

Affordable Housing Strategies

City of Tacoma

Community and Economic Development

Community Vitality and Safety Committee
October 26, 2017



Overview

- Follow-up to September 28th CVS meeting
- TCRA funded projects
- Status of Affordable Housing Policy Advisory Group (AHPAG) recommendations
- Address specific requests of committee members
- Efforts in the Hilltop
- Propose next steps

Recently Completed TCRA Funded Affordable Housing Projects

Developer	Project	Number of Units	Year Completed
Tacoma Housing Authority	Bay Terrace I	70	2014
Mercy Housing	New Tacoma II	40	2015
Catholic Community Services of Western Washington	Nativity House	50	2015
Vaughn Bay Construction	Mason Avenue	105	2016
Vaughn Bay Construction	Oak Trace	60	2017
Tacoma Housing Authority	Bay Terrace II	74	2017
	Total No. Units	399	

Recently Approved TCRA Funded Affordable Housing Projects

Developer	Project	Number of Units	Award Amount
YWCA of Pierce County	Broadway Housing Project	51	\$300,000
Multi-Service Center/Shelter Resources, Inc.	Tacoma Veterans Project	53	\$213,000
Homeownership Center of Tacoma	Scattered Site Single-Family Homes	3	\$300,000 (pending final TCRA Board approval)
	Totals	107	\$813,000

AHPAG Planning Work Program (2012-2015)

Implemented multiple AHPAG planning recommendations including:

- Strengthen Affordable Housing policies
- Reduce costs/delay for housing development
- Incentivize Affordable Housing with development

Planning Actions Taken/Underway

- Adopted *Affordable Housing Principles* in the One Tacoma Plan
- Increased SEPA & short plat thresholds
- Subarea Plans with up front EIS's
- Reduced minimum single-family lot size
- New parking bonus for micro-units
- New *Infill Pilot Program* for ADU's, 2-family, great houses, cottage housing
- New residential Affordable Housing bonus option (PRDs)
- New Affordable Housing requirement for residential up-zones
- New Affordable Housing bonus downtown
- Enhanced Affordable Housing bonus in Mixed-Use Centers
- Affordable Housing fee waiver fund

Follow-up Items

1. Incentivize landlords to accept Section 8 vouchers
2. Source of income as a protected class
3. Expansion of ADU pilot project

Overview of technical assistance work

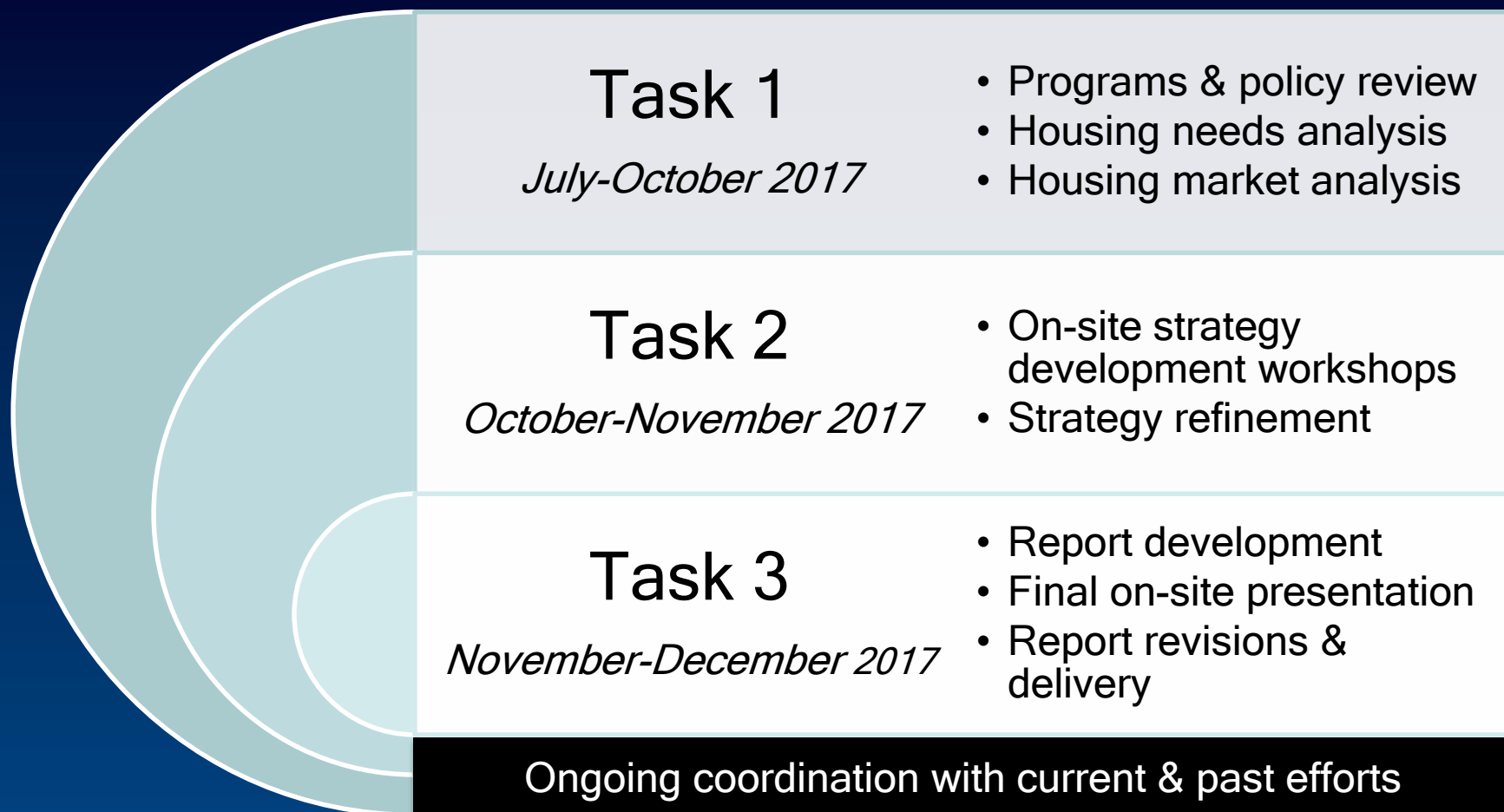
Program description and technical assistance goals for City of Tacoma

The **FTA eTOD Technical Assistance Initiative** supports elected leaders, municipal and transit agency staff, developers, and community members to maximize economic development return on transit investments by advancing transit-oriented development (TOD).



Overview of technical assistance work

Technical assistance key activities and timeline



Lack of affordable housing is a national & regional issue.

The U.S. **rental market** continues to expand at a robust pace.

The U.S. owner-occupied market is still in the process of recovery from the recession.

Nearly **19 million** U.S. households experience housing insecurity.

Nationally, **only 35 affordable homes are available** for every 100 extremely low-income (ELI) renter households.

Within the Seattle-Tacoma region,
**only 29 affordable homes are
available** for every 100 ELI renter
households.

Units affordable and available per 100 ELI households by state



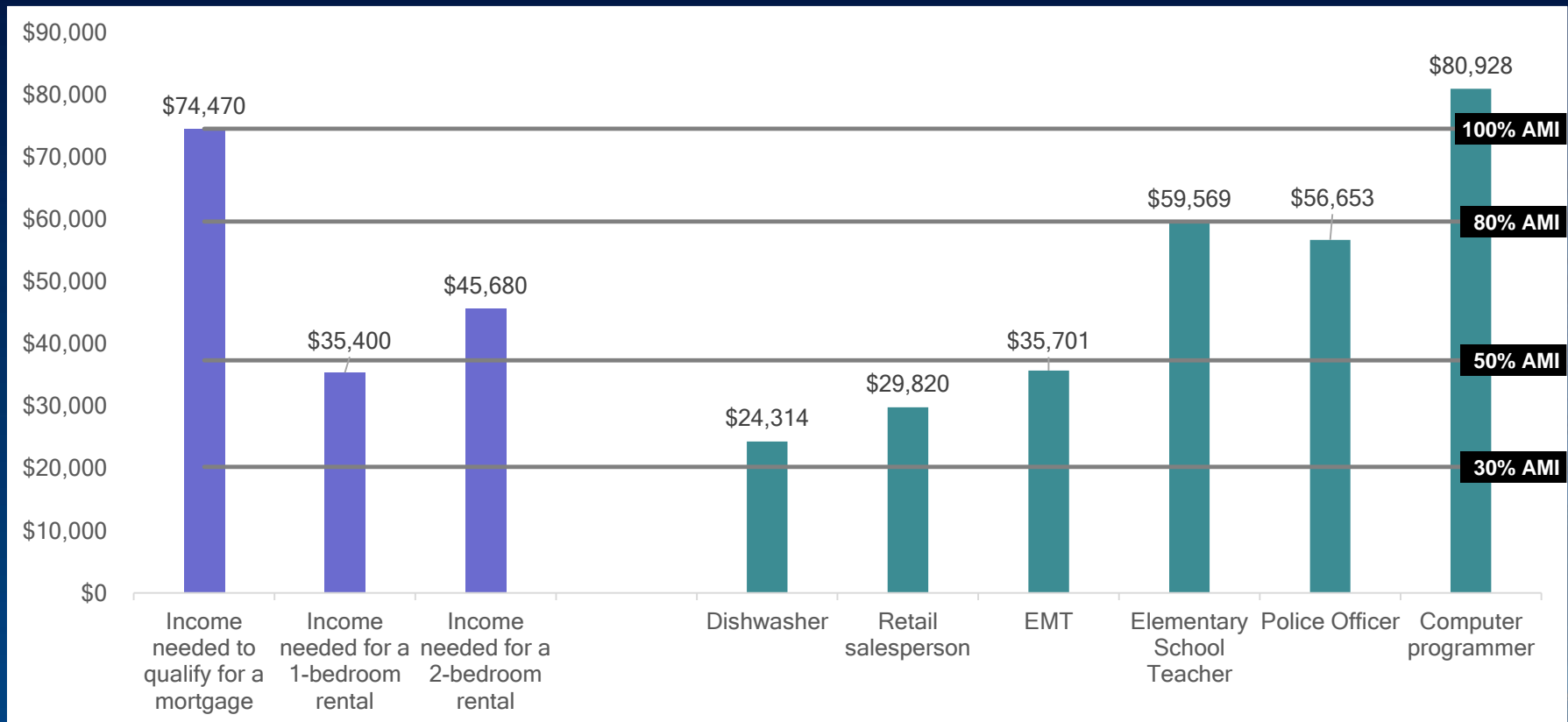
MAP VIA NATIONAL LOW-INCOME HOUSING COALITION

Understanding housing conditions citywide

Many common occupations in Tacoma need affordable rental and homeownership opportunities.

Income needed to afford housing & salaries for selected occupations

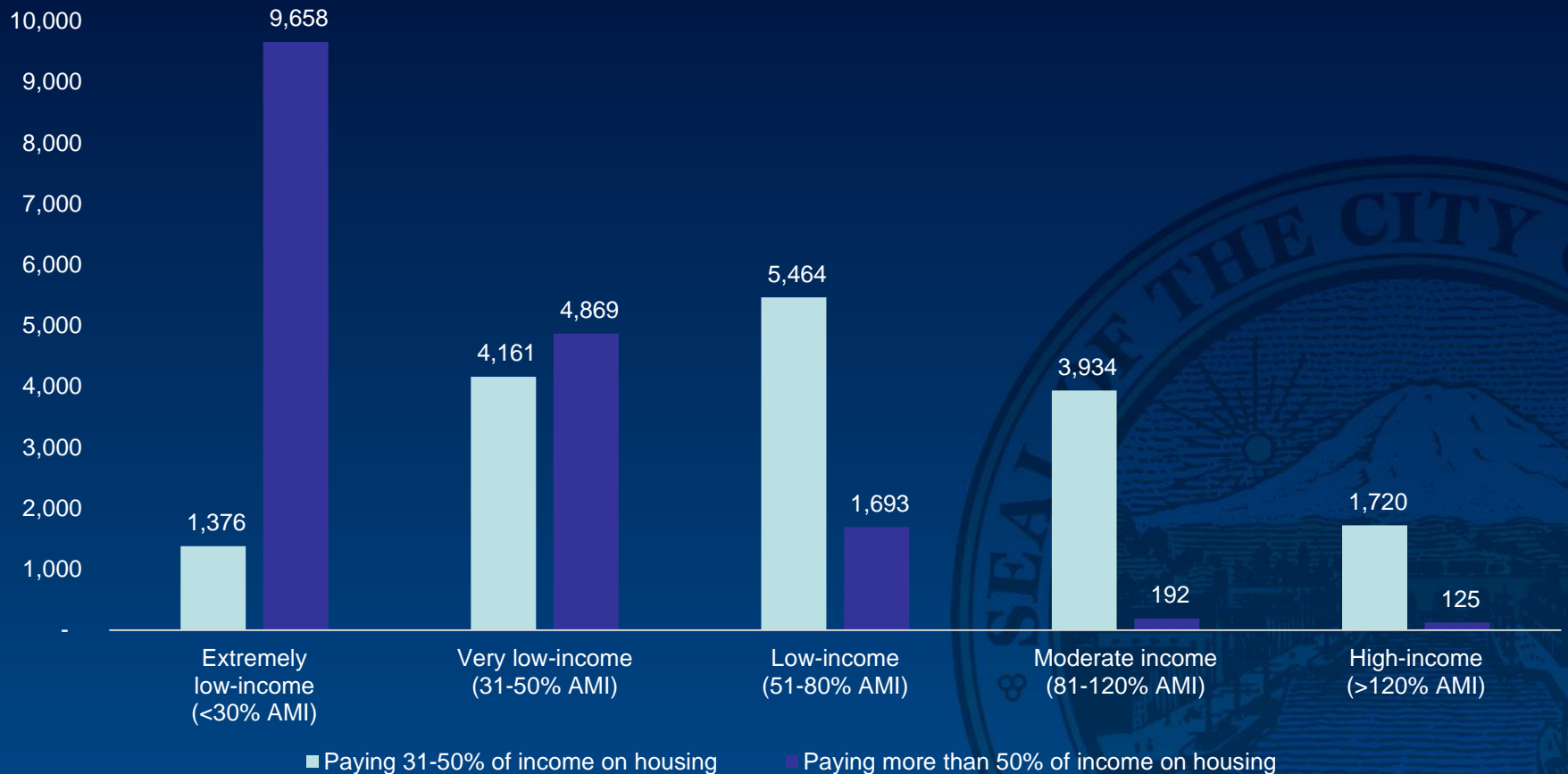
City of Tacoma, WA



Understanding housing conditions citywide

More than 41 percent of households living in Tacoma pay too much for housing

Total cost-burdened households City of Tacoma, WA



Understanding housing conditions on Hilltop

Many existing Hilltop residents cannot keep pace with rising housing costs.

Households are considered **“cost-burdened”** if they are paying more than 30% of their income toward housing costs.

- Housing costs have grown faster than household income.
- On Hilltop, 45 percent of households experience cost-burden (higher than the citywide share).
- The number of households experiencing cost-burdens nearly doubled between 2000 and 2014.

Sources: U.S. Census 2000; American Community Survey Five-Year Estimates 2011-2015; and 2000 & 2010-2014 CHAS

Understanding housing conditions on Hilltop

Projected change in rents, including TOD-related change, could result in more cost-burdened households.

Measuring TOD's impact

The estimates of general and TOD-related rent increases were projected using patterns in home sales prices.

This projection is based on the change in home sale values within ½-mile of the Central Link in Seattle.

- On the whole, rents could rise as much as 46 percent over the next 10 years.
- Much of this increase will be general increases in housing costs, not necessarily related to TOD.
- If these gains are realized, as many as 741 additional Hilltop renters could become cost-burdened by 2026.

Proposed strategies & recommended actions

Proposed strategy framework

Increase resources for and impact of initiatives that support greater affordability.

Streamline existing incentives and internal processes to support greater affordability.

Support existing Hilltop residents.

Increase housing opportunities in TOD for a range of income levels and lifestyles.

Increase resources for and impact of initiatives that support greater affordability.

ACTION 1. Explore creation of a value capture mechanism
(tied to LINK extension on Hilltop).

ACTION 2. Create dedicated sources of funding for the Housing Trust Fund, including allocating general revenue.

ACTION 3. Pursue additional Section 108 authorization to support catalytic economic development projects on Hilltop.

ACTION 4. Apply for a Neighborhood Revitalization Strategy Area (NRSA) designation for Hilltop.

Streamline existing incentives and internal processes to support greater affordability.

ACTION 1. Increase by-right development of small-scale housing types.

ACTION 2. Create and apply stronger housing incentives that tie additional development rights and/or regulatory relief to housing production and preservation on Hilltop (such as modifying the Multifamily Tax Exemption).

ACTION 3. Study existing fee-in-lieu structure to better align with housing affordability goals.

Support existing Hilltop residents.

ACTION 1. Stabilize long-time homeowners.

ACTION 2. Target expiring subsidized units for preservation, working with partners to use short-term and long-term tools.

ACTION 3. Adopt tenant protections.

ACTION 4. Build leadership capacity among Hilltop residents.

Increase housing opportunities in TOD for a range of income levels and lifestyles.

ACTION 1. Integrate provisions for TOD & other policy priorities in NOFA.

ACTION 2. Support TOD master planning and predevelopment analysis, especially among large property owners on Hilltop.

ACTION 3. Leverage forthcoming public land study to identify and solicit for near-term opportunities for affordable housing on city-owned land.

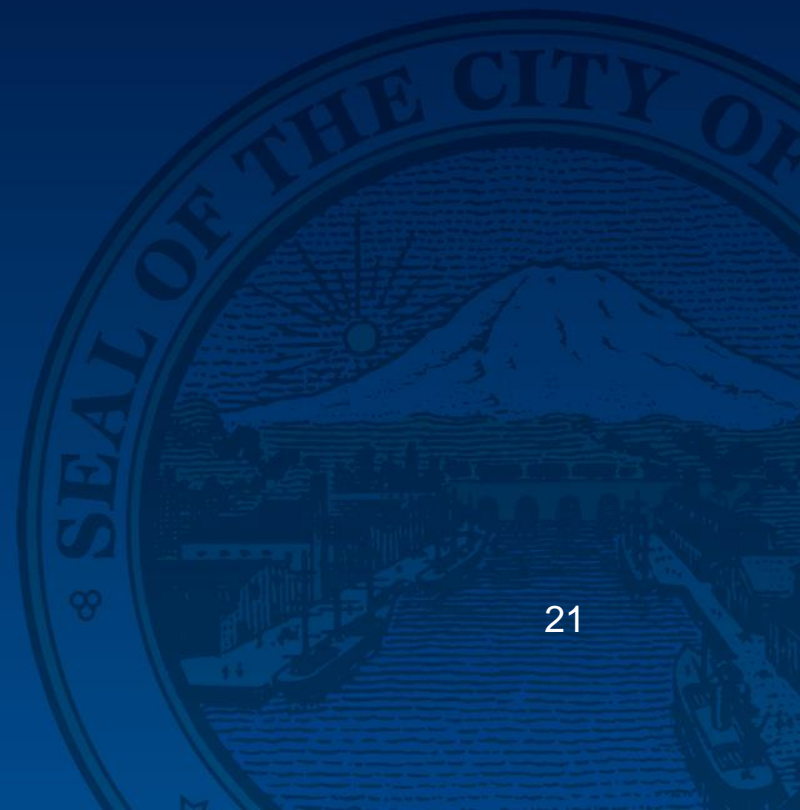
ACTION 4. Explore creation of a community land trust on Hilltop.

ACTION 5. Build local nonprofit and community development capacity.

Next Steps

1. Create citywide internal work group
2. Engage consultant to develop action strategy
3. City Council Study Session on Hilltop Study
4. CVS report back within 6 months

Questions



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