



HANDOUTS and PRESENTATIONS

Included in this packet are materials presented at the Planning Commission's meeting on November 6, 2013:

- 1. Needed 2040 Growth Capacity for South Downtown**
(White paper distributed by Commissioner Don Erickson; for Discussion Item D-1)
- 2. 2014 Annual Amendments: Affordable housing Code (Phase 2)**
(PowerPoint; for Discussion Item D-2)
- 3. Areas Allowed for Mini Flats Development**
(Illustration; for Discussion Item D-2)



Needed 2040 Growth Capacity for South Downtown

South Downtown Development Capacity Assumptions:

Questions regarding household size:

- Does an average household size of 2.32 persons still make sense in a proposed dense urban downtown setting?
- Does an average unit size of 1,000 s.f. per multifamily unit make sense in a proposed dense urban downtown setting?

Seattle has seen a step down in its unit sizes in recent years from approximately 950 s.f. per unit between 2001 and 2005 to just over 750 s.f. per unit in 2012-2013.

Nationally the average size of a multifamily unit is 982 s.f. but in cities such as Dallas, Denver, Houston and Seattle units have been getting smaller rather than larger since 2011.

Also, the traditionally family has been changing dramatically in the last few years. Based upon the 2010 Census for Tacoma:

41.8 % of households were non-traditional families

32.3% of households were made up of individuals with 9.6% of these being individuals 65 years or older

Over the last 65 years, the average number of persons per household has dropped 3.67 in 1948 to 2.55 in 2012.

Residential Space Implications for South Downtown:

In multi-family unit sizes are getting smaller in dense urban settings such as we anticipate in South Downtown, the amount of space anticipated per occupant should also be less.

$$\frac{1,000 \text{ s.f.}}{2.55 \text{ residents}} = 392.2 \text{ s.f./resident}$$

$$\frac{750 \text{ s.f.}}{2.55 \text{ residents}} = 294.12 \text{ s.f./resident}$$

$$32,455 \times 392.2 \text{ s.f./resident} = 12,728,851 \text{ s.f.}$$

$$32,455 \times 294.1 \text{ s.f./resident} = 9,545,016 \text{ s.f.}$$

Using the 2040 population projections for South Downtown of 32,445 persons the difference between 392.2 s.f. per person and 294.1 s.f. per person is 3,183,835 s.f. (98.1 s.f. X 32,445).

Questions regarding anticipated office space per employee:

- *What are the national and regional trends for office space per employee and how are consistent are these with the ratios used for South Downtown?*
- *Do countywide average ratios make sense in a proposed dense urban center such as South Downtown?*

CoreNet Global, the worldwide association for corporate real estate and workplace professionals with over 7,000 members representing 70% of top U.S. companies indicates that the average allocation of office space per employee for many companies in North America will fall to 100 s.f. or below within the next five years. They note that in 2017 the average space per employee reported by 40% of the respondents to a survey they conducted of 465 global managers of corporate real estate will be 151 square feet. This compares with 176 s.f. per employee reported in 2012 and 225 s.f. per employee reported in 2010.

Based upon studies published by the University of San Diego in May, 2012 CoStar another large commercial real estate tracking firm, the national average of office space per employee in 2011 was 180 – 220 square feet.

The major reasons for this decline “is the huge increase in collaborative and team-oriented space inside a growing number of companies that are stressing smaller and smarter workplaces assisted by technologies and new cost measures.” They indicate that technology companies are now typically providing 200 s.f. per employee and that Facebook typically budget 125 s.f. per person, including common space.

The International Finance Managers Association (IFMA) indicates future ratios of 165 to 185 s.f. per employee, noting the increased trend for telecommuting and office sharing.

Office Space Implications for South Downtown:

The 2040 projected number of employees for South Downtown is 29,417. The difference between the consultants estimate of 375 s.f. per employee and, let’s say 200 s.f. per employee, is significant.

$29,417 \times 375 \text{ s.f. / employee} = 11,031,375 \text{ s.f.}$ $29,417 \times 200 \text{ s.f./employee} = 5,883,400 \text{ s.f.}$

Estimated residential and office space for South Downtown:

Estimated residential and office space using space requirements based on current and projected development trends in the residential and office markets and current 2040 allocations.

Multifamily Residential Space = 9,545,016 sq.ft.
New Employee Office Space = 5,883,400 sq. ft.
 Total New Residential & Office = 15,428,416 sq. ft.

Conclusion:

With major questions about the ratios used for both residential square footage per future resident as well as office space per future employee it seems prudent to go with an estimated 20,000,000 square feet of new development in South Downtown rather than 30,000,000 square feet. Also, this lower number is still more than sufficient to meet both Pierce County’s 2030 growth targets as well as PSRC’s VISION 2040 projections. With ongoing monitoring of new development in the years to come, if these growth factors significantly change, adjustments could be made either up or down as required.

2014 ANNUAL AMENDMENTS: AFFORDABLE HOUSING CODE (PHASE 2)

Application #2014-06

November 6, 2013

Affordable Housing needed in Tacoma

“The City of Tacoma does not have enough housing affordable to many of its residents... Large portions of Tacoma’s population do not have enough income to afford the housing available in Tacoma’s private market at a cost of no more than 30% or even 50% or more of their income.”

“...the City of Tacoma has an affordable housing crisis. It will only worsen as the City’s population grows and ages over the next two decades unless Tacoma takes immediate action to ensure an adequate supply of affordable housing for its existing and anticipated residents at all income levels.”

-AHPAG Policy Recommendations report, Dec., 2010

Council adopts affordable housing principles and creates work plan

- AHPAG established by Council in April 2010
 - Diverse membership & consensus approach
 - Report issued December 2010
 - Advisory role through 2015
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- Council passed resolutions endorsing affordable housing principles and referring actions to the City Manager, Council Committee, and Planning Commission

Commission's tasks organized into three phases

Affordable Housing Planning Work Program (Res. 38489):

2012: Task 1 – Comp Plan policy - COMPLETED

2014:

- Task 2 – Incentive, Bonus, and Inclusionary Programs
- Task 3 – Rezones

2015: Task 4 – Affordable Housing Infill Development

Affordable Housing policy direction strengthened in 2012

1. Affordable Housing is Vital to Important Civic Interests
2. Affordable Housing is Attractive, Innovative and Well Managed
3. The City Needs to Enlist the Engine of Private Development
4. Affordable Housing Developments Spur Other Investments

NEW SALISHAN, Tacoma, WA



5. The City Should Welcome Affordable Housing Developments
6. Every City Neighborhood Needs Affordable Housing Developments
7. Affordable Housing as Innovative Design
8. Affordable Housing as a High City Priority amid Competing Interests

-Affordable Housing Principles and Acknowledgements, Housing Element

GUADALUPE VISTA, Tacoma, WA



We're making progress...

Recommendation: Raise review thresholds

- SEPA Thresholds increased
- Short Plat threshold increased

Recommendation: Reduce minimum lot size

- Lot sizes reduced by 10% w/ Small Lot Standards
- Additional 10% by administrative variance

Recommendation: Create TDR Program

- TDR Program created

Recommendation: Foster development activities

- Subarea Plan and EIS for downtown
- Parking reductions

Proposed 2014 scope of review

INCENTIVES

- 10% affordable housing with voluntary upzones
- Review existing affordable housing incentives
- Consider new bonuses/incentives
- Consider financial incentives
- Affordable Housing Incentives code

REMOVE BARRIERS

- Mini-flats
- ADU standards

Objective: Strengthen incentives and bonuses for Affordable Housing

Existing City Bonuses & Incentives:

- Multi-family Tax Exemption Program (12 year option)
- MUC 20 ft Height Bonus: 20% affordable
- MUC 10 ft Height Bonus: 0.5% building value to Housing Trust Fund
- Fee waivers: On the books, but unfunded
- Parking reductions: Bonuses benefit multi-family housing, particularly in MUCs

Affordable Housing Incentives & Bonuses (proposed)

Create Affordable Housing Incentives code section

- RCW 36.70A.540 and WAC 365-196-870

Bonus options:

- Density bonuses
- Height and bulk
- Fee waivers or exemptions
- Parking reductions
- Expedited permitting

Affordable Housing Incentives code - considerations

- Threshold size (of development) to participate
- Number of Affordable Units required
- Size, placement and quality of units (intended to be indistinguishable from market-rate)
- Income targets (up to 80% AMI)
- Definition of affordability (max rent or sales price per unit)
- Duration of affordability (at least 50 years)
- Financial feasibility (for developer)
- Cash-out option (fee in lieu)

New Affordable Housing Incentives (proposed)

Policy & code changes:

- Voluntary upzones to provide 10% affordable housing

Non-code actions:

- Fee waivers – identify funding source
- Designate City “Project Managers” to coordinate review
- Develop permit-ready housing plans

Objective: Promote affordable housing types (proposed changes)

Update Accessory Dwelling Units (ADU) standards & requirements to remove barriers

- Remove CUP requirement for 25 ft height
- Reduce minimum size (200 sf allowed by Building Code)
- Remove parking requirement
- Allow on Small Lots (4500 – 5000 sf in R-2)
- Allow Attached ADUs on substandard lots (no building footprint increase)
- Flexibility for pedestrian pathways
- Relax design requirements for Detached ADUs
- Remove 10% limit on Detached ADUs size

Objective: Promote affordable housing types (proposed changes)

“Mini-flats” – an affordable & transit-oriented land use

- Allowed Downtown and in MUCs
- Within 1,200 ft of transit
- 250-500 sf
- Maximum of 20 or 50% of total units in a building
- No vehicular parking required (except accessible)
- Bike parking required at 0.75 per unit

Group housing and student housing

- Apply similar provisions to these existing land uses

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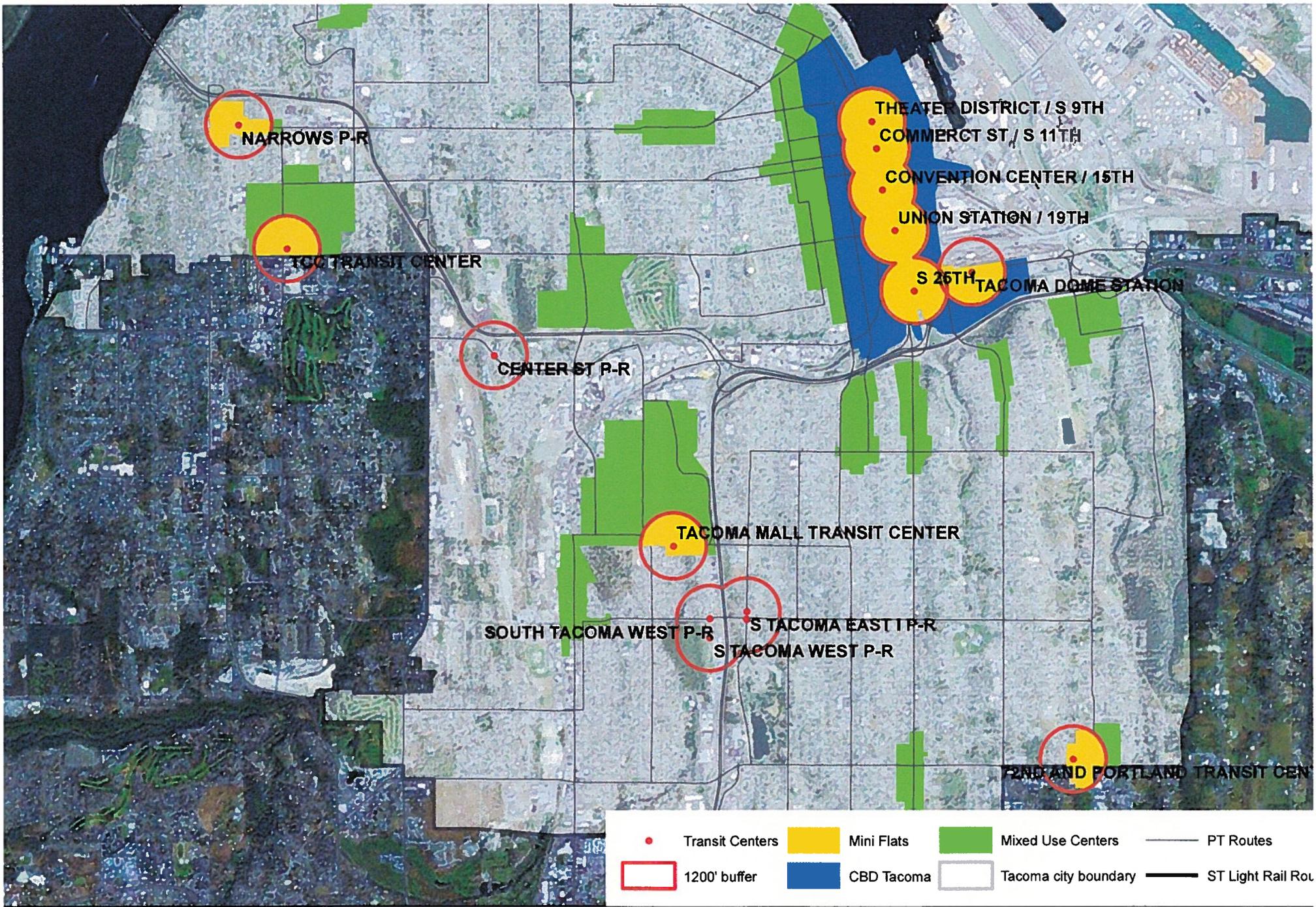
Requesting Commission direction...

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- ADU standards



Areas Allowed for Mini Flats Development

For Discussion Only
 Distributed by Commissioner Tina Lee
 November 6, 2013

