



TO: Elizabeth Pauli, City Manager
FROM: Council Member Kristina Walker and Policy Assistant Claire Goodwin
COPY: Mayor and City Council; Bill Fosbre, City Attorney; Doris Sorum, City Clerk
SUBJECT: Resolution – Community Prioritization for Housing and Preventing Displacement
DATE: November 9, 2021

SUMMARY AND PURPOSE:

A resolution affirming the City of Tacoma supports the use of data-informed tools, such as community prioritization, to prevent displacement of local residents and strongly encourages the City’s partners to use these tools to ensure more residents are able to stay in Tacoma with a focus on households from “low” and “very low” opportunity areas of the City as defined by the Equity Index as well as Black, Indigenous, and People of Color (BIPOC) households; and directing the City Manager to evaluate options to assist in preventing displacement of residents.

COUNCIL SPONSORS:

Mayor Victoria Woodards, Council Member Kristina Walker, and Council Member Catherine Ushka

BACKGROUND:

Displacement of long-time residents in Tacoma, especially in “low” and “very low” opportunity neighborhoods as defined by the City’s Equity Index and among BIPOC households, has been an ongoing problem. Tacoma’s housing market is booming and rents are increasing faster than wages. Low-income and BIPOC renters in up-and-coming areas in the city are at-risk of displacement.

Community prioritization for housing allows housing providers to prioritize certain applicants, based on data that shows a disproportionate impact of displacement on those applicants, when leasing or selling units in communities at high risk of displacement.

Direct displacement of current residents occurs when residents can no longer afford to remain in their homes due to rising rents or property taxes, or residents are forced out due to causes such as lease non-renewals and evictions to make way for new development, or physical conditions that render their homes uninhabitable. ¹ Indirect displacement occurs when housing being vacated by low-income residents are no longer affordable to other low-income households. ²

According to the Home in Tacoma Housing Action Plan, incomes have not kept up with housing costs. From 2016 to 2019, median rent increased by 21% while median renter income increased by only 12%.³ Similarly, the median home value of owner occupied housing increased by 44% compared to a 22% increase in median income for

1 <https://sites.utexas.edu/gentrificationproject/gentrification-and-displacement-in-austin/>

2 Ibid. Citation 1.

3 https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/Tacoma%20Housing%20Action%20Plan%20full%206-8-2021.pdf



owner households. It is becoming increasingly difficult for renters to afford to rent or buy in Tacoma as wages fail to keep up with rising housing costs.

The Affordable Housing Action Strategy (AHAS) is the City’s plan to address the housing affordability crisis. The AHAS outlines that many Tacoma residents expressed concern around the potential effects of higher housing costs—namely that changing market conditions could price out longtime residents and community-based businesses from their neighborhoods or make it difficult to stay in or buy a home within Tacoma. ⁴

On June 30, 2020, the City Council passed Resolution No. 40622 that directed the City Manager to prioritize anti-racism in the evaluation of new policies and programs, as well as the sustained and comprehensive transformation of existing services. ⁵

On November 24, 2020, the City Council passed Resolution No. 40697 that directed the City Manager to use the Down Payment and Foreclosure Assistance disparity study funded in the proposed 2021-2022 Biennial Budget to identify disparities caused by historic racism or displacement caused by gentrification that resulted in disproportionate homeownership and the inaccessibility of communities of color, and particularly Black communities, to build generational wealth.⁶

Households in Pierce County who identify as BIPOC are disproportionately impacted by housing precarity and displacement. Precarity is defined as “resilience to economic and environmental shocks and is measured as a composite score of low-income displacement and eviction risk combined with unemployment data and COVID-19 infections.”⁷ According to the Supporting Partnerships for Anti-Racist Communities (SPARC) report, Black/African American people represent 26.3% of the HMIS population in Pierce County, despite only making up 6.6% of the general population in Pierce County. ⁸ According to the Housing Precarity Risk Model⁹ from the UC Berkeley Urban Displacement Project, 24% of all renters (29,265 out of 122,460) in Pierce County live in high-precarity neighborhoods. ¹⁰ Among all Black or African-American renters in Pierce County, 39% live in high-precarity neighborhoods and the percentage for Asian and Latinx renters is just below this. ¹¹ Among all White renters, only 18% live in high-precarity neighborhoods in Pierce County. ¹²

The City’s historically Black and African-American neighborhood, Hilltop, is at particular risk of residents being displaced – and many residents have already left the 98405 zip code. A transportation study from the Federal

⁴ <https://cms.cityoftacoma.org/cedd/housing/affordablehousingactionstrategy.pdf>

⁵ <https://cityoftacoma.legistar.com/LegislationDetail.aspx?ID=4579947&GUID=A7AD32E5-A284-457C-96E5-B5D7A68B4B27&Options=ID|Text|Attachments|Other|&Search=40622>

⁶ <https://cityoftacoma.legistar.com/LegislationDetail.aspx?ID=4700520&GUID=EA0011B8-B213-42FA-9643-79F8578006B9&Options=&Search=>

⁷ <https://bids.berkeley.edu/news/berkeley-udp-releases-housing-precarity-risk-model-hprm>

⁸ <https://www.piercecountywa.gov/DocumentCenter/View/67289/SPARC-Tacoma---Pierce-County-Report-February-2018?bidId=>

⁹ <https://www.urbandisplacement.org/maps/housing-precarity-risk-model/>

¹⁰ https://docs.google.com/spreadsheets/d/1UPwWbWbcQ1M2APhs8Ib_6euj67iqpdCHX3NRm5SVhE4/edit#gid=1860792350

¹¹ Ibid. Citation 10.

¹² Ibid. Citation 10.



Transit Administration titled, Proposed Strategies to Increase Affordability & Stem Displacement on Hilltop (2017), found that “many Hilltop residents, particularly renters, cannot keep pace with rising housing costs.” The study found that 45% of Hilltop households are spending more than 30% of their income toward housing costs, compared with 39% citywide.¹³ According to a representative of the Tacoma Urban League quoted by the Seattle Times, 35% of African Americans moved out of the Hilltop neighborhood between 2010 and 2015.¹⁴

The City has a legacy of policies and practices that have compounded the issue of displacement for Tacoma residents, including, but not limited to:

- Racially restrictive residential redlining
- Racially restrictive housing covenants
- Disinvestment in non-white neighborhoods, especially historically Black neighborhoods
- Urban revitalization starting in the 1990s through current development of high-opportunity transit in Hilltop
- Maintaining low housing supply through exclusive single-family zoning in roughly 75% of Tacoma

These policies have led to staggering statistics for Pierce County:

- #1 in state for eviction risk, with 18% of Black adults being named in an eviction¹⁵
- #1 in state for unemployment rate and change in unemployment (2019-20)¹⁶

The Equity Index is a tool used by the City of Tacoma to identify disparities in the city based on census block group data.¹⁷ The Equity Index uses 29 indicators within five social determinant categories based on the Tacoma 2025 Strategic Plan to determine where the greatest community needs are located. Census block groups’ score are labeled on a scale from “very high” to “very low.” Areas with the highest opportunity are labeled “very high” and areas with the lowest opportunity are labeled “very low.” Tacoma’s Equity Index was generated by the Kirwan Institute for the Study of Race & Ethnicity for Tacoma’s Office of Equity and Human Rights and is applied across all City Departments, including being considered in every legislative proposal.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

Those individuals potentially affected by this proposal include people at high risk of displacement in Tacoma, specifically households from “low” and “very low” opportunity areas of the City as defined by the Equity Index as well as Black, Indigenous, and People of Color (BIPOC) households, and those residents who have been disproportionality impacted by gentrification. Staff from the City’s Community and Economic Development Department and Affordable Housing Action Strategy team have been working closely to learn the needs of

¹³ <https://www.documentcloud.org/documents/4324639-Tacoma-City-Council-Hilltop-Strategies.html>

¹⁴ <https://www.seattletimes.com/seattle-news/as-tacomahilltop-changes-residents-are-priced-out/>

¹⁵ https://us02web.zoom.us/rec/play/ddJoNnL-2-oNX72KR7R_JwNOU-COW6js65lSOAbIEesfm2iTnhAbg3NulWHb04ugoREw8hjDLXrIGTa.8T2lJP5QagRcah2y?startTime=1630609862000&_x_zm_rtaid=2H5JV3wuTjqdp0khNmL6bA.1633727808775.b5f4bd09064b75a31121205edd02f259&_x_zm_rtaid=172

¹⁶ Ibid. Citation 13.

¹⁷ <https://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=175030>



Tacoma’s non-profit housing providers. Over a series of meetings with the Tacoma Housing Authority and Forterra, the City staff identified a problem that several Council Members have been eager to help address.

2025 STRATEGIC PRIORITIES:

Equity and Accessibility: (Mandatory)

This legislation will reduce racial and other inequities, disparities, or discrimination to under-represented communities by encouraging housing providers in the city to use data-informed tools to prioritize individuals who have been disproportionately impacted by residential displacement, with a focus on households in “low” and “very low” opportunity areas of the city as defined by the Equity Index, and to BIPOC households.

Livability: Equity Index Score: Very Low Opportunity

Decrease the percentage of individuals who are spending more than 45% of income on housing and transportation costs.

Explain how your legislation will affect the selected indicator(s).

The percentage of individuals who are spending more than 45% of income on housing and transportation costs may decrease by encouraging housing providers to prioritize individuals most in need and those who have been disproportionately impacted by displacement as demonstrated by the data documented in this proposal.

ALTERNATIVES:

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. No action	NA	The City Manager would not have clear direction from City Council to pursue strategies to combat residential displacement.
2. Implement inclusionary zoning	May lead to an increase of affordable units.	May slow overall development of housing.
3. Require rent-restricted units under the Multi-Family Property Tax Exemption be filled through a prioritized list of eligible renters	May provide more equitable access to rent-restricted housing units based on data-informed analysis of who is more disproportionately impacted by displacement.	May create additional burdens on housing developers and may slow the process to fill new housing units.

EVALUATION AND FOLLOW UP:

The resolution directs the City Manager to evaluate options to assist in preventing displacement of residents. The resolution gives flexibility to the City Manager to determine how to follow-up with City Council on the findings and recommendations.



City of Tacoma

City Council Action Memorandum

STAFF/SPONSOR RECOMMENDATION:

The recommendation is to affirm that the City of Tacoma supports the use of data-informed tools, such as community prioritization, to prevent displacement of local residents and strongly encourages the City's partners to use these tools to ensure more residents are able to stay in Tacoma with a focus on households from "low" and "very low" opportunity areas of the City as defined by the Equity Index as well as Black, Indigenous, and People of Color (BIPOC) households; and directs the City Manager to evaluate options to assist in preventing displacement of residents.



FISCAL IMPACT:

There is no fiscal impact to this proposal.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. NA	NA	NA	NA
TOTAL			NA

What Funding is being used to support the expense?

NA

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NA

Are there financial costs or other impacts of not implementing the legislation?

YES

Will the legislation have an ongoing/recurring fiscal impact?

No

Will the legislation change the City's FTE/personnel counts?

No

This proposal does add or reduce the City's FTE or personnel counts.

ATTACHMENTS:

- Resolution