Affordable Housing Action Strategy Overview

City Council Study Session
April 10, 2018
Presentation overview

• Key needs
• Project overview & approach
• Feedback on potential actions
• Next steps
Key needs
Many common occupations in Tacoma need affordable rental and homeownership opportunities.

(Source: National Paycheck to Paycheck Database 2017, HUD FY2017 Income Limits and Fair Market Rent Documentation System)
Key needs

• **Widespread, persistent need**
  Forty percent of households in Tacoma pay more than one-third of their income on housing each month.

• **Changing market conditions**
  Rents have increased 39 percent and home values have nearly doubled since 1990, while household income only increased by 20 percent.

Key needs, cont.

• **Concerns about displacement**
  Changing market conditions could **price out long-time residents** or make it **difficult to access homeownership** opportunities.

• **Limited public resources**
  Between 2000 and 2017, the City of Tacoma lost more than $2 million in federal funding for local community development and housing investments.

**SOURCES:** HOUSING HILLTOP / 2014 HILLTOP SUBAREA PLAN / HUD EXCHANGE
The City of Tacoma has a shortage of affordable and available rental units for low-income households.

SOURCE: AMERICAN COMMUNITY SURVEY PUMS 2016 / NOTE: A UNIT IS CONSIDERED "AVAILABLE" AT A GIVEN LEVEL OF INCOME IF IT IS (1) AFFORDABLE AT THAT LEVEL AND (2) IT IS OCCUPIED BY A RENTER EITHER AT THAT INCOME LEVEL, OR AT A LOWER INCOME LEVEL, OR IS VACANT / ALL TOTALS CUMULATIVE.
16% of households pay more than half of their income on housing each month.

**Cost-burdened households (share)**
City of Tacoma, WA

- **Extremely low-income (<30% AMI)**: 16% paying 30%+ on housing, 75% paying 50%+ on housing.
- **Very low-income (31-50% AMI)**: 34% paying 30%+ on housing, 55% paying 50%+ on housing.
- **Low-income (51-80% AMI)**: 41% paying 30%+ on housing, 14% paying 50%+ on housing.
- **Moderate income (81-120% AMI)**: 28% paying 30%+ on housing, 2% paying 50%+ on housing.
- **High income (>120% AMI)**: 8% paying 30%+ on housing.

SOURCE: AMERICAN COMMUNITY SURVEY (ACS) PUMS 2016
Project overview & approach
What is the Affordable Housing Action Strategy?

“The Affordable Housing Strategy will contain a set of actions the City can begin **implementing immediately** and over the next three to five years with the **goals of preserving and increasing the supply** of affordable housing.

*It will contain **performance measures** that can be applied to track the progress and effectiveness of the actions toward creating and preserving affordable housing.*

---

*Request for Proposal for an Affordable Housing Strategy Technical Consultant*
Project goals

• **Project goals include:**
  • Facilitate data-driven decision-making
  • **Build alignment** across existing & future efforts and across departments
  • **Provide** a clear roadmap for implementation and performance measurement
Timeline

- **March**
  - **Task 1.** Define Tacoma’s key housing challenges

- **March-April**
  - **Task 2.** Identify and aligning actions

- **April**
  - **Task 3.** Evaluate actions using evaluation tool

- **May-June**
  - **Task 4.** Refine & prioritize actions
    - Develop draft action plan

- **July**
  - **Task 5.** Deliver the Affordable Housing Action Strategy

Supported by stakeholder engagement, including with the Technical Advisory Group & informed by parallel community engagement.
Key Deliverables

• Action plan

• Evaluation tool & dashboards

• Budget memo
Engagement and outreach activities

- These activities aim to:
  - **Create** a productive two-way dialogue about housing needs and solutions
  - **Leverage** local knowledge
  - **Cultivate** both broad public support and champions for the resulting strategies and initiatives

Outreach strategies

- General print and online communications
- 2–3 listening sessions
- Focus groups
- Interviews
- Community forum
- TAG meetings
- Developer focus group
- Stakeholder interviews
- Presentations to Council
- Outreach to various City departments
Activities completed to date

- Convened Internal Work Group of key City staff
- Two meetings with the Technical Advisory Group
- Interviews with local stakeholder groups
- Review of past work and development of action list
- Development of community engagement plan
Emerging impressions from stakeholder interviews

- Need for stronger tenant-landlord relationships

- Serving “high-barrier” people, including help accessing housing in the private market

- Important competencies among housing & other service providers such as cultural competencies and trauma-informed approaches
Feedback on potential actions

Initial priority actions identified by TAG at its April 5th meeting:

- Dedicated local source of funding
- Leverage new development to include in-lieu fee options
- Create acquisition and preservation funds
- Create a Contingent Loan or Credit Enhancement Program
- More dense and diverse housing development (e.g. infill)
- Inclusionary Zoning
- Streamlined and enhanced regulations and processes
- Update Multi-Family Property Tax Exemption
- Create monitoring system that tracks performance of city policies and programs
Feedback on potential actions, cont.

Initial priority actions identified by TAG at its April 5th meeting:

• Increase regional coordination and cross-sector partnerships to reduce homelessness and connect individuals with stabilizing services

• Leverage publicly and partner-owned land for affordable housing

• Improve tracking and monitoring of existing subsidized and “naturally occurring affordable housing” properties to preserve long-term affordability

• Increase education on affordable housing issues and services

• Support creation of community land trusts

• Develop and adopt a range of tenant protections

• Advocate for legislative actions that expand state and local funding tools
Next steps (April/May 2018)

• Assess implementation options of priority actions
• Conduct focus groups
• Conduct listening sessions
• Evaluate of implementation options
Questions?