

Affordable Housing

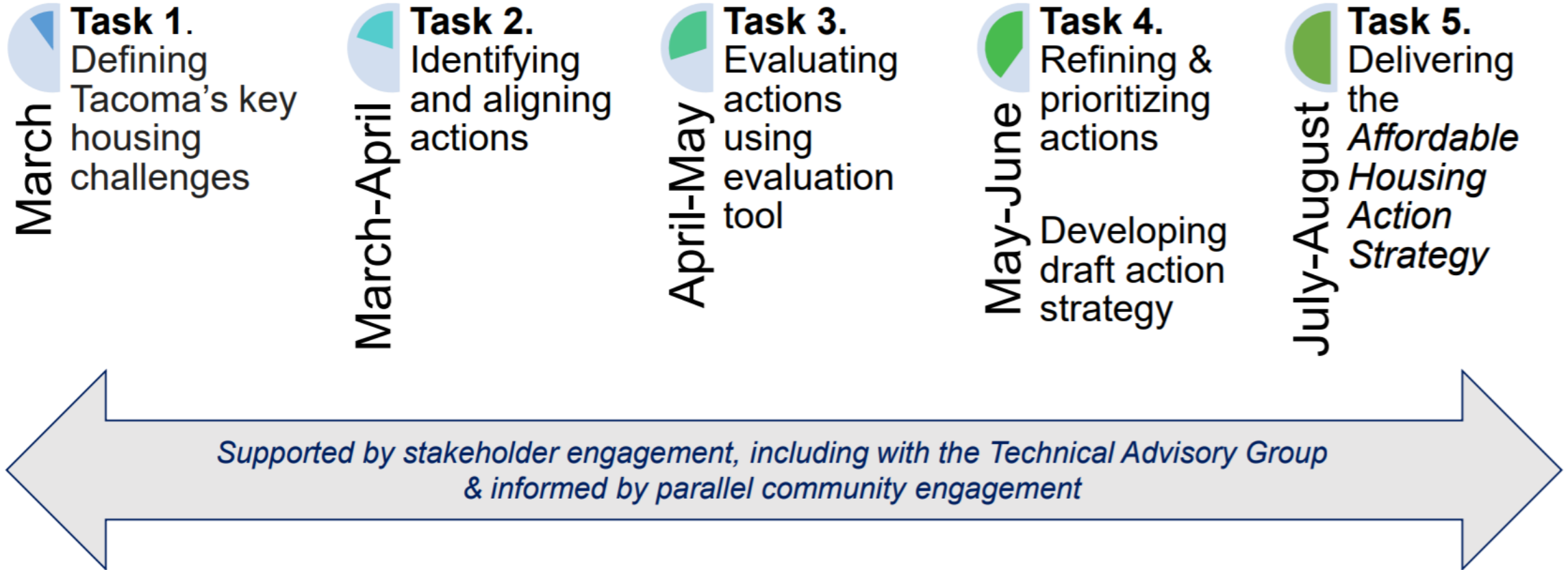
Tacoma's AHAS

Dept of Commerce info session

September 30, 2020



Project timeline and update



Long-term market trends

HOUSING COSTS (1990–2016)

+98%

Change in
MEDIAN HOME VALUE

+39%

Change in
MEDIAN RENT

+20%

Change in
MEDIAN HOUSEHOLD INCOME

FAIR MARKET RENT

1 Bedroom: \$855

2 Bedroom: \$1,142

3 Bedroom: \$1,662

SOURCE: 1990 & 2000 DECENNIAL CENSUS, 2005-2016 ACS PUMS 1-YEAR ESTIMATES.

RENTAL HOUSING SUPPLY & DEMAND

Tacoma has...



COST-BURDENED HOUSEHOLDS

16% of households (13,386) pay gross **50% OR MORE** of their monthly income on housing costs



40% of households (32,842) pay gross **30% OR MORE** of their monthly income on housing costs

WIDESPREAD, PERSISTENT NEED

The City of Tacoma has a shortage of affordable and available rental units for low-income households. Forty percent of households in Tacoma pay more than 30% of their gross income on housing each month.

Source: 2016 American Community Survey PLUMS 1-Year Estimates.



Snapshot of housing market conditions & needs



Accelerating housing market conditions

Rent increased by 16% at single-family rentals & 17% at multifamily properties between March 2016 and March 2018.



Limited rental supply

Unmet need is greatest among extremely low-income households, followed by very low-income households.



Cost-burdens among households

Forty (40%) of households in Tacoma pay at least 30% of their income on housing costs each month.



Barriers accessing and staying in a home

Residents face a range of issues that affect their access to affordable housing units, such as navigating multiple systems and language barriers.

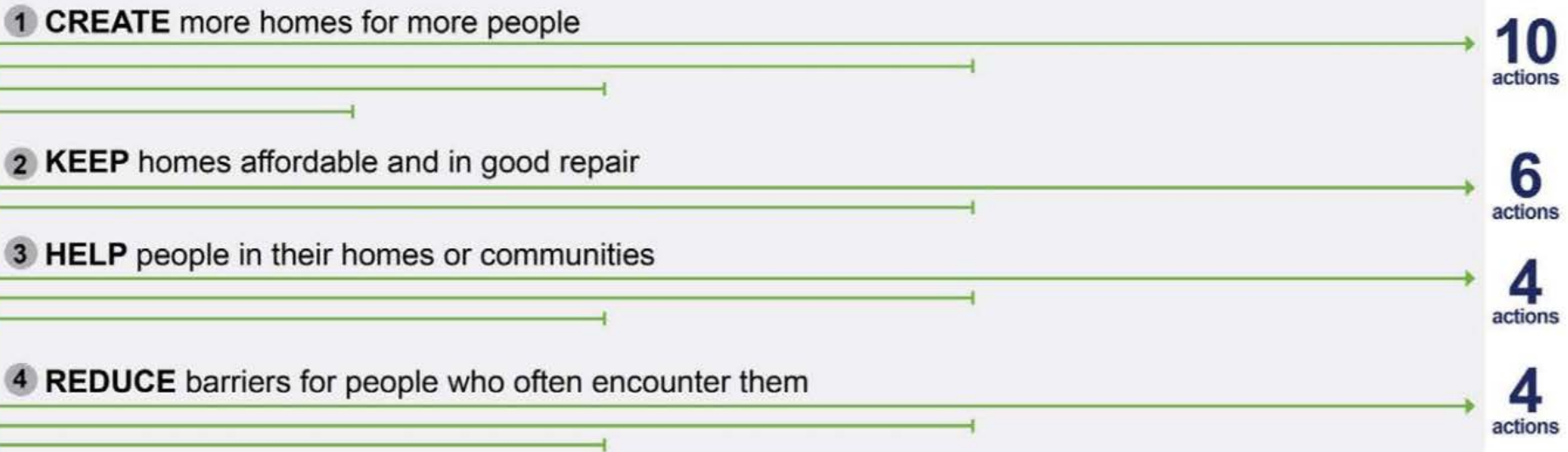
SOURCES: ZILLOW, MARCH 2016-2018; 2016 AMERICAN COMMUNITY SURVEY 1-YEAR ESTIMATES; SOURCES: INTERVIEWS, FOCUS GROUPS, AND OTHER OUTREACH ACTIVITIES FOR THE AHAS (MARCH-MAY 2018).

Tacoma's strategic approach to housing investment





Strategic objectives and number of supporting actions



SOURCES: 1. U.S. DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS, "OCCUPATIONAL EMPLOYMENT AND WAGES IN TACOMA-LAKEWOOD — MAY 2017." THE MEDIAN ANNUAL WAGE WAS CALCULATED BY MULTIPLYING THE MEAN HOURLY RATE FOR EACH OCCUPATIONAL GROUP BY 2,080, THE NUMBER OF HOURS FOR YEAR-ROUND FULL-TIME WORK.

2. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S HUD USER DATASET, "INCOME LIMITS, FY 2017." AREA MEDIAN INCOME DATA ARE BASED ON FY 2017 FAIR MARKET RENTS IN PIERCE COUNTY.

Summary of investment by strategic objective

10-Year Targets

Strategic objective 1

Produce more homes for more people.

6,200 units
\$15 - \$33 million

Strategic objective 2

Keep homes affordable and in good repair.

2,300 units
\$10 - \$24 million

Strategic objective 3

Help people stay in their homes or communities.

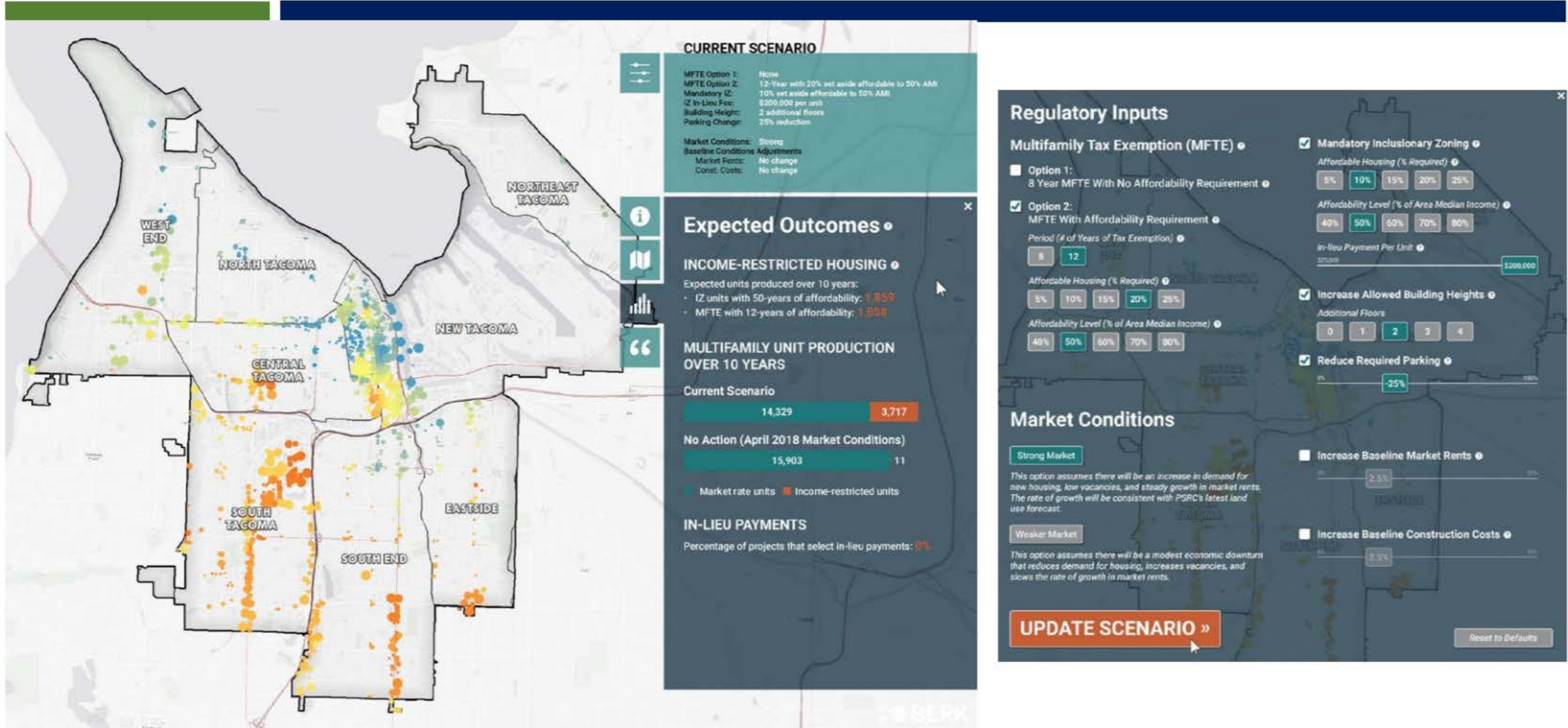
1,200 households
\$2 - \$4 million

Strategic objective 4

Reduce barriers for people who often encounter them.

1,000 households
\$3 - \$7 million

Ongoing monitoring through online dashboard



What's the Home In Tacoma Project?

AHAS Objectives:

1. 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

Home In Tacoma project goal:

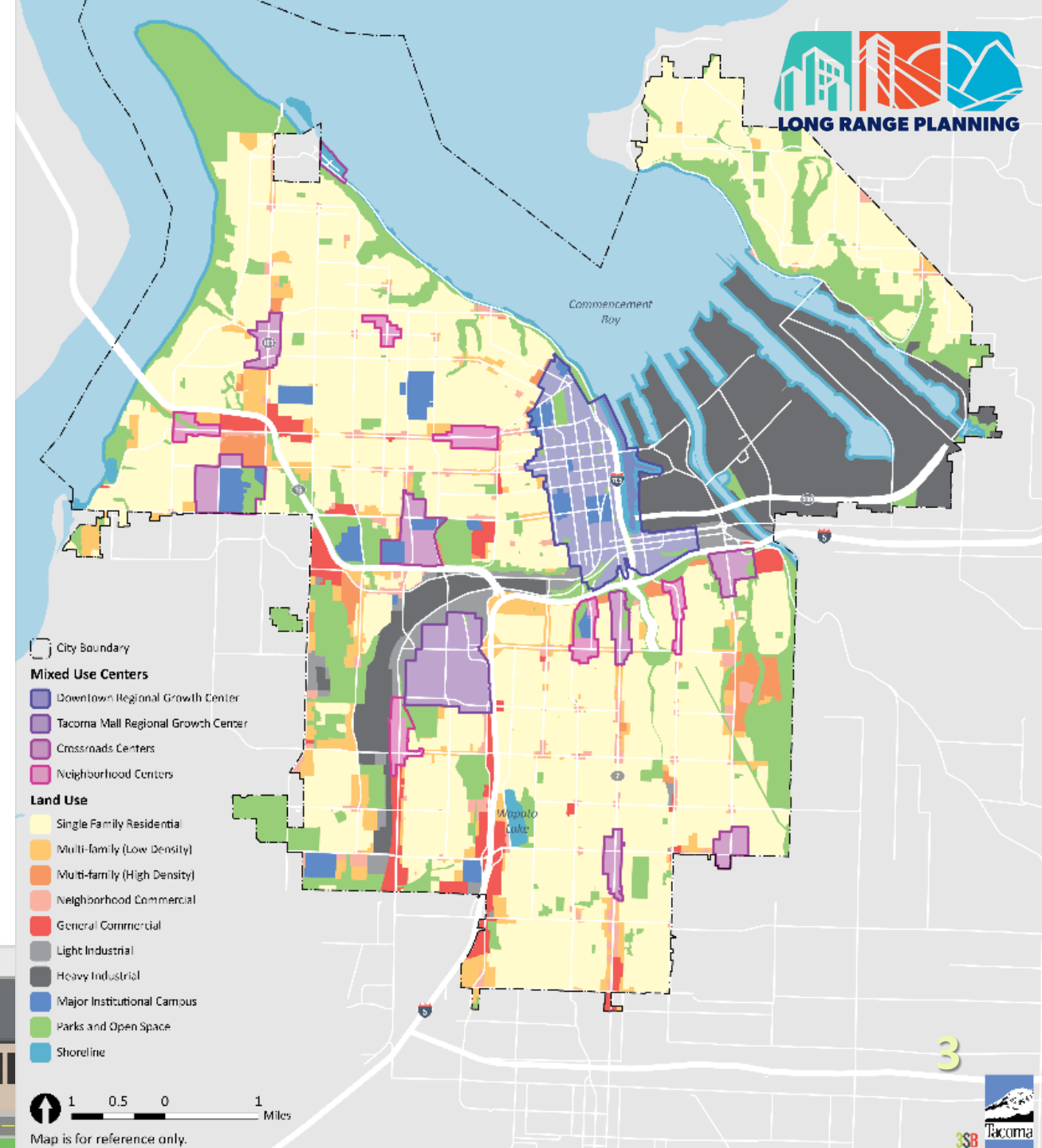
Support housing supply, choice and affordability



Tacoma's growth vision

Growth Target: 54,741 housing units by 2040

- Primarily multifamily, in Centers
- 75% of residential area is exclusively single-family detached
- Limited area for mid-range density
- Limits housing choices in some areas



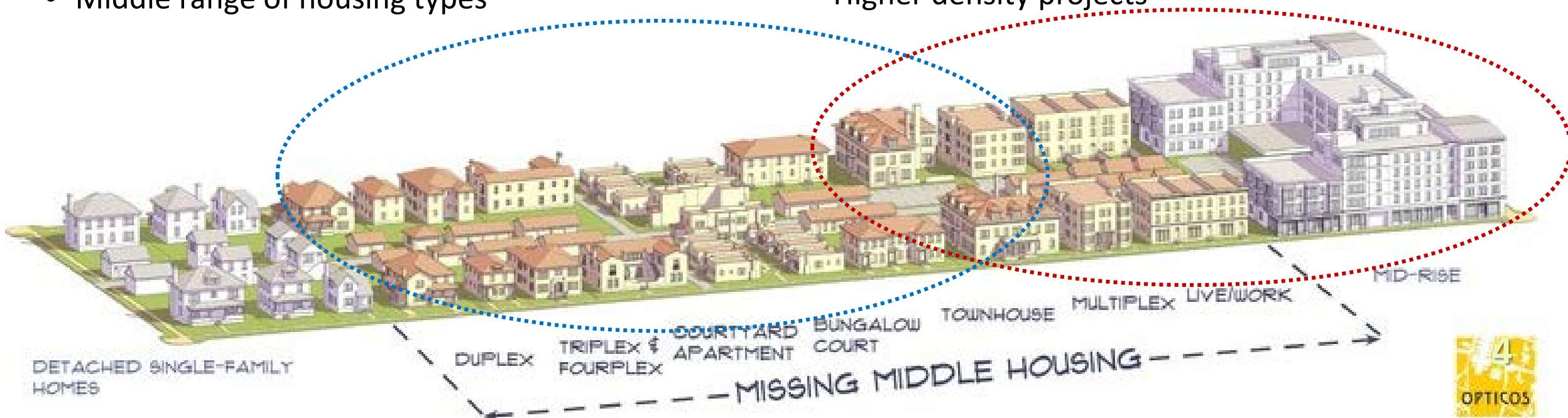
Market-based development is part of the solution

Diverse Housing Types (1.8) *Encourage more diverse types of housing development through relaxed land use standards, technical assistance, and financial incentives.*

- Increases housing development capacity
- “Naturally occurring” affordability
- Middle range of housing types

Inclusionary Zoning (1.2) *Modify inclusionary housing provisions to target unmet need and align with market realities.*

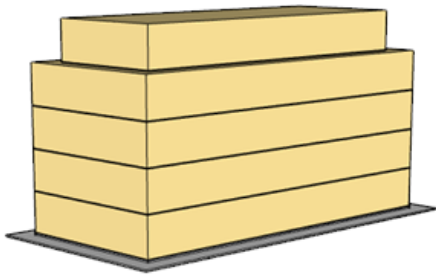
- Increases housing development capacity
- Dedicated affordability in exchange for incentives/bonuses
- Higher density projects



What is Inclusionary Zoning?

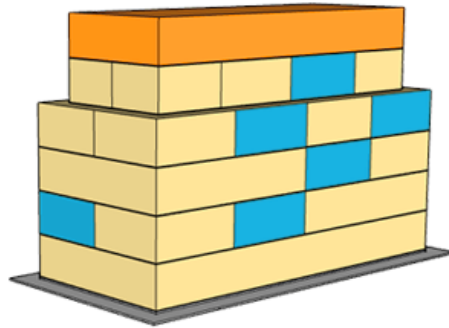
Market-based tool for dedicated affordability

- Goal is to harness the “engine” of private development to support affordability
- Targets areas planned for higher density development
- Concept is that incentives offset the cost to subsidize below-market affordable units
- Generally requires little direct public subsidy
- Ongoing monitoring and administration



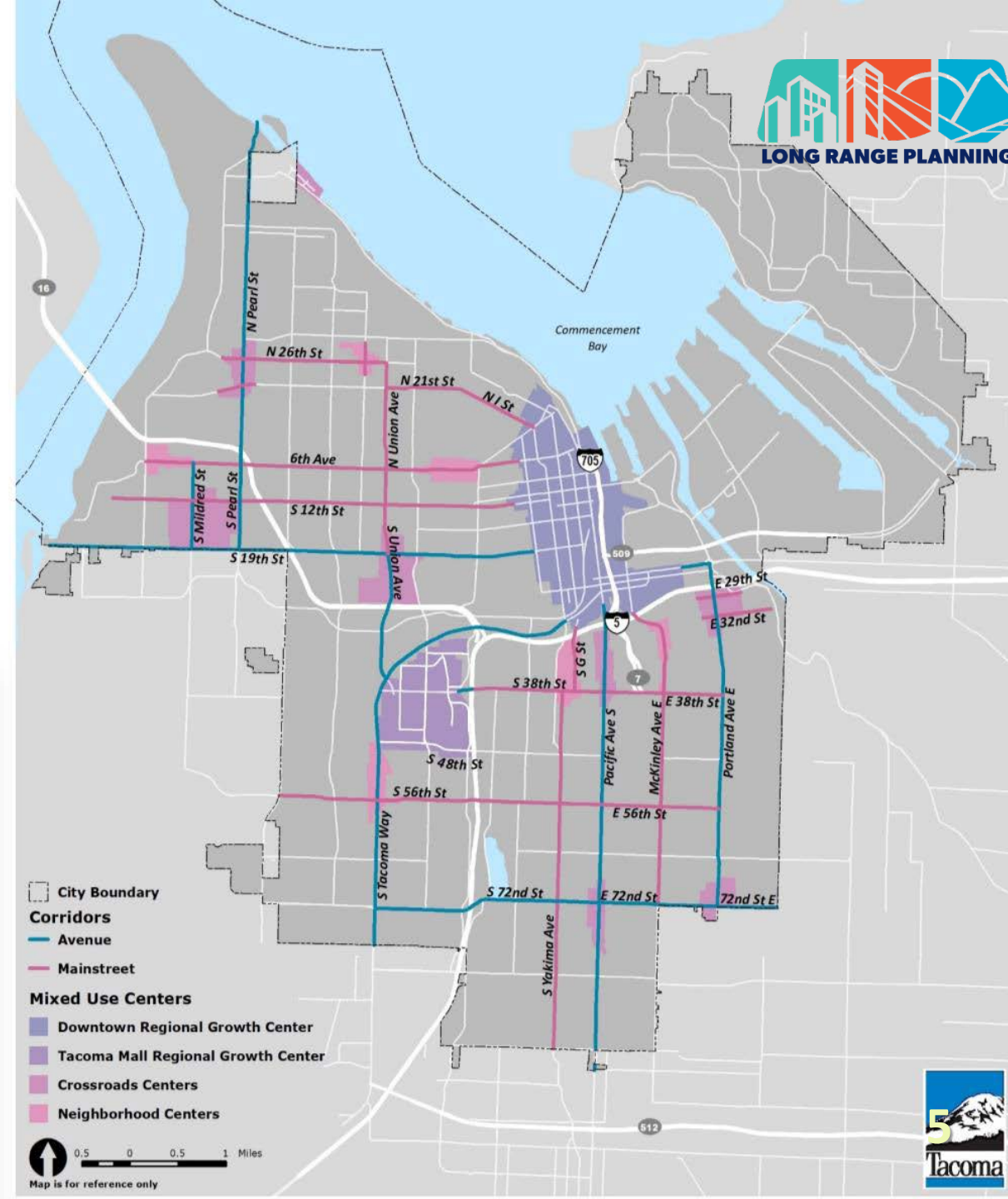
5 Stories - 58,000 square feet

58 Market-Rate Units
No Affordable Units



6 Stories - 66,000 square feet

10% Inclusionary Requirement
14% Density Bonus
60 Market-Rate Units
6 Affordable Units



What are Diverse (Missing Middle) Housing Types?

SF Detached House

Duplex

Bungalow court

Fourplex

Multiplex



1-12 per acre

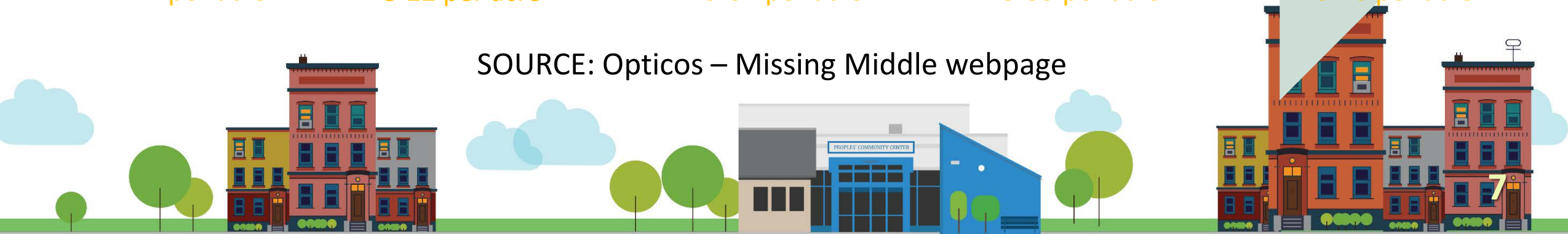
8-22 per acre

19-32 per acre

15-35 per acre

28-70 per acre

SOURCE: Opticos – Missing Middle webpage



Scope of work

1. Broad equitable communication strategy
2. Understanding current circumstances
 - Evaluate effectiveness of existing policy tools
 - Capacity analysis and building trends
 - Characterizing housing needs
3. Developing proposals to meet City goals
 - Meet housing affordability and choice needs
 - Increase equity & access to opportunity (displacement risk)
 - Tailor proposals to market conditions
 - Urban design and neighborhood characteristics
 - Utilities, infrastructure, transportation, services
 - Potential near-term changes (e.g., legislative direction)
4. Implementation strategies and priorities

Scoping: early 2020

Analysis & public
engagement: Through 2020

Council direction: 2021

Policy and code changes



For More Information

Affordable Housing Action Strategy

www.cityoftacoma.org/ahas

Home In Tacoma Project

www.cityoftacoma.org/homeintacoma

Staff contact

Elliott Barnett, Senior Planner

ebarnett@cityoftacoma.org, (253) 312-4909

