

Attachment A  
Affordable Housing Strategies

Priority No.	Strategy	Details	Cost	Source(s)	Who	When
<b>Short Term Strategies</b>						
1	Foreclosed & Abandoned Homes (3.6.5)	<p>Modeled after the Neighborhood Stabilization Program, work with Code Enforcement and local banks to acquire (via purchase or donation) vacant foreclosed and abandoned homes with the intent to remove blight from neighborhoods while creating affordable homeownership housing for low-income families. This proposal will establish a revolving loan fund to acquire, renovate and resell or rent these homes to income qualified buyers. The program could either sell to households that make no more than 80% AMI or rent (via a "rent to own" type program) to homeless households who are employed and earn less than 50% AMI.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Work with NCS and local banks to identify properties</li> <li>2. Reach out to non-profit and for-profit builders who could assist in rehabbing the units</li> <li>3. Work with the Phase 3 team to identify a potential rent-to-own strategy</li> </ol>	<p>\$1.5M can support acquisition, rehab and resale of approximately 5 homes.* Funds would revolve to future projects.</p> <p>* = based on recent project completed by the TCRA</p>	General Fund, Down Payment Assistance (DPA) Program, UDAG	CEDD, NCS, Local Banks	Dec. 2017 to finalize first purchase
2	Accessory Dwelling Units/ Secondary Units (3.5.1)	<p>Building upon the pilot program, proactively market throughout the City. The City would establish a fund to cover building and other city fees in exchange for landlords renting secondary unit at 60% AMI for 10 years as contracted via an affordability covenant.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Meet with PDS to determine average costs of building permits for an ADU.</li> <li>2. Proactively market program to various neighborhoods throughout the City</li> </ol>	<p>\$1M*</p> <p>* = average permitting cost during initial pilot period were \$3,500/unit</p>	\$500k- General Fund, \$500k- UDAG	CEDD, PDS	Fall 2017 to begin discussions on creation of fund

Attachment A  
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<b>Short Term Strategies, cont.</b>						
3	Infill Affordable Housing Development	<p>Work with NCS and Pierce County to acquire vacant developable parcels throughout the City. Housing Division will release RFP to homebuilders to acquire at no cost in order to build for affordable households. Homebuilder agrees to sell at 80% AMI and Housing Division utilizes DPA to assist eligible homebuyers to purchase the homes. These homes maintain an affordability covenant for 15 years with DPA repayment requirements.</p> <p>In addition, make City-owned vacant lands available to multi-family affordable housing developers on a long-term lease (or below-market sale) basis in exchange for the development of affordable housing. Lease (or sale) terms dependent on the level of affordability. Could potentially entice non-profit developers to view Tacoma as a viable option to develop affordable housing.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Meet with NCS, Pierce County and RPS representatives to determine availability of vacant lots</li> <li>2. Identify best uses of each lot based on size, zoning and location</li> </ol>	Unknown	HOME, DPA Program	CEDD, RPS, NCS, Pierce County	Spring 2018 to begin discussions on potential design of program
4	Off-site cost sharing program	<p>Create an off-site cost sharing program for affordable housing projects. Examples of tiers are 50/50 for 80% units; 75/25 for 41%-60% units; 100% offset for 40% and below units.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Meet with affordable housing developers and homebuilders to identify the offsite costs that create the greatest cost burden</li> <li>2. Meet with applicable City departments to determine the development and cost requirements associated with different types of development</li> </ol>	<p>\$1.5M*</p> <p>* = average cost of off-site improvement is \$30,000</p>	General Fund	CEDD	Spring 2018 to begin meeting with city staff and developers

Attachment A  
Affordable Housing Strategies

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<b>Short Term Strategies, cont.</b>						
5	Section 8 Vouchers	Work in tandem with THA to hold workshops and meet individually with multi-family apartment owners to promote use of Section 8 vouchers	N/A	N/A	CEDD, THA	Dec. 2017
<b>Long Term Strategies</b>						
1	Affordable Housing Impact Fees	<p>Establish impact fees related to various types of development and the impacts they create on the need for affordable housing. Types of development include commercial, retail and residential. Consider conducting a study to determine the appropriate level of fees to charge and task the TCRA with administration of the funds. Funds would provide gap financing to both single-family and multi-family developments for individuals of multiple income levels not to exceed 80% of the area median income (AMI).</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Conduct research of similar programs in other municipalities</li> <li>2. Meet with appropriate staff to ensure this proposal does not conflict with the proposed Traffic Impact Fee study</li> <li>3. Will require approval from State Legislature. Not currently legal in the State.</li> <li>4. Release a RFP seeking a consultant to conduct a nexus study that will research the impacts of development on affordable housing, facilitate appropriate community outreach and develop an appropriate fee structure</li> </ol>	<p>Unknown cost for study.</p> <p>Amount generated is dependent on amount of fees and the types of development (i.e. new construction versus acquisition and rehabilitation) in which they would fund.</p> <p>Examples:</p> <ol style="list-style-type: none"> <li>1. Based upon final amounts, THA spent \$22.8M or \$309k/unit to construct 74 units at Bay Terrace II</li> <li>2. Based upon final amounts, THA spent \$91M or \$199k/unit to rehab 456 units of</li> </ol>	General Fund for study. Other potential sources include UDAG TCRA funds.	CEDD	<p>Fall/Winter 2018: Begin discussions with State legislature for approval by June 2019</p> <p>Summer 2019: Complete nexus study</p>

Attachment A  
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Long Term Strategies, cont.						
2	Cottage Subdivision Housing (3.5.2)	<p>Potentially working through a Community Land Trust approach or in partnership with other public agencies which own undeveloped properties, assemble sites where a master developer will build several affordable cottage homes (no larger than 1k SF) that can be built and leased to households earning less than 80% AMI. Leasees would be required to pay into a HOA to support Metro Parks maintaining recreation space and grounds of the properties including swales.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Meet with PDS to discuss setback and building design requirements</li> <li>2. Research other similar subdivisions in the nation</li> <li>3. Identify potential sites for development</li> </ol>	Unknown	Unknown	CEDD, PDS, Metro Parks	Spring 2018 to begin discussions and review potential sites
3	Permanent Supportive Housing	<p>Work with Catholic Community Services, Rescue Mission (or other developer) and other permanent supportive housing developers to support the development of a new permanent supportive housing for homeless individuals</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Meet with Catholic Community Services to discuss options for such development</li> <li>2. Work with Phase 3 team to determine appropriate type of development.</li> </ol>	\$1 million as a maximum local investment	General Fund	CEDD, NCS	Spring 2018 to begin discussions on long term project

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4	Affordable Housing Land Trust (3.6.4)	<p>In collaboration with Forterra (non-profit agency), private developer or other public entity, acquire sizable vacant parcels and build single-family and multi-family projects through private or non-profit developers</p> <p>The land trust maintains ownership of the land to ensure affordability long-term. Construction of the homes and apartments are made possible through the City's DPA, HOME and State Housing Financing funds.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Research other municipalities who have implemented such a program</li> <li>2. Determine the appropriate type of development (single-family vs. multifamily) that would benefit from such a program</li> <li>3. Identify interest of other municipalities to participate in such a program to achieve economies of scale</li> <li>4. Meet with Forterra or other entity to determine mechanism to implement such a program</li> </ol>	Unknown	HOME, State Housing Finance, Down Payment Assistance (DPA) Program	CEDD	Oct. 2017 - Dec. 2018
5	Inclusionary Zoning	<p>Pursue inclusionary zoning requiring the development of a set percentage of affordable housing units in every development.</p> <p><i>Potential Next Steps:</i></p> <ol style="list-style-type: none"> <li>1. Complete analysis of the program to determine potential impact</li> </ol>	N/A	N/A	CEDD, PDS	Spring 2018 to begin analysis

Attachment A  
Affordable Housing Strategies

		2. Identify strategies to modify the programs design				
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Long Term Strategies, cont.						
6	MFPTE Revisions	<p>Identify revisions to the MFPTE that promote more affordable housing development while limiting the impacts on market rate development.</p> <p><i>Potential Next Steps:</i></p> <ul style="list-style-type: none"> <li>3. Complete analysis of the program to determine current impact</li> <li>4. Identify strategies to modify the programs design</li> </ul>	N/A	N/A	CEDD	Spring 2018 to begin analysis