# Puyallup Housing Action Plan

June 2021

Prepared by: BERK Consulting MAKERS





Many members of the community, as well as city staff, participated and contributed to the preparation of the Housing Action Plan. Their participation and contributions are appreciated.

#### **City Council**

Julie Door, Mayor
John Palmer, Deputy Mayor
Robin Farris, District 1
Jim Kastama, District 1
Cyndy Jacobsen, District 2
Ned Witting, District 3
Dean Johnson, At Large

## **Planning Commission**

Chris Larson (Chair)
Gabriel Clark (Vice-Chair)
Scott Harm
Donnie Juntunen
Marty Kiilsgaard
Heather Schiller
Art Seeley

## **Panel of Experts**

The Panel of Experts guided the development of the Housing Action Plan by providing insights on current housing issues and needs, informing priority focus areas, and reviewing recommendations included as part of the Plan.

Amanda DeShazo, Tacoma-Pierce County Affordable Housing Consortium

Bill Riley, Vista Property Management
Jason Gauthier, Habitat for Humanity
Jessie Gamble, Master Builders Association
Joanne Gutierrez, Puyallup Tribe
Kevin Bates, Helping Hand House Linda Henry, Aging in Place Committee Michael Pressnall, Green Harbor Communities Pam Duncan, Metropolitan Development Council Reggie Brown, Louis Rudolph Homes Ted Brackman, Puyallup Homelessness Coalition

# **City Staff**

Steve Kirkelie, City Manager Jeffrey Wilson, Director, Development & Permitting Services Katie Baker, Planning Manager Chris Beale, Senior Planner Nabila Comstock, Planning Technician

## **Consultant Team**

BERK Consulting
Makers architecture and urban design, LLP

June 2021 Puyallup Housing Action Plan

# **Table of Contents**

#### **Executive Summary** i

#### Introduction 1

Go	als	&	Strate	egies	15
----	-----	---	--------	-------	----

Ι.	Make strategic infrastructure investments.	18	
----	--	----	--

- 2. Rezone areas to facilitate higher density and more diverse housing types. 19
- 3. Create a residential infill pilot program. 23
- 4. Incentivize attainable housing. 24
- 5. Update and expand the MFTE program. 25
- 6. Revise existing zoning provisions. 26
- 7. Expand City support for housing services and programs. 37
- 8. Encourage permanent supportive housing. 39

#### **Second Priority Strategies 41**

- 1. Support manufactured home parks. 42
- 2. Use surplus or city-owned land for attainable housing. 43
- 3. Consider actions to preserve existing attainable housing. 44
- 4. Consider an affordable housing trust fund 46
- 5. Adopt tenant protections and supports. 47
- 6. Consider development agreements. 51
- 7. Make it easier to build ADUs by revising standards and creating pre-approved plans. 52

#### Implementing the Plan 55

Appendix A: Engagement Summary A-1

Appendix B: Housing Needs Assessment B-1

# Executive Summary

This Housing Action Plan (HAP) is the City of Puyallup's plan to support affordable housing options for all community members. Affordable housing has implications for life outcomes by supporting educational opportunities, allowing older residents to live independently in the community, helping workers to live in the community, and helping families to avoid making tradeoffs between housing and other necessities like food, healthcare, and childcare. The goal of this HAP is to increase affordable housing opportunities for all households to support community and economic health.

The main components of this HAP are a needs assessment, a policy review, goals and strategies, and an implementation plan. The HAP is based on the technical information presented in the needs assessment and policy review, along with community engagement.

The Puyallup Housing Needs Assessment revealed that housing production in Puyallup falls short of what is needed, putting pressure on housing prices and rents and limiting housing options for many residents. The current housing inventory is also comprised mostly of single-family housing units, which does not match the needs of the community. Housing costs are rising more quickly than incomes, so households across income levels are impacted by the lack of diverse and affordable housing options.

This HAP recommends actions to address housing needs by promoting livable neighborhoods, preserving and encouraging the affordability of housing, building a diverse range of new housing, removing barriers and constraints that limit access to housing, and encouraging the creation of housing for people experiencing homelessness, older adults, and people with disabilities. It includes \*eight high priority strategies and seven additional lower priority strategies.

The eight high priority strategies are:

- 1. Make strategic infrastructure investments.
- 2. Rezone areas to facilitate higher density and more diverse housing types.
- 3. Create a residential infill pilot program.
- 4. Incentivize attainable housing.
- 5. Update and expand the Multifamily Tax Exemption (MFTE) program.
- 6. Revise existing zoning provisions.
- 7. Expand City support for housing services and programs.
- 8. Encourage permanent supportive housing.

The seven second priority strategies are:

- 1. Support manufactured home parks.
- 2. Use surplus or City-owned land for attainable housing.
- 3. Consider actions to preserve existing attainable housing.
- 4. Consider an affordable housing trust fund.
- 5. Adopt tenant protections and supports.
- 6. Consider development agreements.
- 7. Make it easier to build ADUs by revising standards and creating preapproved plans.

The HAP outlines an implementation plan for the strategies, including ways to monitor and evaluate implementation and outcomes on a regular basis. Monitoring includes both implementation monitoring, which tracks which of the HAP actions are being implemented and the extent to which City partners are participating; and performance monitoring, which tracks whether HAP actions are achieving desired results. Key indicators will measure success over the long term.

In order to achieve these objectives, the City will need to act now in collaboration with partners to address housing affordability. These strategies will help ensure that community members can continue to thrive in Puyallup.

<sup>\*</sup> Strategies are not in rank order.

The Puyallup Valley is the ancestral home of the Puyallup Tribe of Indians. Around 1850 the Valley began attracting white settlers who were drawn by the rich alluvial soil and agricultural potential of the area. \*The Puyallup Tribe lost land in what is today the City of Puyallup through the signature of the Treaty of Medicine Creek of 1854, where the Tribe ceded its traditional territory for certain guarantees, rights, and the creation of the Puyallup Reservation.

Throughout the 20th century the Tribe asserted its claims on fishing rights and land claims eventually getting key land holdings back from the Port of Tacoma (Douglas, 2016). In 1990, the Puyallup Tribe accepted the Puyallup Land Claims Settlement, a \$162 million settlement package of land, cash, and social and employment programs. The City of Puyallup was one of the parties to this settlement, along with the Puyallup Tribe, the State of Washington, Pierce County, the City of Tacoma, the City of Fife, and the Port of Tacoma (U.S. Congress, 1989).

Areas in the northwest of the city on both sides of Puyallup River fall within the boundaries of the Puyallup Tribal Reservation. These areas have historically had some of the City's highest rates of evictions and social vulnerability as measured by the Centers for Disease Control (CDC)'s Social Vulnerability Index.

National studies show that American Indians and Alaska Natives (AI/ANs) face several housing challenges. In addition to high cost burden, lack of a credit history, inadequate funds for a down payment or security deposit are barriers that AI/AN community members face. Additional barriers can include lack of access to a mortgage lender and complex legal and other constraints related to land ownership. Prior to and during the coronavirus pandemic, disparities by race have persisted. These disparities are due to inequities in US housing policy that have been present for hundreds of years.

\*This sentence was corrected from the Council-adopted version.



Despite all of the efforts to eradicate our people, we are still here. We raise our children and care for our elders on the same lands that our ancestors have called home since time immemorial. We protect our natural resources, speak our language, share our rich history, practice our culture, and exercise our treaty rights.

We are the culmination of the resiliency of our ancestors."

- Puyallup Tribe of Indians

June 2021 Puyallup Housing Action Plan in

# Introduction

June 2021 Puyallup Housing Action Plan

# Why focus on housing?

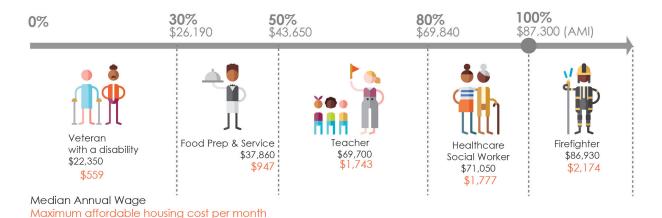
Housing is key to Puyallup's future. Housing is connected to better life outcomes, especially for children, and to economic competitiveness. Many of the City's policy priorities such as promoting investment, addressing equity, accommodating the needs of its rapidly aging population, and improving resilience to address climate change, have ties to housing.

The economic disruption caused by the COVID-19 pandemic has highlighted the importance of adequate, affordable housing for all. Households with access to housing have been able to maintain their health and financial security through the pandemic. Those without fewer resources and adequate housing have faced greater exposure to COVID-19 or higher risk of eviction or foreclosure. The national and local reckoning with the history of racial discrimination and the wildfires across the region also have important ties to housing policy.

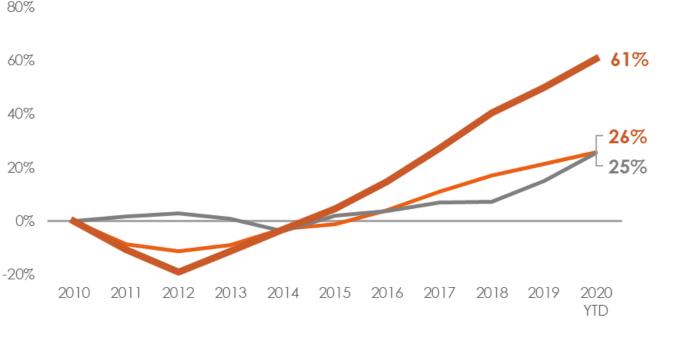
# What are Puyallup's Housing Challenges?

# Housing costs are rising much faster than incomes

Households across the income spectrum are affected by the lack of diverse and affordable housing options. The average Puyallup home price has grown by 61% since 2010, and the average rent has gone up by 26%, while the median family income (AMI or HUD MFI), as calculated by the US Department of Housing and Urban Development (HUD), has only increased by 25%. When costs go up, but incomes do not, housing becomes less affordable. These



numbers don't capture the full extent of the issue. For example, many renters face housing challenges at rates higher than owners.



—Average Rent Puyallup ——HUD MFI Pierce County ——Average Home Value Puyallup

#### Percent Change since 2010 in Average Home Values, Rents, and HUD MFI in Puyallup

Sources: Zillow, 2020; HUD Income Limits, 2020; BERK, 2020.

# Market Rents and Home Values

These numbers represent the lowest rents (for available 1-bedroom and 2-bedroom apartments) and home values (2-bedroom condo and 3-bedroom house) in May 2021. Sources: Zillow, 2021.

## Many Puyallup residents are cost-burdened

Rising housing costs with slower increases or stagnant incomes has resulted in a large share of Puyallup residents experiencing cost-burden. A widely used indicator for housing affordability is that housing is considered affordable if a household spends 30% or less of its annual income on housing. A household spending more than 30% of its income is considered "cost-burdened." Households that spend more than 50% of their income on housing are considered to be "severely cost-burdened." In 2020, almost 32 percent of all households in Puyallup were cost-burdened.



#### Residents with low incomes face more challenges

Cost-burden is not evenly distributed across the income spectrum. Extremely Low Income households (incomes  $\leq 30\%$  of AMI) and Very Low-Income households (31-50% AMI) have greater challenges with housing costs. A higher share of households earning up to 50% of the area median income (AMI) are severely cost-burdened than in any other income range – more than 53%, or 1,690 households. If we include households that are moderately cost burdened, a total of 5,069 households are paying more for housing than they can afford. This number has likely increased since the start of the pandemic.

Cost burden, especially severe cost burden, affects well-being and health in significant ways. Spending an outsized amount of the family budget on housing is problematic for low-income households, where higher housing costs affect the family's ability to meet basic needs.

While cost burden is a widely used indicator for housing affordability, the share-of-income approach may not capture the full extent of the challenges that households face. Household decision-making around housing is often complex and many households make difficult tradeoffs to reduce housing costs. Households may choose to live in a substandard home, in neighborhoods with fewer amenities or without good schools, or at a long distance from workplaces, to reduce housing costs. Some of these families will not exceed the 30%-of-income standard since they have adjusted for costs with these choices but may still struggle with housing affordability.

Cost-burden calculations also do not fully account for expenses that vary with a household's specific circumstances. Households with older residents or children, who need medical care and nutrition, and renters face more challenges in the housing market. When these households face a housing cost burden they have less money to spend on food, healthcare, and transportation.

National data show that systemic racism and inequities in the housing market create barriers for some households. People of color, residents with disabilities, and older residents face unique barriers in the housing market. For example, people with disabilities can face difficulties finding housing that is affordable. This is because disability can affect earnings and limit housing choices, both of which create challenges in accessing housing. Disabilities can change with age, another factor that creates an interlocking set of constraints.

Engagement for this Puyallup Housing Action Plan (HAP) revealed barriers that communities of color face in the housing market. Respondents of color shared greater challenges than white respondents around evictions (fear of having one on their rental history and feeling at risk of eviction), difficulty with credit, and finding enough money for deposits.

Many workers cannot afford to live in the community. Many workers with jobs that have modest wages, such as medical assistants, home health aides, preschool teachers, healthcare support workers, childcare workers, and workers in other service and retail occupations are not be able to afford an average-priced apartment in Puyallup without being cost-burdened. Many of these workers make difficult tradeoffs such as moving to areas where housing is cheaper or living in sub-standard housing. For example, census data shows that around 46% of Puyallup's workforce commutes daily to work from housing 10 miles away or more.

**Housing instability is growing.** An increasing number of households are experiencing displacement or homelessness. Displacement refers to instances when a household is forced or pressured to move from their home against their will. According to the Puget Sound Regional Council (PSRC), a quarter of the households who moved within the Puget Sound region in the last five years relocated due to factors such as cost of housing, lower income,

#### How does eviction affect someone's life?

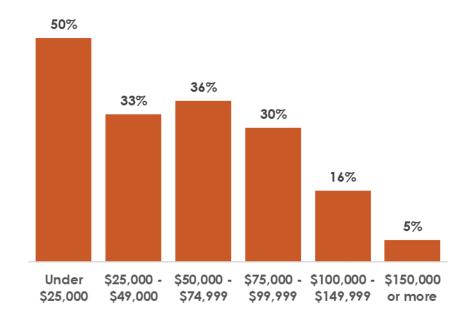
"Eviction causes a family to lose their home. They often are also expelled from their community and their children have to switch schools. Families regularly lose their possessions, too, which are piled on the sidewalk or placed in storage, only to be reclaimed after paying a fee. A legal eviction comes with a court record, which can prevent families from relocating to decent housing in a safe neighborhood, because many landlords screen for recent evictions. Studies also show that eviction causes job loss, as the stressful and drawn-out process of being forcibly expelled from a home causes people to make mistakes at work and lose their job. Eviction also has been shown to affect people's mental health: one study found that mothers who experienced eviction reported higher rates of depression two years after their move. The evidence strongly indicates that eviction is not just a condition of poverty, it is a cause of it."

Source: Eviction Lab, Princeton University https://evictionlab.org/

loss of community, or being forced to move. **The most cited reason for relocation was housing cost.** Lower-income households are also much more likely than wealthier households to be forced to relocate – 50% of households with incomes under \$25,000 had to move for negative reasons, while only 5% of those earning \$150,000 or more annually had to relocate for reasons beyond their control.

Percent of Puget Sound Households Reporting Displacement, by Income Level

Source: PSRC 2019 Household Travel Survey, 2019; BERK, 2020.



Displacement is also more common among older adults in the Puget Sound region. Thirty-five percent of households with someone over age 65 had to relocate for negative reasons compared to 23-26% of households without someone older than 65. Lastly, displacement risk was found to differ across racial lines. Thirty percent of households of color (not including Asian households) felt pressured to relocate compared with 22% of white households and 14% of Asian households.

Many Puyallup households are vulnerable to displacement. Vulnerability to displacement is not evenly distributed across the city, with areas in central and southern Puyallup facing higher vulnerability and eviction concerns. *See map on page 51.* 

Housing instability caused by cost burden can lead to periods of homelessness for economically vulnerable households. Many households with modest incomes live paycheck to paycheck and unanticipated economic hardships can snowball into a crisis that can cause both evictions and homelessness. With the job losses caused by the COVID-19 pandemic, many modest income households may face the prospect of losing their homes. National data show that rates of homelessness are not evenly distributed

across the population. In 2019, Black people made up just under 13% of the US population but nearly 40% of people experiencing homelessness. Native Americans and Alaska Natives made up 0.9% of the population but 3.2% of those experiencing homelessness. Hispanics comprised 18% of the total population but 22% of those experiencing homelessness. This disproportionality in homelessness is a result of systemic inequities and racism. Systemic housing discrimination supported by the federal government resulted in a wealth gap between white communities and communities of color. Lack of economic opportunities, disproportionately higher rates of incarceration, and lower access to healthcare all make communities of color more vulnerable to homelessness. Given the disproportionate impact of COVID-19 on communities of color, these disparities in rates of homelessness are likely to continue or worsen.

Source: Joint Center for Housing Studies, State of the Nation's Housing, 2020

#### The Impacts of COVID-19

While the HAP was underway prior to the COVID-19 pandemic, the pandemic has exacerbated underlying issues. These include:

**Economic Impact.** The pandemic has **exacerbated issues of housing cost burden and housing instability.** Widespread illness, reduced demand for services due to fear of the disease, stay-at-home orders, business closure orders, and uncertainty around future conditions all contributed to the deepest period of economic contraction in the US since the Great Depression. In April 2020, the US civilian unemployment rate peaked at 14.8%, the highest level since the 1930s. Though it has since declined, as of April 2021, it was 6.1%, still much higher than the pre-pandemic rate of 3.5%.

Impact on Low-income Households. This dramatic fall in employment has reduced incomes for many households, increasing the number of households that are cost-burdened, severely cost-burdened, behind on rent or mortgage payments, and at risk of eviction due to nonpayment of rent. These job losses have been disproportionately concentrated among lower-wage jobs – the number of US jobs in low-wage industries fell by 9% between February 2020 and March 2021, compared to just a 3% reduction among high-wage industry jobs over the same period. Low-income households thus face the triple burden of 1) being more likely to be housing cost-burdened prior to the pandemic, 2) more likely to have lost a job in the pandemic, and 3) holding less money in savings prior to the pandemic than higher-income households, making them less likely to be able to draw on savings to cover housing costs.

Impact on Housing Security. While unemployment peaked in April 2020, housing insecurity appears to have peaked several months later in late June 2020. The U.S. Census Bureau's Household Pulse Survey estimated that in the week of June 25-30, 2020, 25.9% of all US adults had either missed the last month's rent or mortgage payment or had slight or no confidence that their household could pay the next month's rent or mortgage payment on time. For the Seattle-Tacoma-Bellevue metropolitan area, the same was true of an estimated 21.5% of all adults in the same time period. In August 2020, the Household Pulse Survey began measuring the perceived likelihood of eviction or foreclosure within the next two months among households not current on rent or mortgage payments. As of April 14-26, 2021, 30.6% of households behind on rent or mortgage payments felt that it was either somewhat or very likely that they would be evicted or foreclosed upon within the next two months. In the Seattle-Tacoma-Bellevue metropolitan area, the same was true of 29.9% of households behind on rent/mortgage payments in the same time period. Renters of color are facing these housing insecurity challenges at higher rates than white renters. As of April 2021, the rate of renters of color that were behind on rent was more than twice the rate for white renters.

## What causes these housing challenges?

These challenges stem from many factors. Puyallup's demand for housing is increasing, but new construction is not keeping up with this. As housing prices grow but wages do not, the proportion of units that are affordable is shrinking, and the units supplied does not match the number demanded by residents.

# Demographic drivers are expected to continue to demand and support a robust housing market

Many of Puyallup's residents are aging and want to downsize or find a more suitable home in which to age in place. Younger adults, small families, and others want to move into homes suitable to their needs. New residents continue to be attracted to the city as the region grows. In 2019, Puyallup had a population of 41,570 people in 16,702 households. Based on growth projections from the Puget Sound Regional Council (PRSC), Puyallup's 2035 adopted growth target in the Comprehensive Plan is 52,970 people. These demographic trends bring with it a need for housing.

#### Housing production falls short of what is needed

This puts pressure on housing prices and rents and limits housing options for many residents. Puyallup needs a total of 7,853 additional units between 2019 and 2035 to meet the projected population growth. The average annual production of housing units in Puyallup from 2010 to 2019 was 151 units per year. Puyallup needs an average of 491 units per year to meet the projected household growth by 2035. The current housing inventory is also comprised mostly of single-family housing units (about 60% of all homes), and this does not match the needs and preferences of everyone in the community.

#### The current supply of units is poorly matched to needs

Puyallup's households vary in size, and the type and size of available housing do not match the needs of households. While 64% of Puyallup's households are 1- and 2-person, only 45% of homes are studio, 1-bedroom, or 2-bedroom units. On the other end of the spectrum, while nearly 8% of the city's households have five or more members, only 3% of homes have five or more bedrooms.

Housing Unit Size to Household Size Comparison in Puyallup, 2018.

Sources: American Community Survey DP04 & B25009, 2014-2018; BERK Consulting, 2020.





Smaller households range across ages and family types. For example, most retirement-age residents and younger adults live in small households. Some may double up or live with friends to account for high housing costs. Similar to smaller households, larger households also reflect a diverse set of housing needs and preferences. These may include multigenerational families, families with children, and households with extended family living arrangements.

Studies also show that this may partly reflect increasing racial and ethnic diversity. Asian, Black and Hispanic populations are more likely to live in multigenerational households than non-Hispanic whites. To address these challenges, Puyallup needs more housing, but also a mix of housing types that reflects the diverse needs and preferences of the city's households.

## **Housing Action Plan**

This HAP will address these challenges, by building on ideas for improvements of existing regulations and programs; as well as providing ideas for new regulations and programs; and incorporating input from the community, housing experts, and advocates. This HAP represents the City's commitment to tackling affordable housing challenges head on.

While the HAP recognizes the need to diversify housing types throughout the City, it also respects residents' concerns regarding potential changes to the character of detached single-family residential neighborhoods. The strategies identified in this HAP will be implemented carefully, ensuring that community voices shape the process and outcomes.

Housing affordability is a regional challenge, so addressing housing needs involves the City as well as other stakeholders and partners: for-profit and non-profit developers, community organizations, community members, local governments, and other groups. The City does not act alone, and the HAP relies upon collaboration with these community and regional partners.

The HAP also builds on efforts by the City to address housing. Many policies in the Puyallup Comprehensive Plan's Housing Element and Land Use Element will help the City meet the needs identified in the Housing Needs Assessment. City staff have also developed a menu of 17 potential housing code amendments through the Housing Choices Code Initiative. Finally, South Sound Housing Affordability Partners is an informal working group comprised of elected officials from Pierce County, the Puyallup Tribe of Indians, and 15 Pierce County cities and towns, including the City of Puyallup, that is looking for ways to coordinate action on housing needs.

This HAP recognizes the City's ongoing work and the need for regional cooperation to address regional housing needs. Importantly, the HAP also recognizes the impact of housing action on the climate. The types and density of housing in a community relate to the community's climate impact. Areas with less dense housing patterns, such as single-family residential

zones, have higher carbon footprints than high-density residential areas. Households living in dense areas, on average, use less energy to heat and light their homes, travel fewer miles via motor vehicles, and purchase goods that have traveled shorter distances. A mix of housing types, along with improvements to walkability and access to amenities, can improve quality of life by creating places where everything a resident needs can be reached quickly (close to or within a quarter of an hour) by foot or bike. Encouraging denser and more diverse residential development can play an important role in reducing carbon emissions and mitigating impacts on the climate.

#### **Plan Organization**

The HAP is organized into chapters that follow this introductory chapter and contain citywide guidance on housing.

The **Goals and Strategies section** sets the stage for the HAP by summarizing the five key goals driving the HAP. It provides an overview of the goals that were synthesized from community input, needs assessment findings, and policy review findings. Strategies addressing each housing goal are included with a detailed description, evaluation, and relationship to the needs identified.

The **Implementing the Plan** section includes a summary table of the strategies, timelines, resource requirements, responsibilities for leading the tasks, and partnership opportunities. It also outlines ways to monitor and evaluate implementation and outcomes on a regular basis.

# **Community Voice**

Community input helped guide plan development and recommendations. Engagement included a range of activities, some focused on key stakeholders and others that focused on the community at large. This includes interviews, virtual meetings, surveys, briefings to City Council and Planning Commission. The City partnered with several community-based organizations to help identify and give voice to the housing needs and priorities of different communities.







CITY COUNCIL & COMMISSION BRIEFINGS

NARRATED PRESENTATIONS ON PROJECT WEBPAGE

COMMENTS ON A COMMUNITY IDEAS WALL

# What Puyallup residents say about housing.....

"I am an educator in the PSD and MANY of my families strugale with finding affordable housing and often end up couch surfing, doubled up with friends or family etc. I often work with families who work hard and still are unable to find affordable permanent housing for their families and this is not ok. There need to be more services that assist families find housing and it should be in Puyallup. Often times Puyallup families who become homeless or need to move somewhere cheaper end up in Tacoma. This often means that our PSD students end up on a 2+ hour round trip van ride just to stay in their school. This is not ok."

"I'm a Puyallup educator and homeowner. My dream would be to start a family in this community, but there's no way we'll be able to afford a home large enough for a family in this area."





good condition.



Support older residents.



Support those who are poying an outsized share of their income on housing.



Buila and pro---affordable housing. Build and preserve dedicated



Protect residents from being displaced.

# 44

We need more creative housing options. High quality but smaller sizes. Accessory Dwelling Units, Cottage housing, alternatives to the current standard apartments and subdivisions. We do have a few scattered around town that are affordable but they tend to be older and we need to have newer ones coming online."

**IDEAS WALL POST** 



# /at tain a ble/

able to be attained; achievable. capable of being done or carried out.

Attainable housing is housing that is appropriate for the households that live in Puyallup. The concept of attainability reflects the idea that a range of housing options (type, size, tenure, cost) exists in the local market for a range of household incomes and preferences. As noted in the recent Housing Needs Assessment, Puyallup residents have a wide range of housing needs, with size, price, tenure (ownership vs. rental) and other factors playing a role. Yet more than half of the homes in Puyallup today are single-family houses. These homes work well for many residents but are not attainable or even desirable for everyone. Attainable housing includes, but is not limited to, Missing Middle Housing.





# Goals & Strategies

\*Five goals were identified for the HAP based on a synthesis of the findings from the Housing Needs Assessment and stakeholder and community engagement. The City does not act alone, however, and the plan includes strategies that are both City-led and those that rely on partnerships. The goals are:

- 1. Promote livable neighborhoods
- 2. Preserve attainability and quality in existing and new housing
- 3. Build a diverse range of new housing
- 4. Remove barriers and constraints that limit access to housing
- 5. Encourage housing for people experiencing homelessness, older adults, and people with disabilities

The HAP will include a range of strategies meant to address these housing goals. Strategies were compiled using feedback from knowledgeable local stakeholders and the State of Washington State Department of Commerce's Guidance for Developing a Housing Action Plan Commerce Guidebook). Some of the strategies include removing barriers while others include providing a variety of housing via development regulations, permitting processes, fees, and offering incentives and assistance.

Eight strategies have been prioritized for implementation. High priority strategies are ones that have the most potential to have an impact on Puyallup's housing needs. City interest and level of effort were also considered to determine priorities.

<sup>\*</sup> Goals are not in rank order.

	Strategy	Promote livable neighborhoods	Preserve and encourage attainability	Build a diverse range of housing	Remove barriers and constraints	Encourage housing for those experiencing homelessness, older adults, and people with disabilities
2	Make strategic infrastructure investments	0		0	0	
AIEGIES	Rezone areas to facilitate higher density and more diverse housing types	0	0	0	0	0
	Create a residential infill pilot program	0		0		
2	Incentivize attainable housing		0	0		
<u></u>	Update and expand the MFTE program		0	0	0	
PRIORITY	Revise existing zoning provisions	0	0	0	0	
7	Encourage permanent supportive housing		0	0		
E D E	Expand City support for housing services and programs			0	0	
Ĭ						
2	Support manufactured home parks		0	0		0
1 1	Use surplus or city-owned land for attainable housing		0			
SIKAIEGIES	Consider actions to preserve existing attainable housing		0			0
<u> </u>	Consider an Affordable housing bond/trust fund		0			0
	Adopt tenant protections and supports				0	
K	Consider development agreements	0	0	0		
7 5	Make it easier to build ADUs by revising standards and creating pre- approved plans	0		0	0	

<sup>\*</sup>Attainable = preferred term for affordable

# **High Priority Strategies**

# 1. Make strategic infrastructure investments.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

# Needs addressed by this strategy

- Housing supply
- Housing diversity

Cities can invest in infrastructure to reduce one of the significant costs associated with development – the cost of upgrading existing or developing new infrastructure to serve development. Prioritizing certain investments, such as sewer or water extensions or sidewalks, can support rezones, or catalyze development. Ensuring the City's Capital Facilities Plan (CFP) is aligned with zoning or using a criteria/decision matrix to screen the CFP for investments that promote sewer infrastructure in underserved areas are actions that can align infrastructure planning with housing priorities. Strategic selection of priorities in the capital facilities element can thus help support a housing program.

Funding for improvements could come from a mix of sources, including local sources; federal or state appropriations or grants; Community Revitalization Funding (CRF) financing; or bonding. The CRF program allows cities to create a tax "increment area" to finance public improvements within the area using increased revenues generated from local property taxes. This tool is best used in undeveloped and underdeveloped areas because the program depends on an increase in property value.

# Rezone areas to facilitate higher density and more diverse housing types.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

# Needs addressed by this strategy

- Housing supply
- · Attainable rental housing
- Senior and ADA-accessible housing
- Small household rental housing
- · Housing diversity
- Homeownership options
- · Middle-income rental housing

Strategically changing the City's zoning to allow more home types and densities in key areas may slow rising housing costs, allow more people to benefit from City and regional investments and infrastructure, and use land more efficiently. In some places near frequent, high-quality bus and rail lines, current zoning limits the number of homes able to make use of those resources. Furthermore, a large proportion of Puyallup's land is zoned for large lots with single-family homes. For example, the RS-10 zone with a low minimum density of 4 dwelling units per acre is by far the largest zone by acreage (2,312 acres) within the city. In comparison, only 486 acres of land is zoned for high-density multifamily housing. This has caused land, streets, pipes, and other infrastructure to be used inefficiently.

Changes to zoning can help encourage the development of lower-cost housing types, such as accessory dwelling units (ADUs), duplexes, townhouses, and apartments. It is important to note that in some cases, rezoning alone may not achieve a greater housing supply. Infrastructure improvements and/or public amenities may be needed to physically accommodate new development or spur private investment. For example, the West Hills RS-10 zone lacks sewer, so sewer infrastructure investment is needed before higher densities can be accommodated. Planned capital investment should be better aligned with the city's growth strategy to allow housing investment in very low density areas.

Puyallup should consider two types of areas for rezones:

- 1. Around frequent, high capacity transit, i.e., "transit-oriented development."
- 2. Near additional resources and amenities, i.e., "neighborhood infill."

#### Transit-oriented development.

More homes and businesses/organizations/institutions near transit, combined with safe and pleasant paths and gathering spaces, achieve the following:

- Livable, vibrant, people-friendly places that serve the full spectrum of Puyallup's residents and businesses
- Increased access to opportunity—the ability to easily reach jobs,
   education, healthcare, and services—through improved transit access
- A critical mass of transit riders to support the transit investment. PSRC calls for high capacity transit-served areas to have densities exceeding 15 to 20 homes per acre and/or 50 jobs per acre, and if designated an Urban or Regional Growth Center, densities of at least 45 people (resident/employee) per acre (Transit-Supportive Densities and Land Use, PSRC, 2015, p 2).

Transit-oriented development also follows trends in the Puget Sound region. Residents are owning fewer cars, riding transit more (outside of the COVID-19 pandemic), showing concerns about greenhouse gas emissions from driving alone, and choosing active, healthy ways of getting around (e.g., walking and biking). People are generally willing to walk up to 10 minutes (1/2 mile) for frequent, high capacity transit, and bike from up to 3 miles away. For local, frequent bus routes, people are willing to walk up to 5 minutes (1/4 mile). However, if low density development is built within station areas, that removes the opportunity for more people to live or work near transit for the foreseeable future.

#### Neighborhood infill.

Puyallup may consider strategic neighborhood-based rezones that are largely captured within Strategy 6, including:

- 6-a. Consolidate RS Zones.
- 6-b. Expand Missing Middle Housing Opportunities.
- 6-c. Form-based regulatory approach in RM zones.

In addition, rezoning some RS areas to expand the mix of permitted housing types and densities may be appropriate near transit, parks, schools, and other amenities.

#### **Puyallup's TOD Rezone Considerations**

In particular, Puyallup should consider increasing housing types and densities and removing code barriers within ¼ and ½ mile of transit, including:

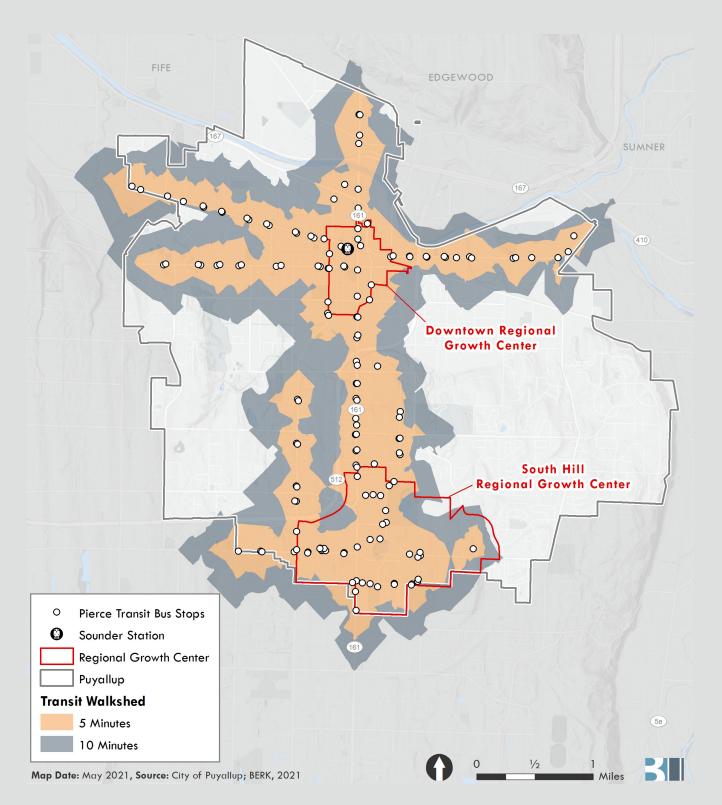
- **Downtown Sounder station area**—Consider setting minimum densities close to this transit resource.
- **South Hill**—Explore zone boundaries and density limits to ensure development maximizes its proximity to transit benefit. In addition, also see the related action within Strategy 6. Review Existing Zoning "I Add flexibility to commercial use requirement in commercial and mixed-use zones."
- Multifamily (MF) zones near frequent bus routes—Explore rezoning to higher densities and updating or eliminating the incentives/bonus density system. The current density minimum to maximum window is narrow, and the density bonus options are somewhat inflexible and have not been utilized. Also see the related actions within Strategy 6. Review Existing Zoning such as "C Form-Based Regulatory Approach in RM Zones."



# Transit-oriented Development

Example showing midrise mixed-use development with attractive streetscapes, publicly accessible open space, and articulated building forms that add visual interest and a sense of human scale to larger buildings.

Source: Makers Architecture, 2021.



#### Transit Walksheds n Puyallup, 2021.

City of Puyallup, 2021; BERK Consulting, 2021.

# 3. Create a residential infill pilot program.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis	
Older residents Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

# Needs addressed by this strategy

- Housing supply.
- Housing diversity.
- Attainable rental housing.
- Homeownership options.

Pilot programs introduce a temporary change in policies or regulations to test new ideas, increase community awareness and engagement, and discover what works best in a local context. Pilot programs are a good way to test new housing types and to inform future Council decisions on Puyallup's regulatory approach to these housing types. It allows the City to take a phased approach to residential infill ¹development and identify which changes would be most effective. The City of Tacoma's residential infill program design is a potential model for Puyallup.

#### **Example: Tacoma Residential Infill Program**

The Tacoma City Council adopted code language in December 2015 to enact the pilot program as part of a package of Affordable/Infill Housing code updates. The program was re-launched with updates and added capacity in October 2020.

In each Council District, there are six spots for each of the following:

- **Two-Family Housing:** infill construction on corner lots that maintain the scale and character of single-family buildings while using two public edges of the property as front yards and entries.
- **Planned Infill Housing:** projects that meet the density requirement of the One Tacoma Comprehensive Plan and meets specific site conditions and occupant needs.
- **Small Multifamily Housing:** housing in lower-density zoning that increases density while preserving neighborhood character.
- Cottage Housing: transition between single family housing neighborhoods and higher density areas, creating
  development patterns that maximize land values, reduce infrastructure costs, and provide housing next to
  services.

The application process includes scoping, a pre-application meeting, the program application, public early involvement meetings, a project program review committee meeting, and permitting process. Conditional use permits are required for all projects being considered by the pilot program.

<sup>&</sup>lt;sup>1</sup> Infill is often defined as new development sited on vacant or undeveloped land within an existing community and adjacent or close to other types of development.

# 4. Incentivize attainable housing.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis	
Older residents Low & modern income		Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

# Needs addressed by this strategy

- · Housing diversity
- Attainable rental housing
- Homeownership options



This is an antidisplacement strategy.

#### Fee waivers for attainable housing

Fee waivers can reduce the upfront cost of construction for attainable housing development. Fees, such as impact fees, utility connection fees, and project review fees can run in the thousands of dollars per unit. Waiving some or all of these fees for income-restricted units or reducing or scaling fees for different types of attainable housing (like cottage housing or smaller housing types) can be a valuable incentive for encouraging the production of housing.

Puyallup's Municipal Code Sec 17.04.080(2) already waives building permit fees for single-family and duplex dwellings that serve low-income families, use volunteer labor, and are built by a non-profit organization. Since the City already waives building permit fees for single-family and duplex dwellings, they might consider expanding this to all housing types serving low-income families; or consider expanding fee waivers to other fee types such as land use application, review process, or related service fees. The City could also consider using a covenant to commit the owner receiving the fee waiver, and future owners, to maintaining unit affordability for a specific amount of time (e.g., 15 to 30 years). Future analysis as part of implementation of this strategy will need to consider the fiscal impacts of lost revenue on the City budget.

# Expedited permitting for developments with attainable set-aside housing units

Providing a predictable, efficient, and user-friendly permitting and subdivision process can encourage new attainable housing development by reducing the perception of risk among developers and lowering their administrative carrying costs. There are several ways the City can improve its process for attainable housing: simplifying procedures, expediting review for these projects, and increasing department staffing during busy cycles, among others.

# 5. Update and expand the MFTE program.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

# Needs addressed by this strategy

- Housing supply
- Housing diversity
- Attainable rental housing
- Homeownership options

The multifamily tax exemption (MFTE) program allows cities to exempt multifamily housing from property taxes in designated areas. Approved project sites are exempt from property taxes on the residential improvement value for a period of eight or twelve years. The twelve-year exemption requires a minimum level of affordable housing to be included in the development. The development would be required to have at least 20% of the units to be affordable to households making 80% of AMI. The eight-year exemption allows jurisdictions broad latitude to define eligibility conditions. Cities must pass an enabling ordinance to enact the MFTE and to allow applications for the exemption. According to the state statute, cities have the authority to approve or reject individual projects that apply for the exemption.

The MFTE program is a tool to incentivize multifamily development in designated areas. Eligible areas can include downtowns, commercial areas, or targeted neighborhoods where housing is needed. Adopting income requirements that are lower than the statutory limits (e.g., 60% instead of 80% AMI) can be an effective way to maximize the impact of the program. As a voluntary program, the MFTE is only successful if developers use it.

Providing information on the City's program and increasing awareness will be an important piece of implementation. Updates to the City of Puyallup's existing program such as providing information, a process to receive applications, and updates to the 12-year program criteria are needed. The City's program can also be expanded. Potential areas the City can consider expanding the MFTE program to include other centers, such as the South Hill Regional Growth Center, and/or River Road Mixed Use Center.

# 6. Revise existing zoning provisions.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis	
Older residents Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

Zoning is one of the key tools available to the City to increase the development of lower-cost housing types and encourage the development of a more diverse housing stock. Reviewing existing zoning and approval processes can make it simpler to create these housing types. Nine potential refinements to existing zoning are listed below and addressed in more detail on subsequent pages:

- A. Consolidate RS Zones
- B. Expand missing middle housing opportunities
- C. Form-based or design-based regulatory approach in RM zones
- D. Unit-lot subdivision ordinance
- E. Form-based or design-based regulatory approach in UCX zone
- F. Develop a strategy for regulating micro-housing
- G. Update design review standards
- H. Revise parking minimums
- I. Add flexibility to commercial use requirement in commercial and mixeduse zones

#### A. Consolidate RS zones

# Needs addressed by this strategy

- Housing supply
- Homeownership options
- Housing diversity
- Middle-income rental housing

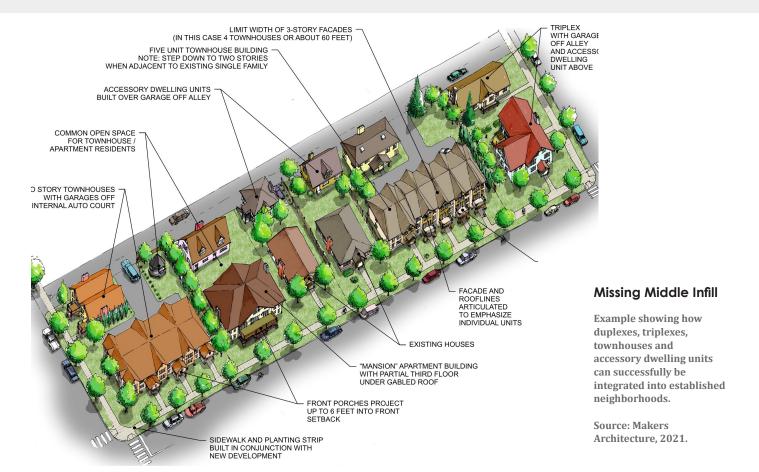
Explore consolidating the five RS zones into three zones in a manner that increases residential capacity while retaining neighborhood compatibility and protecting environmentally sensitive areas. The differences between the zones are relatively modest, particularly between RS-04 and RS-06 zones and RS-08 and RS-10 zones. Issues to consider include Floor Area Ratio (FAR), lot coverage, and other design features to allow urban scale development. Detailed/supporting **recommendations**:

- Combine RS-04 & RS-06 and utilize the RS-04 use permissions and property standards, except apply the RS-06 FAR provisions.
- Combine RS-08 & RS-10 and utilize the RS-08 use permissions and property standards, except apply the RS-10 FAR provisions.

#### "Missing Middle" Housing

"Missing Middle" housing refers to building types such as duplexes, triplexes, mutiplexes, and small, three- or four-unit apartments that have the same scale as detached houses but offer greater variety. These housing types can provide more affordable housing for smaller households or those looking to downsize. They fit in well with low-density neighborhoods and are a good way to add housing so that there are enough homes to support walkable, neighborhood-scale small retail and services.

Typical zoning codes discourage these housing types or make them harder to build. Residential zones may include limitations on building types or density that add costs and complexity to these housing types. In mixed-use or other zoning categories that do permit apartments, typical new projects are on a larger scale than the "missing middle."



- Add design standards for "new" homes to minimize negative impacts of garages and driveways and enhance streetscape character. Detailed design considerations:
  - Apply to all new homes in (1) RS-04 to RS-10; (2) RS-04 and RS-06; or
     (3) lots <5,000 square feet.</li>
  - Update plat codes to require alleyways and require access to come from alleys.
  - Limit width of driveways and allow shared driveways.
  - Limit garage portion of ground level frontage.
  - Require garages to be placed behind front of house (living area) or front porch or covered entry projection.
  - Require a porch or covered entry facing the street on each new home.
  - Require a minimum% of window transparency of house facades.
  - Require minimum usable open space in side or rear yard.

It is important to closely examine the characteristics of applicable zones to determine whether whole or strategic partial consolidations are warranted. For example, in Anacortes where there was a consideration to reduce the entire R-2 lot size minimum from 7,200 square feet to 6,000, it was ultimately decided that the adjustment wasn't appropriate to eastern one-third of the city based on the context of the area (combination of lot sizes, ages of development, and opportunity for infill development).

## B. Expand missing middle housing opportunities

Strategically expand opportunities for missing middle housing types in RS zones. Provided strategic design measures are integrated, such housing types can successfully be added into the existing single-family neighborhood context. Detailed/supporting **recommendations**:

- Allow duplexes and triplexes on corner lots provided they meet minimum lot size for the applicable RS zone and entries, driveways, and garages are accessed/facing opposite streets.
- Reduce the lot size requirements for duplexes (e.g., RS-06 zone requires 8,000 square feet lot for duplex, consider reducing to 7,000 square feet) and triplexes.
- Relax or eliminate the existing cap percentage of duplexes and triplexes.
- Allow duplexes by right in more zones (where currently conditional).
- Update the existing duplex design standards to enhance neighborhood character and compatibility. These provisions are over 20-years old and could likely benefit from some fresh updates.

# Needs addressed by this strategy

- Housing supply
- Housing diversity
- Homeownership options
- Middle-income rental housing

- Relax or eliminate existing lot size minimums and floor area ratio standards for cottage housing developments (currently 0.5 acre and 0.35, respectively)
- Allow courtyard apartments in the RS-04 and RS-06 zones using
  density incentives similar to cottage developments and strict design
  standards to ensure compatibility with single family character and scale.
  Courtyard apartments are small apartment complexes organized around
  a courtyard open space that opens onto a street. Many such one and
  two-story complexes were built in single-family neighborhoods in the
  early 20th century throughout the state and successfully blend into the
  neighborhoods due to the small scale and orientation.

Wenatchee's recent housing code update is a good example of reducing lot size minimums and other density and dimensional standards to accommodate missing middle housing types. Also, provisions for courtyard apartments were adopted into single family zones using the two-units for one density calculations provided units are limited to 1,000 square feet.

#### **Examples of duplexes**

The example on the left is a corner duplex with access/garages on opposite streets.





# Needs addressed by this strategy

- Housing supply
- Housing affordability
- Attainable rental housing
- Senior and ADA-accessible housing
- Small household rental housing
- Middle-income rental housing

#### C. Form-based regulatory approach in RM zones

Consider utilizing a form-based approach in the RM zones. This approach would let the design or form of housing be dictated by permitted housing types, maximum height limits, and conformance with setbacks, minimum open space, and site/building design standards over density and lot coverage limits. Supporting /related **recommendations**:

- Update the existing multifamily design standards per best practice and development trends while ensuring compatible design and enhancing neighborhood character and livability. These provisions are over 20 years old and while they include great examples, they could likely benefit from some fresh updates.
- If the current density limits are retained, consider updating and consolidating the current density bonus provisions (PMC 20.25.0235). An examination on how well these provisions are being utilized is essential

to help determine the approach for consolidating provisions, refining bonus percentages, updating bonus provisions, or replacing one or more provisions with new bonus provisions that might be more attractive for both developers and residents.

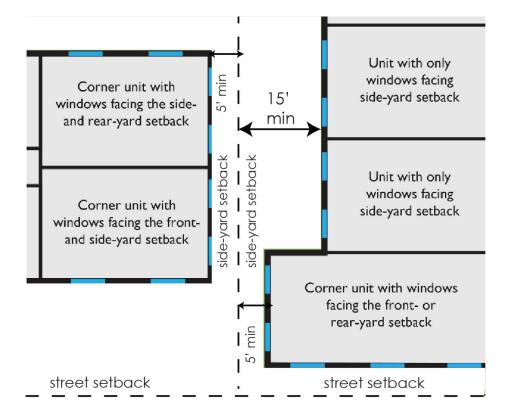
The City can also consider standards that vary based on the orientation of the units within the development. For example – side and rear setbacks (Bozeman, MT):

- Allow for zero setback where a firewall that meets applicable design standards is integrated.
- Require a 15-foot setback for buildings and portions thereof facing the side or rear yard where subject units feature their only solar access (windows) facing the subject side/rear property line. This ensures a minimum amount of solar access to those units regardless of what's built on the adjacent property.
- Require a minimum 5-foot setback for all other developments.

#### **Setbacks**

Example of adjustable interior setbacks based on the design/orientation of the building. Such standards enhance the privacy and livability of new and existing housing.

Source: Makers Architecture, 2021.



#### Needs addressed by this strategy

- Housing supply
- Homeownership options and affordability
- · Housing diversity

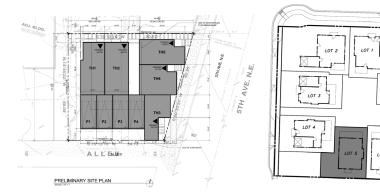
#### **Unit lot subdivision**

Examples, including townhouses (courtesy of Cone Architecture LLC and City of Seattle) and cottage housing (courtesy of Triad and City of Kirkland)

#### D. Unit-lot subdivision ordinance

Adopt a unit-lot subdivision ordinance, which provides for fee-simple ownership of lots on which townhouses, duplexes, cottages are placed. Unit lot subdivisions have been the preferred subdivision approach for such housing over condominiums for the past two decades due to construction defect litigation challenges associated with condos. Detailed/supporting recommendations:

 Make sure that standards for such housing types are applied to the parent lot (e.g., for entire townhouse development) rather than individual unit lots.





Townhouses are a particularly important housing type for the future of Puyallup. They are popular with first time homebuyers, empty nesters, singles, couples, and small families. Their compact size and tuck-under garage design make them an efficient and adaptable form of housing to build in Puyallup. Design standards are important to create attractive streetscapes and mitigate the impact of driveways and garages on the neighborhood streetscape.

Source: Makers Architecture, 2021.



#### Needs addressed by this strategy

- Housing supply
- · Housing affordability
- Attainable rental housing
- Senior and ADA-accessible housing
- Small household rental housing
- Middle-income rental housing

#### Needs addressed by this strategy

- Housing affordability
- Housing for young adults and singles
- Housing near transit, amenities and/or jobs

#### E. Form-based regulatory approach in UCX zone

Consider utilizing a form-based approach in the UCX zones. As with the RM zone, this approach would let the form of housing be dictated by permitted housing types, maximum height limits (68'/5-stories), and conformance with setbacks, minimum open space, and site/building design standards over density and lot coverage limits. Detailed/supporting **recommendations**:

- Eliminate the 22 dwelling unit per acre cap (per PMC 20.31.020)
- Restructure the affordable housing bonus provision (per PMC 20.31.030)
  that allows for two additional market rate units for every affordable unit
  (dwelling units that are offered for sale or rent at a rate that is affordable
  to those individuals and families having incomes that are less than 80% of
  the AMI) as a height bonus.
- This would swap the current height bonus provision for structured parking in PMC 20.31.028 with an affordable housing bonus, perhaps applying the same two-for-one ratio as set forth in PMC 20.31.030. At building heights of six stories and above, there's a strong possibility that some or all parking will need to be structured in order to accommodate such building heights.
- Relax the "mixed-use development" requirement by applying standards/ flexibility on a block by block basis. While the term is silent on how much of a mix of uses is required to qualify as mixed-use development, some portions of the zone are likely to be less viable for ground floor commercial uses.

#### F. Develop a strategy for regulating micro-housing

Micro-housing is an umbrella term for a very small dwelling unit. They come in two main forms:

- 1. Congregate housing "sleeping rooms", which are often in the 140-200 square-foot range and may include private bathrooms and kitchenettes. Shared facilities include kitchens, gathering areas, and other common amenities for residents.
- 2. A very small studio apartment (also often referred to as a small efficiency dwelling unit or "SEDU") that includes a complete kitchen and bathroom. SEDUs can be at least 220 square feet of total floor space, as compared to 300 square feet for the smallest typical conventional studio apartments.

Small units and shared facilities reduce construction costs, allowing relatively low rents. Because the definition of a "dwelling unit" typically

requires independent kitchen facilities, regulation of micro-housing can be difficult using typical development code density and family-size standards. The City should explore options for regulatory options to allow micro-housing in amenity-rich areas with good access to transit, open space and commercial services, such as Downtown or South Hill. Detailed considerations:

- Consider defining and applying strategic zone permissions for both forms
  of micro-housing. Note that the existing "Congregate living facility" only
  applies to senior citizens, whereas a "very small studio apartment" would
  simply fall under the definition of an apartment and type of multifamily
  dwelling.
- Allow for reduced parking requirements for micro-housing, recognizing
  that their reduced size and cost might imply a reduced percentage of
  vehicle ownership compared to residents of a standard multifamily
  dwelling unit. Note that the current provision for congregate living
  facilities only require one parking space for each two units.

Well-calibrated design standards are particularly important for promoting livability and compatibility of micro-housing without eliminating financial feasibility. Common open space is particularly important for micro-housing residents.

#### G. Update design review standards

Multiple strategies above reference the need to update the provisions of PMC Chapter 20.26, specifically PMC 20.26.100 Duplex and triplex design standards, and PMC 20.26.200 Multifamily design standards. Both sets of standards are over 20-years old and while they include great examples, they could likely benefit from some fresh updates.

Design standards help ensure that new housing contributes to a community's vision for desirable, healthy, and safe neighborhoods. While they do not create additional housing, design standards can help to mitigate impacts of density, building massing/scale, parking and vehicle access areas, and service elements. Balanced design standards should promote good design without imposing prohibitively costly standards on new developments. In addition, quality standards offer a strategic mix of predictability and flexibility. This includes integrating clear minimum standards for site and building design so that the community knows what to expect as development occurs. Options for flexibility should be integrated to provide the applicant some design flexibility while still meeting the intent

#### Needs addressed by this strategy

- Housing supply
- Housing diversity

of the standards. Such provisions are often called "departures," "alternative designs," or "administrative adjustments."

#### Detailed/supporting recommendations:

- For duplexes and triplexes, regulate the number and width of driveways and extent of garages facing the street. Many communities limit garages for individual units for duplexes and triplexes to single car width (allow tandem parking).
- For townhouses and multifamily uses, add standards for the amount and design of usable open space and update or consolidate common open space requirements. Allow for a variety of ways to meet the open space standards. For townhouses, while private open spaces should take precedence, there should be options to include common open space in place of or reduced private open space. For multifamily uses, emphasize common open space as the highest priority, while integrating provisions that still encourage private yards, decks, and balconies.
- Review such updates in coordination with design considerations for commercial/mixed-use design standards and the Downtown Design Guidelines. Puyallup currently has a somewhat fragmented design standard process. In some zones, provisions are found in three distinct places—two in code and one in a separate document.

#### H. Revise parking minimums

Puyallup's minimum parking requirements for residential projects are determined based on the number of units in a project. Because units with more bedrooms are likely to have more occupants and potentially more drivers per unit, parking minimums that are based on bedroom count can better reflect actual parking needs. This approach would support development of smaller apartments for single adults. On the contrary, Puyallup's current approach may encourage larger units, as there is no increase in parking required for larger units.

In general parking can add significant cost to development and encourages driving, leading to increased traffic congestion and carbon emissions.

#### Detailed/supporting **recommendations**:

• Incorporate reduced parking rates for micro-housing units, studio units, and one-bedroom apartments.

#### Needs addressed by this strategy

- Housing affordability
- Housing for seniors
- Housing near transit, amenities and/or jobs
- Housing for young adults and singles

- Explore strategic reductions in off-street parking requirements based on transit access, unit type, unit size, type of housing and availability and use of on-street parking in front of or near the development.
- The City should explore allowing permit applicants to provide less parking than normally required if a traffic study demonstrates lower need for parking or if on-street parking is available and under-utilized.

Since low-density land uses and limited multi-modal options can make it difficult to travel without a car in many parts of Puyallup, changes to parking minimums should be carefully considered and studied. There is also the need to address inconsistencies in parking minimums for senior housing through development code updates.



#### **Neighborhood Mixed-Use**

Commercial districts and neighborhood centers can strategically allow townhouses, and lowrise and midrise apartments to add vibrancy and much needed forms of housing to the city.

Source: Makers Architecture, 2021.

#### Needs addressed by this strategy

- Housing affordability
- Housing supply
- Housing near transit, amenities and/or jobs

#### Innovative Commercial Space Strategies

- Puyallup could study the feasibility of a "no net loss" policy for commercial space with redevelopment, which could be defined as 1-for-1 business replacement rather than square footage replacement for greater flexibility and trends toward microretail. This would be important where there are existing strip malls that could see redevelopment, such as in UCX zones.
- Puyallup could also explore strategies like San Francisco's Vacancy Tax Ordinance to prevent property owners from failing to market commercial spaces at reasonable rents.

#### I. Add flexibility to commercial use requirement in commercial and mixed-use zones

Most of Puyallup's commercial and mixed-use zones prohibit single purpose residential uses. Mixed-use zones allow some flexibility for ground level residential development, provided it is integrated within a "mixed-use development" (the definition does not specify the minimum amount of commercial in order for such a development to be classified as a mixed-use development). In Commercial zones, multifamily is generally only permitted as an accessory use and limited to no more than 50-percent of the gross floor area of commercial uses on the site. Increasing internet commerce has created challenges to leasing existing and new commercial space in virtually all communities. Detailed/supporting **recommendations**:

- Explore integrating flexibility to ground floor uses on a block by block basis. For example, consider limiting the commercial block frontage requirement to only those most critical frontages and allow flexibility in transitional block frontages and side streets where single purpose residential buildings might be appropriate.
- Clarify requirements to qualify as a mixed-use development to add predictability. Consider adding minimum space depth for ground level commercial uses, but allow flexibility beyond that frontage requirement.
   Also consider whether a certain percentage of a block frontage could include ground floor residential to qualify as a mixed-use development in some situations.

While reducing ground floor commercial requirements may encourage more housing production, it could result in affordable commercial space displacement. Commercial space is important for providing local jobs and for the businesses and organizations that serve Puyallup's communities and act as social gathering places. Some considerations to keep and encourage viable commercial space include:

(A) Continue to require commercial ground floors along key streets, especially where commercial displacement is likely (e.g., LMX and UCX (ring zones around mall)). (B) Where ground floor commercial space is required, consider applying design standards that help create a flexible shell that an entrepreneurial business could move into without much capital investment. (C) Allow "live-work" units in some cases to meet ground floor commercial use requirement, provided they meet ground-level depth, ceiling height, and façade standards. (D) Consider allowing ground level residential on some frontages provided they are built to accommodate a shift to commercial in the future. For example, require a 13-15' floor to ceiling height, except allow a temporary "ghost floor" that raises the floor for interim residential uses by 2-3-feet to offer greater privacy to residents.

## 7. Expand City support for housing services and programs.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Affordable rental housing
- Housing for older residents, residents with lower incomes, and residents with disabilities



With supportive services for housing, this is an antidisplacement strategy.

#### Support programs to help with first and last deposit

Some households with low incomes may lack the accumulated savings needed to cover a security deposit and any required prepaid rent, such as first and last months' rent. Households that receive a housing choice voucher may also face these barriers and may be unable to use their voucher to rent a unit. Cities can offer security deposit and/or first and last months' rent assistance as a grant paid directly to the landlord. Assistance can also be structured as a low- or no-interest loan to the tenant, payable in installments or in full after a certain period of time. Federal block grant programs such as Community Development Block Grant (CDBG) programs (when Puyallup's population grows to meet eligibility thresholds), HOME Investment Partnerships (HOME) programs, or local sources such as housing trust fund proceeds may be used to fund these programs.

Programs can be designed to prioritize specific populations. Individuals and households who typically find it difficult to access housing in the private market can be targeted for assistance. Individuals and families fleeing domestic violence, individuals and families who are at risk of homelessness or leaving homeless shelters or transitional housing, or people with disabilities, can be potential beneficiaries of assistance.

#### Provide down payment assistance

Down payment assistance programs offer no-interest or low-interest capital for qualified buyers. This is a key form of assistance because saving enough money for a down payment can take many years, and high rents or housing cost pressures often push households to relocate long before they save enough for a down payment. Many programs support first-time home buyers and can be accompanied with home ownership education courses to support financial preparedness for first-time homeowners. Down payment assistance to qualified first-time homebuyers (at or below 80% of AMI, for example) are often delivered through partnerships with local non-profits and lending institutions.

#### Provide need-based rehabilitation assistance

Need-based rehabilitation assistance is a strategy to preserve existing housing that is currently serving low-income, disabled, or senior residents. This assistance helps qualified homeowners make needed home repairs and safety upgrades by offering direct grant assistance, favorable financing terms or time-limited tax abatements. They may cover a range of projects, such as weatherization and energy efficiency improvements. In addition to near-term upgrades, these investments can improve long-term affordability for the homeowner by reducing monthly energy costs. Depending on the funding sources and local priorities, cities may target certain neighborhoods or populations for this type of assistance. Some example funding sources that can be used for rehabilitation programs include federal CDBG grant funds (when Puyallup's population grows to meet eligibility thresholds), HOME grant funds, or HUD/Federal Housing Administration (FHA) lending programs.

Programs might blend federal funds with local funds to extend eligibility or overall program coverage. The City may choose to directly provide the grants or loans, or partner with non-profit organizations specializing in this type of work, such as Habitat for Humanity. RCW 84.37 and RCW 84.38 provide for property tax deferrals for homeowners with limited incomes.

#### 8. Encourage permanent supportive housing.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

 Housing for older residents, residents with lower incomes, and residents with disabilities



Permanent supportive services address housing instability and is an anti-displacement strategy.

Permanent supportive housing (PSH) is a combination of affordable housing units with on-site and community-based services to help individuals and families facing significant barriers to remaining safely housed. This includes cognitive and physical disabilities, mental illnesses, and substance use disorder. It has been shown to be a cost-effective solution which lowers public costs associated with the use of crisis services such as shelters, hospitals, jails, and prisons. These projects involve several entities in partnership including a lead service provider and a property developer and ongoing property manager.

Puyallup currently has units of PSH operated by local non-profits Share and Care House, Catholic Community Services of Western Washington (Pioneer House), and Helping Hand House. Connection to these entities can help the City further understand the local demand for PSH.

Housing for people experiencing homelessness. Fair housing laws require that PSH not be prohibited in areas zoned for multifamily housing (Engrossed Second Substitute House Bill [E2SHB] 1923 [2019] and Substitute House Bill [SHB] 2343 [2020], RCW 35A.21.305, RCW 35.21.689). Further encouragement of permanent supportive housing at the City-level can come by exempting these housing types from development mandates, "fast-tracking" city processes for supportive housing developments, identifying zones near transit and other services to encourage this development, and/or helping to coordinate resources and partners and public support for supportive housing.

Housing for people with intellectual and developmental disabilities (IDD) can span a wide range of types, just as there is a wide range in the severity and nature of the disabilities experienced by people. As a group, however, people with IDD face barriers to finding affordable housing. Access to services, transportation, employment centers, and supportive connections, including peers and family, are at a premium. For those not living with family, the most common residence types are independent living, group homes of one to three people, group homes of four to six people, host homes, and family foster housing. Those living with a co-occurring

behavioral health issue or with a more severe IDD may live in a specialized residential care facility, including those run by the Department of Social and Health Services, licensed psychiatric facility, or nursing home. Along with race, religion, sex, familial status, and national origin, people with disabilities are protected by the Fair Housing Act from discrimination in housing.

As the majority of adults with IDD live independently, other strategies to improve affordable housing overall will support this community. The City can also play a role in facilitating access to services, subsidies, and programs geared toward improving housing access and stability for adults with IDD. For example, Section 811 is a federal project-based rental assistance grant administered by the Washington State Department of Commerce. The funding must be applied to a new or existing property funded with Washington State Housing Trust Fund, HOME, Washington State Low Income Housing Tax Credit program, Washington State Housing Finance Commission (WSHFC) Multifamily Bond program, or US Department of Agriculture (USDA) – Rural Development funding. The Non-Elderly Disabled Voucher (also known as the Mainstream Voucher) program is also federally funded and administered by public housing authorities in Washington State.

Group homes of up to six people and residential care facilities are two housing types that are especially important to the population of people with disabilities. The City should review current zoning and code regulations to consider strategies for barrier removal and expansion for these specific housing types.

## Second Priority Strategies

#### 1. Support manufactured home parks.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- · Housing diversity
- Middle-income rental housing
- Senior housing
- Small household rental housing



This is an anti-displacement strategy.

Residents of manufactured homes often face a unique set of challenges. Residents can buy their homes, but they typically rent the land that their homes sit on. Once a home is positioned on a lot, it can be expensive or impossible to move.

Unlike traditional homeownership, where homes appreciate in value and can form the basis for intergenerational wealth, mobile homes depreciate in value, and are comparable to cars or motorboats.

Securing financing for manufactured homes can be difficult owing to the limited number of lenders, the nature of manufactured homes, and underwriting standards. Buyers are often not eligible for 15- or 30-year fixed-rate mortgages, so many of them finance their homes with high-interest "chattel loans."

Manufactured housing parks are a key source of nonsubsidized low-income housing. Demand for subsidized housing far exceeds supply, and manufactured home parks often offer the most affordable private market options. With their smaller sizes, single level living spaces, and clustered design, manufactured home parks are attractive to many residents with modest or fixed incomes, including older adults, veterans, small families, and people with disabilities.

There are two existing manufactured home parks in Puyallup. The condition of individual units within these parks and the parks overall vary widely. It is typical in other manufactured home communities that homes built prior to the introduction of HUD's manufactured housing standards in 1976 often lack fire safety considerations and proper electrical wiring. Parks overall are often not well maintained. In recent years, investors have turned to existing manufactured home parks since they are seen as assets that generate steady returns with minimal need for maintenance. Many large investment firms are interested or have bought manufactured home communities from small, independent owners.

This HAP recommends a number of actions to support manufactured home parks. These include:

- Implement an inspection program for manufactured home parks.
- Provide technical assistance to manufactured home community resident organizations who wish to convert the park in which they reside to resident ownership.
- Support resident, non-profit, or local public housing authority acquisitions of manufactured home parks.
- Allow new manufactured home parks in areas of the city with access to transit and other amenities.
- Allow manufactured homes to be relocated to other properties in the city in the event of displacement. The City currently allows only new manufactured homes in the city. Relocating is also prohibited.
- The City could adopt regulations requiring payment of fees by developers for displacement of housing units due to rehabilitation or redevelopment.

### 2. Use surplus or city-owned land for attainable housing.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- Housing diversity
- Attainable housing

Acquiring land can add significant costs during development that are often passed on to renters or owners, making housing less attainable. Many cities own land or properties, including vacant, underutilized, or no longer useful buildings and surface parking lots, that could be repurposed for residential development.

Washington State (RCW 39.33.015) allows cities with authority to dispose of surplus public property, to transfer, lease, or dispose of such property for affordable housing for low-income and very low-income households. This can lead to the effective use of publicly owned surplus and underutilized land and buildings to address community needs.

Identifying and maintaining a surplus land and building inventory with key attributes of the property is a starting point to implement this strategy. The City can then consider a few options to leverage these resources. For example, some cities adopt a policy to first make these properties available at no or reduced cost to developers of attainable housing. Once a designated period has passed the properties can be opened up for other uses. Others consider each site on a case-by-case basis using specific criteria to determine whether to prioritize it for attainable housing or for another purpose.

Inter-agency coordination is an important piece of success in these efforts. For example, in some communities, the school district is the largest public landholder. Local agencies with real estate assets should be active participants in identifying land and buildings that are no longer needed or where attainable housing could be added. Regular convenings of local agencies can facilitate the identification of available properties.

## 3. Consider actions to preserve existing attainable housing.

Supports Hou	seholds with:	Intersecti	onal Tactics	Collaboration		Displacement Analysis	
Older residents   Low & mode incom	rate with	transit &	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- · Housing diversity
- Attainable housing



This strategy maintains the character of existing neighborhoods by maintaining the affordability of existing buildings and is an antidisplacement strategy.

#### Consider a Notice of Intent to Sell / Sale Ordinance

A Notice of Intent to Sell policy requires notice when multifamily housing is to be offered for sale. The notice gives public authorities the opportunity to evaluate the property and potentially preserve low- or moderate-income residences. City actions for preservation could include incentives, acquisition, and/or partnership with community organizations for affordable housing. This strategy advances preservation and acquisition of existing multifamily housing serving low-income families. It also strengthens tenant rights by requiring property owners to provide official advance notification to tenants and local housing officials.

#### Pursue strategic acquisition and financing of existing multi-family housing

A strategy to acquire and finance existing multifamily housing requires both timely identification and tools for purchase. An up-to-date inventory and/or registry of privately owned naturally occurring affordable multifamily properties at risk of redevelopment or rapid rent escalation is one tool for timely identification, as is the implementation of a Notice to Intent to Sell ordinance. Once identified, assessment of the opportunity and financing acquisition of these properties can involve several partners. Thus, the City should cultivate relationships around the intent to acquire affordable multifamily housing, so they are ready to move when the opportunity is available. These partners can include non-profits, community-based organizations, and community land trusts.

Some example financing tools include the Regional Equitable Development Initiative (REDI) Fund, administered by Enterprise Community Partners, which helps finance the acquisition of property along transit corridors ½ mile walk shed of light rail or commuter rail, or within a ¼ mile walk shed of frequent bus service or streetcar stops and loan programs through the Washington State Housing Finance Commission (WSHFC) or Impact Capital,

a Community Development Finance Institution. HB 1406 (2019) created a 20-year program where the State shares a portion of its sales tax receipts with cities and counties to support investments in affordable housing. All cities may use these funds to support the construction and acquisition of affordable housing<sup>1</sup>. Leveraging public resources to empower trusted institutions is authorized by RCW 35.21.685. City funds can help bridge projects, access other funding sources available only to public entities, and to promote stability for residents.

Multi-family units account for only 39% of overall housing stock in Puyallup. Most of the units are in larger buildings (5+ units). Only 6% are in buildings with fewer than 5 units and duplexes account for just 3%. These units are in high demand and represent a large portion of existing affordable housing. This strategy prioritizes preserving these units.

As a further consideration of priority, the Puyallup Housing Needs Assessment identified areas in central and southern Puyallup along the eastern side of SR 512 and areas in northern Puyallup to the western side of SR 512 as some of the highest risk for eviction and displacement.

#### Partner with the faith community and local nonprofits

Faith-based organizations (churches, mosques, synagogues, and organizations affiliated with these) and non-profits often have unique assets and resources, such as land, and a desire to address community challenges. Despite holding these assets, they may face significant barriers in developing land or otherwise addressing housing on their own. For example, zoning for the properties may limit housing types or intensity. Developing affordable housing also involves high degree of financial complexity, especially in navigating major sources of financing for subsidized housing (such as the Low-Income Housing Tax Credit) can also be a challenge. The City may play a role in directly assisting or bringing in partners to unlock land and other assets to help meet community housing needs.

#### 4. Consider an affordable housing trust fund

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

Housing trust funds can be designed to meet priority local needs, especially those needs that are difficult to fund with other sources. Examples include:

- Very-low income housing
- Affordable homeownership
- Middle-income rental housing
- Acquisition and operation of moderate-cost rental units
- Security deposit and/or first and last month's rent assistance

#### **HB 1590**

In 2019, the State passed HB 1590 allows cities and counties to authorize a one tenth of one percent sales and use tax increase to fund housing and homelessness initiatives. A minimum of 60 percent of revenues collected must be used for constructing affordable housing and facilities providing housingrelated services, constructing mental and behavioral healthrelated facilities, or funding the operations and maintenance costs of newly constructed affordable housing, facilities providing housingrelated services, or evaluation and treatment centers. The affordable housing and facilities providing housing-related programs may only serve the following individuals with income below 60 percent of area median income.

Housing trust funds are distinct funds established by local governments that receive on ongoing source of dedicated funding to support housing affordability. Housing trust funds have some distinct advantages. Since they are created and administered at the local level, they can be designed to address local priorities and needs. They are a flexible source of funding and can be used to support a variety of affordable housing activities. These could include emergency rent assistance for families facing the threat of eviction or homelessness, gap financing for new construction of affordable housing, repairs and weatherization for older homeowners, and down payment assistance. Housing trust funds require resources to design and manage. The City of Puyallup will need decide the source of revenue, how the trust fund is administered, and eligible uses. Establishing the agency or department responsible for day-to-day management of the fund and expectations for reporting on housing trust fund activities is an important consideration. One option to consider would be to establish an advisory body composed of a diverse range of stakeholders from diverse backgrounds to help guide trust fund administration and provide program oversight. Partnerships with other cities or regional authorities can also be used to assist in the management of the administration of the housing trust fund.

Housing trust funds can also be designed to fund one high-priority activity, or a variety of possible uses. Typical consideration to decide on eligible uses for trust fund expenditures include high-priority housing needs that are difficult to fund with other sources. The selection of activities for trust fund expenditures will also depend on the amount of revenue likely to be raised. Smaller grants are more feasible with modest funding streams while a robust amount of revenue could fund more costly programs such as a local tenant-based rental assistance program. A potential option would be for the City to take Councilmanic action to implement 1590 funds to fund the local housing trust fund.

#### Adopt tenant protections and supports.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- Attainable rental housing
- Housing diversity



With protections and supportive services for renters, this is an anti-displacement strategy.

Tenant protections are important to consider in conjunction with other strategies to mitigate displacement risk. They help avoid or slow the process of displacement for households by providing access to legal resources, more time, and/or resources to find another place to live. The Residential Landlord-Tenant Act (RCW 59.18) is the primary statute regulating Landlord-Tenant relationships at the state level, and there are several policies and programs that can go further at the local level. Some programs designed to protect tenants that could be implemented in whole or in part by the City of Puyallup. Others could be led by partner community organizations but supported through referral and resource contributions on the part of the City. Some examples include:

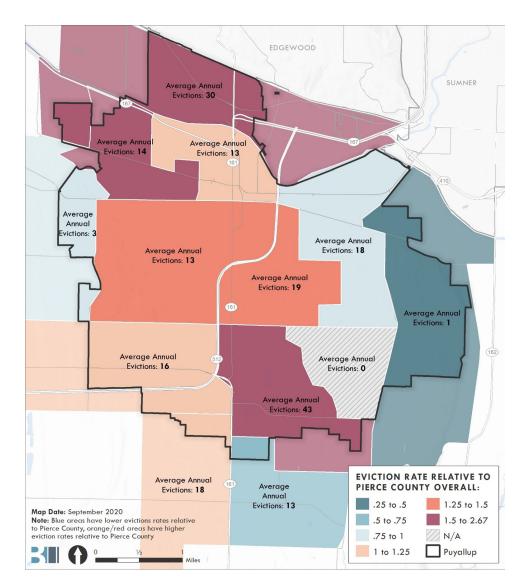
- Rental assistance programs. Pierce County Human Services and the City of Tacoma have received funding for rental and utility assistance for tenants impacted by COVID-19 and are behind on rent. Applicants must qualify as low-income at or below 80% Area Median Income (AMI), but priority will be given to those under 50% AMI. HB 1406 (2019) created a 20-year program where the State shares a portion of its sales tax receipts with cities and counties to support investments in affordable housing. All cities may use these funds to support the construction and acquisition of affordable housing. Cities with 100,000 residents or less can use the funds for rental assistance programs.
- Landlord liaison and outreach programs. The Pierce County Landlord Liaison Program was developed in 2018 to create long-lasting relationships between housing agencies and property owners by educating both tenants and landlords in operational etiquette, new housing-related laws and policies, and how to supply housing units for residents of Pierce County. The program provides incentives such as access to mitigation funds, educational tools for tenants and landlords, and 24-hour support services. The program also works to successfully house previously homeless individuals and families who cannot otherwise access housing due to rental barriers. This program currently operates under the umbrella of Associated Ministries under contract with Pierce County Human Services.

- Housing Navigators. Housing Navigators work with both landlords
  and tenants and offer customized assistance to reduce barriers through
  supports such as search assistance, landlord engagement, and shortterm financial assistance. Examples of customized assistance include
  providing information on amenities and resources across neighborhoods,
  facilitating neighborhood tours, preparing individuals to be tenants
  on the private rental market, identifying barriers to renting, budgeting
  assistance, preparing materials needed for rental applications, support
  during the housing search process, referrals to units, and providing
  flexible funds to help families overcome additional costs associated with
  moving.
- **Tenant education and landlord incentive programs.** Tenant education can be offered to both prospective and current renters. Topics such as fair housing laws, rental screening, and communication with landlords prepare individuals to become successful tenants. Pairing this education with landlord incentive funds helps to cover their security deposit when renting to graduates of the tenant education program.
- Legal services program for eviction defense and fair housing enforcement. Renters in Pierce County who don't qualify for rental or utility assistance are referred to the Housing Justice Project for free eviction resolution services. Statewide resources and services are also available from the Northwest Justice Project, Solid Ground, and Washington LawHelp, and the Fair Housing Center of Washington.
- Rental inspection and registry program. Rental registry programs
  inspect and inventory rental units for health and safety. They help
  preserve overall numbers of rental units and provide a third-party actor
  in cases where renters feel they do not have the power to address safety
  and legal concerns with landlords directly.

#### Eviction Filings in Puyallup, 2017 Rate and Average 2008-2017 Annual Count.

Sources: Eviction Study, 2017; BERK, 2020.

Eviction filing is a legal notice of an eviction suit—not all eviction filings result in actual evictions, in which a household is forced to leave their housing unit. Instead, a renter household may move out preemptively, pay overdue rent, or reach some other settlement with the landlord. However, eviction filings are public record and may be seen be future potential landlords when conducting background checks.



#### **Evictions**

A count of evictions reveals that over the 10-year period from 2008 to 2017, there was a relatively consistent annual count of court-documented evictions in Puyallup at an average of 157 per year.

Census Tract level averages are highest in the south-central area of the city to the east of SR 512. Other areas with high tract-level averages include the northwest portion of the city. Perhaps unsurprisingly, this area aligns with areas of the city with the lowest income block groups.

Relative eviction risk rates evaluate the number of evictions against the total number of renters within a given Census tract and then compare this rate

to all other Census tracts within Pierce County to identify locations which stand out in the county for high eviction rates. In Puyallup, the tracts with the highest relative eviction risk rates align with the tracts with the highest eviction counts, particularly in the aforementioned tract in the south-central area of the city to the east of SR 512. These tracts are highlighted in dark red on the map on the left and have rates of evictions from one-and-a-half to over two times the average rate across Pierce County. The data show that these areas may be a focus area for anti-displacement work in Puyallup.

Studies show that women with lower incomes, especially women of color, have a high risk of eviction. Domestic violence victims and families with children are also at particularly high risk for eviction.

#### 6. Consider development agreements.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
Older residents	Low & moderate incomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- Housing diversity

Development agreements are voluntary, negotiated contracts between developers and municipalities. These agreements specify public benefits that the development will provide, along with each party's responsibility. They provide flexibility to developers and support affordable housing, diverse housing types, affordable commercial space, community gathering spaces, and other public amenities. The agreements provide assurances to developers that certain development regulations will not change during the term of the agreement and the City can, in turn, require conditions to mitigate project impacts and clarify project phasing and public improvements. The City of Puyallup can use development agreements as a tool to specify certain community-desired improvements such as desired housing types and parks or trails in exchange for assurances to the developer. The development agreement can also stipulate that any development agreement with a housing component set aside a percentage of affordable units for a specified time period.

## 7. Make it easier to build ADUs by revising standards and creating pre-approved plans.

Supports Households with:		Intersectional Tactics		Collaboration		Displacement Analysis		
residents m	ow & noderate ncomes	Residents with disabilities	Improves transit & amenity access	Creates supportive programs	City Only	Engages Partners	Prevents displacement	Requires mitigation

#### Needs addressed by this strategy

- Housing supply
- · Housing diversity
- · Middle-income rental housing
- Senior housing
- Small household rental housing

ADUs are small dwelling units that are either attached to the primary dwelling or in a detached structure (DADU) that is typically placed to the side or rear of the primary dwelling. ADUs have long been an important option for communities to add variety and housing choice in single-family neighborhoods. ADUs can provide low-cost housing in established neighborhoods. They provide dwelling opportunities for extended family members and small households that prefer a neighborhood setting over apartment living. ADUs can also offer a critical source of monthly income for homeowners when rented out.

Puyallup already allows ADUs in all single-family zones. However, relatively few have been built. This may be due to various permitting costs and challenges, the owner-occupancy requirement, or size limitations. In 2019 the Council completed some recent amendments to ADU regulations to encourage their production. This included eliminating separate land use approval for DADUs, raising allowable size for DADUs, and reducing impact fees.

By simplifying the process in a manner consistent with Council's previous actions, Puyallup can help these modest dwelling units relieve housing shortages and allow more people to enjoy the benefits of low-density neighborhoods. Specific **recommendations** include:

- Provide pre-approved ADU designs to facilitate faster permitting and reduced costs.
- Remove owner-occupancy requirements in higher density single family zones.
- Consider eliminating the ratio requirement that limits the size of the ADU.
   The City currently allows 900 square feet but also no more than 40% of the primary home size.

Based on the experience of other cities, addition of ADUs, even if this strategy is fully implemented, is likely to occur on only a small minority of lots. This is likely due to a combination of owner preferences, lot size and siting challenges, and the general cost and complication of building an ADU. ADUs pair well with strategies that support aging in place and should be considered along with strategies that relate to other missing middle housing types.

Examples of Accessory Dwelling Units (ADUs)



## Implementing the Plan

June 2021 Puyallup Housing Action Plan 5.

The HAP establishes a framework for aligning efforts across the City, coordinating with partners, and measuring progress. The City and community partners will need to work together to implement this plan. To support an effective implementation program, a comprehensive listing of strategies, timelines, resource requirements, responsibilities for leading the tasks, and partnership opportunities is provided.

The implementation matrix is intended to guide budgets and workplans for City departments and community partners. While this plan identifies potential community partners and leads, no commitments or agreements have yet been made.

#### Implementation Matrix Key

Strategies are categorized by short-term (1-2 years), medium-term (3-5 years), and long-term (5+ years) implementation timelines. A matrix shows each strategy with the timeline, lead, potential partners, and cost/level of effort (\$, \$\$ or \$\$\$).

Timeline	Cost	Effort
(1-2 years)	\$\$\$\$ Minimal Investment	• 0 0 Minimal Effort
(3-5 years)	\$\$\$\$ Moderate Investment	O Moderate Effort
	\$\$\$\$ Significant Investment	● ● Significant Effort
	\$\$\$\$ Major Investment	

STRATEGY	WHO WILL LEAD?	POTENTIAL PARTNERS	TIMELINE	COST	EFFORT
Make strategic infrastructure investments	City of Puyallup and Partners		O O O	\$\$\$\$	• • •
Rezone areas to facilitate higher density and more diverse housing types	City of Puyallup	Development community	000	\$\$\$\$	• • •
3. Create a residential infill pilot program	City of Puyallup		<b>(</b> ) <b>(</b> ) <b>(</b> )	\$\$\$\$	• • 0
4. Incentivize attainable housing	City of Puyallup		(b) (c)	\$\$\$\$	• • 0
5. Update and expand MFTE program	City of Puyallup		(b) (c)	\$\$\$\$	• • 0
6. Revise existing zoning provisions	City of Puyallup		(b) (c)	\$\$\$\$	• • 0
7. Expand City support for housing services and programs	City of Puyallup		(b) (c)	\$\$\$\$	• • 0
8. Encourage permanent supportive housing	Partners		(b) (c)	\$\$\$\$	• • 0
Consider developer agreements	City of Puyallup		(b) (c)	<b>\$</b> \$\$\$	• • 0
2. Support manufactured home parks	City of Puyallup and Partners		(b) (c)	\$\$\$\$	• • 0
3. Use surplus or city-owned land for attainable housing	City of Puyallup		(b) (c)	\$\$\$\$	• • 0
4. Consider actions to preserve existing attainable housing	City of Puyallup		<b>(</b> ) <b>(</b> ) <b>(</b> )	<b>\$\$</b> \$\$	• • 0
5. Consider an Affordable housing bond/trust fund	City of Puyallup		(b) (c)	<b>\$\$</b> \$\$	• • •
6. Adopt tenant protections and supports	Partner		(S) (S) (S)	\$\$\$\$	• • 0
7. Make it easier to build ADUs by revising standards and creating pre-approved plans	City of Puyallup		<b>() () ()</b>	<b>\$</b> \$\$\$	• • 0

#### **Measuring Progress**

The city intends to monitor and evaluate HAP implementation and outcomes on a regular basis. This will allow the City to be flexible to any refinements to actions that may be necessary and focus scarce public dollars on actions that are most effective. The HAP monitoring program has two components—implementation monitoring and performance monitoring—described below. Implementation monitoring will track which of the HAP actions are being implemented and the extent to which City partners—including other public agencies and private sector entities—are

participating. Performance monitoring will show whether HAP actions are achieving the desired results. Key indicators have been selected, based on results from the Needs Assessment. Findings of both implementation and performance monitoring will be used by the city to refine implementation.

#### **Performance Monitoring**

Key indicators reflect the overall desired outcomes of this Housing Action Plan. These indicators reflect success over the long term, rather than easy wins in the one- to two-year timeframe.

#### Key indicators:

- **Key Indicator 1:** Rates of cost burden for moderate- and low-income households are decreased without loss of moderate- and low-income households.
- **Key Indicator 2:** Rates of annual production rate of ADU, duplex, townhome, smaller multifamily (49 units or less) and multifamily units overall.
- **Key Indicator 3:** Eviction Rate

June 2021 Puyallup Housing Action Plan 58

## Appendix A: Engagement Summary

**Engagement Summary** 

June 2021 Puyallup Housing Action Plan A-1

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# Appendix B: Housing Needs Assessment

**Housing Needs Assessment** 

June 2021 Puyallup Housing Action Plan B-

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