



City of Tacoma
Community and Economic Development Department

Agenda Item
GB-3

TO: Planning Commission
FROM: Jeff Boers, Project Manager, Long-Range Planning Division
SUBJECT: 2012 Annual Amendment – Application #2012-2 Housing Element
DATE: December 14, 2011

At the December 21, 2011 meeting, the Planning Commission will review amendments to the Housing Element of the Comprehensive Plan, amendments that include the following three major components:

1. Incorporating the eight policy principles concerning Affordable Housing, as directed by the City Council per Resolution No. 38264, adopted on May 17, 2011;
2. Ensuring consistency with the Countywide Planning Policies for Pierce County pursuant to the Growth Management Act; and
3. Updating housing needs and assessment information based on the 2010 census data.

Attached is a discussion outline (*Attachment A*) that depicts a recommended approach to accomplishing the proposed amendments. Staff intends to seek the Commission's comments on and approval of the approach, and prepare accordingly a set of amendments to the Housing Element in tracked changes format for the Commission's consideration at a later meeting.

Note that the eight policy principles (see *Attachment B*) are part of the recommendations of the Affordable Housing Policy Advisory Group, which was established by the City Council. Staff will provide background on the recommendations of the Advisory Group as well as the Long-Range Planning Division's role and responsibility in implementing the Advisory Group's recommendations (see *Attachment C*).

For more information about the proposed amendments to the Housing Element, please visit www.cityoftacoma.org/planning, and click on "Annual Amendment #2012-2: Housing Element". If you have any questions, please contact Ian Munce at 573-2478 or imunce@cityoftacoma.org, or Jeff Boers at jboers@cityoftacoma.org.

Attachments (3)

c: Peter Huffman, Assistant Director



2012 Annual Amendment Application No. 2012-2 *Housing Element*

DISCUSSION OUTLINE

This discussion outline depicts staff's approach to accomplishing amendments to the Housing Element of the Comprehensive Plan, amendments that include the following three major components:

- A. Incorporating the eight policy principles concerning Affordable Housing, as directed by the City Council per Resolution No. 38264, adopted on May 17, 2011;
- B. Ensuring consistency with the Countywide Planning Policies for Pierce County pursuant to the Growth Management Act; and
- C. Updating housing needs and assessment information based on the 2010 census data.

A. Affordable Housing Policy Principles

The Affordable Housing Policy Principles adopted by Resolution No. 38264 are part of the recommendations of the Affordable Housing Policy Advisory Group (AHPAG) to the City Council. Background information about the AHPAG and its recommendations are compiled in separate documents that can be accessed on the Long-Range Planning Division's website at www.cityoftacoma.org/planning (click on "Annual Amendment #2012-2: Housing Element").

The eight policy principles are:

- Affordable housing is vital to important civic interests
- Affordable housing is attractive, innovative and well managed
- The city needs to enlist the engine of private development
- Affordable housing developments spur other investments
- The city should welcome affordable housing developments
- Every city neighborhood needs affordable housing developments
- Affordable housing as innovative design
- Affordable housing as a high city priority amid competing interests

Staff analysis indicates that the current Housing Element can be enhanced by incorporating the eight policy principles in the following manner:

1. Replace the intent statement of the "Housing Affordability (HA)" section with a new intent statement that primarily speaks to the nature and intent of the eight policy principles. The intent statement would explicitly incorporate the eight principles. This would be accomplished as part of the 2012 update.
2. As appropriate, revise certain policies under Neighborhood Quality (NQ), Housing Preservation (HP), Housing Choice (HC), Housing Affordability (HA) and Housing Fairness (HF) to clearly link these policies to the eight policy principles. This would be accomplished as part of the 2012 update.

3. Revise existing policies and create new policies within the Housing Element and possibly other Comprehensive Plan elements, as appropriate, to reflect additional language from the eight principles and other AHPAG recommendations. This would occur during the 2013 and 2014 amendment cycles.
4. Revise the language in the "Legislative/Regulatory", "Financial", "Administrative" and "Planning" subsections under "Section IV – Recommended Actions to Implement Housing Policies" to incorporate language from the eight principles and other AHPAG recommendations, as appropriate. This would occur during the 2013 and 2014 amendment cycles.

B. Countywide Planning Policies

In 2009, the Pierce County Regional Council recommended approval of amendments to the Countywide Planning Policies (CWPPs) for Pierce County relating to affordable housing.

On August 17, 2011, the Planning Commission approved of the Assessment Report for Annual Amendment #2012-2 Housing Element, with the understanding and presumption that said amendments to CWPPs would be completed by the end of 2011 or soon thereafter and that the Housing Element needs to be revised accordingly to ensure consistency with the amended CWPPs specifically relating to affordable housing.

As of December 2011, amendments to the CWPPs have been adopted by Tacoma City Council pursuant to Resolution No. 38367 on November 29, 2011, but have yet to be ratified by a sufficient number of jurisdictions within Pierce County to become effective at the county and regional levels. Staff anticipates that ratification will occur sometime in early 2012, possibly in time for incorporation in the Housing Element within the 2012 Annual Amendment cycle.

Nevertheless, staff will ensure that any amendment to the Housing Element, as currently proposed or as may be recommended by citizens during the public review process, is consistent with the CWPPs as adopted by the City Council.

C. Housing Needs Assessment

Under the Growth Management Act, the City must include in its housing element provisions for the current and projected housing needs of all economic segments of the community while ensuring the vitality and character of established residential neighborhoods. A housing needs assessment is one of the tools used to provide a foundation for demonstrating how this mandate will be achieved. The Housing Element was last updated in 2007 and much of the housing needs information it contains is based on 2000 Census data.

The AHPAG report states that it did not conduct additional research or compile new data, in that adequate data and information was already available from a variety of sources. In particular, the report uses data and information from the Consolidated Plan for Housing and Community Development 2010–2015. The Consolidated Plan's needs assessment is derived from 2005-2007 American Community Survey data and, in some cases, earlier 2000 Census data.

New (more current) data is becoming available from the 2010 Census and from various American Community Survey data sets for 2009 and 2010. Although it does not appear that the

latest data would lead to significantly different conclusions from those based on the Consolidated Plan's earlier data, staff recommends using the latest available data for technical amendments to the Housing Element's needs assessment during the 2012 amendment cycle.

Staff intends to update the entire "Section II – Housing Needs", which contains the following three categories of housing-related inventory and assessments:

Category 1 – Trends in Population

- Population Growth
- Population by Race and Ethnicity
- Household Composition
- Household Income

Category 2 – Housing Stock

- Type of Housing Units
- Age of Housing
- Housing Tenure Type
- Housing Costs
- Housing Affordability

Category 3 – Land Capacity

City of Tacoma
Affordable Housing Policy Advisory Group
Eight Policy Principles and Acknowledgments

Adopted Pursuant to Council Resolution No. 38264, May 17, 2011

1. Affordable Housing is Vital to Important Civic Interests

The City's welfare requires an adequate supply of well built and well managed affordable housing serving the full range of incomes appearing among its residents. An adequate supply of this housing is vital to the following important civic needs or values:

- The City's prosperity, economic development and growth of employment opportunities;
- The appropriate management of the City's projected population growth and transportation needs;
- The City's fulfillment of its legal obligations under the Growth Management Act to make "adequate provisions for existing and projected [housing] needs of all economic segments of the community" and to comply with the related directives of the Pierce County Countywide Planning Policies.
- The survival of green spaces throughout the City and Pierce County;
- The success of the City's schools;
- The effectiveness of the City's emergency services;
- The City's ability to continue its accommodation of a population that is increasingly diverse by income, race, ethnicity, ability, disability and age;
- The City's ability to accommodate a population that, in the aggregate, is getting older; and
- The City's values of social justice.

2. Affordable Housing is Attractive, Innovative and Well Managed

Affordable housing developments by nonprofit developers, public and private, in the City, region and nation have been among the most attractively designed, most environmentally innovative and best managed in the market place.

3. The City Needs to Enlist the Engine of Private Development

Nonprofit developments of affordable housing will never likely be adequate to meet the City's need. The City also needs a companion strategy to enlist the engine of private market rate developments to include a measure of affordable units. These strategies also provide the added benefit of economic and demographic integration.

4. Affordable Housing Developments Spur Other Investments

Affordable housing developments have spurred the revitalization of neighborhoods, encouraging both public and private investment, helping the City attain its desired density, and furthering a neighborhood's economic development.

5. The City Should Welcome Affordable Housing Developments

Affordable housing is an asset to be encouraged and not a detriment to be tolerated and controlled.

6. Every City Neighborhood Needs Affordable Housing Developments

The City should promote the development of affordable housing in every City neighborhood.

7. Affordable Housing as Innovative Design

In seeking the appropriate balance, the City should not have to compromise important neighborhood design standards in order to promote affordable housing. Instead proper design should allow affordable housing to show the way for all developments serving all incomes toward a greener, more sustainable urban future that accommodates the appropriate density that the City's planning documents anticipate to be necessary for the City's projected population allocations.

8. Affordable Housing as a High City Priority amid Competing Interests

In a complex community like Tacoma, interests and policies often clash. Good governance is the effort to balance them appropriately. In doing so, the City should give a very high priority to the promotion of affordable housing development.

Affordable Housing Policy Advisory Group Recommendations and Implementation

December 21, 2011

A. Overview

As part of the 2012 Annual Amendment to the Comprehensive Plan that is anticipated to be adopted by the City Council in June 2012, amendments are being proposed to the Housing Element to, in part, incorporate the eight Affordable Housing Policy Principles as recommended by the Affordable Housing Policy Advisory Group (AHPAG).

This document provides background information about the AHPAG, its recommendations, as well as the roles and responsibilities of the Planning Commission and the Community and Economic Development Department (CEDD) in implementing AHPAG's recommendations.

B. Establishment of AHPAG

Created and appointed by the City Council on April 27, 2010, the AHPAG is comprised of members with varied interests and perspectives, including affordable housing advocates, market rate developers and design professionals, to:

- (1) Review the work of the Council's Neighborhood and Housing Committee on affordable housing and the work of the Pierce County Housing Affordability Task Force;
- (2) Review demographic data and identify data development needs in order to inform planning efforts;
- (3) Provide input and consultation necessary to refine the Committee's affordable housing policy recommendations;
- (4) Recommend a series of policy actions that are consistent with or complimentary (sic) to the City Comprehensive Plan; and
- (5) Build a consensus of Advisory Group members.

C. AHPAG's Recommendations

The AHPAG submitted its 'final' report to the City Council's Neighborhood and Housing Committee on December 3, 2010. The report provides a *Statement of the Problem*, which summarizes the AHPAG's perspective on the affordable housing challenges facing Tacoma currently and over the next twenty years. The report reviews data measuring the scope and nature of the City's present unmet need for affordable places for its residents to live. In general, the AHPAG's analysis of the data shows that the City has a serious shortage of affordable housing and also projects the significant increased future need the City faces for additional affordable housing.

The heart of the AHPAG report, *Policy Recommendations to the City Council*, contains the Group's policy recommendations in the eight categories listed below:

- 3.1 - City Policy and Leadership
- 3.2 - Housing Incentive or Inclusionary Programs
- 3.3 - Regulatory Assistance to Developers of Affordable Housing
- 3.4 - Financing Tools
- 3.5 - Affordable Building Design Practices
- 3.6 - Preservation, Acquisition, Conversion and Rehabilitation of Existing Housing
- 3.7 - Community Development Incentives
- 3.8 - Planning and Zoning Tools

According to the report, the policy recommendations would have the City focus its efforts in four main ways:

- (1) *Non-Profit Development:* The AHPAG report recommends how the City can become a more effective source of financial and regulatory assistance to nonprofit developers of affordable housing.
- (2) *For-Profit Development:* The report's second principal theme is to harness the engine of private, for-profit developers and make it financially worthwhile for them to include affordable units in market rate projects.
- (3) *Reduce Cost of Housing Development:* The report recommends ways that the City can reduce the cost of housing development generally. These measures would make all housing more affordable, including housing for low-income households.
- (4) *Accommodation of Appropriate Density:* The report also recommends how the City can accommodate the increased density it will need for the additional households it projects to be living in Tacoma by 2030.

D. Implementation of AHPAG's Recommendations

On May 17, 2011, the City Council adopted Resolution No. 38264, adopting the eight Affordable Housing Policy Principles as set out in Recommendation 3.1 of the AHPAG's report.

Some of the AHPAG policy recommendations fall outside the normal purview of the Planning Commission and CEDD, and will need to be addressed by other departments, agencies, stakeholders and the City Council. Other policy recommendations clearly warrant the Commission's consideration and are intended to be the focus of the Commission's work on amendments to affordable housing provisions.

Specifically, per Resolution No. 38264, the Planning Commission and CEDD are requested to include consideration of the eight policy principles in future updates to various policy documents and plans, including the Comprehensive Plan. At a minimum, this means incorporating the policy principles into the Housing Element. This action will, in turn, trigger the need for consideration of additional policy and development regulation amendments.

Given the limited staffing resources available, this work will require considerable time and effort over several years for the Commission to fully consider and develop recommended policy and regulatory amendments in response to the AHPAG recommendations. To facilitate the

Commission's review in an effective manner and fulfill the Council's directives within a realistic timeframe, CEDD staff has developed a progressive, 4-step work program, as described below:

Task 1 – Comprehensive Plan Policy

- AHPAG Recommendation:
 - 3.1 City Policy and Leadership
- Scope:

Incorporate eight policy principles and acknowledgments in the City's Comprehensive Plan.
- Tentative Schedule:

2012 Comprehensive Plan Amendment Cycle.
- Staff Comment:

This task would entail a straightforward transfer of the eight principles to the Housing Element. The intent would be to adopt language that would inform subsequent policy and regulatory updates during work on Tasks 2–4.

Task 2 – Incentive, Bonus, and Inclusionary Programs

- AHPAG Recommendations:
 - 3.2.1 Voluntary Housing Incentive Program
 - 3.3 Regulatory Assistance to Developers of Affordable Housing
- Scope:

The City will examine existing housing incentives/bonuses for improvements and geographical expansion as well as explore new and innovative city-wide incentives/bonuses for non-profit and for-profit housing.
- Tentative Schedule:

Initiate discussion with the Planning Commission in 2012-2013.
- Staff Comment:

This task would likely involve consideration of concurrent amendments to policies and regulations.

Task 3 – Rezones

- AHPAG Recommendations:
 - 3.2.2 Inclusionary Requirements for Voluntary Residential Upzones
 - 3.2.3 Limited Mandatory Affordable Housing Bonus Program for City-Initiated Upzones
- Scope:

The City will explore approaches to including inclusionary requirements in its voluntary residential rezone process and requirements in City upzones that are initiated by the private sector.
- Tentative Schedule:

Initiate discussion with the Planning Commission in 2012-2013.
- Staff Comment:

This task would involve consideration of concurrent amendments to policies and regulations.

Task 4 – Affordable Housing Infill Development

- AHPAG Recommendations:
 - ☑ 3.2.4 Inclusionary Requirements for Voluntary Planned Communities
 - ☑ 3.2.5 Planned Residential Development and Planned Affordable Residential Districts
 - ☑ 3.5.1 Accessory Dwelling Units
 - ☑ 3.5.2 Cottage/Cluster Housing
 - ☑ 3.5.3 Permit Ready Housing Designs
 - ☑ 3.5.4 Great House Design
 - ☑ 3.5.5 Rooming House/Boarding House/Single Room Occupancy
- Scope:

The City will examine existing residential infill development policies and standards for improvement and explore new and innovative approaches to residential infill development in residential zones within the City.
- Tentative Schedule:

Initiate discussion with the Planning Commission in 2012-2013.
- Staff Comment:

This task would involve consideration of concurrent amendments to policies and regulations.

E. Additional Information

Further background and more detailed information can be found in such documents as:

- City Council Resolution No. 38264, adopted on May 17, 2011
- AHPAG Policy Recommendations to the City Council, dated December 3, 2010.
- AHPAG Modified Policy Recommendations, dated October 13, 2011
- Neighborhoods and Housing Committee Meeting Minutes from November 7, 2011
- Housing Element (last amended 12/11/07)
- Proposed Amendments to the Countywide Planning Policies for Pierce County (2009 amendments relating to affordable housing)

These documents can be accessed on the Long-Range Planning Division's website at www.cityoftacoma.org/planning (click on "Annual Amendment #2012-2: Housing Element").