



Tacoma City Council Neighborhoods and Housing Committee Meeting Minutes

**Monday, August 7, 2006
4:30 p.m. – 6:00 p.m.
Tacoma Municipal Building, Conference Room 248**

Meeting called by: Tacoma City Council Neighborhoods and Housing Committee
Chair: Mayor Bill Baarsma
Note Taker: Janis Pipal

Council Members Present: Mayor Bill Baarsma, Council Member Jake Fey, Council Member Thomas Stenger, and Deputy Mayor Mike Lonergan

Council Members Excused: Council Member Manthou

Attendees: Julie Turner, Laura Hanan, Dawn Cutts, Connie Brown, Martha Anderson, Charlotte Valbert, Delona Woods, Marshall McClintock, Marty Campbell, Paul Ellis, Kris Blondin, Todd Matthews, Rob McNair-Huff, Stephanie Carlson, John Alexander, Bonnie Cameron, Ric Teasley, Ryan Petty, Marion Weed, Erik Bjornson, Tony Carr, Allen Douglass, John Pellessier, Elizabeth Pauli, Lois Calvin, Arne (Skip) Haynes, and Gwendolyn Voelpel

AGENDA TOPICS:

- Welcome and Introductions
- Approval of June 19, 2006, Minutes
- Low-income Housing in Downtown
- August 21, 2006, Topics
- Public Comment

Meeting commenced at 4:35 p.m. on August 7, 2006.

WELCOME AND INTRODUCTIONS

Chair Mayor Bill Baarsma called the meeting to order, announced that the meeting was being recorded, and asked all participants to introduce themselves.

APPROVAL OF JUNE 19, 2006, MINUTES

In a vote of 3-0, the minutes of the June 19, 2006, were approved as submitted.

LOW-INCOME HOUSING IN DOWNTOWN

RYAN PETTY, CED
RIC TEASLEY, CED

The committee asked Mr. Ryan Petty to include in his presentation on low-income housing in downtown a summary of the history of the “Miller Amendment,” a report on the current status of the Winthrop project of A. F. Evans, and advise if there is any relationship between the Winthrop Hotel and the Miller Amendment.

Mr. Petty began the presentation by saying Council Substitute Resolution 33809 was adopted in 1997, included a Consolidated Plan Amendment, and is still in effect today. It was originated by Council Members Crowley and Miller but it became known as the “Miller Amendment “.

It was adopted at a time when Catholic Community Services had proposed to create a transitional housing project involving 15 units of small studio housing for homeless men with chronic drug and alcohol abuse issues in what was then the vacant Metsker Map building in the 900 block of Pacific Avenue. There was considerable community attention and opposition to the project. The perception was that there was already a very high percentage of low-income housing in that section of downtown that was becoming problematic in terms of the redevelopment and economic development.

It was believed at the time to make sense to have a mixture of market rate and affordable housing downtown, but there needed to be a certain balance if we wanted to attract and establish market-rate housing. The Miller Amendment contained an amendment to the Consolidated Plan to promote this balance. It was not a prohibition against further low-income or affordable housing development. But it did say that the City would not allocate its Federal funds, other funds, or incentives available for projects that include low-income housing unless a waiver was granted by the City Council prior to application is made to the Tacoma Community Redevelopment Authority (TCRA) for the funding decision.

Mr. Petty said that in the context of the times, the Miller Amendment may have been seen as a signal that such housing in the area of downtown was not likely to be approved for City. In the development and housing community, it has been understood since 1997 to be a prohibition, when actually at any time the City Council could decide to grant a waiver, and such housing could be developed.

Mayor Baarsma asked if the Miller Amendment related to new projects and Mr. Petty replied it would, but it does not relate to or affect the rehabilitation of existing low-income affordable properties in the downtown area that were already subsidized. Mr. Petty elaborated the Miller Amendment does not apply to the Winthrop project because it is already a subsidized project and rehabilitating a subsidized low-income project is not subject to that amendment to the Consolidated Plan. Anyone that received Federal funds was not subject to the amendment and was not required to get a waiver from the City Council before approaching the TCRA.

As to the current status of the Winthrop project of A. F. Evans, Mr. Petty told the committee that the City has received conflicting signals recently. He was told that Ms. Tory Laughlin Taylor of A. F. Evans told the TCRA at a recent meeting that her company had an extension for 90 days on their purchase and sale agreement to acquire the Winthrop property.

Today, City Manager Eric Anderson received a letter dated August 4, 2006, from Ms. Laughlin Taylor. The letter reiterates a request to the City for a \$1 million UDAG loan for the commercial portion of the Winthrop project to fund historic retail upgrades and ballroom related improvements. It also requests the City provide additional CDBG funding totaling \$1.5 million over the next year to support historic rehabilitation of the housing project. Mr. Petty said A. F.

Evans needs other additional subsidies to make the recalculated project work. Mayor Baarsma said Ms. Laughlin Taylor indicated in the letter that they are also seeking additional funding from the county and the state. Mr. Petty said yes, that is correct, and A. F. Evans also asked the seller to participate by providing a loan of \$1 million to further the redevelopment of the commercial portion of the project.

Both Mr. Petty and Mayor Baarsma expressed their surprise upon reading a statement on page 4 of the letter that differed from what was expressed at the TCRA meeting. The paragraph reads:

“Since we were unable to reach agreement with the seller to participate in the solution to the funding shortfall, we did not reach agreement to extend the purchase and sale contract before it expired at the end of July. Consequently, we are currently out of contract on the property. We understand that the owner is planning to renew a marketing campaign for the building. We do not believe the market potential for the building has changed and consequently we do not foresee a viable, alternative purchaser emerging in the immediate future, but of course we may be proven wrong in this assessment.”

Mr. Petty said, by that letter A. F. Evans is reporting to the City that they no longer have the hotel property under purchase and sale contract, that they feel that market conditions won't enable any other buyer to buy it, and they are requesting additional funding commitments to enable them to re-secure the Winthrop property. At this moment, the Winthrop property is not under contract to A. F. Evans.

At this point, the Mayor brought the discussion back to the Miller Amendment.

Mr. Petty said the Miller Amendment was a very important piece of policy legislation that held an important part of downtown in a stable state for a number of years. During that time, downtown has made major steps forward and that's really a key thing to see about it. But by itself, it's not taking us forward on the field of play, to where the Council wants to get. He asked, does the committee want a broad-based discussion if it is possible to protect and nurture this area of downtown in a way that leads to the kind of mixed income development that the Council wants to see there and elsewhere? Can policies evolve in a way that moves the Council objectives forward?

He said our downtown continues to evolve and change. It's important to think of it as a residential neighborhood and a center of employment, entrepreneurship, arts, and entertainment. It's an important symbol of the city, a regional growth center, and one of the places where we can grow and concentrate the inbound population in a way that creates a valuable, high quality community. It is many things to many different people, and getting the housing element right so that it grows and develops in the patterns that Council wants to see, he suggests is ultimately where Council will want to evolve policy. He offers staff to help explore and develop the tools Council thinks will get us there.

Council Member Manthou could not attend the meeting, so Mayor Baarsma read an email from him:

“On Monday NH&H agenda is Low-income Housing in Downtown. I am assuming a discussion will occur regarding the Miller Amendment and the possibility of lifting the amendment. As I will be out of town next week and not be at the meeting, I wanted to express to you that at this time I do not support rescinding the amendment. It is not that I don't support low-income housing in downtown, but until such time that a comprehensive plan is developed that deals with integrating low-income and market-rate housing within the whole city, removing the Miller

Amendment would not be in our best interest. I feel our energies would be better spend crating a vision of what we want downtown to look like and then revisit the Miller Amendment to see how it fits in with that vision.”

Mr. Petty concurred with the email. As staff, he would not recommend rescinding the Miller Amendment absent the development of a more comprehensive policy that serves the Council goals in a way that moves the City forward in developing a comprehensive solution for downtown housing that works with the other functions of downtown.

Council Member Stenger asked Mr. Petty why special treatment for only one part of town? Don't other parts of town such as the residential neighborhoods need some protection also? Why were you only in favor of this in one part of town just because the people there are wealthier, more powerful than elsewhere, why isn't staff recommending this say for South Tacoma or Hilltop? Why is it only something that needs to be done in one part of the city?

Mr. Petty replied this is not a recommendation it is a discussion of the possibilities and concerns that would be raised if the Miller Amendment would be rescinded. He is not saying that downtown is more important or better than the rest of town.

Council Member Stenger interrupted to ask how this follows the fair share that is in our Comprehensive Plan and doesn't it put the burden on the rest of the city just for one neighborhood? He said he doesn't think Mr. Petty is following the policies of his own department.

Mr. Petty asked Mr. Ric Teasley to respond. Mr. Teasley said he can't address that specifically, but we are trying to look at housing policies in broader context rather than just recommending that we rescind the Miller Amendment at this time. We could describe the overall housing goals of the City of Tacoma and put the future of the Miller Amendment within the context of a larger discussion about housing policies for the city. For instance, what size is the downtown footprint or what is the ratio of housing types they'd like to see throughout the city. Mr. Teasley asked if the committee wanted to discuss a certain area, for example the Miller Amendment addresses a much smaller area downtown called the B District, from approximately 8th to 18th, from Court C or Court D down to Pacific Avenue or A Street. What they are recommending is just that the Council take time to look at the overall housing policies of the City before making small adjustments.

Council Member Stenger asked what Mr. Petty thought of the equity between the city subsidizing market rate and expensive housing downtown but not the housing for low-income people? Why should we subsidize the rich when we are opposed to having the poor live there, it's a class issue. He felt we subsidize the people who don't need the subsidies through the multi-family special assessment. To him that seems like our policy is to subsidize wealthy people and property owners, but we don't help the poor who actually need the help.

Mr. Petty responded that the multi-family housing exemption Council Member Stenger refers to is available for all multi-family housing in all the mixed-use centers so it is available for affordable subsidized housing. Council Member Stenger asked how many times it has been used for that. It is seldom used, Mr. Petty said, because other subsidies available for affordable housing produce more value for the developer. He said it is important to realize that the property tax exemption program as defined in state law was not created to address affordable housing. It was created to address growth management and to help communities channel growth and development of density into areas that the communities defined as appropriate under their comprehensive plans.

Council Member Fey directed the discussion back to the Miller Amendment, in paragraph 1.a. of the Consolidated Plan Amendment which states the downtown area has an over-concentration of low-income residents and subsidized housing. He asked what do we know about that area in terms of what has happened since 1997 and how would you compare the percentage of subsidized housing that still exists in this area to other parts of the city?

In reply, Mr. Petty said if you look at the largest footprint of downtown, from approximately Division Street to the interstate and the Tacoma Dome, from the Foss Waterway to Martin Luther King Jr. Way, we are close to 40% low-income in our housing population which is very high. The percentage is even higher in the more narrowly defined zone of downtown where the Miller Amendment applies.

Council Member Fey said the Miller Amendment proposed there was a disproportionate share of low-income housing in that geographic area. He asked Mr. Petty if he believed that situation still exists today. Mr. Petty said yes, but he offered the qualification that his sources of data always lag the market and are crude tools with which to manage a complex urban environment. He would like to have and offer them more information on which to base their policy judgments. Council Member Fey asked if he were aware of anything that would have caused that proposition to change and Mr. Petty replied he is not.

Council Member Stenger said he had a correction. He said the census figures for downtown show there's been no increase in the number of low-income people and there has been a huge increase in market-rate housing. He said the federal census statistics show 48% of the people that live in Tacoma is low-income. There was general discussion whether a threshold for low-income housing in a neighborhood would stop low-income housing from being built and where the highest concentration of low-income housing in the city is located.

Deputy Mayor Lonergan doesn't agree with Council Member Manthou's conclusion. He understood Mr. Petty to say that staff was here to present facts, not make a recommendation, but he also thought he heard Mr. Petty agree with Council Member Manthou's email. He asked Mr. Petty to clarify if he were recommending continuation of the Miller Amendment as opposed to rescinding it?

Mr. Petty agreed he would make that degree of staff recommendation, that the Council not rescind the Miller Amendment until they replace it with a comprehensive policy they agree to, covering the geography and subject matter.

Deputy Mayor Lonergan commented we have had the Miller Amendment for nine years, also the Consolidated Housing plan, the Destination Downtown plan, and the Growth Management act that addresses the necessity of providing affordable housing not just housing. As vice-chair of the Growth Management Board, he is very aware of the affordable housing component within it. He submits that downtown's success would demand places to live for waiters, secretaries, retail clerks, janitors, baristas, not to mention senior citizens and disabled people. He said that Harborview Manor is a wonderful example of affordable housing for seniors that had it not already been there, might not be there today.

His own experience is creating Colonial Square some 13 years ago out of a decrepit abandoned building across the street from the Old City Hall at 9th and Commerce, surrounded by vacant commercial space. When the Miller Amendment was being considered, his project had already revitalized the whole area, bringing commercial, residential, lawyers' offices, retail shops, restaurants, architects' offices into the area were none existed before. It had a very positive impact on that particular microcosm of downtown.

Deputy Mayor Lonergan does not know the reason the Miller Amendment was brought forward, but would purport it was not purely for the purposes stated in the resolution. People supporting the extension of this amendment should be aware of the climate in Tacoma when this resolution was under consideration. During that time, a member of the City Council slandered the Colonial Square project by including it on a list they of projects said were a detriment to the downtown area and the reason why we should not have more of it. When that member of the Council was asked to back up his statements, he said the information came to him in a real estate client relationship and he was prohibited from telling Mr. Lonergan the serious negative issues about the Colonial Square property. Deputy Mayor Lonergan believes the Miller Amendment is wrong; it's a blemish on Tacoma government that we impose this regulation. He feels it negatively characterizes 48% of the population of Tacoma and conveys we don't want more of their kind in this area right now until things get better.

He continued that on the other hand, it's a red herring to say we need a positive plan for the development of market-rate housing in order to succeed in downtown, because we have seen as much or more market rate and above development during this time in areas outside the protection of the Miller Amendment such as the hillside, Stadium district, and above the Tacoma Dome. Deputy Mayor Lonergan believes it is way past time to do away with the Miller Amendment that was put in to serve certain interests by demonizing almost half of the population, a population that would be disproportionately minority, disabled, and aged. Shame on us, he said.

Mayor Baarsma explained that when the Council considered the Miller Amendment, Mr. Lonergan was not a member of the City Council. He was passionate in his testimony before that Council on the amendment as he is now; his position for the last nine years has been consistent. Mayor Baarsma was a Council Member at that time and the only one of them to accept Mr. Lonergan's invitation to tour and meet with him and some of the people living at Colonial Square. Baarsma did look at the accommodations and agreed with Mr. Lonergan that it was a well-managed, successful enterprise for which there were very little, if any, negative comments.

Mr. Petty asked to reply to the Deputy Mayor to prevent himself from being misunderstood. He said he is only offering the opinion that the City Council reflect and chose a course toward a more dynamic policy that would have more impact than a mere rescission of the Miller Amendment and might create unanimity in the marketplace that would move it forward in a very positive way. On the face of it, the Miller Amendment doesn't prohibit this development and yet every one in the community has understood that it really does, so that has been the climate. He suggested a fresh policy might say the City Council is interested in approving mixed income housing projects and offer guidelines to help developers design projects that could be readily considered by the Council, articulating what the Council wants to see and setting the policy direction.

Staff and Council can work together to find a pathway that generates policy they agree is better than the Miller Amendment, he said. Or they may choose to rescind. Mr. Petty's thought is that the best path would be to consider how they want to replace it, with what, and applied to what geography. Is it only to what was then known as the B zone of downtown where the Miller Amendment applied or would you want to address the larger footprint of downtown in its entirety. Or deal with special circumstances of downtown as an urban village that has slightly different needs in different parts or address the City as a whole.

Council Member Fey asked for a recap of current policies and plans for the furtherance of the economic development of downtown and about the need to upgrade them. To him, it's not just about housing; there are businesses in this area and provisions need to be made for them to be successful as well. He was not saying having low-income housing is necessarily by its nature a

negative, but there are examples of low-income housing units in this area which are problematic for the merchants.

Mr. Petty replied that downtown is overlaid by several plans, several planning processes, and Council resolutions articulated as policy. It is subject to a Comprehensive Plan element, it is a mixed use center, it is an area so large in scope that it has sub-plans, like the Dome district area plan. There have been studies like the Destination Downtown adopted by the City Council that has some very important policy elements.

Mr. Petty deferred to Ms. Martha Anderson who explained there is an Economic Development Plan that is a component of the Comprehensive Plan that talks more specifically about economic development strategies. There is the Housing Plan which is the component of the documents they submit to HUD each year. The Component Housing Plan which is in the Consolidated Plan, our Downtown Plan, and the Sub-area Plans of the Economic Development plan in total comprise the strategy.

Would you describe all that as both a current and cohesive economic development strategy, asked Council Member Fey?

Ms. Anderson replied it's cohesive in terms of always looking for growth and investment opportunities and it's consistent in terms of providing a mix of opportunity for all citizens. The specific strategies change from biennium to biennium.

Mr. Petty believes with a changing marketplace, a new City Manager, and new Council Members, there is an evolution in thought about downtown and its various functions, certainly economic development and a new sense of what downtown can become. The perspective is being changed as downtown grows and develops. The core is that all of the Council's policies serve a downtown integrated in function, from employment center to art center, neighborhood center, entertainment center, retail shopping center, and as the image of Tacoma.

Council Member Fey said people ask him where downtown is headed and what the opportunities are. Would Mr. Petty postulate that we are in a position where we know where we're headed so that we can make the right kinds of decisions about what's good development for downtown and what's not?

In response, Mr. Petty said from a policy perspective, there are some tweaks to be made; some are significant, for example discussing the Miller Amendment. From an economic development perspective, he would like to re-describe downtown in the terms used in marketing, so that it can be presented to the capital markets that make the investments, create the jobs, housing, and retail centers. He really feels the need for re-articulation of what we are becoming.

May Baarsma called for public comment, starting with those who have contacted the Council and those who have a direct interest.

PUBLIC COMMENT

Mr. Erik Bjornson said he is very much in agreement with City Manager Eric Anderson's stated view of what constitutes successful housing. Mr. Bjornson has read HUD studies and reports on how other cities in Washington or the West Coast have dealt with housing in large cities. Successful housing occurs when there is a good mix of housing, individual buildings around 20% low-income to 80% market, and the areas are dispersed. The City Manager's office sent him demographic data that shows in zip code 98402 including the Foss Waterway and upper Broadway, new market-rate housing is being built. Even with that, it still shows 46% low-income housing in that area, with a much higher concentration if you take off Thea Foss and Broadway.

In census tract 61601, we are now at 50%. It is much more intense at North Pacific Avenue where the LINK comes in right on Commerce Street. Other than the Bostwick Building, there is only low-income housing in a two block area putting the area at over 90% low-income housing.

Mr. Bjornson described the sociological consequences of dense low-income housing. Creating Defensible Space says once you get past a certain concentration you start having social disorders and problems, as confirmed by the police calls to the 9th and Commerce area. The BIA patrolmen say that is one of the hot spots and a recent Tacoma Daily Index article also described it as such. The New Tacoma Neighborhood Council had a meeting to talk about the problems from that area and its difficulties.

From his research, Mr. Bjornson agrees with Mr. Petty. His suggestion is to look at what areas of the city can or are appropriate to have low-income housing, what is the density, and look at smaller areas sometimes too. Within zip code 98402, the Escalante is under construction now, and the people who move in there are not going to come up, mix, and wander around the Winthrop. Looking at smaller areas and integrated housing will be a successful tactic to see if it is an area that can take more low-income housing. You could put some integrated housing units on the Foss. The area near 9th and Commerce is very socially dysfunctional.

Mr. Bjornson believes the Council will build public support for low-income housing if they have a policy that's successful. He hopes the City can implement HUD ideas for defensible space and some of the things that other cities have done within buildings themselves and in small areas, to be successful for the downtown. The demographics haven't flipped on the difficult area around 9th and Commerce/Pacific. If there were a proposal to put a transitional house in the 900 block of Pacific Avenue, that would cause problems and most people would be opposed and exasperated. He does not know of another census tract that has as high a degree of low-income housing.

Council Member Stenger said census tracts 614 and 622 have it too. The Mayor rapped the gavel to give the floor back to Mr. Bjornson.

Mr. Bjornson continued that the businesses of the merchants he has talked on Pacific Avenue are very marginal, just barely hanging on. They don't want it to be like Tacoma Avenue where you have to have a buzzer to get into your business. If you talk to them personally, they will tell you just how difficult it is; they feel like pioneers in the area. Mr. Bjornson thinks Mr. Petty and City Manager Anderson have a good approach to the situation, let's have successful integrated housing units, let's read what HUD has to say, and let's follow what other cities have done for successful housing.

Mayor Baarsma mentioned a recent article in the *News Tribune* about an infamous old housing project, Cabrini Green, in Chicago that was imploded and replaced with more successful projects that integrate mixed housing, eliminate high vertical structures, and have more of an urban village approach.

Mr. Marty Campbell of the Neighborhood Council didn't prepare remarks but would say a few words. He agreed with what Mr. Bjornson said about that area. The residents are just starting to move into the new housing and patronize the merchants. If every low-income project in town operated like Colonial Square, we wouldn't be having this discussion. Unfortunately, the majority of them don't. He thinks that's where a lot of people get scared, have a fear of taking off the protection they feel they have in the Miller Amendment, and have the uncertainty of what's going to happen to their property value or business if more of the same problems came in. The Neighborhood Council did a special report on this particular zone because of the problems, they continue to work through that, and would like the opportunity to complete that work before they have to start fighting another battle.

Mr. Paul Ellis of the Business Improvement Area (BIA) also didn't prepare remarks but wanted to say that nine years ago the BIA was a proponent of the Miller Amendment. At the time, it was a concern over equity and he has respect for the two Council Members who are still concerned with equity. The concern then was that there were, and still are, a very small number of residents in downtown. At that time, there were 1,040 residential units in the entire downtown area and he doesn't know that that number has hugely increased. Certainly there are a lot of projects on the drawing board, but he's not sure there's been a huge change or whether the income level has changed or the actual numbers have changed.

The BIA supported the Miller Amendment but they are open to discussion on how it might be revised given the changing situation downtown. He thinks they would be very much opposed to rescinding the Miller Amendment, without some broader discussion. There are a lot of plans that cover downtown, but the weakness is implementation; there really isn't a strategy on how to create the vision that was generally described in the Destination Downtown plan they all support. They tend to disagree or misunderstand each other on how to get there. The BIA hasn't formulated a position on this situation at this point, other than originally being in favor of the Miller Amendment. If they did, it might be looking at a broader discussion which would lead to a strategy that everybody or almost everybody could agree on how to make the vision happen.

As you know Mr. Ellis said, the Business Improvement Area is working toward renewal of that district in 2008, and there are a number of significant challenges. One of them is how they are going to support police services because currently there is a real mismatch between the service they have and the service they need to make the program work. One other area is important to the BIA and they have already started working on the whole provision of housing. In September, they will hold a large focus group of downtown residents and housing providers of all different types, to discuss what types of services they would like to see provided. He offered that discussion to the Council as additional input from the business community and property owners that might help them in a broader discussion of this issue.

Ms. Lois Calvin, owner of downtown business The Learning Sprout, described how her business has lost money annually since 1997, despite diversification from serving teachers to serving families. The losses are because people are afraid to shop downtown due to the elements from the Olympus and the Winthrop. She feels it is detrimental to downtown businesses to consider adding more of these elements without first gaining control of the current issues, such as public urination. When we can handle what we have successfully, add more.

Deputy Mayor Lonergan asked Ms. Calvin if she thought the people who lived in buildings downtown were leaving their own apartments with bathrooms to urinate outside. He questioned the connection between affordable housing and people urinating outside.

Ms. Laura Hanan, business and building owner who lives downtown, said last week a low-income resident not only exposed himself to her, he came outside on to the street in front of several business people and urinated in front of everyone. Mr. Lonergan said that seemed to him to be some sort of anomaly. A chorus of people said no it's not. Deputy Mayor Lonergan said he's not denying that would be an issue. He hoped everyone understood what he was trying to say, that we could have an issue of homelessness, an issue of crime, all kinds of issues but he was trying to understand the logic, unless someone were severely mentally disturbed to be committing a crime, he could not understand them leaving their apartment with a bathroom to come outside to urinate. Ms. Hanan said they also throw garbage out of their windows onto her roof daily.

Council Member Stenger asked all low-income people do this? Because what you are saying is low-income people are criminals, is what you are saying.

Ms. Hanan elaborated she was speaking from a first person experience as a resident downtown. There's not a day that goes by that she doesn't have to deal with problems from low-income residents.

Council Member Stenger interrupted and asked all low-income people cause problems? Ms. Hanan said no, that's not what I said, I didn't say that. There was general hubbub. Stenger said I know what you are saying is you don't want any low-income housing downtown because they cause crime. The Mayor rapped the gavel repeatedly and called for a point of order to try to restore order. Stenger said low-income people keep business away. Ms. Hanan said that's not what I said.

The Mayor said Council Member Stenger please, let's allow the people that are here to ...

Ms. Calvin said to Mr. Stenger you're passionate but you have one perspective. Other people were speaking at same time... The Mayor rapped the gavel again and said he was trying to control the meeting.

Council Member Stenger turned in his chair toward Ms. Calvin and Ms. Hanan and said prejudice, prejudice. The Mayor said please Council Member Stenger, please, let's allow the citizens that are here the opportunity to express their concerns.

Deputy Mayor Lonergan said he was only trying honestly to clarify Ms. Calvin's statement, he thought she might want to clarify her statement.

Ms. Calvin defensively offered some personal information. Council Member Stenger interrupted her to ask what's this have to do with the resolution? The Mayor rapped the gavel and said Mr. Stenger, please. Ms. Calvin said it has to do with she's not prejudiced; she said Mr. Stenger accused her of being prejudiced against low-income families, but she has a passion toward low-income families. Council Member Stenger said to her, then why are you running them down here? Confusion in the room; the Mayor rapped the gavel, and said will you please allow... Ms. Calvin spoke to Council Member Stenger and said well you are definitely not someone I would vote for. Mr. Stenger replied I wouldn't want your vote, ma'am. The Mayor pleaded Mr. Stenger, come on, what we are trying to do here is allow citizens an opportunity to express concerns... Ms. Calvin said to Mr. Stenger, you're a disgrace. Mr. Stenger said to Ms. Calvin, you're a bigot. The Mayor rapped the gavel, again.

Mayor Baarsma addressed each of the Council Members, saying the purpose of this committee is not to engage in debate and argument with the citizens that are trying to express their concerns. Let the concerns be expressed. We all have our opinions. From his own experience visiting down there today, walking down that street didn't bother him. But let's give people the opportunity to express concerns relative to the topic we are discussing. The purpose here is to allow people to address the committee about the Miller Amendment and the issues and concerns they have. He called for someone else who wished to speak.

Ms. Dawn Cutts business owner on Broadway for seven and one-half years remarked that the average earnings from her business qualify her as low-income. She said that the idealistic view Deputy Mayor Lonergan has of baristas and waiters living downtown, is not what we have now. We no longer have a mix of people downtown. Instead, there are people squatting in the Winthrop that don't belong there, the projects are ill-managed, there are people working on cars, there is a lot of vandalism, and there are constant issues. She has actually seen people urinating on her window in the middle of the day, people growling at soap in her shop, people

talking to the window, and that's completely absurd. She has experienced so much shoplifting, she is now closing her shop half time. She said she came from an urban area but she has never seen so many problems in one area. There are a lot of street people, people coming out of low-income projects because they are allowed in there, and the Rialto has transient housing. There are people going to the drug center and people that come from Western State Hospital. She has seen the area go downhill in the last four years and doesn't see regular shoppers anymore. Ms. Cutts suggested the Council consider the mix of needs in the area, including those of small business owners.

Mr. Arne (Skip) Haynes said he purchased the building at 805 Pacific Avenue next to Learning Sprout and Laura Hanan in July 2004. He remembers shopping with his mother at Rhodes and Bon Marche' in downtown when it was a nice place to come. His school prom dinner was at a restaurant in the Winthrop Hotel, he worked 20 years in the Wells Fargo building, and he's finally seeing that part of town come back.

Mr. Haynes said what Mr. Bjornson testified to about concentration made sense to him. He described how twice very recently, women in the shops on both sides of the barber shop at 9th and Pacific Avenue had asked the barber for help with men who had come into their businesses and threatened them. The barber had to run the men off and got into an altercation with one. He believes there is a correlation between these incidents and the concentration of low-income housing downtown. Because these incidents are still happening, Mr. Haynes thinks some solutions for it should be brought to the table, before the Miller Amendment is rescinded.

Mr. Haynes said he was optimistic when he bought his building in July 2004 and moved a business in; they started with two people and now have eight, including men, women, and his son. They have concerns about the safety of people coming to and from Spark Park, in front of the Olympus Hotel and that whole general area. He fears for the lives and well being of his employees. He needs a larger building for his business soon, he has looked for property down here, but he will not reinvest downtown if the Miller Amendment is removed and no solutions for the problems are found.

Mr. Tony Carr, a Northeast Tacoma resident and business owner of Body Evolution at 8th & Pacific offered a layman's approach and said it's a social issue. He invested in downtown and expected the area would grow and his business would flourish. What hasn't been said is we have to deal with the social issue that came with the low-income situation. It's not about where people live, affordable housing, or equal opportunity housing, it is a social issue. The people who are urinating outside or committing crimes need help. No one here has talked about getting resources to the people who need help. You aren't a bad person just because you don't have money in your pocket. Low-income does not equate to trouble. Provide the means to them and you will take that element out of the low-income population and then you can grow the city. Take a look at the social issues in the city and if you have the funds, use them to provide hope to these people.

Ms. Kris Blondin of Vin Grotto Café & Wine Bar said she has not had any problems with Colonial Square and from what she can tell it is well run. She believes good management of high density low-income housing is key. She described a gentleman who lives at the Olympus who is okay when he is on his medications, but when he is not, he yells racial slurs at her customers and just yells in general. She said she was just describing what she saw frequently. She had the opportunity to talk to several people who live in the Olympus and Winthrop and there are lovely people there, but she is talking about concentration and mismanagement. Just the other day, during a restaurant event, she heard a large thud on her roof. She called her landlord, Laura Hanan, who checked it out and said somebody had thrown a gallon wine jug on top of her roof; that's an example of the random things that happen. She would like to see more attention on how housing is distributed and how it's run because when you have these

mismanaged low-income housing areas, nobody wins. The seniors and the disabled are preyed upon and taken advantage of and she wishes there were a better solution.

Mr. Allen Douglass said there still is panhandling on Pacific and he supports finding a solution to provide help to people.

Ms. Charlotte Valbert believes management is the key but doesn't know what the City can do about management of the Olympus and Winthrop. If they could get community liaison social help into those buildings the problems could be attacked more directly and consequently benefit downtown.

Mayor Baarsma thinks social and management elements are the two issues that create problems for the business owners in that part of the city. He said when people congregate around the corner at the mini mart, they create a daunting spectacle and the behavior of the people in the Olympus can be intimidating.

Ms. Julie Turner said 12 years ago her neighborhood had an issue with nearly 60 mental healthy consumers that lived in an expanded house. The neighbors had all of these problems happening on their street and they banded together to look for a solution. When people are acting this way, if they are on mental health drugs their dosage may not be right or they need to be in a different place. If public funds are providing for the care of these people, why are we allowing these caregivers not to take care of them?

The Mayor said many years ago a policy decision was made to provide opportunities for people who have been in Western State Hospital to reintegrate into broader society and become more whole. As a part of that, there was supposed to be a support system, counselors were to make sure the people were on their medications and provide support for them along the way. There isn't the support system to make it work. Ms. Turner said the people really have nothing to do, that's why they congregate.

Council Member Fey added he came from a low-income family himself and his heart goes out to folks that don't have the means or opportunity to get ahead. On the other hand, there are social issues and the Federal and State governments haven't accepted their responsibility to support people who would benefit from the right kinds of services and could lead a more productive life.

His concern with taking the Miller Amendment out is that the message we send to the people in this one area of town who have worked hard to address the problems and try to be successful, is that we don't care about what happens economically in that part of downtown. While it may have been a mistake at the time to put in the Miller Amendment, they are looking for the City's support and a repeal would send wrong message that we don't care about whether they survive in that area of town.

Ms. Bonnie Cameron agrees that the problem is mismanagement. She is administrator of Harborview Manor on 9th & Fawcett owned by American Baptist Homes, for low-income age 62 plus residents. She doesn't have the issues described here because she checks for a history that indicates they are going to be a good resident or she doesn't accept them. If they get through that and act up on the property, they get rid of them. Her residents are not going out into the area and being destructive. She doesn't know what the City can do to clean up the Winthrop but bringing in new owner may not do it. She doesn't understand why an owner would put those kinds of people in their units. If she owned a business downtown she'd be very upset over this situation. She asked can't the City do something about the mismanagement of the property that is already there?

Ms. Blondin explained that due to lack of management, people are letting squatters come into the Olympus. The word got around among street people and homeless people that someone will let them in, it has gotten out of hand, and contributed to the problems downtown.

Ms. Hanan owns 811-813 Pacific Avenue and has lived there about four years. She has had ongoing problems mostly with residents of the Olympus because it is right next door. She couldn't agree more that it is a management issue, it is not a rich vs. poor or other issue. She has problems with people who won't obey the law and who destroy her property. The problems created an atmosphere where people don't want to shop or bring their families.

As far as people in these complexes needing help, Ms. Hanan believes there are people getting help but the complexes get overrun by opportunistic individuals who know how to work the system and no matter how much help you give to them they would abuse it, take advantage of it, and it is too easy for that to occur in downtown Tacoma. If you want a thriving downtown area, small businesses have to be able to succeed and that's the face she wants to put forward. It's not going to happen in her neighborhood with the situation the way it is because people cannot do business under the conditions that exist right now. When she walks down the street during business hours, but specifically at night and on the weekends, there are about 10 street/drug dealer/homeless individuals for every one regular citizen. She feels something is wrong in a downtown that has that kind of ratio; if business can't survive, there will not be a tax base to help anyone.

Mayor Baarsma wants to encourage the types of retailers he sees downtown now, the problem goes beyond the Miller Amendment, and we need to search for a way to address the issues that can look at housing downtown from a broader perspective. The end result may be a set of policies that all can accept to move the City forward.

Ms. Hanan feels there should not be a big delineation between market-rate housing and low-income housing. It should be seamless, a real community where people live amongst each other not isolated in groups and stigmatized and the Mayor agreed.

The Mayor asked Mr. Petty to work on a set of policies to bring before this committee as a beginning. The process should involve many of the people who spoke today to find an approach that addresses the justifiable concerns that have been raised by citizens and Council members.

Mr. Petty said the August 22, 2006, study session will have a larger discussion about downtown housing policies, so we planned to bring back to you for open discussion in the study session, a range of observations, information, and at least some questions for you that might lead to good policy discussion.

Mayor Baarsma acknowledged that the citizens had voiced ongoing concerns about social issues and facilities management in downtown. It remains to be seen if these issues are something the City Council can do something about, but he'd like to see if we can explore ways of dealing with them or finding solutions to assist business people.

Deputy Mayor Lonergan reiterated the reason he questioned Ms. Calvin earlier was not to be argumentative, but to determine if the problem related to homeless or street people, some of whom have criminal intent, are involved in drug traffic, or have mental health problems, or are making things untenable in certain parts of our city. He explained that the City Council Public Safety & Human Services Committee has been working with the City Manager, Pierce County, and the Federal Interagency Council on the Homeless, and is ready to roll out a program to address the homeless encampments in Tacoma. The committee has focused on the area around the Winthrop. In the past, when the City closed a homeless encampment, people

moved, but set up camp in another location. Over the next five months, the City will move aggressively through the camps, within the limit of the funding. They thought they had private partnerships of \$1 million but it turned into \$200,000. Camps will be closed permanently, people may be housed through the Housing First program in sites scattered throughout Pierce County with case management to handle the social aspect. He has personal experience that hundreds of people have come out of the homeless lifestyle and now live productive lives.

The very best bet right now, Deputy Mayor Lonergan said, is for the Winthrop to be sold to A. F. Evans, a viable company with an excellent management track record, willing to put \$30 million into the facility. He said since Mr. Petty reported that their purchase agreement wasn't extended, it could mean that nothing happens; the Winthrop could stay under the current management and continue to deteriorate. He believes A. F. Evans offered a golden opportunity.

To come back to his original point, the Deputy Mayor said that we've had positive activity in areas that didn't have the Miller Amendment. He also pointed out that developers have invested and built big upscale developments that co-exist with low-income projects in areas just outside the B zone of the Miller Amendment. He named the Mercado development across the street from the Lighthouse Mission's family shelter, the Prium development being built next to Hope Home operated by the Rescue Mission, and Triangle Townhomes Cornerstone doing work right by Metropolitan Development Council affordable housing. He hoped a similar mix and balance can be found for the B zone. He submitted that no problems were solved by the nine years of the Miller Amendment, but solutions are coming. He worked in the area for 12 years and its current condition is very sad and totally unacceptable. He suggested one solution is to have top management of the Winthrop and the other is the Housing First approach to getting homeless off the street and into case management, the only alternative if they want to stay in Tacoma.

Mayor Baarsma is interested to see if the new marketing approach of the Winthrop owner brings new development proposals. If not, the best bet is what's out there (A. F. Evans) but the Council will have to think about whether it can afford the opportunity costs to float the project because every dollar they commit to that project will take away dollars from some other project.

Ms. Hanan said she believes some people can be provided pages and pages of available services and they don't follow the rules. She asked how that would be addressed because she thinks it's a significant number of people.

Deputy Mayor Lonergan responded that we have a homeless problem here, but so does every other city; for instance, Los Angeles has 10,000 people living in cardboard boxes on the sidewalk. The Federal government reported a significant decrease in the homeless population in Portland, Philadelphia, and New York City using the Housing First model. And, City Manager Anderson proposed having two people assigned to scout the area to make sure no other camp pops up where one has been closed.

In response to Ms. Hanan asking what options are available if they don't take advantage of Housing First, Deputy Mayor Lonergan replied that if they don't want to be under case management and follow rules in order to have a place to live, then they are not welcome to set up a camp in Tacoma. They will need to set it up somewhere else because this is our very generous offer to help the homeless no longer be homeless. Currently, there is only funding for housing 100 people and they believe there are about 250 that need it.

Ms. Hanan said if these complexes aren't managed correctly, if they break the law consistently and house people that break the law, the City should not allow them to do business.

Deputy Mayor Lonergan said during the time we have had a moratorium, most of the problems we dealt with did not come from group homes or places with programs, they came from market rate type housing that rented to whomever. Several years ago the business license requirements were changed and now rental of property is required to be licensed as a business. The license can be revoked and the licensee can lose the ability to do business at that location and at other Tacoma locations. Ms. Hanan suggested if the Winthrop sale to A. F. Evans doesn't go through, the City should revoke the current operator's business license. Someone in the audience suggested the same action for the Olympus.

Ms. Hanan believes a hotel developer would be interested in the Winthrop if they had the opportunity. Mr. Lonergan thought if A. F. Evans were struggling to put together financing for their proposal, it was unlikely another developer could turn it into something else. Ms. Hanan said when the Olympus was last sold, the developers had promised it would become senior housing but soon said they ran out of money for that and its been spiraling downward since. What's to say that's not going to happen again, she wondered.

The Mayor acknowledged that all the points made by the citizens were well taken and will be taken into account by the committee as they consider the Miller Amendment. He was acutely concerned with the viability of the retail aspect of downtown and concerned about the experience that people have when they visit the 9th and Commerce vicinity. He says the situation now is untenable, with cooperation they will address it, and there is the potential for a brighter day ahead, regardless what happens to the Winthrop or other buildings.

Mr. Haynes reiterated the point that if there is a correlation between the concentration of low-income housing and the many issues discussed here, he asks that the City not make the problems worse by prematurely removing the Miller Amendment.

Mayor Baarsma told Mr. Haynes that Council Member Fey represents the area under discussion and shares his concerns; Deputy Mayor Lonergan has a lot of good salient points. The Mayor thinks if we take out the Miller Amendment without addressing some of these other issues, the people will feel the City is abandoning them.

Ms. Calvin said she hoped that everyone understood she is not a bigot and the Mayor said we understand. Ms. Calvin said she came from a low-income background, has worked hard, and made personal investment to develop her dream business where she sells educational products, high quality toys and provides free play-day activities. She also provides child care and gives back to her community by giving away some child care services to low-income people. She said it was absolutely amazing to her to be insulted the way she was today by a council member. She felt very hurt and she questioned how people like Mr. Stenger can insult the public. Ms. Calvin said she is not a bigot and she has concern for low-income people. When the problems are solved she welcomes people working in the professions the Deputy Mayor mentioned and let's take care of the people who are breaking the law continuously. The Mayor thanked her, said she needn't be defensive, they heard her message loud and clear, and they understood her concerns.

Council Member Stenger calmly said that the City and the Miller Amendment use the Federal definition of low-income as the standard. He feels what we are saying in the Miller Amendment is we don't want a low-income family making \$42,000 a year living downtown or anywhere near. What we are also saying is that because we haven't had any low-income housing built in downtown for over ten years now, the part of downtown that has this restriction shouldn't have the crime the rest of the city has. People come here and say it's somebody else's fault that they are not doing well in business. Mr. Stenger believes if we say that we don't want people with disposable incomes of \$42,000 living downtown, that is prejudice. Up until the 1960's, there were 1000's and 1000's of units of SRO housing in downtown Tacoma, the largest

concentration ever. We got rid of all that housing, but we are not better off today, so those opinions about low-income people are false and false historically. Because we are not better off and we see somebody to blame for our problems, the fear and loathing of the unknown or a few street people who are drunk or crazy, what we want to do is keep all the people who make \$42,000 a year from living in downtown. Mr. Stenger said that's a strategy for failure. Are the areas where we have the restrictions much better off than the areas we don't have restrictions, that's not the case. He said to blame low-income people who make \$42,000 a year and say they are somehow causing all these problems, to generalize like that, you're prejudiced.

Mayor Baarsma rapped the gavel and said Mr. Stenger I regret that you would make that comment because that's totally unnecessary.

1.53 Council Member Fey addressed the Mayor and said we need to have an atmosphere where citizens can come here and feel like they can express their views whether we agree with them or not. We don't have that today and I hope we will be changing that because if citizens don't engage with us we're not going to be able to make this a more prosperous city, uplifting everybody. I don't believe the comments that were made by people here today were from a perspective of prejudice, they have legitimate concerns. We don't know their background; we need a different atmosphere here.

Mayor Baarsma agreed with Council Member Fey although he said all he could do was pound the gavel, he didn't have the authority to throw anyone out. He said we shouldn't engage in debate or arguments, we should listen respectfully to citizens' points of view, as we do in Council meetings. The Mayor addressed the citizens and said he respected their comments, did not consider them to be bigoted, and knows they are trying to make Tacoma a better place. As to the concerns raised by the Deputy Mayor, we don't want to stigmatize anyone, he said. He concluded the topic by saying we would work together on these issues as suggested by Mr. Petty.

AUGUST 21, 2006, TOPICS

- Neighborhood Innovative Grants
- Residential Zoning Code/Design Review

SEPTEMBER 4, 2006, TOPICS

- Meeting cancelled due to holiday.

PUBLIC COMMENT

Public comment was given during the meeting.

There being no further business, the meeting adjourned at 6:32 p.m.

Mayor William Baarsma
Chair

Submitted by: _____ Janis Pipal, Public Works Department