

# Home In Tacoma Project

## Frequently Asked Questions

Thank you for your interest in this project. The following FAQ seeks to answer frequently asked questions about the project timeline, engagement efforts, proposals and next steps.

### For more information:

- The [Planning Commission Letters and Findings Report](#) includes both the majority and minority views on the package, and summarizes the community engagement and policy development process.
- The [Housing Action Plan](#) provides the housing market analysis that underpins the recommendations.
- The [Comprehensive Plan recommended changes](#) includes the specific policy language that would inform Phase 2.
- The recommended [Housing Growth Scenarios interactive map](#) shows proposed residential land use change citywide.
- The recommended [Near-term Code Changes](#) include text of recommended code changes to implement existing policy and state legislative direction.
- The [Revised SEPA determination](#) includes the City's analysis of potential environmental impacts of growth and mitigations actions to address them.

Contact us with further questions at [planning@cityoftacoma.org](mailto:planning@cityoftacoma.org), or (253) 591-5030 (option 4).

# Project timeline, engagement and background

## **Who establishes and updates City housing policies and housing rules?**

The Tacoma City Council are the decision-makers on housing policies and rules. The Tacoma Planning Commission is a volunteer citizen group that provides policy analysis and recommendations on planning. Tacoma Planning staff support the City Council and Planning Commission process as well as implement public engagement efforts.

## **Was the Planning Commission unanimous in their recommendations?**

No. A majority (6 out of 9) voted to finalize and forward the recommendations on to the City Council. A minority (3 out of 9) voted not to support the recommendations in their final form. Both the majority and minority provided letters articulating their perspectives. Both letters are included in the [Planning Commission Letters and Findings and Recommendations Report](#).

## **Where is the City at in implementing the project?**

This effort has now spanned about three years, and is part of the City's [Affordable Housing Action Strategy](#) (AHAS). Ongoing policy and implementation will likely continue for several more years. Each of these steps was conducted as a public process informed by community input.

- 2018 – The City's Affordable Housing Action Strategy (AHAS) was completed, including Diverse Housing Types and Inclusionary Zoning actions
- 2019 – The City Council adopted the AHAS into the City's Housing Element as an implementation strategy, and added policies calling for Diverse (Missing Middle) Housing actions
- January to May 2020 – The Planning Commission conducted a public hearing on the Home In Tacoma Project draft scope of work, and finalized the scope in May 2020
- September 2020 to February 2021 – The Home In Tacoma Project ideas generation and collaboration phase included analysis and engagement to inform the current preliminary proposals
- March to April 9<sup>th</sup> – Public comment period for the Planning Commission's preliminary draft recommendations and housing growth scenarios maps
- May 19, 2021 – Planning Commission forwarded recommendations to the City Council
- June to July – public notification and engagement efforts
- July 13, 2021 – City Council Public Hearing
- July 20, 2021 – City Council Committee of the Whole
- July to September – City Council committee review
- Fall 2021 – City Council action on Phase 1
- TBD – Phase 2 engagement efforts

## **When will the project be completed?**

The City Council adopted an ordinance directing Phase 1 to be complete by June 2021, and Phase 2 to be complete by December 2021. The Planning Commission has recommended that more time be taken for Phase 1, and the Council review schedule reflects that. The schedule for Phase 2 has not been determined at this time.

### **What engagement efforts have been used so far?**

Over the past year, Tacoma's [Planning Commission](#) has engaged the community in a discussion about housing needs, development trends, zoning, and neighborhood change. The Commission's efforts have been informed by both broad community engagement, and targeted engagement with key stakeholder groups.

From September 2020 to February 2021, the following engagement approaches were employed to inform policy discussions:

- Project webpage with meeting information, background and regular updates
- Regular project email updates to about 1,800 people
- Engagement tools in Spanish, Russian, Khmer and Vietnamese
- Virtual housing café discussion series: 60 to 80 people participated in each of the 3 sessions—recordings are on the project homepage
- Interactive online storymap
- Housing Choice Survey: 870 people shared their views about housing needs and preferences
- Over 50 consultations/briefings (most open to the public) so far with:
  - Planning Commission process (leading this effort)
  - Housing Equity Taskforce
  - City Commissions
  - Neighborhood and community groups
  - Housing development professionals
  - Equity and social justice stakeholders
  - City departments and partner agencies

The City is now inviting public input to the City Council as they consider the recommendations and will host a Public Hearing (on Zoom) on July 13, 2021, to begin no earlier than 5:15 p.m. In support of that effort, the City sent out citywide public notice, and hosted two online Information Meetings. Videos of the meetings, along with the Q & A submitted, are posted on the project webpage. Meeting information is available at [www.cityoftacoma.org/homeintacoma](http://www.cityoftacoma.org/homeintacoma).

### **How was the community notified about this comment opportunity?**

The City used the following approaches to get the word out through June and early July 2021:

- Postcard notice mailed out to over 80,000 addressed of residents, property owners, interested parties, and addresses within 1000 feet of areas affected by the proposals
- City Council public hearing notification
- Project email notice to about 1,800 interested parties
- Project webpage, City webpage banner, social media postings and cross-postings with other City and community organizations online platforms
- Two online information sessions on July 6th and July 8th, each attended by about 120 people, video posted on the webpage
- Press release to local media, Tacoma Daily Index posting, Tacoma Report
- Required notice sent to State Environmental Policy Act (SEPA) and planning reviewers and stakeholders

### **Is this a new initiative? How does it fit within prior work?**

Housing capacity has been identified and prioritized as a need in Tacoma for many years. The Affordable Housing Action Strategy has re-prioritized and accelerated the pace of implementation of policy changes to address housing supply and affordability. Recent changes have increased housing choice by allowing

[Accessory Dwelling Units](#), establishing the [Infill Pilot Program](#), and established a range of affordable housing regulatory tools.

### **What does public input reveal in terms of community response to these proposals?**

Over the past year, through the Planning Commission and now City Council public engagement processes, the City has sought to engage broadly and with key stakeholder groups including current property owners, renters, housing developers. The proposal is controversial, with a broad range of perspectives both in support and opposition. The Planning Commission made significant modifications to their initial recommendations in to respond to concerns raised through public comments.

The following is City staff's simplification of the overall themes of public comment to date:

#### Opportunities/support:

- Tacoma is experiencing a housing crisis
- Substantial support exists for regulatory affordability actions such as incentives and Inclusionary Zoning
- Many (though certainly not all) are open to considering some changes to support diverse housing types
- Tacoma should seek to promote both ownership and rental housing opportunities

#### Questions/concerns:

- Loss of neighborhood character and defining features
- New buildings that are out of scale with existing ones
- Parking and traffic impacts
- Demolitions of viable structures
- Loss of green features and open space
- Potential impacts to infrastructure and services
- Potential increase in displacement of existing residents

### **How have community comments been used to inform the proposals?**

The Planning Commission used community input to modify their preliminary recommendations to address concerns and amplify opportunities. The Commission's final recommendations reflected the following themes/concerns:

- The amount of proposed Mid-scale Residential
  - The amount was reduced overall and refined in several ways
- Mid-scale height and scale
  - Mid-scale is limited to primarily 3 stories, with potential 4 stories only in limited circumstances and with individual review)
- Design and scale
  - Infill must follow Missing Middle Design Principles and reflect the residential patterns and scale of each neighborhood
- Spurring demolitions
  - Policies added to strongly prioritize reuse of existing buildings over demolition and to protect both historically designated structures and non-designated structures
- Loss of trees/open space
  - Proposals require yards and setbacks

- Policies strengthened to meet Urban Forestry actions including tree planting and protecting mature trees
- Affordability/displacement
  - Promote smaller/attached units which are likely to be relatively affordable
  - Expand and refine affordability incentives and requirements
  - Implement an anti-displacement strategy
  - Promote homeownership as a pathway to building household wealth
- Speed of the process:
  - Take more time as part of the City Council’s evaluation of Phase 1
  - Commit to a robust Phase 2 public engagement process

**What other cities did the Planning Commission look to as examples for these housing concepts?**

Over the past several years, several cities have made changes to long-standing housing rules to allow more diverse housing types in predominately single-family neighborhoods. Many cities have also put in place a range of affordable housing regulatory tools that Tacoma is also considering. Benchmark cities studied in this effort include Portland (Oregon), Minneapolis (Minnesota), Seattle, Walla Walla, Olympia, Austin (Texas), and Sacramento (California).

**What is included in this first phase of the project?**

City Council action on Phase 1 would modify Tacoma’s housing policies and growth strategy, setting the vision for the desired housing types and scale citywide, including:

- Continue to grow and promote affordability in centers and corridors
- Allow more diverse 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 neighborhood
- Evolve our housing vision to be more inclusive of all members of the community
- Expand and strengthen Tacoma’s affordability programs and policies
- Guide housing growth to support multiple community goals

**What would be included in the second phase?**

Phase 2 will include:

- 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

**How do these proposals relate to other goals?**

Housing is a fundamental building block of community, and multiple related goals have informed this effort.

**POLICY DIRECTION:**

The City Council has adopted multiple policies that guide this effort, including:

- [Affordable Housing Action Strategy](#)
- [One Tacoma Comprehensive Plan](#) – Housing Element
- [Tacoma 2025 Strategic Plan](#)
- [Antiracism Transformation](#) (Resolution No. 40622)
- [Equity and Empowerment Framework](#) and [Equity Index](#)

**Key considerations:**

- Equity, empowerment and antiracism
- Healthy, resilient and climate-friendly development
- Walkable and transit-supportive neighborhoods
- Urban design, historic preservation, fit with neighborhood patterns
- Support growth with appropriate infrastructure and urban services
- Market feasibility
- Avoid unintended consequences
- Reflect community input

**How are these proposals related to race and equity?**

Housing meets a basic human need for shelter. Housing location can either connect or it can isolate us from family, community, education, employment, recreation, health and other opportunities that fundamentally affect the course of our lives. For many years, people of color were excluded from desirable neighborhoods by systemic racism including redlining and restrictive covenants. This longstanding systemic racism prevented many people from building family wealth. As a result, today people of color earn substantially less than white households, are under-represented in high opportunity neighborhoods, and are disproportionately impacted by the housing crisis.

City Council direction to make antiracism a priority for all City policies and programs (through Resolution 40622) is one of the policies that inform this project. The Housing Equity Taskforce was formed to advise the Planning Commission on how to achieve antiracism goals in housing. The [Housing Equity Taskforce recommendations](#) have been integrated into the Home In Tacoma Project proposals.

**How can we be sure we are making changes equitably?**

The proposals are based on the assumption changes should be made using a consistent logic citywide, rather than only in certain neighborhoods. Moving forward, achieving equity will require close monitoring of the strategy—where new units are developed, affordability of the units, marketing of the units. The strategy may require interventions—a community preference policy, city incentives to incorporate affordable housing, or a requirement that units carry a deed restriction for a period of time—if the outcomes are not equitable.

# Missing Middle Housing growth strategy changes

## Where do the Home In Tacoma Project proposals apply?

The proposed Missing Middle Housing actions apply within Tacoma’s primarily single-family neighborhoods citywide (see the [Housing Growth Scenarios map](#)).

## How can we ensure that infill will be well designed and fit the scale of the neighborhood?

The proposals include the following Missing Middle Housing design principles:

- Located in a walkable context with a strong pedestrian orientation
- Consistent massing and scale of neighboring structures, compatible design language
- Smooth transitions from Low-scale to higher scale areas, prevent abrupt scale changes
- Reduce appearance of density through breaking up building footprint, setbacks, height limits
- Build a strong sense of community through integration of shared spaces
- Minimize vehicular orientation through moderate onsite parking, alley access
- Maintain a sense of continuity by encouraging reuse of existing structures
- Develop design standards for individual housing types

These principles will guide the development of design standards as part of Phase 2 of this project.

## What does the proposed Low-Scale Residential designation look and feel like?

The proposed Low-scale Residential Land Use designation is intended to support diverse housing types in structures that are compatible in scale with houses. Low-scale Residential areas are modeled after traditional patterns reflected in many pre-zoning neighborhoods. New housing in these areas would reflect design features including:

- Building height and scale similar to houses
- Accessory structures in rear yards
- Usable open space/yards

The proposals would allow missing middle housing types such as the following in Low-scale Residential areas (some would only be allowed in certain circumstances such as on large lots):

House & ADU



Duplex, triplex



Cottage housing



Fourplex



Small lot house



Tiny/mobile house



Townhouses



Small multifamily

**What does the proposed Mid-Scale Residential designation look and feel like?**

The proposed Mid-scale Residential Land Use designation is intended to support diverse housing types, including mid-scale multifamily housing in areas close to shopping and transit. These areas are modeled on close-in areas of many pre-zoning neighborhoods built to enable walking and transit as primary ways to get around. New housing built in these areas will reflect design features including:

- Building height, width and depth mid-scale between houses and buildings in Centers
- Maximum building heights would be limited to between 3 and 4 stories
- Building frontage along the street and side property lines would be limited
- Building height and scale would transition down to abutting low-scale areas
- Yards and open space onsite would be moderate to small and include shared spaces

In addition to the housing types allowed in Low-scale Residential areas, Mid-scale Residential areas would also support multifamily buildings such as the following examples:



**Will taller buildings be allowed next to houses?**

The proposed Mid-scale Residential Land Use designation is intended to provide a transition in height and scale from taller buildings in Centers down to low-scale structures (such as houses). Moderately taller buildings (up to 3 or 4 stories) would be allowed next to houses (up to 2 or 3 stories) and other lower-scale structures in these areas.

However, where Mid-scale transitions to Low-scale Residential, additional standards would apply to prevent abrupt scale changes. For example, height may be capped at the same height allowed in Low-scale Residential areas. In addition, 4 stories would only be considered in areas located next to or across a street from areas where taller buildings are allowed.

**How did the Planning Commission develop the recommended housing growth scenario map?**

The Planning Commission initially determined that Mid-scale residential could be appropriate near Centers, corridors and transit lines. In February 2021 the Commission released 2 different scenarios with the intent of generating input and discussion and received extensive comments. The Commission then worked through questions and concerns to develop the final version after considering several variations.

The final recommended housing growth scenario map reflects the following:

- 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

For more information, see the [Planning Commission Letters and Findings Report](#) (page 12). The housing growth scenario map allows you to review previously considered scenarios and to see the factors that the Commission used to develop their recommendations.

#### **Will these proposals lead to an increase in building demolitions?**

By allowing more flexibility in what can be built, the proposals could increase the pace of housing development and thus lead to more demolitions. Since the city is mostly already built, some demolitions may be inevitable in order to accommodate more housing. However, there are actions that the City can take to protect historic structures and to reduce the likelihood that viable structures will be demolished. One important tool is to restrict demolitions for historically significant structures. Another approach is to craft regulatory standards to encourage retaining and reusing existing viable structures. The proposals include strong policies to encourage reuse rather than demolitions, and call for a focused effort to do so in Phase 2.

#### **How will proposals affect parking and transportation?**

Increasing the number of people living in a neighborhood means more trips, and inevitably some of those will be by car leading to more parking and traffic. However, the proposals locate more housing within walking distance from transit, shopping and other destinations in order to reduce car dependence along with reduced transportation costs. The proposals also call for a review of parking requirements to balance the added expense of onsite parking while recognizing that many people rely on cars to get around. Finally, the City is engaging with transportation infrastructure and service providers on how to support transportation choices.

#### **Will the proposals impact green features, trees and open space?**

By increasing housing options, there will likely be some loss of existing trees, yards and open space. The proposals call for actions to minimize how much that happens and compensate for green features that are lost. Actions in Phase 2 would include updates to landscaping and tree planting requirements to meet the City's urban forestry goals, standards to require yards and open spaces with housing development, and other urban forestry and open space actions.

#### **How will the proposals affect the pace of housing development?**

Increasing flexibility will likely increase development to some degree, but it is difficult to determine how these changes will affect the pace of growth and change. Ultimately, development of housing will be a response to perceived demand. A likely scenario is that as missing middle products are added to the market, multifamily development may slow slightly in response.

A September 2018 study conducted by the Montgomery County Planning Department (The Missing Middle Housing Study, September 2018) concluded that "it takes time to build momentum..." as with any developing market. "The market's ability and willingness to pay for these housing types over alternative market substitutes remains uncertain. As the number of successful Missing Middle development grows, supply chains will become more efficient and demand for these housing types will become more robust."

#### **Will the proposals result in more rental or ownership housing?**

It is difficult to tell and will ultimately depend on demand. The strategies will most likely create rentals initially due to the strength of the rental market. An infusion of rentals into the market should help stabilize rental cost increases. However, the new housing options could be either rentals or ownership opportunities. The

proposals also strengthen policies calling for City actions to help people, particularly people of color, to become homeowners.

**Will proposed changes affect property values/taxes?**

Regional growth will likely ensure that property values (and taxes) continue to rise, irrespective of potential changes to housing rules. Isolating the effects of the addition of diverse product types on property values, and property taxes, is a complicated exercise. Research has found that affordable housing does not lower property values. Demand to live in Tacoma has already increased property values and these changes will continue as long as the city is perceived as a desirable place to live. These strategies alone are not as important as the market in determining future property values.

The City is continuing to study the potential affect on property taxes from proposed housing strategy changes. Property taxes are levied by the Pierce County Assessor-Treasurer’s Office. For more information, visit <https://www.piercecountywa.gov/739/Facts-About-Property-Taxes>.

**How will the City ensure infrastructure and services will be adequate to support growth?**

The City has received input from infrastructure stakeholders. Through that conversation, there is a recognition that additional study is needed to identify potential impacts and initiate steps to address them. The preliminary environmental determination calls for further study of this topic to ensure that the City can provide appropriate infrastructure and services to support housing growth, as part of phase 2 of the project.

**Will parks, schools and transit service be impacted?**

The City has reached out to partner agencies and received comments from Metro Parks Tacoma and Pierce Transit to date. Both agencies support the proposals, and are working to help identify concerns and actions that should be taken to ensure that services will not be impacted. The City has also met with Tacoma Public Schools but not yet received comments.

**Does the proposal reflect differences between various Corridors and transit routes?**

The housing growth scenarios propose to locate Mid-scale Residential areas near designated Corridors and transit routes. The proposals do not currently distinguish between the level of transit service or identify other distinctions between these routes/corridors, though these factors could be used to refine the proposals moving forward. Planning staff is working with Pierce Transit staff to ensure that Pierce Transit long range plans are considered. For example, Pierce Transit has plans to add Bus Rapid Transit (BRT) lines in certain areas, making them particularly appropriate for Mid-scale Residential.

**Why is the City applying a residential land use designation to parks, schools and churches?**

Designation as residential does not indicate that parks, schools or churches are intended to be replaced by housing. Rather, the City’s land use and zoning generally allow and support these uses in residential areas, and there is not currently a zoning district dedicated to parks and recreation, civic, or institutional uses.

**Will this lead to eminent domain or taking of property?**

No. There is not an anticipation that anything directly relating to this proposal would trigger the need for any such actions.

**Would proposed low-scale or mid-scale residential designation affect view protections or permitted building heights?**

The specific height and other standards have not been established as part of Phase 1. However, nothing in the current recommendations would call for modifying the City's current View Sensitive Districts which limit building heights in designated view areas. Unless directed by the City Council, this would mean that buildings likely could not be as tall in those areas.

**Do the Home In Tacoma proposals affect existing private covenants?**

No. The City does not regulate or enforce private covenants which were established in some areas at the time of subdivision.

**Has the City considered the costs of construction and utilities?**

Yes, but this issue needs further study as part of Phase 2. Through the SEPA review process, Tacoma infrastructure service providers submitted comments highlighting the need for further study of actions that would be needed to support growth. These factors could either affect the pace of growth or potentially the feasibility of growth on a project or area-wide scale. They also have a direct affect on the cost of construction. The SEPA decision commits the City to studying these issues closely during Phase 2 and taking actions to support housing goals while also ensuring that infrastructure, emergency services and utilities needs are met.

## Affordability and anti-displacement

**Will missing middle proposals solve Tacoma's affordability challenges?**

The Home In Tacoma Project proposals are among the most effective steps the City can take to help meet affordability goals. Tacoma's affordability challenges have been characterized as a crisis. This is the result of long-term trends, including regional growth and the slower growth of incomes as compared to housing costs. For more analysis on housing needs, see the [Affordable Housing Action Strategy](#) (AHAS) and the Home In Tacoma Existing Conditions Report.

The missing middle housing changes are expected to increase housing supply, increase the range of housing types built in Tacoma neighborhoods, and increase the number of relatively affordable housing units citywide. Overall, adding to supply will respond to demand for housing and help stabilize housing prices. Currently, today's more affordable housing can be demolished and replaced with luxury units. This strategy provides more incentives for those replacement units to be relatively affordable.

However, by themselves the proposed missing middle housing changes are not expected to be enough to meet housing needs, particularly for people with lower incomes. Therefore, the Home In Tacoma proposals include a call to develop additional tools to achieve housing affordable at these income levels.

**What else can the City do to support affordability?**

The Home In Tacoma Project calls for expansion of the City's affordable housing regulatory incentives and requirements to create affordable housing. These types of programs enable the City to partner with housing developers to create affordable units as growth occurs. The City offers a bonus to housing developers, such as the ability to build a taller structure, in exchange for including some dedicated affordable units in the project.

There are multiple policy options allowing the City to develop an approach that works for our market and community goals. For example, an inclusionary requirement would build affordable units into luxury

developments, and those units can be price-restricted for a set time period. Another example, the City can offer a temporary property tax exemption in exchange for including moderately affordable units. These policy options will be examined and implemented as part of Phase 2 of the Home In Tacoma Project.

**Will these be housing units primarily for people who work in Seattle?**

Due to the freedom of commerce and individual choice regarding where to live, the City of Tacoma cannot prevent people from living here and working elsewhere. However, there are steps the City can take to seek to benefit our current residents, including actions to combat involuntary displacement of current residents and to strive for a health balance between the number of living wage jobs here and the supply and cost of housing.

In regards to promoting employment opportunities, the City of Tacoma provides digital and in person customized services for entrepreneurs and businesses large and small to start, grow, or relocate in and to Tacoma. Among these services are business technical support from local partners, local market studies in partnership with the State of Washington, site location services and permit assistance. The City also offers a tiered Job Creation Tax Credit for new family wage jobs (2021 base wage is \$21.21/hour) and robust Business Retention, Expansion and Attraction services. A variety of financing tools are offered by the City, such from micro loans, fire safety loans and large gap financing loans up to \$5 million. The City also supports and partners with several local incubators such as SpaceWorks, Tacoma Maritime Innovation Incubator, William Factory and RAIN incubator. The City supports and partners with Workforce Central and has its own in-house apprenticeship, Small Business Enterprise and Equity in Contracting programs to develop workforce capability. It also hosts the regional office of the Minority Business Development Agency to support women and minority owned businesses.

Recent jobs announcements included the relocation of the headquarters for TOTE and the General Services Administration Region 10 to downtown, bringing nearly 500 jobs, the expansion of SAFE Boats International for the creation of 75-150 new manufacturing jobs, the retention and expansion of Infoblox, growing to at least 300 jobs as well as many smaller projects with family and living wage positions. For more information visit [www.makeittacoma.org](http://www.makeittacoma.org).

**How will these proposals help combat displacement (gentrification)?**

Lower income Tacoma residents are already experiencing displacement, and displacement risk will continue to increase as the city and region grow. As demonstrated in the Existing Conditions analysis, between 2016 and 2019, rental units priced between \$625 and \$875 per month, serving households with incomes between \$20,000 and \$35,000, declined by 5,300 units. The Housing Equity Taskforce recommendations emphasize the importance of combating displacement, which disproportionately affects people of color.

The Home In Tacoma Project would establish an anti-displacement strategy to help lower-income residents stay in growing neighborhoods. This effort has identified tools that the City can bring to bear, including affordable housing production, to help people, businesses and institutions to remain in their neighborhoods (see page 37 of the staff report).

Allowing missing middle housing is one central anti-displacement action. People sometimes worry that allowing missing middle housing will lead to the loss of some of the less expensive housing available today. While it is true that existing, lower-cost housing is more likely to be replaced, allowing missing middle housing means it could be replaced by more, smaller housing units at lower price points, resulting in more options to relocate within the neighborhood. In contrast, if the City does not allow missing middle housing, existing low-cost housing would eventually be converted to more luxurious, higher cost single-family housing.

Other anti-displacement actions include providing resources to people facing evictions, putting in place affirmative marketing tools (developers market housing units to people in the neighborhood), and resident preference policies (people at risk of displacement get first dibs on new housing units).

#### **Are affordability regulatory tools feasible in Tacoma’s housing market?**

Our analysis of Tacoma’s housing market shows that the market is strong enough to support expanded use of these types of tools. The City gathered input from local developers about these ideas. Also, economic feasibility modeling (see the Housing Action Plan) was completed to test the economic feasibility for seven development prototypes under several affordability scenarios and for low/moderate and high market rent areas. These feasibility tests found the following:

- Mandatory inclusionary zoning requirements are not feasible in low to moderate rent areas without the Multifamily Property Tax Exemption (MFTE)—but are feasible in high rent areas like downtown. High rent areas can absorb this requirement without compromising financial feasibility.
- In low and moderate rent markets, the value of the MFTE allows developments to reach deeper levels of affordability with a 10 percent unit contribution—including the AHAS goal of 10 percent of units at 50 percent Area Median Income (AMI). However, state law requires a 20 percent unit contribution, which is not feasible in low and moderate rent areas.
- Use of the MFTE in downtown Tacoma—and other high rent markets as they develop—provides the ability to take AMI levels lower to 20 percent of units affordable at 50 percent AMI.

#### **Where would proposed affordability strategies apply?**

Proposed affordability and anti-displacement strategies have not been delimited to specific areas as of now. Affordability incentives and bonuses are currently available primarily in areas where dense housing is allowed, such as Downtown and Centers. As part of Phase 2, affordability tools would be updated to be more effective in achieving their objective of creating affordable housing. The area where they would apply could also expand to along corridors, in Mid-scale Residential areas, or potentially citywide.

#### **What other actions is the City pursuing to support affordability goals?**

The City of Tacoma’s [Affordable Housing Action Strategy](#) (AHAS), developed in 2018, is a strategic response to a changing housing market, increasing displacement pressure, and a widespread need for high-quality, affordable housing opportunities for all. The AHAS focuses on how to enhance existing policies and programs to serve more people; identify and deploy additional funding; and establish strong anti-displacement measures to stabilize existing residents over the next 10 years. The following are the AHAS objectives:

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

The AHAS contains 27 recommended actions that are being implemented by multiple city departments and other partners. The City has made significant progress on implementing the AHAS through such actions as renter protections and increased funding for affordable housing. Visit the AHAS webpage for the latest information.

#### **Is the strategy the same, or different, for higher and lower opportunity areas?**

Opportunities available to residents (such as housing costs, recreation, education, transportation choices, jobs and more) vary substantially across neighborhoods. The proposed land use changes do not focus growth in

lower opportunity/lower incomes/more racially diverse neighborhoods, but instead apply them consistently across the City. By doing so, all neighborhoods can benefit from increased housing choices. This can mean more investment in lower opportunity areas, and an increase in affordable housing in high opportunity areas.

The proposed affordable housing incentives and requirements likely would differ between low/moderate and high rent market areas (which align with opportunity areas). High rent areas have the ability to absorb an affordable unit contribution in taller buildings and remain economically feasible; this is not the case in low/moderate rent market areas.

**Does the City have resources or support for people who want to build affordable housing?**

The City currently has a range of programs and resources to support affordable housing. Contact the Housing Division and Planning and Development Services Departments for information. The Home In Tacoma Project calls for more resources and tools to be added to the City's toolkit for supporting affordable housing.

*Thank you for participating in the Home In Tacoma Project!*

*We may add to or update the FAQs in the future.*