

# At Home in Tacoma

## AHAS Planning Actions 2020 to 2021

### Scope and Assessment Report: January 15, 2020

In 2019, the City Council adopted updates to the *One Tacoma Comprehensive Plan Housing Element* integrating the *Affordable Housing Action Strategy (AHAS)* as an implementation strategy and updating policies related to “Missing Middle” housing, inclusionary zoning and equitable access to opportunities, as recommended by the Planning Commission. The “At Home in Tacoma” project is an effort to implement these policies and actions, specifically focusing on *AHAS Action 1.2: Inclusionary Zoning* and *AHAS Action 1.8: Diverse Housing Types*. This effort will be informed by broad community input, rigorous data and policy analysis, market considerations, urban design and other factors.

The focus of this initial phase of the project is to study housing and development trends, zoning, and access to opportunity, to identify strategies to 1. Increase housing supply, 2. Support housing affordability, and 3. Increase equitable access to opportunity. The project is expected to lead to high-level recommendations for future Comprehensive Plan, Zoning, and Land Use Regulatory Code amendments. Depending on the nature of these recommendations, any amendments to the Plan or Zoning Code would be subject to additional review and public process as part of future phases.

For more information, visit [www.cityoftacoma.org/planningforhousing](http://www.cityoftacoma.org/planningforhousing).

Project Summary	
<b>Project Title:</b>	<b>At Home in Tacoma – AHAS Planning Actions 2020 to 2021</b>
<b>Applicant:</b>	City
<b>Location and Size of Area:</b>	City-wide where housing development is encouraged
<b>Current Land Use and Zoning:</b>	Multiple
<b>Neighborhood Council Area:</b>	Citywide
<b>Staff Contact:</b>	Elliott Barnett, Senior Planner, 253-591-5389, <a href="mailto:elliott.barnett@cityoftacoma.org">elliott.barnett@cityoftacoma.org</a>
<b>Staff Recommendation:</b>	The Planning Commission will conduct broad community engagement and robust policy analysis to formulate recommendations to the City Council.
<b>Project Proposal:</b>	Scope of work: <ul style="list-style-type: none"> <li>• Implement a broad, inclusive community engagement strategy</li> <li>• Evaluate the effectiveness of existing policies and regulations</li> <li>• Develop and evaluate a range of policy options</li> <li>• Forward recommendations for City Council action</li> <li>• Initiate implementation as directed by the City Council</li> </ul>



**Planning and Development Services**  
**City of Tacoma, Washington**

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Project Manager

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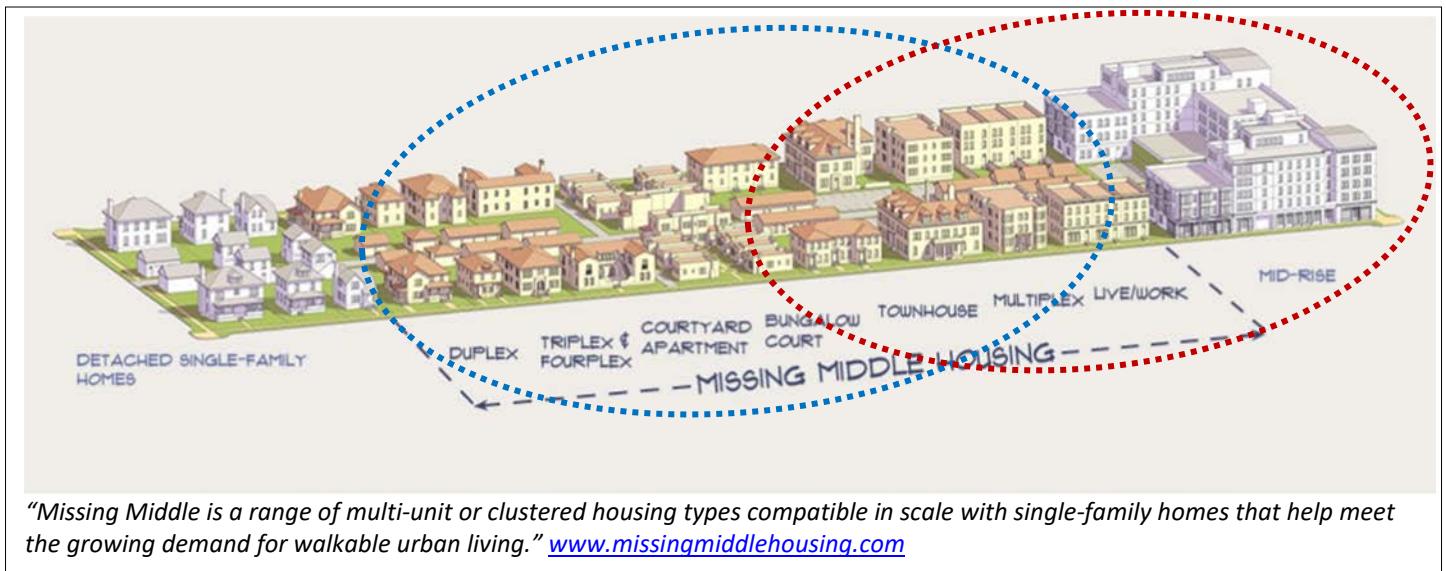
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## Section A. Proposed Scope of Work

### 1. Area of Applicability

This effort includes a policy evaluation of Tacoma’s housing growth strategy citywide. At its outset, the discussion will apply to all the areas where housing development is encouraged throughout the City. The **One Tacoma Comprehensive Plan: Urban Form Chapter** includes Tacoma’s Future Land Use Map and designations which set the vision and high level direction for land uses and densities citywide. These land use policies, and related housing policies, set the starting point for this project.

Two broad categories of actions are being evaluated, each of which would likely be applicable in different areas. These two categories are **Inclusionary Zoning**, and **Diverse Housing Types (Missing Middle Housing)**. Diverse Housing Types/Missing Middle Housing strategies typically pertain to housing types between Detached Single-family Housing and Mid-rise Multifamily (circled in blue). Inclusionary Zoning strategies typically pertain to medium to high-density housing types (circled in red).

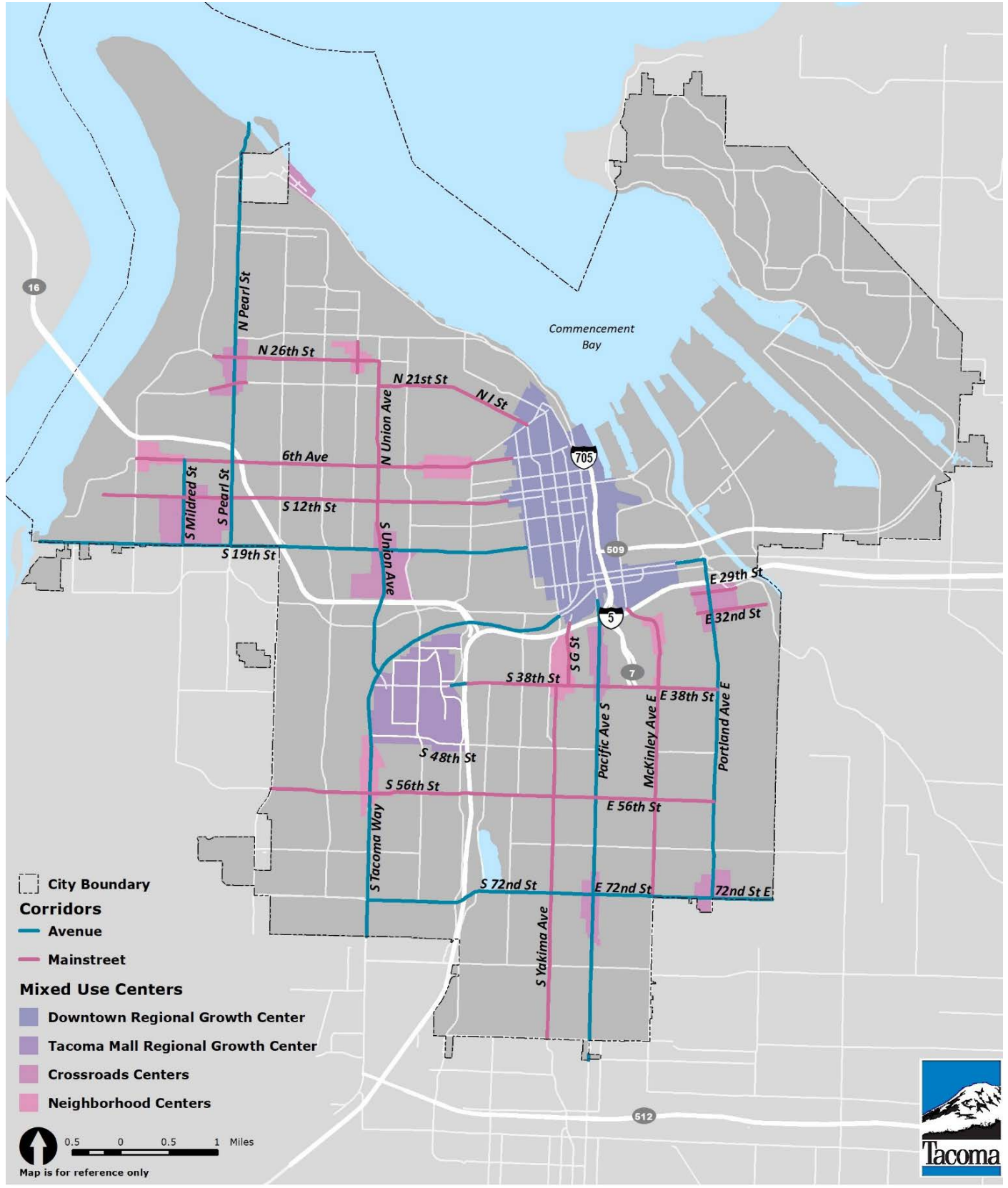


Inclusionary Zoning strategies are generally used in higher-density areas. Map 1 depicts Tacoma’s designated Centers and Corridors, which are likely to be the primary focus for Inclusionary Zoning strategies. Diverse Housing Types strategies are generally applicable in lower-density residential areas.

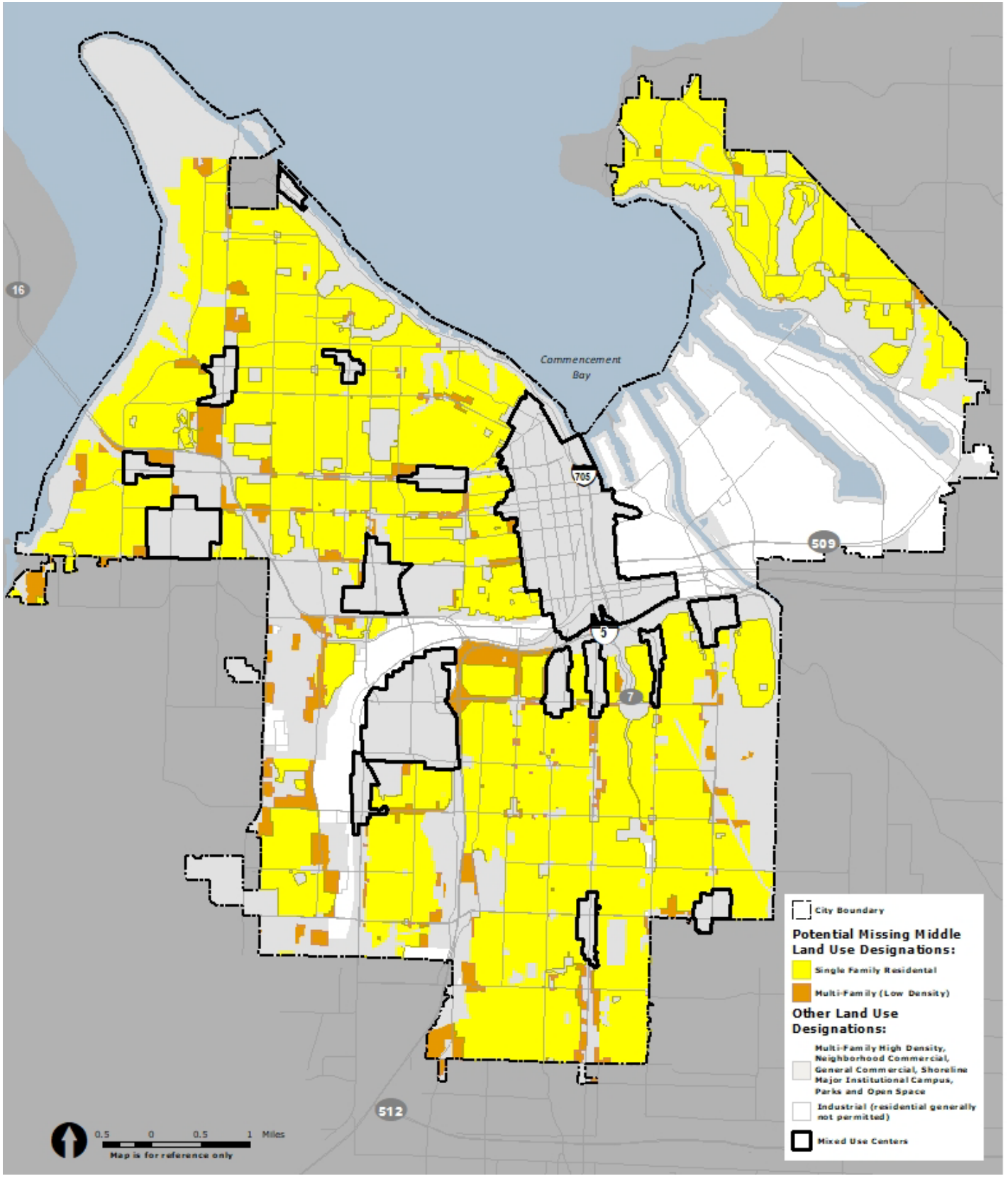
Map 2 depicts Tacoma’s designated Single-family and Multi-family (Low Density) areas, which are likely to be the primary focus for Diverse Housing Types strategies. Both maps exclude Land Use designations where residential development is not encouraged or is prohibited (including designated industrial and commercial areas).

These areas of applicability could be refined through this effort, which could also result in changes to the Future Land Use designations. Furthermore, the current land use and housing policy framework will be evaluated. This could result in recommended changes.

MAP 1: Designated Centers and Corridors Areas  
 These areas are the likely focus for Inclusionary Zoning strategies



MAP 2: Designated Single-family and Multifamily (Low) Areas  
 These areas are the likely focus for Diverse Housing Types strategies



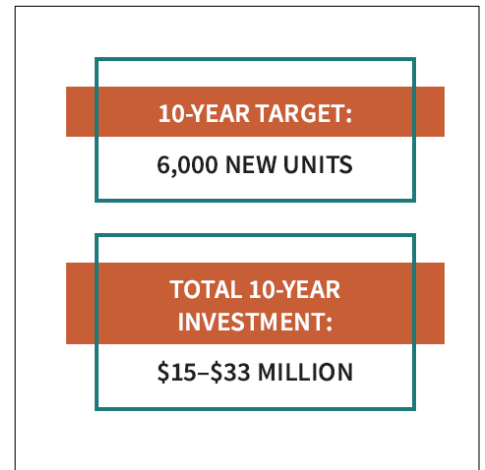
## 2. Background

Multiple layers of city, regional and state policy direction inform this effort. While the current round of work was initiated by the Affordable Housing Action Strategy of 2018, it is a continuation of ongoing and previous efforts.

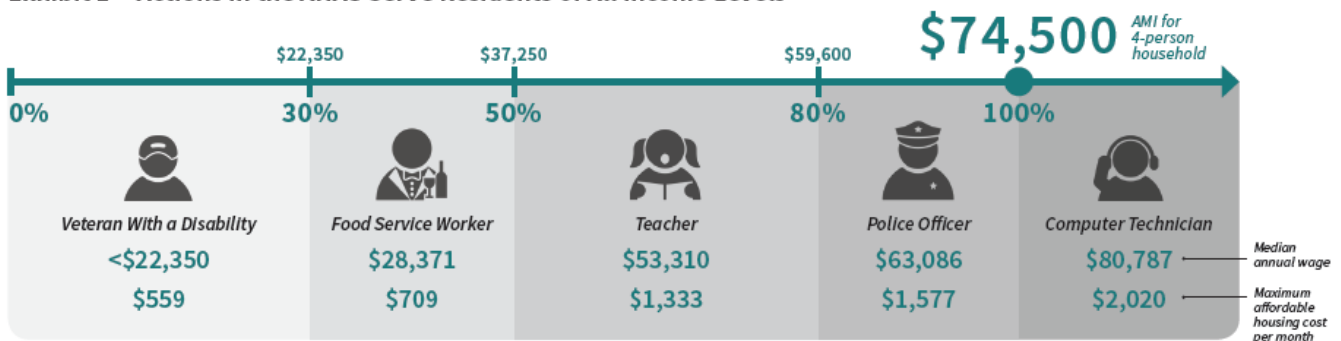
### Affordable Housing Action Strategy (AHAS)

The AHAS is a strategic response to a changing housing market, increasing displacement pressure, and a widespread need for high-quality, affordable housing opportunities for all. The AHAS focuses on how to enhance existing policies and programs to serve more people; identify and deploy additional funding; and establish strong anti-displacement measures to stabilize existing residents over the next 10 years. The AHAS contains 27 recommended actions that are being implemented by multiple city departments and other partners. See **Attachment 1** for AHAS excerpts.

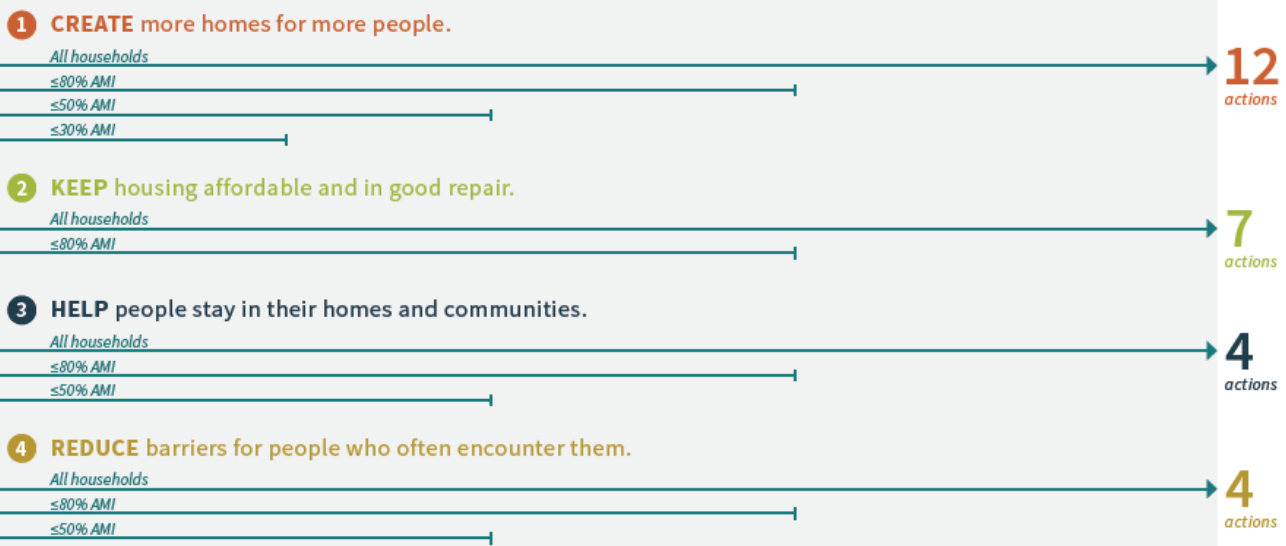
This effort seeks to implement two high priority actions identified by the AHAS to meet Strategic Objective 1: Create More Homes for More People. In 2019 the City Council adopted updates to the **One Tacoma Comprehensive Plan Housing Element** integrating the AHAS as an implementation strategy and updating policies related to “Missing Middle” housing, inclusionary zoning and equitable access to opportunities.



**Exhibit 1 Actions in the AHAS Serve Residents of All Income Levels**



### STRATEGIC OBJECTIVES AND NUMBER OF SUPPORTING ACTIONS



The AHAS includes four categories of strategic objectives, and includes actions intended to serve the full range of household income levels in Tacoma. The City Council has indicated that **Action 1.2: Inclusionary Zoning** and **Action 1.8: Diverse Housing Types** are high implementation priorities. Implementation will be coordinated with other related AHAS actions.

**AHAS\* Strategic Objective 1: Create More Homes for More People**

Actions	Timing	Income levels served
1.1 Seed the Tacoma Housing Trust Fund with local sources of funding.	Immediate (1-2 years)	120% AMI and below
1.2 <b>Modify inclusionary housing provisions to target unmet need and align with market realities.</b>	<b>Immediate (1-2 years)</b>	<b>50% AMI and below</b>
1.3 Update the Multifamily Tax Exemption Program to increase its impact.	Immediate (1-2 years)	50% AMI and below
1.4 Leverage publicly and partner-owned land for affordable housing.	Immediate (1-2 years)	80% AMI and below
1.5 Create consistent standards for fee waiver eligibility and resources to offset waived fees.	Immediate (1-2 years)	80% AMI and below
1.6 Create a process to coordinate public investments, like capital improvements, with affordable housing activities to reduce the overall cost of development.	Immediate (1-2 years)	80% AMI and below
1.7 Increase participation in first-time homebuyer programs and resources for new homebuyers.	Immediate (1-2 years)	120% AMI and below
1.8 <b>Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives.</b>	<b>Immediate (1-2 years) Short-term (3-4 years)</b>	<b>All</b>
1.9 Establish a dedicated source of funding for the Tacoma Housing Trust Fund.	Short-term (3-4 years)	120% AMI and below
1.10 Use value capture to generate and reinvest in neighborhoods experiencing increased private investment (with a focus on areas with planned or existing transit).	Short-term (3-4 years)	80% AMI and below
1.11 Explore innovative, low-cost housing solutions to serve persons experiencing homelessness.	Short-term (3-4 years)	30% AMI and below
1.12 Explore opportunities for increased staff support during the development review process.	Short-term (3-4 years) Medium-term (4-6 years)	All

\* The two AHAS actions under consideration as part of this effort are **shown in red**, along with the whole list of all AHAS recommended actions to create more housing. The AHAS includes estimates on the time and level of effort, phasing, income levels served, and other implementation guidance.

## Tacoma's Growth Strategy

Creating new housing, particularly at affordable prices, is central to the AHAS recommended actions. Tacoma has a robust growth strategy to accommodate its share of regional growth. Tacoma's official growth targets call for 54,741 new housing units between 2010 and 2040 (see the 2014 **Pierce County Buildable Lands Report**). The City's growth strategy directs the majority of new housing development to designated Centers, including the Downtown and Tacoma Mall Neighborhood Regional Growth Centers. The City's adopted targets allocate about 80 percent to Centers, and about 20 percent (approximately 9,300 new dwellings) to other (primarily residential) areas.

While there is ample space for high density residential and mixed-use development in Centers, land zoned to accommodate significant growth outside of Centers is limited. The Buildable Lands Report identifies undeveloped, multifamily zoned land adequate for approximately 2,000 new dwellings. This leaves a target of around 7,000 new dwellings in land zoned for single-family development. Single-family land constitutes approximately 75 percent of all land where residential development is allowed.

In conclusion, while there is ample single-family development, and capacity for high density development, there is little area zoned to accommodate medium-density housing types such as duplexes, triplexes and small-scale multifamily development. However, most new housing growth is occurring in Tacoma's designated Mixed-Use Centers, including Downtown.

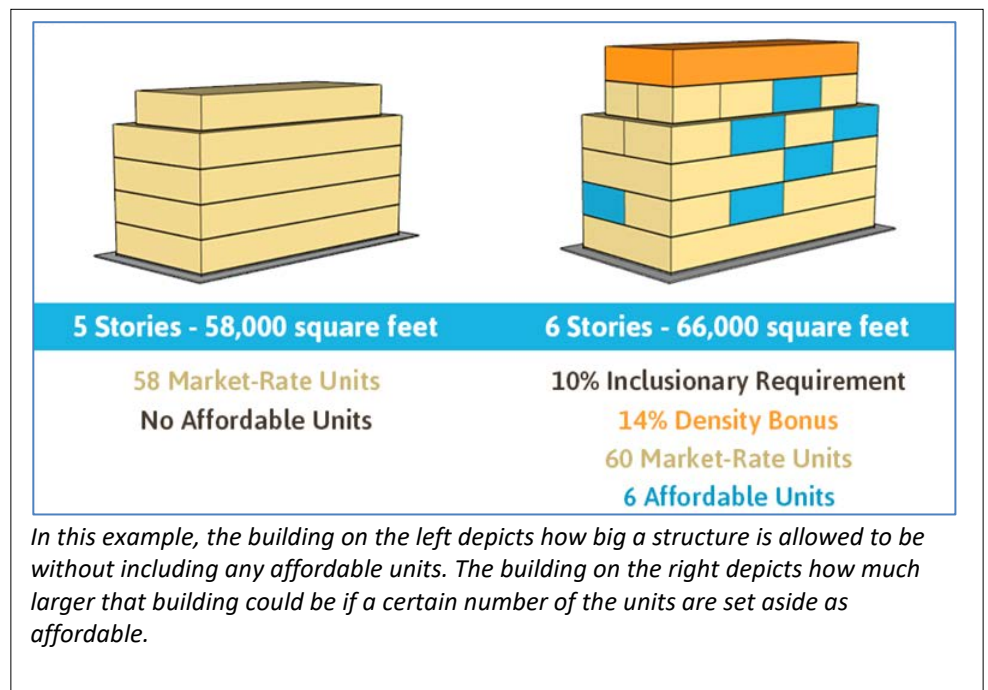
The Future Land Use designations in the Urban Form Chapter of the **One Tacoma Comprehensive Plan** articulate the current land use vision for residentially zoned areas. In the next one to two years, Tacoma will be updating Buildable Lands pursuant to the required 2023 update of the Comprehensive Plan and to reflect the regional Vision 2050 update.

## Inclusionary Zoning

This effort will evaluate the potential to modify inclusionary housing provisions to target unmet need and align with market realities. Inclusionary zoning is a broad category of policy tools intended to integrate dedicated affordable units into larger-scale developments. These tools do this by exchanging an incentive (typically a development bonus such as an increase in building height or a reduction in parking) for incorporating a set number of dedicated affordable housing units within the project. Inclusionary zoning projects need to be calibrated to the market conditions in order to function as intended, and can be structured as optional or mandatory.

The City currently has a range of Inclusionary Zoning approaches in place. However, to date the output in affordable housing has been limited. The following existing Inclusionary Zoning strategies will be evaluated through this effort:

- Affordable Housing Incentive Administrative Code
- Tacoma Mall Inclusionary Zoning Pilot Program
- Mixed-Use Centers Height Bonus
- Downtown Density Bonus



## Diverse Housing Types (Missing Middle Housing)

This effort will evaluate current land use policies and regulations and identify potential ways to support a wider range of housing types. The AHAS calls for steps to promote more diverse types of housing development through changes to land use standards, technical assistance and financial incentives. This supports Housing Element policies which call for Missing Middle Housing (infill) approaches as a method to promote housing affordability and choice, as well as other goals. Multiple mid-range infill housing types will be evaluated.

Diverse housing types can function as “naturally occurring” affordable housing—while they are not dedicated as affordable, they tend to be relatively affordable by virtue of their smaller size and because they are increasing the use of already developed land. Allowing diverse housing types can also increase housing choice in existing neighborhoods.

Over recent years, the City has implemented a range of infill strategies, some of which are ongoing at this time. The outcomes of the following actions will be evaluated through this effort:

- Residential Infill Pilot Program Update (ongoing)
- Accessory Dwelling Unit Code Updates (2019)
- Affordable Housing Policy Advisory Group infill strategies (concluded in 2015)



## Housing is a state and regional challenge

Tacoma is not alone in facing challenges resulting from rising housing costs in the face of stagnant incomes. In a recent survey conducted by the Puget Sound Regional Council (PSRC), the region’s residents reported that for the first time, access to affordable housing has surpassed transportation options as the top concern. PSRC has now released a draft of the **Vision 2050**, which updates the regional vision for growth which reflects a strong emphasis on housing. PSRC will be developing a regional housing strategy over the course of the next year or two to implement its direction. This effort will likely highlight potential regional collaboration opportunities around housing.

At the state level, the Washington Legislature has focused extensively on addressing housing challenges in its recent and ongoing (2020) legislative sessions. City staff are reviewing the legislature’s actions to identify whether action by the City of Tacoma is required. If necessary to be consistent with state requirements, policy or regulatory changes could be integrated into the At Home In Tacoma project.



## Related Efforts

In recent years the City of Tacoma has initiated multiple policy initiatives that are related to this scope of work. Other policy efforts will be initiated in the future. These efforts will offer lessons learned and ongoing opportunities to coordinate:

- AHAS implementation efforts (ongoing)
- Buildable lands analysis and updates (upcoming)
- Urban Design Studio (ongoing)
- Future Land Use Map (FLUM) updates (2019)
- Homeless Encampments code updates (2018)

## Housing and Opportunity

For several years, policy work at the regional scale has sought to recognize and begin to address differences in opportunities based on location. Acknowledging these inequities can improve City actions such as decisions of where to focus housing investments or incentives to address disparities in access to opportunity. The Housing Element currently references Puget Sound Regional Council's Access to Opportunities analysis, reflecting that there are disproportionate opportunities available to residents of different neighborhoods of the City. The City of Tacoma has now developed a more refined analysis that incorporates more Tacoma-specific data to inform policy and programmatic choices through an equity lens. For more information, visit [www.cityoftacoma.org/equityindex](http://www.cityoftacoma.org/equityindex).

OPPORTUNITY is a situation or condition that places individuals in a position to be more likely to succeed and excel. High opportunity indicators include: high-performing schools, availability of sustainable employment and living wage jobs, stable neighborhoods, transportation availability and mobility, and a healthy and safe environment (Kirwan Institute for the Study of Race and Ethnicity).

*The Tacoma 2025 Strategic Plan prioritizes equity and access to opportunity.*



## Equity Index

The Equity Index is an interactive tool that highlights the disparities within the City. The Index uses 20 data points to determine where people are not able to access services or where services do not meet the community needs. In addition, the Index is a tool to help city and community partners make Tacoma an inclusive and equitable City to live, learn, work and play. The Equity Index is comprised of 20 indicators within the 2025 Strategic Plan goals; Accessibility, Economy, Education, and Livability. The Equity Index is one of the primary tools that city staff, community members, partners, and other decision makers can use to help ensure that they are making data-informed decisions that address these indicators and improve access to opportunity for all Tacoma residents. Visit [www.cityoftacoma.org/equityindex](http://www.cityoftacoma.org/equityindex) for more information.

## Redlining

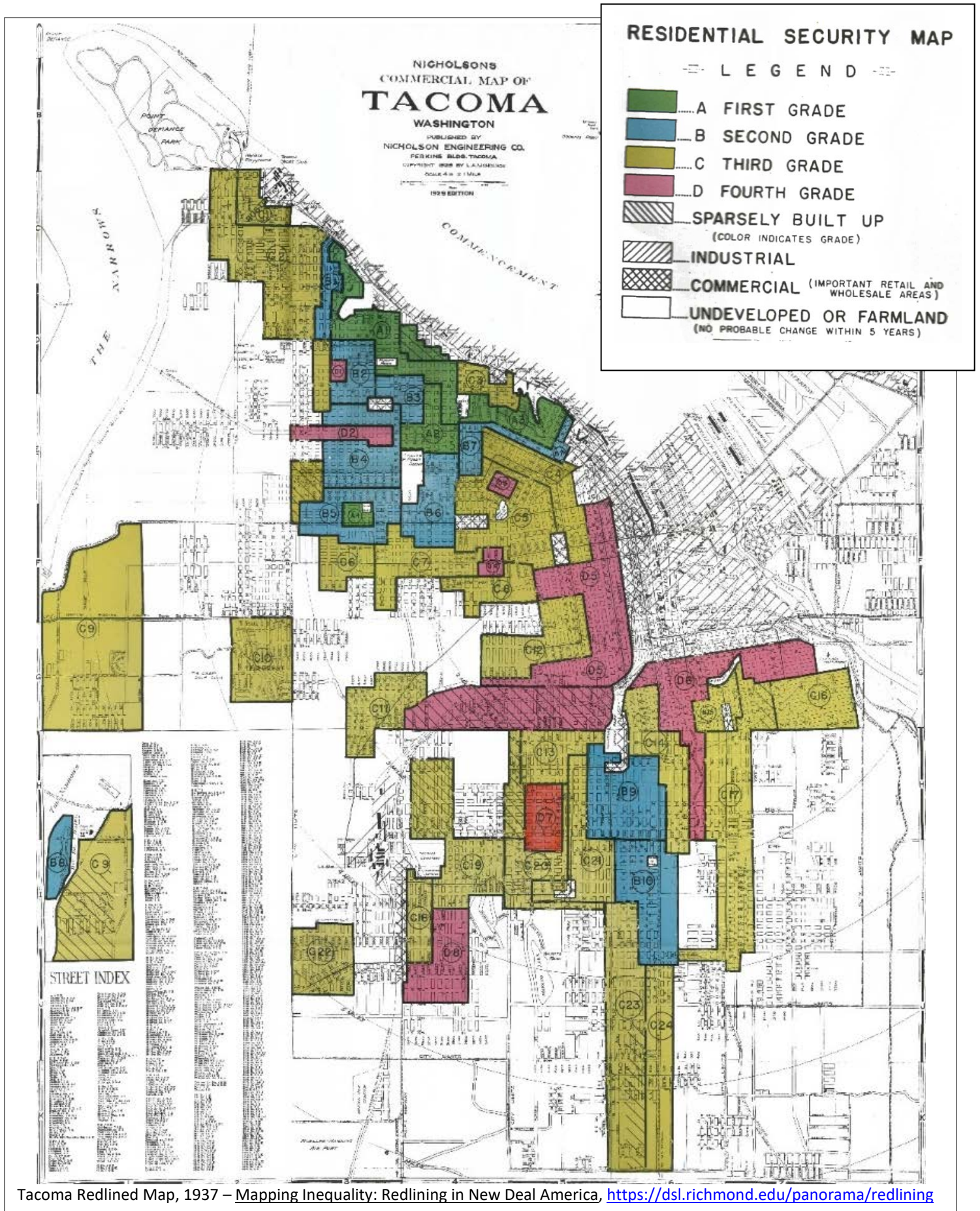
Tacoma is one of the most racially diverse cities in Washington State: nearly 40 percent of people living in Tacoma are Latino, African American, Asian and Pacific Islander, Multiracial or Native American. However, communities of color in our city experience stark inequities, such as significantly higher rates of unemployment and poverty and poorer health outcomes.

Historically, Tacoma has a documented history of redlining that occurred in the late 1930s, in which more than two-thirds of the city had limited or no access to funds for buying or building a home in areas populated primarily by people of color. See the inserted Tacoma Redlined Map from 1937.

Racially restrictive covenants have been used in certain neighborhoods to prevent homeownership by people of color. An example is the Narrowmoor Restrictive Covenant, where there is a provision that states: “No part or parcel of land or improvement thereon shall be rented or released to or used or occupied, in whole or in part by any person of African or Asiatic descent nor by any person not of the white or Caucasian race, other than domestic servants domiciled with an owner or tenant and living in their home.”

Additionally, our residents of color have reported feeling as if they have fewer opportunities for community engagement and that there is little acceptance for people of diverse backgrounds. Put simply, Tacoma’s communities of color live strikingly different lives than their White neighbors and have far different outcomes. The Office of Equity and Human Rights is committed to uncovering barriers that prevent people from achieving their full potential and creating better outcomes for all.

The 1937 **Residential Security Map of Tacoma**, on the following page, appears to have reinforced patterns that are still in place today.



Tacoma Redlined Map, 1937 – Mapping Inequality: Redlining in New Deal America, <https://dsl.richmond.edu/panorama/redlining>

### 3. Policy Framework

Policies at multiple levels require cities to take actions to address housing needs and challenges as well as to promote infill in walkable, urban neighborhoods.

#### **Washington State Growth Management Act (GMA)**

GMA Housing Goal: Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.

#### **E2SHB 1923: Incentives to Increase Residential Density in Cities**

During its last session, the Washington State Legislature adopted E2SHB 1923 (effective July 28, 2019) encourages all cities planning under the Growth Management Act (GMA) to adopt actions to increase residential building capacity. Cities are especially encouraged to increase residential building capacity in areas that have supportive transportation and utility infrastructure, and are served with frequent transit service. Cities are also encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

This bill provides a total \$5,000,000 in grants assistance, prioritized by the legislature for cities over 20,000 in population. A city may receive up to \$100,000 in grant funds and must take specific actions to increase residential building capacity listed in the legislation, or develop a housing action plan. The **At Home In Tacoma** project is a housing action plan partially funded by a grant from the Department of Commerce from this legislative allocation.

#### **VISION 2040 Multicounty Planning Policies (MPPs)**

VISION 2040 recognizes that to meet the demands of a growing and changing population in the central Puget Sound, the region needs to develop vibrant communities that offer a diverse and well-distributed mix of homes affordable to both owners and renters in every demographic and income group. VISION 2040 encourages housing production that will meet our needs and places a major emphasis providing residences that are safe and healthy, attractive, and close to jobs, shopping, and other amenities. The Multicounty Planning Policies (MPPs) address 1) housing diversity and affordability, 2) jobs-housing balance, and 3) best practices for home construction. These MPPs place an emphasis on preserving and expanding housing affordability, incorporating quality and environmentally responsible design in homebuilding, and offering healthy and safe home choices for all the region's residents. The Puget Sound Regional Council is currently in the process of updating VISION 2040 to VISION 2050.

#### **Countywide Planning Policies (CPPs)**

The Pierce County Countywide Planning Policies (CPPs) are goals, objectives, policies, and strategies to guide the production of the County and municipal comprehensive plans. The CPPs provide strong policy support for affordable housing actions, including:

**AH-1.** The County, and each municipality in the County, shall determine the extent of the need for housing for all economic segments of the population, both existing and projected for its jurisdiction over the planning period.

#### **Tacoma 2025**

Tacoma 2025, City of Tacoma's Ten-Year Citywide Strategic Plan and Vision approved by the City Council on January 27, 2015, represents our community's vision for Tacoma's future. With defined indicators and other ways to measure progress, it is a plan that guides where the City of Tacoma – as both a local government organization and a community – is going over the next 10 years. It is also a plan that helps us direct our efforts and resources in ways that reflect our growing community's evolving needs. Tacoma 2025 contains Five Key Focus Areas: Livability, Economy/Workforce, Education, Civic Engagement, and Equity and Accessibility.

## Equity and Empowerment Framework

The Equity and Empowerment Framework, adopted by the City Council in 2014, makes equity a consistent guiding principle across the entire organization and will help the City of Tacoma change the way we do business. The framework calls out five goals:

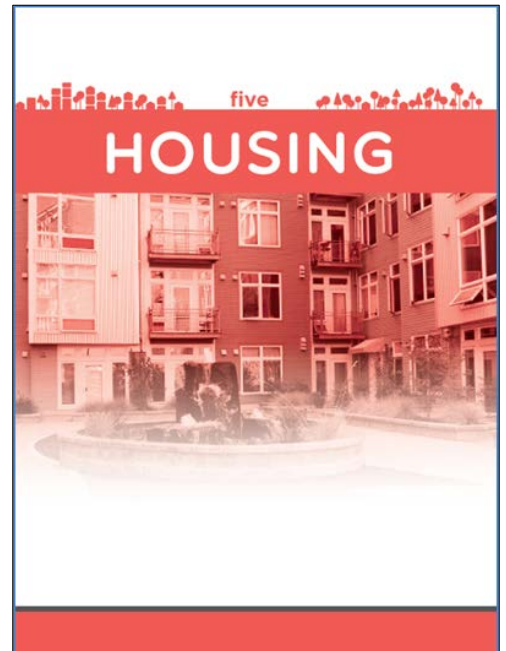
1. The City of Tacoma Workforce Reflects the Community it Serves;
2. Purposeful Community Outreach and Engagement;
3. Equitable Service Delivery to Residents and Visitors;
4. Support Human Rights and Opportunities for Everyone to Achieve their Full Potential; and
5. Commitment to Equity in Policy Decision Making.

## One Tacoma Comprehensive Plan – Housing Element:

The Housing Element is the city's policy framework for housing issues. The Housing Element addresses requirements under the Washington State Growth Management Act and the Pierce County Countywide Planning Policies. For example, the City must address housing affordability and access, plan for adequate growth capacity to meet Tacoma's share of regional growth targets, and ensure adequate health and safety in the City's housing supply. The Element also reflects community input on issues related to housing over many years.

The goals and policies in this chapter convey the City's intent to:

- Ensure adequate access to a range of housing types for a socially-and economically-diverse population.
- Support fair, equitable, healthy, resource efficient and physically-accessible housing.
- Concentrate new housing in and around centers and corridors near transit and services to reduce the housing/transportation cost burden.
- Increase the amount of housing that is affordable, especially for lower income families and special needs households. Promote a supply of permanently-affordable housing for Tacoma's most vulnerable residents.
- Expand the number and location of housing opportunities, both market rate and assisted, for families and individuals throughout the city.



## Housing Targets:

- Zoning capacity to accommodate up to 60,000 new units
- Strive for 35% of urban Pierce County's residential growth
- Accommodate 80% of the City's new housing units in and within walking distance of Centers
- Ensure that at least 25% of new housing units are affordable at or below 80% of Pierce County AMI

The Housing Element provides strong policy support for affordable housing actions, and for housing opportunities and choice throughout the City, such as the following:

**Policy H-1.6** Allow and support a robust and diverse supply of affordable, accessible housing to meet the needs of special populations, to include older adults, people with disabilities, and permanent, supportive housing for homeless individuals, especially in centers and other places which are in close proximity to services and transit.

**Policy H-1.8:** Create a process to coordinate public investments, such as capital improvements, with affordable housing activities to reduce the overall cost of development.

**Policy H-1.9** Apply infill housing approaches to create additional housing opportunities for low and mid-range (Missing Middle) housing types.

**Policy H-1.10** Establish and update a regulatory process to pilot infill of innovative housing types, as well as to pilot new development standards, affordability incentives and permit review processes.

**Policy H-2.8** Help people stay in their homes through expanded tenant’s protections, providing resources for households experiencing a crisis, increasing community organizing capacity, and other means.

**Policy H-3.7** Provide incentives (e.g. density or development bonuses, lot size reductions, transfer of development rights, height or bulk bonuses, fee waivers, accelerated permitting, parking requirement reductions, and tax incentives) to promote the development of higher density multifamily housing in designated centers and other areas where housing options are needed.

**Policy H-4.15** Modify and expand the City’s inclusionary housing provisions to target unmet need and align with market conditions.

**Policy H-4.16** Prioritize City actions and investments on serving households with the greatest housing challenges and unmet needs.

**Policy H-6.1** Proactively implement the action strategies of the City’s Affordable Housing Action Strategy through a coordinated effort lead by the City of Tacoma in partnership with a broad range of stakeholders.

### **One Tacoma Comprehensive Plan – Urban Form Element**

The following Urban Form policies help to provide guidance on housing growth.

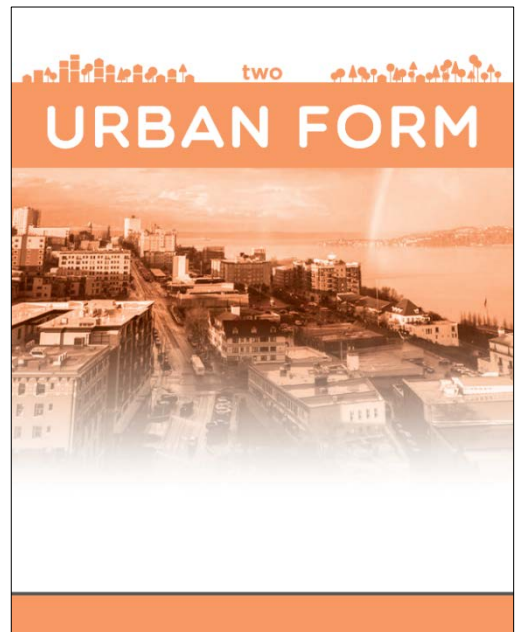
**Policy UF-1.2** Implement Comprehensive Plan land use designations through zoning designations and target densities shown in Table 3, Comprehensive Plan Land Use Designations and Corresponding Zoning.

**Policy UF-1.3** Promote the development of compact, complete and connected neighborhoods where residents have easy, convenient access to many of the places and services they use daily including grocery stores, restaurants, schools and parks, that support a variety of transportation options, and which are characterized by a vibrant mix of commercial and residential uses within an easy walk of home.

**Policy UF-1.4** Direct the majority of growth and change to centers, corridors, and transit station areas, allowing the continuation of the general scale and characteristics of Tacoma’s residential areas.

**Policy UF-1.8** Recognize the importance of the city's established street grid pattern, block sizes, and intersection density in supporting multi-modal transportation, quality urban design, and 20-minute neighborhoods. Whenever practicable, the established grid pattern should be preserved and enhanced to achieve the city's goals for urban form, and design and development.

**Policy UF-13.2** Promote infill development within the residential pattern areas that respects the context of the area and contributes to the overall quality of design.



### **Access to Opportunity**

The Comprehensive Plan incorporates two primary emphases on the intersection of housing and access to opportunity:

1. Locate affordable housing in high opportunity areas.

**H-3.2.** Locate higher density housing, including units that are affordable and accessible, in and around designated centers to take advantage of the access to transportation, jobs, open spaces, schools, and various services and amenities.

**H-3.6.** Locate new affordable housing in areas that are opportunity rich in terms of access to active transportation, jobs, open spaces, high- quality schools, and supportive services and amenities.

2. Invest in low opportunity areas.

Housing Policy **H-3.5.** Improve equitable access to active transportation, jobs, open spaces, high-quality schools, and supportive services and amenities in areas with high concentrations of under-served populations and an existing supply of affordable housing.

Public Facilities and Services Policy **PFS-4.9.** Provide equitable levels of service by accounting for existing community conditions, considering how decisions will impact varied geographic, racial and socio-economic groups, and embedding service equity criteria into decision-making processes.

Parks and Recreation Policy **P-1.2.** Prioritize investment in acquisition and development of parks and recreation facilities in areas where need is greatest, including: a. Where availability and access to facilities is lowest; and b. Where the greatest population growth is occurring or forecast, such as the mixed use centers.

Transportation Policy **3.8 Equity in Transportation.** Support the transportation needs of traditionally underserved neighborhoods and vulnerable populations, as listed under Goal 2, through investment in equitable modes of transportation and equal spending throughout the City, in addition to potential catch-up investment for areas in need as necessary.

Economic Development Policy **EC-2.2.** Encourage investment in, and alignment of, public efforts to reduce racial, gender, ethnic and disability-related disparities in income and employment opportunity.

## 4. Options Analysis

This initial project represents an extended scoping and assessment effort to identify and evaluate high-level strategies to increase housing supply, improve housing affordable and support equitable access to opportunity, based on community input and rigorous data and analysis. This study is intended to result in recommendations to the City Council regarding a potential range of changes to Tacoma’s growth strategy, land use policy framework, zoning and development standards. These options would then proceed to a subsequent policy and code development phase.

<b>Current Work Phase – Proposed Tasks</b>	
<p><b>1. Communications and Engagement Strategy</b></p> <ul style="list-style-type: none"> <li>• Develop a broad, equitable community engagement strategy to involve affordable and market-rate housing providers, residents of all income levels, and the broader community;</li> <li>• Initiate a broad, diverse and data-informed public engagement process with an emphasis on engaging under-represented communities to identify options for analysis;</li> <li>• Identify and coordinate with related City, state and regional housing policy and implementation strategies.</li> <li>• Integrate an active role for internal stakeholders, partner entities and City Commissions, in coordination with broader AHAS implementation steps;</li> </ul>	<p><b>TIMEFRAME</b></p> <p>Early 2020</p>
<p><b>2. Existing Conditions and Assessment</b></p> <ul style="list-style-type: none"> <li>• Housing Needs Analysis: Integrate analyses of housing needs for all income levels, population and employment trends, access to transportation choices, equity and other factors in order to characterize Tacoma’s housing needs for a variety of housing types. Benchmark to learn from other communities.</li> <li>• Housing Capacity: Evaluate zoning capacity and building rates by housing type, area and cost, under current zoning.</li> <li>• Development and Population Trends: Track recent housing permits and construction by housing type and location;</li> <li>• Zoning and Housing Profiles: Develop a communitywide and neighborhood based profile of the current zoning make-up and housing unit make-up, including recent trends in unit types and land area by zoning and housing type.</li> <li>• Access to Opportunity: Evaluate the current unit types and zoning allowances within walkable proximity to public facilities and services, such as schools, parks, community centers, and transit.</li> <li>• Identify lessons learned from ongoing AHAS implementation efforts (including the Residential Infill Pilot Program and existing Inclusionary Zoning standards), and implement near-term enhancements.</li> <li>• Feasibility analysis: Conduct a market-based study to determine how to structure proposed housing actions to stimulate production of units of needed types, price points, sizes and locations.</li> <li>• Evaluate effectiveness: Evaluate the effectiveness of current regulations to promote affordable housing.</li> </ul>	<p><b>TIMEFRAME</b></p> <p>Mid 2020</p>
<p><b>3. Developing High Level Growth Options and Strategies</b></p> <ul style="list-style-type: none"> <li>• Growth Strategies: Based on the findings from Task 2, identify strategies that could be enacted to address those issues. This could include Comprehensive Plan map and text amendments, zoning amendments, or land use regulatory code amendments.</li> <li>• Impacts analysis: Evaluate urban design, infrastructure, transportation, and other factors to inform development of the proposals.</li> <li>• Policy updates: Identify Comprehensive Plan, zoning, and standards changes needed to implement housing actions recommended through this process.</li> </ul>	<p><b>TIMEFRAME</b></p> <p>Mid to end of 2020</p>



Options Evaluation: <ul style="list-style-type: none"> <li>• Policy framework: Summarize One Tacoma Plan policies to create the guiding policy framework and apply to evaluate Growth Strategy Options</li> <li>• Displacement: How will the proposals stimulate or mitigate housing displacement?</li> <li>• Feasibility: How well does the market support the growth options? How likely is the option to result in an increased supply of housing and diversity of housing types?</li> </ul>	
<b>4. Recommend Growth Strategy and Housing Alternatives</b>	<b>TIMEFRAME</b>
Recommendations and options for Council consideration may include: <ul style="list-style-type: none"> <li>• Overall Growth Strategy Alternatives</li> <li>• Housing policy and zoning strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in Step 1.3 including upzones, affordable housing incentives, Inclusionary Zoning and Diverse Housing Types.</li> <li>• Implementation steps: Identify implementation steps and timeline for the actions recommended through this process.</li> </ul>	Early 2021
<b>Future Work Phases – Depending on Outcomes of Task 4 Above (These phases would be subject to additional legislative processes prior to adoption and implementation)</b>	
<ul style="list-style-type: none"> <li>• Environmental Review of Growth Alternatives</li> </ul>	TBD
<ul style="list-style-type: none"> <li>• Comprehensive Plan Future Land Use Map and Text Amendments</li> </ul>	TBD
<ul style="list-style-type: none"> <li>• Zoning and Land Use Regulatory Amendments</li> </ul>	TBD

## 5. Proposed Outreach

### Communications and Engagement Strategy

The first task of the project will be to develop a broad, equitable, communication and engagement strategy consistent with the City’s engagement policies in the One Tacoma Comprehensive Plan and consistent with the adopted Equity Framework. This Plan will identify procedures for notification, methods for engagement, and include actions to engage historically under-represented communities in this process. The following are an initial focal points for the Plan:

#### ➤ Stakeholders

- This project seeks to move forward thoughtfully through inclusive engagement to shed light on policy decisions from a broad range of perspectives. Stakeholders will include residents from all neighborhoods; socio-economic and racial groups; the business and development community; subject matter experts in health, education, equity, and other relevant fields; and internal city departments and partner agencies. Consultant assistance may also be retained. The Planning Commission and staff will utilize the following engagement strategies.

#### ➤ City Council and Council Committees

- Regular updates to the City Council
- Updates as requested or focused discussions with Council committees

#### ➤ City Commissions and Committees

- Planning Commission (lead)

- Human Rights Commission
    - *Joint Housing Equity Taskforce*: Members of the Planning Commission and Human Rights Commission will collaborate to focus on equity and social justice issues associated with housing.
  - Sustainable Tacoma Commission
  - Landmarks Preservation Commission
  - Other commissions/committees that may be identified
- **Affordable Housing Action Strategy**
- Pursuant to the City Council’s direction, the City Manager and TPU Director have directed all city staff to support implementation of the AHAS within their subject matter and responsibilities, and have put into place organizational structures to implement the AHAS, including but not limited to:
    - AHAS Technical Advisory Group
    - AHAS Citywide coordination and working groups
    - AHAS analytical tools
- **Outreach at community forums and events**
- The following opportunities have been identified to date:
    - Sustainability Expo
    - T-Town
    - Farmers markets
    - Street fairs
- **Engage with neighborhood and community groups**
- Neighborhood Councils and other neighborhood/community groups
  - Business Districts
  - Community, social, religious and advocacy groups
- **Online and social media engagement approaches**
- Surveys
  - Interactive online story map
  - Interactive web discussion forum
- **Targeted stakeholder engagement to the following groups**
- Market and affordable housing development community
  - Tacoma residents of all incomes
  - Advocacy and professional groups in public health and other related topics

## 7. Impacts Assessment

The **At Home in Tacoma** project will seek to understand the potential impacts, both positive and negative, of changes to Tacoma’s housing growth strategy. The effort will evaluate the potential to increase housing supply, affordability and choice as well as how changes could affect displacement risk, urban design, neighborhood patterns and scale, utilities, infrastructure and services and other related issues. Impacts will be evaluated at a high level relative to the generality of the potential options.

The current phase of this project will conduct a housing study and public process that will recommended possible housing actions the City may undertake in the coming years. As such, any future phases that include Comprehensive Plan and Land Use Regulatory Code Amendments will be evaluated under the State Environmental Policy Act (SEPA) for potential community and environmental impacts.

## Section B. Assessment

The applications were reviewed against the following assessment criteria pursuant to TMC 13.02.045:

1. If the amendment request is legislative and properly subject to Planning Commission review, or quasi-judicial and not properly subject to Commission review.

**Staff Assessment:** The request is legislative and properly subject to Planning Commission review.

2. If there have been recent studies of the same area or issue, which may be cause for the Commission to decline further review, or if there are active or planned projects that the amendment request can be incorporated into.

**Staff Assessment:** This effort is a continuation of recent policy and regulatory updates that extends the scope substantially, leading to potential growth strategy alternatives. This work is expected to lead to proposals for further evaluation prior to adoption. Subsequent phases may correspond with and complement parallel planning processes, including the Infill Pilot Program Phase 2, Pierce County Buildable Lands Analysis, and the 2023 Comprehensive Plan Periodic Review.

3. If the amount of analysis necessary is reasonably manageable given the workloads and resources of the Department and the Commission, or if a large-scale study is required, the amendment request may be scaled down, studied in phases, delayed until a future amendment cycle, or declined.

**Staff Assessment:** PDS staff and the Planning Commission have developed a work program to accommodate this, which is a phased approach allowing adequate time to develop and evaluate policy options. This first phase is predominantly an extended period of scoping and assessment, leading to high-level housing and growth alternatives that would enter into a subsequent public review process.

## Section C. Recommendation

Staff recommends that the Planning Commission release this report for public review and set February 19, 2020 at 5:30 p.m. as the date and time for a Public Scoping Hearing to receive public comment.

## Section D. Attachments

1. Excerpts of Affordable Housing Action Strategy (September 2019) – Executive Summary and Actions 1.2 and 1.8



City of Tacoma

## AFFORDABLE HOUSING ACTION STRATEGY



### **Pertinent excerpts for AHAS Actions 1.2 and 1.8**

visit [www.cityoftacoma.org/housing](http://www.cityoftacoma.org/housing)  
for the full report

SEPTEMBER 2018



# EXECUTIVE SUMMARY

## Why did the City of Tacoma develop an Affordable Housing Action Strategy?

The City of Tacoma developed its *Affordable Housing Action Strategy* as an urgent response to a changing housing market, increasing displacement pressure among residents, and a widespread need for high-quality, affordable housing opportunities for all.

While the City of Tacoma has a strong legacy of working to solve its affordable housing challenges, it recognized a need for a more strategic approach to its housing investments—both today and in the future. The City of Tacoma needs to increase housing affordability as a way to maintain the quality of life that the city is known for and ensure housing costs do not worsen as the city grows over time.

The City of Tacoma lacks affordable, high-quality homes for all its residents. Today, nearly 33,000 households in Tacoma pay at least 30 percent of their income on housing costs each month, reducing their ability to pay for other necessities. The cost of rental homes increased by nearly 40 percent and home values nearly doubled since 1990, and within the last few years, these costs have begun to accelerate.

Throughout the broad community outreach that informed the *Affordable Housing Action Strategy*, many Tacoma residents shared that the city's market gains are a source of stress in their lives. Recent spikes in housing costs and a limited supply of housing options have created uncertainty for them, in addition to other barriers. Seniors face long waiting lists at properties built to serve them; families live in overcrowded conditions; and interested homebuyers experience steep costs and competition for homes.

Simply put, the city's housing supply cannot meet the daily needs of its residents, and this needs to change. No one living in Tacoma should have to choose between paying their rent or mortgage and other necessities.

## What will this strategy accomplish over the next 10 years?

Guided by the *Affordable Housing Action Strategy*, the City of Tacoma will dramatically increase its investments in new rental and homeownership opportunities and establish broader anti-displacement measures, including preserving affordable units at-risk of converting to market-rate rent and creating comprehensive protections for renters.

Together, this approach has the potential to produce 6,000 new affordable units; preserve 2,300 existing affordable units; and serve an additional 2,200 households by 2028. In total, these new or preserved homes and new services or programs will reach 10,500 households living in the City of Tacoma.

## What will the City of Tacoma do over the next 10 years to reach nearly 10,500 households?

Actions within the *Affordable Housing Action Strategy* aim to help Tacomans in every walk of life. Because needs within the City of Tacoma vary—across owners and renters, neighborhoods, incomes, and abilities, among other factors—these actions cover a wide range of needs.

However, the city’s need for affordable housing is greatest among households with the lowest incomes and in some cases, with the highest barriers to accessing housing opportunities. The City of Tacoma aims to serve these households through a share of the new units and other resources created through the *Affordable Housing Action Strategy*.

This strategy focuses on how to enhance existing policies and programs that the city is already using to serve more people; cultivate additional funding; and establish strong anti-displacement measures to stabilize existing residents. The *Affordable Housing Action Strategy* outlines four strategic objectives that will guide implementation over the next 10 years:

- 1. Create more homes for more people.**
- 2. Keep housing affordable and in good repair.**
- 3. Help people stay in their homes and communities.**
- 4. Reduce barriers for people who often encounter them.**

Each strategic objective is supported by a set of actions and implementation steps. Targets and their associated level of investment were broadly estimated for each strategic objective. These targets are intended to guide public investments in housing activities and enable the City of Tacoma to track and report its progress along three key metrics:

- 1. Number of units produced**
- 2. Number of units preserved**
- 3. Number of households served**

Finally, the success of the *Affordable Housing Action Strategy* depends on two critical elements. The first critical element is the active participation of all Tacoma residents. Actions will not be successful without policy leadership, changes to the way the city programs and departments operate, and close partnerships with local and regional developers, cultural and nonprofit organizations, financial institutions, philanthropic organizations, and community members.

The other critical element is a large investment of public, philanthropic, and private resources. The total cost to meet the targets in the *Affordable Housing Action Strategy* is significant: as much as \$70 million over the next 10 years. The *Affordable Housing Action Strategy* outlines several ways to cultivate new resources, such as passage of a local tax levy; value capture, and additional authorization of federal Section 108 funds, to help meet its targets. It also recognizes the wealth of resources that already exist within the City of Tacoma and identifies ways to maximize the impact of them.



## Background

*Many Tacoma residents make difficult financial choices each month—paying higher housing costs (at the expense of other living expenses), living in overcrowded or less than desirable conditions, or dealing with an unexpected housing crisis. Tacoma needs to build and preserve more affordable housing for all its residents and ensure new development benefits everyone.*

### Why does the City of Tacoma need to address housing affordability?

Many residents in the City of Tacoma have significant unmet housing needs. One measure of housing need is “cost-burden”—or when a household pays more than 30% of their gross income on housing, including utilities. If a household pays more than one-half (50%) of their gross income on housing, that household is “severely cost-burdened.” Cost-burdened households have less for other essentials, like food, clothing, transportation, and medical care. Currently, more than 18,600 renters and 14,000 owners in the City of Tacoma experience cost-burdens.

Everyone benefits from affordable housing. People with the greatest need for it, though, are often working lower-wage occupations or living on fixed incomes, like seniors and persons living with disabilities.

### What is the Affordable Housing Action Strategy (AHAS)?

The City is developing more ways to serve more residents with housing needs through its *Affordable Housing Action Strategy* (AHAS). The Community and Economic Development Department is leading the development of the AHAS. The goal of the AHAS is to preserve and increase the number of affordable, available, and accessible housing units throughout the city. The AHAS will explain how the City of Tacoma and its partners will achieve this goal.

### What does “affordable housing” mean?

Housing is typically considered affordable if total housing costs do not exceed 30% of a household’s gross income.

The U.S. Department of Housing and Urban Development (HUD) uses an income benchmark—area median income or AMI—for its federal housing programs. The FY17 regional AMI for a family is \$74,500. Using this regional standard likely undercounts the housing affordable within the City of Tacoma, as well as overestimates what the average household can afford. Despite some limitations, a majority of the City’s existing funding is from federal funds, which use HUD-defined AMI to determine eligibility, making it an important measure for the AHAS.

### Do “affordable housing” and “subsidized housing” mean the same thing?

Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably. Subsidized housing refers to programs that provide direct payments to individual households or development projects. These payments help their overall housing costs. Typically, to live in subsidized housing, you need to be below a certain income level (and sometimes you need to meet other requirements). Public housing, rental assistance like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing.



# What are some proposed solutions to ensure all Tacoma residents have an affordable place to live and that new development benefits everyone?

## 1 CREATE MORE HOMES FOR MORE PEOPLE.

The City of Tacoma needs to considerably increase its supply of affordable housing options, especially for households with the lowest incomes. Actions that would increase the city's supply of affordable homes include:

- Creating dedicated sources of funding—whether general funds, property tax levy, real-estate transaction fees or other methods—that provide the City's Housing Trust Fund with greater and more reliable resources to preserve and build new housing.
- Enhancing incentives—like increased density, reduced parking requirements, and property tax exemptions—to create more income-restricted units in new market-rate development.
- Using city-owned land to provide new opportunities for affordable rental and homeownership development.
- Changing the City of Tacoma's land-use provisions to make it easier to build less costly, small-scale homes, such as accessory dwelling units or duplexes, as well as provide other supports like technical assistance and financial incentives for people who want to create these alternatives.

## 2 KEEP HOUSING AFFORDABLE AND IN GOOD REPAIR.

The City of Tacoma needs to take steps to ensure existing affordable housing options remain available to our community. Loss of affordable homes could further burden or displace Tacoma residents. Actions that would preserve and improve the city's existing supply of affordable housing include:

- Making it easier, through a preservation ordinance, for the City of Tacoma or its partners to buy back subsidized properties as their income restrictions expire.
- Exploring creation of a proactive code enforcement program, which would actively inspect properties for health and safety violations.
- Creating a dedicated source of funding to keep rents stable at existing subsidized and unsubsidized housing units and assist residents facing a housing crisis.

## 3 HELP PEOPLE STAY IN THEIR HOMES AND COMMUNITIES.

Many residents in Tacoma already cannot keep up with rising housing costs in the form of higher tax bills or rents. They are often on the verge of making painful decisions about leaving their current home or community and have limited options for assistance. Actions that would help stabilize homeowners and tenants include:

- Ensuring residents have substantial notice for rent increases or lease terminations and establish relocation assistance as part of a comprehensive tenant protections policy.
- Supporting residents or organizations interested in leading or participating in community-based initiatives, including those that protect tenants' rights.
- Exploring creation of a community land trust, leveraging local expertise.
- Creating an additional source of local tax relief to stabilize more homeowners.

## 4 REDUCE BARRIERS FOR PEOPLE WHO OFTEN ENCOUNTER THEM.

Even when affordable units exist, many residents must overcome significant barriers to access them. Residents mentioned barriers like limited knowledge of housing resources; language barriers; and difficulty qualifying for or securing housing (like meeting security deposit requirements). Actions that make it easier for residents to access housing opportunities, including those in the private housing market, include:

- Streamlining processes for households applying for and using rental assistance.
- Working with landlords to increase participation in rental assistance programs and their willingness to accept "higher-barrier" households.
- Ensuring a portion of new or expanded funding sources can provide services as part of new housing development.



## Key Terms

### Affordable Housing

Housing is typically considered affordable if total housing costs do not exceed 30% of a household's gross income.

### Affordable Housing Action Strategy (AHAS)

The *Affordable Housing Action Strategy* (AHAS) will explain how the City of Tacoma and its partners will safeguard and increase the number of affordable, available, and accessible housing units throughout the city over the next 10 years. Having this type of strategy will help the City of Tacoma serve more residents with housing needs.

### Area Median Income (AMI)

The U.S. Department of Housing and Urban Development (HUD) uses an income benchmark—area median income or AMI—for its federal housing programs. The FY17 regional AMI for a family is \$74,500. Using this regional standard likely undercounts the affordable units within the City of Tacoma, as well as overestimates what the

average household can afford.

A majority of the City's existing funding is from federal funds, which use HUD-defined AMI to determine eligibility, making it an important measure for the AHAS.

### Cost-burden

When a household pays more than 30% of their gross income on housing, including utilities, they are “cost-burdened.” Cost-burdened households have less for other essentials, like food, clothing, transportation, and medical care. Currently, 40% of households in the City of Tacoma experience cost-burdens.

### Fair Market Rent (FMR)

The amount of money a property would rent for if it was available now. FMR is used by the U.S. Department of Housing and Urban Development to estimate rents covered by the Housing Choice Voucher program, also known as Section 8.

### Fair Market Value

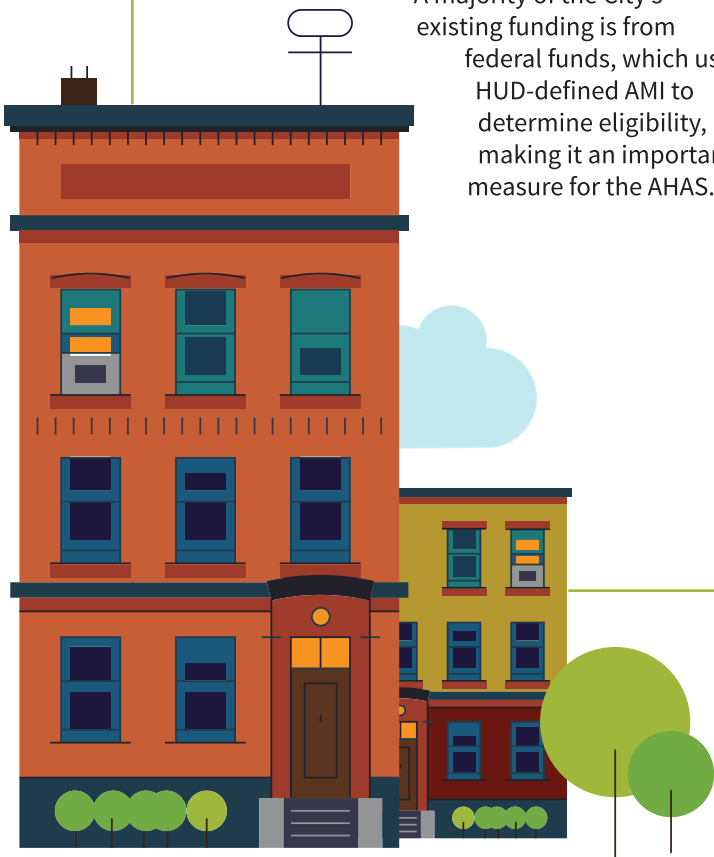
The amount a property would sell for if sold on the open market. In other words, it's the highest price a buyer is willing to pay and lowest price a seller is willing to accept for a property.

### Housing Displacement

Housing displacement is closely associated with gentrification, which is characterized by market, economic, and demographic change. When home costs increase, they can price out existing residents of a community. Housing displacement hurts both displaced residents and the community at-large.

### Subsidized Housing

Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.



# SECTION 3

## Strategic Objective 1: Create More Homes for More People

The City of Tacoma needs to considerably increase its supply of affordable housing options. The need for affordable housing affects nearly all residents within the city. It spans families looking for larger apartments, seniors looking for a home to serve their daily needs, and local workers trying to live within a reasonable distance of their job.

When households can't find affordable housing options, they face painful tradeoffs. Cost-burdened households have less for other essentials, like food, clothing, transportation, and medical care. Other households may pay more to access better economic opportunities, such as living near transit service, employment, or higher-performing schools, when those options are not widely available throughout a city. Interviews and focus groups with local residents suggest they are already making these types of tradeoffs.

The need for affordable housing, though, is greatest among households with the lowest incomes and in some cases, with the highest barriers to accessing housing opportunities. The City of Tacoma aims to have a share of new units serve these households. A need exists for at least an additional 6,400 units for extremely low-income renters to create enough units for households at this income level.<sup>23</sup>

Creating more income-restricted units, as well as having a dedicated source of funding for services when needed, is a critical piece of helping more persons experiencing homelessness move into permanent homes. While this strategic objective won't produce all the units to close this gap among extremely low-income households, it takes some key steps to beginning to better meet their needs. For instance, actions under this strategic objective update the City of Tacoma's inclusionary housing policy and devote more resources to better serve these households.

**10-YEAR TARGET:**

**6,000 NEW UNITS**

**TOTAL 10-YEAR  
INVESTMENT:**

**\$15-\$33 MILLION**

<sup>23</sup> 2016 American Community Survey Public Use Microdata Sample 1-Year Estimates.

Finally, the City of Tacoma needs to ensure housing production can keep up with anticipated growth and changing needs among local residents. Regional growth projections suggest that the City of Tacoma will grow at a faster pace over the next decade, adding more than 35,000 new households by 2030, compared with past growth. Much of Tacoma’s housing production has been concentrated among single-family homes and larger, multifamily buildings over the last several years. In addition to increasing its housing supply, the City of Tacoma needs to continue to diversify it.

The remainder of this section summarizes the actions that will create more homes for more people.

## ACTION

## 1.2 Modify inclusionary housing provisions to target unmet need and align with market realities.



LEGISLATIVE

The City of Tacoma encourages private-sector developers to voluntarily include below-market rental apartments or for-sale homes as part of their market-rate development projects by offering them a range of incentives. While these incentives have been used by some developers in recent projects, they are not widely used. The City of Tacoma also recently passed a requirement to include affordable units as part of new development in the Tacoma Mall subarea. Among both these policies, long-term affordability—through a state-mandated affordability period of at least 50 years—is a chief benefit.

Today, both the city’s inclusionary housing incentives and requirements focus on homes priced for households earning at or below 80 percent of area median income, which roughly translates into \$60,000 for a family of four. There’s a shortage of units for households earning at or below 50 percent of area median income (about \$37,000 for a family of four). Some areas within Tacoma, namely New Tacoma and to a lesser extent, North Tacoma and West End, could support units for these households as part of market-rate development.

This action modifies the city’s existing inclusionary housing provisions to require more units for households earning 50 percent of area median income or below in market-rate development. While the Planning and Development Services Department will assess the specific provisions in more detail, modeling suggests the following approach could produce nearly 3,100 income-restricted units over the next 10 years (when used in combination with the 12-year option under the Multifamily Tax Exemption Program):

- Use a mandatory approach, requiring 10 percent of units in development be affordable to households earning at or below 50 percent of area median income.
- Target policy to selected areas within the City of Tacoma, such as New Tacoma, North Tacoma, and West End. Additional areas may be added over time, based on ongoing monitoring and evaluation of the policy using the Housing Market Policy Dashboard.
- Provide 10-foot height increase; 10 percent floor-area-ratio increase; and 25 percent reduction in current parking requirements (in multifamily zones) in exchange for income-restricted units.

- Change fee-in-lieu payments to align with cost of providing an income-restricted unit and to encourage onsite development. Modeling suggests that a fee structure of more than \$30,000 per unit would encourage onsite development. In-lieu fees are typically designed to support housing development when these units are not directly incorporated into a proposed project. Setting the fee based on production cost, the fee-in-lieu could be as high as \$200,000 per unit.

A primary goal of this policy approach is social inclusion, meaning units are built throughout the entire city, particularly in areas where households may not be able to afford to live otherwise. This approach helps operationalize the community values within Tacoma2025 such as equity and opportunity. New Tacoma has the potential to add the most units through these policy changes. Based on analysis of local access to opportunity, this area has higher-performing schools; lower rates of poverty; and better access to transit and walkability—in other words, stronger access to opportunity—compared to other areas of the city. For a full discussion of access to opportunity in Tacoma, see Appendix B.

<b>Income Levels Served:</b>	50% AMI and below
<b>Geographic Scale:</b>	Targeted, based on anticipated development and market conditions
<b>Local Policy Action:</b>	Yes
<b>Public Funding:</b>	None
<b>Renters, Homeowners, or Both:</b>	Both

**ACTION**

### 1.8 Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives.

Building a wider range of housing options is one way to support broader affordability within the City of Tacoma. Smaller homes, like cottage-style homes or accessory dwelling units, typically cost less to construct and maintain, making them a good option for seniors or families interested in supplementing their household income. The City of Tacoma is already examining ways to make it easier to build a wider range of housing products, especially smaller scale options, throughout the city.

This action provides technical assistance and financial incentives to help interested residents and organizations produce smaller scale homes. Specifically, the City of Tacoma will develop a pre-approved set of construction drawings. These drawings will enable property owners using these construction drawings to by-pass some components of the review process. The City will also identify ways to lower the cost of developing these units. One option would be to reduce the overall development costs through waived permitting fees and property tax abatements, which could help encourage homeowners to build these units; an additional construction loan in exchange for affordability requirements would help ensure smaller scale units will increase Tacoma’s subsidized supply.



**ADMINISTRATIVE**

<b>Income Levels Served:</b>	All, priorities can be created for income levels or special populations
<b>Geographic Scale:</b>	Citywide
<b>Local Policy Action:</b>	Yes (for land use changes)
<b>Public Funding:</b>	New (for incentives)
<b>Renters, Homeowners, or Both:</b>	Both



**Exhibit 8 Strategic Objective 1: Actions to Create More Homes for More People**

HOW WILL THIS ACTION BE IMPLEMENTED?	WHEN WILL WORK HAPPEN?	WHO CAN LEAD IMPLEMENTATION?	WHO CAN ASSIST WITH IMPLEMENTATION?
<b>ACTION 1.1</b> Seed the Tacoma Housing Trust Fund with local sources of funding.			
<ul style="list-style-type: none"> <li>Earmark \$1.8 million for affordable housing activities in the 2019–2020 biennium budget cycle.</li> <li>Work with local partners to set priorities for how to use this funding.</li> <li>Update Affordable Housing Developer Loan NOFA guidelines, underwriting standards (if needed), and solicitation process to align with local funding priorities.</li> <li>Identify separate revenue source (in place of or in addition to general funds).</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Tacoma City Council</p>	<ul style="list-style-type: none"> <li>City Manager’s Office</li> <li>Office of Management and Budget</li> <li>Community and Economic Development Department</li> <li>Tacoma Community Redevelopment Authority</li> <li>Tacoma Housing Authority</li> <li>Local and regional developers</li> </ul>
<b>ACTION 1.2</b> Modify inclusionary housing provisions to target unmet need and align with market realities.*			
<ul style="list-style-type: none"> <li>Work with developers and other stakeholders to refine the policy proposal outlined in the AHAS.</li> <li>Develop draft legislative language.</li> <li>Establish revised inclusionary housing policy.</li> <li>Conduct outreach to developers about new tools, including what projects they affect, where they apply, and how to use them.</li> <li>Identify lead department to monitor performance of new policy and regularly report on performance to City Council.</li> <li>Work with the Tacoma Housing Authority to provide project-based vouchers to support the rents at these units (as needed).</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Tacoma City Council</p>	<ul style="list-style-type: none"> <li>Planning and Development Services Department</li> <li>Community and Economic Development Department</li> <li>Local and regional developers</li> <li>Residents living in proposed target areas</li> <li>Tacoma Housing Authority</li> </ul>
<b>ACTION 1.3</b> Update the Multifamily Tax Exemption Program to increase its impact.*			
<ul style="list-style-type: none"> <li>Offer 12-year option in areas where revised inclusionary housing policy applies (by eliminating 8-year option in those areas).</li> <li>Revise Multifamily Tax Exemption Program guidelines to create a notice provision for property owners using the 12-year option who opt out of it.</li> <li>Incorporate properties using the 12-year option into the city’s “early warning” system.</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Tacoma City Council</p>	<ul style="list-style-type: none"> <li>Community and Economic Development Department</li> <li>Property owners</li> <li>Tenants</li> <li>Local and regional nonprofits</li> </ul>
<b>ACTION 1.4</b> Leverage publicly and partner-owned land for affordable housing.			
<ul style="list-style-type: none"> <li>Develop draft language for a comprehensive land disposition policy for publicly owned land.</li> <li>Adopt a comprehensive land disposition policy for publicly owned land.</li> <li>Evaluate near-term opportunities for affordable housing on city-owned land, using existing baseline data on vacant or publicly owned parcels that could be used for development or sale.</li> <li>Complete inventory of publicly and partner-owned land (as part of public land study led by Forterra).</li> <li>Evaluate opportunities for affordable housing development on an ongoing basis, using findings from the City of Tacoma’s forthcoming public land study and land disposition policy.</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Tacoma City Council</p>	<ul style="list-style-type: none"> <li>Public Works Department</li> <li>Community and Economic Development Department</li> <li>Tacoma Housing Authority</li> <li>Tacoma Public Schools</li> <li>MetroParks</li> <li>Pierce County</li> <li>Forterra</li> <li>Local and regional developers</li> </ul>

Note: An asterisk (\*) denotes a priority action among Technical Advisory Group members.

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**Exhibit 8 Strategic Objective 1: Actions to Create More Homes for More People (cont.)**

HOW WILL THIS ACTION BE IMPLEMENTED?	WHEN WILL WORK HAPPEN?	WHO CAN LEAD IMPLEMENTATION?	WHO CAN ASSIST WITH IMPLEMENTATION?
<b>ACTION 1.5</b> Create consistent standards for fee waiver eligibility and resources to offset waived fees.			
<ul style="list-style-type: none"> <li>Allocate additional local funding to offset waived fees (e.g., general funds, Tacoma Housing Trust Fund, etc.).</li> <li>Develop criteria for eligible projects (such as share of income-restricted units in development, income levels served, location [near transit or services], etc.).</li> <li>Coordinate solicitation and evaluation of projects seeking fee reductions or waivers with other local solicitations for housing funds, such as Tacoma Community Redevelopment Authority’s annual NOFA.</li> <li>Conduct outreach to affordable housing developers about available resources and selection process.</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Planning and Development Services Department</p> <p>Public Works Department</p>	<ul style="list-style-type: none"> <li>Community and Economic Development Department</li> <li>Tacoma Housing Authority</li> <li>Local and regional developers</li> </ul>
<b>ACTION 1.6</b> Create a process to coordinate public investments, like capital improvements, with affordable housing activities to reduce the overall cost of development.			
<ul style="list-style-type: none"> <li>Map key decision making and timelines associated with developing the city’s Capital Improvement Plan and ongoing community-development activities (e.g., NOFA solicitation, CBDG investments, etc.).</li> <li>Create criteria to assess public infrastructure related to affordable housing development, including target areas for affordable housing policies or programs or planned affordable housing developments.</li> <li>Develop coordinated process that can be used as part of capital improvement planning.</li> <li>Identify lead department to integrate coordinated process into the Capital Improvement Plan.</li> </ul>	<p>Immediate (1–2 years)</p>	<p>City Manager’s Office</p>	<ul style="list-style-type: none"> <li>Planning and Development Services Department</li> <li>Environmental Services Department</li> <li>City Manager’s Office</li> <li>Community and Economic Development Department</li> <li>Tacoma Public Utilities</li> </ul>
<b>ACTION 1.7</b> Increase participation in existing first-time homebuyer programs and resources for new homebuyers.			
<ul style="list-style-type: none"> <li>Proactively partner with community-based groups to market existing programs to interested homebuyers, focusing on areas where residents are at-risk of displacement.</li> <li>Allocate additional local funding (e.g., general funds, Tacoma Housing Trust Fund, etc.) to supplement down-payment assistance offered through existing homebuyer assistance programs.</li> <li>Work with local anchor institutions or other large-scale employers to create “Live Near Your Work” or other employer-assisted housing programs.</li> </ul>	<p>Immediate (1–2 years)</p>	<p>Community and Economic Development Department</p>	<ul style="list-style-type: none"> <li>Homeownership Center of Tacoma</li> <li>Washington State Housing Finance Commission</li> <li>Habitat for Humanity</li> <li>City Manager’s Office</li> <li>Anchor institutions</li> <li>Large-scale employers</li> </ul>
<b>ACTION 1.8</b> Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives.			
<ul style="list-style-type: none"> <li>Evaluate current land-use regulations and identify ways to support a wider range of housing types through existing or modified zoning classifications and areas of higher opportunity.</li> <li>Conduct outreach to residents in areas where changes may occur to discuss proposed changes and adjust recommendations accordingly.</li> <li>Develop technical assistance programs, such as a set of pre-approved construction drawings for small-scale housing products (like accessory dwelling units).</li> <li>Develop additional incentives to support development of infill, such as fee waivers and construction cost grants.</li> <li>Engage national experts, like the Incremental Development Alliance, to cultivate local expertise in small-scale development.</li> </ul>	<p>Immediate (1–2 years)</p> <p>Short-term (3–4 years)</p>	<p>Planning and Development Services Department</p>	<ul style="list-style-type: none"> <li>Tacoma City Council</li> <li>Community and Economic Development Department</li> </ul>

Note: An asterisk (\*) denotes a priority action among Technical Advisory Group members.

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**Exhibit 8 Strategic Objective 1: Actions to Create More Homes for More People (cont.)**

HOW WILL THIS ACTION BE IMPLEMENTED?	WHEN WILL WORK HAPPEN?	WHO CAN LEAD IMPLEMENTATION?	WHO CAN ASSIST WITH IMPLEMENTATION?
<b>ACTION 1.9</b> Establish a dedicated source of funding for the Tacoma Housing Trust Fund.*			
<ul style="list-style-type: none"> <li>• Convene an advisory group of local partners to develop a financing plan and articulate the potential uses of the fund.</li> <li>• Conduct a poll of local and regional residents to understand their support for different potential uses (and adjust financing plan accordingly).</li> <li>• Pass an emergency ordinance and adopt financing plan (per state law).</li> <li>• Work with partners on a public education campaign to educate members of the public on the importance of a dedicated source of funding.</li> </ul>	Short-term (3–4 years)	Tacoma City Council	<ul style="list-style-type: none"> <li>• City Manager’s Office</li> <li>• Office of Management and Budget</li> <li>• Community and Economic Development Department</li> <li>• Tacoma residents</li> </ul>
<b>ACTION 1.10</b> Use value capture to generate and reinvest in neighborhoods experiencing increased private investment (with a focus on areas with planned or existing transit).			
<ul style="list-style-type: none"> <li>• Study the feasibility of creating a value-capture tool tailored to areas experiencing increased private investment, including areas with or planned high-capacity transit.</li> <li>• Use findings of study to identify and establish appropriate value-capture mechanism(s).</li> <li>• Work with local residents in neighborhoods where value-capture is being used to discuss potential investments.</li> <li>• Coordinate investments with capital improvement planning.</li> </ul>	Short-term (3–4 years)	Community and Economic Development Department  Office of Management and Budget	<ul style="list-style-type: none"> <li>• Planning and Development Services Department</li> <li>• Tacoma City Council</li> <li>• Public Works Department</li> <li>• State of Washington</li> <li>• Residents living in proposed value capture areas</li> </ul>
<b>ACTION 1.11</b> Explore innovative, low-cost housing solutions to serve persons experiencing homelessness.			
<ul style="list-style-type: none"> <li>• Work with local and regional foundations and anchor institutions to discuss opportunities to support low-cost housing solutions.</li> <li>• Identify resources to host a design competition or solicit for proposals to develop housing prototypes.</li> <li>• Identify resources (including City funding) to support pilot projects.</li> <li>• Work with the Tacoma Housing Authority to provide project-based vouchers to support the rents at these units.</li> </ul>	Short-term (3–4 years)	Community and Economic Development Department  Neighborhood and Community Service Department	<ul style="list-style-type: none"> <li>• Local and regional philanthropic organizations</li> <li>• Anchor institutions</li> <li>• Service providers</li> <li>• Tacoma Housing Authority</li> <li>• Pierce County</li> <li>• Persons experiencing homelessness</li> </ul>
<b>ACTION 1.12</b> Explore opportunities for increased staff support during the development review process.			
<ul style="list-style-type: none"> <li>• Assess existing staff capacity to accommodate increased development, including new affordable housing development.</li> <li>• Identify ways to increase existing staff capacity to handle increased workload, such as creating “embedded” staff positions; creating a project expeditor; or using contract labor to assist with heavier workloads.</li> <li>• Identify ways to offset costs related to hiring new staff or expanding capacity through contract labor.</li> </ul>	Short-term (3–4 years)  Medium-term (4–6 years)	City Manager’s Office	<ul style="list-style-type: none"> <li>• Planning and Development Services Department</li> <li>• Fire Department</li> <li>• Community and Economic Development Department</li> <li>• Public Works Department</li> <li>• Local and regional developers</li> </ul>

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