



**City of Tacoma**  
Planning and Development Services

**To:** Planning Commission  
**From:** Elliott Barnett, Planning Services Division  
**Subject:** **Home In Tacoma Project**  
**Date:** May 13, 2021  
**For the Meeting of:** May 19, 2021

**Action Requested:**

Finalize and forward recommendations to the City Council.

**Discussion**

At this meeting, the Planning Commission will review the substantive changes to be made to the Commission's *Home In Tacoma Project* preliminary recommendations package, and consider further modifications to the package as appropriate. Staff will request the Commission to consider forwarding the final recommendations, as may be modified, to the City Council, by approving the draft Letter of Recommendation and draft Findings of Fact and Recommendations Report (attached).

The Commission authorized release of the preliminary recommendations on February 17, 2021, conducted a Public Hearing on April 7<sup>th</sup> and received comments through April 9<sup>th</sup>. Interest was high, with about 900 written, oral and map comments received. On April 21<sup>st</sup> and May 5<sup>th</sup>, the Commission debriefed the public input and directed that a number of changes be made to the preliminary draft package. Overall, the Commission reaffirmed the proposed housing growth vision, and provided direction on topics including project timing and engagement, the proposed new residential land use designations, actions to accommodate growth, affordability and displacement strategies, and near-term code changes. In addition, the Commission reviewed two hybrid housing growth scenario maps on May 5<sup>th</sup> and provided direction for a final version, which is included with this packet.

Staff are still preparing the final versions of the exhibits that will be forwarded to City Council, including the final Comprehensive Plan, code and Housing Action Plan text, as well as the interactive online version of the final recommended housing growth strategy. We will make those available to the Commission as they are ready.

Prior Commission, Taskforce and Council Actions

- Planning Commission Continued Debrief (05/05/21)
- Planning Commission Debrief (04/21/21)
- Planning Commission Public Hearing (04/07/21)
- City Council Study Session (03/23/21)
- Planning Commission release of public review draft, set Public Hearing (02/17/21)
- Planning Commission 80% draft (02/03/21)
- Planning Commission land use scenarios discussion (01/06/21)
- Planning Commission debrief (12/16/20)
- 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, 01/07/21, 03/18/21, 04/08/21)
- 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**

- Public notice and engagement to inform the community on the Commission recommendations
- City Council review and action – June to July 2021

### **Staff Contact**

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

### **Attachments**

1. Draft Letter of Recommendation
  2. Draft Findings of Fact and Recommendations Report (including the updated housing growth scenario map)
- c. Peter Huffman, Director



City of Tacoma  
Planning Commission

Anna Petersen, Chair  
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May 19, 2021

The Honorable Mayor and City Council  
City of Tacoma  
747 Market Street, Suite 1200  
Tacoma, WA 98402

FINAL  
DRAFT

RE: Home In Tacoma Project

Honorable Mayor Woodards and Members of the City Council,

On behalf of the Tacoma Planning Commission, it is my honor to forward our recommendations on the *Home In Tacoma Project*. In directing us to work on this effort, the City Council tasked this Commission with a very important responsibility and opportunity to make a significant and lasting contribution to our City. We are grateful for this chance to do meaningful work on behalf of current and future Tacoma residents.

As the City Council has correctly defined, 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. Growth in our region is driving prices up faster than incomes. The economic impacts of the pandemic mean more people are facing financial instability. Housing meets our need for shelter and also connects us with family, friends, community, transportation, employment and more. Yet as time goes on, Tacoma's neighborhoods—particularly those with higher opportunities—are becoming too expensive for most Tacoma residents to afford. This impacts everyone—yet the data clearly show that people of color are disproportionately impacted and have inequitable access to high opportunity areas.

The goals of the *Home In Tacoma Project* are to increase housing supply, affordability and choice throughout our neighborhoods. Today's housing challenges have lead us to rethink whether Tacoma's current housing rules are meeting the community's needs and hopes for the future. Since the 1950's, the majority of Tacoma's housing land supply has been zoned exclusively for single-family houses. This policy choice limits our ability to adapt to changing housing needs, locks in less efficient use of land and infrastructure, makes us reliant on cars, and limits access to opportunity. It wasn't always this way—many of Tacoma's most sought after neighborhoods, built before the 1950's, offer a mix of housing types in a walkable setting. Housing needs and preferences have also changed since the 1950s—households tend to be smaller, our average age is older, and there is renewed interest in walkable, urban living.

With a finite capacity for housing growth, why should Tacoma mandate that only one housing type be allowed in our neighborhoods—particularly one that uses more land for each housing unit, drives up costs and reduces housing choice, and reduces opportunities for a walkable lifestyle? Our community engagement efforts have lead us to conclude that many Tacomans would welcome more housing choices, along with more opportunity to age-in-place, generate rental income, house family members, and walk to jobs, transit, shopping and parks. Housing developers, real estate agents and architects confirm that there is pent up demand for more housing choices. Other cities are coming to this same conclusion.

We believe it is time for Tacoma to change housing rules that are no longer serving us well. The *Home In Tacoma Project* recommendations would establish a new housing growth vision supporting more housing choices, and commit to a second phase of robust community engagement prior to implementing that vision through zoning and standards. The proposed Low-scale and Mid-scale Residential Land Use designations chart the course for housing choices that support our transit-oriented growth vision and provide for compatibility in terms of scale and design.

Through our engagement efforts, we have also heard that while there is a recognition of the need for housing supply, affordability and choice, there are also real concerns about how the City will manage

neighborhood growth and change. There are questions that must be thought through to make sure that we can add housing choices while protecting the qualities that people cherish about our neighborhoods. We believe we can allow infill that complements the scale, design and residential patterns of our existing neighborhoods. The key to doing so is moving away from a use-based zoning approach that mandates the number of families, to a form-based approach that emphasizes the scale and design.

The *Home In Tacoma Project* would not eliminate houses. To be clear, the majority of Tacoma residents today live in detached houses, and this remains the aspiration of many. On the contrary, these proposals would help more people to realize that objective by allowing infill of smaller and attached housing types offering many of the benefits of houses, in neighborhoods that under our current housing rules are already full.

We urge the City Council to commit to a more inclusive, sustainable and affordable housing vision by adopting the *Home In Tacoma Project* policies, and initiate implementation through *Home In Tacoma Project* — Phase 2. While we applaud the City Council for setting a deadline commensurate with the importance of these actions, we urge Council to allow more time for Phase 2 within an expeditious schedule. This is a significant, and for some, controversial topic. People need to understand how the City and its public agency partners will ensure that infrastructure, transit, parks and schools will keep pace with more people living in our neighborhoods. We also need to craft zoning and standards that prevent unintended consequences, such as loss of tree canopy or a spike in demolitions of viable structures. This will take time, and we need to do it right in consultation with our whole community.

Yet if we do nothing, we know what to expect—housing will become more and more out of reach for many Tacoma residents, particularly in high opportunity areas. Our neighborhoods will become less diverse and resilient. The implications go beyond housing—changing our housing growth strategy is also critical to addressing the climate emergency and to accomplishing Tacoma's antiracism transformation. Those outcomes would not be consistent with Tacoma's values.

The *Home In Tacoma Project* proposals are among the most significant actions that the City can take to address our community's housing needs. Yet affordability and anti-displacement are challenging and complex, requiring action on multiple fronts. We applaud the City Council for your leadership in adopting new housing funding sources, and urge continued and expanded implementation of all the AHAS actions.

Though our stance with the *Home In Tacoma Project* is in part to right an historic wrong, we also firmly believe that this new housing growth vision will benefit everyone. We urge you to consider that significant change always comes with controversy. The proposals have been crafted in collaboration with the community, and we have worked hard to consider and address the issues and questions. We believe wholeheartedly that the *Home In Tacoma Project* proposals are well-balanced and incorporate a firm commitment to address community concerns moving forward.

Enclosed please find the “*Planning Commission’s Findings of Fact and Recommendations Report for the Home In Tacoma Project, May 19, 2021*” that summarizes the proposed amendments, the public review and community engagement process, and the Planning Commission’s deliberations and decision-making. We want to share our thanks to the many Tacoma residents and stakeholders who have been actively engaged in the process and provided invaluable feedback and advice.

In conclusion, the *Home In Tacoma Project* is a carefully-crafted and well-balanced product that reflects the community's desires and concerns garnered through an extensive and rigorous engagement process. Housing matters deeply to our wellbeing, health and prosperity. The Planning Commission believes that the recommended package, as part of the City's ongoing housing and related policy efforts, will help achieve the City's strategic goals for a safe, clean and attractive city; a well maintained natural and built environment; a diverse, productive and sustainable economy; and an equitable and accessible community for all.

Mayor and City Council  
Home In Tacoma Project  
May 19, 2021  
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We respectfully request that the City Council accept our recommendations and adopt the *Home In Tacoma Project* package as presented.

Sincerely,

ANNA PETERSEN, Chair  
Tacoma Planning Commission

Enclosure



## Home In Tacoma Project

Amendments to the Comprehensive Plan and Land Use Regulatory Code



### TACOMA PLANNING COMMISSION FINDINGS OF FACT AND RECOMMENDATIONS REPORT

MAY 19, 2021

FINAL  
DRAFT

#### A. SUBJECT:

The *Home In Tacoma Project* amendments to the Comprehensive Plan and Land Use Regulatory Code, along with recognition of a Housing Action Plan to guide ongoing implementation actions.

As part of implementation of the Affordable Housing Action Strategy (AHAS), the *Home In Tacoma Project* presents the City Council with recommendations to modify Tacoma's housing growth strategy, update housing policies, strengthen affordability and anti-displacement tools, and take action to ensure that housing growth complements Tacoma's neighborhoods.

##### Key Comprehensive Plan policy actions include:

- Support continued growth and promote affordability in designated Centers and along Corridors
- Allow diverse (Missing Middle) housing types, such as duplexes, triplexes, cottage housing and small multifamily, in most currently single-family neighborhoods
- Allow medium-scale multifamily in areas near centers, corridors and transit
- Ensure new housing is well designed and complements the scale of the neighborhood
- Expand and strengthen Tacoma's affordability and anti-displacement policies and programs
- Guide housing growth to support multiple community goals and avoid unintended consequences

This package of policy actions is the first of two project phases. City Council adoption of these proposals would establish the policy direction to move away from exclusive single-family zoning, and initiate a second project phase to include development of zoning, standards, infrastructure actions and other steps to implement that policy direction.

In addition, the current package does include several near-term code changes intended to improve implementation of existing policies and achieve consistency with state law.

#### B. SUMMARY OF PROPOSED AMENDMENTS:

Proposed amendments include changes to the Comprehensive Plan to implement the following:

##### New housing growth vision and updated housing policies

*Utilize housing growth to create neighborhoods that are inclusive, welcoming to our diverse community, resilient, thriving, distinctive and walkable, with robust community amenities and a range of housing choices and costs.*

- Increase housing options throughout the City
- Ensure that new housing is well designed and complements the scale of Tacoma's distinctive neighborhoods
- Evolve our housing vision to be more inclusive of all members of our community by removing the emphasis on an imposed definition of "family"
- Recognize that housing is a fundamental building block of community that affects multiple goals

##### Enabling Missing Middle Housing

- Replace the current Single-family and Multifamily Low-Density Land Use Designations with the proposed Low-scale and Mid-scale Residential Land Use Designations

- The new land use designations are form-based, allowing more housing choices citywide while complementing residential patterns and existing scale
- Areas near Centers, Corridors, and bus routes are proposed for Mid-scale Residential
- Areas where housing is not the primary goal are excluded (such as parks, commercial & industrial areas)
- No changes are proposed to Downtown and Centers which already support high-density housing

#### Getting Housing Growth Right

- Balance housing growth with design, livability, historic preservation, urban forestry, public infrastructure and services, and other community goals
- Proposed Infill design principles call for new housing to complement neighborhood scale and patterns, and provide transitions from higher-scale to lower-scale areas
- Proposals include actions to reduce demolitions of viable structures, to ensure that housing growth is supported by infrastructure and services, and support steps to assist people of color and others facing economic barriers to access housing and build family wealth

#### Making housing more affordable

- Strengthen policy guidance for affordability tools and set affordable housing production targets
- Update and expand regulatory affordable housing tools commensurate with market strength
- Expand the City's Multifamily Tax Exemption Program (12-year affordable housing option)
- Establish and implement an anti-displacement strategy to help lower-income residents stay in growing neighborhoods
- Take steps to promote access to housing and wealth-building for people of color

#### Near-term Code Changes

Along with the package of proposed substantial changes, the proposals would include several near-term code updates to improve consistency with existing adopted policies and with state law.

- Update the Accessory Dwelling Unit (ADU) code to remove barriers and simplify permitting
- Establish a regulatory affordable housing bonus option for religious institutions and nonprofit affordable housing providers
- Reduce parking requirements for senior housing developments
- Streamline the approval process for platting
- Expand the City's Development Regulatory Agreement flexible permit pathway to promote projects that provide significant affordable housing

#### Phase 2 – Implementation

City Council action on *Home In Tacoma Project* – Phase 1 will set the vision for housing growth and establish the desired housing types, scale and general locations. However, zoning and standards will not be changed until after the next phase of public engagement, policy analysis and environmental review (Phase 2), including:

- Zoning changes
- Design standards updates
- Actions to ensure that urban infrastructure and services are adequate to support growth
- Potential phasing of implementation, if directed by the City Council
- Actions to address the potential demolition of viable structures
- Actions to create green, sustainable and resilient housing
- Actions to promote physical accessibility
- Review of City permitting and processes
- Education and technical support for developers and the public

## **C. FINDINGS OF FACT – PART 1: BACKGROUND**

### **1. Comprehensive Plan and Land Use Regulatory Code**

The *One Tacoma* Comprehensive Plan, updated in 2015 by Ordinance No. 28335, is Tacoma's comprehensive plan as required by the State Growth Management Act (GMA) and consists of several plan and program elements. As the City's official statement concerning future growth and development, the Comprehensive Plan sets forth goals, policies and strategies for the health, welfare and quality of life of Tacoma's residents. The Land Use Regulatory Code, Title 13 of the Tacoma Municipal Code (TMC), is the key regulatory mechanism that supports the Comprehensive Plan.

### **2. Planning Mandates**

The Growth Management Act (GMA) requires that any amendments to the Comprehensive Plan and/or development regulations conform to the requirements of the Act, and that all proposed amendments, with certain limited exceptions, shall be considered concurrently so that the cumulative effect of the various changes can be ascertained. Proposed amendments to the Comprehensive Plan and/or development regulations must also be consistent with the following State, regional and local planning mandates and guidelines:

- The State Growth Management Act (GMA);
- The State Environment Policy Act (SEPA);
- The Puget Sound Regional Council's *VISION 2040* Multicounty Planning Policies;
- The Puget Sound Regional Council's *Transportation 2040*, the action plan for transportation in the Central Puget Sound Region (adopted on May 20, 2010);
- The Puget Sound Regional Council's Subarea Planning requirements;
- The Countywide Planning Policies for Pierce County;
- TMC 13.02 concerning the procedures and criteria for amending the Comprehensive Plan and development regulations.

### **3. Planning Commission process**

Pursuant to the Tacoma Municipal Code, Section 13.02.070 – Adoption and Amendment Procedures, applications may be submitted by City departments or governmental entities, including the Planning and Development Services Department, and subsequently forwarded to the Planning Commission for their assessment. The Planning Commission decides whether to accept the application and begin the public review and analysis process. Those applications then receive detailed review and analysis by staff and the Planning Commission and input is solicited from stakeholders and the community. The Planning Commission accepted the *Home In Tacoma Project* and initiated review in early 2020.

## **D. FINDINGS OF FACT – PART 2: PLANNING COMMISSION REVIEW**

### **1. Process overview**

Housing is a fundamental human need as well as an essential building block of community, and connects people to essential opportunities like jobs, education, transportation and recreation. Over the past year, Tacoma's Planning Commission has engaged the community in a discussion about housing needs, development trends, zoning, and neighborhood change.

This multi-year policy effort was initiated by the City Council's acceptance of the Affordable Housing Action Strategy (AHAS). Engagement and policy analysis have been lead by the Planning Commission, with policy input from the Housing Equity Taskforce and direction from the City Council. The Commission operated under a schedule directed by the City Council through adoption of Ordinance No. 28695. The Ordinance directed the Planning Commission to forward recommended changes to the Comprehensive Plan to the City Council by May of 2021, and to forward a full package of implementing zoning, standards and processes by December 2021. This schedule reflects the urgency of taking action to address the housing crisis.

The planning process began in early 2020 with a public hearing that shaped the scope of work and project approach. The Commission finalized the *Home In Tacoma Project* – Scoping Report on May 6, 2020. The Scoping Report provides a thorough summary of pertinent policy background which supports the housing policy actions proposed here. Specifically, the *Home In Tacoma Project* implements policies adopted by the City Council in 2019 as part of updates to the *One Tacoma Plan* Housing Element that call specifically for changing Tacoma's housing rules to allow diverse (Missing Middle) housing options and to promote affordability, among other actions.

From September 2020 to February 2021, the Commission and City staff conducted broad engagement to inform development of the policy proposals. Engagement approaches included a project webpage with multiple resources, regular project email updates to about 1,500 people, bilingual engagement tools in Spanish, Russian, Khmer and Vietnamese, a three-part virtual housing café discussion series, an interactive online storymap, and a housing choice survey which received 870 responses. The project team participated in about 50 meetings with City Commissions, the Housing Equity Taskforce, neighborhood and community groups, housing development professionals, equity and social justice stakeholders, City departments and partner agencies.

On February 17, 2021 the Commission released a package of preliminary recommendations for public review, then conducted a public hearing on April 7<sup>th</sup> and accepted written and map comments through April 9<sup>th</sup>. The recommendations were informed by the analysis and engagement summarized below. The Commission received about 900 public comments, and used that input to refine the policy recommendations.

The City Council, Planning Commission and Housing Equity Taskforce have held the following meetings to develop these policy recommendations:

- City Council acceptance of the AHAS (September 2018)
- Council adoption of AHAS Housing Element updates (09/24/19)
- Planning Commission initial discussion of AHAS Planning actions (10/2/19)
- Human Rights Commission initial discussion of AHAS Planning actions (11/21/19)
- Planning Commission/Human Rights Commission–Housing Taskforce meeting (12/04/19)
- Planning Commission sets Housing Equity Taskforce scope and participants (12/18/19)
- Planning Commission authorized release of draft Scope and Assessment Report (01/15/20)
- Planning Commission Public Hearing (02/19/20)
- Planning Commission Finalize Project Scope of Work (05/06/20)
- Planning Commission Project Launch (09/02/20)
- Housing Equity Taskforce meetings (09/10/20, 10/08/20, 11/05/20, 12/03/20, 01/07/21, 03/18/21, 05/13/21)
- City Council Study Session (11/10/20)
- Planning Commission workshop (11/18/20)
- Planning Commission debrief (12/16/20)
- Planning Commission land use scenarios discussion (01/06/21)
- Planning Commission 80% draft (02/03/21)
- Planning Commission release of public review draft, set Public Hearing (02/17/21)
- City Council Study Session (03/23/21)
- Planning Commission Public Hearing (04/07/21) (and accepted public comments through 04/09/21)
- Planning Commission debrief of public comments (04/21/21)
- Planning Commission continued debrief of comments (05/05/21)
- Planning Commission forward recommendations to the City Council (05/19/21)

## **2. Engagement and Consultation:**

The Planning Commission directed that their efforts be informed by both broad community engagement, and targeted engagement with key stakeholder groups. In particular, the Commission

sought to empower lower-income people, people of color and others facing economic barriers to help shape the policy recommendations. The Planning Commission and Human Rights Commission jointly formed the Housing Equity Taskforce specifically to develop policy recommendations on equity and antiracism policy goals as they relate to housing. The Taskforce developed a package of recommendations which informed the current policy proposals. In addition, the project team regularly met with the Affordable Housing Action Strategy – Technical Advisory Group which provided policy input from the affordable housing community perspective, with the housing development community, and with neighborhood and community groups.

### **Key Themes:**

Overall, the project team held over 50 meetings with a broad range of groups during the preliminary consultation phase of the project. Key outcomes from the preliminary engagement efforts are summarized below.

#### Housing development community:

*AHAS Technical Advisory Group, Developer Focus Group, Master Builders Association, Tacoma Permit Advisory Taskforce, Tacoma Pierce County Affordable Housing Consortium, Tacoma Pierce County Association of Realtors, banking professionals.*

- Developers would build more diverse (missing middle) housing if zoning rules allowed, particularly close to walkable urban areas
- Administrative actions such as reduction of regulatory barriers, education and support, and incentives can help support projects
- Infill can support rental and ownership opportunities, though financing and other sectors may need to catch up

#### Infrastructure and services providers:

*Internal and external agencies consultation to inform the SEPA review*

- Overall, growth in Tacoma is a positive, consistent with adopted policies directing growth to cities as opposed to suburban settings
- Further analysis is needed to understand how increased pace of growth, and more growth taking place outside of centers, could impact infrastructure and services
- Infrastructure actions may be required as part of the next phase (zoning and standards)

#### Lower-income residents, people of color, people facing economic disadvantages:

*Housing Equity Taskforce, City Commissions, Black Collective, Asia Pacific Cultural Center*

- Enabling missing middle housing is an essential step toward meeting equity and antiracism goals
- Utilize a broad range of strategies to support affordable housing
- Take actions to empower people of color in policymaking, address inequitable access to opportunity, combat displacement and combat systemic racism

#### City Commissions:

*Landmarks Preservation Commission, Sustainable Tacoma Commission, Transportation Commission, Commission on Immigrant and Refugee Affairs, Commission on Disabilities*

- The proposals generally support multiple goals, but steps are needed to:
  - Ensure infill design and scale are compatible with neighborhoods
  - Reduce demolition of viable structures, particularly in historic districts
  - Balance housing with urban forestry, green building and stormwater goals
  - Promote walkability, transit ridership, and access for people of different abilities

#### Neighborhood Councils and groups:

*North End Neighborhood Council, Eastside Neighborhood Council, Central Tacoma Neighborhood Council, Northeast Tacoma Neighborhood Council, West End Neighborhood Council*

- There is interest in expanded housing supply, choice and affordability
- There are concerns about growth pace and impacts
- There are very divergent, and strongly held, views on whether the City should move away from exclusive single-family zoning (including strong support and strong opposition)

Housing Choices Survey (highlights of input from 870 responses):

The Commission's initial recommendations were also informed by the outcomes of the Housing Choices Survey (full report available at [www.cityoftacoma.org/homeintacoma](http://www.cityoftacoma.org/homeintacoma)). Highlights include:

Top benefits of infill housing

1. Increased variety in housing types and price points
2. More people can find housing near jobs, transit, shopping, schools and parks
3. Promotes aging-in-place or housing family members

Top concerns around infill housing

1. Green spaces, yards and tree canopy could be lost
2. Infill may make housing less affordable or cause displacement
3. Existing viable homes could be demolished

Top three choices for infill housing types

1. Duplex
2. Detached house small lot
3. Triplex

To accommodate Tacoma's housing shortage, most respondents were willing to accept

1. Buildings that are one or more stories taller
2. More housing units per building or lot
3. Incentives for developers who include dedicated affordable units

### **3. Analysis of housing needs and development trends**

The Commission's policy development effort was also informed by several studies.

The AHAS (2018) provided the starting point by clearly documenting the community's housing need and setting the objective of adding 10,000 new affordable housing units within 10 years, along with other actions. The AHAS called for inclusionary zoning (Action 1.2) and diverse housing types (Action 1.8) actions which are being implemented through the *Home In Tacoma Project*.

The *Home In Tacoma Project* supplemented the AHAS with two new studies.

The Existing Conditions Report provides an overview of the housing need and development trends. Key findings include:

- Households are getting smaller as the population ages
- Incomes have not kept up with housing costs
- Renters are becoming higher income on average, while the share of lower income households has declined
- Special populations (residents with disabilities, seniors, single mothers, and people of color) are disproportionately affected by poverty and are especially vulnerable to a changing housing market
- The shortage of affordable rental units persists
- Racial and ethnic diversity has increased while disparate trends in homeownership and poverty remain

- The City's highest opportunity areas are the most challenging to access for low and moderate income households

#### **Key Housing Market Change Indicators, City of Tacoma, 2016-2019**

	2016	2019	2016-2019	
			Change	% change
<b>Rental Market</b>				
Median rent	\$1,054	\$1,273	\$219	21%
Median renter income	\$40,009	\$44,809	\$4,800	12%
<b>Ownership Market</b>				
Median home value	\$239,100	\$344,500	\$105,400	44%
Median owner income	\$76,544	\$93,765	\$17,221	22%
<b>Rental Gaps</b>				
Rental gap <30% AMI	-6,055	-4,897	1,159	-19%
Renter households <30% AMI	9,077	7,769	-1,308	-14%
Rental units <30% AMI	3,022	2,872	-150	-5%
<b>Cost burden</b>				
Owners	32%	27%	-5%	
Renters	47%	49%	2%	
<b>Homelessness (Pierce County)</b>	627	544	-83	-13%

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

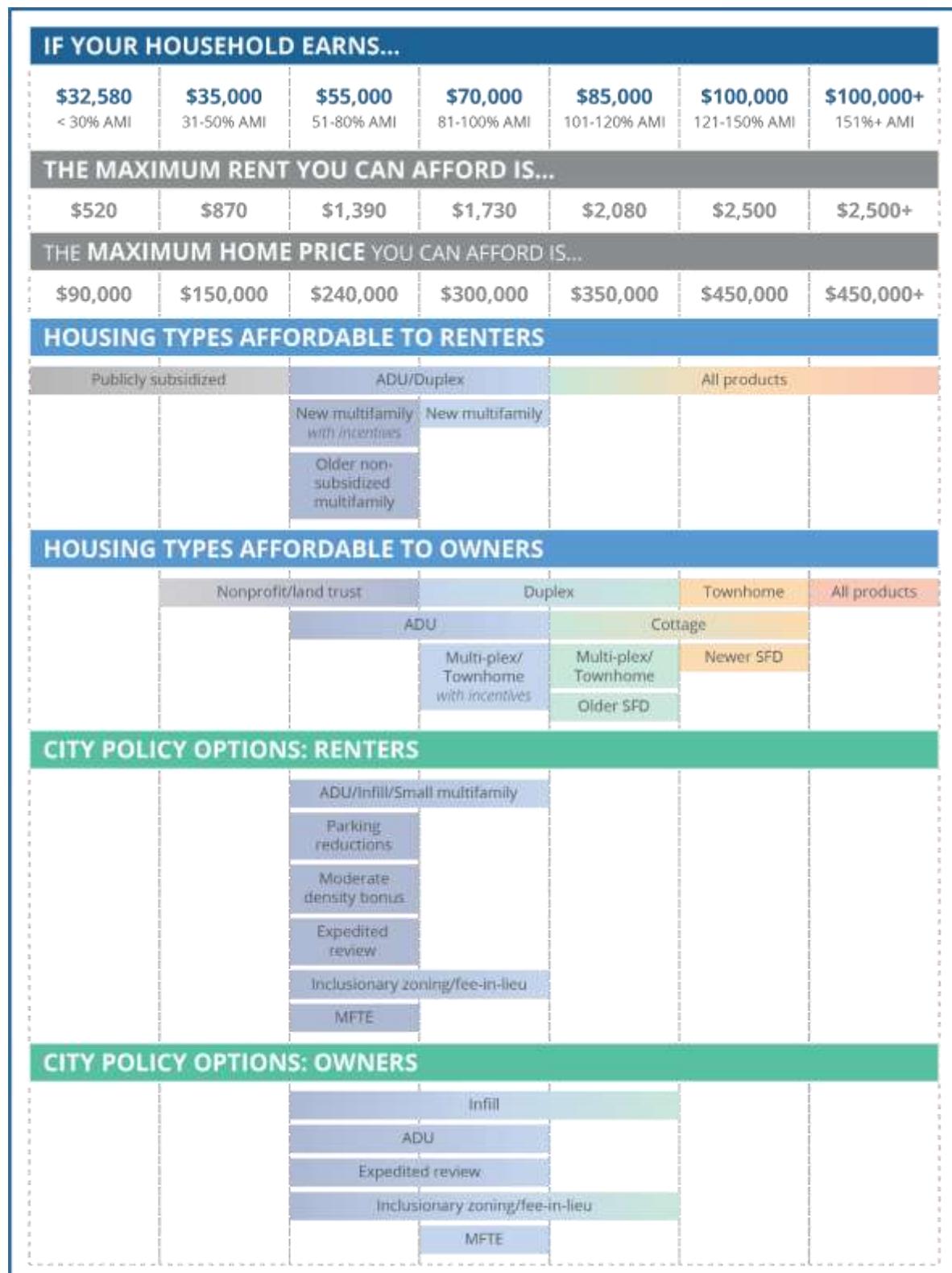
The Housing Action Plan summarizes the recommended actions to address housing goals and provides long-term implementation guidance. Key findings include:

- Tacoma has taken positive steps to expand housing choice, yet the market has continued to lose affordability, calling on the City to do more
- Diverse (missing middle) housing types can serve as “naturally occurring” affordable housing. While not specifically restricted as affordable, these housing types tend to be relatively affordable by virtue of their smaller size and use of already developed land.
- Allowing diverse housing types can increase housing choice in existing neighborhoods
- However, a range of tools are needed to produce housing affordable at lower incomes

“Housing policies serve a range of needs, and it is important to examine the role of unit production, by unit type, and affordability (or AMI) levels that are possible. The graphic below demonstrates how unit production—and city land use and zoning policies that influence housing types—can influence affordability. The graphic uses a 2-person household, which is closest to the average-sized household in Tacoma: as of 2019, 67 percent of Tacoma households had 2 persons and less.

As the graphic demonstrates:

- Publicly-subsidized and nonprofit housing is critical to meet the needs of households earning less than 50 percent of AMI. Most privately-provided, market-rate housing does not meet this AMI level, including missing middle housing products.
- Newly built multifamily housing, as well older multifamily housing, can serve moderate-to low-AMI levels, particularly when incentives are attached.
- Missing middle products are good solutions for moderately-low income renters and owners who need relatively affordable housing and value these product types.”



## **E. FINDINGS OF FACT – PART 3: PLANNING COMMISSION PUBLIC HEARING**

### **1. Public Hearing and Information Session:**

The Planning Commission conducted a public hearing on the *Home In Tacoma Project* on April 7, 2021. Planning and Tacoma Strategic Plan implementation staff conducted a virtual (online) open house on March 18, 2021, for people to learn more about the project and ask questions. About 120 people attended the information session. After the session, the City posted an FAQ document on the project webpage to address common questions.

### **2. Public Hearing Notification:**

- (1) **Public Notices** – The notice for the public hearing and open houses was mailed to approximately 80,000 individuals within and within 1,000 feet of the Missing Middle Applicability area, and e-mailed to more than 1,500 individuals on the *Home In Tacoma Project* updates list that includes the Planning Commission interested parties list, City Council, Neighborhood Councils, area business district associations, the Puyallup Tribal Nation, adjacent jurisdictions, City and State departments, and people who have signed up on the project webpage.
- (2) **News/Social Media** – Notice was posted on the project webpage, the City's main web banner and social media accounts, and the hearing was promoted on Tacoma Report. The City of Tacoma issued a Press Release on March 22, 2021, and the Tacoma News Tribune published an article on the topic the week prior to the hearing. A legal notice concerning the SEPA Checklist and the public hearing and information session was placed in the Tacoma Daily Index on March 10, 2021. An event page for the information session on March 18<sup>th</sup> and public hearing on April 7<sup>th</sup> were posted on the City's Facebook.
- (3) **60-Day Notices** – A “Notice of Intent to Adopt Amendment 60 Days Prior to Adoption” was sent to the State Department of Commerce (per RCW 36.70A.106) on March 8, 2021. A similar notice was sent to the Joint Base Lewis-McChord (per RCW 36.70A.530(4)) on March 8<sup>th</sup>, asking for comments within 60 days of receipt of the notice.
- (4) **Tribal Consultation** – A letter was sent to the chairman of the Puyallup Tribe of Indians on March 8, 2021 to formally invite the Tribe's consultation on the *Home In Tacoma Project* and the City's preliminary SEPA determination.

### **3. Public Review Documents:**

Staff prepared a Public Review Document package for the Planning Commission's public hearing and posted online at [www.cityoftacoma.org/homeintacoma](http://www.cityoftacoma.org/homeintacoma). The package includes the following:

- I. Supporting documents
  - a. Project Overview
  - b. Housing Equity Taskforce Recommendations
  - c. Staff Report
  - d. Housing Action Plan
  - e. Existing Conditions Report
- II. Proposed amendments to the Comprehensive Plan and Tacoma Municipal Code
  - a. Housing Growth Scenarios Map (interactive)
  - b. Changes to the One Tacoma Comprehensive Plan
  - c. Near-term Code Changes
- III. State Environmental Policy Act (SEPA)
  - a. Preliminary Determination of Mitigated Environmental Nonsignificance and Environmental Checklist
  - b. Comment letters from internal departments and partner agencies

### **4. Public Testimony**

At the public hearing on April 7, 2021, 72 people testified. The Commission received a total of about 500 written comments through the end of the comment period on April 9, 2021. In addition, the Commission received about 300 comments on the interactive Housing Growth Scenarios Map.

Staff provided a Comments and Responses Summary at the Commission's April 21, 2021 meeting. The comments expressed a broad range of perspectives, including comments strongly in support and strongly opposed to the proposals. The comments also raised a broad range of issues to consider should the City move forward with the proposed housing policy actions. To support the Commission's deliberations, staff organized the comments into the following key themes. Staff, in addressing the Commission, and the Comments and Responses document both emphasize that staff's summary does not fully represent the issues raised, and that the full text of all comments are also included in the materials provided to the Commission.

**Key themes:**

1. Proposed housing growth vision
2. Project timing and engagement
3. Proposed new residential land use designations
4. Geography of proposed new residential land use designations
5. What actions are needed to accommodate housing growth?
6. Affordability and displacement strategies
7. Near-term Code changes

## **F. FINDINGS OF FACT – PART 4: RESPONSE TO PUBLIC TESTIMONY**

At the meetings on April 21, 2021 and May 5, 2021, the Planning Commission reviewed public comments received, following along with the key themes from public comments. The Commission concluded as follows:

### **1. Proposed housing growth vision and policies**

**PROPOSAL:** A new housing growth vision enabling Missing Middle Housing and affordability actions, along with a commitment to get housing growth right

**COMMENTS:** A broad range of perspectives including both strong support and opposition for moving away from exclusive single-family zoning

**COMMISSION DIRECTION:**

- *The City needs to move decisively to address the housing crisis, in balance with other goals*
- *The City should move away from exclusive single-family zoning on a citywide basis, rather than only in certain areas*
- *The City should commit that implementation of this new housing growth vision will only occur when growth can be supported with appropriate standards, infrastructure and services, and impacts can be managed appropriately through actions to be developed through Home In Tacoma Project - Phase 2, in consultation with the community*
- *Strengthen the emphasis on the importance of complementing existing neighborhoods*

### **2. Project timing and engagement**

**PROPOSAL:** Phase 1 will establish the vision and policy direction, to be followed by Phase 2 - Implementation

**COMMENTS:**

- Project pace reflects the urgency of housing needs
- Project pace is moving too quickly/more engagement is needed
- Stronger commitments should be built into Phase 1

**COMMISSION DIRECTION:**

- *The timing and engagement completed for Phase 1 have been appropriate to support the vision and policy decisions in this phase*
- *The community engagement, analysis and policy options development for Phase 2 will be substantial and call for significant time, resources and consultation*
- *The City Council should extend the current timeline (past December 2021) for completion of Phase 2, yet should still move forward expeditiously to match the urgency of housing needs*
- *Phase 2 should include a commitment to assess outcomes on a regular schedule and identify course corrections to better achieve housing goals and to quickly address unintended consequences*
- *The Home In Tacoma Project citywide housing growth strategy should be refined through future neighborhood and corridor planning to address neighborhood-scale opportunities and concerns. These efforts should focus on tailoring the scale and design for each neighborhood, rather than on reevaluating allowed housing types.*

### **3. Proposed new residential land use designations**

PROPOSAL: Establish Low-scale Residential and Mid-scale Residential Land Use Designations to replace the current Single-family and Multifamily Low-density Land Use Designations

COMMENTS:

- The Low-scale Residential designation was more broadly (though not universally) supported
- The Mid-scale Residential designation received mixed comments, with more concerns about impacts (height, transitions, demolitions, traffic, others)

COMMISSION DIRECTION:

- *Low-scale Residential:*
  - Townhouses (specify number of units)
  - Add house + 2 ADUs (1 attached, 1 detached)
  - Clarify tiny/prefabricated homes, rather than mobile homes
  - Clarify that shared housing does not mean micro-units
  - Specify criteria for housing types allowed in some circumstances, such as:
    - Locational (near Center/Corridor)
    - As bonus for reuse, affordability, green features, other policy goals
    - Through a Conditional Use Permit process
  - Specify height – no taller than 3 stories
  - Add pedestrian lighting as a desired design feature
  - Modify references to parking to instead refer to supporting transportation choices
- *Mid-scale Residential:*
  - Building scale is more important than height and should be regulated through standards as follows:
    - Maximum building scale should be relative to the neighborhood scale around it (so scale could vary by neighborhoods);
    - Larger scale should be allowed near Centers/Corridors/transit, smaller scale near Low-scale areas;
    - Larger scale could be allowed as a bonus for reuse, affordability, green features, other policy goals; and/or,
    - Larger scale could be regulated through a Conditional Use Permit process
  - Maximum height – options include:
    - 3 stories should be allowed as a baseline
    - 4 stories should be allowed only under the following circumstances:
      - In areas near Center/Corridor/transit; and/or,
      - As a bonus for reuse, affordability, green features, other policy goals
    - Near Low-scale areas, match height limits (including View Sensitive Districts)

- *Modify references to parking to instead refer to supporting transportation choices*
- *Modify the Future Land Use policies to note that the current zoning districts could be modified or new districts established through Phase 2*
- *Note that the City could identify new or modify existing Corridors through Phase 2*

#### **4. Geography of proposed new residential land use designations**

PROPOSAL: The Commission requested public comments on Scenario 1: Evolve Housing Choices and Scenario 2: Transform Housing Choices

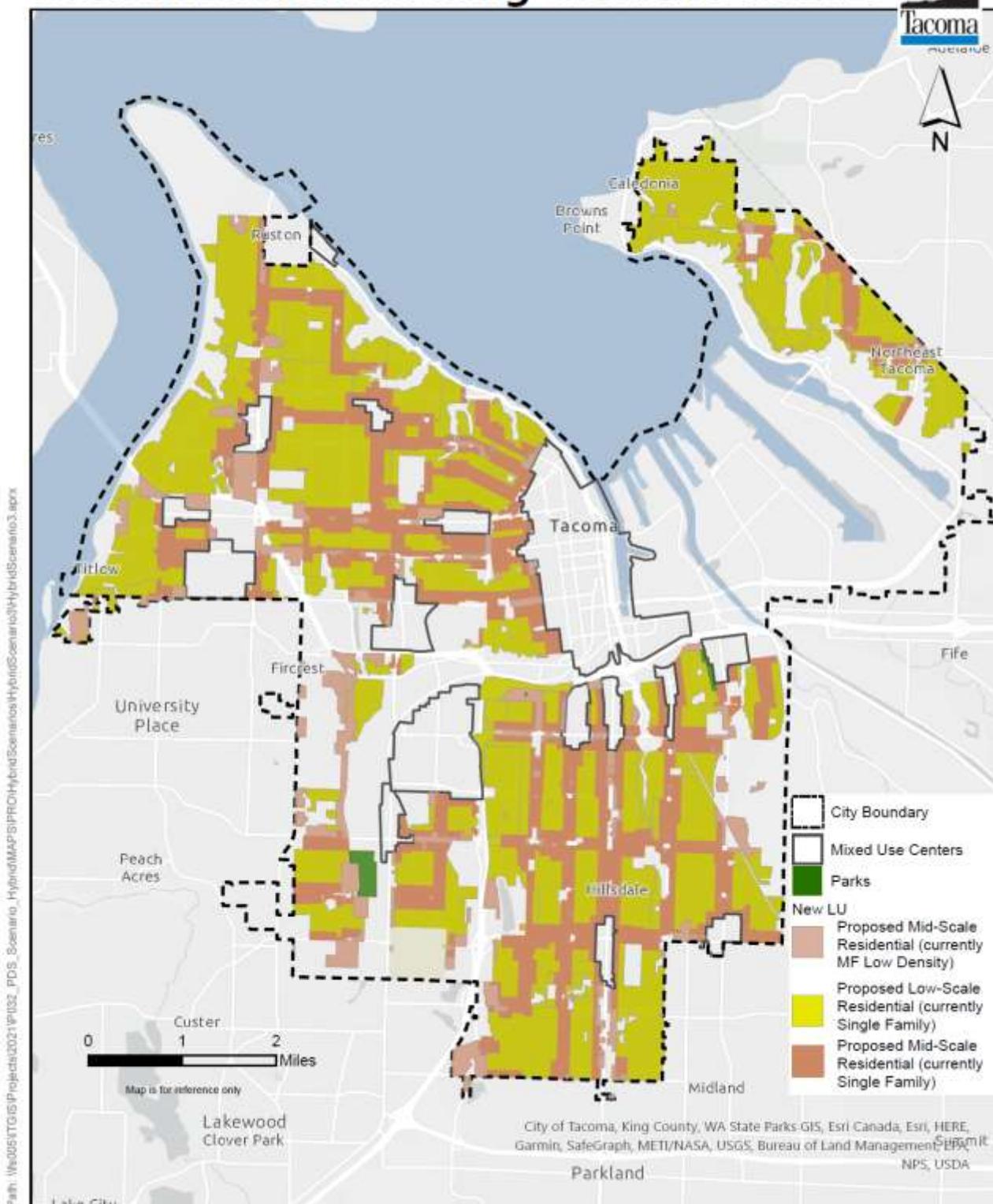
COMMENTS:

- A broad range of comments, with more support overall for Scenario 1
- Evaluate additional factors such as transit, infrastructure, traffic, opportunity, historic structures, pace of recent growth to determine where Mid-scale Residential is appropriate

COMMISSION DIRECTION:

- At the 04/21/21 meeting, the Commission directed staff to develop two hybrid growth scenarios
  - The hybrids were based on Commission comments on where Mid-scale Residential designations are appropriate
  - Both hybrid scenarios utilized streets as the transitions between Low-scale and Mid-scale when feasible, and reflected barriers such as freeways and steeps slopes
- At the 05/05/21 meeting, the Commission reviewed the two hybrids and provided the following direction to develop a final recommended housing growth scenario map (see below)
  - *Guiding principles:*
    - *Mid-scale Residential should be designated to support walkability and transit, prioritizing high capacity transit and Regional Growth Centers*
    - *At the same time, transit (busses) should ultimately follow the desired land use pattern, rather than the other way around*
    - *Mid-scale is less appropriate in locations without connected streets and adjacent to critical areas*
    - *There should generally be a balanced mix of Low-scale and Mid-scale Residential in each neighborhood to provide for different housing choices*
  - *Based on these guiding principles, Mid-scale Residential will be designated in the following circumstances:*
    - *Centers:*
      - *2 blocks (roughly 600 feet) from Regional Growth Centers*
      - *1 block (roughly 300 feet) from other Centers*
    - *Corridors: 1 block (roughly 300 feet)*
    - *Transit:*
      - *2 blocks (roughly 600 feet) from high capacity transit lines (Pierce Transit Routes 1, 2 and 3)*
      - *1 block (roughly 300 feet) from other transit lines*
  - *Modifications to these general distances were made based on the guiding principles*
  - *In areas where a transit route is close to a Corridor, choose the most appropriate*
  - *In areas where there are fewer corridors, consider designating some in the future to promote Mid-scale Residential housing*
- *Additional recommended Future Land Use Map and policy refinements*
  - *Do clean-ups to ensure that park and recreation sites are included in the Parks and Open Space FLUM designation*
  - *Establish a Future Land Use designation map layer and intent statement for the Airport Compatibility Overlay District (ACOD). The ACOD is currently a zoning overlay district currently included in the Single-family Land Use designation. Since the Single-family designation is being changed, there needs to be another place to capture the intent of the ACOD.*

# Recommended Housing Growth Scenario



## **5. What actions are needed to accommodate housing growth?**

PROPOSAL: Adopt policy commitments to support the proposed housing growth vision as part of Phase 2 of the project

### COMMENTS:

- Prevent/reduce impacts including:
  - Tree canopy/impervious surface
  - Prevent demolitions
  - Infrastructure, parking, traffic services, recreation and open space
  - Aesthetics and views
  - Property values/taxes

### COMMISSION DIRECTION:

- *Design: strengthen policy language calling for compatibility with existing neighborhood patterns and scale*
- *Preventing demolitions: Strengthen policy commitment to address demolition concerns prior to upzoning through actions including:*
  - Structuring standards to incentivize development of vacant and under-utilized sites, as well as reuse of existing buildings, and to discourage demolitions of viable structures, particularly designated historic structures and Historic Districts
  - Expanding policies and programs to identify and protect historically significant structures, and to take such actions as promoting salvage of materials from demolitions
- *Parks and Open Space: Address the needs of a growing population through review of development standards for onsite open space, streetscape improvements, City open space enhancements, and partnership with parks and school districts*
- *Urban forestry: Strengthen the commitment to urban forestry goals through enacting citywide street tree requirements, updates to onsite tree canopy requirements, review of tree retention proposals, proactive actions to address inequities in canopy coverage, and other actions called out in the Urban Forestry Management Plan*
- *Accessibility: Strengthen the commitment to promote physical accessibility through regulatory incentives, implementing the City's ADA Transition Plan, and other actions*
- *Transportation and infrastructure: Reiterate the commitment to address transportation, infrastructure and parking needs in support of housing growth*
- *Call for review of parking requirements*
- *Rental and special needs housing: Evaluate, special needs housing, short-term rentals and other specific standards*

## **6. Affordability and anti-displacement strategies**

PROPOSAL: Expand regulatory affordable housing and anti-displacement measures, in combination with increased public investment in affordable housing

### COMMENTS:

- Support for affordability tools including Inclusionary Zoning and the 12-year Multifamily Tax Exemption Program
- Call for anti-displacement actions
- Call for funding for affordable housing
- Call for actions to promote ownership opportunities, particularly for people of color

### COMMISSION DIRECTION:

- *Strengthen/specify recommended affordability regulatory actions*
  - *Mandatory (Inclusionary Zoning): Be more explicit in calling for inclusion of mandatory requirements in markets where they can be supported.*

- *Affordability in Centers and Mid-scale areas: Be explicit that existing Centers and proposed Mid-scale areas present a major opportunity to expand affordability regulatory tools.*
  - *Tailor affordability tools: Call for analysis of tailored affordability regulatory and tax tools based on the specific affordability needs and market conditions in Tacoma's neighborhoods.*
- *Anti-displacement steps: Strengthen the emphasis on anti-displacement as a primary goal and build actions into Phase 2*
- *Promote ownership opportunities for those who desire them as a pathway to financial stability*
- *Promote family-sized units: Seek methods to incentivize creation of affordable housing units suitable for larger households in areas where these are in short supply*
- *Use the full spectrum of housing tools*
  - *Create new sources of funding for affordable housing*
  - *Coordinate affordable housing and economic development strategies such as Opportunity Zones*
  - *Increase city staffing to support housing growth and affordability*
  - *Review and streamline regulatory processes and reduce costs to lower income people*
  - *Evaluate potential impacts and actions related to property taxes*

## 7. Near-term Code changes

### PROPOSAL:

- Update Accessory Dwelling Unit (ADU) code to remove barriers and simplify review process
- Establish a regulatory affordable housing bonus option for religious institutions
- Reduce parking requirements for senior housing developments
- Streamline the approval process for platting

### COMMENTS:

- Expand opportunities for affordable housing in more circumstances, such as non-residential sites

### COMMISSION DIRECTION:

- *Modify the proposed religious institutions affordability bonus as follows:*
  - *Make it available to nonprofits which provide affordable housing as well*
  - *Percentage of units affordable: 20%*
  - *Duration of affordability: 15 years*
  - *AMI Targets: 80% rental, 115% ownership*
- *Expand the City's Development Regulatory Agreement flexible permit pathway as a way to promote projects that provide significant affordable housing*
  - *Eligibility: 1 acre site, located near transit service*
  - *Flexibility on development standards based on consistency with Comprehensive Plan policies*
  - *Multifamily Tax Exemption (12 year option) available (with 20% of units affordable at 80% AMI)*
  - *AMI targets: that same 20% must come down to 60% of AMI for rental/80% AMI for ownership*
  - *Required duration of affordability: 15 years*
  - *This affordability requirement is a minimum – the City Council could choose to require a higher affordability requirement*
  - *This DRA track is not required to achieve the LEED design requirement (called out for other DRAs)*

## **G. FINDINGS OF FACT – PART 5: SEPA REVIEW**

The City SEPA Official issued a preliminary Mitigated Determination of Environmental Nonsignificance (MDNS). The environmental determination was noted as part of the public notification for the public hearing, and addressed as part of outreach efforts. The City accepted SEPA related comments through April 9<sup>th</sup>. The determination reviewed potential environmental impacts along with the adequacy of existing City policies and programs to address them. The preliminary determination calls for additional environmental review in support of Phase 2 and commits to further study and actions to ensure growth is supported by appropriate infrastructure and services.

The City received multiple comments regarding the SEPA, including specific questions and comments about the process, analysis and preliminary determination. The City SEPA Official is currently formulating responses to those comments, which may include substantive changes to the mitigation actions. The final version of the SEPA will be made available prior to City Council action on the proposals.

## **H. FINDINGS OF FACT – PART 7: HEALTH AND EQUITY IN ALL POLICIES**

The Planning Commission finds that the *Home In Tacoma Project* includes very intentional efforts to expand the reach of the policy discussions to underrepresented groups. Most specifically, the Housing Equity Taskforce convened to provide both policy input on achieving equity and antiracism goals through housing policy actions, and also to advise staff and the Planning Commission on how to engage and empower people of color and others who often face barriers to participating in public policy discussions. In addition, the City utilized multilingual engagement materials and online tools, and directly engaged with organizations representing under-represented groups.

The pandemic posed unique challenges to engagement, since it was not possible to hold in person public meetings through this entire phase of the project. Staff sought to overcome that as much as possible through a broad range of online engagement tools, as well as accepting comments by phone and through regular mail. That said, overall engagement was very high in this project and we find that the engagement methods used were innovative, informative and effective in getting the information out to the community.

The Commission also finds that the proposed amendments support health by promoting access to the fundamental need for shelter, emphasizing walkability and transit ridership, and enhancing access to opportunities that can support long-term health, wellbeing and prosperity.

## **I. CONCLUSIONS:**

The Planning Commission concludes that the proposed Home In Tacoma Project is consistent with the *One Tacoma Comprehensive Plan* which calls for implementation of diverse (Missing Middle) housing options in Tacoma's neighborhoods, for expansion of Tacoma's affordability tools, and for the range of related policy actions. The recommendations also implement the City's antiracism and equity, sustainability and transportation goals. These proposals will also help Tacoma to meet its adopted housing growth targets as required under Vision 2040 and 2050.

The Commission concludes that the proposals reflect community input and provide a well-balanced package that reflects the urgency of housing needs as well as the desire to proceed thoughtfully and prevent unintended consequences. The City Council should proceed to adopt the recommendations, and to intentionally and thoughtfully initiate Phase 2 with adequate time and resources to have a robust community conversation, while also moving ahead expeditiously.

The *Home In Tacoma Project* will be a significant step forward on housing. In contrast, if the City chooses not to embrace diverse (Missing Middle) housing options, we fear that it will be very difficult

to meet our community's housing supply, choice and affordability needs. That said, the *Home In Tacoma Project* is not a silver bullet. The Commission also urges the City Council to continue with the ongoing implementation of the full package of AHAS housing actions. Robust action across multiple fronts is needed to address the housing crisis.

The Commission notes that do to the fact that this is a phased project, it would be prudent to restrict site rezones in these areas until after the zoning changes are put in place. This also supports moving ahead with Phase 2 sooner rather than later.

Finally, the Commission notes that through this effort we have identified other related policy issues which we recommend for study. A primary example is the City's current designated Corridors. As they stand, there are whole neighborhoods (such as Northeast Tacoma and areas in North Tacoma) without Corridors. This makes it more challenging to plan for growth equitably across the City, or to work toward the City's 20-minute neighborhood goals in those areas. We also recommend the City revisit parking requirements as part of Phase 2.

#### **J. RECOMMENDATIONS:**

The Commission recommends adoption of the *Home In Tacoma Project* recommendations including the Comprehensive Plan changes and the Near-term Code Changes, along with recognition of the Housing Action Plan as a guide to ongoing implementation of housing actions. Furthermore, the Commission recommends that *Home In Tacoma Project* – Phase 2 be initiated immediately after adoption.

#### **K. EXHIBITS:**

The attached Exhibit Packets include the Housing Action Plan, text and map changes to the *One Tacoma* Comprehensive Plan, text changes to the Tacoma Municipal Code, and supporting reports and exhibits.