (PCCDC) Funding Request  
**Frederickson South Project**



**Location**

Frederickson

**Project Request**

\$500,000 for infrastructure and pre-development

**Lead Agency**

Pierce County Community Development Corporation

**Partners**

Pierce County

Description and Background

**What is the Frederickson South Project?**

The Pierce County Community Development Corporation (PCCDC), a public nonprofit, identified a 4.22-acre property from the Department of Natural Resources (DNR) for \$998,000, the appraised market value. Designated for affordable housing development, the site is located at 200th Street East and Knoble Road East, near Canyon Road East, in the Frederickson area of unincorporated Pierce County. It offers convenient access to a major roadway, connecting residents to essential amenities and employment hubs.

This acquisition was funded through Pierce County's 2024-2025 Biennial Budget, which allocated \$2,750,000 (Ordinance No. 2023-44s2) to establish a rapid acquisition fund for affordable housing development or preservation.

**Project Scope**

28 homes consisting of a mix of duplexes and single-family residences, featuring one- to two-story wood-framed structures with crawl spaces and attached garages, for households earning less than 80% of Area Median Income (AMI).

## Timeline

### **Phase 1: Due Diligence**

*Completed August 2024*

This foundational phase ensured project feasibility through essential analyses, supporting a vision for urban single-family and two-family residential development. The process incorporated density optimization and affordable housing code incentives to address housing needs effectively. Key tasks included:

- Cultural Resources Analysis
- Critical Areas Scope with Arborist Analysis
- Geotechnical Engineering
- Geology and Environmental Earth Sciences Analysis
- Property Appraisal and Review

### **Phase 2: Acquisition**

*Completed October 2024*

In partnership with the DNR, PCCDC finalized a purchase and sale agreement to acquire the Frederickson property, backed by PCCDC's rapid acquisition loan fund, for \$998,000 in October 2024.

### **Phase 3: Site Planning**

*Late 2024 - Early 2025*

Site planning aligns with Frederickson's Community Plan and Pierce County's Comprehensive Plan, laying the groundwork for the upcoming Request for Proposals (RFP) to developers. To complete this phase, we are requesting **\$500,000** to support key site planning activities which will cover:

- Preliminary Site Evaluation: Ensures efficient development with minimal earthwork and no critical areas such as wetlands.
- Preliminary Engineering and Design: Incorporates road networks, emergency turnarounds, and a strategically placed stormwater pond in the northwest corner to enhance safety and functionality.
- Tree Retention and Open Space: Satisfies the 30% retention requirement and provides a 17,000+ ft<sup>2</sup> recreational area to support environmental quality and community well-being.

## Phase 4: Development Preparation

In this phase, we're fostering close collaboration with developers and architects to ensure every aspect of the project aligns with community goals and regulatory standards.

*January/February 2025*

The RFP will invite organizations dedicated to affordable homeownership for households earning at or below 80% AMI. It will include:

- Target population and affordability standards
- Submission requirements
- Design guidelines
- Evaluation criteria
- A schedule for site visits, interviews, and selection

## Funding Request

We request \$500,000 to support pre-development and infrastructure for the Frederickson site. This funding will cover environmental studies, utility engineering designs, site permits, and critical infrastructure, including roads, stormwater management, and utility connections. These essential steps will ensure the site is safe, accessible, and ready for affordable housing development.

\$ 105,000	Traffic analysis, cultural consultant, arborist, geotechnical, landscape, lighting design.
\$ 264,000	Civil services, including surveying, design, permit fees for preliminary plat, offsite sewer, grading.
\$ 7,000	General legal counsel.
\$ 124,000	Contingency for property taxes/insurance, public community engagement/meetings, mailers.
<b>\$500,000</b>	<b>Overall Total</b>



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# Levee Road Property





# Agenda

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## **Why:**

- Growth Targets & Area Median Income (AMI)

## **Where:**

- Property overview

## **Who/how:**

- Examples of public/private partnerships
- Property transfer
- Funding sources

## **What:**

- “Proposed scenario”

## **Discussion**

# Growth Targets

	2020 Baseline	+ Growth	= 2044 Target
<i>Housing Units</i>	4,325	1,784	6,109
<i>Population</i>	10,999	4,402	15,401
<i>Jobs</i>	17,587	5,077	22,664

	Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Beds)	
	0-30%		>30-50%	>50-80%	>80-100%	>100-120%	>120%		
	Total	Non-PSH	PSH *						
Est. Supply (2020)	4,325	58	0	255	1,714	1,167	452	679	0
Allocation (2020-2044)	1,784	230	311	331	261	113	102	435	109



# Area Median Income (AMI)

FY 2024 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2024 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Tacoma, WA HUD Metro FMR Area</b>	\$112,300	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	40,550	46,350	52,150	<b>57,900</b>	62,550	67,200	71,800	76,450
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	24,350	27,800	31,300	<b>34,750</b>	37,550	41,960	47,340	52,720
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	64,900	74,150	83,400	<b>92,650</b>	100,100	107,500	114,900	122,300

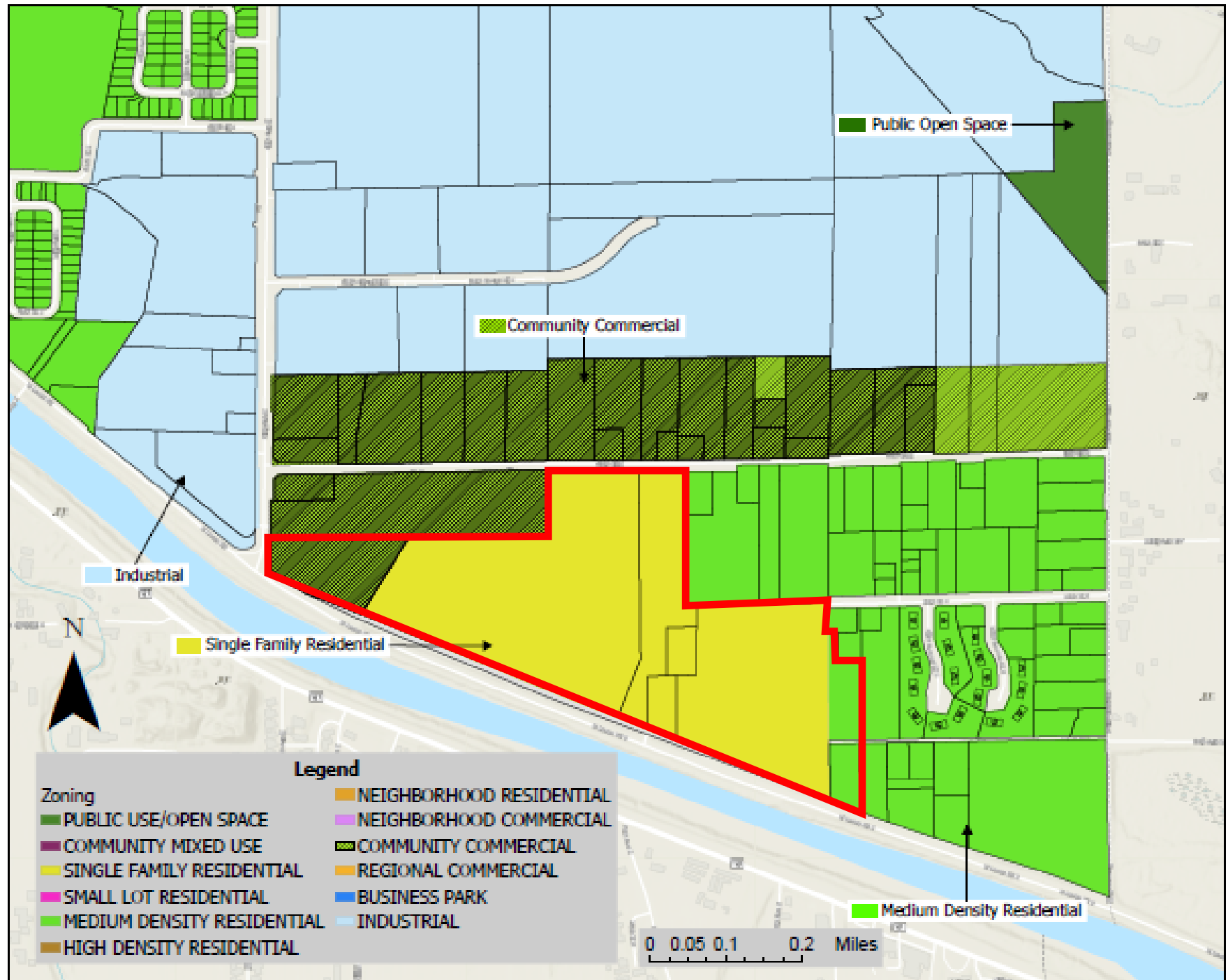


# Property Overview

- Firwood zoning
- Retreat focus



# Existing Zoning





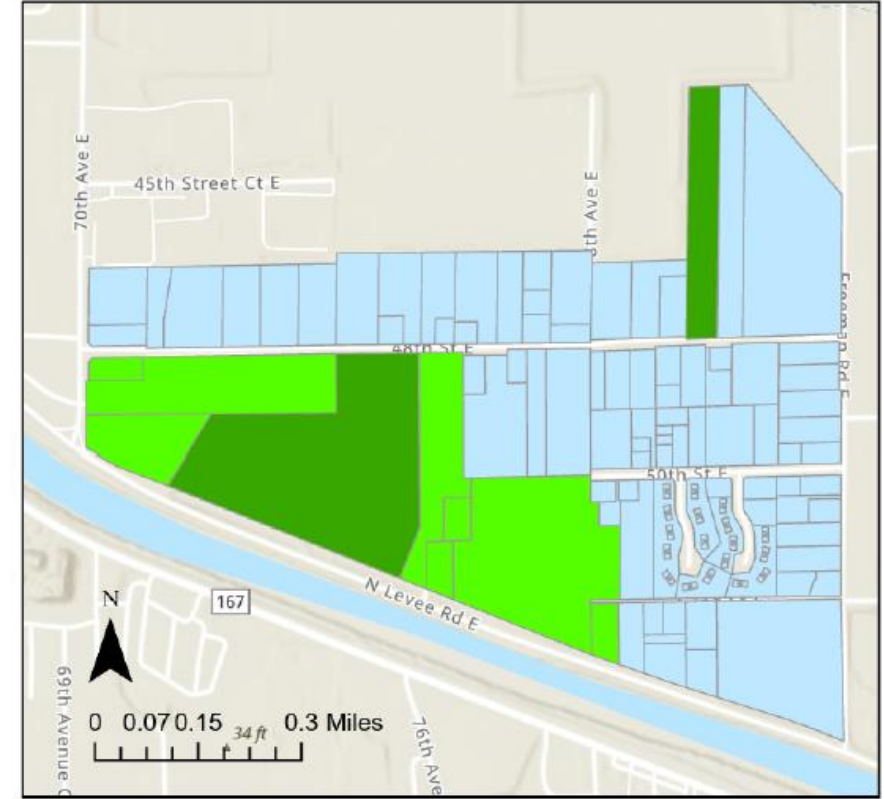
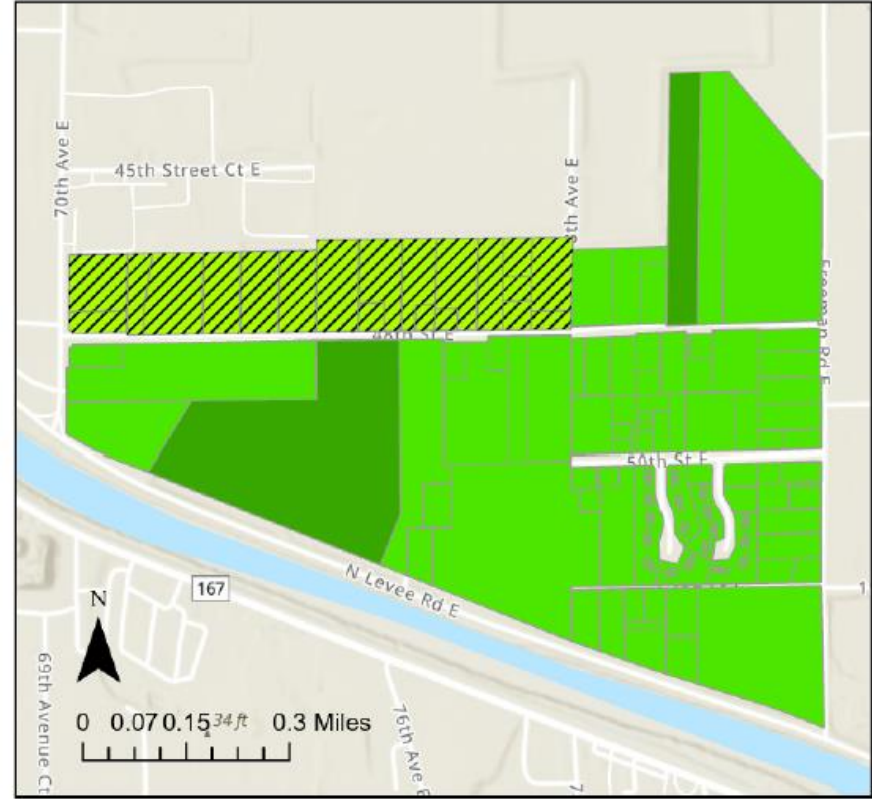
# Firwood Zoning Alternatives



## Staff Recommendation

## Industrial Alternative

2024  
Periodic  
Update





# MATERIAL HANDLING

## 2024 Periodic Update



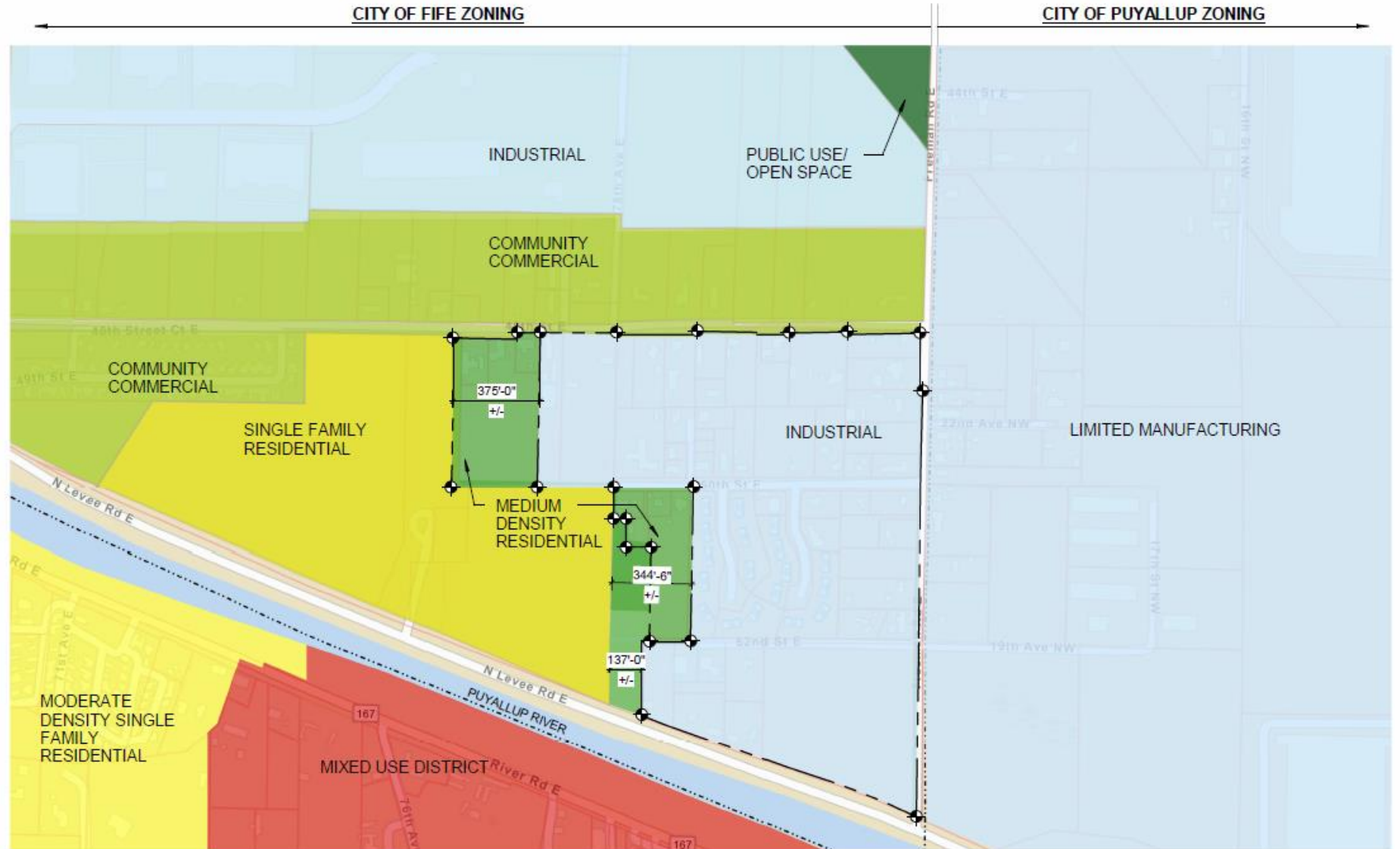
**Conventional Zoning Transition Maintained**

- Abuts Transitional Zone (CC)
- Road/Future Road Separation





# 2024 Periodic Update





# Property Overview

## Firwood Zoning:

- City property proposed for Medium Density Residential (MDR).
- Remainder of neighborhood TBD with 2024 periodic update.

## Retreat Focus:

- Development of City owned property - Not zoning of the full neighborhood.
- City property can be a catalyst for the rest of the neighborhood.



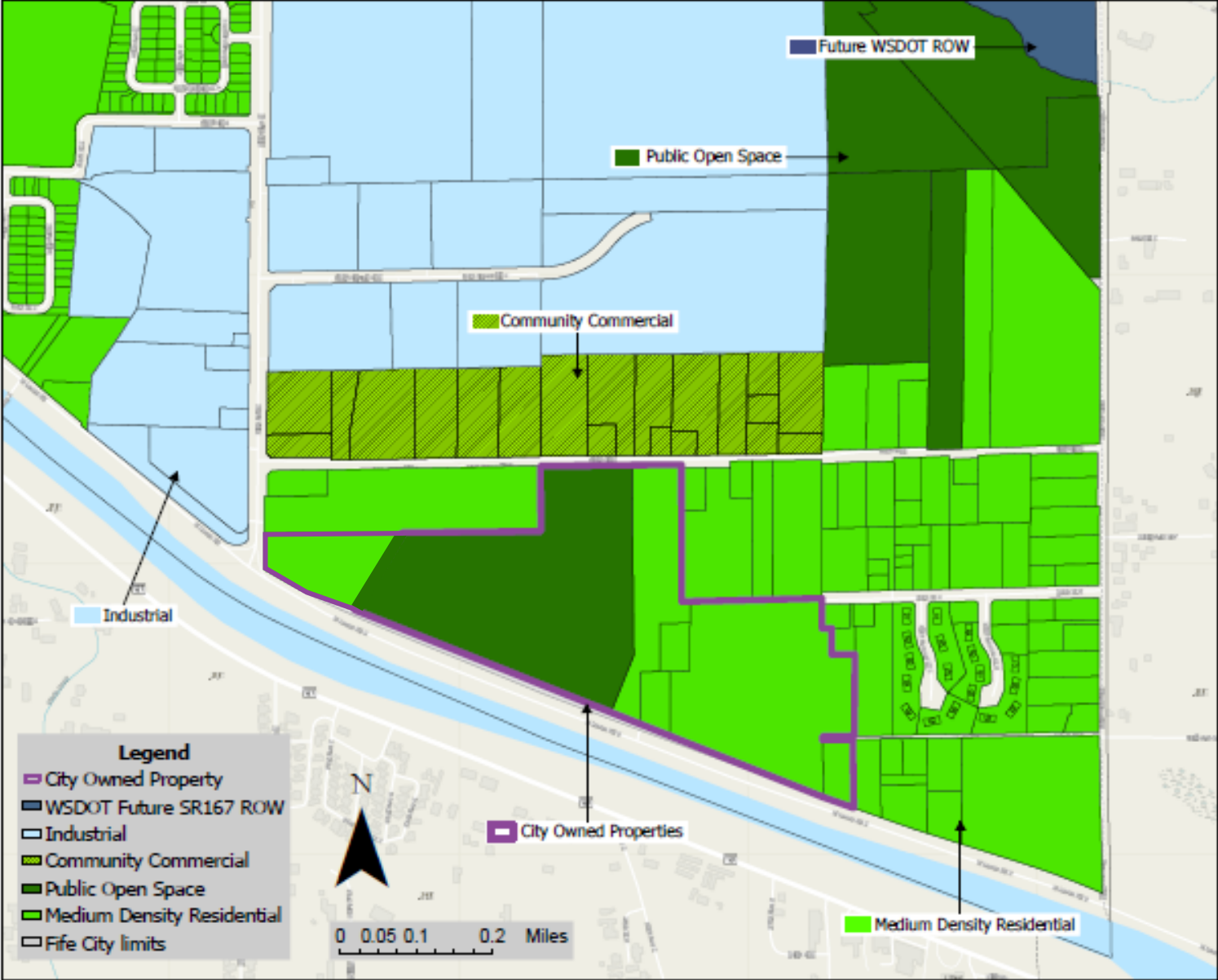


- Approximately 45 acres (+/-)
  - 15 acres is associated with Levee Pond Park
  - Approximately 20-25 areas remaining for development
- 1997 – Annexed, zoned Residential
- 1998 – Rezoned to Community Commercial
- 2001 – Acquired by City for \$2.7 million – Parks/ballfields
- 2008 – Rezoned to Single Family Residential
- 2009 – Levee Pond and trail constructed
- 2015 – Community Gardens open
  
- Staff recommends rezoning to Medium Density Residential as part of 2024 periodic update – Still TBD by Council

# Property Overview

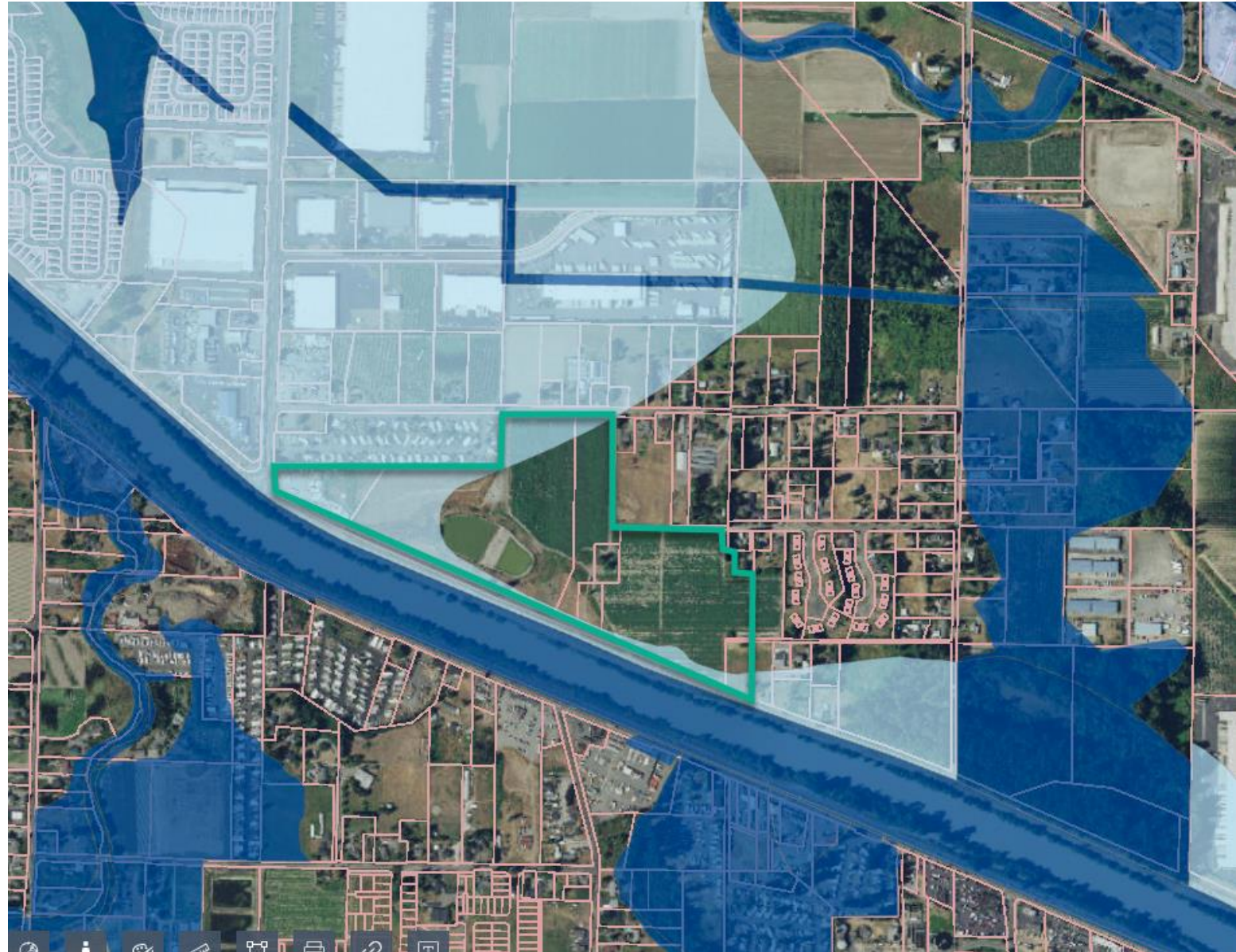


# Property Overview





# Property Overview

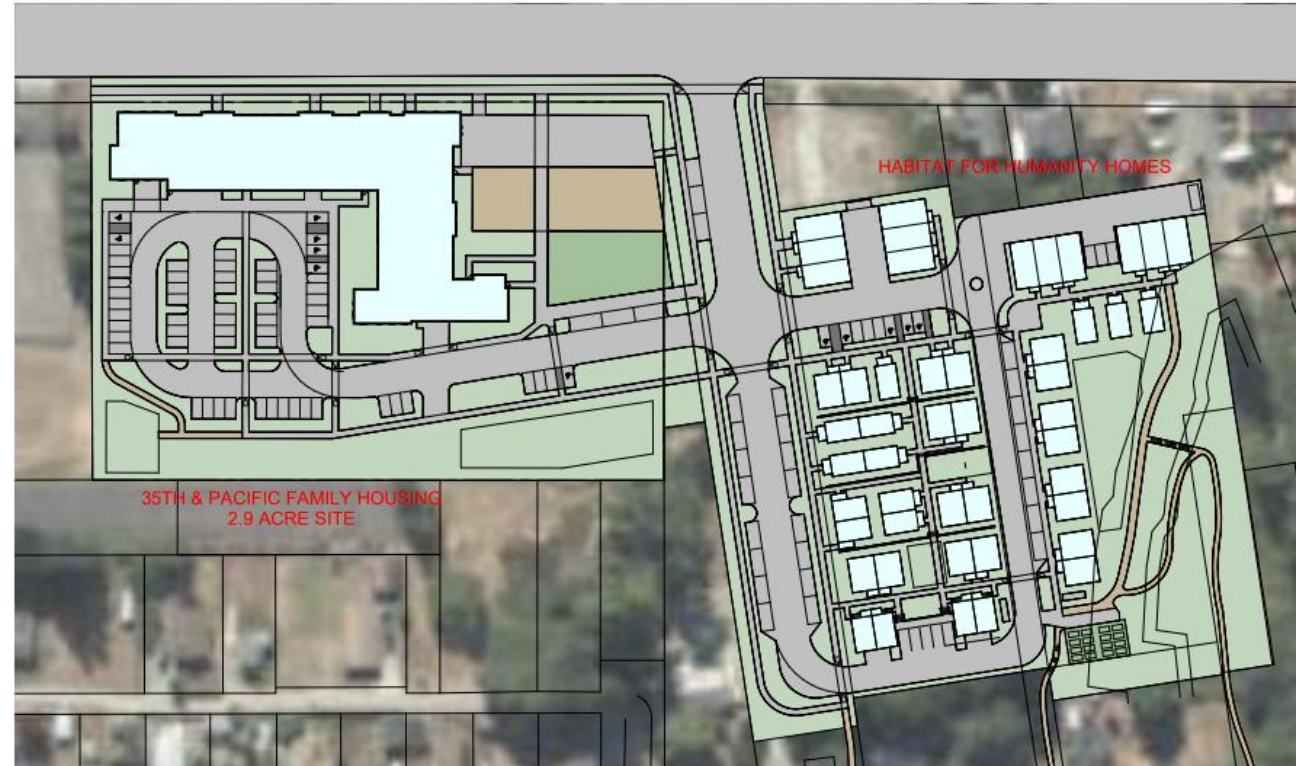




# Examples of Public-Private Partnerships

# 35<sup>th</sup> & Pacific Ave - Tacoma, WA

- **Developer:** Mercy Housing NW and Habitat for Humanity
- **Housing:** 81 units of rental housing and 48 units of homeownership housing, and 4,500 sq. ft. of commercial space
- **Property Ownership:** Approximately 6 acres, currently owned by the Tacoma Community Redevelopment Authority and formerly owned by City of Tacoma and Pierce County



# Cedar Crossing - Redmond, WA

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- **Developer:** Bellweather Housing and Mercy Housing NW
- **Housing:** 240 units of rental housing and 20,000 sq. ft. of commercial space
- **Property Ownership:** 1.2 acres, formerly owned by Sound Transit.





# Brooks Village - King County, WA

- **Developer:** Homestead Community Land Trust and Community Land Conservancy
- **Housing:** 57 units of homeownership housing, 11 acres for green space preservation.
- **Property Ownership:** 14.3 acres, currently owned by King County.





# Property Transfer



# City Authority

## Fife Municipal Code 1.28

- **Minimum Bid:** FMC 1.28.020 requires the city to set a minimum price
- **Competitive Bidding:** FMC 1.28.030 provides flexibility for Council to determine a process to transfer a property if a property transfer is determined to be in the city's best interest or if the transfer is made to a government agency.



# Transfer Options

## Request-for-Proposal

- **Request-for-Proposal (RFP) for Property Transfer**
  - Formal solicitation of proposals for project development
  - Outlines the required and/or desired project outcomes
  - Applications would be required to provide proposed project details
  - Allowing the city to compare options and select the best fit based on factor, like qualifications and experience
- **RFP for Direct Negotiation:**
  - Less common
  - Would seek to select an organization for direct negotiation for the site
  - In this process the City would seek certain types of entities (nonprofits, community-based organizations, etc.) to respond to the RFP
  - An awardee would then be given the rights to exclusively negotiation with the city for the property



# Transfer Options

## Government Agency Transfer

- FMC 1.28 allows transfer of real property to governmental entities
- Negotiate transfer of property for desired outcome (e.g., affordable housing, green space, etc.).
- Local Examples
  - **36<sup>th</sup> & Pacific Ave site in Tacoma, WA:** Transferred by Pierce County to the Tacoma Community Redevelopment Authority
  - **DNR Property in Frederickson, WA:** Transferred to the Pierce County Community Development Corporation.
- Potential to relieve city's administrative burden, while reaching desired outcome



# Funding Sources



# SSHA3P Housing Capital Fund

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- **Background:** Established in 2023 by the SSHA3P Executive Board
- **Funds:** Revenue collected under FMC 3.14 (RCW 82.14.540)
- **Current Funders:** Cities of Auburn, Fife, Sumner and Pierce County
- **Funds Available:** Approximately \$966,000 in 2025
- **Eligible Uses:** Acquisition, construction, and rehabilitation
- **Income Eligibility:** 60% AMI for rental housing and 80% AMI for homeownership housing.
- **Fund Priority:** Funding projects inside the boundaries of funding member governments and development of publicly owned real property for affordable housing.



# Affordable Housing Funding Sources

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- **Pierce County:**
  - Approximately \$25 million available annually
  - Rental Housing (60% AMI) and Homeownership Housing (80% AMI)
- **SSHA<sub>3</sub>P:**
  - Approximately \$500,000 available annually
  - Rental Housing (60% AMI) and Homeownership Housing (80% AMI)
- **State of Washington:**
  - Dependent on capital budget allocation(s)
  - Housing Trust Fund (HTF)
  - Connection Housing to Infrastructure Program (CHIP)
- **Washington State Housing Finance Commission:**
  - Land Acquisition Program (LAP)
  - 4% Bond/Tax Credit
  - 9% Housing Credit





# Utility Funding Sources

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- **Fife**
  - General fund
  - Utility rates/funds
  - Latecomers' agreement
  - Local Improvement District (LID)
- **Pierce County**
  - Community Development Block Grant (CDBG)
- **State of Washington:**
  - Drinking Water Revolving Loan Fund
  - Connection Housing to Infrastructure Program (CHIP)
  - Community Development Block Grant (CDBG)
- **Private/Non-profit**
  - Provided as part of RFP process
  - Partnerships as a function of RFP response
  - Non-profit lending (Craft3)
  - **Discuss with Ericka Bartlett**



# Proposed Scenario

# Proposed Scenario for Development

## WHY is this being discussed?

- Affordable, attainable, and accessible housing is a challenge at local, regional, state, and national levels
- New state Growth Management Act (GMA) requirements for cities to demonstrate capacity for, and support development of, housing units serving all income bands (HB 1220)
- Using city-owned property provides leverage to facilitate development that is consistent with the city's vision and comprehensive plan

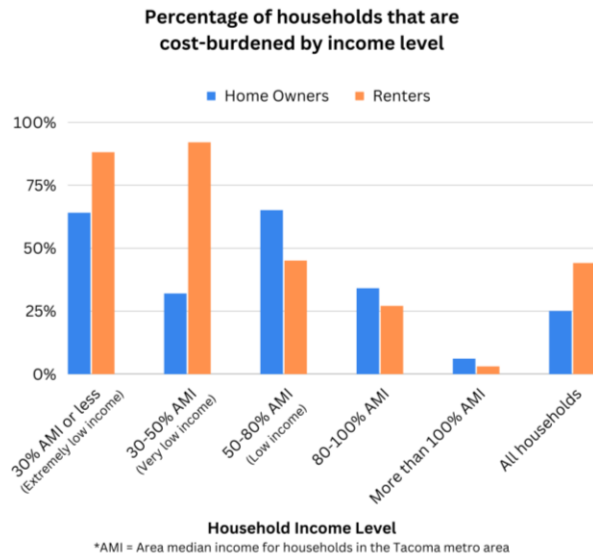
Below graphic created by SSHAP using 2023 data

### How financially attainable is the housing in Fife?

**36%** of households are **cost-burdened**, which means they spend more than 30% of their income on housing-related expenses.

**14%** of households are **severely cost-burdened**, which means they spend more than 50% of their income on housing-related expenses.

**Renters and households with lower incomes are more likely to be cost-burdened.**



### Fife Housing Unit Growth Targets 2020-2044

2020 Estimated Housing Supply	2020-2044 Housing Unit Growth	2044 Total Housing Units	Emergency Housing Needs
4,325	1,784	6,109	109

### Fife Housing Allocation by Income 2020-2044

	Total	Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Beds)
		0-30%		>30-50%	>50-80%	>80-100%	>100-120%	>120%	
		Non-PSH	PSH						
Est. Supply (2020)	4,325	58	0	255	1,714	1,167	452	679	0
Allocation (2020-2044)	1,784	230	311	331	261	113	102	435	109

**TAKEAWAY:** Facilitating mixed-income residential development on city-owned property can help Fife meet the housing needs of its residents and meet state housing unit growth target requirements.

# Proposed Scenario for Development

## WHAT type of development do we want to see?

- Uses: residential, residential accessory, residential supportive
  - DRAFT proposed permitted residential uses in the Medium Density Residential (MDR) zone include single-family dwelling, duplex and triplex, middle housing types up to six units
  - DRAFT proposed conditional residential uses in the MDR zone include multifamily with 7-12 units/structure, cottage housing development exceeding 6 dwelling units
  - Residential accessory and supportive uses such as ADUs, community recreational areas/facilities, daycare center could be considered
- Structures: mix of structure types and unit sizes
  - Project offers a variety of residential use types (listed above)
  - Project offers a range of square footage and bedroom options
- Ownership structure: mix of rental and owner-occupied units
- Population served: mixed-income
  - Project offers a variety of affordability levels across both rental and owner-occupied units



*High Point, a mixed-income development in West Seattle*

**TAKEAWAY:** A project with a mix of residential uses and sizes, which serves a variety of income levels, recognizes and supports the unique needs of Fife's current and future residents.

# Proposed Scenario for Development

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## HOW can we accomplish this?

- Identify development requirements and priorities, as proposed:
  - MUST contain affordable units
  - MUST contain a variety of unit types/sizes
  - MUST include units for both rent and ownership
  - SHOULD include units affordable to a variety of low-income bands
  - SHOULD consider what types of accessory/supportive uses could benefit the project and neighborhood community
  - Remain open to innovative and unanticipated ideas from developers and stakeholders
- Use an RFP process to take it to market
  - Prior to releasing RFP, commit a budget to creating materials and identifying information that would provide developers with answers to early feasibility questions
- Sell land at discount in exchange for affordable units
  - The higher the discount, the more affordability can be delivered (could mean more affordable units and/or deeper affordability in affordable units)
- Partnerships with both for-profit and nonprofit entities
- Development that extends utilities in the Firwood neighborhood could trigger subsequent investment in the neighborhood and support current and future residents

**TAKEAWAYS:** Using an RFP process to identify a clear, yet flexible, vision for residential development on city-owned property in Firwood can begin to address housing needs in Fife.

Offering land at a discount can facilitate production of affordable units consistent with the city's vision and designated growth target requirements.



# Proposed Scenario for Development

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## SUMMARY

### WHY:

- Facilitating mixed-income residential development.
- Help meet the housing needs of current/future residents.
- Meet state housing unit growth target requirements.

### WHAT:

- A project with a mix of residential intensities and sizes
  - Single family – up to 4-6plex.
- Serves a variety of income levels.
- Recognizes and supports the unique needs of Fife's current and future residents.

### HOW:

- Offering land at a discount to facilitate production of affordable units
- Utilize an RFP for property transfer process.
- Incentivize additional public benefits such as utility extensions.
- Encourage and facility partnerships with exterior funding sources.



# Discussion Primer

# Discussion Primer

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## Goal:

1. Establish **general priorities**, beyond what was identified in the “proposed scenario”.
2. Narrow in on the **preferred outcome to guide an RFP**.
3. Receive **high level policy** direction to guide the RFP process.

<i>Process</i>	<i>Product</i>
<i>Price</i>	<i>Politics/Policy</i>

\*Pick two, three if *all* goes well...





# Discussion Primer

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**Higher sale price = fewer affordable units**

**Lower sale price = more affordable units**

A **pro forma will help determine the approximate value** of a future development on the site, which can help narrow in on an approximate value for a developer. Key metrics of a pro forma include, number of units, any restrictions on units' sale or rental price, and the purchase price of the property.

Before a pro forma can be developed, policy direction and prioritization is needed, specifically related to:

- Affordability ratio (how many units should be “affordable” vs. market rate)
- Affordability level (what AMI bracket should the affordable units reach)
- Price discount / sale price



# Discussion

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- What are your general priorities in developing the property?
  - Most units – Affordability – Neighborhood improvements – Least expensive – Quickest to construction – Best process – Innovative – Collaborative, etc. etc.
- Proposed – Mixed income – thoughts?
- Proposed – Mixed rental and ownership – thoughts?
- How much of a discount are you willing to give on the sale price, in exchange for a desired outcome?
- Any specific comments on the proposed scenario?
- Other comments/questions/thoughts?