



To: Planning Commission
From: Elliott Barnett, Planning Services Division
Subject: **Home In Tacoma Project: Workshop**
Date: December 9, 2020
For the Meeting of: December 16, 2020

Action Requested: Provide direction on preliminary actions recommendations

Discussion

At this meeting, the Commission will debrief to confirm key themes from the November workshop, then discuss and provide feedback on preliminary recommendations intended to reflect that guidance. This package is not meant to be final—its purpose is to see where there is agreement and identify changes. The Commission’s direction on these preliminary actions will also provide the level of detail needed for the next phase of analysis.

After the meeting, the project team will run the preliminary recommendations package through focused analysis and vetting. Root Policy Research will conduct market feasibility to understand how these proposals will likely play out in terms of cost of construction and affordability of units produced. Staff will reach out to City departments and housing stakeholders to evaluate feasibility and potential impacts. Meanwhile, the housing choice survey is underway to gauge community perspectives on infill. These efforts will provide insights into the community’s support, likely outcomes in terms of housing production, and potential impacts. On February 3, 2020, the Commission will review the outcomes of these analysis and engagement efforts to provide direction on finalizing a public review package. The analysis will also inform an environmental review by the City.

In reviewing the package please consider the following key questions:

- Did we capture your intent from the workshop?
- How would you change the preliminary recommendations to better implement the intent?
- Are there issues which you do not see addressed?
- What impacts from these proposals would raise concerns to you?
- What obstacles do you see to moving forward and how can we address them?

For reference, we are attaching the current Future Land Use Map and policies table, as well as input from recent engagement efforts.

Project Updates

- Housing Equity Taskforce – working toward recommendations at their January meeting
- AHAS Technical Advisory Group – monthly discussions ongoing
- City Commissions and community briefings are underway, including — Landmarks Preservation Commission, Sustainable Tacoma Commission, Transportation Commission, Commission on Disabilities, Mayor’s Youth Commission, Commission on Immigrant and



Refugee Affairs, Homeless Action Coalition, Black Collective, Asia Pacific Cultural Center, and Neighborhood Councils

- Survey is live – Spanish, Russian, Khmer and Vietnamese versions will be up soon
- Virtual café series starts with session on Tacoma’s Housing Crisis (December 18th at noon)

Project Overview

As part of the City’s Affordable Housing Action Strategy, we are launching the **Home In Tacoma** project to evaluate diverse housing types and affordable housing incentives options throughout Tacoma. The intent is to increase housing supply, create affordable housing options, and increase the choice of housing types throughout our neighborhoods. For more information, visit www.cityoftacoma.org/homeintacoma.

Prior Commission, Taskforce and Council Actions

- Planning Commission workshop (11/18/20)
- City Council Study Session (11/10/20)
- Housing Equity Taskforce meetings (09/10/20, 10/08/20, 11/05/20, 12/03/20)
- Planning Commission Project Launch (09/02/20)
- Planning Commission Finalize Project Scope of Work (05/06/20)
- Planning Commission Public Hearing (02/19/20)
- Planning Commission authorized release of draft Scope and Assessment Report (01/15/20)
- Planning Commission sets Housing Equity Taskforce scope and participants (12/18/19)
- Planning Commission/Human Rights Commission–Housing Taskforce meeting (12/04/19)
- Human Rights Commission initial discussion of AHAS Planning actions (11/21/19)
- Planning Commission initial discussion of AHAS Planning actions (10/2/19)
- Council adoption of AHAS Housing Element updates (09/24/19)
- City Council acceptance of the AHAS (September 2018)

Next steps

- Planning Commission provides guidance to finalize the draft package for public review (02/03/21)

Staff Contact

Elliott Barnett, Senior Planner, (253) 312-4909, ebarnett@cityoftacoma.org

Attachments

1. Preliminary Recommendations – Discussion outline
2. Mentimeter exercises (Planning Commission, Sustainable Tacoma Commission, Housing Equity Taskforce)
3. Developer Focus Group meeting notes
4. Urban Form Chapter Future Land Use table

c. Peter Huffman, Director

ATTACHMENT 1

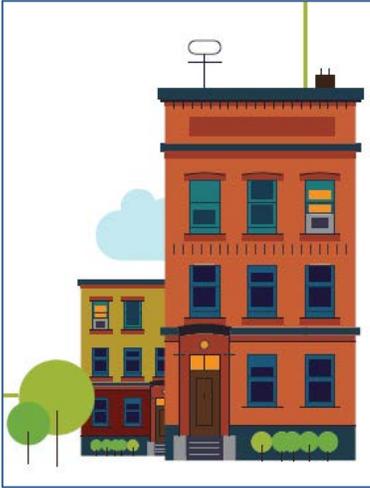
Home in Tacoma Project

PLANNING COMMISSION

Preliminary Recommendations

Discussion Guide

December 16, 2020



Staff request that the Commission provide guidance on these preliminary recommendations. The project team developed them based on Planning Commission direction to date, as well as on ongoing engagement and analysis. This memo also summarizes key themes from the November 18, 2020 workshop.

Once the Commission has weighed in, the project team will conduct feasibility and growth analyses of these potential actions to estimate how they would likely affect housing supply, affordability and choice. At the February 3, 2021 meeting, staff will also report on the Housing Choice Survey results, consultations with multiple stakeholder groups, and impacts and feasibility considerations. Staff will then ask the Commission to provide direction on which of these actions will be included in the public review draft.

Summary of preliminary recommendations

Land Use/Zoning/Standards Actions

1. Change Single-Family Land Use to Low-Density Residential
2. Expand mid-scale residential along Corridors
3. Create mid-scale residential transition zones around Centers
4. Establish design guidance for infill housing
5. Modify lot, parking and access standards to remove barriers to infill

Housing policy guidance

1. Set housing targets by income range
2. Refine policy guidance for affordability incentives and requirements
3. Clarify the priority placed on parking relative to housing affordability
4. Establish a City anti-displacement strategy
5. Provide tools to promote reuse of existing structures
6. Establish policies to achieve antiracism goals in housing

Administrative/supportive actions

1. Development barriers review
2. Technical support and education

Planning Commission Workshop – themes

At the November 18, 2020 workshop, the Commission held a fruitful discussion of the guiding principles, policy options, and issues including design and tradeoffs for achieving affordable housing supply. We heard the following as key themes:

- Creating fertile conditions for missing middle to develop is a top priority for achieving Tacoma’s housing goals
- Infill housing should respect existing neighborhood character
- A range of missing middle housing is appropriate depending on the neighborhood context (i.e., we need a nuanced approach)
- Scale, accessibility, orientation to the street, and affordability are important considerations to infill strategies
- Concerns that missing middle will not meet the greatest housing needs of very low income families
- Prioritize affordability to prevent displacement of existing residents

Based on that guidance, and informed by ongoing stakeholder engagement and analysis, we have updated the draft guiding principles and prepared this outline of preliminary recommended actions.

Guiding Principles for Housing Growth Strategy Changes

The updated guiding principles include three potential versions of the principle regarding affordability incentives, for discussion purposes.

1. Tacoma’s growth strategy should accommodate new demand and existing residents with a full range of housing choices to serve the spectrum of needs while minimizing the displacement of residents who are not served by the private market
2. Dense development should be concentrated in centers and corridors with mid-scale transition zones into lower-scale neighborhoods
3. A range of Missing middle infill housing types should be allowed in existing neighborhoods
4. Missing middle infill should be compatible in design and scale to minimize disruption in existing neighborhoods while providing opportunities for increased density through a form-based approach
5. Tacoma should use a range of tools, including affordability incentives/requirements, to produce housing that is affordable for lower income households not served by the housing market
6. Development incentives should produce units affordable to less than 80% AMI within the market framework (projects should pencil) [OR](#)
7. Development incentives should be designed to build a reliable source of funding to develop deeply affordable units <30% AMI with nonprofit partners

Preliminary Recommendations

Shifting from single-family to low-scale residential

Promote Missing Middle Housing infill by shifting from use-based system to a form-based system intended to ensure that infill fits with neighborhood patterns

LAND USE & ZONING:

Change the Single-family Land Use Designation to “Low-Scale Residential”

Avoid directing growth to sensitive areas:

- Growth in Critical areas, Airport Compatibility Overlay District, Shorelines and other sensitive areas should be avoided to protect resources and reduce hazards

Establish a new target density range (for planning purposes), and supportive policies:

- The current Single-family density range is 6 to 12 dwellings/acre (net)
- Missing Middle Housing types can range from 14 to 30+ dwellings/acre (net)

Allow more infill housing types:

- The following housing types become Permitted (in most circumstances)
 - Small lot single-family
 - 2-units (duplex, townhouse)
 - 3-units (triplex, townhouse, house + 2 ADUs)
 - Cottage housing
 - Shared housing/cohousing
- The following housing types are Permitted in some circumstances (for example, large lots, corner lots, lots with alleys):
 - Fourplex
 - Small multifamily (5 to 12 units)
 - Tiny/mobile homes

STANDARDS:

Update standards to facilitate infill and ensure compatibility

Compatible scale & design:

- Building bulk (height, width and depth) compatible with houses
- Functional yards/open space onsite, require street trees
- Design standards for specific housing types (such as townhouses, or cottages)

Make more space (by restoring traditional neighborhood patterns):

- Reduce minimum lot sizes (as low as 2500 sf) and widths (as low as 25 feet)
- Consider setback reductions (for example, the current front setback is 20 feet)
- Review code for barriers to infill housing

Pedestrian priority:

- Reduce parking requirements from 2 per unit to 1 (also makes space and reduces cost)
- Encourage alley access for cars
- Building and pedestrian orientation to street & sidewalk
- Encourage new housing with fewer physical barriers (“visitable”)

Support infill with infrastructure and services:

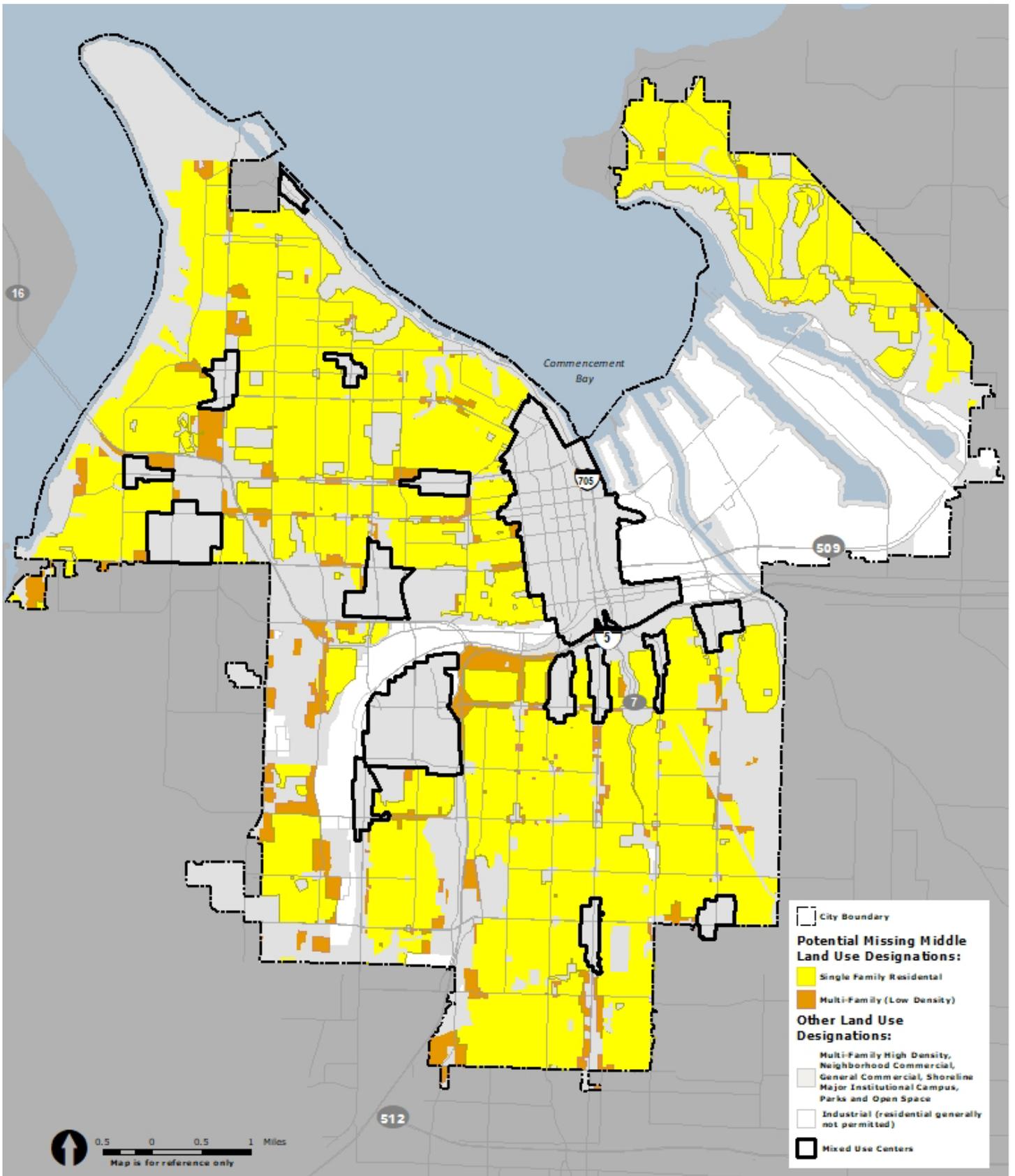
- Work with service providers to update utilities and infrastructure standards
- Work with transit, emergency services, schools and other providers on service planning

AFFORDABILITY INCENTIVES:

Utilize affordable housing incentives to target unmet need, where they can work with the market or support affordable housing providers

- Offer density & housing type flexibility bonuses for larger projects which include affordability
- Offer bonuses & flexibility to nonprofits & churches with an affordable housing mission
- Require affordability in exchange for residential upzones

Potential Low-scale Residential Neighborhoods



Expanding medium-scale residential neighborhoods

Create more space for a moderate urban scale, walkable and transit-served housing serving as a transition between Centers and Corridors and low-scale neighborhoods

LAND USE & ZONING:

Apply the Multi-family (Low-Density) Future Land Use Designation in more areas

- This FLUM designation allows a range of low to moderate scale multifamily housing

Evaluate the current target density of Multi-family Low Density Designation, along with policies:

- The current Multi-family (low-density) target range is 14 to 36 dwellings/acre (net)
- With more flexibility, the appropriate density may be higher than the current range

Apply the Multifamily Low Density designation to Corridors

- Corridors are transit-served & connect Centers/neighborhood business districts
- Establish Low-density Multifamily as a baseline, pending future corridor planning efforts

Apply Multi-family Low-Density designation within easy walking distance of Corridors

- Creates more housing within easy walking distance from Corridors (such as ¼-mile distance)
- Creates mid-scale transition areas to surrounding low-scale neighborhoods

Apply the Multi-family Low-Density designation within easy walking distance of Centers

- Creates more housing within easy walking distance from Corridors (such as ¼-mile distance)
- Creates mid-scale transition areas to surrounding low-scale neighborhoods

Allow most housing types:

- Allow mid-scale multi-family housing, in addition to those allowed in low-scale neighborhoods

STANDARDS:

Update standards for more urban, moderate-scale housing and to promote smoother transitions

A more urban scale & design features:

- Building bulk (height, width and depth) mid-scale between houses and denser areas
- Smaller yards and onsite open space
- Reduced minimum lot sizes and widths
- Reduced setbacks
- Transition standards for abutting low-scale neighborhoods
- Require street trees
- Design standards for specific housing types (such as courtyard apartments)

Pedestrian priority:

- Parking – 1 or fewer stalls per unit
- Encourage alley access for cars
- Building and pedestrian orientation to street & sidewalk
- Encourage “visitability”; ADA accessibility required for larger buildings

Support infill with infrastructure and services:

- Work with service providers to update utilities and infrastructure standards
- Work with transit, emergency services, schools and other providers on service planning

AFFORDABILITY INCENTIVES:

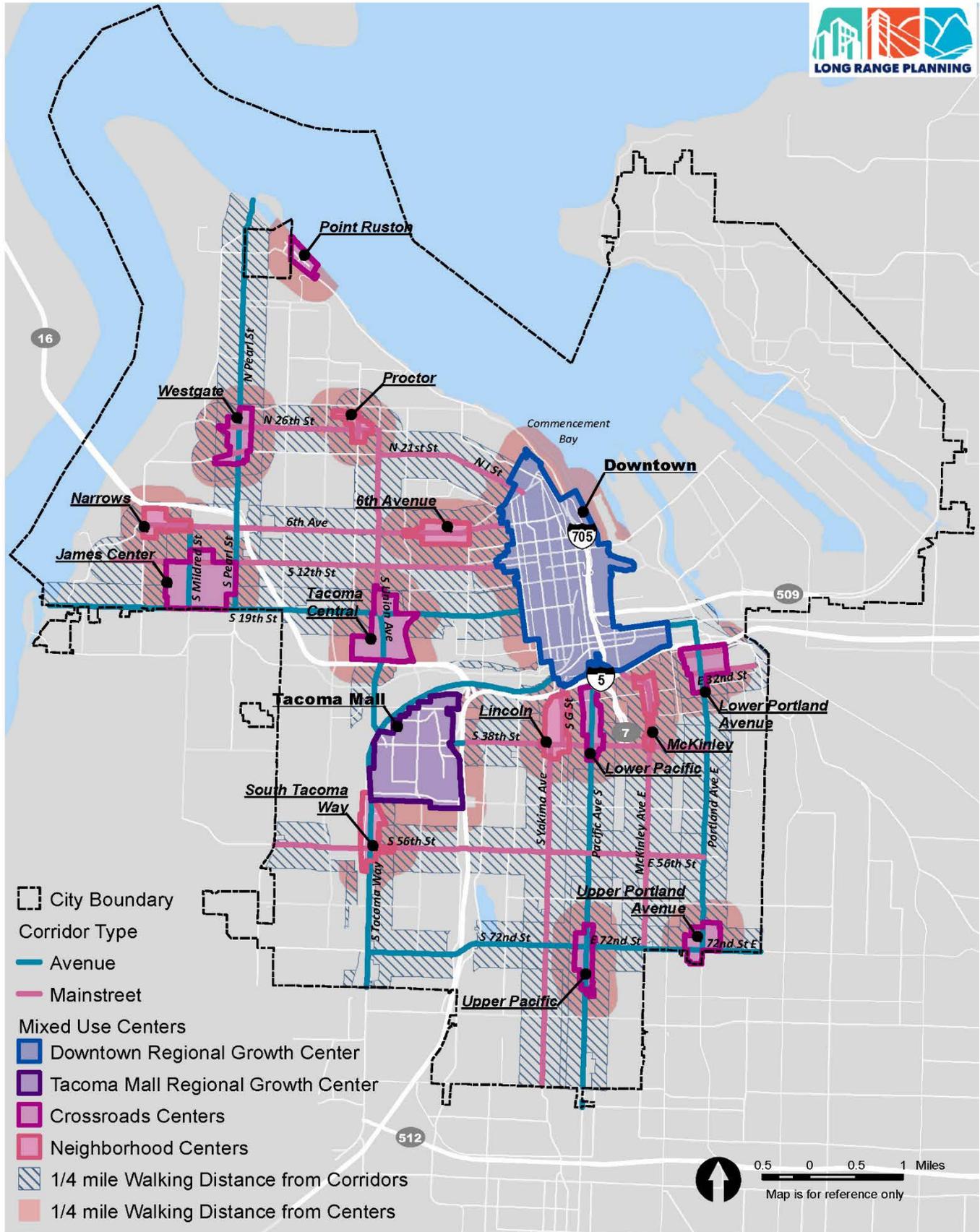
Utilize affordable housing incentives where they can work with the market

- Offer bonuses (height, density, reduced parking) in exchange for affordable units
- Extend Multifamily Tax Exemptions (in some or all mid-scale residential areas), tied to affordability (the 12-year option)

Potential Additional Medium-Scale Residential Neighborhoods



Document Path: Z:\GADS\R2018\R286\MXD\P117_Potential Additional Medium-scale Residential Neighborhoods 8x11 120920.mxd Author Name: aabramovich



Housing policy guidance

Policy and strategic guidance needed to support housing supply, choice and affordability and guide housing growth strategy changes

Set housing growth targets for different household income levels:

The One Tacoma Plan currently has only one housing growth target tied to affordability—that 25% of new housing should be affordable to households earning 80% of AMI. What should City targets be for:

- Production of housing affordable at moderately low incomes (80% of AMI)
- Production of housing affordable at low incomes (50% of AMI)
- Production of housing affordable at very low incomes (30% of AMI)

The City also needs to clarify what housing growth strategies can serve each of these income levels. Strategies are likely to include an increasing public interventions as incomes are lower.

Refine policy guidance for affordability incentives and requirements:

The private market is not likely to generate housing affordable below some income threshold, leaving unmet need for lower income households. Serving that unmet need is the purpose of affordability incentives (or requirements). The project will apply market analysis to adopt policy guidance addressing the following questions:

- How can the City make the most effective use of its limited capacity to offer bonuses?
- Is there a particular income range that would be the best served by these tools?
- What bonuses are both consistent with Tacoma’s growth vision and of significant value to developers?
- Should strategies be tailored for different areas of the City?
- How does the city need to change our regulatory structure to work better?

Clarify the priority placed on parking relative to housing goals:

Parking is a big part of the cost of development and takes up space which could be used for housing. Over time the Council has generally reduced parking requirements, and this may continue through the Home In Tacoma Project. Through this effort we will seek to clarify the City’s policy intent for off-street parking as it interfaces with housing goals. What is the right balance?

Establish a City anti-displacement strategy:

Lower income Tacoma residents are already experiencing displacement, and displacement risk will continue to increase as the city and region grow. What tools can the City put into place to reduce displacement risk or address its impacts? This effort will identify tools that the City can bring to bear, including affordable housing production, to help people, businesses and institutions to remain in their neighborhoods.

Provide tools to promote reuse of existing structures:

Allowing infill housing will accelerate the rate of change in existing neighborhoods. How can the City balance housing supply goals with preserving viable existing housing? This effort will identify policy options to strike the best balance.

Establish policies to achieve antiracism goals in housing:

People of color are less likely to live in high opportunity areas, and today’s neighborhoods continue to reflect past systematic racism through redlining and restrictive covenants. What strategies can the City take to promote equitable access to opportunity for housing and accumulating family wealth for people of color?

Administrative/Supportive actions

Administrative, permitting, educational, technical and other actions the City can take to support infill housing development

Development barriers review

The City and TPU are responsible for ensuring safety, functionality and consistency with applicable rules and standards for new development. However, building, utility and infrastructure permitting cost/timeline and construction costs drive up the cost of developing new housing units. This effort will identify potential to lower the cost of developing and maintaining infill housing by:

- Assessing building, utility and infrastructure standards for opportunities to promote infill housing, while ensuring consistency with legal, functional and safety requirements
- Assessing the potential for permit and/or utility fee subsidies or waivers
- Assessing potential to use conservation methods to reduce ongoing household expenses
- Streamlining the permitting process for new infill housing projects

Technical support and education

The City is also exploring how to support infill development with information and education. Potential actions include the following:

- Providing preapproved Accessory Dwelling Unit plans or other guidance
- Providing design guidance for other infill housing types
- Providing how-to guides for homeowners and developers for infill housing
- Working to build development and finance industry comfort with Missing Middle Housing types
- If funding were available, partnering with the finance industry to assist with financing for infill housing types

PROJECT STATUS:

Inputs utilized to develop preliminary recommendations

- Comprehensive Plan, Affordable Housing Action Strategy, Council policy direction (see Scoping Report)
- Planning Commission Scoping Process
- Planning Commission Workshop (November 18, 2020)
- Consultation with the Housing Equity Taskforce, AHAS Technical Advisory Group and City Commissions (Sustainable Tacoma Commission) to date
- Developer Focus Group input (November 12, 2020)
- Draft Housing Needs Assessment

Next steps

- Market analysis to estimate change to housing production by housing type and price points
- Consultation with additional City Commissions and stakeholder groups
- Housing Equity Taskforce recommendations coming in January
- Departmental and environmental review
- Housing Choice Survey results
- Develop near-term code changes

The Commission will review these inputs along with a preliminary draft package at its February 3, 2021 meeting. At that meeting, staff will ask for direction to finalize the public review draft package later in February.

What will be in the public review package?

Housing Action Plan: The analysis and full list of housing growth strategy actions to be implemented over time

One Tacoma Comprehensive Plan: Housing Element and Urban Form Element changes to reflect policy direction

Near-term code changes: Changes to address known code issues, for consistency with state law, and to update the Affordable Housing Incentives Administrative Code

SEPA determination: City review of potential environmental impacts and mitigation actions as warranted

What comes after June 2021?

The City Council has directed staff and the Commission to provide zoning and development standards updates to implement the adopted policy direction by December of 2021. This package will include:

1. Zoning changes to implement adopted housing growth strategy changes
2. Standards updates to implement adopted housing growth strategy changes
3. Incentive bonus program changes
4. Actions to support implementation or address impacts
5. Administrative/process/educational actions

Planning Commission Workshop - Nov. 18, 2020

Home In Tacoma Project - DISCUSSION

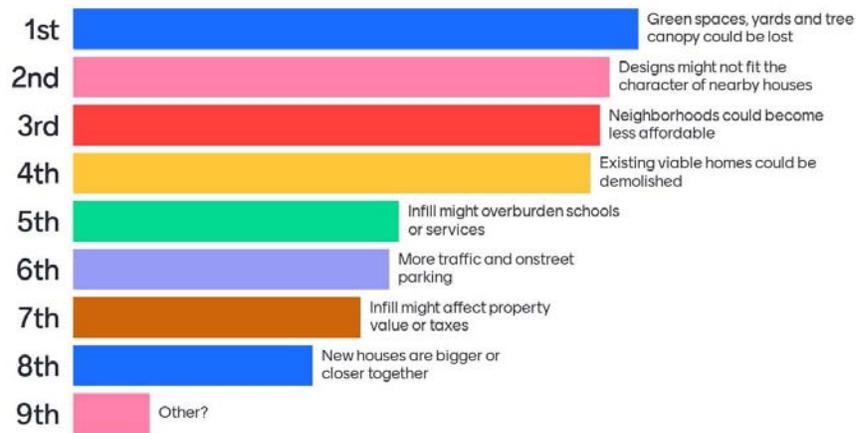
- Guiding Principles
- Infill (Missing Middle)
- Incentives (higher density housing)



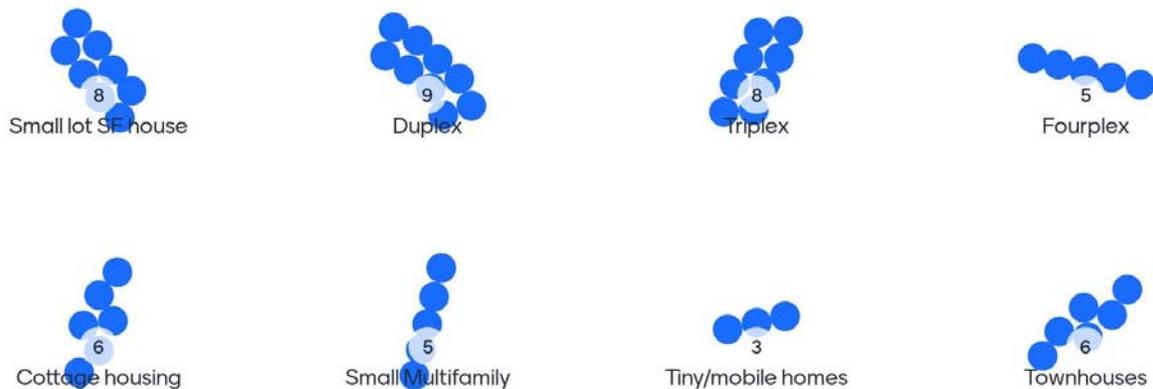
Home In Tacoma Project: Guiding Principles



Infill: Rank potential concerns about infill (from biggest to smallest)



Infill: What Missing Middle housing types are appropriate in established neighbors?



Infill: What design features are critical for infill?



Infill: How do we balance housing goals with minimizing disruption to existing neighborhoods and residents?

<p>Education, Outreach, Public engagement Taking our time.</p>	<p>We need to adopt development standards so infill matches the intended scale and character of the neighborhood/corridor/center.</p>	<p>Prioritize missing middle housing types that are consistent with existing neighborhood affordability per unit.</p>
<p>Give neighborhoods a real incentive to want the growth: strongly pair upzoning with new amenities, upgraded infrastructure and public services.</p>	<p>First, focus growth on the designated centers and corridors. Then find the right scale and types of infill based on characteristics. Develop standards where current owners will be encouraged to develop, densify, and stay in community.</p>	<p>Surrounding communities (cities/county) need to do their part to plan for housing so Tacoma is not burdened with providing the affordable housing for the entire region.</p>
<p>new developments should keep the character of the existing neighborhood- build things that people who are already there will find useful and helpful</p>	<p>Change peoples perception on infill</p>	

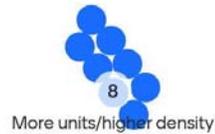
Incentives: What potential concerns do you have regarding higher density development?

Mentimeter



Incentives: What tradeoffs are you willing to make to build more units?

Mentimeter



Incentives: Incentives work through the market to serve unmet need. How can we calibrate our tools to be most effective?

 Mentimeter



What else do you want to tell us? What have we missed? Take-homes?

 Mentimeter



HET Meeting

Dec. 3, 2020

Objective: Build concurrence on equity & antiracism housing recommendations.

Next step: Take formal action (at the January meeting) to forward HET recommendations.

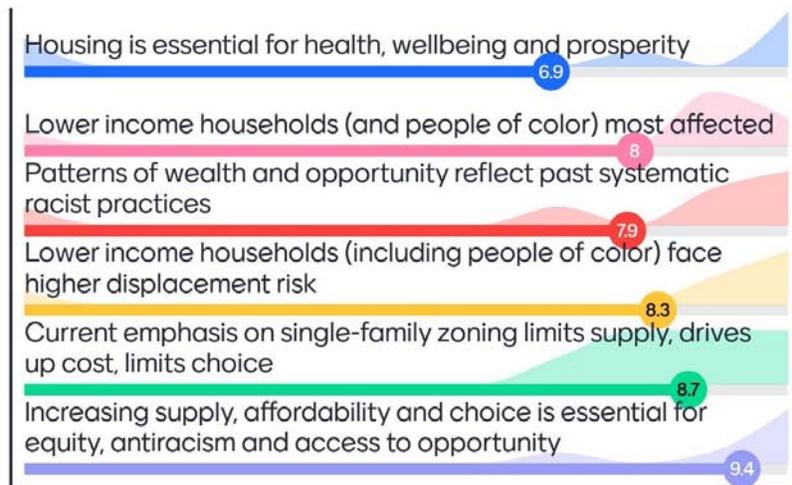


Discussion Guide

- Findings
- Guiding principles
- Achieving balance with MM housing
- Equity concerns
- Infill Design
- Tradeoffs for more housing
- Supportive actions



Equity and antiracism findings



What should be added or changed?

City needs more access to funding and creative financing leading to home ownership	We need more local, living wage job opportunities to elevate individual incomes so households can choose the housing they desire.	Housing styles and preferences may reflect cultural heritages.
This is not just an issue that low-income or people of color experience- we need to make it clear that this is an issue that affects us all	Tackling housing issue is more important than playing politics	Our current lack of affordable housing continues to keep Black families from growing wealth.
We have some great walkable neighborhoods in Tacoma, but not everyone has the choice to live in them because there isn't vacancy at price points for all incomes	understanding what being cost-burdened means and how to avoid it to avoid displacement	Consider the extra costs that come with multi-family/attached housing (e.g., associate dues, special assessments)



What should be added or changed?

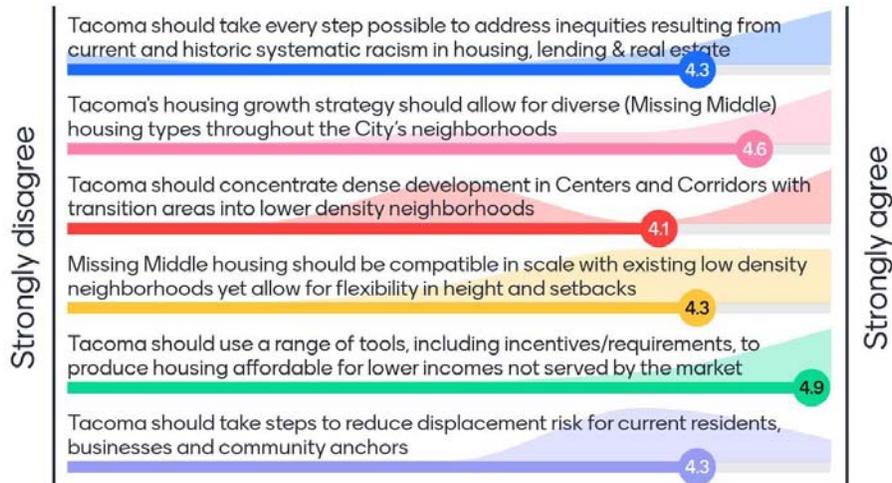
options for housing- homebuying is not the end all be all nor is it for everyone

The needs of very low income households are not being addressed by the current system of incentives for developing housing.

Parking costs are normally bundled into the cost of an apartment or condo, regardless of whether they are needed by the people renting the unit



Guiding Principles



What should be added or changed?

We need to audit lending and appraisal practices

Conduct a very solid community education program that presents changes as positive solutions rather than permanent challenges

Collaboration with neighboring jurisdictions (this is not just a Tacoma problem)

We need to think about flexibility when it comes to smaller multi family projects so that zoning doesn't hinder the location of infill

Special assessments to address deferred public utilities/facilities is not very fair

Neighborhoods with lower income people and diversity are concentrated in the city should have better infrastructure to support housing choice in those neighborhoods

Refer to cities where this type of growth has been positive when presenting and educating public

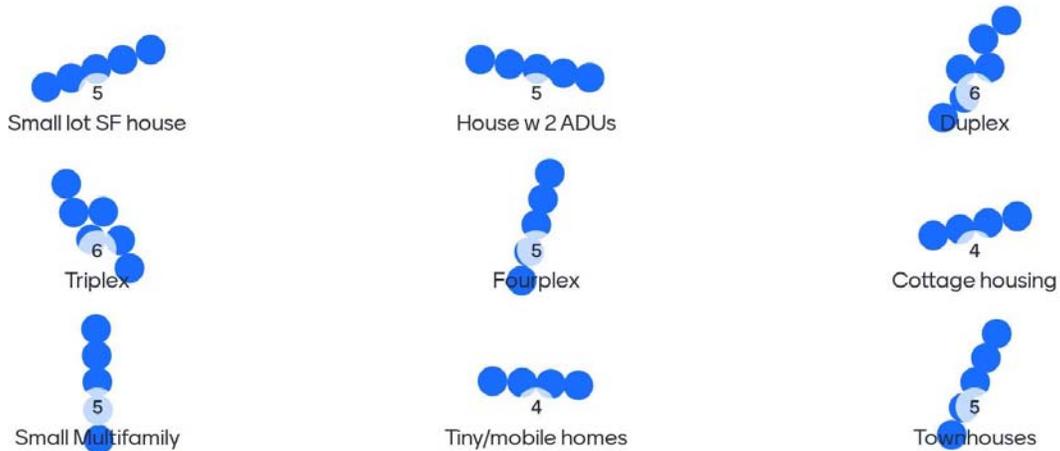


<p>SF House & ADUs</p>   <p>Small lot SF house</p>	<p>Duplex, triplex</p>   <p>Tiny/mobile house</p>	<p>Cottage housing</p>   <p>Townhouses</p>	<p>Fourplex</p>   <p>Small multifamily</p>
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Infill: What Missing Middle housing types are appropriate in established neighbors?

Mentimeter



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Infill concerns

Mentimeter

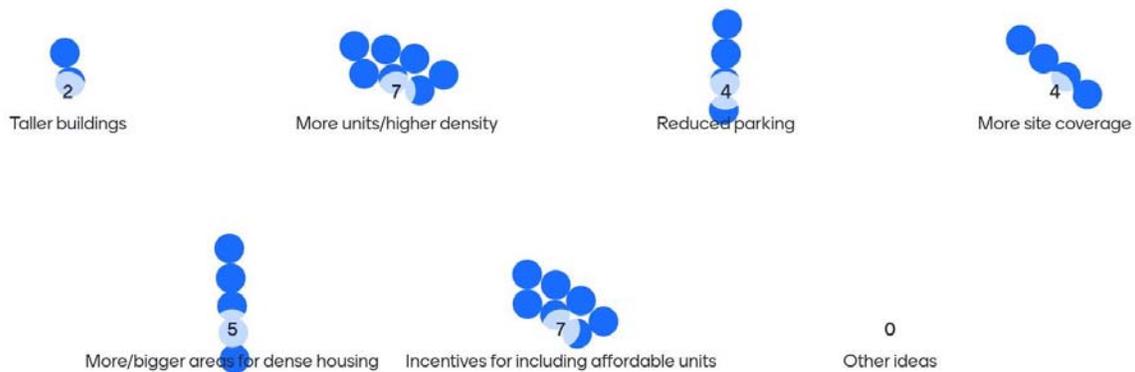


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What design features are the most critical for infill?



What tradeoffs are you willing to make to build more units?



Supportive Actions



Imagine a more equitable future





Home In Tacoma Project - DISCUSSION

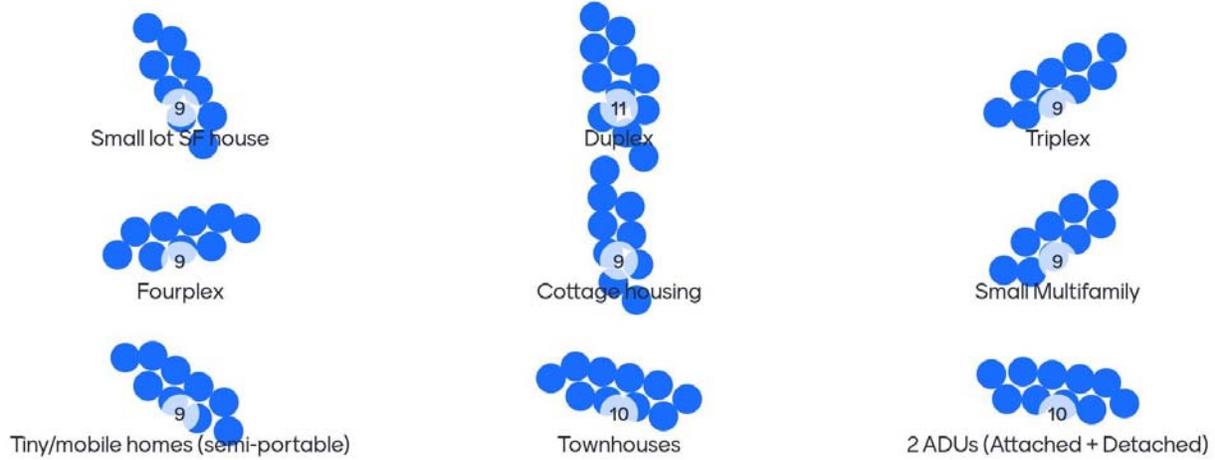


Sustainable Tacoma Commission

Nov. 19, 2020



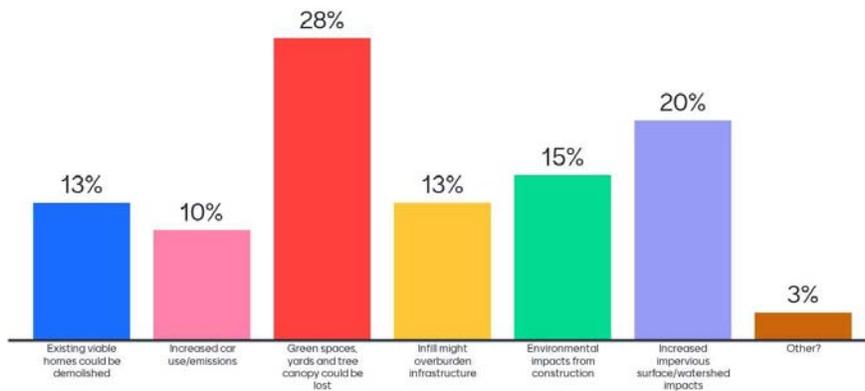
What Missing Middle housing types are appropriate in established neighbors?



What features of infill would promote environmental goals?



What potential concerns do you have about infill from an environmental perspective?



How can sustainability and housing actions leverage each other?

Leverage TOD	Density and walkability directly tie into environmental outcomes, including lowering GHG impacts.	Density is green and is the best path forward to sustainability, so infill is essential.
By creating affordable housing for marginalized communities that also prioritizes environmental safety and quality of life.	Choice of housing actions directly impact energy use, pollution, equity and community.	Building up and while preserving green areas, and developing around transit hubs. Development and transit have to be done together as its difficult and expensive to retro fit transit to fit a landscape.
Make opportunities and development equitable. Center investments in low opportunity neighborhoods. Compensate Community members to be part of planning	but resources into the small business districts and encourage density in those areas	Carbon neutral buildings and homes that are self sustainable and have grocery stores and amenities nearby or at street level if building up.



How can sustainability and housing actions leverage each other?

Create a culture of growing and raising food at home

Tiny house communities



MEMORANDUM

To: City of Tacoma
From: Julia Jones
Re: Notes from Developer Focus Group on 11/12/2020
Date: November 13, 2020

Introductions

- *Ken Miller—we are DADU homes. We build better cities one small house a time. Build in people's backyard in Tacoma, Pierce County, and South Sound. Started in public housing has been around housing policy.*
- *Michael Mirra—Executive director of Tacoma Housing Authority the largest source of affordable housing dollars in South PS—focus on the neediest. Main way is help folks pay their rent through rental assistance (serve 4,000 households that way). Very much a demand-oriented program that is not working well in Tacoma—trouble with vouchers keeping up with rising rents, low vacancy rates. The 2nd way we help people is by building affordable housing developments—we serve 1,500 folks that way. The 3^d way is we help nonprofits who share our mission to develop affordable housing—help to finance and develop it, sometimes we give land, sometimes we guarantee rents.*
- *Jill Sousa—Residential architect in Tacoma. I do mostly custom homes, working not on speculative market. Also designs ADUs and has worked with Ken Miller at DADU.*
- *Ryan Meacham—Real estate for 20 years in Tacoma and Pierce County. Recently, in the past 5 years, started building infill housing in small lot developments and small multifamily in neighborhood commercial zoning—squeezing in units typically less than 4 units. Working price range for single family homes is \$500-\$800 thousand and for multifamily 1-2-bedroom smaller units rents are \$1,000 to \$1,700 throughout Tacoma.*
- *Ken Miller—Jill is also working with the City of Renton to create ADU plans.*
- *Elliott—with long range planning at City of Tacoma.*
- *Debbie—City economic development multifamily tax exemption program.*
- *Reggie—Louis Rudolph homes. He has background in single family housing and is committed to building in Tacoma. Focus on what is known as missing middle duplexes, fourplexes, building on infill lots. Optimistic to make code changes as early as next spring. Supply and demand drive everything. The permitting process needs to work more efficiently to create more inventory.*
- *Kathy—Heads up real estate development for Tacoma Housing Authority. They are doing extensive work in hilltop—a number of people would like to take existing homes and*

turn part of it into a rental unit and keep living there. Folks need help with how to go through permit process to build a small house on the lot. They look at this as an opportunity to build wealth. Give residents the tools they need to do this!

- *Amanda—Executive Director of Tacoma-Pierce County Affordable Housing Consortia.*
- *Cathy Reines—With HOST development a multifamily developer. They have completed 2 projects in Tacoma one in district, one downtown. They broke ground on MLK recently and have a relationship with THA through CHAPS program—providing housing for students in the County looking to continue to expand in Tacoma market. Affordable housing is the primary mission for our company.*
- *Eric Greene—Pacific wall systems in Olympia. Working with other cities on ADU and affordable housing plans.*

Housing Market/Demand

Let's first talk about Tacoma's housing market in general. In your opinion, where is the largest demand for housing in terms of price points, for rental and for sale housing?

- *This question has been extensively answered. The need is greatest the lower you go and layer of supportive services as well over top as well.*
- *For ownership there are needs at almost all price ranges. Entry price ranges are being pushed out to other communities anything under \$350,000 there is a huge shortage. There is also a shortage from \$350,000-\$500,000—outside of that you can largely find homes.*

Developing Housing in Tacoma

What needs to change in the code?

- *A few tweaks could help: daylight plane, reactions of neighbors, carriage house models most wise, adds mass to backyards, people who want them are in northend and the lots are not big enough.*
- *Daylight plane, side setback and height—right now ADUs have to be below height of primary residence.*
- *Renton is going to try to have land use planner make these decisions if it will work, how high is your house etc. design compatibility is an issue, puts a lot of burden onto land use and planning to decide and give plan to the person, does it fit, does it fit setback?*
- *Would love to be able to build a plan, all the expertise is around site planning not building planning, architects and engineers are a choke point, Tacoma has a sluggish slow process, absolutely no sense of momentum or urgency, its complex and needs expertise—opposite of the tone you want to convey.*
- *There are so many regulations. Can we have preapproved site plans for these things? Hard to get it done, get into the city and everyone is energetic about making it work then*

it turns into a cumbersome process. You have to understand every nuance to get anything through code.

Is this a criticism of the code itself or the process?

- *Too many different aspects of code and different departments have different opinion about how things need to be done. Nothing consolidated into one section—code is too scattered out—intent of the planners are gracious.*
- *Example: fire department if you have a 100 foot lot you might have to sprinkler the ADU which comes from Curb—other jurisdictions are from the property line—also does a lot of attached ADUs because they were the first allowed—wise thing to do but takes some professional planning to figure out how to do it. A lot of people have them but people don't know about—allows people to stay in their home longer—give people a source of rental income would be a great policy.*
- *Redundancy in the review process on the site plan or building plan, we can easily today if a plan is approved through the city it does not need to be approved again. Don't review a plan more than once. The city is great the land use code is great best in the country the development department the way they look at stormwater management is excellent.*
- *Costs of permitting have gone up significantly over the last few years 25% to 30% within the top 5 line items in cost of construction. In February 2021, they may adopt new energy code which increases costs—difficulty in building inexpensive homes—boost prices up to cover these costs makes you lose entry level homes*
- *We haven't touched on the opportunities that rely on new technology waste management systems relieve the need for sewage hookup and excavation around the world developing new ways to build—not feasible in Tacoma.*
- *New stormwater management act add money to costs of development?*
- *Infiltration trench and splash box makes water go into the ground. Expensive items that have gone up in 2013 they were \$1,500 now \$4,000.*

Tacoma's Existing Programs

Infill Pilot 2.0: Council updated the program in October 2020.

- *Read into existing pilot program and could not make the density map work couldn't make 1.5 cottages per lot could not make it work to sell OR keep as rentals. Currently, there is not enough of a bonus they had to build a single family home to get more money—was thinking 2.5 the density would make it worthwhile—open space requirements etc. are confusing.*
- *Without the recent changes, what did you think of the original pilot program?*

- *Density and open space were the issue—single family returned so much more it didn't make any sense also cannot build more contemporary—roof pitches etc were given.*
- *There is potential in multifamily to collaborate with single family and create a neighborhood with different types of housing units each of us tends to focus on what we do best, from regulators perspective just looks like one thing. How do we design in a more integrated way?*
- *Love the concept but have no idea how to make it happen*

If everything were aligned what is the minimum dollar amount to build a townhome?

- *\$140,000 to \$150,000*

Are there products that would be able to hit \$350,000 price point?

- *The city is currently considering upzoning R1 and R2 to R4 designation—that would be huge. The upzoning would create the opportunity to build more townhomes which is one answer to affordable housing at the entry level. This upzoning takes each lot and provides a 300% increase in the number of people that can reside on that lot. We would need to address parking for these lots. Personally, I think parking is overrated and units are more important than parking—parking will take care of itself.*

Would you deed restrict those units to ensure affordability?

- *Wouldn't have a problem if we did something similar to mixed use requirements. Could require up to 25% affordable without hurting the developer.*
- *There is an untapped market for townhomes—in entry level homebuyers would feel okay with shared walls. The other option is condominiums but liability is the issue there. Problem in Tacoma with townhomes is that land use is restrictive of them. For example, driveways are too wide. Overall, it seems to be a difficult path to design a siteplan to fit multiples townhomes in Tacoma.*

ADU update in 2019: Allowed detached ADUs in single-family zoning districts; Removed a requirement that the property owner occupy one of the dwellings; Reduced regulatory barriers and increased flexibility regarding lot size, building design, size and location; Included design, location and building controls intended to ensure that ADUs fit the scale and character of the surrounding neighborhood.

- *Offer a studio ADU that is 350 sq ft for \$75,000.*
- *Tacoma is the next city to really start moving, bigger projects coming to town, a lot of movement in larger markets, we need to get back into the smaller markets. ADU development is where we found a niche in southern Oregon to give lower rent to folks in an ADU. Residents are able to give affordable rent in their backyard, cities down there are waiving the fees for homeowners, enables people to build and get more product for their money.*

What price control is put in place?

- *These units don't have a rent cap but run with the common rent and ADUs rent a bit less, so it is more affordable \$800-\$1,100 a month virtually impossible in the city.*
- *Designing 20 some ADUs for rent to give to their citizens free. This takes cost of design out of it and getting fees eliminated for at least the first year.*
- *Similar 6 kits or plans in a kit style situation can buy it over the counter. These plans are proven and built multiple times cost and feasibility of that becomes much better.*
- *In Tacoma has been trying to warn people it is hard to put ADUs on the sites in Tacoma when you add restrictions up 50 foot wide lots can't fit some of the structures on, design compatibility—parking is one of the huge issues.*

Affordable Housing Incentives and Bonuses. Of the following initiatives the city has undertaken, with which do you have most experience? Have you considered taking advantage of the density bonuses? Why or why not? What would need to change to make you consider participating in the initiatives?

- *Commend MFTEP it allows us to push our rents down. All rents in these buildings are below 80% median income including utilities and high speed internet.*
- *We take advantage of the 12 year program. For us if we can get those costs out of annual operating expenses we can lower rents.*

Cost per door for multifamily units?

- *Close to the cost to build an ADU – come back to me to check*
- *Our costs depending on what we are building we are about \$130 to \$150 per square foot not including land.*
- *The city including Tacoma public utilities \$6-\$7k in permit fees \$9-\$10k utility hookups—these may be necessary but they are costs nonetheless – waiving some of these fees would be helpful.*
- *The people on the screen are not representative of the developer community. There is no guarantee for affordable rents.*
- *How does the city recapture some of the increase in value around public investment to avoid displacement? What percentage of resulting units affordable by requirement? What is the income target? What do you mean by affordability? What is the duration of the affordability?*
- *A project we just completed this year \$136,000 ALL COSTS INCLUDED per door average rent \$850 and 152 units.*

- *Another problem when Tacoma housing authority build units our costs are much higher than that due to the nature of financing. Private lenders and the City of Tacoma could bring down those costs if they chose to.*

What really moves the needle?

- *Use LIHTC program for multifamily and have a number of regulatory hoops. Have to pay prevailing wage rates, attorneys and accountants, highly regulated, requires a lot of oversight, local banks ladle fees on top of that.*
- *For us a simple change to be made—an extra floor of wood construction. This would be a building code change. Seattle has this and the potential is huge we could have generated another 30 units—most costs associate with that are fixed. This is a simple thing to be done in Tacoma if height limits support that. High rise building code is expensive no high rise really in Tacoma anyway not sure that is where they should go.*

Density bonuses—How much height? What could be changed?

- *With \$6,000 in waived fees, there is no direct correlation between that and a developer lowering their costs. If the city waived that \$6,000 what happens is the developer gets to inject xxx number into the local economy, that return on investment is huge. Right now we have a supply issue and we can't drive the price down if there is not more product. The tax incentive and ADU program have great value—also for the local jobs created here there are tons of subs in Tacoma/Pierce County going all the way to Seattle because not as much work here.*

How has the pandemic changed demand? Development costs? Program effectiveness?

- *For us demand has been fine, but driven by the fact they offer affordability. Delinquencies are a challenge—it's the retail workers by and large the group suffering with layoffs and furloughs, has been a challenge. There is a commitment from that group to maintain their housing. Because we manage our own properties, we are working with those individuals on payment plans and keeping people in units. Definitely seeing an uptick in delinquencies. No movements in development costs seeing some costs going up lumber for example probably stabilized because some went up some went down.*
- *Pandemics main impact: newly impoverished families, displacement and homelessness that is unprecedented, large real estate investment funds ready to buy out distressed properties, private subsidized market will turn to speculative out of state and exasperate the difficulties describing and put a greater premium of policies that need to resist market trends, market trends are unfavorable and going to get worse.*
- *THA main renter family is 25% of AMI really low and there are more of those families now they need 2 bedroom apartment rents of \$550-\$700 per month.*

- *Challenge for more and more as people are unemployed*
- *Need Mortgage lenders and landlords to give grace in this time—small landlords really struggling.*
- *Some of the other impacts of pandemic, lenders are not lending unless they have established relationships and they are cherry picking those projects, banks have capital but worried about the market, value of tax credits have dropped, but still have high construction costs supply chain breaking down.*
- *Every dime matters*
- *City of Tacoma is backing into a long term definition of itself affordability is a function of supply/demand increase supply or reduce demand—need to increase supply those who can will remove themselves from the market, leaving behind populations who cant go and are more expensive to serve.*

Solutions to Specific Needs

- *Creating density near transportation is critical. With density comes lower costs because developers are able to maximize on the density and get rents down. Anything we can do to push rents down and put units near transit.*
- *Should also be talking about the terrible condition of Public Transportation in the city—unrealistic to have a no car environment in Tacoma at this time.*

Closing

Thank you for your time.

- *How are we different from the BERK group who has studied this in the past? How are we different?*

GOALS + POLICIES

CITYWIDE DESIGN + DEVELOPMENT

GOAL UF-1 Guide development, growth, and infrastructure investment to support positive outcomes for all Tacomans.

Policy UF-1.1 Ensure that the Comprehensive Plan Land Use Map establishes and maintains land use designations that can accommodate planned population and employment growth. See Figure 2, Comprehensive Plan Future Land Use Map.

Tacoma's growth target is for 127,000 NEW RESIDENTS and 97,000 NEW JOBS by 2040.

LAND USE DESIGNATIONS

The Future Land Use Map illustrates the City's intended future land use pattern through the geographic distribution of residential and commercial areas, the designation of mixed-use and manufacturing/industrial centers, as well as shoreline and single-family detached designations. This land use distribution was a result of analysis of the urban form policies, existing land use and zoning, development trends, anticipated land use needs and desirable growth and development goals. Various types of zoning and land use may be permitted within each of the designations. The map is to be used in conjunction with the adopted policies of the Comprehensive Plan for any land use decision.

The land use designations are established by adoption of the Comprehensive Plan and amendments thereof. The Future Land Use Map is the official land use map of the City, and is maintained by the Planning and Development Services Department in an electronic format to facilitate its accurate use and implementation.

The Future Land Use Map and the designations in Table 3 on page 2-7 provide a basis for applying zoning districts and for making land use decisions. Policies should be considered and interpreted in accordance with the geographic characteristics of the mapped areas. Table 3 depicts the relationship between the land use designations and zoning classifications.

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.

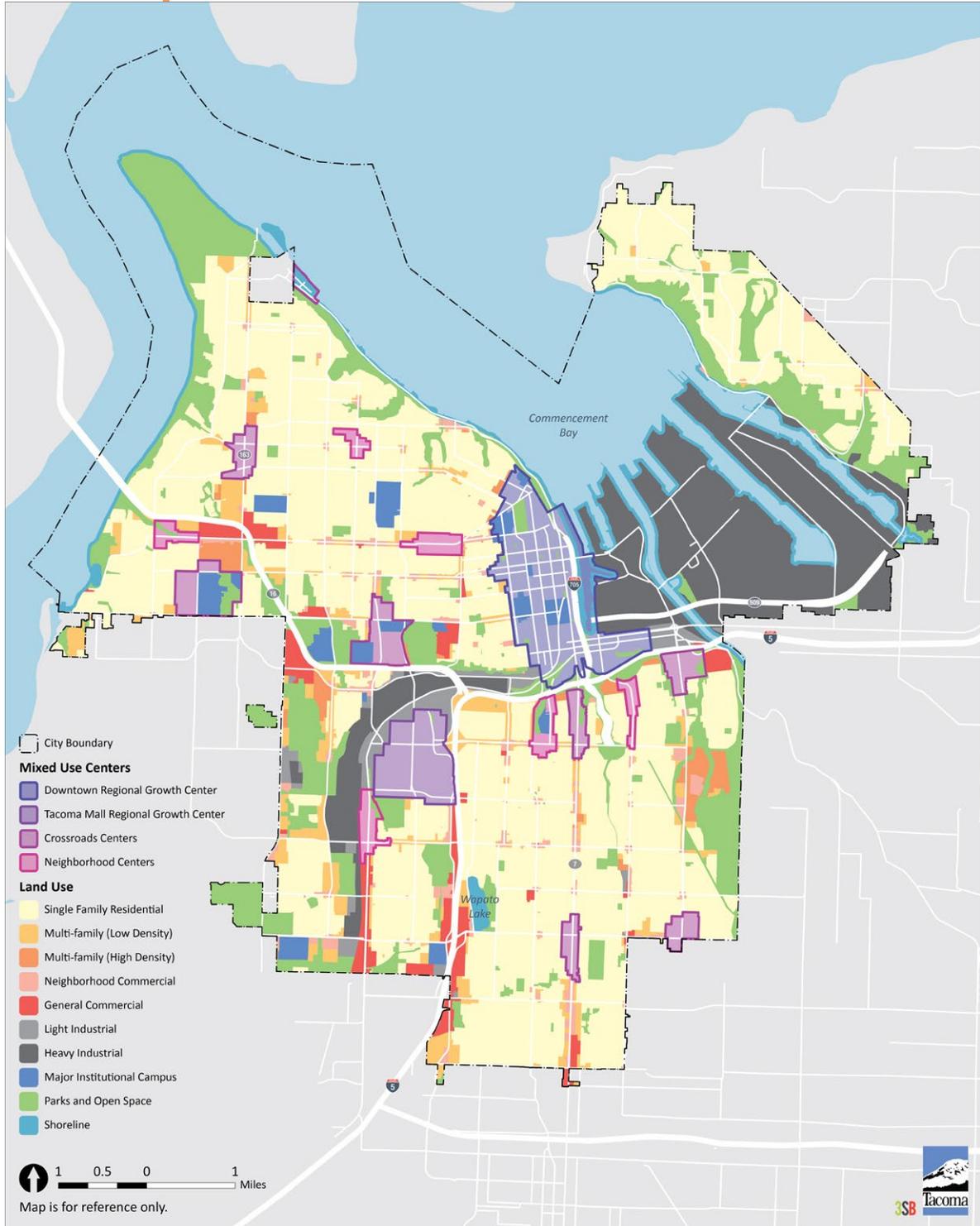


FIGURE 2. Comprehensive Plan Future Land Use Map

TABLE 3. Comprehensive Plan Future Land Use Designations and Corresponding Zoning

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATIONS	CORRESPONDING ZONING
<p>Single Family Residential</p> <p>Qualities associated with single-family residential designations that are desirable include: low noise levels, limited traffic, large setbacks, private yards, small scale buildings, and low-density development. Community facilities, such as parks, schools, day cares, and religious facilities are also desirable components of residential neighborhoods. Limited allowances for other types of residential development are also provided for in the single family designation with additional review to ensure compatibility with the desired, overarching single-family character. In some instances, such as the HMR-SRD, areas designated for single family residential development have an historic mix of residential densities and housing types which should be maintained while allowing for continued expansion of housing options consistent with the single family designation.</p> <p><i>Target Development Density: 6–12 dwelling units/net acre</i></p>	<p>R-1 Single-Family Dwelling District</p> <p>R-2 Single-Family Dwelling District</p> <p>R-2SRD Residential Special Review District</p> <p>HMR-SRD Historic Mixed Residential Special Review District</p>
<p>Multi-Family (low-density)</p> <p>This district enjoys many of the same qualities as single-family neighborhoods such as low traffic volumes and noise, larger setbacks, and small-scale development, while allowing for multi-family uses and increased density along with community facilities and institutions. The Multi-Family (low-density) district can often act as a transition between the single-family designation and the greater density and higher intensity uses that can be found in the Multi-Family (high density designation) or commercial or mixed-use designations. This designation is more transit-supportive than the Single Family Residential areas and is appropriate along transit routes and within walking distance of transit station areas.</p> <p><i>Target Development Density: 14–36 dwelling units/net acre</i></p>	<p>R-3 Two-Family Dwelling District</p> <p>R-4L Low-Density Multiple-Family Dwelling District</p>
<p>Multi-Family (high-density)</p> <p>This designation allows for a wide range of residential housing types at medium and higher density levels, along with community facilities and institutions, and some limited commercial uses and mixed-use buildings. It is characterized by taller buildings, higher traffic volumes, reduced setbacks, limited private yard space, and greater noise levels. These areas are generally found in the central city and along major transportation corridors where there is increased access to public transportation and to employment centers.</p> <p><i>Target Development Density: 45–75 dwelling units/net acre</i></p>	<p>R-4 Multiple-Family Dwelling District</p> <p>R-5 Multiple-Family Dwelling District</p>

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATIONS

CORRESPONDING ZONING

Neighborhood Commercial

This designation is characterized primarily by small-scale neighborhood businesses with some residential and institutional uses. Uses within these areas have low to moderate traffic generation, shorter operating hours, smaller buildings and sites, and less signage than general commercial or mixed-use areas. There is a greater emphasis on small businesses and development that is compatible with nearby, lower intensity residential areas.

Target Development Density: 14–36 dwelling units/net acre

- C-1** General Neighborhood Commercial District
- T** Transitional District

General Commercial

This designation encompasses areas for medium to high intensity commercial uses which serves a large community base with a broad range of larger scale uses. These areas also allow for a wide variety of residential development, community facilities, institutional uses, and some limited production and storage uses. These areas are generally located along major transportation corridors, often with reasonably direct access to a highway. This designation is characterized by larger-scale buildings, longer operating hours, and moderate to high traffic generation.

Target Development Density: 45–75 dwelling units/net acre

- PDB** Planned Development Business District
- HM** Hospital Medical District
- C-2** General Community Commercial District

Downtown Regional Growth Center

The downtown center is the highest concentration of urban growth found anywhere in the city. It is the focal point for the city, the center of government, cultural, office, financial, transportation and other activities. This variety of day and night activities attracts visitors from throughout the city and region. The interstate freeway, major arterials, provides access and the center has both local and regional transit connections. Larger, often historic, buildings fronting on the sidewalk characterize the area. Pedestrian orientation is high. Parking is found along the street and within structures.

- DR** Downtown Residential District
- DMU** Downtown Mixed-Use District
- WR** Warehouse/Residential District
- DCC** Downtown Commercial Core District
- UCX-TD** Downtown Mixed-Use District

Tacoma Mall Regional Growth Center

The Tacoma Mall is a highly dense self-sufficient concentration of urban development. Buildings can range from one to twelve stories and activity is greater than in most areas of the city. It is an area of regional attraction and a focus for both the local and regional transit systems. Many major city arterials connect to the Tacoma Mall Regional Growth Center and nearby freeway access is present. Parking is provided both in surface lots and within structures. Internal streets and pathways provide connections among the developments within the center.

Minimum Allowable Site Density: 25 dwelling units/net acre

- UCX** Urban Center Mixed-Use District
- RCX** Residential Commercial Mixed-Use District
- URX** Urban Residential Mixed-Use District

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATIONS

CORRESPONDING ZONING

Crossroads Center

The crossroads center is a concentration of commercial and/or institutional development that serves many nearby neighborhoods and generally includes a unique attraction that draws people from throughout the city. Some residential development may already be present, and there is a goal to have more residential development. It is directly accessible by arterials and local transit. Pedestrian accessibility is important within the center, but because of its focus on larger scale commercial development, the crossroads center continues to provide for automobile parking, preferably within structures.

Minimum Allowable Development Density: 25 dwelling units/net acre

CCX Community Commercial Mixed-Use District

RCX Residential Commercial Mixed-Use District

HMX Hospital Medical Mixed-Use District

URX Urban Residential Mixed-Use District

Neighborhood Center

The neighborhood center is a concentrated mix of small- to medium-scale development that serves the daily needs of center residents, the immediate neighborhood, and areas beyond. Development contains a mix of residential and commercial uses, and the majority of parking is provided within structures. Buildings are generally up to six stories along the commercial corridors, up to three stories at the periphery of the centers near single-family districts, and up to four stories in areas between the core and the periphery. They are designed with a compatible character to adjacent residential neighborhoods. The design of the neighborhood center encourages pedestrians and bicyclists and its location on a major arterial makes it a convenient and frequent stop for local transit. The regional transit network also may directly serve some neighborhood centers.

Minimum Allowable Development Density: 25 dwelling units/net acre

NCX Neighborhood Commercial Mixed-Use District

RCX Residential Commercial Mixed-Use District

CIX Commercial Industrial Mixed-Use District

HMX Hospital Medical Mixed-Use District

URX Urban Residential Mixed-Use District

NRX Neighborhood Residential Mixed-Use District

Light Industrial

This designation allows for a variety of industrial uses that are moderate in scale and impact, with lower noise, odors and traffic generation than heavy industrial uses. This designation may include various types of light manufacturing and warehousing and newer, clean and high-tech industries, along with commercial and some limited residential uses. These areas are often utilized as a buffer or transition between heavy industrial areas and less intensive commercial and/or residential areas.

M-1 Light Industrial District

Heavy Industrial

This designation is characterized by higher levels of noise and odors, large-scale production, large buildings and sites, extended operating hours, and heavy truck traffic. This designation requires access to major transportation corridors, often including heavy-haul truck routes and rail facilities. Commercial and institutional uses are limited and residential uses are generally prohibited.

M-2 Heavy Industrial District

PMI Port Maritime & Industrial District

COMPREHENSIVE PLAN FUTURE LAND USE DESIGNATIONS

CORRESPONDING ZONING

Parks and Open Space

This designation is intended to conserve and enhance open, natural and improved areas valuable for their environmental, recreational, green infrastructure and scenic character and the benefits they provide. The designation encompasses public and private parks and open space lands, with lands set aside for these purposes by the City of Tacoma and the Metropolitan Parks District forming the core of the designation. As more land is placed in conservation status by these agencies as well as other public and private entities, the extent of the designation will be expanded to include them.

The designation supports Tacoma's vision of an integrated parks and open space system that defines and enhances the built and natural environment, supports and nurtures plant and wildlife habitat, enhances and protects trees and the urban forest, preserves the capacity and water quality of the stormwater drainage system, offers recreational opportunities, and provides pedestrian and bicycle connections. Lands within this designation include both natural open space areas and active use parks and recreational areas. Natural open space is intended to be conserved and enhanced through habitat restoration and vegetation management to maximize its environmental and stormwater benefits, along with low-impact public access such as natural area trails and viewpoints, when appropriate. Parks and recreation lands are intended to provide opportunities for active recreation such as playfields and sports facilities, and urban amenities such as plazas, pocket parks and community gardens.

Additional, more specific policy direction regarding these types of areas is contained within the Environment and Watershed Health Element.

This designation is appropriate in all zoning classifications.

Major Institutional Campus

This designation is intended for large institutional campuses that are centers of employment and that service a broader population than that of the neighborhood in which it is located. This designation includes hospitals, medical centers, colleges, universities, and high schools typically greater than 10 acres in size. The designation recognizes the unique characteristics of these institutions and is intended to accommodate the changing needs of the institution while enhancing the livability of surrounding residential neighborhoods and the viability of nearby business areas.

This designation is appropriate in all zoning classifications.