



**To:** Planning Commission  
**From:** Brian Boudet, Planning Manager, Planning Services Division  
Elliott Barnett, Senior Planner, Planning Services Division  
**Subject:** **AHAS Implementation – Planning Actions**  
**Meeting Date:** October 2, 2019  
**Memo Date:** September 25, 2019

### Action Requested

Comment and Guidance.

### Discussion

At this meeting, the Planning Commission will discuss implementation steps in support of the Affordable Housing Action Strategy (AHAS) as they relate to the work of the Commission. The AHAS calls out a range of actions to achieve *AHAS Objective 1 – Create more homes for more people*. Of those potential actions, two in particular – Inclusionary Zoning (AHAS 1.2) and Diverse Housing Types (AHAS 1.8) – are closely connected to Tacoma’s planning policies, growth strategies, zoning and development standards.

City staff will provide an update on AHAS implementation, and an introduction to these topics identifying pertinent policy considerations, examples from other communities, and an overview of Tacoma’s relevant planning and zoning now in place. Staff will then seek early guidance on a multi-phase planning work program supported by robust policy analysis and community engagement.

Specifically, staff will seek the Commission’s input on:

- Scope of work and key tasks
- Phasing and schedule
- Coordination with related efforts
- Information, technical studies and/or benchmarking
- Outreach approach to ensure broad and equitable engagement

### Background

The AHAS (2018) 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. Multiple actions are underway citywide to implement the AHAS, including several related to planning and development.

As part of the 2019 Annual Amendments, 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, as recommended by the Planning Commission.



The Commission also provided implementation recommendations calling for a robust, equitable and broad public engagement effort for the following AHAS actions:

*Action 1.2: Modify inclusionary housing provisions to target unmet need and align with market realities.*

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

These two actions, while related, constitute distinct, significant and multi-faceted policy initiatives. They incorporate multiple subtasks and phases, including administrative steps (such as permit streamlining and review of barriers to development), as well as planning, zoning and standards changes. Of the latter category, several initiatives are already underway, including Accessory Dwelling Units code updates and ongoing review, and the Residential Infill Pilot Program review. Also related are upcoming initiatives including corridor/subarea planning, updates to the City's Affordable Housing Incentives Administrative Code and others.

The City Council has indicated that both of these actions should be AHAS implementation priorities. Over the past months, staff have held initial conversations on these topics with the AHAS Technical Advisory Group and received initial Council input on Inclusionary Zoning policy options. In addition, staff from multiple City departments are providing technical support.

PDS staff are launching a project website which will be updated with information and documents related to the project. Staff are assembling a resource library and working on a GIS mapping approach. For this introductory discussion, the following resources are worth reviewing:

- Inclusionary Zoning: One Approach to Create Affordable Housing (MRSC): <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/November-2016/Inclusionary-Zoning-for-Affordable-Housing.aspx>
- The Ins and the Outs - A Policy Guide to Inclusionary and Bonus Housing Programs in Washington: <http://mrsc.org/Corporate/media/MediaLibrary/SampleDocuments/ArtDocMisc/InsNouts.pdf>
- Neighborhoods For All: Expanding Housing Opportunity in Seattle's Single-Family Zones: <http://www.seattle.gov/planningcommission/our-work/neighborhoods-for-all>
- Puget Sound Regional Council HIP Tool: Infill Development: <https://www.psrc.org/infill-development>

**Staff Contact:**

- Elliott Barnett, Senior Planner, [elliott.barnett@cityoftacoma.org](mailto:elliott.barnett@cityoftacoma.org), (253) 591-5389
- Brian Boudet, Planning Manager, [bboudet@cityoftacoma.org](mailto:bboudet@cityoftacoma.org), (253) 573-2389

**Attachments:**

1. AHAS – Pertinent Excerpts
2. Planning Commission AHAS Implementation Recommendations (from 2019 Amendments)

cc. Peter Huffman, Director

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.





# 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.



<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>	Immediate (1–2 years)	Planning and Development Services Department  Public Works Department	<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>	Immediate (1–2 years)	City Manager’s Office	<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>	Immediate (1–2 years)	Community and Economic Development Department	<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>	Immediate (1–2 years)  Short-term (3–4 years)	Planning and Development Services Department	<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>

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



## Housing Element: Affordable Housing Action Strategy

### Planning Commission AHAS Implementation Recommendations

The Planning Commission is tasked with providing recommendations on planning and land use matters to the City Council. The following two AHAS actions relate most directly to the work of this Commission:

**Action 1.2: Modify inclusionary housing provisions to target unmet need and align with market realities.**

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

In light of the potential of these actions to support achievement of AHAS goals, the Commission recommends that the City Council initiate broad, data-supported policy analysis and community engagement efforts for **AHAS Actions 1.2 and 1.8**.

Consideration of significant zoning changes generates major interest and the potential for controversy. The increasing housing challenges in our City and region touch everyone, yet more understanding is needed of the causes, the links with related community values, and how these together inform the range of options. Furthermore, these policy tools are complex and technical, which can make them difficult for people to understand.

A broad, intentionally inclusive and strongly data-supported public engagement and policy development approach is needed. Such an approach can build shared understanding of the issues, help to identify common ground between diverse stakeholders, maximize achievement of the community's goals, avoid unintended consequences, and build trust in the process. All stakeholders should have the opportunity to participate meaningfully, including low-income households most in need of housing options, yet who may not feel empowered to participate. The City should also explore the potential to collaborate at the regional level as Puget Sound communities grapple with the same housing challenges.

The Commission recommends the following multi-phased implementation approach:

#### **PHASE 1: Scoping, public engagement and data gathering**

- Initiate a broad, diverse and data-informed public engagement process with an emphasis on engaging under-represented communities to identify options for analysis
- Integrate an active role for internal stakeholders, partner entities and City Commissions, in coordination with broader AHAS implementation steps
- Benchmark to learn from other communities
- Identify lessons learned from ongoing AHAS implementation efforts (including the Residential Infill Pilot Program and existing Inclusionary Zoning standards), and implement near-term enhancements
- Identify and coordinate with related City, state and regional housing policy and implementation strategies

## **PHASE 2: Policy and regulatory changes**

- Build on and continue to deepen and broaden community engagement
- Identify and study potential alternative strategies and consider phasing options
- Coordinate with regional and state policy efforts including PSRC's Vision 2050 and the required GMA Comprehensive Plan Periodic Review
- Evaluate the impacts of any potentially significant changes to Tacoma's growth strategy and identify appropriate mitigation actions
- Council action to update the Comprehensive Plan, zoning and development standards to implement the preferred approaches, along with any identified mitigation steps

## **PHASE 3: Implementation and ongoing evaluation**

- Implement the Council's action, supported with robust education and technical support to promote housing development
- Conduct ongoing monitoring and evaluation of the outcomes and consider revisions as appropriate
- Foster ongoing community empowerment in implementing and improving Tacoma's housing strategies

The Planning Commission stands ready to fulfill its role in these major and important policy initiatives.