Agenda Item D-2

City of Tacoma
Planning and Development Services

To:	Planning Commission
From:	Elliott Barnett, Planning Services Division
Subject:	**Home In Tacoma Project: Workshop**
Date:	November 10, 2020
For the Meeting of:	November 18, 2020

Action Requested: Provide substantive guidance to shape initial policy options

Discussion

At this meeting, the Commission will have an in-depth discussion of policy options to modify Tacoma's housing growth strategy to promote housing supply, affordability and choice. Staff's objective is to gain the Commission's high level guidance on how to structure diverse housing and affordability proposals. Staff will return on December 16, 2020 to continue the discussion. The Commission's guidance will inform development of a preliminary draft package in January or February of 2021. We are working toward a public review draft in February/March 2021.

To support the Commission's discussion, staff and our consultant team from Root Policy Research will summarize progress so far, then facilitate a discussion on key questions which will shape the proposals moving forward. We are providing an informal discussion outline intended to get the discussion going (Attachment 1).

The City Council has provided significant new direction regarding the project schedule. On October 20, 2020 (as part of Ordinance No. 28695 adopting Infill Pilot Program 2.0), Council directed that the Planning Commission forward recommended Comprehensive Plan changes by May of 2021, followed by zoning and standards changes by December 2021. Council confirmed that timeline and provided initial policy input at their November 10, 2020 Study Session. This direction shifts the larger policy decisions forward, and will lead to changes in terms of sequencing of near-term and medium-term actions.

Project Updates

Work commenced in earnest after the Commission provided final guidance on the scope of work and engagement strategies on September 2, 2020, with the following milestones:

- Root Policy Research will present the draft Housing Needs Assessment (Attachment 4) and discuss upcoming growth capacity, development feasibility and other work
- Housing Equity Taskforce – monthly meetings focusing on equitable engagement and recommendations to promote equity and antiracism in housing
- AHAS Technical Advisory Group – monthly discussions focusing on developer engagement, development barriers identification and policy recommendations
- Developer Focus Group – the first of two meetings focusing on housing development opportunities and removing barriers will occur on 11/12/20 (Attachment 3)

- Public engagement launch – this week, the City will issue notifications inviting the community to learn about the project (through a storymap, infill video and online café series) and provide input through a housing choice survey (Attachment 2)
- City Commissions and community group briefings are upcoming, including — Landmarks Preservation Commission, Sustainable Tacoma Commission, Transportation Commission, Commission on Disabilities, Mayor's Youth Commission, and Neighborhood Councils

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.

Tacoma residents face increasing challenges in accessing housing they can afford that meets their needs. One part of the solution is to create more homes for more people. Tacoma's Planning Commission is asking the community to join in a discussion about housing needs, development trends, zoning, and neighborhood change. Using community ideas and feedback, the Commission will make recommendations to the City Council on both short-term and longer-term planning, regulatory and administrative actions.

For more information, visit www.cityoftacoma.org/homeintacoma.

Prior Commission, Taskforce and Council Actions

- City Council Study Session (11/10/20)
- Housing Equity Taskforce meetings (09/10/20, 10/08/20, 11/05/20)
- 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 authorizes 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 debrief (12/16/20)

Staff Contact

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

Attachments

1. Discussion outline – key decisions
2. Housing Choice Survey
3. Developer Focus Group outline
4. Existing Conditions Report (draft)

c. Peter Huffman, Director

ATTACHMENT 1

ROOT POLICY RESEARCH

MEMORANDUM

To: City of Tacoma
From: Heidi Aggeler
Re: Discussion guide for Planning Commission
Date: November 9, 2020

This discussion guide is intended to provide commissioners with an idea of the types of questions and feedback we would like to explore during the work session on this item.

Key Questions for Discussion

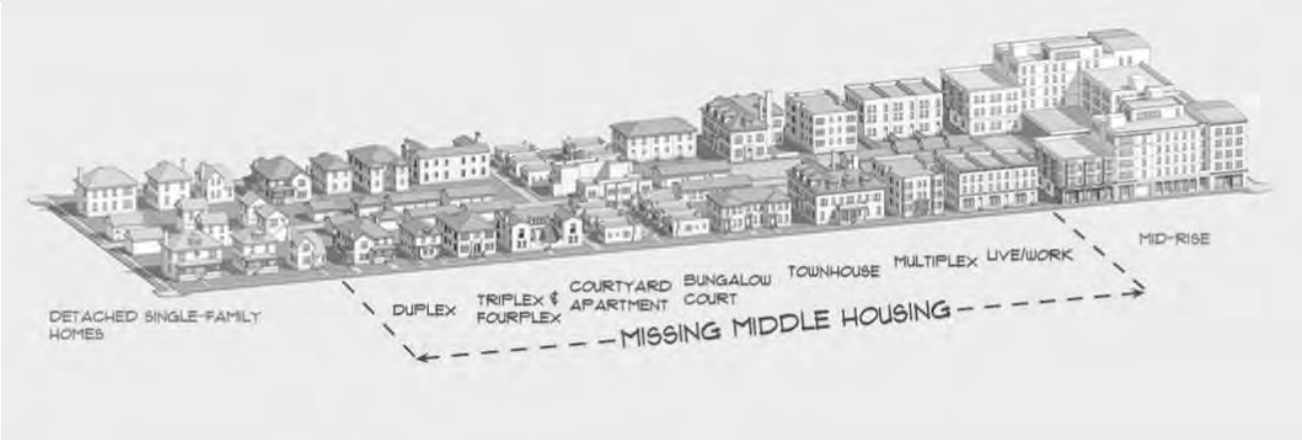
- What potential impacts of infill are of the most concern—to you? To the communities you hear from regularly?
  - New houses are bigger or taller than nearby houses
  - New houses are too close to each other
  - New houses with modern designs might not fit the character of nearby houses
  - Existing viable and affordable homes could be demolished
  - Neighborhoods could become less affordable or spur displacement
  - New housing could reduce available on-street parking
  - New housing could increase street traffic
  - Green spaces, yards and tree canopy could be lost
  - Infill might reduce property values
  - Infill might increase property taxes
  - Infill might overburden schools or services
- Are there certain Missing Middle Housing types that should *not* be allowed in established neighborhoods?
  - Are there any areas of the city where infill is off limits or not appropriate?
  - Are there any areas of the city that lend themselves to infill development?
  - How should the scale of infill development transition from higher density areas and corridors?

- How do we achieve balance and minimize disruption to existing neighborhoods and residents?
    - Limit the number of "missing middle" units permitted per block
    - Limit the type of units permitted (e.g. duplexes, townhomes, 2-3 story multifamily)
    - Others
    - Can you envision a situation with too much Missing Middle Housing? What does that look like?
- What tools are you interested in using to expand affordability requirements?
    - Require that one of the units be affordable
    - Streamline permitting process
    - Waive fees
    - Provide density incentives
    - Increase affordability requirements with tax incentives
    - Relaxed zoning requirements
- What design features are critical to ensuring that infill is compatible with neighborhood patterns?
    - Height is consistent with surrounding buildings
    - Site coverage is consistent with the neighborhood
    - Setbacks are the same as neighboring buildings
    - There is adequate parking and access
    - Architectural details
        - Colors, materials, and styles consistent with the neighborhood
    - What tradeoffs are you willing to make to build more units?
        - Increased density or height in neighborhoods
        - Increased site coverage/relaxed setbacks in neighborhoods
        - Infill opportunities close to centers and corridors
        - Reduced parking requirements

ATTACHMENT 2

Home in Tacoma Housing Choice Survey

Introduction



Home in Tacoma Project

Tacoma is facing a housing crisis. It is becoming more difficult to find housing we can afford, particularly for people with fixed or lower incomes. In response, the City is considering allowing more diverse housing types, often referred to as Missing Middle Housing.

Please share your views about housing choices. This will help our efforts to make Tacoma a place that everyone can call home. The survey will take approximately 10 to 15 minutes to complete. Your responses are confidential and will only be reported in combination with other responses.

Home in Tacoma Housing Choice Survey

Tell us your thoughts regarding infill housing.

* 1. **INFILL BENEFITS:**

Rank the following potential benefits of infill housing. Infill housing is new housing units added in an existing neighborhood.

To rank, either drag and drop items, select from the menu on the left (1= highest priority, 9= lowest priority) or check N/A.

Increases variety in housing types and price points

☐ N/A

Creates potential to generate rental income

☐ N/A

Promotes aging-in-place or housing family members

☐ N/A

More people can find housing near jobs, transit, shopping, schools and parks

☐ N/A

Reduces car-dependency in walkable neighborhoods

☐ N/A

New homes bring diversity and vibrancy to neighborhoods

☐ N/A

Creates jobs and supports local businesses

☐ N/A

Infill in Tacoma helps protect Pierce County farms and forests

☐ N/A

Reduces gentrification and encourages home ownership opportunities

☐ N/A

2. Please share any additional infill housing benefits that are of interest to you.

Benefit 1	
Benefit 2	
Benefit 3	

Home in Tacoma Housing Choice Survey

Tell us your thoughts regarding infill housing.

* 3. **INFILL CONCERNS:**

What potential concerns do you have about infill housing?

To rank, either drag and drop items, select from the menu on the left (1= highest priority, 8= lowest priority) or check N/A.

New houses could be taller or closer together than other nearby houses

☐ N/A

Design of new houses might not fit the character of nearby houses

☐ N/A

Existing viable homes could be demolished

☐ N/A

Infill may make housing less affordable or cause displacement

☐ N/A

New housing could reduce available on-street parking or increase street traffic

☐ N/A

Green spaces, yards and tree canopy could be lost

☐ N/A

Infill might impact my property value or property taxes

☐ N/A

Infill might overburden schools or services

☐ N/A

4. Please share any additional infill housing concerns that are of interest to you.

Concern 1	
Concern 2	
Concern 3	

Home in Tacoma Housing Choice Survey

Tell us your thoughts on housing diversity.

* 5. What housing types do you feel are a good fit for increasing housing choice in your neighborhood?

To rank, either drag and drop items, select from the menu on the left (1= highest priority, 8= lowest priority) or check N/A.

Detached homes on small lot

☐ N/A

Duplex

☐ N/A

Triplex

☐ N/A

Fourplex

☐ N/A

Tiny/Mobile/Modular home

☐ N/A

Small multifamily buildings

☐ N/A

Townhouse

☐ N/A

Cohousing/Shared housing

☐ N/A

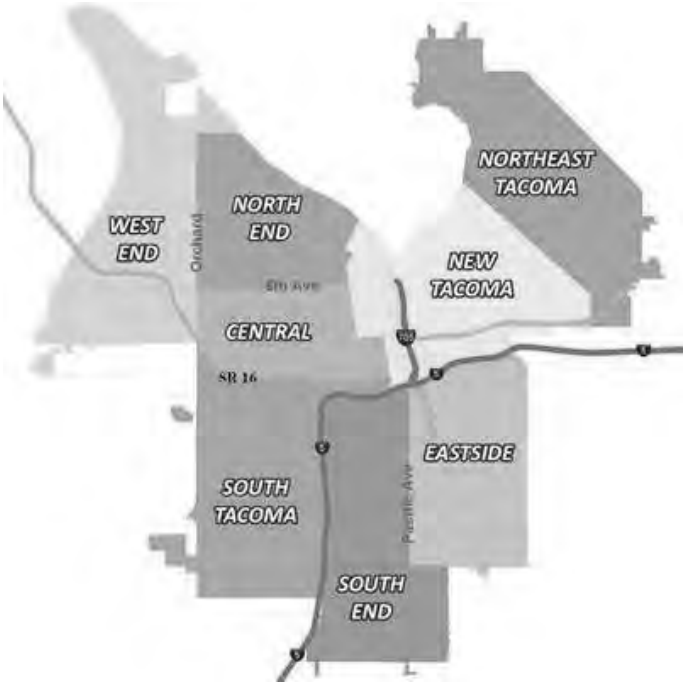
6. Are there any additional housing types that you feel are a good fit for increasing housing choice in your neighborhood?

Housing Type 1

Housing Type 2

Housing Type 3

*



7.

What neighborhoods do you feel are most suitable for infill housing?

Select all that apply.

- [ ] Northeast Tacoma
- [ ] New Tacoma
- [ ] Eastside
- [ ] South End
- [ ] South Tacoma
- [ ] Central
- [ ] North End
- [ ] West End
- [ ] Other (please describe)

* 8. Please explain why the neighborhoods you chose are most suitable for infill housing.

* 9. As a way to address the housing shortage and create affordable housing options, I would be willing to see the following along commercial areas and along major streets:

Select all that apply.

- [ ] Buildings that are one or more stories taller
- [ ] More housing units per building or lot
- [ ] Reduced building setbacks
- [ ] Reduced parking requirements
- [ ] Incentives for developers building market-rate housing
- [ ] Incentives for developers who include some dedicated affordable units
- [ ] Expand the number or size of areas where denser housing is allowed
- [ ] Other (please describe)

* 10. I believe that new housing in Tacoma needs to be built for people in the following income ranges:

Select all that apply.

- [ ] Extremely low income (Below $25,950)
- [ ] Very low income ($25,951-$43,250)
- [ ] Low income ($43,251-$69,200)
- [ ] Moderate income ($69,201-$103,800)
- [ ] Other (please describe)

* 11. In one to three sentences, what would you change about your housing situation if you could?

Home in Tacoma Housing Choice Survey

Tell us about your housing situation.

* 12. How do you experience housing in Tacoma?

Select all that apply.

- [ ] Renter
- [ ] Owner
- [ ] Second home owner
- [ ] Developer
- [ ] Builder or Designer
- [ ] Landlord
- [ ] Property management professional
- [ ] Real estate agent
- [ ] Housing services provider
- [ ] Visitor/Past or future resident
- [ ] Other (please describe)

* 13. What kind of housing do you live in?

- ◯ Detached house
- ◯ Townhouse
- ◯ Duplex, triplex, or fourplex
- ◯ Multifamily housing or mixed-use building
- ◯ An accessory dwelling unit (backyard cottage or unit in home with separate entrance)
- ◯ Mobile home or trailer
- ◯ Student dormitory
- ◯ No stable housing at this time
- ◯ Other (please describe)

* 14. How many people live in your household (including yourself)?

- ◯ 1
- ◯ 2
- ◯ 3
- ◯ 4
- ◯ 5
- ◯ 6
- ◯ 7
- ◯ 8 or more
- ◯ Rather not say

* 15. How many bedrooms does your home have?

- ◯ 1
- ◯ 2
- ◯ 3
- ◯ 4 or more
- ◯ N/A
- ◯ Rather not say

Home in Tacoma Housing Choice Survey

Tell us about yourself.

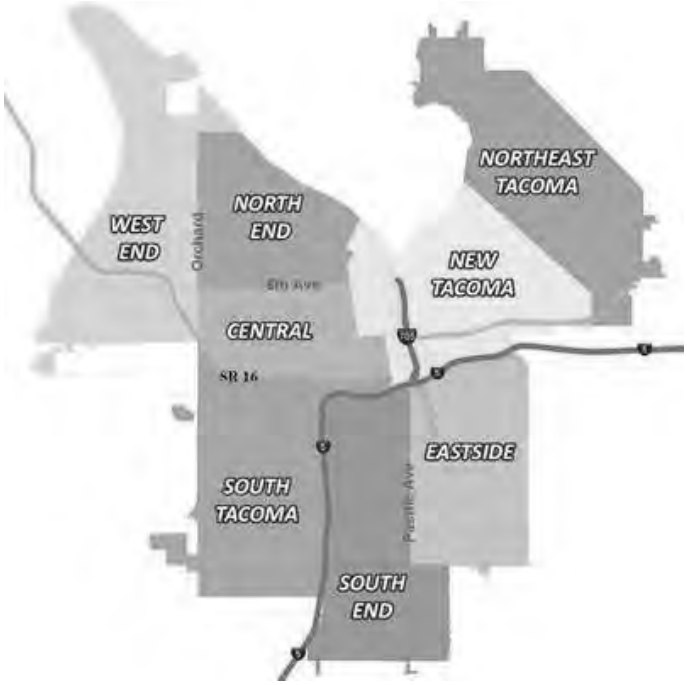
* 16. How long have you lived in Tacoma?

- ◯ Less than 1 year.
- ◯ 1-4 years
- ◯ 5-9 years
- ◯ 10-19 years
- ◯ 20 years or more
- ◯ I do not live in Tacoma
- ◯ Rather not say

Home in Tacoma Housing Choice Survey

Tell us about yourself.

*



17.

What neighborhood do you live in?

- Northeast Tacoma
- New Tacoma
- Eastside
- South End
- South Tacoma
- Central
- North End
- West End
- Rather not say

* 18. Do you work in Tacoma?

- Yes
- No
- Rather not say

* 19. Do you rent or own the place you live?

- Rented by you or someone in this household
- Owned by you or someone in this household
- Rather not say
- Other (please describe)

20. Age:

- 17 and under
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75 and over
- Rather not say

21. Race/Ethnicity

Select all that apply.

- [ ] Asian
- [ ] Black/African
- [ ] Latino/Latinx/Hispanic
- [ ] Middle Eastern/North African
- [ ] Native American/Alaska Native
- [ ] Pacific islander/Native Hawaiian
- [ ] White/Caucasian
- [ ] Rather not say
- [ ] Please list any specific race, ethnic, and national groups, and tribal/band affiliations with which you identify.

22. Disability status:

- ( ) Known disability
- ( ) No disability
- ( ) Rather not say

23. Please tell us your primary language spoken at home:

24. Please tell us any additional language spoken at home:

25. Annual household income:

- Less than $26,000
- $26,000-$34,999
- $35,000- $42,999
- $43,000-$51,999
- $52,000-$60,999
- $61,000-$68,999
- $69,000-$77,999
- $78,000-$86,999
- $87,000-$99,999
- $100,000-$149,000
- $150,000 and above

Make sure to click the DONE button below.

Thank your for your feedback! Click here to subscribe for updates on the **Home in Tacoma Project**.

ROOT POLICY RESEARCH

ATTACHMENT 3

MEMORANDUM

To: Participants
From: Heidi Aggeler
Re: Script for developer focus group
Date: November 10, 2020

Introductions

Thank you very much for joining us today. We are here to discuss housing needs in Tacoma to inform the city's ongoing housing strategy. I am Heidi Aggeler from Root Policy Research, a local consulting firm specializing in, among other things, identifying housing needs in cities.

I'd like this discussion to be pretty informal, honest, open. We won't quote you directly in the report; rather, we will summarize our discussions by topic area and theme. We will also use your input to guide our recommendations.

First, I'd like to know a little more about your organization and your role within that organization.

Also, please tell me a bit about the types of households you've provided residential products and services to (or client base for nonprofits) in Tacoma or the broader region?

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?

Is this demand being met? Whose needs are not being met?

Which aspects of that demand does the private sector meet? Which does it not? What level of subsidies are needed? (e.g., I can build a starter home for $350,000 but the households who really need it can only afford to pay $250,000).

Are there products (e.g., attached homes, very small lot detached homes) that would be more affordable but are not being built in Tacoma? Why not? Perceived lack of demand? Regulatory barriers?

Developing Housing in Tacoma

If we only consider the cost of land, cost of materials, cost of labor, etc. what would it take to build non-subsidized housing at the levels we want/need, while assuming some "reasonable" profit margin? Discuss single family detached, duplex, ADU, multifamily (medium and large). What is the difference between cost and what households in need can afford? (Cost per "door" v. rents needed)

Are there economies of scale in costs for medium and larger sized developments? At what size (unit or building height) do those start to matter?

How would you describe the development process in Tacoma to someone in your industry who is unfamiliar with them?

What makes it most difficult to develop affordable and/or workforce housing in Tacoma? *(If needed, prompt: environmental reviews; application processing; rezoning).* What should change to mitigate or remove the barriers you identified?

What does Tacoma do right when it comes to facilitating the development of affordable housing?

Tacoma's Existing Programs

Now we are going to discuss the city's existing programs to create affordable and workforce housing. I want to know from you: How well are they working? What would you change if you could? What barriers exist to development—and in the effectiveness of these policies *producing affordable housing?*

- Infill Pilot 2.0: Council updated the program in October 2020.
    - In your opinion, do these changes address barriers that you may have experienced with infill products?
    - Do you have other recommendations to facilitate more affordable, "missing middle" housing?
- 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.*
    - How much does it cost to develop an ADU? *(if not captured above).* What do they rent for?
    - Are there barriers in, Design standards? Height—especially on limitations for over garages? Site limitations? ADU size limitations (including if the existing house is very small)? Building codes? Utility charges? Approval process (including utilities)?

- 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?*
    - Tacoma Mall Inclusionary Zoning Pilot Program
    - Mixed-Use Centers Height Bonus
    - Downtown Density Bonus
- Others
    - Property tax exemption program—why favor 8 over 12 years?
    - Conveyance of city property

Do Tacoma's current policies and programs offer the same incentives for small, medium, and large sized developers? Why or why not? What needs to change?

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

Broader design considerations: What is important to get neighborhood acceptance of projects?

Solutions to Specific Needs

Best practices. Are there programs that you know of in other cities which you think Tacoma should be doing?

Displacement. What practices or policies do you think the city should consider (if any) to minimize the impact of rising housing costs on long-time neighborhood residents?

Equity. What types of housing policies and programs are most important to increase equity for Tacoma residents?

If you could wave a magic wand and change one thing that would create more housing opportunities in Tacoma, what would that one thing be?

Closing

Thank you for your time.

Root Policy Research
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ATTACHMENT 4

DRAFT REPORT

City of Tacoma

Home In Tacoma Existing Conditions

PREPARED FOR:

City of Tacoma
747 Market Street, Tacoma, WA 98402
cityoftacoma.org
(253) 591-5000

CREATED

11/9/2020

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Appendix A.
Existing Conditions

As stated in the Tacoma 2025 plan, "Diversity is Tacoma's greatest asset." Part of the city's success in supporting diversity has been its relative housing affordability. As housing prices rise more rapidly than incomes, the city's foundation—as well as potential for economic development—is increasingly threatened.

The City of Tacoma has already taken steps toward addressing housing affordability challenges in the community, as shown in the timeline on the right. In 2010, the Affordable Housing Policy Advisory Group brought forward policy recommendations to address affordable housing. In 2015, Tacoma adopted regulatory reform and incentives for affordable housing.

Finally, in 2018 the Affordable Housing Action Strategy (AHAS) was built on earlier efforts including strategic documents like Tacoma 2025 and One Tacoma Comprehensive Plan. The implementation of the AHAS 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, it will reach 10,500 households living in the City of Tacoma.

This Housing Action Plan aims to implement several actions identified in the AHAS to create more homes for more people. In particular, this study will investigate market-based incentives for affordable housing, land use regulations to promote affordability, and policy reform to encourage development in the city.

2010

Affordable Housing Policy Advisory Group
Developed 25 policy recommendations to City Council related to affordable housing as a high priority need.

2014

Tacoma 2025
Strategic visioning framework

2015

One Tacoma Comprehensive Plan
Guides community development over the long term and describes how the community's vision for the future is to be achieved.

Ordinance No. 28336
Established incentives for affordable housing, among other public benefits, and created more regulatory flexibility for infill development.

2018

Affordable Housing Action Strategy (AHAS)
Focused on how to enhance existing policies and programs; cultivate additional funding; and establish strong anti-displacement measures

2020

Housing Action Plan (HAP)
AHAS implementation effort

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This section of the report includes an overview of existing conditions in the City of Tacoma to provide context for the Housing Action Plan (HAP). The city last updated housing needs and addressed affordable housing challenges in the Affordable Housing Action Strategy, produced in 2018 and based on 2016 data. Therefore, this existing conditions analysis focuses on market shifts since 2016—the latest year of data available at the time the AHAS was produced—and highlights changes in key housing market indicators.

While the City of Tacoma has seen a recent increase in the rate of new housing production, the City's overall housing growth remains well behind adopted planning targets. Furthermore, despite the adoption of new affordable housing targets, the City continues to see an expanding gap between incomes and housing prices, resulting in a worsening affordability crisis, as well persistent inequity in residents' access to opportunity and health outcomes. These challenges are likely to be exacerbated by the economic impacts of the COVID-19 pandemic.

Indicators of housing needs. For the purposes of this analysis, housing needs are analyzed and measured using the following indicators:

- Household cost burden and severe cost burden;[1]
- Trends in housing supply (vacancies, homes for sale) and costs (rents, purchase prices);
- Location of affordable housing;
- How supply of housing compares with demand by price points and income levels;[2]
- Home ownership rates; and
- Opportunity areas.

Why addressing housing needs is important. Addressing housing needs has become an increasing priority among local and state governments. This is related, in part, to the federal government's reduced investment and role in providing publicly subsidized housing. In addition,

- Academic studies have consistently demonstrated that stabilizing the housing costs of low income households, especially those with children, facilitates upward mobility and reduces long term public sector human services costs.

[1] Cost burden occurs when households pay more than 30 percent of their gross income toward housing costs. This is the industry standard for affordability. Severe cost burden occurs when households pay more than 50 percent of their gross income toward housing costs and also indicates risk of eviction, foreclosure, and/or homelessness.

[2] This is measured by a "gaps analysis" modeling exercise.

- Housing investments that allow workers to live closer to their places of employment can reduce the impacts of commuting on local jurisdictions—e.g., wear-and-tear on roads, and responses to vehicular accidents.

- Households in stable housing environments are more likely to spend money in the local economy, through direct spending on goods and services. The negative impact of retracted spending on local economies has, unfortunately, been dramatically exposed with the outbreak of the COVID-19 virus.

Sources of data for this section. This section utilizes current data on the demographics of Tacoma residents from the U.S. Census' American Community Survey (ACS); for sale home pricing from Pierce County Real Estate and Zillow; rental pricing from Rainmaker Insights; and income limits from the U.S. Department of Housing and Urban Development (HUD). The most current data reflects conditions in 2019 and 2020. Historical data from 2010 and 2016 are used to benchmark trends.

This data analysis presents a "baseline" of needs leading up to COVID-19. It is likely, at least in the short-term, that housing needs are more acute than identified in the available data, particularly as the pandemic continues.

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Primary Findings

In the three years since the city's housing needs were identified as part of the Affordable Housing Action Strategy (AHAS), the City of Tacoma has experienced significant changes in its demographic and housing market conditions:

- **Households are getting smaller as the population ages.** Households with a householder 65 years and over increased by 2,886 from 2016 to 2019. Seniors aging in Tacoma will place a strain on smaller units (one- to two-bedroom) and accessible, visitable housing—36 percent of residents living with a disability are 65 years or older.

- **Incomes have not kept up with housing costs.** From 2016 to 2019, median rent increased by 21 percent while median renter income increased by only 12 percent. Similarly, the median home value of owner occupied housing increased by 44 percent compared to a 22 percent increase in median income for owner households.

- **Low income households are being priced out of the market.** There are now 2,790 fewer households earning less than $25,000 in Tacoma than in 2016—4,750 fewer households compared to 2010. Conversely, renter households earning more than $100,000 increased by 2,292 since 2016 and by 3,203 since 2010. Among owners, the number of households earning more than $75,000 increased while households earning less decreased.

- **Special populations are disproportionately impacted by poverty and are especially vulnerable to the changing housing market.** Residents with a disability, seniors, single mothers, and people of color have above average poverty rates and are particularly vulnerable to shifting housing costs. Additionally, populations on a fixed income—mainly residents with a disability and seniors—are especially at risk.

- **There is a shortage of housing units for low income renters.** In 2019, there was an estimated shortage of 7,142 units for residents earning less than 30 percent AMI ($26,200). This represents 16 percent of the city's total rental units (as a point of comparison, Seattle's gap is 13% of total rental units). Compared to 2016, this shortage is lower, due to a decline in extremely low income renters that was greater than the loss of affordable units. This affordable rental shortage is comparable to the wait list for public housing maintained by the Tacoma Housing Authority, which currently totals 6,460 households. Households typically wait for several years (as many as five years) on the wait lists.[3]

[3] City of Tacoma 5-year Consolidated Plan Draft (2020)

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- **Racial and ethnic diversity has increased while disparate trends in homeownership and poverty remain.** The City of Tacoma is becoming more racially and ethnically diverse. However, Black/African American residents, Asian residents, Latino/Latinx/Hispanic residents, and residents of two or more races all have poverty rates higher than the individual poverty rate. Black/African American (30%) and Latino/Latinx/Hispanic residents (47%) also have lower rates of homeownership compared to White/Caucasian residents (61%).

- **While Tacoma's housing is relatively affordable in the region, areas of high opportunity are out of reach for many.** Generally, opportunity is highest in the north areas of the city and lowest in the south and central areas of the city. Areas of high opportunity have higher median home values.

Figure A-1.
Key Indicators, City of Tacoma, 2016-2019

	2016	2019	2016-2019	
			Change	% change
Rental Market				
Median rent	$1,054	$1,273	$219	21%
Median renter income	$40,009	$44,809	$4,800	12%
Ownership Market				
Median home value	$239,100	$344,500	$105,400	44%
Median owner income	$76,544	$93,765	$17,221	22%
Rental Gaps				
Rental gap <30% AMI	-7,373	-7,142	230	-3%
Renter households <30% AMI	13,090	10,769	-2,321	-18%
Rental units <30% AMI	5,718	3,627	-2,091	-37%
Cost burden				
Owners	32%	27%	-5%	
Renters	47%	49%	2%	
Homelessness (Pierce County)	627	544	-83	-13%

Source: 2016 and 2019 1-year ACS; Pierce County Point-in-Time County 2016 and 2019; Root Policy Research.

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Demographic Framework

This section presents demographic trends that impact housing needs for the City of Tacoma and the counties that comprise the Puget Sound Region—King, Kitsap, Pierce, and Snohomish Counties. Trends are benchmarked to 2010 and 2016.[4]

Population and households. Figure A-2 shows population growth from 2010 to 2019 for the City of Tacoma and the counties that comprise the Puget Sound Region. Since 2016, the City of Tacoma grew by more than 6,500 residents (3%) for an estimated total population of 217,834 in 2019. From 2010 to 2019, the City of Tacoma grew by roughly 2,000 residents annually, which is average for the region. King and Snohomish Counties experienced the highest percent growth over the same time.

Figure A-2.
Population, 2010-2019

				2010-2016		2016-2019	
Jurisdiction	2010	2016	2019	Total	% change	Total	% change
Tacoma	198,506	211,304	217,834	12,798	6%	6,530	3%
King County	1,937,961	2,149,970	2,252,782	212,009	11%	102,812	5%
Kitsap County	251,809	264,811	271,473	13,002	5%	6,662	3%
Pierce County	795,628	861,312	904,980	65,684	8%	43,668	5%
Snohomish County	715,470	787,620	822,083	72,150	10%	34,463	4%

Source: 2010, 2016, and 2019 1-year ACS

Household growth from 2010 to 2016 was similar to population growth. However, in recent years—since 2016—the City of Tacoma added roughly 5,200 new households (6%) for a total of 87,016 households in 2019. A higher percent change in the number of households compared to the population indicates a trend toward smaller household sizes in the city. Smaller households in the City of Tacoma are most likely seniors aging in place.

[4] 2016 American Community Survey Data was used in the Affordable Housing Action Strategy.

Figure A-3.
Households, 2010-2019

Jurisdiction	2010	2016	2019	2010-2016		2016-2019	
				Total	% change	Total	% change
Tacoma	79,316	81,811	87,016	2,495	3%	5,205	6%
King County	787,809	861,154	907,761	73,345	9%	46,607	5%
Kitsap County	99,150	101,995	107,525	2,845	3%	5,530	5%
Pierce County	299,876	317,671	333,657	17,795	6%	15,986	5%
Snohomish County	266,080	286,116	299,827	20,036	8%	13,711	5%

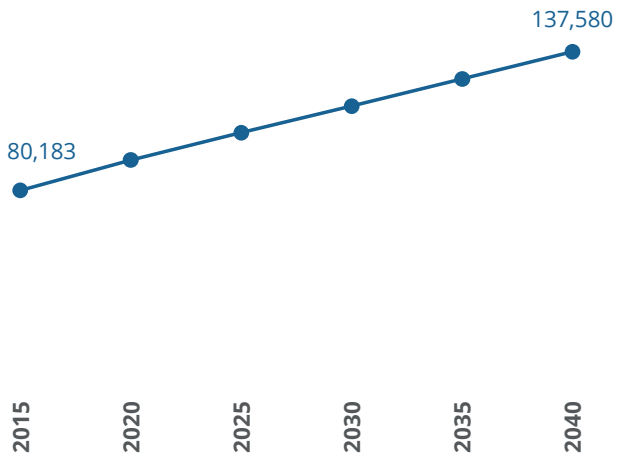
Source: 2010, 2016, and 2019 1-year ACS

Future growth. Puget Sound Regional Council (PSRC) Land Use Vision model provides population, household, and employment forecasts for the region. According to PSRC's model, the City of Tacoma is forecasted to add 44,770 new households from 2020 to 2040—an increase of nearly 50 percent (48%). However, since the model's base year in 2015, citywide growth has not kept pace with the forecast. In 2019, the city is home to an estimated 87,016 households—yet the PSRC forecast estimates the City of Tacoma to have as many as 92,800 households by 2020.

Actual growth is more uneven than forecasts would suggest, and it is likely that the City of Tacoma will need to accommodate more of the region's projected growth in future years as housing in King and Snohomish Counties becomes increasingly less affordable. Additionally, demographic shifts in the city's households will necessitate a recalibration of the types and price of housing needed by residents—particularly if the city continues to lose units priced to serve workers in low-wage industries like home health care and basic services.

Figure A-4.
Household Projections,
City of Tacoma, 2015-2040

Source:
Puget Sound Regional Council Land Use Vision



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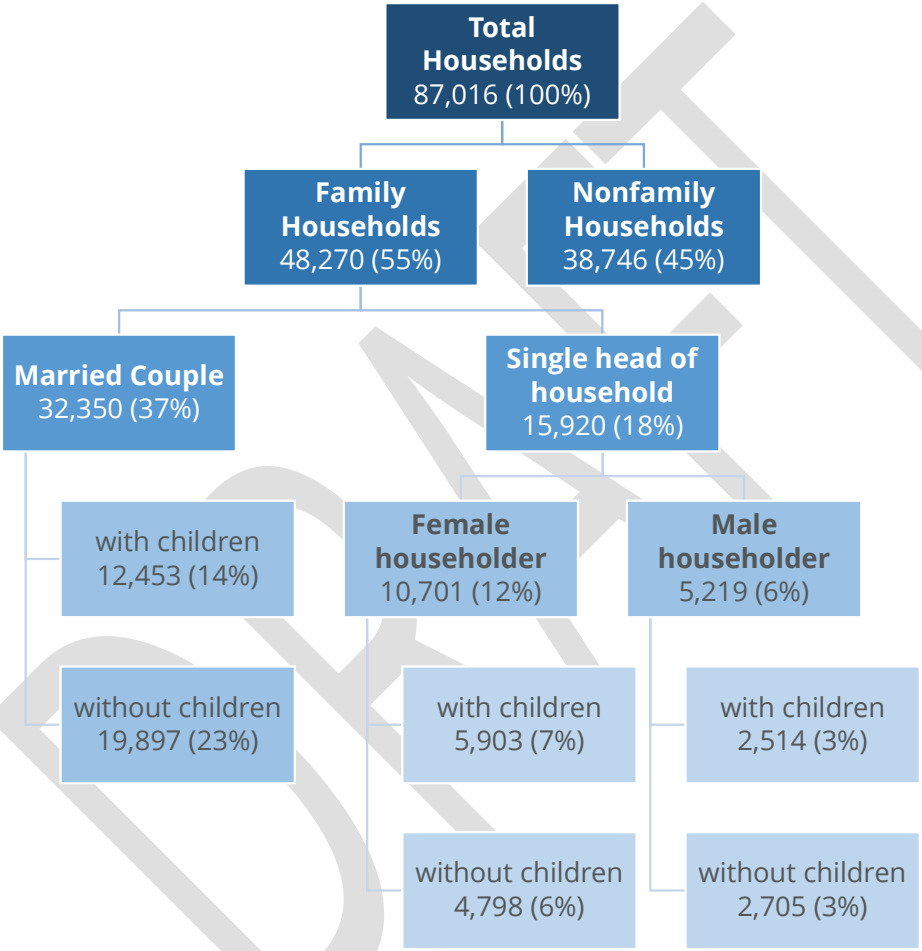
Household composition. Most households in the City of Tacoma in 2019 are families (55%), as shown in Figure A-5. The majority of families are married couples (37%) and the remainder are single parents or unmarried partners (18%). One in four households have children under the age of 18 years old. Another 45 percent of households are nonfamily households, most are made up of individuals.

Figure A-5.
Household Composition, City of Tacoma, 2019

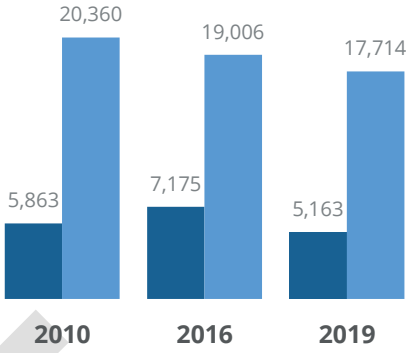


Source: 2019 1-year ACS

Figure 6 shows the total population in the City of Tacoma and Pierce County living in group quarters. Tacoma residents living in group quarters has decreased since 2016—consistent with the countywide decrease. Residents in group quarters represent 2 percent of the population in 2019 in the city and county.

Figure A-6.
Population in Group Quarters, City of Tacoma and Pierce County, 2010-2019

Source:
2010, 2016, and 2019 1-year ACS



Age. Figure A-7 shows the number of households in the City of Tacoma by the age of the householder. Much like other cities and regions in the country, the population is aging, and young adults and families are not offsetting this change. Since 2010, the number of young adults and families with a householder under the age of 35 in Tacoma has remained largely unchanged, while households with a householder 65 to 74 years old—Baby Boomers entering retirement—increased from 7,200 in 2010 to nearly 12,100 in 2019. The number of young children under five decreased by 23 percent from 2016 to 2019.

Figure A-7.
Households by Age of Householder, City of Tacoma, 2010-2019

				2010-2016		2016-2019	
Age of Householder	2010	2016	2019	Total	% change	Total	% change
Under 35 years	19,988	21,353	21,381	1,365	7%	28	0%
35 to 44 years	13,960	13,172	19,679	-788	-6%	6,507	49%
45 to 54 years	16,577	16,035	11,737	-542	-3%	-4,298	-27%
55 to 64 years	13,722	15,135	15,216	1,413	10%	81	1%
65 to 74 years	7,218	8,836	12,080	1,618	22%	3,244	37%
75 to 84 years	4,283	4,418	4,139	135	3%	-279	-6%
85 years and over	3,490	2,863	2,784	-627	-18%	-79	-3%

Source: 2010, 2016, and 2019 1-year ACS

Shifting age demographics and the increase in smaller sized households is likely to place a strain on the city's one- and two-bedroom housing market—and increase demand for services and amenities demanded by seniors and younger adults with smaller households sizes. This will include in-home care for seniors, public transportation, and, once the pandemic is over, restaurants, retail, and basic household services.

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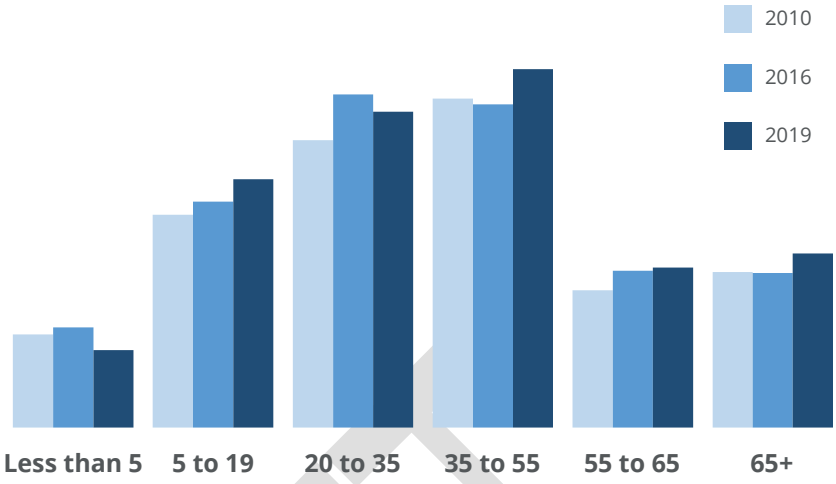
Figure A-8.
Age Distribution, City of Tacoma, 2010-2019

Source:
2010, 2016, and 2019 1-year ACS



Race and ethnicity. The City of Tacoma is becoming slightly more racially and ethnically diverse. The share of the population that identifies as White/Caucasian decreased from 89 percent of the total population in 2010 to 87 percent in 2019. Over the same time, the number of Latino/Latinx/Hispanic and Black residents in the community increased.

Figure A-9.
Share of Population by Race and Ethnicity, City of Tacoma, 2010-2019

Race and Ethnicity	2010	2016	2019	2010-2016 change	2016-2019 change
Latino/Latinx/Hispanic	11%	12%	13%	2%	1%
White/Caucasian	61%	57%	58%	-4%	1%
Black/African American	10%	10%	11%	0%	1%
Asian	8%	10%	6%	2%	-4%
Other	10%	11%	12%	1%	1%

Source: 2010, 2016, and 2019 1-year ACS

Disability. Residents living with a disability over the age of 65 make up 36 percent of Tacoma's total population with a disability. As the population continues to age, the incidence of disability will likely increase, specifically for residents with ambulatory and independent living difficulties. Again, shifting demographics will result in a shift in housing needs, in this case for accessible and visitable housing units for residents living with a disability.

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Figure A-10. Incidence of Disability by Age, City of Tacoma, 2019

Source:
2019 1-year ACS.

	Residents with a disability	Percent
Total residents with a disability	**28,775**	**100%**
Under 18 years old	**3,202**	**11%**
With a hearing difficulty	546	2%
With a vision difficulty	614	2%
With a cognitive difficulty	2,406	8%
With an ambulatory difficulty	577	2%
With a self-care difficulty	704	2%
18 to 64 years old	**15,159**	**53%**
With a hearing difficulty	3,294	11%
With a vision difficulty	1,502	5%
With a cognitive difficulty	7,281	25%
With an ambulatory difficulty	5,997	21%
With a self-care difficulty	3,096	11%
With an independent living difficulty	5,061	18%
Over 65 years old	**10,414**	**36%**
With a hearing difficulty	4,228	15%
With a vision difficulty	1,625	6%
With a cognitive difficulty	2,661	9%
With an ambulatory difficulty	6,942	24%
With a self-care difficulty	2,632	9%
With an independent living difficulty	3,976	14%

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Income and poverty. Figure A-11 shows median household income by tenure in 2010, 2016, and 2019. Following the Great Recession—from 2010 to 2016—median renter income increased by 26 percent compared to the 16 percent increase among owner households. Since 2016, however, the trend has reversed and owner median income increased by 22 percent, while renter median income increased by 12 percent.

A note about inflation. When incomes are adjusted for inflation, real incomes have declined since 2000. However, inflation rates are heavily influenced by the housing market, and for the purposes of this comparison between median income and housing costs, inflation is less impactful than the change in income relative to the change in housing costs.

Figure A-11.
Median Household Income by Tenure, City of Tacoma, 2010-2019

				2010-2016		2016-2019	
Tenure	2010	2016	2019	Total	% change	Total	% change
All households	$47,465	$55,996	$70,411	$8,531	18%	$14,415	26%
Owner households	$65,975	$76,544	$93,765	$10,569	16%	$17,221	22%
Renter households	$31,736	$40,009	$44,809	$8,273	26%	$4,800	12%

Source: 2010, 2016, and 2019 1-year ACS

Figure A-12 shows the change in household income distribution by tenure from 2010 to 2019. Among owners, the number of households earning more than $75,000 increased while households earning less decreased. This trend may be a result of households earning higher incomes or lower income households being priced out of the market and replaced by households with higher incomes. The latter is more likely the case for renters in Tacoma.

Shifts in renter household income are more isolated at the highest and lowest income groups. Renter households earning more than $100,000 doubled from 3,043 in 2010 to 6,246 in 2019. Over the same time, more than 4,750 extremely low income renters earning less than $25,000 left the City of Tacoma.[5]

[5] It is possible that some of these households had increases in earnings. However, the change in $25,000 to $50,000 households is very small, suggesting that the lowest income households left the city.

Figure A-12.
Income Shifts by Tenure, City of Tacoma, 2010-2019

Tenure	2010	2016	2019	2010-2016 Total	2010-2016 % change	2016-2019 Total	2016-2019 % change
Total households	**79,316**	**81,811**	**87,016**	**2,495**	**3%**	**5,205**	**6%**
Owner households	**41,780**	**40,185**	**46,884**	**-1,595**	**-4%**	**6,699**	**17%**
Less than $25,000	5,479	4,420	3,543	-1,058	-19%	-877	-20%
$25,000 to $50,000	9,201	7,434	5,197	-1,767	-19%	-2,237	-30%
$50,000 to $75,000	9,870	7,474	8,291	-2,396	-24%	817	11%
$75,000 to $100,000	6,901	7,314	8,282	413	6%	968	13%
$100,000 or more	10,330	13,542	21,571	3,212	31%	8,029	59%
Renter households	**37,536**	**41,626**	**40,132**	**4,090**	**11%**	**-1,494**	**-4%**
Less than $25,000	14,992	13,029	10,239	-1,963	-13%	-2,790	-21%
$25,000 to $50,000	12,061	12,155	11,704	94	1%	-451	-4%
$50,000 to $75,000	5,373	7,992	7,444	2,619	49%	-548	-7%
$75,000 to $100,000	2,067	4,537	4,499	2,471	120%	-38	-1%
$100,000 or more	3,043	3,954	6,246	911	30%	2,292	58%

Source: 2010, 2016, and 2019 1-year ACS.

Figure A-13 highlights the trend toward higher income households from 2010 to 2019, particularly for renter households.

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Figure A-13. Income Shifts by Tenure, City of Tacoma, 2010-2019

Source:
2010, 2016, and 2019 1-year ACS

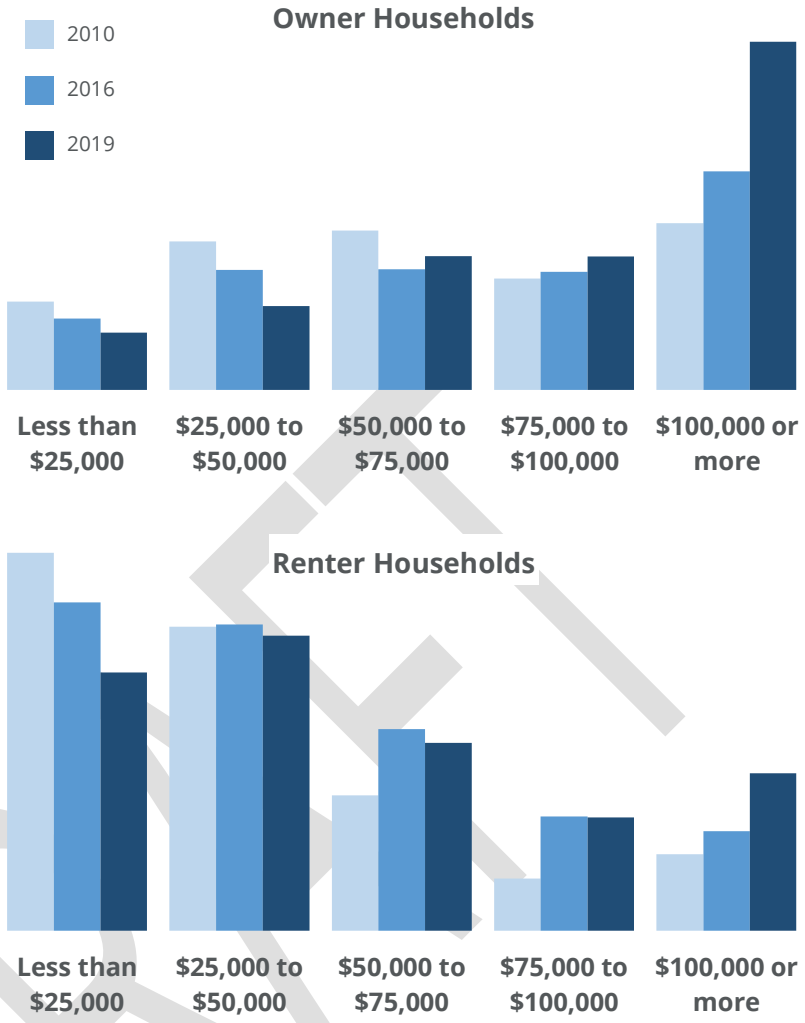

Figure A-14 shows poverty rate by age cohort in 2016 and 2019. Over this time, poverty rates decreased by 4 percentage points for residents in Tacoma. Similar cities experienced comparable reductions in poverty. From 2016 to 2019 poverty rates in Minneapolis decreased by 3 percentage points, Portland by 2.4 percentage points, and Seattle by 2 percentage points.

Poverty rates decreased from 2016 to 2019 for all age cohorts except seniors 65 years and over. Poverty among seniors increased from 10 percent in 2016 to 13 percent in 2019. Seniors are particularly vulnerable to increased housing costs as many seniors live on fixed or limited incomes (e.g. social security payments).

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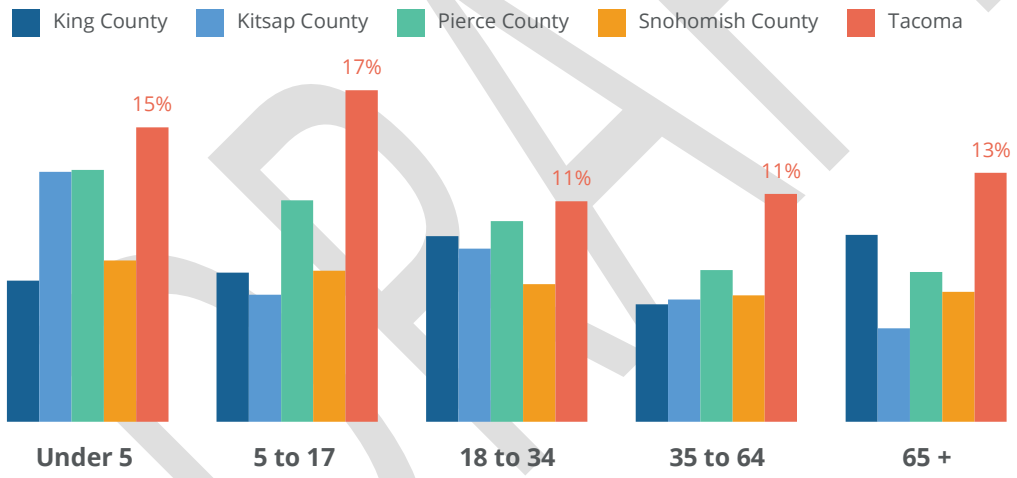
Figure A-14.
Poverty Rate by Age, City of Tacoma, 2016-2019

Source:
2016 and 2019 1-year ACS.

Age	2016	2019	2016-2019 Rate Change
Total Population	**16%**	**13%**	**-4%**
Under 5 years	21%	15%	-6%
5 to 17 years	21%	17%	-5%
18 to 34 years	19%	11%	-8%
35 to 64 years	13%	11%	-2%
65 year and over	10%	13%	3%

Figure 15 shows poverty rate by age for the City of Tacoma compared to counties in the larger Puget Sound Region. Poverty rates are highest in Pierce County in every age group except for residents 65 years and older.

Figure A-15.
Poverty Rate by Age, 2019



Source: 2019 1-year ACS

Economic recovery from the Great Recession has not been shared equally by all residents in Tacoma. Single mothers, individuals with a disability, Black/African American residents, Asian residents, Latino/Latinx/Hispanic residents, and residents of two or more races all have poverty rates higher than the individual poverty rate. Conversely, families and married family households have lower rates of poverty.

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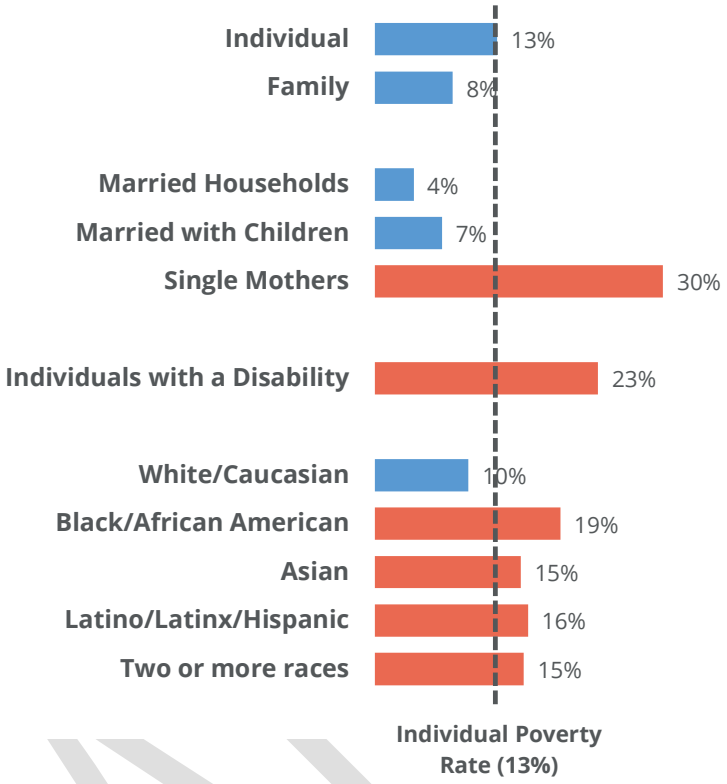
Figure A-16. Poverty Levels by Characteristic, City of Tacoma, 2019

Source:
2019 1-year ACS.



Employment. Figure 17 shows employment by industry in Pierce County from 2010 to 2019. Employment increased in Pierce County from 270,733 jobs in 2010 to 327,108 in 2019. Industries that added the most jobs during this time include professional and business services, leisure and hospitality, and education and health services. Jobs decreased in the information industry, and government and manufacturing sectors experienced modest growth.

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Figure A-17.
Employment by Industry, Pierce County, 2010-2019

Industry	2010	2016	2019	2010-2019 Change	2010-2019 % change
Washington State Total	**2,836,133**	**3,242,808**	**3,468,300**	**632,167**	**22%**
Pierce County Total	**270,733**	**306,217**	**327,108**	**56,375**	**21%**
Mining and Logging	300	300	300	0	0%
Construction	17,183	21,558	25,125	7,942	46%
Manufacturing	16,308	17,150	17,725	1,417	9%
Wholesale Trade	10,858	12,450	13,400	2,542	23%
Retail Trade	31,233	35,525	36,142	4,909	16%
Transportation and Utilities	11,258	17,967	18,542	7,284	65%
Information	2,950	2,692	2,208	-742	-25%
Financial Activities	12,000	14,067	14,733	2,733	23%
Professional and Business Services	23,475	29,650	33,883	10,408	44%
Education and Health Services	48,900	52,617	56,892	7,992	16%
Leisure and Hospitality	25,267	30,725	34,017	8,750	35%
Other Services	12,567	13,883	14,667	2,100	17%
Government	58,433	57,633	59,475	1,042	2%

Source: WA Employment Security Department

Figure 18 shows the Washington State Employment Security Department's employment projections by industry for Pierce County from 2018 to 2028. Pierce County is projected to add 39,700 new jobs by 2028. The majority of new jobs are in education and health services, government, leisure and hospitality, professional and business services, and other services.

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Figure A-18. Employment Projections by Industry, Pierce County, 2018-2028

Source:
WA Employment Security Department

Industry	2018	2028	2018-2028 Change	2018-2028 % change
Washington State Total	**3,402,200**	**3,896,900**	**494,700**	**15%**
Pierce County Total	**323,200**	**362,900**	**39,700**	**12%**
Mining and Logging	400	400	0	0%
Construction	24,400	26,200	1,800	7%
Manufacturing	17,400	17,900	500	3%
Wholesale Trade	13,100	14,300	1,200	9%
Retail Trade	36,100	37,200	1,100	3%
Transportation and Utilities	18,700	19,700	1,000	5%
Information	2,500	2,300	-200	-8%
Financial Activities	14,600	15,700	1,100	8%
Professional and Business Services	35,000	40,700	5,700	16%
Education and Health Services	54,600	65,500	10,900	20%
Leisure and Hospitality	33,000	39,900	6,900	21%
Other Services	14,300	16,300	2,000	14%
Government	59,100	66,800	7,700	13%

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Housing Needs Analysis

This section applies the demographics of the City of Tacoma and the greater region to determine current and future housing needs for residents.

Area median income. Eligibility for housing programs is generally based on how a household's income falls within HUD-determined income categories. The categories are based on the regional Area Median Income of AMI. In Tacoma, the AMI used for a family of four is $87,300, which is the AMI for the City of Tacoma Fair Market Rent (FRM) area Pierce County.

Although AMI categories can vary by specific housing program, in general, they include:

- Households earning 30 percent of AMI are considered "extremely" low income. These households can also be thought of as those living under the federal poverty threshold.[6]
- Households earning between 31 and 50 percent of AMI are "very" low income.
- Households earning between 51 and 80 percent of AMI are "low" income.
- Those earning more than 80 percent are considered "moderate" income and, in most high cost markets, are eligible for housing programs.

HUD Income Thresholds and Target Housing, 2020

[6] The federal poverty threshold is not based on the AMI and, as such, does not vary by city and state except for Alaska and Hawaii. For that reason, poverty and 30 percent AMI are generally similar.

Housing cost burden. Cost burden exists when households pay more than 30 percent of their gross household income for housing costs. Housing costs include the rent or mortgage payment, homeowners' association (HOA) fees, utilities, mortgage insurance, renter or homeowner insurance, and property taxes.

Severe cost burden—paying more than 50 percent of monthly gross income on a household rent or mortgage—is an indicator of critical housing needs. Severe cost burden is also linked to a high risk of eviction or foreclosure, and homelessness.

Households paying >30% for housing are **"cost burdened"**

Households paying >50% for housing are **"severely cost burdened"**

Cost burden does not take into account transportation, education, and childcare costs. When other household costs are included, housing affordability is further beyond many Tacoma households' reach.

Figure A-19 shows the percent of households experiencing cost burden and severe cost burden by tenure in 2016 and 2019. In 2019, nearly half of all renter households (49%) experience cost burden and one in four renters experience sever cost burden and are considered at risk for homelessness, a slight increase from 2016. Owner household cost burden has decreased since 2016. One in four owner households are cost burdened in 2019 and 8 percent of owners are severely cost burdened.

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Figure A-19. Cost Burden and Severe Cost Burden, City of Tacoma, 2016-2019

Source:
2016 and 2019 1-year ACS.

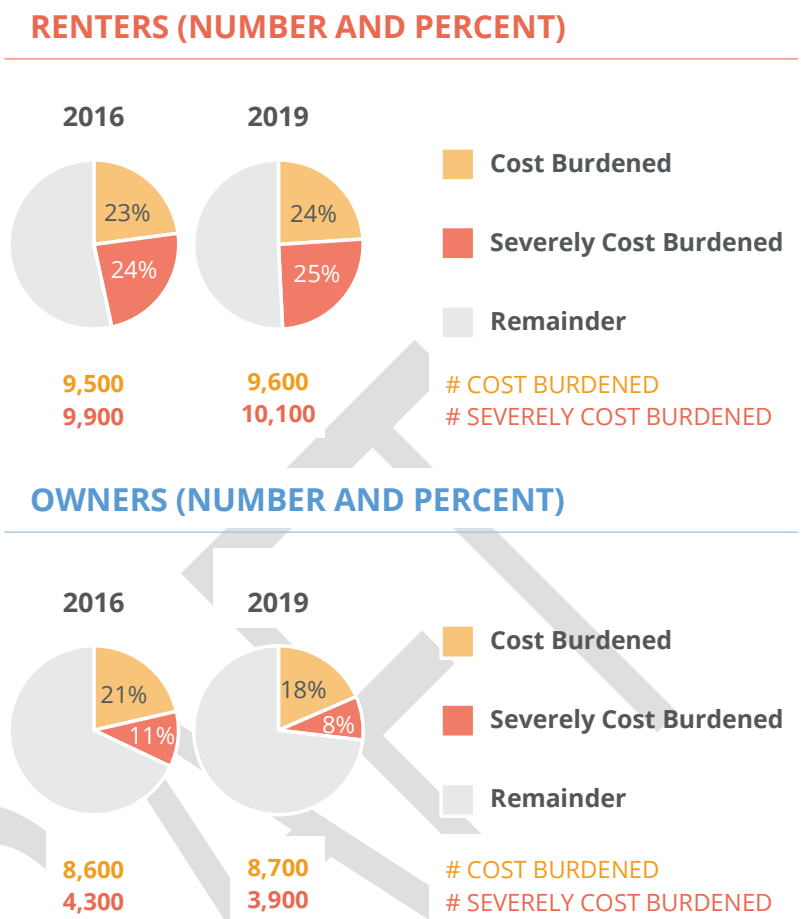

Figure A-20 shows cost burden by household income and tenure in 2016 and 2019. Since 2016, the share of cost burdened households decreased for owner households earning below $75,000 and renter households earning less than $25,000. This trend is largely due to income shifts in the city and larger region during this time from low to high income households. At the same time, the instances of cost burden among owners earning more than $75,000 and renters earning more than $50,000 increased.

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Figure A-20.
Cost Burden by Income and Tenure, City of Tacoma, 2016-2019

Tenure	2016		2019		2016-2019	
	Owner	Renter	Owner	Renter	Owner	Renter
Households						
Less than $20,000	2,692	8,117	2,543	6,890	-149	-1,227
$20,000 to $34,999	3,416	8,242	2,116	6,924	-1,300	-1,318
$35,000 to $49,999	5,425	6,619	3,725	6,435	-1,700	-184
$50,000 to $74,999	7,474	7,867	8,291	7,213	817	-654
$75,000 or more	20,856	8,408	29,853	10,532	8,997	2,124
Cost burdened						
Less than $20,000	2,612	7,160	2,074	5,829	-538	-1,331
$20,000 to $34,999	2,572	7,326	1,404	6,445	-1,168	-881
$35,000 to $49,999	3,094	3,122	1,802	3,916	-1,292	794
$50,000 to $74,999	2,652	1,748	3,981	2,989	1,329	1,241
$75,000 or more	1,969	0	3,330	573	1,361	573
Percent cost burdened						
Less than $25,000	97%	88%	82%	85%	-15%	-4%
$25,000 to $50,000	75%	89%	66%	93%	-9%	4%
$50,000 to $75,000	57%	47%	48%	61%	-9%	14%
$75,000 to $100,000	35%	22%	48%	41%	13%	19%
$100,000 or more	9%	0%	11%	5%	2%	5%

Note: Total household columns do not add to total because some households did not disclose income or have zero income.
Source: 2016 and 2019 1-year ACS.

A note about COVID-19. While cost burden has improved in recent years for low- and moderate-income households, the share of households experiencing cost burden remain high for these groups—more than half. Data are not yet available to accurately reflect the economic outcomes of the COVID-19 pandemic on owner and renter cost burden. However, household stability is expected to become more volatile with the fallout of the pandemic.

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Profile of renters and owners. Figure A-21 summarizes characteristics of renters and owners in Tacoma. The figure displays the number and distribution of renter and owner households by demographic characteristic and provides the homeownership rate by age group, household type, education level and race/ethnicity.

Some of the key differences between Tacoma renters and owners include:

- **Owner households have median income more than 2x greater than renter households.** In 2019, the median income for owner households in Tacoma is estimated at $93,765—compared to renters at $44,809.
- **Renters tend to be younger than owners.** In 2019, 58 percent of renters were younger than 44 years old, compared to only 37 percent of owners. One in four owner households are seniors 65 years and older.
- **Owner households are more likely to be families.** Two in three owner households are families while most renter households are non-family households (58%).
- **Owner households have higher educational attainment.** In 2019, one in four renter households have a bachelor's degree or higher compared to 42 percent of owner householders.
- **Owner households lack diversity in race and ethnicity compared to renter households.** Nearly three out of four owner householders are White/Caucasian residents. Conversely, 56 percent of renter households are headed by White/Caucasian residents and the remainder are people of color.

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Figure A-21.
Profile of Renters and Owners, City of Tacoma, 2019

Tenure	Renters		Owners		Ownership Rate
	Number	Percent	Number	Percent	
Total Households	**40,132**	**100%**	**46,884**	**100%**	**54%**
Median Income	**$44,809**		**$93,765**		
Age of Householder					
Millennials (under 35)	13,707	34%	7,674	16%	36%
Ages 35-44	9,754	24%	9,925	21%	50%
Ages 45-64	9,446	24%	17,507	37%	65%
Seniors (65 and older)	7,225	18%	11,778	25%	62%
Household Type					
Non-family households	23,364	58%	15,382	33%	40%
Married families	8,282	21%	24,068	51%	74%
Other family	8,490	21%	7,430	16%	47%
Householder Educational Attainment					
Less than high school graduate	3,819	10%	2,234	5%	37%
High school graduate (or equivalent)	10,840	27%	8,701	19%	45%
Some college or associate's degree	14,993	37%	16,293	35%	52%
Bachelor's degree or higher	10,480	26%	19,656	42%	65%
Race/Ethnicity of Householder					
White/Caucasian	22,518	56%	34,647	74%	61%
Latino/Latinx/Hispanic	3,890	10%	3,426	7%	47%
Other	13,724	34%	8,811	19%	39%

Source: 2019 1-year ACS

Housing units. Figure 22 shows the share of households by household size and the share of housing units by number of bedrooms in the City of Tacoma. These two indicators show the demand (households) and supply (units) for housing units by size. For example, while 67 percent of households have two persons or less, only 48 percent of units have two bedrooms or less. With the growing demand for smaller housing units—due to smaller household sizes and aging seniors—the mismatch between household and unit sizes will become starker.

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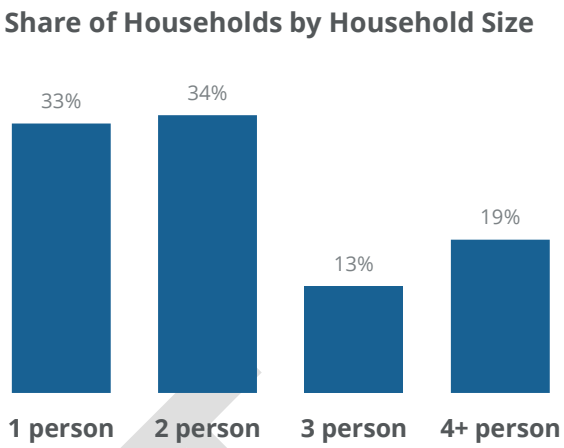
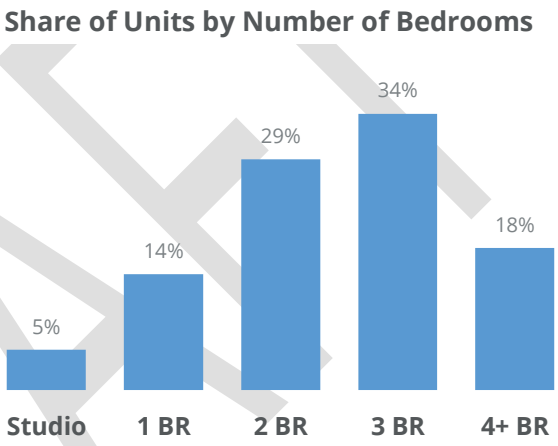
Figure A-22.
Households by Size and Units by Number of Bedrooms, City of Tacoma, 2019

Source:
2019 1-year ACS.





Tacoma lost housing inventory between 2016 and 2019 with a decrease of 1,943 housing units over three years. Most housing units in the city are detached single family homes (62%) followed by units in structures with five or more units (27%). Medium density housing is not as common as low and high density housing in the city.

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Figure A-23.
Units by Units in Structure, City of Tacoma, 2016-2019

Unit type	2016		2019		2016-2019	
	Units	% of units	Units	% of units	Units	% of units
All units	**87,549**	**100%**	**85,606**	**100%**	**-1,943**	**0%**
1-unit, detached	53,685	61%	52,675	62%	-1,010	0%
1-unit, attached	3,202	4%	1,690	2%	-1,512	-2%
2 units	2,557	3%	2,637	3%	80	0%
3 or 4 units	3,997	5%	4,856	6%	859	1%
5 or more units	23,659	27%	23,372	27%	-287	0%
Mobile home	449	1%	302	0%	-147	0%
Other	0	0%	74	0%	74	0%

Source: 2019 1-year ACS

Figure A-24 shows residential building permits by the number of units in structure from 2010 to 2019. High density multifamily development—with five of more units—has become increasingly common in Tacoma with 665 units permitted in 2019 and 834 units permitted in 2018. Single family residential makes up the majority of remaining units permitted annually. However, in recent years, the number of middle density housing permits—duplexes, triplexes, and fourplexes—have increased to around 30 to 40 units annually.

Figure A-24.
Residential Building Permits by Type, 2010-2019

Note:

Other includes mobile homes permitted 2010 to 2017 and accessory dwelling units permitted in 2018 and 2019.

* permit data for 2018 and 2019 were provided by the City of Tacoma and are April to April

Source:

City of Tacoma and Washington State Office of Financial Management

	Single family	Duplex	3-4 units	5+ units	Other	Total units
2010	110	48	52	336	0	546
2011	119	6	3	75	0	203
2012	161	64	0	530	0	755
2013	162	6	9	233	1	411
2014	216	4	0	31	0	251
2015	243	24	7	840	0	1,114
2016	204	14	6	293	1	518
2017	245	28	8	921	0	1,202
2018*	132	22	11	834	8	1,007
2019*	75	12	7	665	4	763

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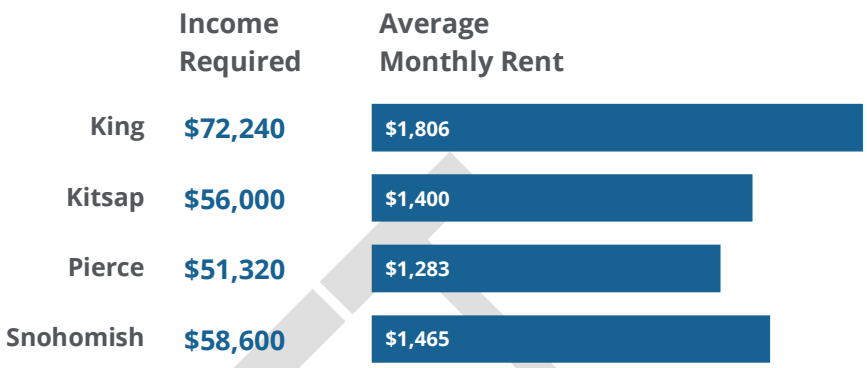
Rental market. Pierce County rental units are relatively affordable compared to other counties in the region. In the Spring of 2020, the average monthly rent in Pierce County was $1,283 which requires a household income of $51,320. Comparatively, monthly rents were higher in Kitsap ($1,400), Snohomish ($1,465), and King Counties ($1,806).

Figure A-25. Average Rent and Required Income, Spring 2020

Source:
Washington State Apartment Market Report Spring 2020 and Root Policy Research



The average rent in Tacoma in 2020 is estimated at $1,419 for all units, $1,267 for one-bedroom units, and $1,516 for two-bedroom units. Since 2016, rents have increased by 22 percent, or between $250 to $275 per month. Two-bedroom units saw the largest surge with a 30 percent increase—equal to a $365 per month increase in average rent.

Figure A-26. Average Rent by Number of Bedrooms, City of Tacoma, 2011-2020

Source:
Rainmaker Insights

With rising rents, the household income required to afford the average rental unit increased by $11,000 annually. According to ACS data, renter household median income only increased by $4,800 annually from 2016 to 2019, placing more units out of reach for the average renter—and increasing the amount of household income that is required to cover rent.

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Figure A-27.
Rental Affordability, City of Tacoma, August, 2016-2020

Unit type	2016		2020		2016-2020	
	Average Rent	Income Required	Average Rent	Income Required	Average Rent	Income Required
All units	$1,246	$49,840	$1,419	$56,760	$275	$11,000
1 bedroom	$1,116	$44,640	$1,267	$50,680	$247	$9,880
2 bedroom	$1,251	$50,040	$1,516	$60,640	$366	$14,640

Source: Rainmaker Insights and Root Policy Research.

Subsidized rental housing. For low-and moderate-income households priced out of the increasingly expensive rental market, subsidized housing units are needed to keep residents housed in the city. For households earning less than 30 percent, AMI publicly supported housing is needed in all markets, whereas, for households earning between 30 and 50 percent AMI, subsidies are needed in most markets—particularly as rents continue to outpace income increases.

According to the Tacoma/Pierce County Affordable Housing Consortium,[7] the City of Tacoma has 6,963 subsidized or assisted housing units. However, among Tacoma's existing privately owned, federally subsidized supply, 326 units at 9 properties have subsidies that expire as early as 2021.[8]

In 2020 the waitlist for the Tacoma Housing Authority for public housing totaled 6,460 residents, and residents typically wait for several years (as many as five years) on the wait lists.[9]

Rental gap. The rental gaps analysis displayed in Figures A-28 to A-30 compares the number of renter households in Tacoma, their income levels, the maximum monthly housing payment they could afford, and the number of units in the market that were affordable to them. The "Rental Gap" columns show the difference between the number of renter households and the number of rental units affordable to them. Negative numbers (in parentheses) indicate a shortage of units at the specific income level; positive units indicate an excess of units.

In 2019, there was an estimated shortage of 7,142 units for residents earning less than 30 percent AMI ($26,200). This shortage decreased from 2016 to 2019 due to low income

[7] The Consortium is made up of the Cities of Tacoma and Lakewood, the Puyallup Tribe of Indians, the Tacoma Housing Authority, Pierce County Housing Authority, and other partners in housing choice development

[8] City of Tacoma 5-year Consolidated Plan Draft (2020)

[9] City of Tacoma 5-year Consolidated Plan Draft (2020)

renters leaving the city—perhaps due to a decline in affordable units. During this time, the number of units affordable to extremely low income renters decreased by 2,091 units (units priced at less than $625 per month) while the number of low-income renter households in Tacoma decreased by 2,321 households.

A note about students. In many cities with a college presence, the student population can influence the rental gap, especially when students reside off campus. If all of the students attending colleges in Tacoma lived off campus, had an average household size of 2.5, reported their place of residence as Tacoma, and earned less than $25,000 per year, the non-student rental gap would be 25% smaller.

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Figure A-28.
Rental Gaps by Income Range, City of Tacoma, 2016-2020

Income Range	Maximum Affordable Gross Rent	2016				2019				2016-2019	
		Renter Households	Rental Units	Gap	Cummulative Gap	Renter Households	Rental Units	Gap	Cummulative Gap	Renter Households	Rental Units
Less than $5,000	$125	2,756	253	(2,503)	(2,503)	1,339	0	(1,339)	(1,339)	(1,417)	(253)
$5,000 to $9,999	$250	2,653	1,337	(1,316)	(3,819)	1,646	1,447	(199)	(1,538)	(1,007)	110
$10,000 to $14,999	$375	2,828	1,171	(1,657)	(5,476)	2,626	1,036	(1,590)	(3,128)	(202)	(135)
$15,000 to $19,999	$500	1,750	752	(998)	(6,474)	2,158	278	(1,880)	(5,008)	408	(474)
$20,000 to $24,999	$625	3,048	2,100	(948)	(7,422)	2,470	658	(1,812)	(6,820)	(578)	(1,442)
$25,000 to $34,999	$875	5,523	7,994	2,471	(4,951)	4,454	4,115	(339)	(7,159)	(1,069)	(3,879)
$35,000 to $49,999	$1,250	6,610	13,981	7,371	2,420	7,250	12,724	5,474	(1,685)	640	(1,257)
$50,000 to $74,999	$1,875	7,985	11,508	3,523	5,944	7,444	15,888	8,444	6,759	(541)	4,380
$75,000 to $99,999	$2,500	4,519	2,726	(5,095)	849	4,499	4,994	(4,814)	1,945	(20)	2,268
$100,000 or more	$3,750	3,954	652			6,246	937			2,292	285
Total/ Low Income Gap (<$25,000/year)		**41,626**	**42,475**	**(7,422)**		**40,132**	**42,077**	**(6,820)**		**(1,494)**	**(398)**

Source: 2016 and 2019 1 year ACS, 2018 and 2020 HUD Income Limits, and Root Policy Research.

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Figure A-29.
Rental Gaps by AMI Range, City of Tacoma, 2016-2020

AMI Range	2016				2019				2016-2019	
	Renter Households	Rental Units	Gap	Cummulative Gap	Renter Households	Rental Units	Gap	Cummulative Gap	Renter Households	Rental Units
0-30% of AMI	13,090	5,718	(7,373)	(7,373)	10,769	3,627	(7,142)	(7,142)	(2,321)	(2,091)
31-50% of AMI	6,481	10,477	3,996	(3,377)	8,105	11,278	3,173	(3,969)	1,624	801
61-80% of AMI	7,034	14,329	7,295	3,918	8,977	18,678	9,702	5,733	1,943	4,350
81-100% of AMI	6,420	8,449	2,029	5,947	3,750	5,970	2,220	7,953	(2,670)	(2,479)
101-120% of AMI	2,752	2,298	(454)	5,493	2,700	1,781	(919)	7,034	(52)	(517)
121% of AMI or more	5,848	1,204	(4,644)	849	5,831	742	(5,089)	1,945	(17)	(462)
Total/Low Income Gap (<30% AMI)	**41,626**	**42,475**	**(7,373)**		**40,132**	**42,077**	**(7,142)**		**(1,494)**	**(398)**

Source: 2016 and 2019 1 year ACS, 2018 and 2020 HUD Income Limits, and Root Policy Research.

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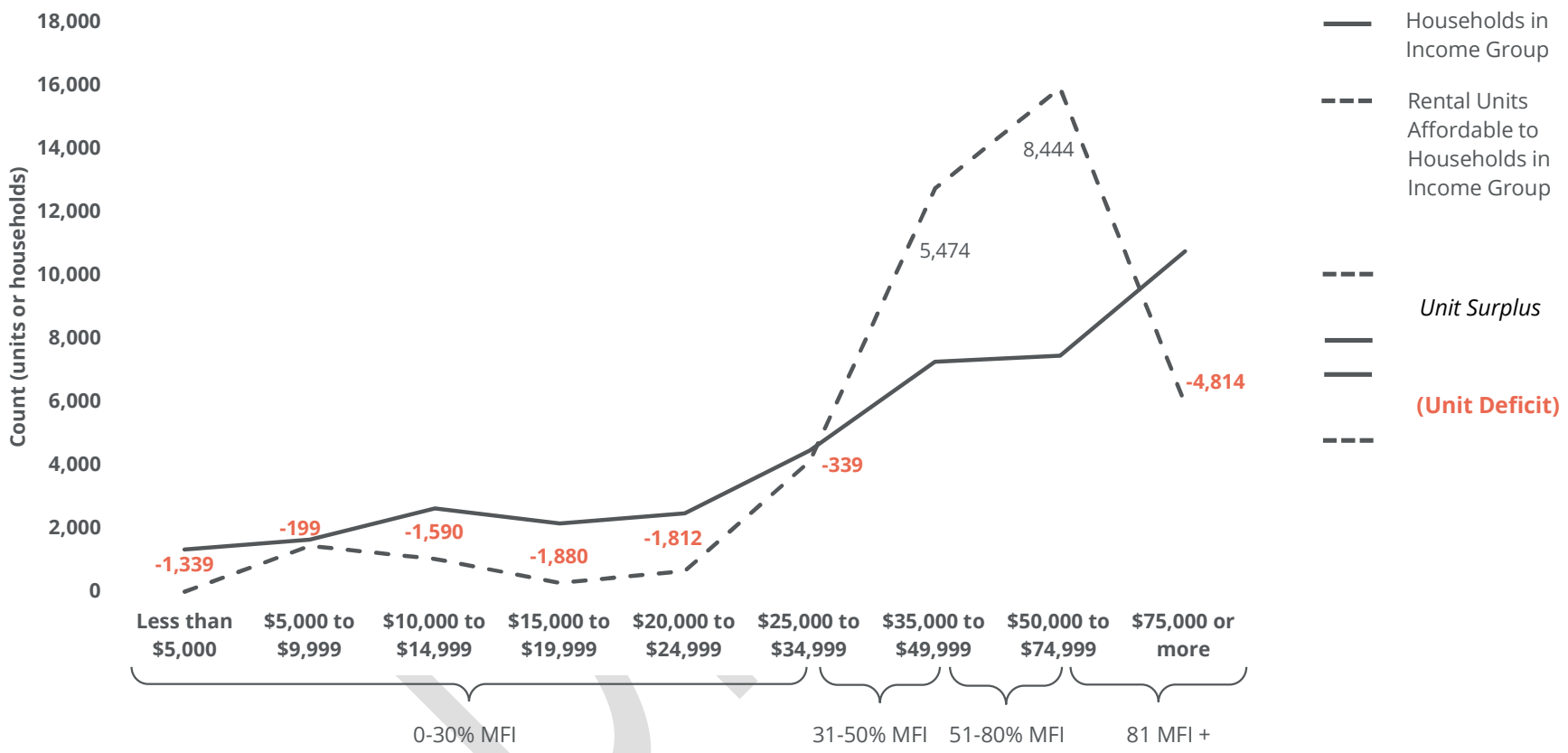
Figure A-30.
Rental Gaps, City of Tacoma, 2016-2020



Source: 2016 and 2019 1 year ACS, 2018 and 2020 HUD Income Limits, and Root Policy Research.

Ownership market. Pierce and Snohomish Counties are relatively affordable for homebuyers compared to Kitsap and King Counties. In the Spring of 2020, the median priced single family home sold for $354,600 in Pierce County, which requires an income of $83,425 annually.

Figure A-31. Median Resale Price and Income Required, Spring 2020

Source:
Washington Center for Real Estate Research and Root Policy Research

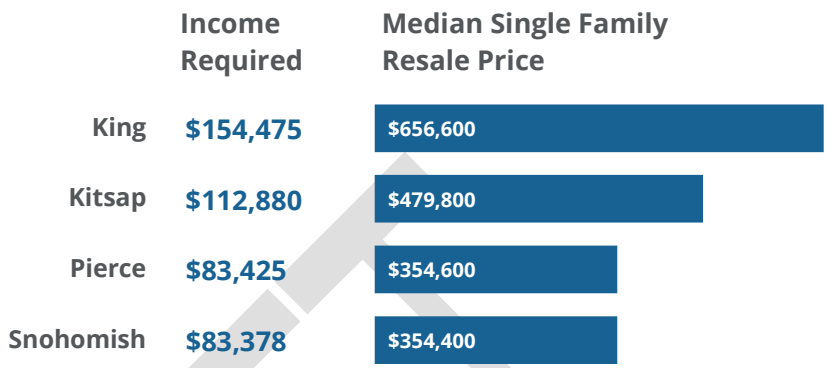
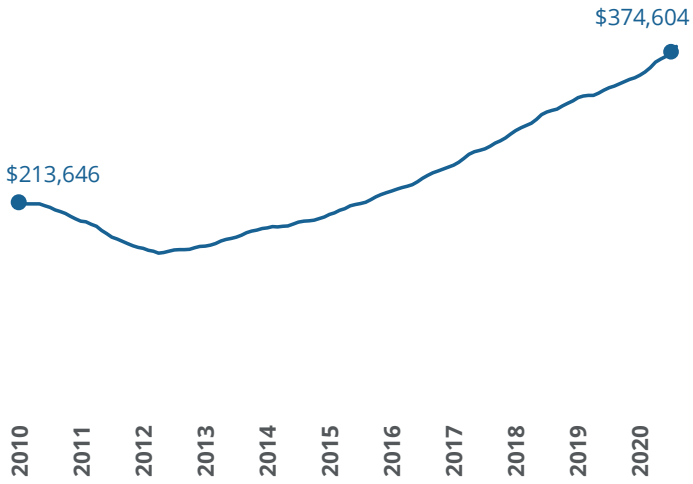


Figure A-32 shows the Zillow Home Value Index for the City of Tacoma from 2010 to 2020. The ownership housing market in Tacoma has been on the rise since 2012 as the economy recovered from the Great Recession. The home value reported by Zillow increased from $241,318 in August of 2016 to $374,604 in August of 2020—an increase of $133,286 or more than 50 percent.

Figure A-32. Home Value, City of Tacoma, 2010-2020

Source:
Zillow Home Value Index



Since 2000, the median home value in the City of Tacoma nearly tripled—from $123,300 in 2000 to $344,500 in 2019. Over the same time, the income required to purchase the median value home only doubled—due to decreased mortgage interest rates. In recent years, home value experienced a large increase of $105,000 (44% increase) over three years from 2016 to 2019.

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Figure A-33.
Home Value and Required Income, City of Tacoma, 2000-2019

Source:
2000, 2010, 2016, 2019 1-year ACS, and Root Policy Research

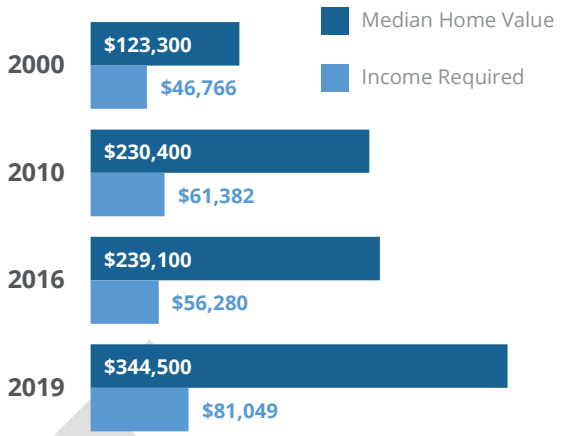

Figure 34 shows affordable housing costs for the middle market in the City of Tacoma. For the purposes of this analysis, the middle market includes households earning between 80 and 120 percent of AMI. As shown, a 3-person middle market household can afford rents between $1,558 and $2,334 or to purchase a home priced between $262,160 and $392,861. Single middle market households have more constrained affordability.

Figure A-34.
Middle Market Income and Affordable Housing Costs, City of Tacoma, 2019

Source:
2019 1-year ACS and Root Policy Research

	1-Person Middle Market	3-Person Middle Market
Income Range (80-120% AMI)	$48,450 - $72,720	$62,300 - $93,360
Affordable Rent	$1,211 - $1,818	$1,558 - $2,334
Affordable Home Price	$203,879 - $306,007	$262,160 - $392,861

According to data from the American Community Survey, 16 percent of renters could afford to purchase the median priced home in 2016, whereas 21 percent of renters could afford the median priced home in 2019. The increased share of renters able to purchase the median priced home in the city is a result of the shift to higher income renter households and dropping mortgage interest rates.

The for sale market for residents looking to buy a home varies greatly depending on location and amenities such as waterfront properties or areas of high opportunity. Figure 35 shows the average listed and sold price by zip code for single family homes sold in 2016 and 2020—from January to June. Generally, zip codes in the northern areas of the city are priced higher while neighborhoods in the south and east are lower.

Waterfront areas—including zip codes 98403, 98421, and 98422—have the highest average sale prices; whereas, in some cases, zip codes in south Tacoma are half as expensive as waterfront properties with average prices much lower in zip codes like 98408 and 98409. Geographic trends in prices are consistent with the for sale market in 2016—homes for sale in north Tacoma are priced higher than homes in other areas in the city.

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Figure A-35.
Average Sold Price of Single Family Homes by Zip Code, 2016-2020

Note:

Zip code 98402 has very few properties listed and sold in the data sample.

Source:

MLS January to June 2016 and 2020

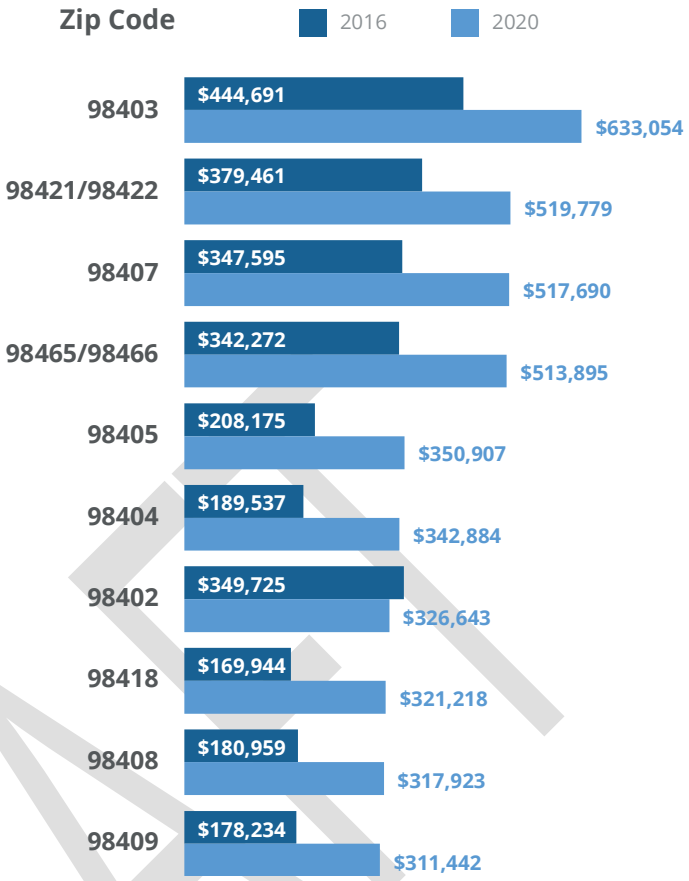
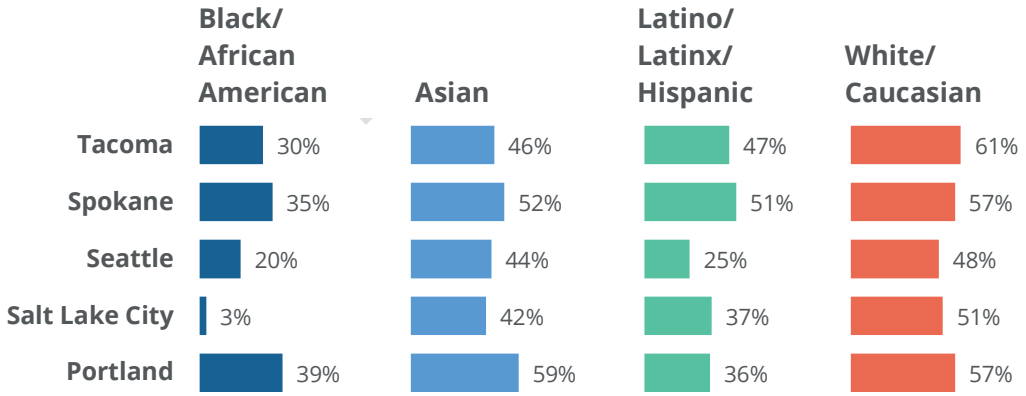


Figure A-36 shows home ownership rates by race and ethnicity for the City of Tacoma and other cities in the region or of a similar size. Generally, White/Caucasian and Asian households have the highest rates of home ownership—consistent with national trends. Black/African American and Latino/Latinx/Hispanic residents have lower rates of homeownership with 30 percent and 47 percent respectively in the City of Tacoma.

Figure A-36.
Homeownership by Race and Ethnicity, 2019



Source: 2019 1-year ACS.

Access to opportunity. The Puget Sound Regional Council (PSRC) developed an opportunity mapping tool to identify areas of opportunity and areas that are vulnerable to displacement. The opportunity map is based on the opportunity index which includes five elements of neighborhood opportunity including:

- Education,
- Economic health,
- Housing and neighborhood quality,
- Mobility and transportation, and
- Health and environment.

Census tracts are given an opportunity score on a scale from very low to very high.[10] Figure A-37 shows the opportunity index for census tracts in the City of Tacoma. Generally, opportunity is highest in the north areas of the city and lowest in the south and central areas of the city.

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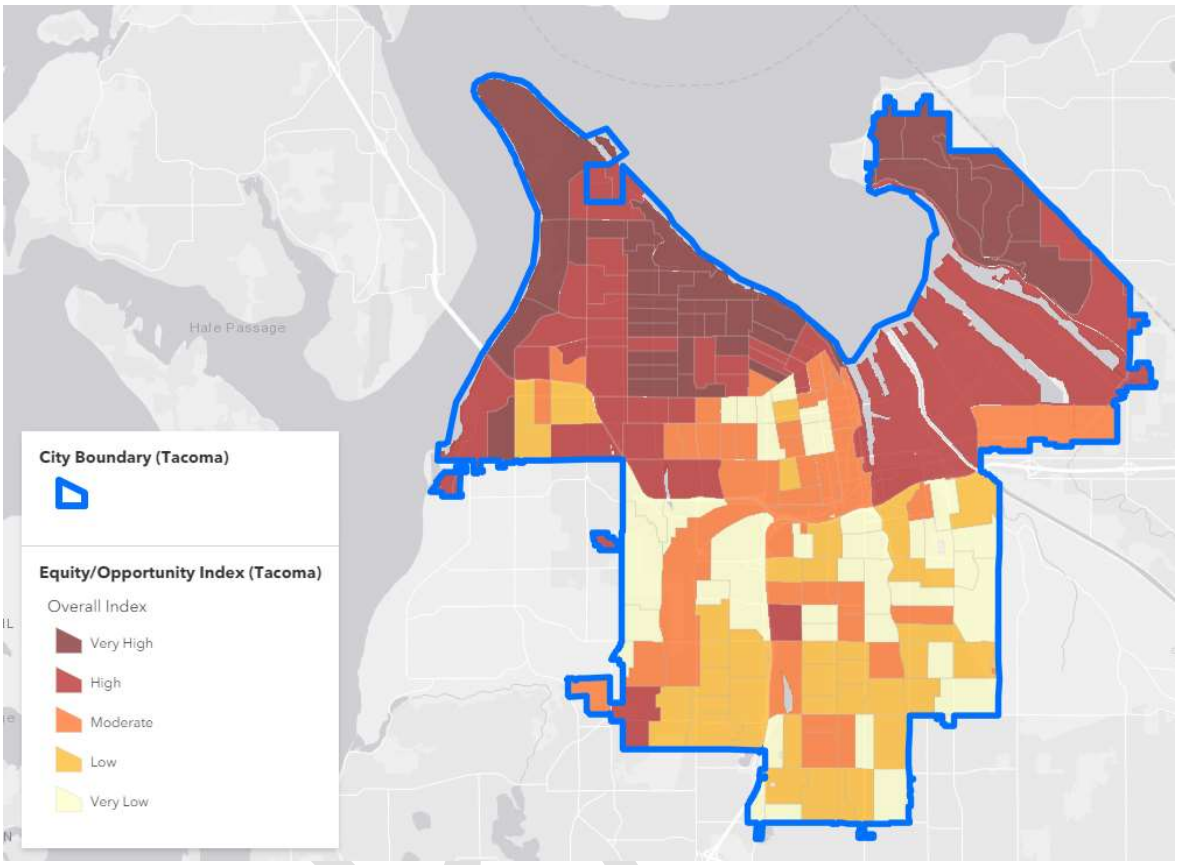
[10] The level of opportunity score (very low, low, moderate, high, very high) is determined by sorting all census tracts into quintiles based on their index scores. Areas of opportunity that experience greater proportions of growth may experience an increased risk of displacement. (https://www.psrc.org/opportunity-mapping)

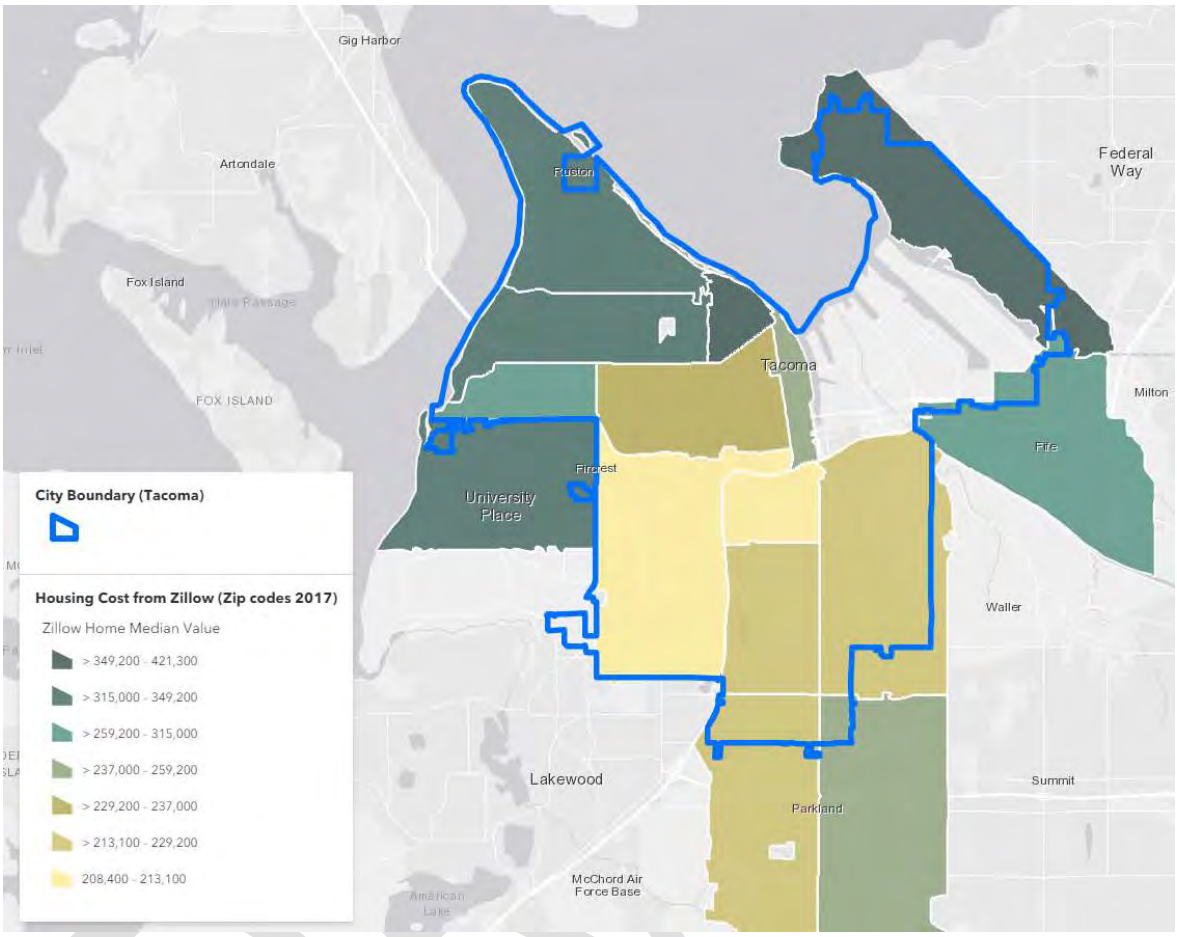
Figure A-37.
Equity and Opportunity Index, City of Tacoma



Source: Esri, HERE, NPS | The Kirwan Institute for the Study of Race & Ethnicity, City of Tacoma | City of Tacoma

Figure A-38 shows the median home value by zip code in the City of Tacoma. Areas of high opportunity, as indicated in the previous figure, also have higher median home values. North Tacoma's housing stock is valued higher than areas in the south and central parts of the city and is the area with the highest opportunity score according to PSRC.

Figure A-38.
Median Home Value by Zip Code, 2017



Source: Esri, HERE, NPS | City of Tacoma