Community Engagement Report: Barriers and Policy Considerations for Accelerating Housing Production

Council Member John Hines
Government Finance and Performance Committee
July 7, 2026

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Agenda

- Review findings in the “Community Engagement Report: Barriers and Policy Considerations for Accelerating Housing Production”
- Discuss feedback and next steps

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Starting with Listening Sessions

- This report identifies a range of barriers that are slowing housing production, as well as initial policy considerations for how we could reduce those barriers.
- The insights and conclusions in this report are drawn from discussions with dozens of local housing developers and financiers, many with decades of experience building in Tacoma.

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Problem Overview

Tacoma is among the fastest growing cities in Washington, but housing scarcity has nearly tripled home prices and doubled rents. Soaring housing costs are pushing too many of our residents to spend more of their income on housing or risk being displaced from their community.

- 2018: Created Affordable Housing Action Strategy
- 2019: Home in Tacoma work begins
- 2025: Home in Tacoma is adopted

The new – and urgent – challenge for Tacoma is how to accelerate the movement of projects from concept to permit, from permit to construction, and from construction to occupancy.

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Off-site & Infrastructure Costs

- Development in Tacoma is being squeezed from multiple directions.
- Increasing costs for off-site improvements and city-related infrastructure requirements are the most common financial challenges for projects.
- There is a disproportionate impact on small infill, missing-middle, affordable, and non-profit projects.

When is a developer paying for the direct impact of their project, and when are they being asked to fix a broader public infrastructure problem?

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Regulations Hindering Projects

- Increased regulations are reducing unit count, complicating site design, triggering additional drainage or access requirements, without financial assistance to ensure projects still pencil.

How can we streamline regulations, address key impediments, and reduce unfunded mandates to make it easier for housing projects to pencil?

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Uncertainty & Timelines Create Risks

- Uncertainty is a cost multiplier, especially when interest rates are high.
- When costs are identified late, developers may have already used contingency dollars, closed on financing, or moved too far into the process to adjust.

Can we reduce the time between project concept and clear cost certainty?

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Payment Timing Issues

- Timing for when costs must be paid can create significant barriers to projects.
- Smaller homes may be more affordable to buyers, but they also generate less revenue, suggesting each additional cost in the development process could sink a project.

How can Tacoma maintain housing production, especially for smaller projects that provide critical missing middle housing, amid higher interest rates and relatively flat rents?

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Livability and Investor Confidence

- Public safety, street conditions, amenities, commercial vacancies, landlord-tenant laws, and more all factor into investor confidence and housing project feasibility.

How can Tacoma maintain balance between strong tenant protections while also preserving enough investor confidence to finance and build new rental housing?

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Policy Considerations

Developers are not simply saying Tacoma should remove requirements for development. They are saying the system needs to be more predictable, proportional, and financeable if the City wants to see more housing produced.

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NEXT STEPS

- GPFC questions and feedback
- Working on second report outlining a new Affordable Housing Accelerator Program based on the lessons highlighted by developers
- Returning to GPFC for discussion on Affordable Housing Accelerator Program Report

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