

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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