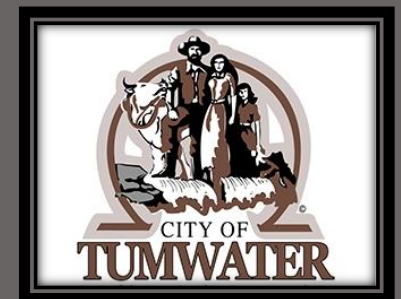


City of Tumwater Affordable Housing Actions

April 11, 2023

Planning Commission Discussion



Purpose

- The Planning Commission requested a summary of the actions taken by the City since 2018 to address the need for more affordable housing
- The actions reviewed will in turn inform the 2025 Comprehensive Plan update



Issues

- Not enough housing in the City to meet demand
- Wages are not rising as fast as housing costs
- Lack of housing driving up prices and making housing less affordable to more people
- While the private market will continue to supply most of the City's new housing in the future, there is the need for public funding of permanently affordable housing

Summary of Actions

1. Resolution No. R2018-016
2. Regional Housing Council
3. WSDOT Right-of-Way Initiative Process
4. Tumwater Housing Action Plan
5. Multifamily Tax Exemption Program
6. Housing Text Amendments
7. Housing Fee Amendments
8. Rental Housing Code

Resolution No. R2018-016

- The City Council adopted Resolution No. R2018-016 *Actions to Address Homelessness and Increase Affordable Housing in the City* in 2018
- In 2018 and 2019, the Planning Commission and City Council undertook a significant effort to create Housing Affordability Work Plans
- Since then, the City has worked on actions to reduce homelessness, increase affordable housing, and collaborate on regional solutions

Regional Housing Council

- Started in 2020
- Primary purpose is to leverage resources and partnerships through policies and projects that promote equitable access to safe and affordable housing
- The Council considers issues specifically related to funding a regional response to homelessness and affordable housing

Regional Housing Council

- Council implements the County's five-year Homeless Crisis Response Plan by setting priorities and making funding decisions on projects and programs
- Two Tumwater City Councilmembers sit on the Regional Housing Council and the City's has committed 0.25 FTE in City staffing to Regional Housing Council work

WSDOT Right-of-Way

- Rights of Way Initiative Process is intended to address the short-term goal of transitioning people from specific prioritized state rights-of-way into housing
- The agreement is between the Washington State Department of Commerce, the Washington State Department of Transportation, the Washington State Patrol, the cities of Lacey, Olympia, and Tumwater, and Thurston County

WSDOT Right-of-Way

This is carried out by the following strategies:

- Promptly identifying shelter and housing for people living in rights of way
- Engaging people living in rights of way to assess their needs and refer them to identified services prior to the clearing of rights of way
- Identifying and implementing strategies to keep cleared sites uninhabited
- Implementing a more comprehensive long-term approach to individuals and families living in public places

Housing Action Plan

- The Tumwater Housing Action Plan was the next step in the process of identifying ways to increase housing in the City
- The Plan is long-term planning document
- The Plan used regional data and local analysis to identify specific strategies and actions to preserve existing housing and create more housing

Background

- Focus of the Plan was on preserving and creating permanent housing rather than emergency actions to address homelessness
- Equity was an overarching lens
- The Plan did not address household income and wage strategies

Products of the Joint Effort

Regional Housing Needs Assessment

- Identify trends and data on demographics, housing, and income in Lacey, Olympia, and Tumwater
- Report issued September 2020; updated December 2020 and January 2021

Gap Analysis

- Understand the amount and the type of housing needed over the next 25 years to ensure residents will have access to affordable housing
- Included in the Regional Housing Needs Assessment

Landlord Survey

- Gain a better understanding of the local rental market, especially for single-family homes which are not typically reported in rental data
- Survey mailed October 2020 and responses returned December 2020. Summary report issued January 2021

Template for the Housing Action Plan

- Develop a menu of actions Lacey, Olympia, and Tumwater can take to improve housing affordability
- Stakeholder meetings August through December 2020. Draft plan template issued January 2021

Housing Gaps

The Housing Needs Assessment identified seven housing gaps that the Plan needed to address:

1. Affordability Reduce housing costs for low-income and cost-burdened households
2. Supply Increase the overall housing supply
3. Variety Increase the variety of housing sizes and types
4. Seniors Increase senior housing options

Housing Gaps

5. Improvements Maintain in good condition and improve the existing housing stock
6. Stability Provide safe, stable options for both renters and homeowners
7. Supportive Housing Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness

Strategies to Address Gaps

To address the seven housing gaps, the Plan identified six strategies for addressing housing needs in the City:

1. Increase the supply of permanent, income-restricted affordable housing
2. Make it easier for households to access housing and stay housed
3. Expand the overall housing supply by making it easier to build all types of housing projects

Strategies to Address Gaps

4. Increase the variety of housing choices
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies
6. Establish a permanent source of funding for low-income housing

Housing Actions

- Under each of the six strategies there are 50 specific actions for the City to implement
- The City had already implemented a further 31 actions identified in the Plan

Legislative Agenda

- While the Plan outlines actions the City can take to address housing gaps, needs, and equity, barriers also exist at the state and federal levels
- By far, the largest barrier is a lack of funding for low-income and income-restricted housing, whether it is construction, improvement, rehabilitation, or rental subsidies

Multifamily Tax Exemption

- The MFTE program exempts property taxes on improvements made for multifamily development within designated areas of the City
- Exemptions can be for either eight years with market rate housing or 12 years if at least 20% of the units provided are for affordable housing

Multifamily Tax Exemption

- The MFTE program is intended to provide a tax incentive to encourage the development of multifamily housing units in targeted areas of Tumwater
- The tax exemption applies to the new housing improvement portion of the property taxes

MFTE 2017

- The MFTE program was established in 2017 to use residential development to spur the economic redevelopment of the Brewery District and Capitol Boulevard corridor
- The City's subarea plans adopted in 2015 indicated that a variety of financial incentives were needed for the redevelopment envisioned by the plans
- Adding residents was intended to encourage the development of retail, services, and employment

MFTE 2019

- The MFTE program was expanded to the Town Center and the Littlerock Road Subareas in 2019
- R2018-016 encouraged more housing to be built overall in the City to meet demand and to provide some level of affordable housing
- In the Town Center and the Littlerock Road Subareas, the MFTE program was limited to the 12-Year option that required 20% of those units to be affordable

MFTE To Date

- To date, 441 total units in the City are through at least the MFTE conditional approval process
- 66 are affordable units and the rest are market rate
- The MFTE program will expire at the end of 2026, so the City has a deadline built into the code to evaluate if the program is doing what was intended
- General Government Committee will be meeting in June 2023 to discuss the MFTE program

Housing Text Amendments

- The intent of the housing affordability text amendments was to increase the amount of residential development in the City and to bring the supply and demand for housing more into balance
- In addition, some of the housing affordability text amendments were intended to increase the amount of affordable housing units in the City through inclusionary zoning for households with incomes less than or equal to 80 AMI

Housing Text Amendments

The amendments included:

- Incentives for permanently affordable housing units
- Amendments to the senior housing facility definition
- More specific dwelling definitions to allow for more flexibility
- Expansion of where “duplexes” were allowed
- Expansion of where “townhouses and rowhouses” were allowed

Housing Text Amendments

- Reducing zone districts where “single family detached dwellings” were allowed
- Expanding where “cottage housing” were allowed
- Reducing minimum lot sizes
- Other changes to residential uses
- Amendments to required off-street parking

Housing Fee Amendments

- The amendments adjusted impact fees, connections charges, and permit fees for permanent low-income housing
- The amendments included a fee reduction for smaller homes as a way to encourage a variety of homes available citywide

Housing Fee Amendments

Specific amendments included:

- 50% transportation impact fee discount if a dwelling was within one-half mile to public transit for permanent low-income housing
- 50% park impact fee discount if an active park/open space area at least one-half acre in size was included in the development in which the dwelling was being built or the dwelling was within one-half mile of a park at least one-half acre in size for permanent low-income housing

Housing Fee Amendments

Specific amendments included:

- 25% off transportation impact fee and park impact for new single family houses less than 1,200 square feet in size
- 50% water connection fee discount for permanent low-income housing
- Discounted building permit fee and plan review fee of 50% off for permanent low income housing

Rental Housing

- As part of the work on Resolution No. R2018-016, the City reviewed actions and measures to support tenant protections as a way to make it easier for City residents who rent to access housing and stay housed
- The City Council reviewed potential actions that the City could undertake alone or on a regional basis to address tenant protection

Rental Housing

In 2022 the City Council asked for the following:

- Ordinances to address tenant protections in Title 5 *Business Taxes, Licenses and Regulations*
- An ordinance to establish a rental registration program to communicate with tenants and landlords about rental regulations
- A contract with the Dispute Resolution Center for tenant and landlord conflict resolution services specifically for Tumwater residents

Other Actions

- Work with Tumwater School District and nonprofit partners to house homeless students / families
- Continue to participate in homeless count each year
- Meet with Tumwater faith leaders to explore faith community's potential role addressing homelessness
- Pursue grants for affordable housing

Other Actions

- Accessory dwelling units
- Assess actions for assuring mobile home parks continue to provide affordable housing toward a goal of property ownership by residents
- Encourage abandoned houses moving back into the active housing inventory

2025 Housing Element Update

- In 2021, the State Legislature amended the Growth Management Act to mandate that Comprehensive Plans “*plan for and accommodate housing affordable to all economic segments of the population...*”
- The state will provide countywide housing need projections for moderate, low, very low, and extremely low-income households, permanent supportive housing, emergency housing, and emergency shelters

2025 Housing Element Update

- Jurisdictions within a County are collectively responsible for meeting the projected housing needs of each type
- Comprehensive Plans must demonstrate sufficient land capacity to accommodate housing projections at the specific levels of affordability and must address racially disparate impacts, displacement, and exclusion in housing

Questions?

