

City of Tacoma, Washington

ONE A Comprehensive Plan
for a Vibrant, Connected,
and Sustainable City
TACOMA

CONTENTS

1 Inventory	4
1.1 Housing Stock	4
Units for moderate, low, very low, and extremely low-income households	12
1.2 Affordability	15
Ownership Housing	15
Rental Housing	16
Household Incomes	17
Affordability	20
Cost Burden	21
2 Projected Housing Need	25
2.1 Growth targets	25
Distribution of targets across income brackets	25
3 Land Capacity	27
3.1 Existing land capacity for housing	27
Zoning	29
Capacity	37
3.2 Home in Tacoma	41
4 Programs and Policies	43
4.1 Addressing gaps and needs	43
5 Access to employment	46
6 Racial equity in housing policy	49
6.1 Racially disparate impacts	49
6.2 Displacement	52
6.3 Exclusion	55

EXHIBITS

Exhibit 1: Tacoma Housing Units, 2017-2023	4
Exhibit 2: Tacoma Housing Units by Type, 2021.	5
Exhibit 3: Housing Production in Tacoma by Type, 2017-2023.	6
Exhibit 4: Multifamily Units by Size of Building, New Production in Tacoma 2017-2023.	6
Exhibit 5: Map of Tacoma Residential Permits, 2017-2023.	7
Exhibit 6: Accessory Dwelling Units Permitted and Constructed in Tacoma, 2019-2023.	8
Exhibit 7: Tacoma Housing Tenure by Race and Ethnicity (Shown as %), 2021.	9
Exhibit 8: Tacoma Population Density, 2021.	10
Exhibit 9: Tacoma and Pierce County Housing Stock by Building Age, 2021.	11
Exhibit 10: Households by Income Bracket, Tacoma, 2020.	13
Exhibit 11: Matching Housing Types with Income Brackets	13
Exhibit 12: Homelessness Counts in Pierce County, 2017-2022.	14
Exhibit 13: Tacoma Average Home Prices, Annual Change (%), 2015-2023.	16
Exhibit 14: Average Rents in Tacoma, 2015-2023.	17
Exhibit 15: Median Household Income by Race & Ethnicity, 2021.	18
Exhibit 16: Median Household Income by Census Tract in Tacoma, 2021	19
Exhibit 17: Housing Cost and Income Increases as a % Change from 2015 in Tacoma, Average Annual Mortgage Lending Rates 2015-2023.	20
Exhibit 18: First-time Homebuyers in Tacoma by Race & Ethnicity, 2022.	21
Exhibit 19: Percent of Households Cost Burdened by Tenure, 2020.	22
Exhibit 20: Renter Households Cost Burdened in Tacoma (%), by Race & Ethnicity, 2020.	22
Exhibit 21: Distribution of Renter Cost Burdened-Households in Tacoma, as a % of Block Group Population, 2020	23
Exhibit 22: Renter Cost Burden by Race/Ethnicity and Neighborhood in Tacoma, 2020.	24
Exhibit 23: Tacoma Housing Units, Actual and Target 2015-2050.	25
Exhibit 24: Housing Units Needed by Income Bracket in Tacoma, 2017-2050.	26
Exhibit 25: Land Use Designations that Allow for Residential Uses, % of Total Acreage.	27
Exhibit 26: City of Tacoma Land Use Designation Map, 2023.	28
Exhibit 27: West End Zoning Districts	29
Exhibit 28: North End Zoning Districts	30
Exhibit 29: Central Zoning Districts	31
Exhibit 30: New Tacoma Zoning Districts	32
Exhibit 31: North East Zoning Districts	33

Exhibit 32: South Tacoma Zoning Districts	34
Exhibit 33: South End Zoning Districts	35
Exhibit 34: Eastside Zoning Districts	36
Exhibit 35: Tacoma Residential Land Capacity, by Zone, 2022.	37
Exhibit 36: Tacoma Housing Capacity, 2022.	38
Exhibit 37: Middle Housing Types across Residential Zones (permit type - minimum lot area in SF)	39
Exhibit 38: Special Needs Housing Types as Permitted Uses in Tacoma	40
Exhibit 39: City of Tacoma Areas Zoned as R-4-L.	41
Exhibit 40: Tacoma Inflow/Outflow Analysis, 2021.	47
Exhibit 41: Means of Transportation to Work, 2021.	48
Exhibit 42: Means of Transportation to Work by Race and Ethnicity, 2021.	48
Exhibit 43: People of Color as a Proportion of the Population in Tacoma, 2021.	50
Exhibit 44: Tacoma “Residential Security Map”, 1937.	51
Exhibit 45: Percent Change of Owner and Renter Households by Race, in the City of Tacoma 1990-2020.	52
Exhibit 46: Displacement Risk Mapping in Tacoma, Draft 2024.	53
Exhibit 47: Location Quotient, Asian, Black, Hispanic Latino, White Alone	57

EXECUTIVE SUMMARY

Tacoma's housing production has not been keeping pace with growth targets.

From 2017-2023, Tacoma's housing stock has grown at an average annual rate of 0.8%. To achieve the 2050 housing target, average annual growth needs to be double this, at 1.6%. Tacoma's housing production has proportionally slowed since the 1980s, when compared with Pierce County overall. Today, 64% of Tacoma housing units predate 1980 compared to 43% of the overall Pierce County housing stock. This reflects a countywide trend of population growth outside this regional metropolitan hub.

The existing housing stock is older and predominantly single family structures, while new production favors multifamily development.

Two-thirds of housing units in Tacoma (67%) are single family homes. However, when looking at housing built in recent years, 80% of units are in multifamily structures. Two-thirds of multifamily units are in larger buildings (50 units or more), and one-third are units in smaller and midsized multifamily structures. Downtown is a growing center for housing units, representing 40% of units built 2017-2023. North East and Central Tacoma are growing at the slowest pace.

There is racial disparity for homeownership in Tacoma, and this wealth-building opportunity is increasingly out of reach for moderate income households.

50% of Tacoma households are homeowners, but this rate is not consistent across race and ethnic groups. Homeownership rates are lowest among Black, Pacific Islander, Hispanic and "Other" households. This disparity is steeped in a history of racial exclusion and discrimination. Impacts from historic factors, such as redlining and racially restrictive covenants are still observed today. Modern phenomena, such as the foreclosure crisis, discriminatory lending practices, and lack of access to credit (to name a few) continue to block many People of Color from homeownership in Tacoma, and the city's Black community is particularly hard hit.

Forty-eight percent (48%) of Tacoma renters experienced housing cost burden in 2020, along with 27% of homeowners.

Cost burden rates for renters are particularly high (over 65%) in certain areas across the City, with highest concentrations in Central, South Tacoma, and the South End. Patterns in racial disparity are observed geographically for cost burden, as well. Black households experience the highest rates of cost burden in North East, South Tacoma, and the West End. Asian households have relatively lower rates of rental cost burden across most of Tacoma, but a concentration of cost-burdened Asian renters live in the North End. Hispanic renters are most cost-burdened in Central, Eastside, and South Tacoma neighborhoods.

Production of 59,052 units is needed in Tacoma by 2050 to meet housing targets. Market interventions will be essential to support housing units for lower income brackets.

From this target, 30% of units should be affordable to extremely low-income households, 34% for low- and very low-income households, and the remainder for moderate- and higher-income households. The distribution is based on Pierce County allocations and takes into account current housing needs to eliminate cost burden and homelessness, as well as the needs of future households. These production targets envision a future with no housing cost burden and no chronic homelessness in Tacoma.

Better integration of housing and employment centers could improve rates of commuting by public transit, bike, or walking.

Tacomans who commute are overwhelmingly traveling by car, and only 2% of employees walk to work. These patterns reflect a disconnect between residential centers and employment opportunities. It also demonstrates room for improvement in transit capture – currently only at 6%. Transit ridership rates are highest among Black and AIAN commuters and lowest among White and “Other” groups. Improved connections could be built by adding more housing in proximity to employment centers, as well as improvements to transit and bicycle networks.

Data Source Summary

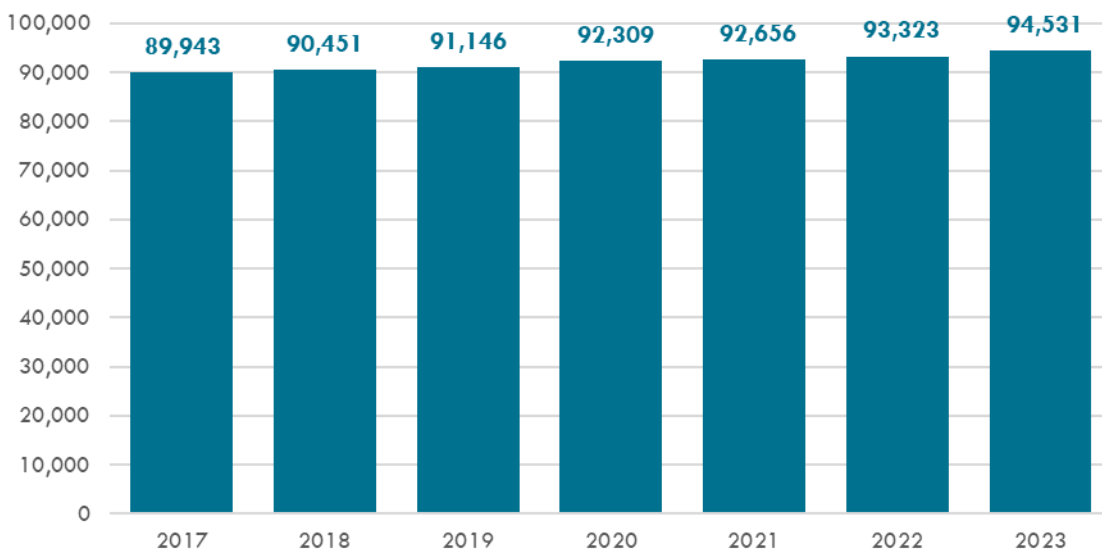
Datapoint	Source
Cost Burden	CHAS 2016-2020
Permit data	City of Tacoma
Housing Stock	OFM for numbers, ACS for detail categories (% for types), City of Tacoma data for ADUs
Demographics	ACS 5-year estimates, 2021
Home Prices	Zillow for home values and rents
Income	WSHFC reports for Pierce County for the area-wide median household income and income bands associated with "low-income" categories

1 INVENTORY

1.1 Housing Stock

Tacoma has **94,531 housing units**.¹ Since 2017, Tacoma’s base years for tracking its housing targets, the housing stock has increased by 4,588 units, reflecting an annual growth rate of 0.8%. Tacoma’s 2017-2050 target for housing is to add 59,052 units which reflects an annual growth rate of 1.5% across the time period, a much faster pace of increase than experienced in these first six years. As of 2023, Tacoma needs to add a net new 54,464 housing units by 2050 to meet targets.

Exhibit 1: Tacoma Housing Units, 2017-2023



Sources: OFM, 2024; Seva Workshop, 2024.

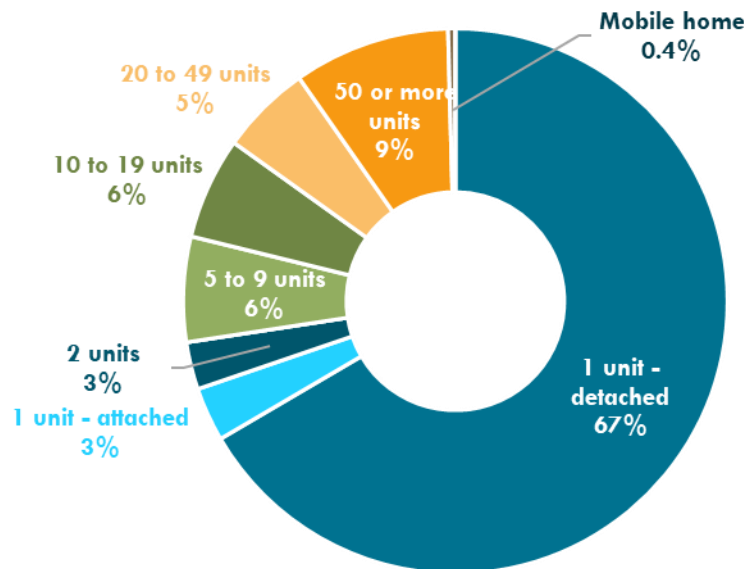
Housing Units, by Type

Tacoma’s housing stock is approximately 2/3 single family homes with the remaining 1/3 split across middle housing types and multifamily units in a range of building sizes.

Specifically, 6% of units are in townhomes or duplexes, 12% are in small multifamily buildings (5-20 units), 5% are in mid-sized multifamily buildings (20-49 units), 9% are in larger multifamily buildings (50+ units), and less than 1% of are mobile/manufactured homes. See Exhibit 2.

¹ OFM, 2023

Exhibit 2: Tacoma Housing Units by Type, 2021.



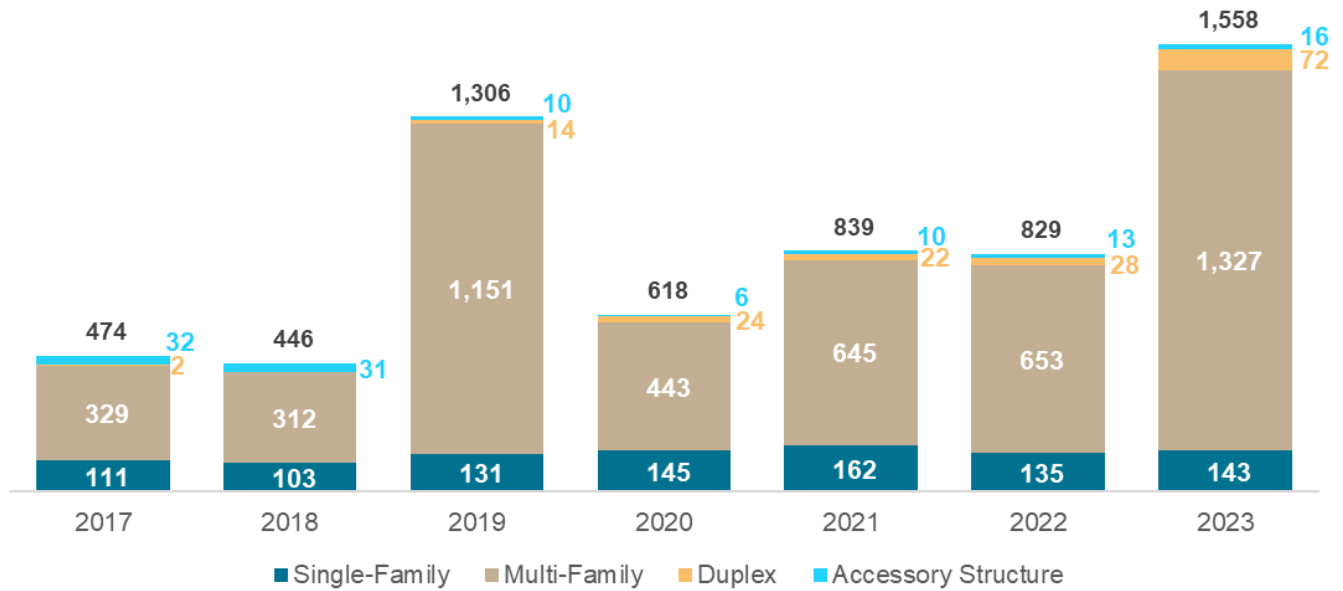
Sources: ACS 5-year estimates, 2021; Seva Workshop, 2024.

Recent trends in housing production for Tacoma lean to higher proportions of multifamily housing, which makes up 80% of units developed 2017-2023. Over this timeframe, Tacoma averaged new unit production at a rate of 867 units/year.² Although the City’s permit data groups together middle housing types such as townhomes and multiplexes under the ‘multifamily’ category. Of the multifamily production, most are in buildings with 50+ units. About a quarter are in midsized multifamily buildings, and 9% of units are in smaller multifamily buildings. A summary of annual production rates 2017-2023 is provided in Exhibit 3 with detail on multifamily production in Exhibit 4. Single family homes make up 15% of new housing stock, duplexes 3%, and ADUs 2%.

Newer housing production is highest Downtown, accounting for 40% of new units produced since 2017. The West End, South End, and North End are the next neighborhoods for new unit counts, with 11% of production each. Lowest production rates are observed in North East (3%) and Central (6%) neighborhoods. See map in Exhibit 5.

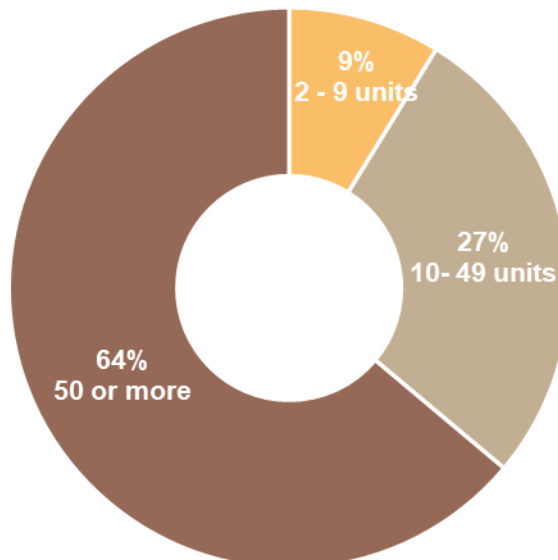
² The 6,070 units added 2017-2023 (867 average annual) comes from permit data. This figure differs from the OFM net units added over the same time period, quoted above at 4,588, which takes into account demolitions over the time frame and works from a slightly different reporting period for annual estimates.

Exhibit 3: Housing Production in Tacoma by Type, 2017-2023.



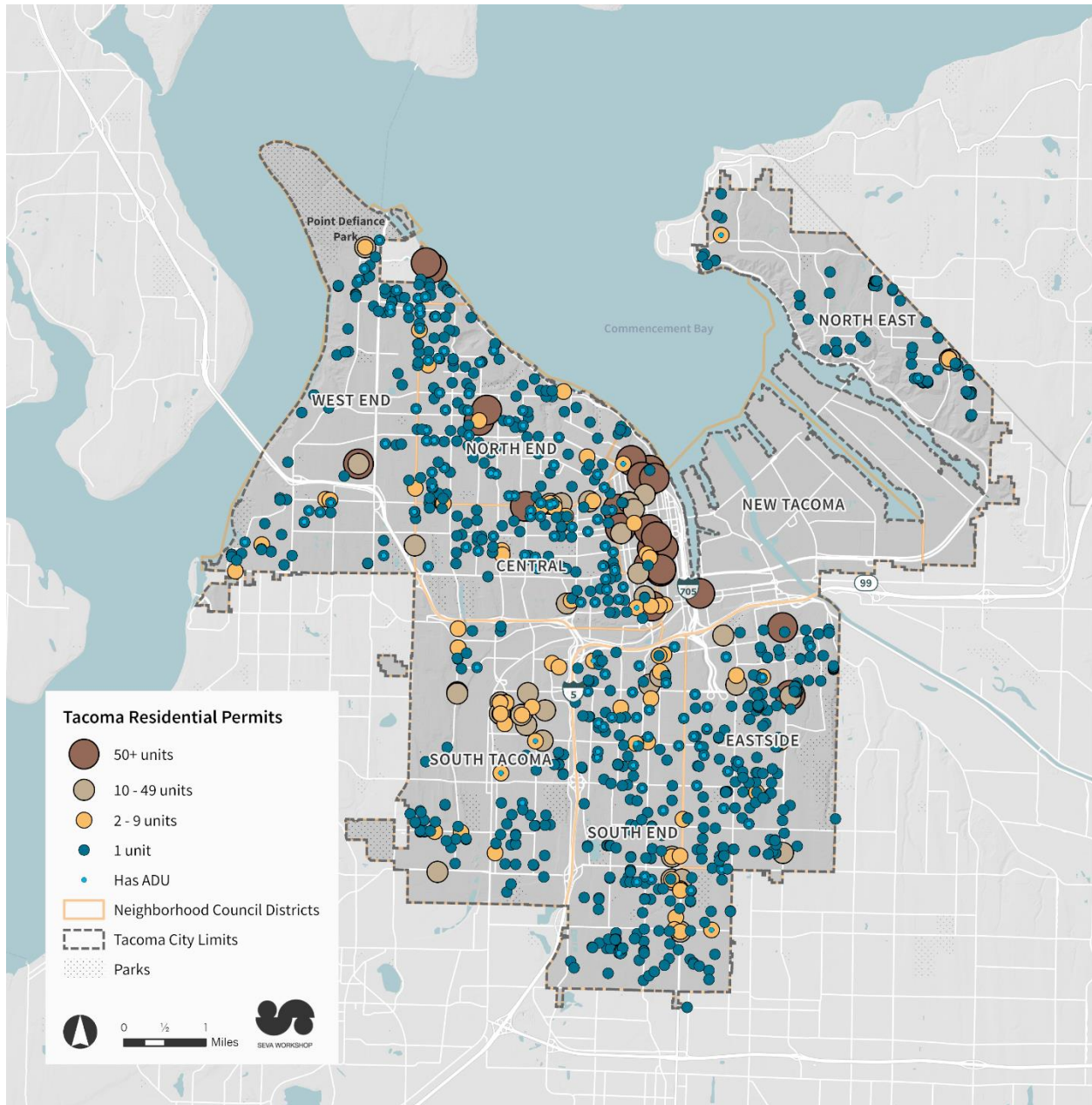
Note: City permit data for production does not take into account demolitions and works in a different annual data collection cycle than OFM. OFM estimates should be used for tracking total housing stock estimates.
 Sources: City of Tacoma Permit data, 2017-2023; Seva Workshop, 2024.

Exhibit 4: Multifamily Units by Size of Building, New Production in Tacoma 2017-2023.



Sources: City of Tacoma Permit data, 2017-2023; Seva Workshop, 2024.

Exhibit 5: Map of Tacoma Residential Permits, 2017-2023.



Source: Tacoma Permit Data, 2017-2023.

Accessory Dwelling Units

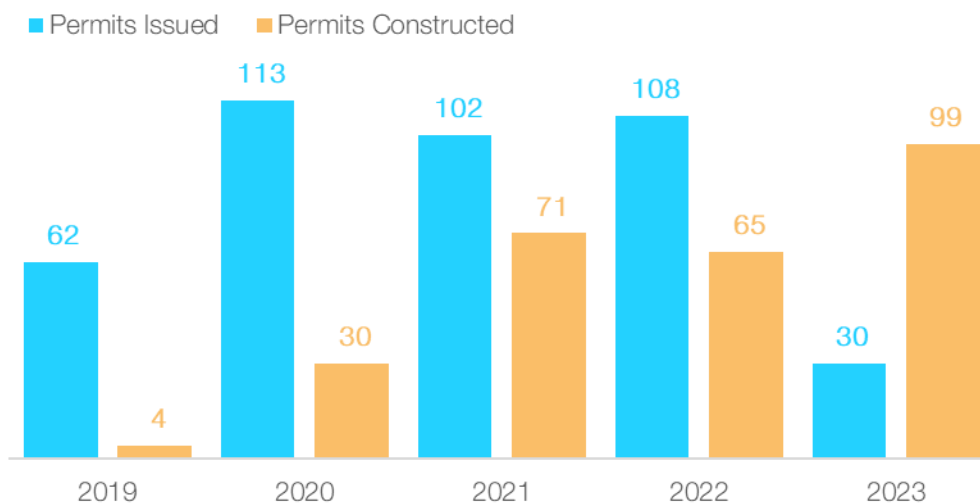
Accessory dwelling units, or ADUs, are an important component to a community’s housing stock. They offer flexibility for homeowners to live multi-generationally or with caregiving support, to supplement income by renting the additional unit, and to meet a variety of other personal and familial needs. ADUs that become rental units are often priced at affordable

rates and may offer access to new neighborhoods that are predominantly occupied by homeowners.

ADUs are permitted across residential districts in Tacoma. Attached and detached ADUs are permitted on any lot, provided that site standards for size, setback, open space, and other requirements are met. The size of ADUs is limited to 1,000 SF or 85% of the area of the main building, whichever is smaller. The maximum height of structures is 18' or 20' if parking is incorporated.³

From 2019-2023, 421 ADU permits were issued and 269 ADUs were reported as constructed in Tacoma. See Exhibit 6. ADU policies in Tacoma were revamped in 2019 and subsequently amended in 2021 to make it easier and more affordable for homeowners to add these units to their property. ADU production is on the rise and the City is working to make the process as streamlined as possible. Still, the capital investment needed to create these units can be prohibitive and not all residential lots are a good fit for this use. ADUs represent one component in the larger picture of providing housing options that meet the needs and affordability levels of a diverse community.

Exhibit 6: Accessory Dwelling Units Permitted and Constructed in Tacoma, 2019-2023.



Sources: City of Tacoma Permit Data, 2019-2023; Seva Workshop, 2024.

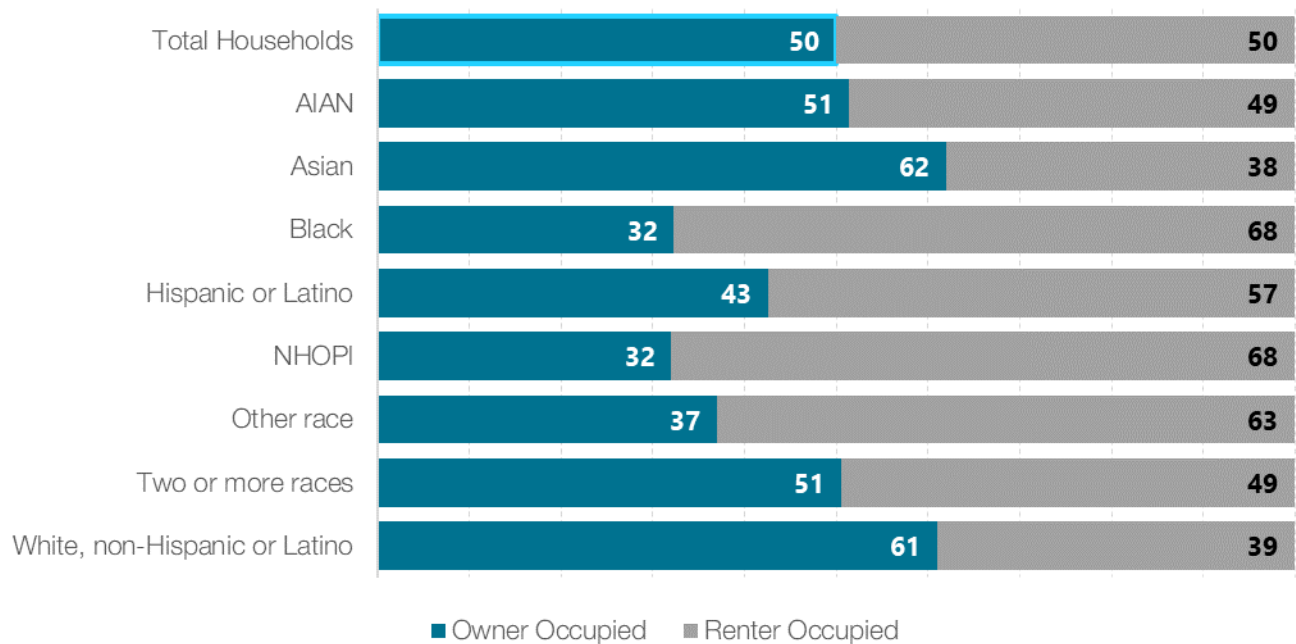
Housing Tenure

Overall in Tacoma, 50% of households are owners and 50% of households are renters. Patterns of racial disparity are observed in Tacoma’s homeownership rates, with lowest rates of ownership among Black (32%), Pacific Islander (32%), “Other” (37%), and Hispanic (43%)

³ TMC 13.06.080.A. This was

groups. Highest rates, by contrast, are found among Asian (62%) and White (61%) households. See Exhibit 7. In 2021, the City of Tacoma completed an in-depth study into its racial disparities related to housing. This report notes the decline in Black homeownership during the 30-year period from 1990-2020, while all other racial groups experienced increased or stable rates. It also analyzes lending data that demonstrates low rates of mortgage loan approvals for Black applicants.⁴ Homeownership rates are important, as this is the most common avenue toward wealth building for American households.

Exhibit 7: Tacoma Housing Tenure by Race and Ethnicity (Shown as %), 2021.



Note: AIAN=American Indian and Alaska Native; NHOPI=Native Hawaiian and Other Pacific Islander. Hispanic or Latine is an ethnicity. The Hispanic or Latino category includes Hispanic and Latine people of all races. All other categories show non-Hispanic races.

Source: American Community Survey 5-year estimates; Seva Workshop, 2024.

Geographic Distribution

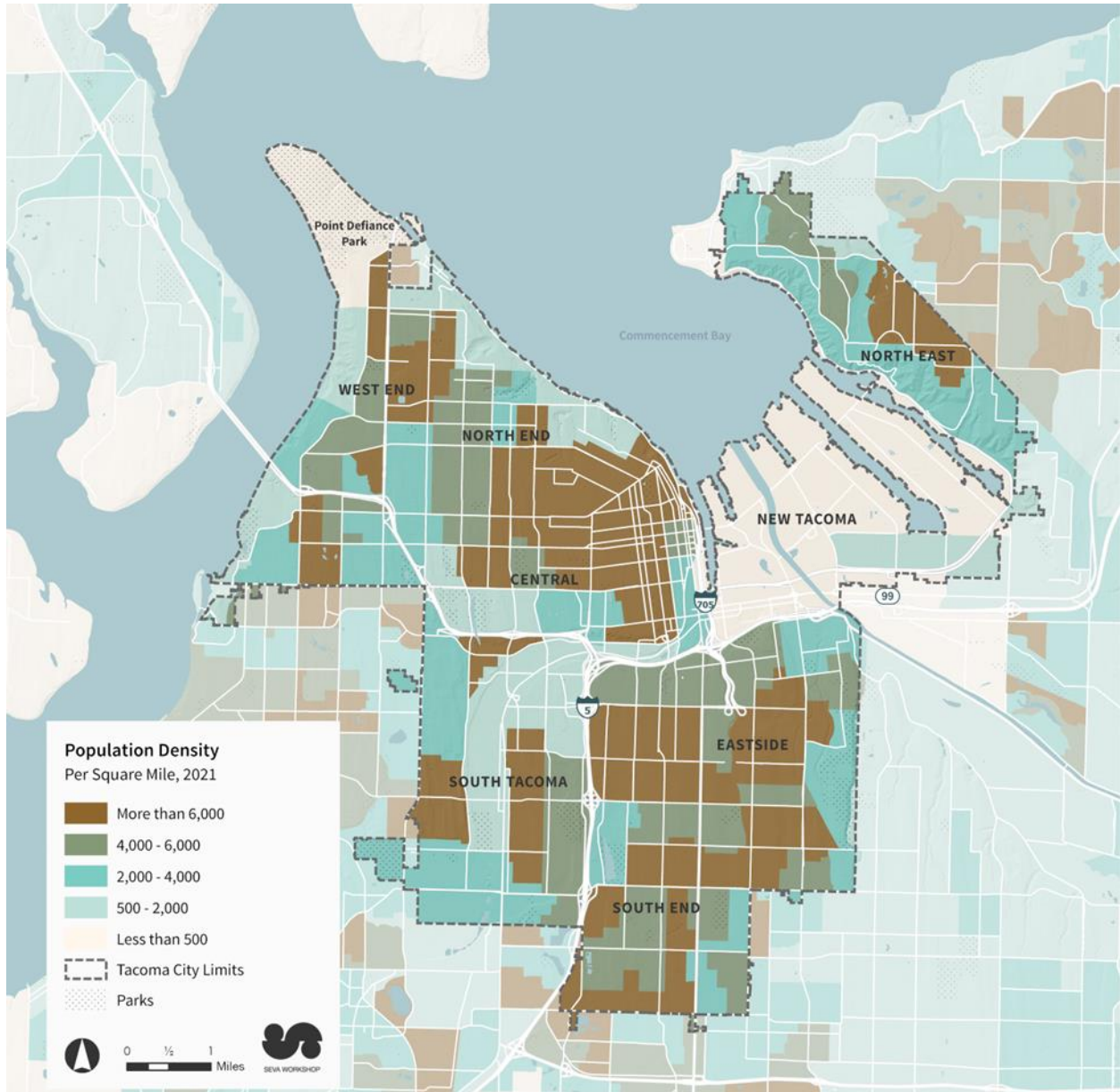
Tacoma’s residential centers are distributed across the city, as shown in Exhibit 8.

Central Tacoma, Eastside, and South End have the greatest land areas with higher population density, more than 6,000 people per square mile. The neighborhoods of West End, South Tacoma, and North East are less densely populated though every neighborhood except for New

⁴ ECONorthwest and BDS Planning, *Analysis of Systemic Disparities in Achievable Housing Options*, 2021. https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/CBCFiles/Tacoma%20Housing%20Disparities%20Report_2021.pdf

Tacoma has at least one densely populated area. Incorporated areas surrounding Tacoma to the northeast, south, and west demonstrate similar patterns.

Exhibit 8: Tacoma Population Density, 2021.



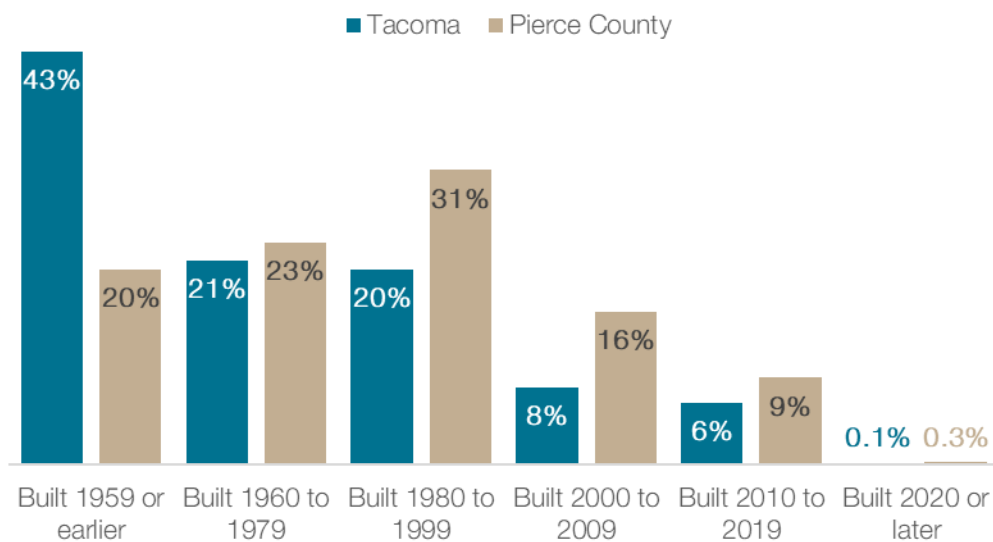
Source: American Community Survey 5-year estimates (2017 to 2021).

Building Age

Tacoma’s housing stock skews older, with 43% of structures built prior to 1960.
Production rates in Tacoma slowed in the 2000s - less than 15% of units have been built 2000

or later. By contrast, Pierce County overall has only 20% of its housing stock built prior to 1960 and 25% of units have been built 2000 or later.

Exhibit 9: Tacoma and Pierce County Housing Stock by Building Age, 2021.



Sources: American Community Survey 5-year estimates (2017 to 2021); Seva Workshop, 2024.

HOMES THAT NEED REPAIRS

ACS reports on housing issues such as homes lacking complete plumbing or kitchen facilities. In Tacoma, approximately 415 housing units (0.5%) are identified as having incomplete plumbing facilities. Most of these are rental units. About twice this rate, 950 housing units (1.1%) are reported as lacking complete kitchen facilities.⁵

Tacoma’s Home Rehabilitation Program addresses a wider range of home repair issues, such as: roof replacement, exterior/interior painting, window replacement, carpet and flooring replacement, heating and air system replacement, electrical work, sewer repair or installation, termite and pest repair, repairing or replacing concrete (such as sidewalks, driveways, or ADA ramps), door and window screen replacement, or foundation/structural repairs. From 2019 – 2024, 66 major (\$15-60k) renovations and 204 minor (<\$15k) renovations were completed through this program. Homeowners are provided low interest loans to cover the cost of the needed repairs and households at or below 50% of AMI can repay the funds with no interest.⁶

⁵ ACS B2516 and B25052 5-year estimates, 2021

⁶ [City of Tacoma Home Rehabilitation Program](#)

Units for moderate, low, very low, and extremely low-income households

The Department of Housing and Urban Development (HUD) establishes thresholds for income groups at the household level. These brackets are relative to the area's median income and establish eligibility for income-restricted affordable housing units. The categories used for their data reporting are:

- Moderate Income: Between 80 – 100% of the area median income
- Low Income: Between 50 – 80% of the area median income
- Very Low-Income: Between 30 – 50% of the area median income
- Extremely Low-Income: Less than 30% of the area median income

AMI = Area Median Income. Different programs scale their “area median” based on different geographies. HUD uses a specific “HUD Area Median Family Income” (HAMFI) to set their income ranges, scaled with household size. In Tacoma for 2024, for example:

100% AMI is \$112,300 (family of 4)

80% AMI is \$92,650

50% AMI is \$57,900

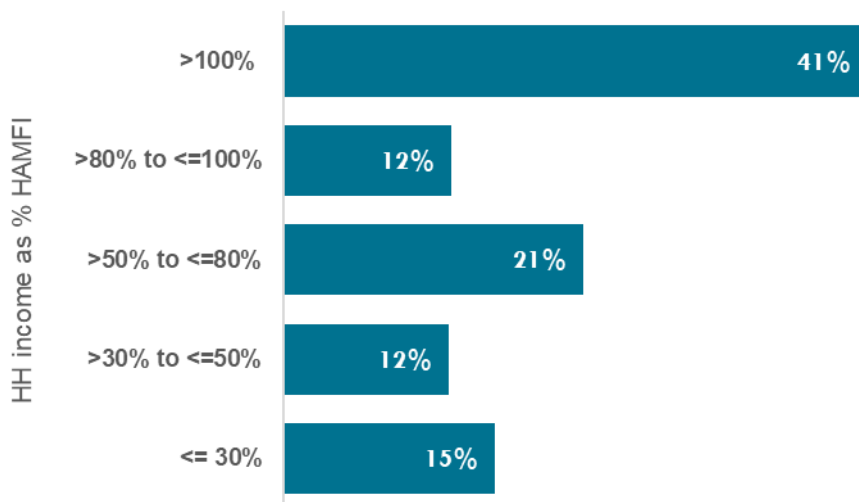
30% AMI is \$34,750

[HUD Income Limits 2024](#)

Household Income Brackets

Tacoma households skew lower income when compared to the region – 59% are at or below the area median income. Using the income groups described above, 12% of Tacoma households are moderate income, 21% are low-income, 12% are very low-income, and 15% are extremely low-income. See Exhibit 10. These designations are based around the HUD-defined area median income (HAMFI), which is calculated at a regional scale. A table summarizing the incomes assigned to each category for the most recent year available, 2024, can be found in [When determining eligibility for income-restricted affordable housing units, household size is taken into consideration.](#)

Exhibit 10: Households by Income Bracket, Tacoma, 2020.



Source: CHAS (Comprehensive Housing Affordability Strategy) dataset based on American Community Survey 5-year estimates 2016-2020; Seva Workshop, 2024.
Error! Not a valid link.Sources: Washington State Housing Finance Commission, 2023; Seva Workshop, 2024.

The table in Exhibit 11 describes housing types in Tacoma that are most likely to fall within the affordability range of each group, based on the incomes described above. An analysis of the existing housing stock then counts the units in Tacoma that could be a fit for households in each category without incurring housing cost burden.

Exhibit 11: Matching Housing Types with Income Brackets

Household Income Bracket	Housing Types Likely to be Affordable for This Group	Count of Housing Units in Tacoma
<= 30% HAMFI	Income-restricted affordable housing, transitional housing units, permanent supportive housing	4,155 2,900 income-restricted affordable housing units; 137 permanent supportive housing units; 1,118 emergency housing units
>30% to <=50% HAMFI	Income-restricted affordable housing, some rental units in older buildings	4,195 4,195 rental units (some income-restricted)
>50% to <=80% HAMFI	Income-restricted affordable housing, Older multifamily or middle housing rentals, Mobile homes	16,146 15,790 affordable rental units (some income-restricted) 356 mobile homes
>80% to <=100% HAMFI	Multifamily rental, Middle housing types (ownership)	8,270 7,230 affordable rental units; 1,040 middle housing owner units
>100% to <=120% HAMFI	Multifamily rental, ownership opportunities for smaller and/or older homes	17,067 2,013 affordable rental units; 1,371 ownership units

>120% HAMFI

All products

40,813

8,052 affordable rental units;
32,761 ownership units;

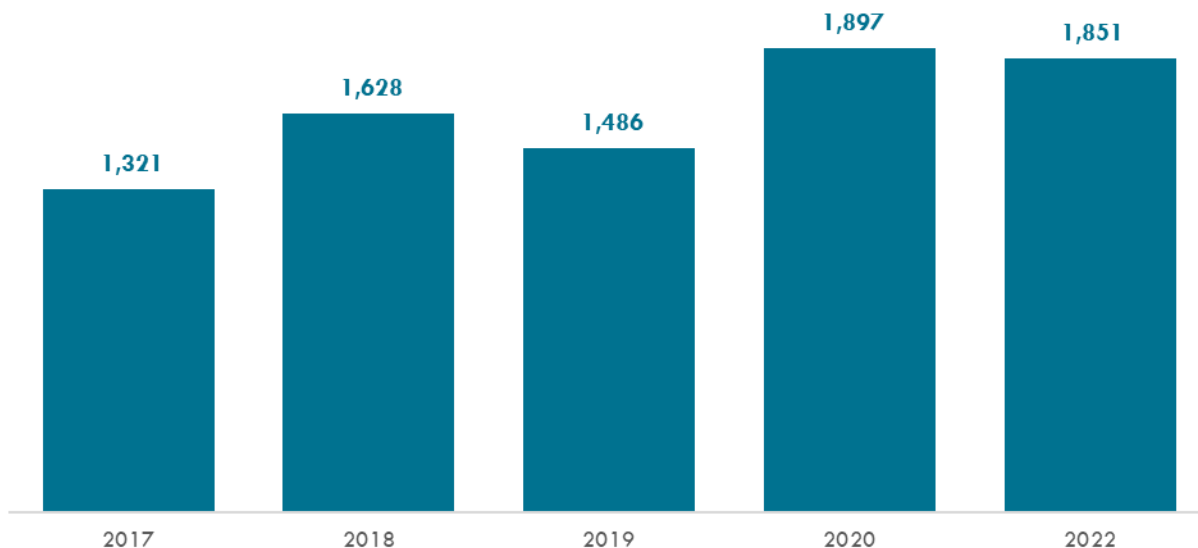
Notes: Middle housing ownership units calculated as ownership units in 1-unit attached housing through structures less than 20 units; Split between 80 – 100% HAMFI and 100-120% HAMFI. Multifamily ownership in buildings 20-49 units added to 100-120% HAMFI and ownership units in 50+ buildings added to >120% HAMFI. Affordable rental units for >100% HAMFI split between 100-120% and >120% HAMFI 20/80. Single family homes split between these two groups at a 30/70 rate to reflect older housing stock of Tacoma homes.

Sources: HUD CHAS Table 18C, 2016-2020 for counts of affordable rental units; ACS B25032 5-year estimates, 2017-2021 for ownership units and mobile homes; Seva Workshop, 2024.

Emergency housing, emergency shelters, and permanent supportive housing

In 2017, the City of Tacoma declared homelessness a public health emergency. The count of people experiencing homelessness in the region has continued to rise since then – an estimated 40% increase from 2017-2022 in Pierce County. The count of people experiencing homelessness in Pierce County in 2022 was 1,851.⁷ The existing supply of emergency housing, emergency shelters and permanent supportive housing in Tacoma is estimated at 1,362 in 2022.⁸ This includes 1,225 shelter beds and 137 units of permanent supportive housing. The City hopes to transition many of its shelter beds into longer-term forms of housing support such as permanent supportive housing and affordable housing units.

Exhibit 12: Homelessness Counts in Pierce County, 2017-2022.



⁷ Point-in-Time Counts

⁸ Tacoma Homelessness Strategy, 2022.

Note: The PIT count for 2021 was not conducted, due to the COVID-19 pandemic.
Sources: Washington Department of Commerce PIT Counts, 2017-2022; Seva Workshop, 2024.

1.2 Affordability

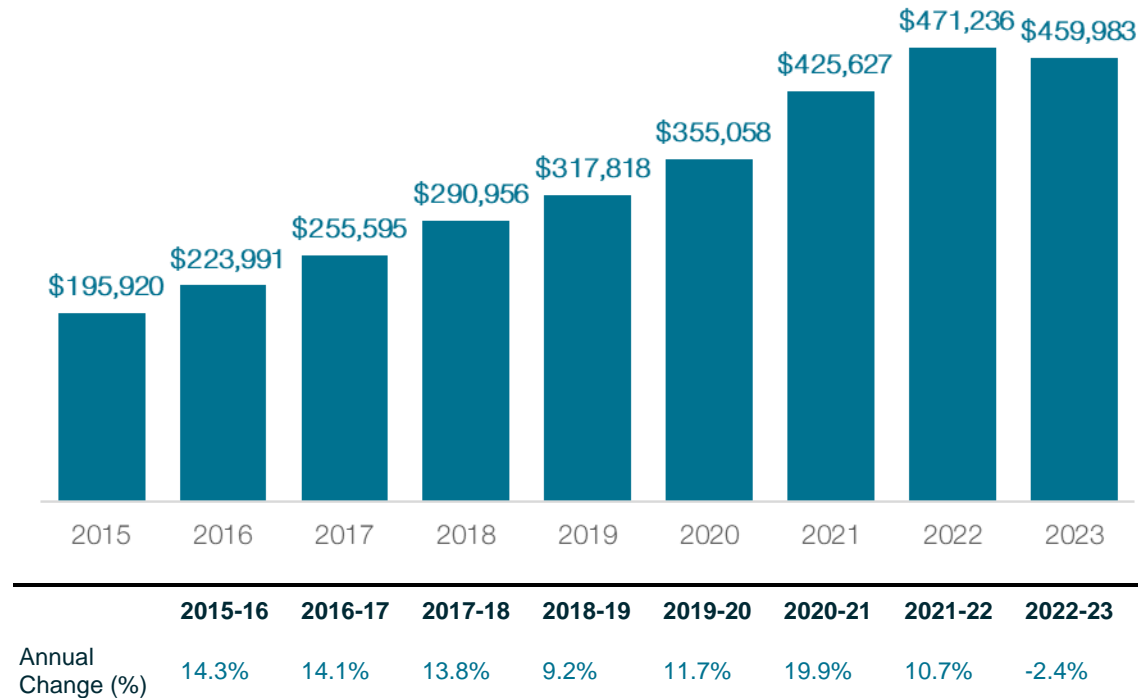
Housing costs in Tacoma have risen dramatically in the past decade, leading to affordability challenges across almost all segments of the market. In recent years, homeownership affordability has become increasingly strained, being reserved for an increasingly exclusive segment of Tacoma's society.

Ownership Housing

Homeownership is becoming increasingly out of reach for moderate income households in Tacoma. The average home price in Tacoma in 2023 was \$460,000, a 58% increase from 5-years prior (2018). See Exhibit 13. Over the same timeframe, mortgage lending rates increased by 50%, from an average of 4.5% to 6.8%.⁹ This combination of factors dramatically increases the cost to purchase a new home, particularly for a first-time homebuyer. Using estimates for average home prices, typical 30-year mortgage lending rates, and expected costs such as property taxes and homeowners insurance, the mortgage on an average home in 2023 is affordable to households at 126% AMI – just out of reach for households in the moderate income band. Using a consistent set of assumptions, in 2018 the mortgage for an average priced home was affordable to households at 103% AMI.

⁹ Federal Reserve Bank of St Louis 30-Year Fixed Rate Mortgage Averages, 2018 & 2023.

Exhibit 13: Tacoma Average Home Prices, Annual Change (%), 2015-2023.



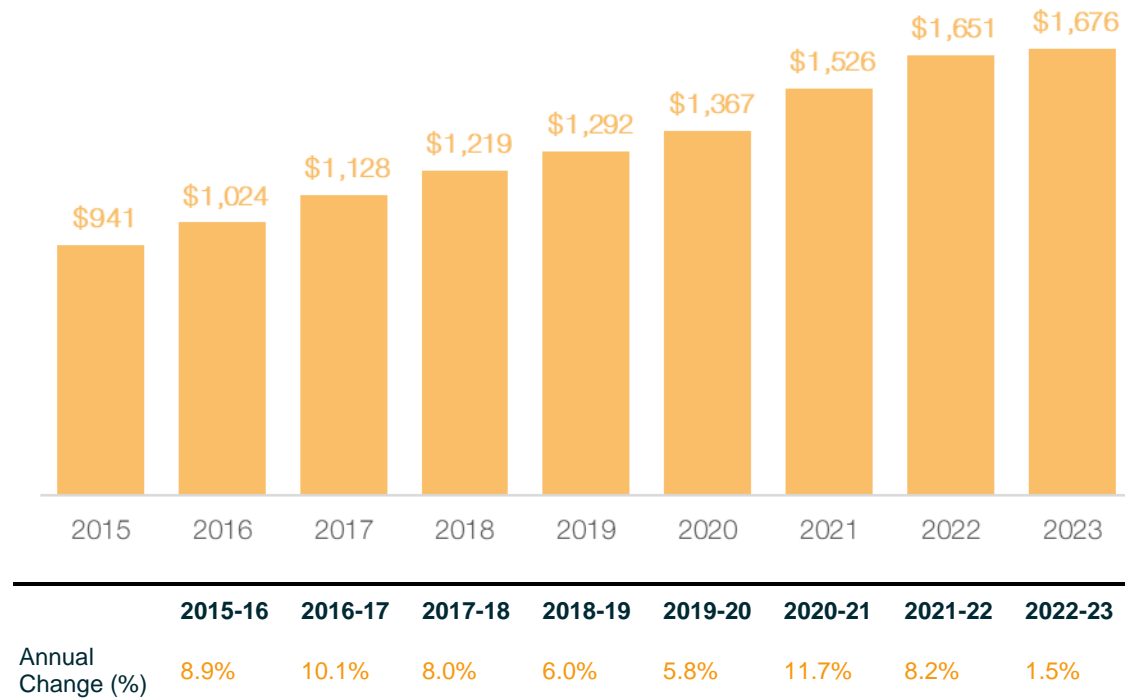
Sources: Zillow Home Value Index, 2024; Seva Workshop, 2024.

Rental Housing

Average rent in Tacoma is affordable for households at 60% AMI. The average rent in Tacoma is \$1,676 per month, an increase of 78% since 2015. See Exhibit 14. This analysis, however, does not account for the size of the rental unit which may not align with the household size. Rents vary widely depending on unit condition, size, and location. For example, in a “high market area” for Tacoma, rents are estimated anywhere from \$1,500 to \$2,890 a month depending on unit type. This range spans affordability for households at 60% AMI to 100% AMI.¹⁰

¹⁰ HIT Feasibility Analysis Memo, 2024.

Exhibit 14: Average Rents in Tacoma, 2015-2023.



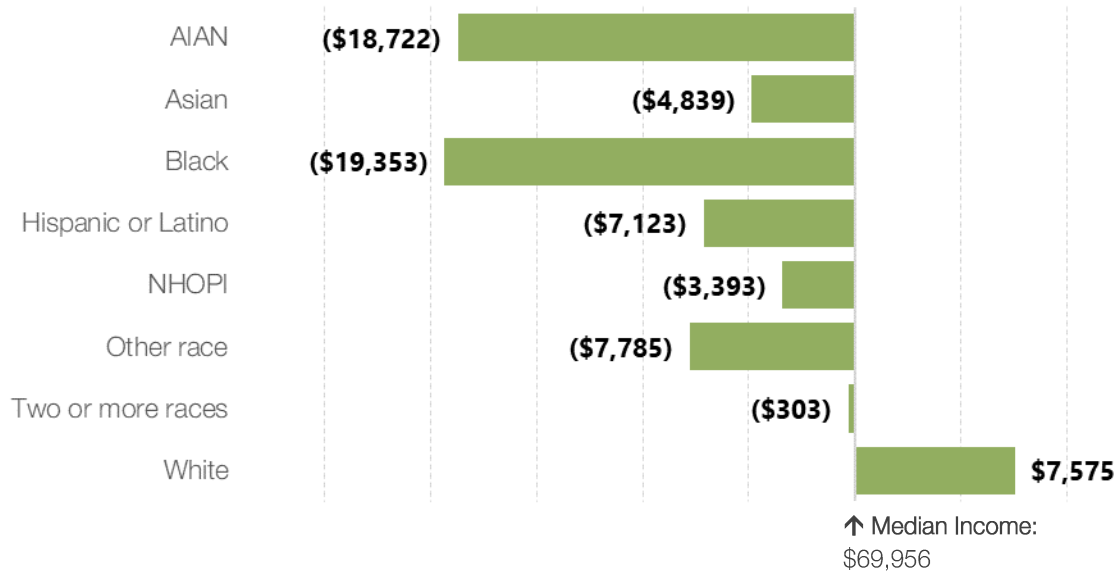
Sources: Zillow Observed Rent Index, 2024; Seva Workshop, 2024.

Household Incomes

Tacoma’s overall median household income in 2021 was \$69,956, a 42% increase from the overall median household income in 2011, which was \$49,232. There are wide disparities for median household income when comparing by race and ethnicity, as shown in Exhibit 15. White households have a higher median household income at \$77,531. Black and AIAN households have the lowest incomes with medians at \$50,603 and \$51,234, respectively. All other BIPOC groups also have median household incomes below the citywide median. This median household income falls well below the Pierce County median income in 2021, estimated at \$82,574 or the HUD-area median income at \$91,100.

In Tacoma, incomes are higher in areas around the North End, West End, and Northeast Tacoma. Incomes are lowest in South Tacoma, the South End, and the Eastside. These geographic trends are visualized in the map in Exhibit 16.

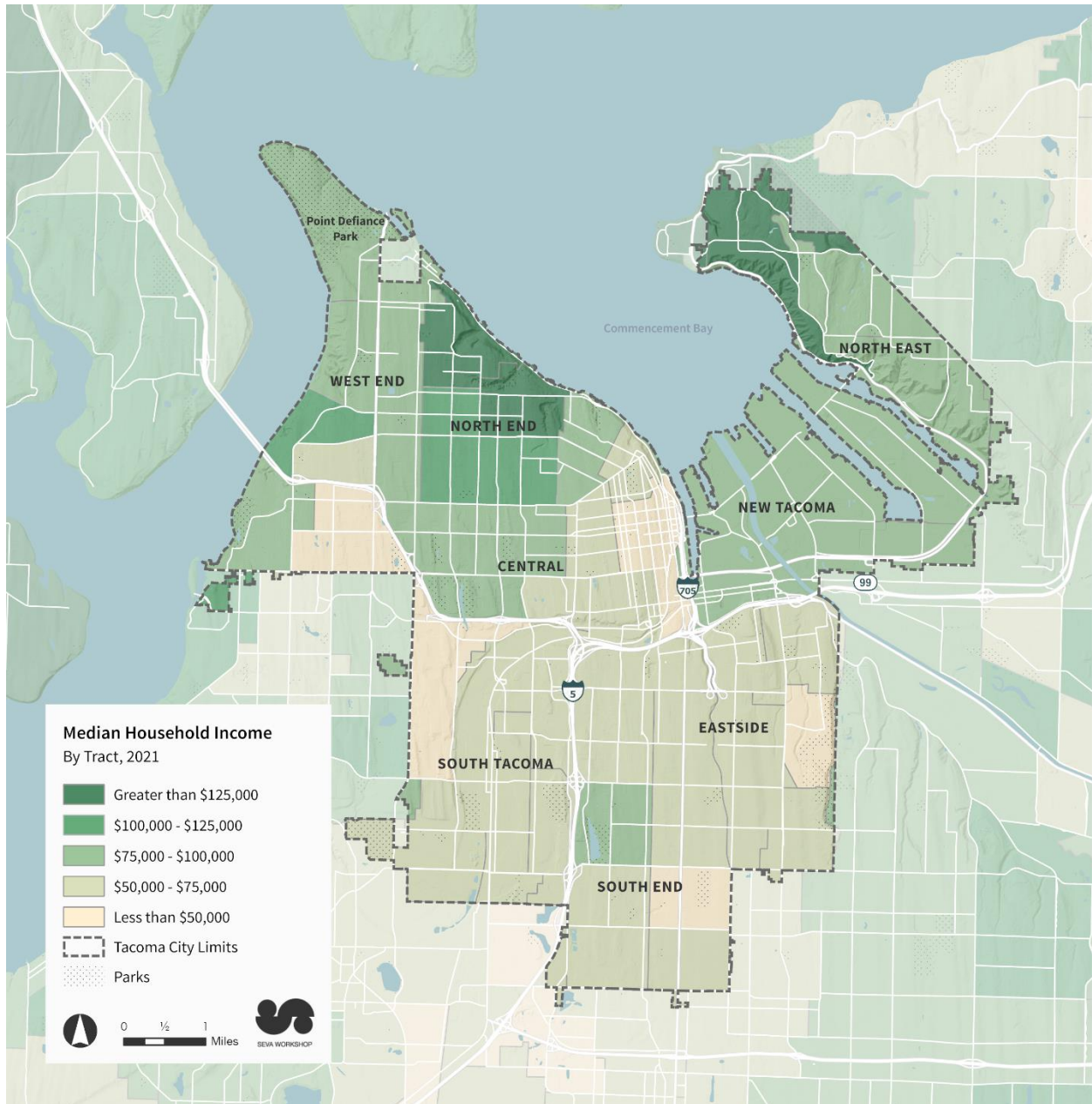
Exhibit 15: Median Household Income by Race & Ethnicity, 2021.



Note: Exhibits per group are compared to the overall median income.

Source: American Community Survey 5-year estimates (2017-2021); Seva Workshop, 2023.

Exhibit 16: Median Household Income by Census Tract in Tacoma, 2021



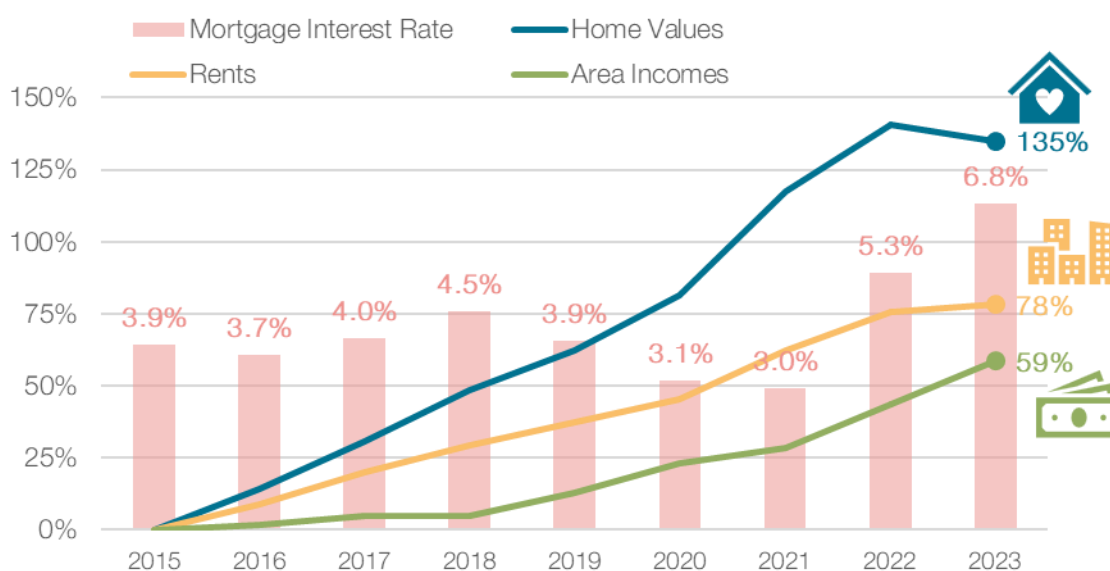
Source: American Community Survey 5-year estimates (2017-2021).

Affordability

Housing affordability is an increasing challenge in Tacoma, particularly for ownership housing. As shown in Exhibit 17, the cost of ownership housing has increased at more than double the rate of median area incomes since 2015, 135% and 59% respectively. Rents increased 78%. These disparities shown a decline in affordability for both rental and ownership housing in Tacoma, but most dramatically for ownership units. Rates of increase for ownership housing spiked, in particular, from 2019-2022. A slight cooldown was observed from 2022-2023.

First-time homebuyers are particularly hard-hit by the combined factors of increasing housing costs and mortgage lending rates. The average fixed-rate 30-year mortgage lending rate in the US was at a low of 2.96% in 2021 but jumped to 5.34% in 2022 and 6.81% in 2023. Higher interest rates have a big impact on monthly housing costs, particularly for first time homebuyers who cannot leverage established equity from previous purchases for a higher down payment amount. In 2022, 56% of Tacoma mortgages were given to first-time homebuyers. The demographics of these homebuyers demonstrate a skew toward White and Asian households and a proportionate underrepresentation of Black and Pacific Islander buyers. See Exhibit 18.

Exhibit 17: Housing Cost and Income Increases as a % Change from 2015 in Tacoma, Average Annual Mortgage Lending Rates 2015-2023.



Sources: Zillow Home Value Index and Observed Rent Index, Downloaded April 2024; WSHFC Area Median Income, 2015-2023; St Louis FED Mortgage Interest Rates, 2023; Seva Workshop, 2024.

Exhibit 18: First-time Homebuyers in Tacoma by Race & Ethnicity, 2022.

	First-time homebuyers by race/ethnicity	All households by race/ethnicity	Delta
American Indian or Alaska Native	1%	2%	-1%
Asian	11%	7%	4%
Black or African American	6%	10%	-4%
Native Hawaiian or Other Pacific Islander	0%	3%	-3%
White	72%	68%	4%
Multi-race household	10%	9%	1%
Hispanic or Latino	14%	12%	2%
Not Hispanic or Latino	86%	88%	-2%

Sources: Federal Housing Finance Agency, Public Use Database (PUDB) - Fannie Mae and Freddie Mac, 2022 Single-Family Census Tract File; Seva Workshop, 2024.

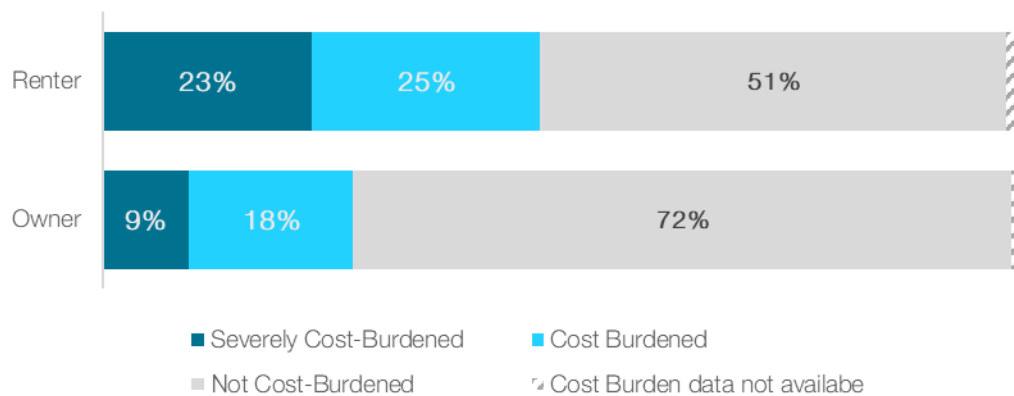
Cost Burden

Households that pay 30% or more of their income toward housing are considered cost-burdened. These households may struggle to cover other essential household expenses, such as transportation or healthcare. Households that pay 50% or more of their income towards housing are considered extremely cost-burdened.

Renters in Tacoma are much more likely than homeowners to experience housing cost burden. Forty-eight percent (48%) of renters experienced housing cost burden in 2020, along with 27% of homeowners. See Exhibit 19. When disaggregated by race/ethnicity, the highest rates of renter cost burden are observed among “Other” households (56%), Black households (54%), Pacific Islander households (51%), and Hispanic households (49%). These rates are shown in Exhibit 20.

Cost burden rates are particularly high (over 65%) in areas across the city, but are most concentrated in Central, South Tacoma, and the South End. The map in Exhibit 21 explores the geographic distribution of these trends. The detailed table in Exhibit 22 further dives into the geographic distribution of renter cost-burden and disaggregates neighborhood rates by race/ethnicity. Demographic groups differ in location of renter cost burden concentration. For example, Black households have the highest rates in North East, South Tacoma, and the West End. Asian households have relatively lower rates of rental cost burden across most of Tacoma, but a concentration of cost-burdened Asian renters live in the North End. Hispanic renters are most cost-burdened in Central, Eastside, and South Tacoma neighborhoods.

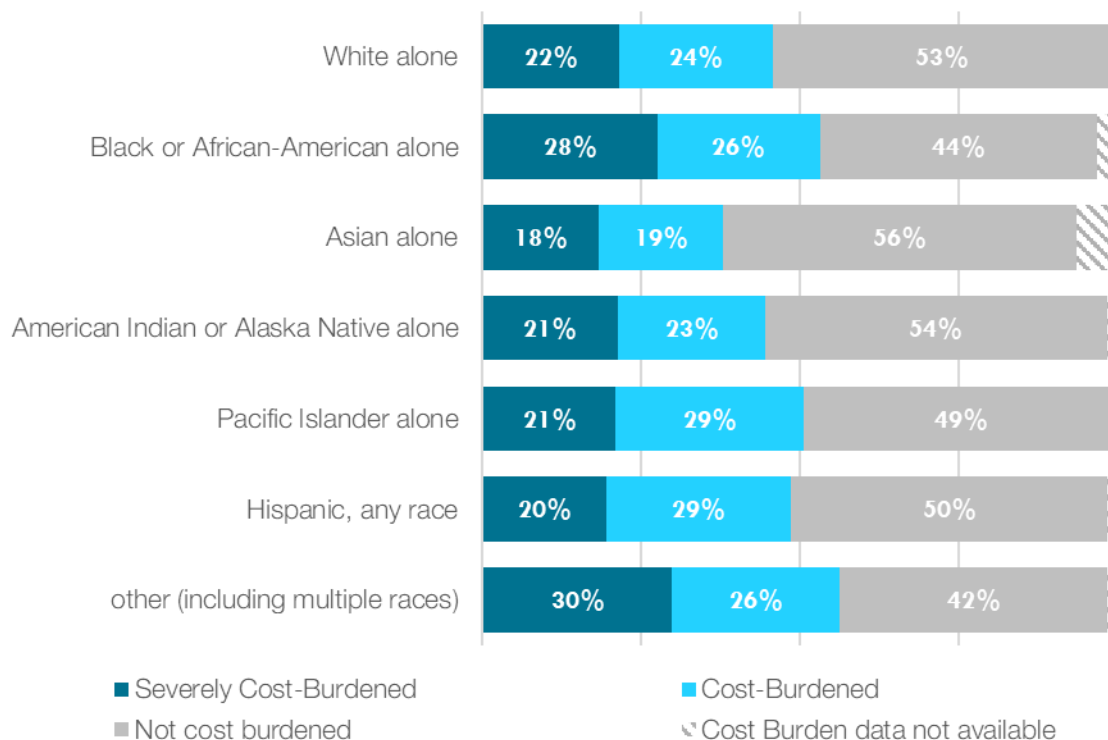
Exhibit 19: Percent of Households Cost Burdened by Tenure, 2020.



Note: Cost-Burdened households spend between 30-50% of income toward housing. Severely cost-burdened households spend more than 50% of gross income for housing.

Sources: CHAS (Comprehensive Housing Affordability Strategy) dataset based on American Community Survey 5-year estimates 2016-2020; Seva Workshop, 2024.

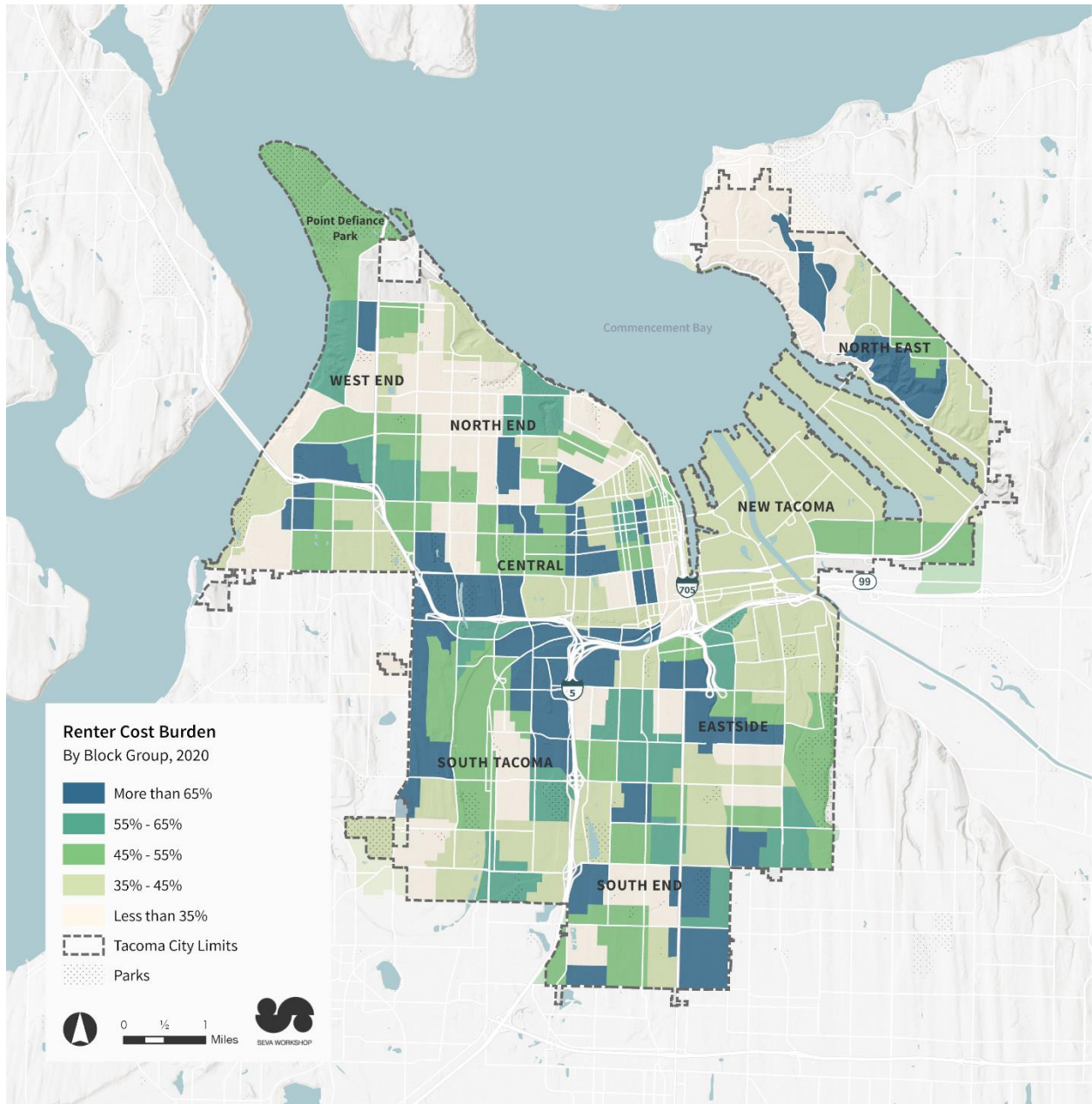
Exhibit 20: Renter Households Cost Burdened in Tacoma (%), by Race & Ethnicity, 2020.



Note: Cost-Burdened households spend between 30-50% of income toward housing. Severely cost-burdened households spend more than 50% of gross income for housing.

Sources: CHAS (Comprehensive Housing Affordability Strategy) dataset based on American Community Survey 5-year estimates 2016-2020; Seva Workshop, 2024.

Exhibit 21: Distribution of Renter Cost Burdened-Households in Tacoma, as a % of Block Group Population, 2020



Source: CHAS (Comprehensive Housing Affordability Strategy) dataset based on American Community Survey 5-year estimates 2016-2020.

Exhibit 22: Renter Cost Burden by Race/Ethnicity and Neighborhood in Tacoma, 2020.

	Central	Eastside	New Tacoma	North East	North End	South End	South Tacoma	West End
White alone, non-Hispanic	52%	51%	40%	43%	32%	49%	51%	43%
Black or African-American alone, non-Hispanic	51%	52%	41%	58%	20%	52%	57%	62%
Asian alone, non-Hispanic	47%	38%	42%	40%	85%	36%	39%	24%
AIAN, non-Hispanic	<i>n/a</i>	34%	67%	38%	<i>n/a</i>	72%	45%	24%
Pacific Islander alone, non-Hispanic	87%	40%	75%	71%	<i>n/a</i>	54%	71%	<i>n/a</i>
Hispanic, any race	59%	63%	40%	32%	17%	48%	55%	31%
Other (including multiple races, non-Hispanic)	47%	39%	49%	67%	44%	56%	64%	66%

55 - 65% Cost Burden Rate
 Over 65% Cost Burden Rate

AIAN = American Indian and Alaska Native.

Note: Green highlighting indicates a rate >55% and blue highlighting indicates a rate >65%. Margins of error will be higher for groups with smaller sample sizes.

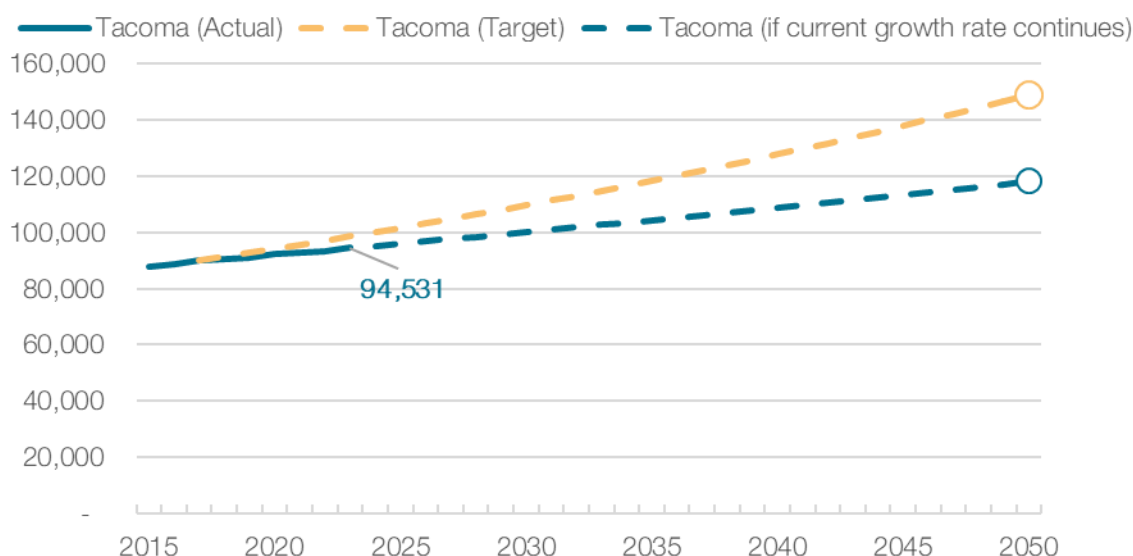
Sources: CHAS (Comprehensive Housing Affordability Strategy) dataset based on American Community Survey 5-year estimates 2016-2020; Seva Workshop, 2024.

2 PROJECTED HOUSING NEED

2.1 Growth targets

Tacoma's growth target for 2017-2050 is to add 137,000 people or 59,052 housing units. So far, 4,588 units have been added to the City's housing stock (2017-2023) which leaves a remaining 54,464 unit gap. The annual growth rate needed to achieve the 2017-2050 target is 1.5%. The achieved annual growth rate for the 2017-2023 period is 0.8%. The pace of production will need to increase in future years to align with this vision for growth in Tacoma.

Exhibit 23: Tacoma Housing Units, Actual and Target 2015-2050.



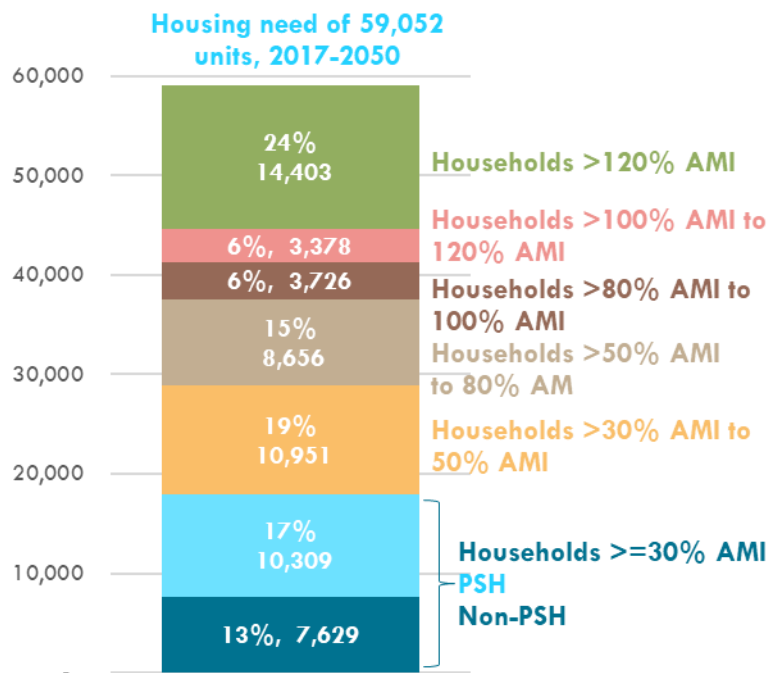
As of 2023, there is a gap of 54,464 housing units to fill by 2050 to achieve regional growth targets in Tacoma.

Sources: OFM Housing Units, 2015-2023; PSRC Housing Target for 2017-2050; Seva Workshop, 2024.

Distribution of targets across income brackets

Tacoma strives to meet its growth targets equitably, which means that new housing units should accommodate households across the income spectrum. The Department of Commerce has outlined a methodology for projecting housing need by income bands that takes into account a full spectrum of needs at the countywide scale. Pierce County has taken this methodology and assigned targets to each of its jurisdictions, both totals and allocations by income bracket. This summary takes Pierce County's 2020-2044 allocations for Tacoma and applies the distribution across income bands to the 2017-2050 housing target of 59,052 units. See Exhibit 24.

Exhibit 24: Housing Units Needed by Income Bracket in Tacoma, 2017-2050.



The production of 59,052 units is needed in Tacoma by 2050. 30% of this is at the lowest affordability level, 34% for low- and very low-income households, and the remainder for moderate- and higher-income households. The distribution is based on Pierce County allocations and takes into account current housing needs to eliminate cost burden and homelessness, as well as the needs of future households. These production targets envision a future with no housing cost burden and no chronic homelessness in Tacoma.

Sources: Pierce County Countywide Planning Policies Appendix A, 2022; PSRC, Vision 2050; Seva Workshop, 2024.

Emergency Housing Needs

Communities also need to plan for emergency housing and emergency shelters. In implementation, the lines between these two types of accommodation can be blurred and thus for planning purposes they are calculated together as a single category. Housing types in this category must be indoors and allow access to personal hygiene facilities. It includes emergency shelters, hotel rooms, tiny home villages, and short-term apartments.

Existing supply (2020): **1,118**

Target for 2017-2050 planning period: **3,615¹¹**

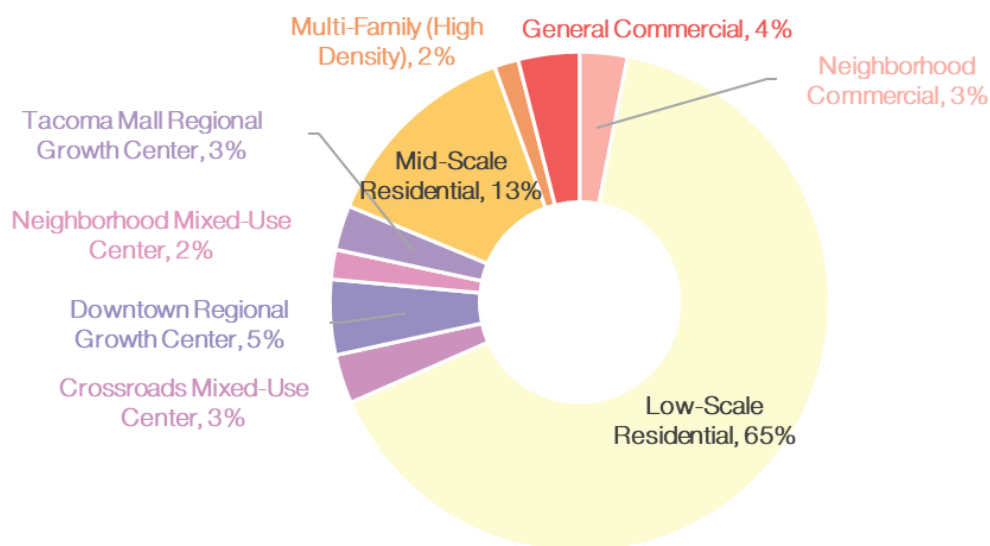
¹¹ Supply and targets for 2020-2044 found in Emergency Housing Needs from Pierce County Countywide Planning Policies Appendix A, 2022. Extended ratio to the 2017-2050 planning period.

3 LAND CAPACITY

3.1 Existing land capacity for housing

Tacoma has capacity for an additional 68,049 housing units across its residential zones, according to Pierce County’s 2022 Buildable Lands study. This exceeds the housing target of an additional 59,052 units by 2050. Additionally, housing policy that is currently following the legislative process will add another 300,000 – 650,000 units of capacity to the City’s residential zones, largely allocated for middle housing types.¹² This chapter details Tacoma’s residential zoning districts and their capacity to meet the city’s housing targets – considering a diverse set of needs to align with a diverse population.

Exhibit 25: Land Use Designations that Allow for Residential Uses, % of Total Acreage.



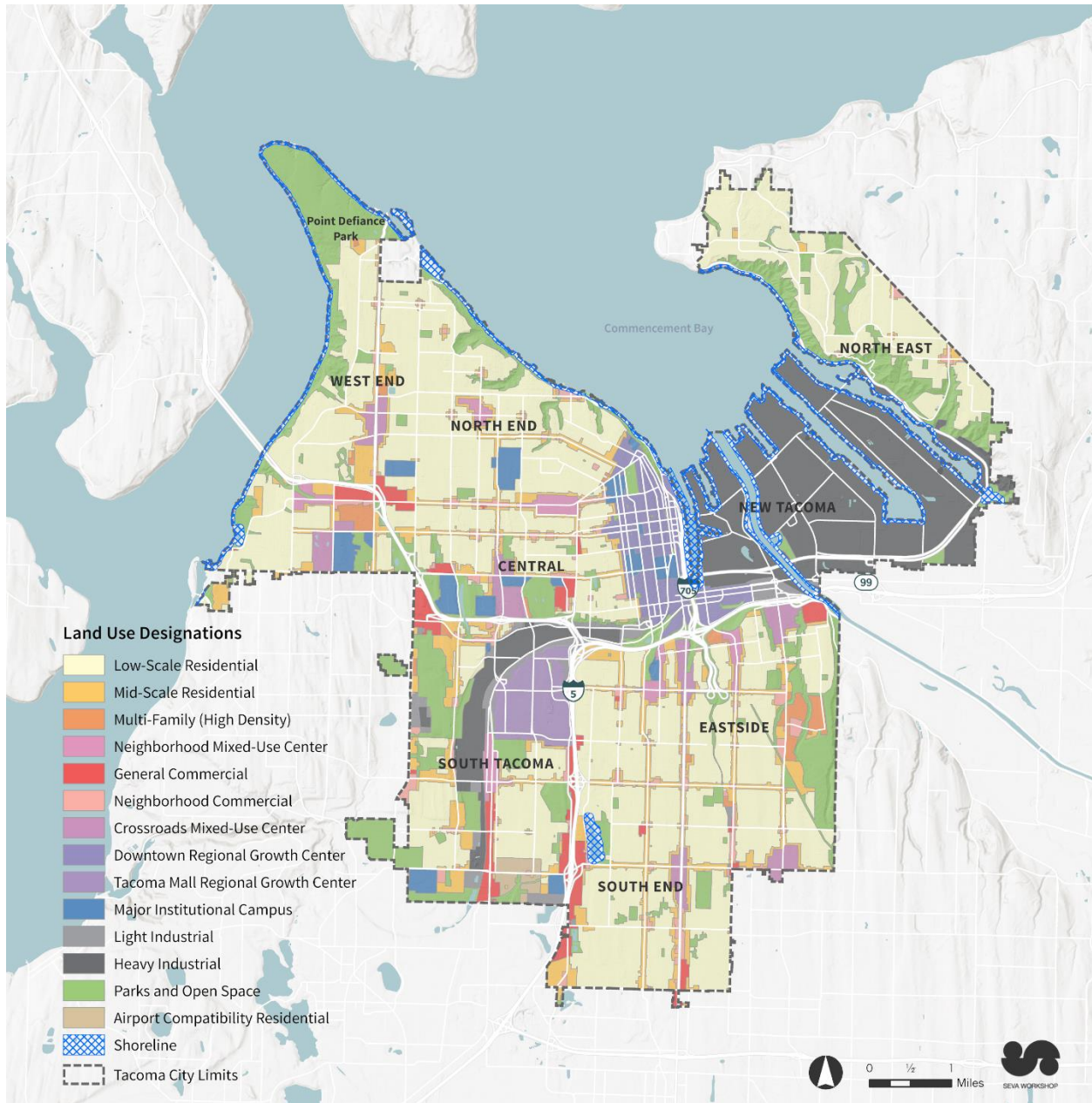
Sources: City of Tacoma; 2023; Seva Workshop, 2024.

Tacoma’s current land use framework follows a ‘center and corridors’ model. The largest and densest centers are the Regional Growth Centers located Downtown and at the Tacoma Mall. Mixed-Use Centers are distributed across the city and are often buffered by gradual density step-downs from multifamily zones to lower density residential blankets that cover 41% of the city’s land (65% of land from areas that allow for residential uses). Tacoma currently allows residential uses in 9 of its 15 broader land use designations. Zones that do not allow for residential use are the industrial districts, parks, institutional campuses, airport areas, and

¹² Capacity range from HIT DEIS page 2-6

shorelines. The chart in Exhibit 25 shows the share of land allocated across these broader land use designations that allow for residential uses, and the map in Exhibit 26 identifies Tacoma's land use designations geographically.

Exhibit 26: City of Tacoma Land Use Designation Map, 2023.

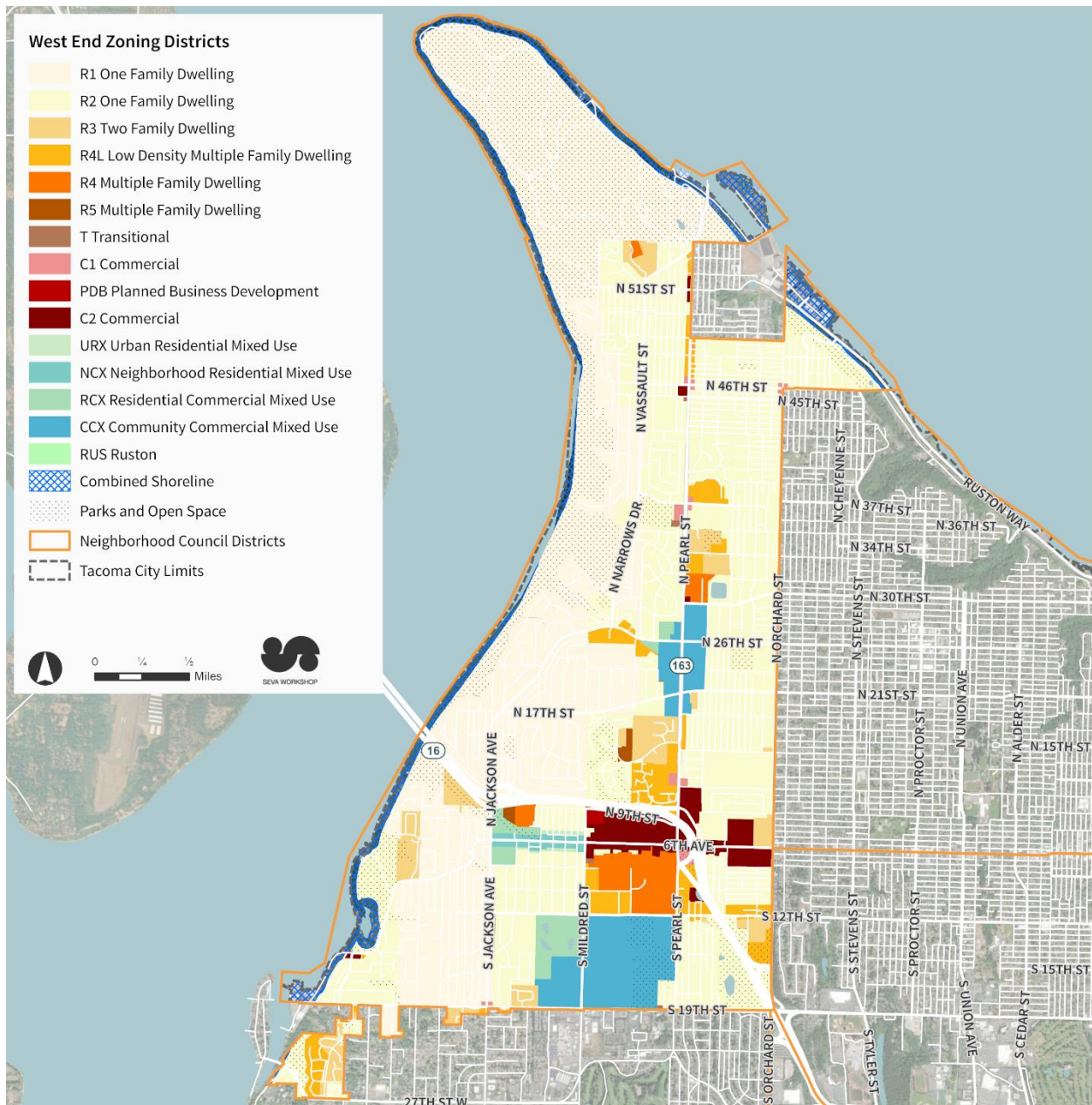


Source: City of Tacoma, 2023.

Zoning

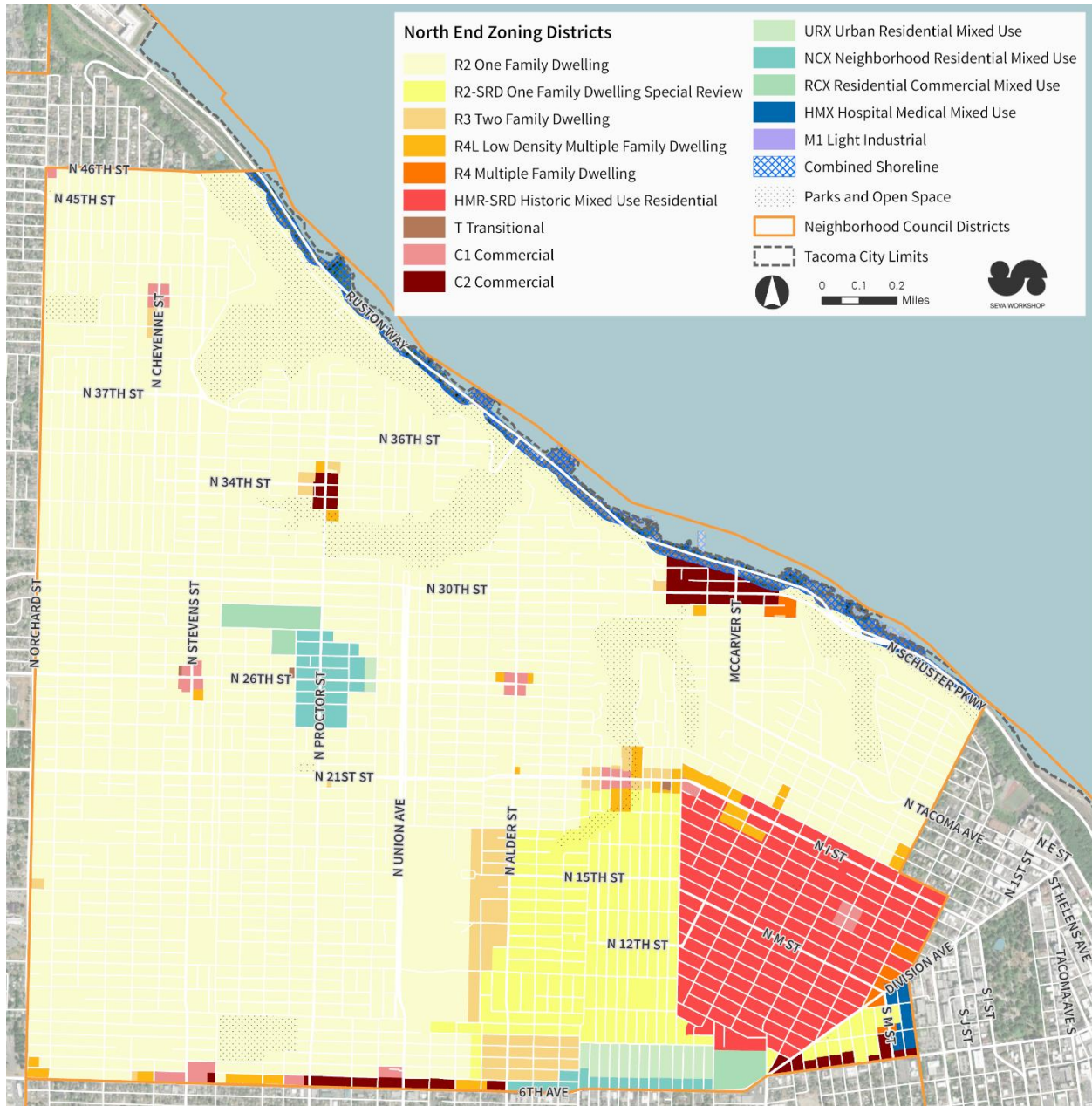
The broader land use designations represent a wider range of detailed zoning districts. These districts are mapped at the neighborhood level in this section, on pages 29 through 36.

Exhibit 27: West End Zoning Districts



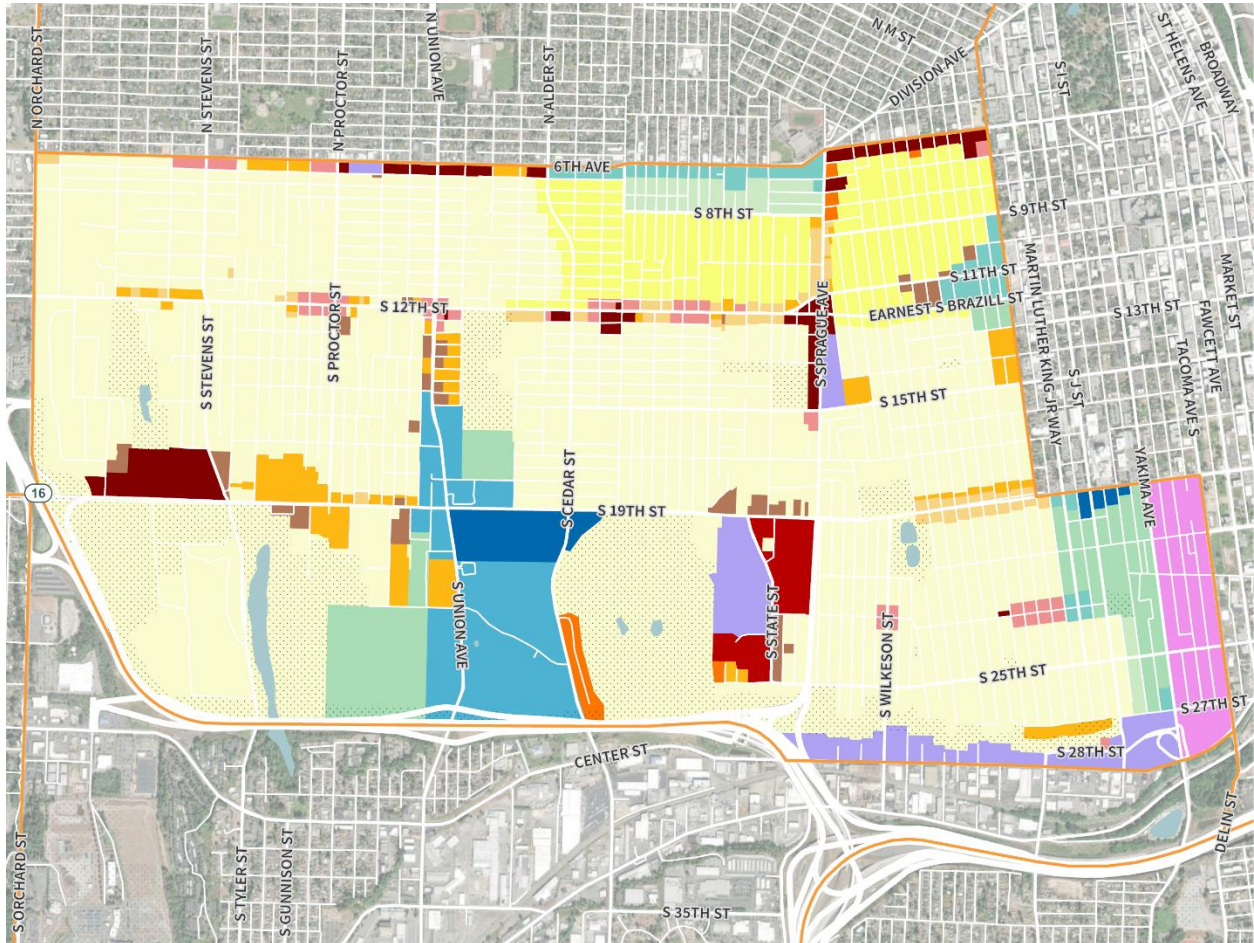
Much of the West End neighborhood is covered by lower density residential zones, R1 and R2. Pearl Street is the prominent north/south hub for mixed use and higher density zoning districts, such as CCX, R4, and C2. The east/west corridors on 6th Ave and S 12th Street are also denser activity areas.

Exhibit 28: North End Zoning Districts



The North End neighborhood is characterized by R2 residential zoning. The southeastern pocket of this neighborhood is designated as a Historic Mixed-Use residential district. There is a small corridor of NCX and C2 zoning along the southern border (6th Ave).

Exhibit 29: Central Zoning Districts



Central Zoning Districts

- R2 One Family Dwelling
- R2-SRD One Family Dwelling Special Review
- R3 Two Family Dwelling
- R4L Low Density Multiple Family Dwelling
- R4 Multiple Family Dwelling
- T Transitional

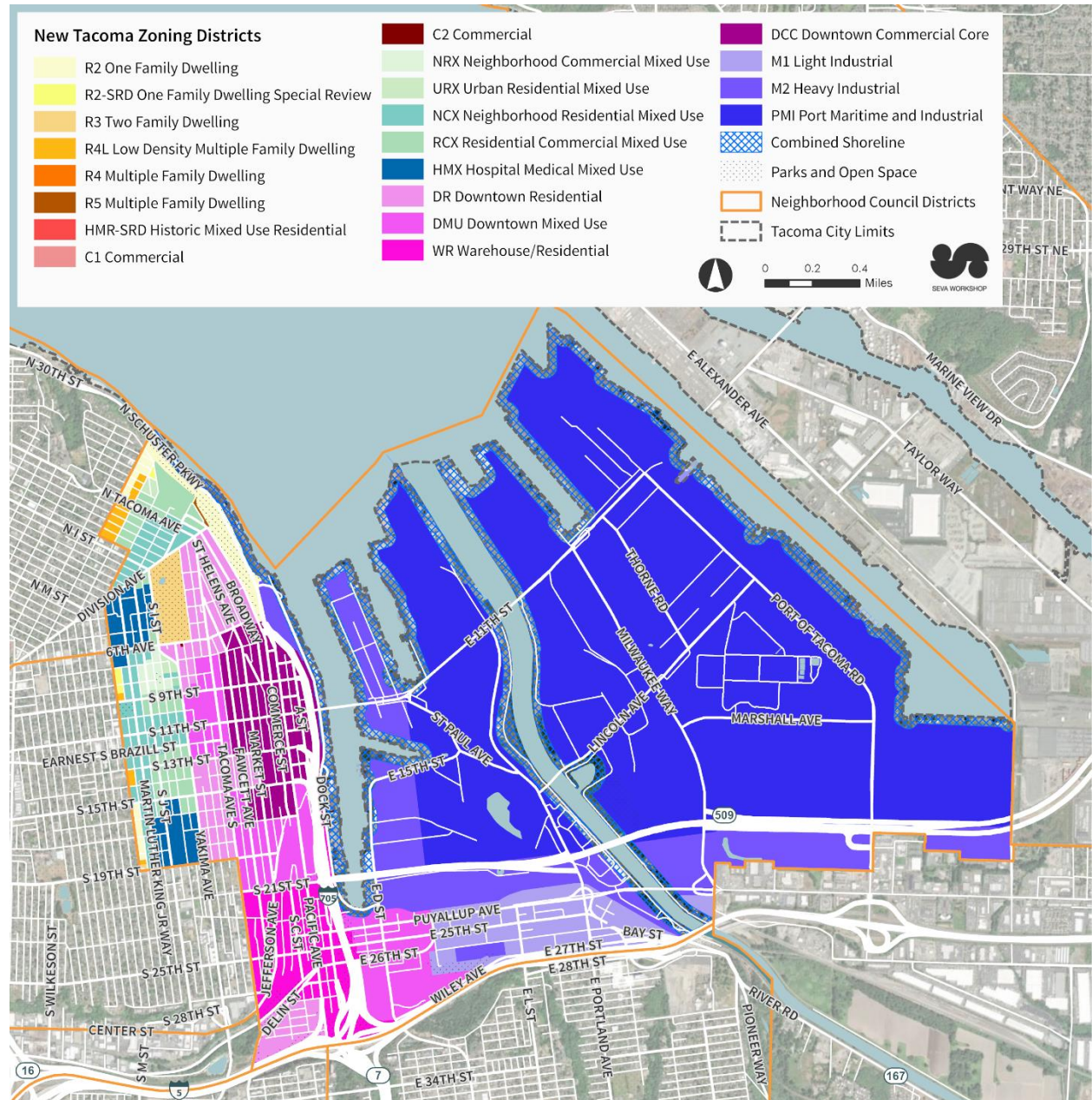
- C1 Commercial
- PDB Planned Business Development
- C2 Commercial
- URX Urban Residential Mixed Use
- NCX Neighborhood Residential Mixed Use
- RCX Residential Commercial Mixed Use
- CCX Community Commercial Mixed Use
- HMX Hospital Medical Mixed Use

- DR Downtown Residential
- WR Warehouse/Residential
- M1 Light Industrial
- M2 Heavy Industrial
- Parks and Open Space
- Neighborhood Council Districts
- Tacoma City Limits



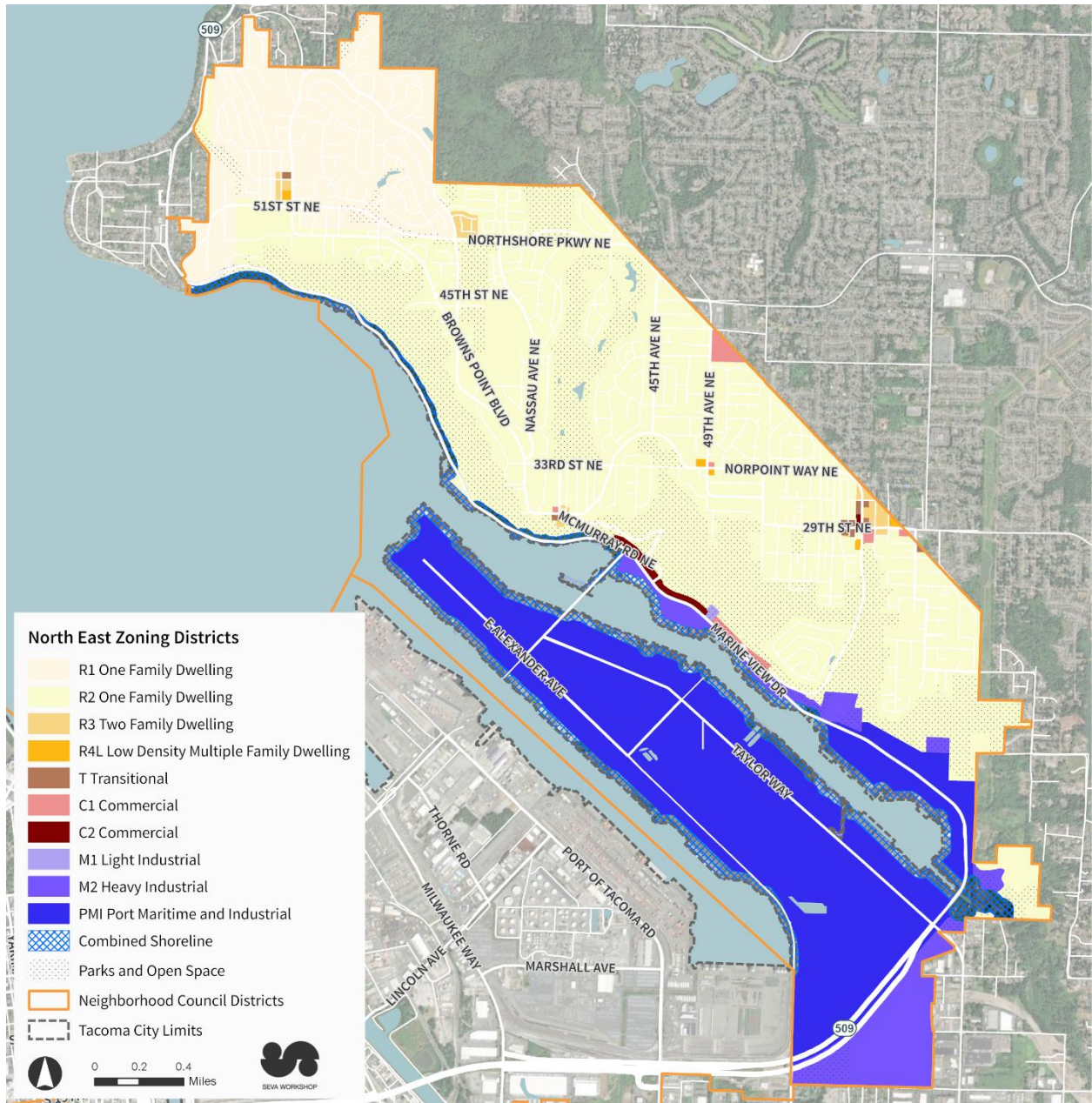
Central Tacoma includes a wide range of zoning districts, including areas of low-, mid-, and higher- density.

Exhibit 30: New Tacoma Zoning Districts



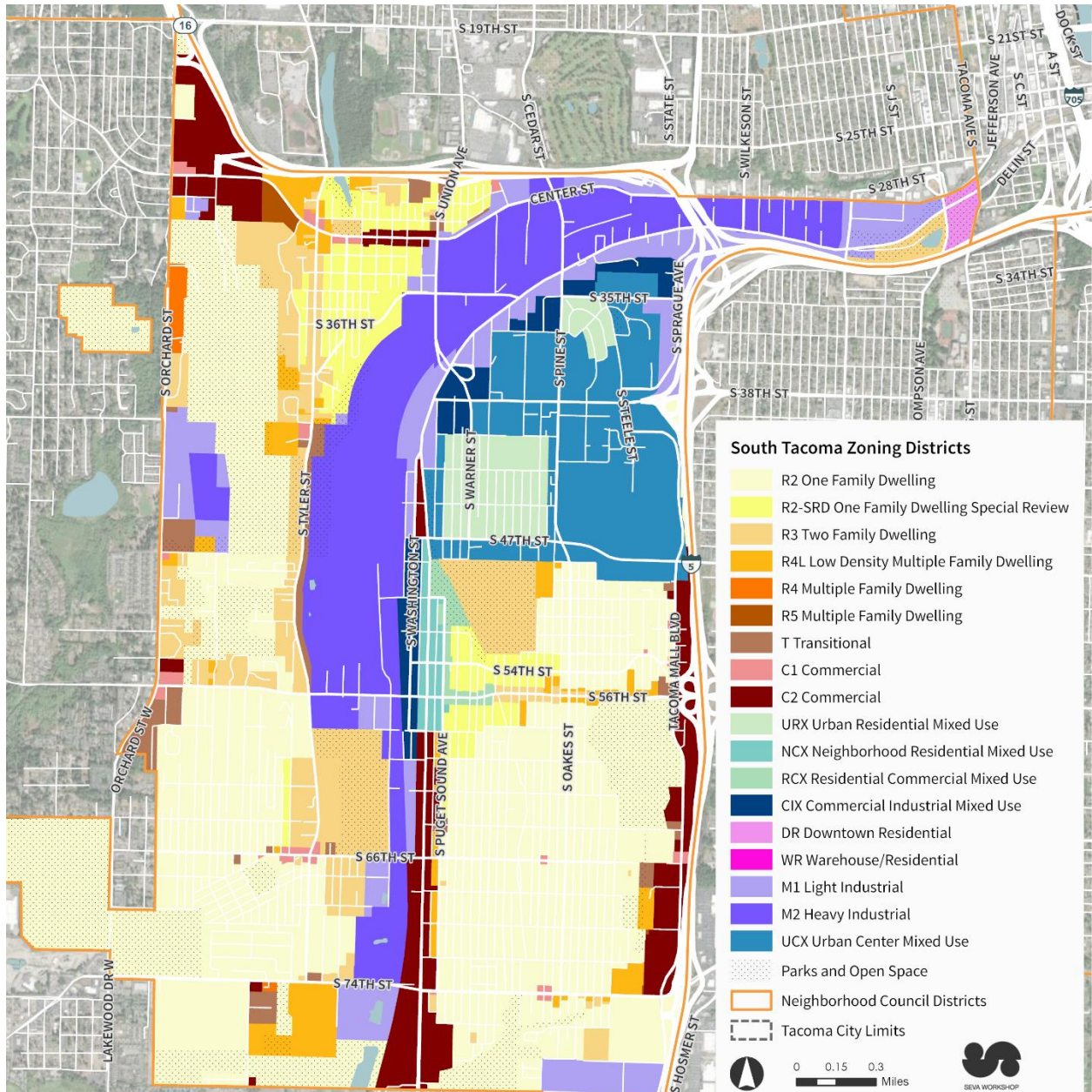
New Tacoma includes Downtown and the industrial district of the Tideflats. Downtown zones allow for the highest density of residential uses in the city.

Exhibit 31: North East Zoning Districts



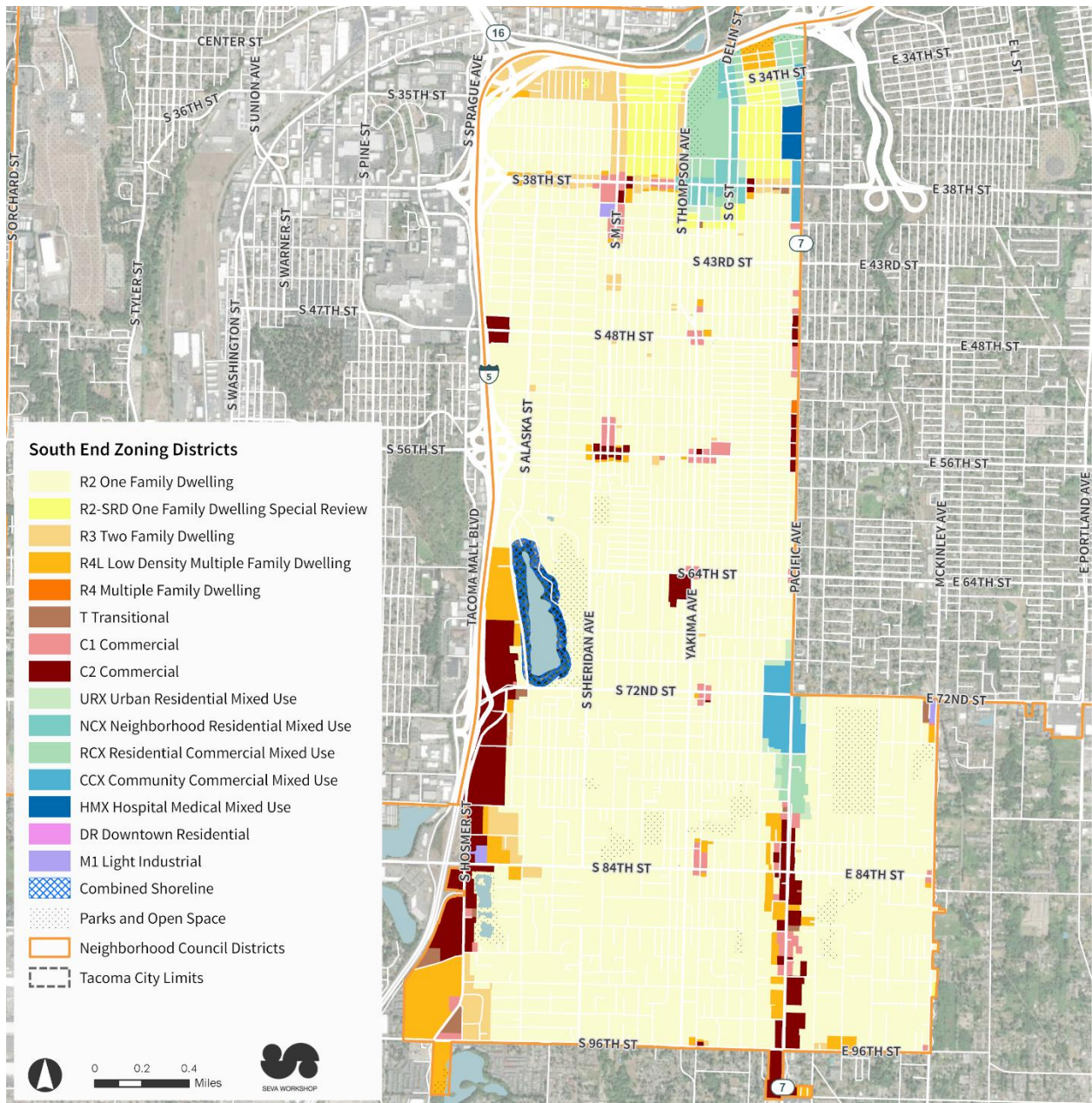
The North East neighborhood is almost entirely R1 and R2 zoning in the areas outside of industrial use. There are a few small nodes of commercial activity where a greater mix and density of uses are allowed.

Exhibit 32: South Tacoma Zoning Districts



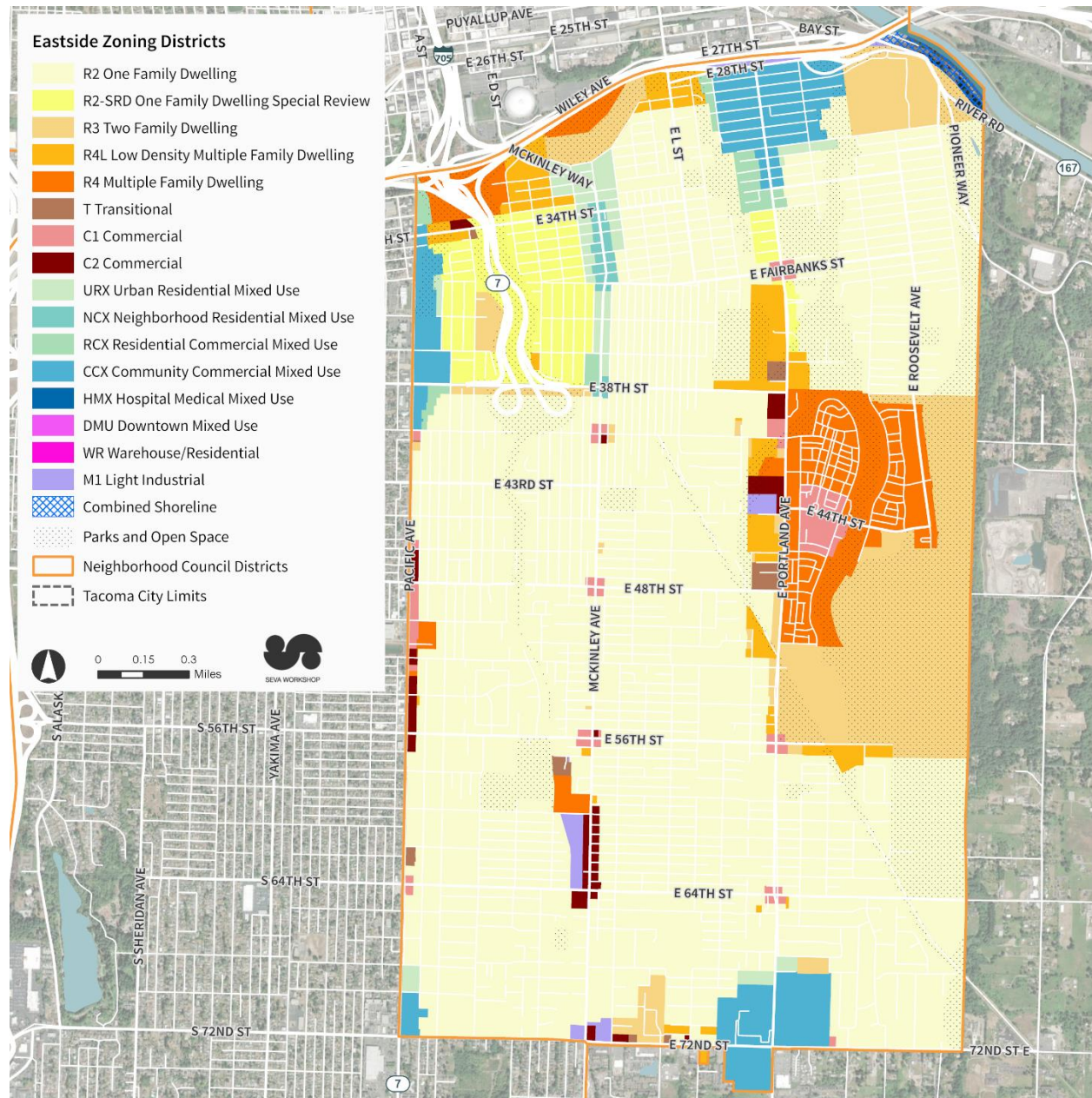
The South Tacoma neighborhood features a wide range of densities and use types. There are industrial lands running along a central spine, but a mix of commercial and residential areas to either side.

Exhibit 33: South End Zoning Districts



The Sound End of Tacoma is blanketed mostly by R2 zoning. There are commercial corridors running north/south along Pacific Avenue and Tacoma Mall Blvd. A pocket of mixed use districts exists in the north of the subarea.

Exhibit 34: Eastside Zoning Districts



Tacoma's Eastside has a range of zoning districts. Most of the central area in the neighborhood is designated as R2. The northern portions of the neighborhood include a range of commercial and mixed use areas. The eastern edge features higher density and mixed use districts along Portland Avenue.

Capacity

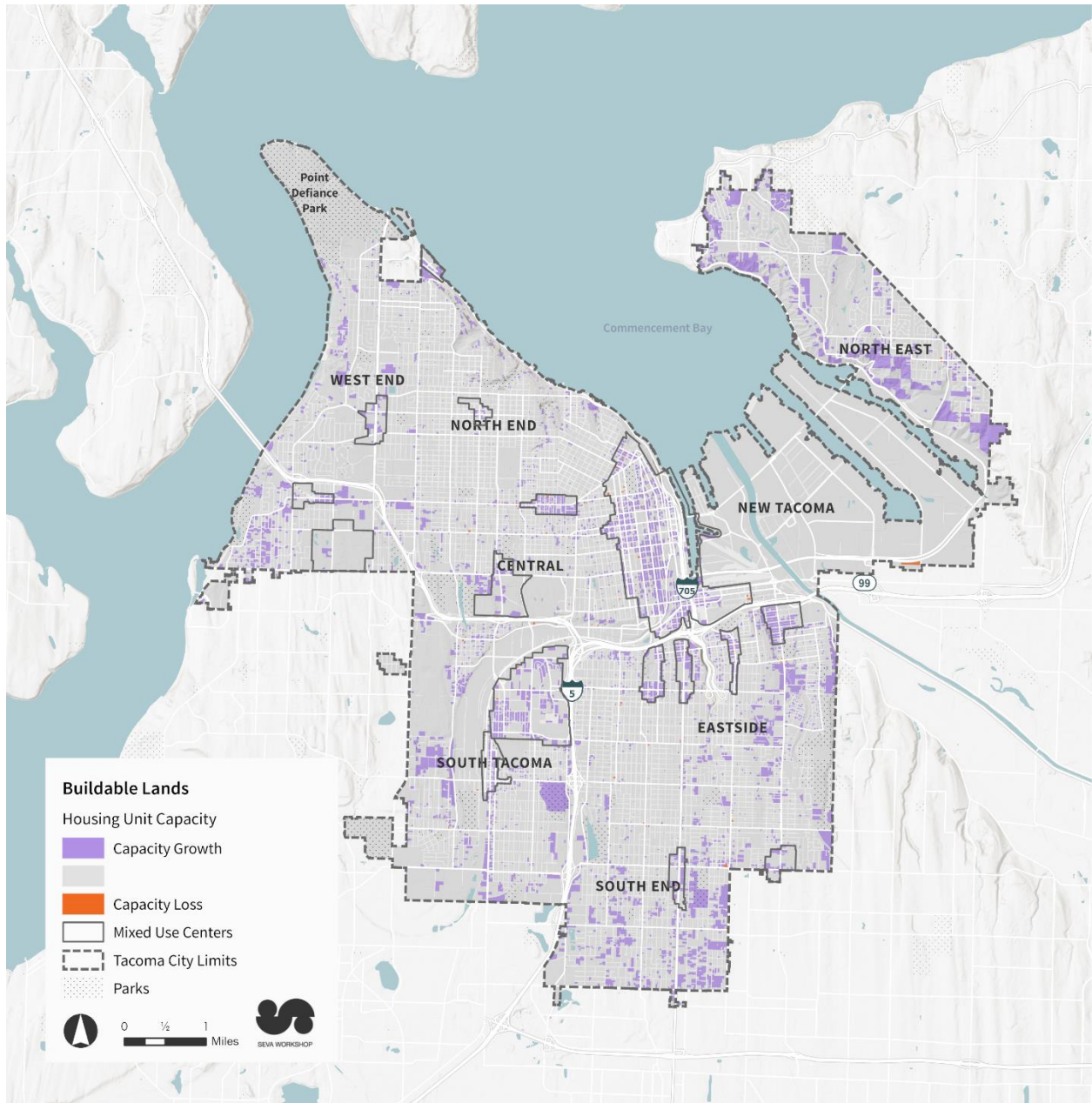
The Pierce County 2021 Buildable Lands Study identifies capacity for an additional 68,049 housing units in Tacoma under existing zoning regulations. The table in Exhibit 35 breaks out this capacity by zone. Half of Tacoma’s residential capacity is concentrated in 4 zoning districts: Downtown Residential/DR (15%), Urban Residential Mixed-Use/URX (14%), Residential Commercial Mixed-use/RCX (11%), and Downtown Mixed-Use/DMU (10%). Another 40% of residential capacity is found across 6 districts: Single Family/R2 (9%), Warehouse Residential/WR (8%), Neighborhood Commercial Mixed-Use/NCX (8%), Community Commercial Mixed-Use/CCX (6%), Downtown Commercial Core/DCC (5%), and Urban Center Mixed-Use/UCX (5%). The remaining 10% of capacity is spread across 15 districts that each have 2% or less of total capacity. A map of this capacity can be found in Exhibit 36.

Exhibit 35: Tacoma Residential Land Capacity, by Zone, 2022.

Zone	Vacant Single				Total Capacity	% Total
	Vacant	Underutilized	Unit	Pipeline		
C2	53	514	0	17	584	0.9%
CCX	733	3,145	0	0	3,878	6%
DCC	164	3,340	0	0	3,504	5%
DMU	1,782	5,011	0	0	6,793	10%
DR	2,668	7,146	0	78	9,892	15%
NCX	470	5,176	0	0	5,646	8%
NRX	8	160	0	0	168	0.2%
R1	395	472	84	0	951	1%
R2	2,601	2,383	1,031	74	6,089	9%
R2-SRD	84	544	40	0	668	1%
R3	224	502	24	16	766	1%
R4	284	799	0	58	1,141	2%
R4L	220	611	13	0	844	1%
R5	0	5	0	0	5	0.01%
RCX	1,226	5,970	0	15	7,211	11%
S15	13	0	0	561	574	0.8%
S8	145	648	0	0	793	1.2%
T	71	143	25	4	243	0.4%
UCX	302	3,005	0	0	3,307	5%
URX	500	9,266	0	10	9,776	14%
WR	1,409	3,851	0	0	5,260	8%
Total	13,352	52,637	1,227	833	68,049	

Source: Pierce County Buildable Lands, 2022; Seva Workshop, 2024.

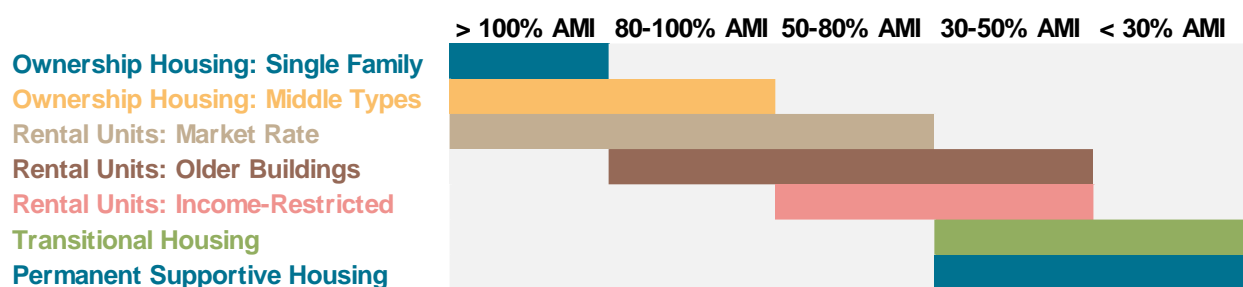
Exhibit 36: Tacoma Housing Capacity, 2022.



Sources: Pierce County Buildable Lands, 2022; Seva Workshop, 2024.

Capacity for special housing types

- Housing for moderate income households in Tacoma includes ownership opportunities for middle housing types and rental opportunities for most types of rental units.¹³
- Housing for low-income households in Tacoma includes much of the rental housing stock but few homeownership opportunities without public subsidy or nonprofit support. There are some units of income-restricted affordable housing set aside for these renters.
- Housing for very-low income households in Tacoma includes income-restricted affordable housing and some market-rate rental units in older buildings.
- Housing for extremely low-income households in Tacoma includes transitional housing, permanent supportive housing, and income-restricted affordable housing.



Middle housing types, such as townhomes, 2-3-4-plexes, and cottage housing are allowed across most all residential districts in Tacoma. The R1 zone is the most restrictive for these types. The table in Exhibit 37 summarizes middle housing types permissions across residential zones. For each type, the minimum lot size varies and is larger in lower density zones. Capacity analysis shows the most space for additional housing units in the R-2 zone (6,089 units).

Exhibit 37: Middle Housing Types across Residential Zones (permit type - minimum lot area in SF)

Dwelling Type	R-1 Zone	R-2	R-2 SRD	HMR-SRD	R-3	R-4-L	R-4	R-5
Single-family detached, small lots	P - 6,750	P - 4,500	P- 4,500	P- 4,500	P- 2,500	P- 2,500	P- 2,500	P- 2,500
Two-family	N	CU - 6,000	P/CU - 6,000	P/CU - 6,000	P - 6,000	P - 4,250	P - 3,750	P - 3,500
Three-family	N	N	P/CU - 9,000	P/CU - 9,000	P -9,000	P - 5,500	P - 5,000	P - 4,500
Townhouse	N	CU - 3,000	CU - 3,000	CU - 3,000	P - 3,000	P - 1,500	P - 1,000	P - 1,000
Cottage housing	CU	CU	CU	CU	CU	CU	CU	CU

CU = Conditional Use permit required
Sources: TMC 13.06.020(F); Seva Workshop, 2024.

¹³ HIT Feasibility Analysis Memo, 2024.

Manufactured housing, described in the zoning code as mobile homes and trailer courts, are allowed as a conditional use in the R-4-L and C-2 zones. The R-4-L zone, is described as “low density multifamily” and can be found in small areas south of Downtown and the Tideflats, as well as scattered sites across Tacoma’s neighborhood districts. See map on the next page, Exhibit 39, which identifies these areas. There are approximately 356 units of manufactured housing in Tacoma today.¹⁴ Capacity for additional units in the R-4-L zone is 844 and in the C2 zone is 584. Mobile home communities are increasingly rare within city limits, due to financial pressures that lead to redevelopment.

Multifamily housing is allowed in many residential districts. Mid-scale residential (R3) allows multifamily as a conditional use on lots at least 9,000 square feet in size. In all residential and commercial zones above this, multifamily housing is permitted outright.

Permanent supportive housing and income-restricted affordable housing is allowed anywhere that multifamily housing units are permitted. Exceptions exist if units are classified as group housing or emergency housing – explored below.

Group housing and foster care facilities are allowed uses across almost all residential, commercial, and mixed-use zones, although lower density residential zones limit the quantity of residents in group housing facilities. In mixed use zones such as NCX or CCX these uses are not allowed at the street level along frontage of pedestrian streets.

Emergency and transitional housing is allowed as a conditional use in many Tacoma zones such as R-4-L, R-4, and R-5. They are allowed uses in Urban Center, Commercial Mixed-Use, Downtown Commercial Core, and other higher density zones. The table in Exhibit 38 summarizes where these housing types are currently allowed in Tacoma.

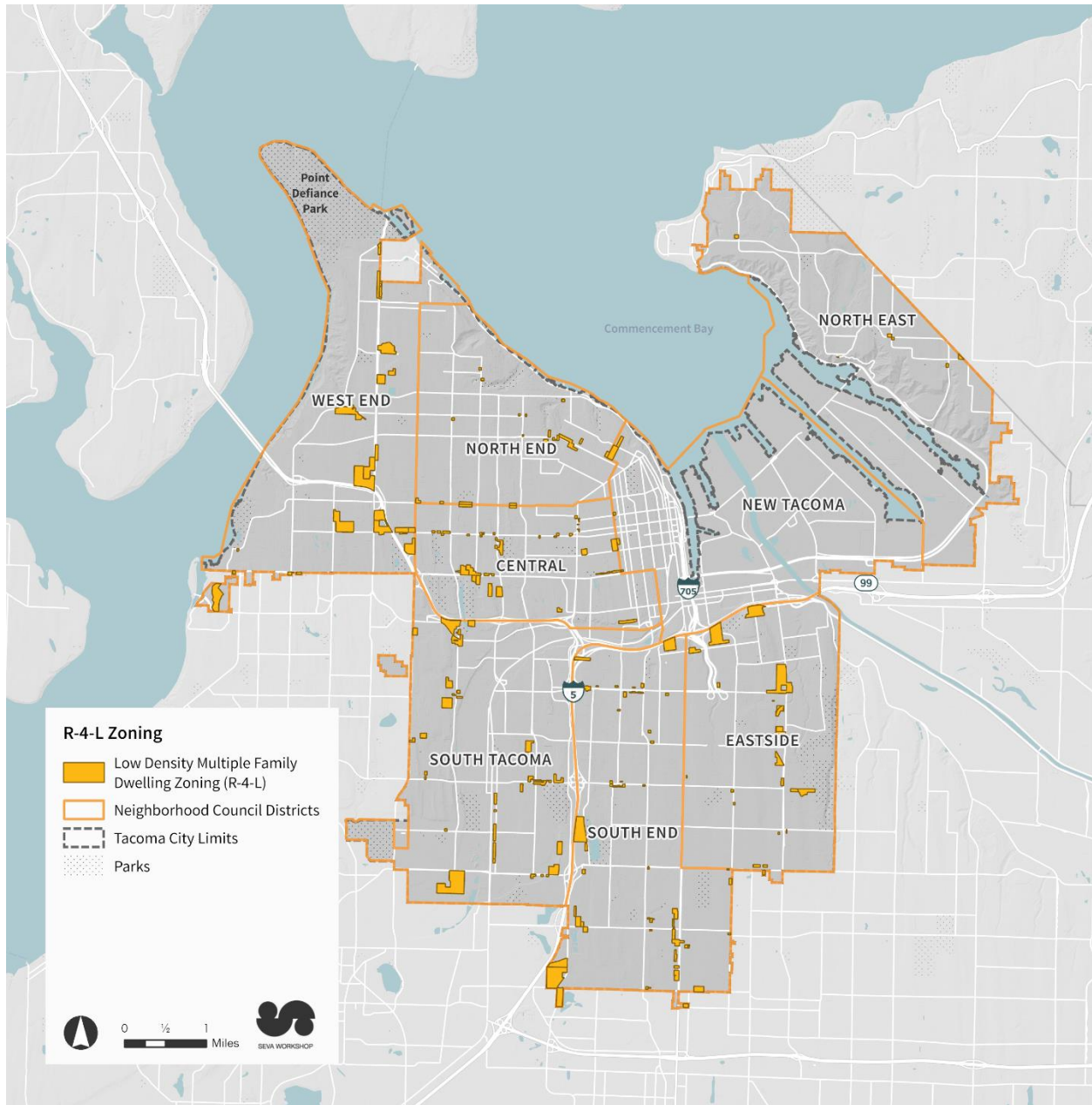
Exhibit 38: Special Needs Housing Types as Permitted Uses in Tacoma

	Size (number of residents)	R-1, R-2, R-2SRD, HMR-SRD, NRX	R-3	R-4-L, R-4, R-5, PRD, URX, RCX, NCX, T, C-1, HM, HMX, PDB	UCX, CCX, CIX, C-2, M-1, DCC, DMU, DR, WR	M-2, PMI
Emergency and Transitional Housing	Limit 6	N	N	CU	P	N
Emergency and Transitional Housing	7-15	N	N	CU	P	N
Emergency and Transitional Housing	16 or more	N	N	CU	P	N
Confidential Shelter, Adult Family Home, Staffed Residential Home	Limit 6	P	P	P	P	N

N = Not permitted; CU = Conditional Use; P = Permitted
Source: TMC 13.06.080.N

¹⁴ ACS 5-year estimates, 2021

Exhibit 39: City of Tacoma Areas Zoned as R-4-L.



Sources: City of Tacoma, 2024; Seva Workshop, 2024.

3.2 Home in Tacoma






Home in Tacoma (HIT) is a project with phase I adopted in December 2021 enacting changes to the city’s housing growth strategy by supporting middle housing types citywide and taking action to ensure that housing growth can meet multiple community goals. In 2023, the City conducted intensive engagement as part of the project’s second phase. In the meantime statewide

legislation such as HB 1110 (middle housing), HB 1337 (ADU support), and SB 5412 (SEPA Exemptions) was passed. Tacoma adjusted its package of policy reforms to align with these legislative directives. The public comment period for HIT ended in March 2024. The changes for this package of reforms include¹⁵:

Middle Housing Zoning Framework

Single family zoning will be replaced with Urban Residential (UR) zoning that allows for a range of building sizes that include multiple units, also known as middle housing. New housing types and permitting frameworks will be developed to support this shift.

Housing Types

Houseplex	Backyard Building	Courtyard Housing	Rowhouses	Multiplex
				
A single building with up to 6 units which is generally the size of a single-unit house, includes an entry from the street and a backyard. Allowed in UR-1/2/3. Includes single-unit homes as permitted use in UR-1/2/3.	A building located behind another structure at the rear of a lot, which may contain a garage. Allowed in UR-1/2/3.	A group of detached or attached units arranged around a shared courtyard which is a shared social space taking the place of private back yards. Detached Courtyard Housing is allowed in UR-1/2/3. Attached is allowed in UR-2/3.	A multi-story building with access to the street from a front door; it is always attached to 2 to 5 other Rowhouses, which together create a "Rowhouse Cluster". Allowed in UR-1/2/3.	A medium building consisting of 7 or more stacked units with the appearance of a large house or a small apartment building. Allowed only in UR-3.

Middle Housing Standards

New form-based building design standards will correspond with these zoning changes. Revised site development standards will follow suit to update buildings' height, scale, parking and landscape requirements. Housing types will be: houseplex, backyard building, courtyard housing, rowhouses, and multiplex.

Affordable Housing Regulatory Tools

These policies are designed to increase housing supply, choice, affordability, and ownership opportunities in Tacoma. They expand the City's inclusionary housing program to target unmet needs and align with market conditions. The structure of the City's bonus program is revisited to be more user friendly, reduce administrative burden, and to set parameters for income targets. MFTE is recommended for the new UR-3 zone.

¹⁵ [City of Tacoma Home in Tacoma Project Summary, Feb 2024](#)

4 PROGRAMS AND POLICIES

4.1 Addressing gaps and needs

The City of Tacoma has been very active in recent years to address its housing challenges. In February 2024, the City adopted its Anti-Displacement Strategy which adds 21 policy and program options for the City to take that address a lack of affordable housing and displacement pressures in the City. The list below captures these initiatives designed promote greater affordability and equity in the city's housing market:

Income-Restricted Affordable Housing Policies and Investments

- **Affordability incentives** such as height and density bonuses, tax reduction, and permitting support are examples of supports that Tacoma has implemented to promote the inclusion of affordable units within market rate housing developments.¹⁶
- **Inclusionary zoning.** This policy framework takes the above incentives and makes them mandatory in areas of the city where the market supports denser development. Tacoma currently has inclusionary zoning in place in the Tacoma Mall Regional Center (2018).¹⁷
- **Land banking** is the process of purchasing land or buildings in areas of the city that can be used for the development of affordable housing. The Tacoma Community Redevelopment Authority (TCRA) Board is the City's mechanism for land banking.¹⁸

Supporting Homeownership and Wealth Building

- **Down-payment homebuyer assistance** includes homebuyer education as well as assistance for down payment funds for first-time homeowners. Tacoma's program began in 2023.
- **Accessory Dwelling Units (ADUs)** are allowed in Tacoma and new policies promote increased development of this housing type, which helps build equity for homeowners and offers housing stock that meets a variety of community needs. Tacoma's ADU program was revamped in 2019 and new supports help homeowners with the financing needed for increased production.
- **Home Maintenance Support** helps low-income homeowners pay for necessary repairs that make their housing suitable for long-term living.

¹⁶ https://www.cityoftacoma.org/government/city_departments/planning_and_development_services/DevelopmentServices/development_and_housing_incentives

¹⁷ [TMC 13.18](#)

¹⁸ [Tacoma Community Redevelopment Authority \(TCRA\) Board](#)

Tenant Protections

- Tacoma's **rental inspection program** assesses quality of conditions for renters, holding landlords accountable to health and safety standards. This program mitigates displacement that could be caused by violation of these standards by identifying pathways to remediation for property owners. In today's version of this program, the tenant must request the inspection.¹⁹
- **Rental Housing Code.** In 2018, Tacoma adopted the Rental Housing Code, which provides protections for tenants in the city. It includes requirements for notice prior to termination of tenancy or rent increases, or notice and relocation assistance when the building will change use or redevelop.²⁰ Landlords are penalized if they are out of compliance with these regulations.
- **Tenant Relocation Funds.** This program provides \$2,000 in relocation assistance to eligible tenants to assist with moving costs when displacement occurs due to demolition, rehabilitation, or a change in use.

Direct Assistance to Address Housing Insecurity

- **Utility assistance** provided by Tacoma Public Utilities and Environmental Services offers reduced utility costs to eligible households.

Policies and Programs Under Consideration

- **Home in Tacoma (HIT).** As described on page 41, this package of reforms widely expands access to middle housing types across Tacoma. These housing types can offer homeownership at rates that are affordable to a broader range of income bands.
- **Right of First Refusal** is being explored as a policy option to pair with Tacoma's Preservation Ordinance. This would give affordable housing developers the first chance at purchasing certain properties, at market rate, before the building is offered to other potential buyers.
- **Tenant Opportunity to Purchase Act (TOPA).** This program help tenants organize to purchase a building collectively rather than have the property sold to another investor. This action builds equity for renters in areas experiencing displacement and share in any gains to land values built in their communities.
- **A Housing Preservation Fund** would create a dedicated stream of funds for the acquisition of properties, or the provision of low-interest financing, to support preservation efforts.
- **Community land trust (CLT) support.** The City could allocate funds to offset startup or operating costs associated with CLTs in Tacoma.

¹⁹ https://www.cityoftacoma.org/government/city_departments/equity_and_human_rights/landlord-tenant_program/landlord-tenant_code_compliance_inspection

²⁰ <https://cms.cityoftacoma.org/CBCFiles/RentalHousingCode/rentalhousingcodeflyer.pdf>

- **A Community Prioritization Policy** would give preference to households who have been displaced, who descend from displacement, or who are actively at high risk of displacement when reviewing applications for income-restricted affordable housing.

5 ACCESS TO EMPLOYMENT

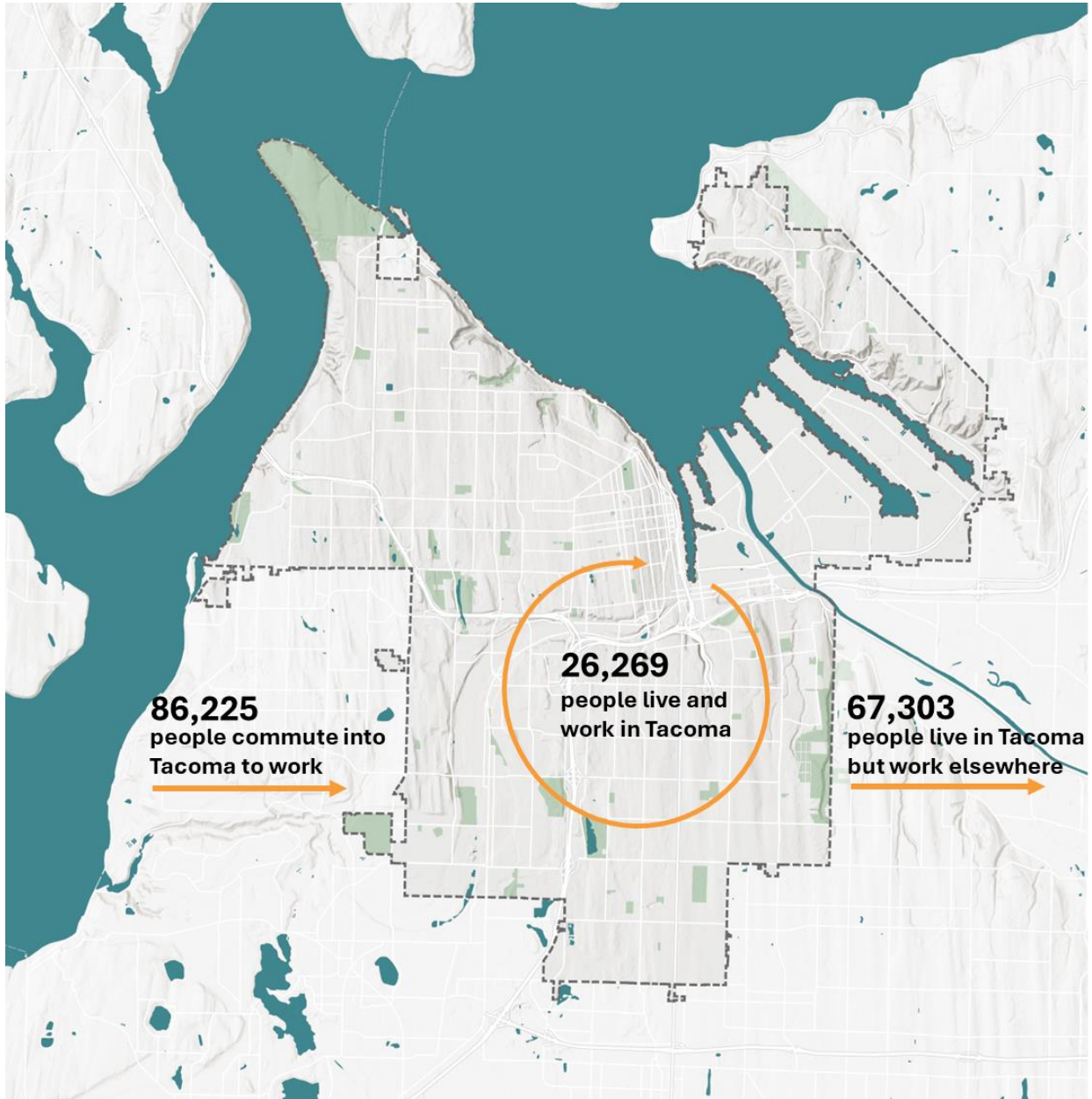
According to 2021 LEHD Origin Destination Employment Statistics (LODES), 28% of working Tacoma residents both live and work Tacoma. A combined 22% percent have places of employment in surrounding cities of Lakewood, Kent, Auburn, Federal Way, and Fife. Twelve (12%) of Tacoma workers have their place of employment in Seattle. About one-third work elsewhere – this includes at Joint Base Lewis-McChord, one of the largest Tacoma resident employers. See Exhibit 40. It is important to note the LEHD data is based on administrative records such as unemployment insurance reporting connecting place of residence and place of employment. These numbers reflect both commuters and those who are working remotely. They also do not include self-employed workers who are more likely to work from home.

The American Community Survey is based on self-reported respondent experiences and will be inclusive of self-employed workers. **Based on the 2021 ACS data, the Tacoma workforce largely commutes by car, 70% driving alone and another 10% carpooling.** The mean travel time to work is 30.4 minutes with 22.7% of workers commuting 45 minutes or more to work. Ten percent of the workforce works from home and only 6% of workers use public transportation. See Exhibit 41.

The likelihood of Tacoma workers taking a certain means of transportation to work varies by race and ethnicity. Exhibit 42 compares the distribution of commute methods to the underlying distribution of workers by race and ethnicity. Communities of color are more likely than average to carpool. Black workers are much more likely than average to commute to work by public transportation. White, non-Hispanic or Latino, workers are the most likely group to commute alone by car, truck, or van.

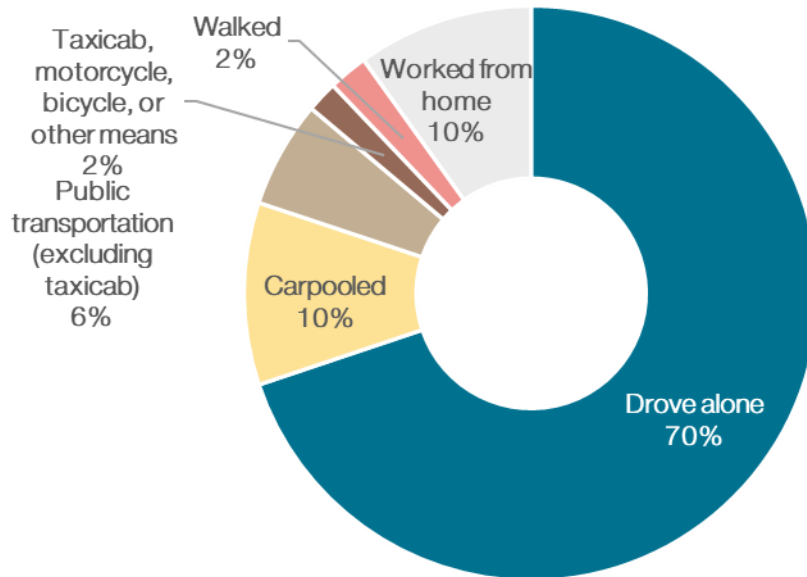
Tacoma's biggest job center is Downtown, followed by the Tacoma Mall, Tideflats, and South Tacoma MIC areas. Strengthening public transportation options from residential centers to these employment hubs could improve the public transportation capture rate from the city's commuters. Given the higher ratio of Black workers using public transportation, continued improvement of bus service can help meet racial equity goals. Very few Tacomans report walking to work (2%). This indicates that there is not a complementary clustering of work opportunities and housing centers within the city.

Exhibit 40: Tacoma Inflow/Outflow Analysis, 2021.



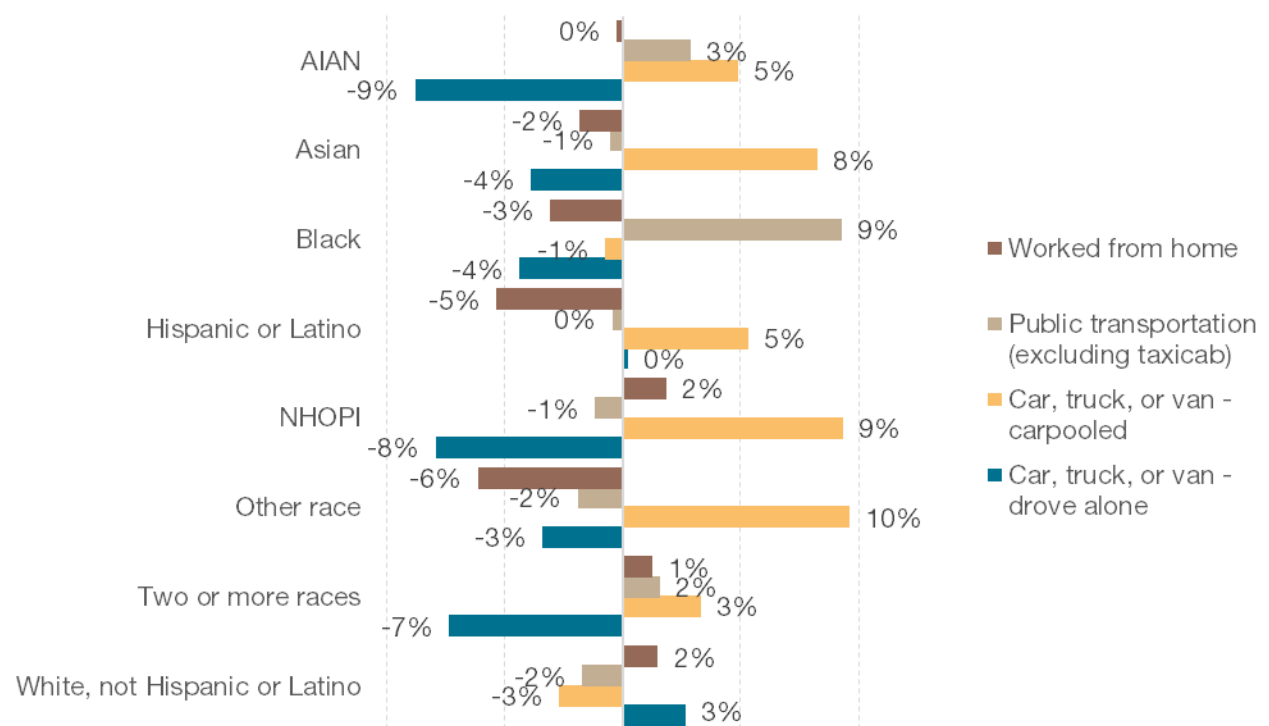
Sources: Census OntheMap, 2021; Seva Workshop, 2024.

Exhibit 41: Means of Transportation to Work, 2021.



Source: American Community Survey 5-year estimates (2017-2021)

Exhibit 42: Means of Transportation to Work by Race and Ethnicity, 2021.



Note: A value of 0 indicates the share of that group using that means of transportation is equal to their share in the overall population. AIAN=American Indian and Alaska Native; NHOPI=Native Hawaiian and Other Pacific Islander. Hispanic or Latine is an ethnicity. The Hispanic or Latino category includes Hispanic and Latine people of all races. All other categories show non-Hispanic races.

Source: American Community Survey 5-year estimates (2017-2021) (B08119, B08105B-1)

6 RACIAL EQUITY IN HOUSING POLICY

6.1 Racially disparate impacts

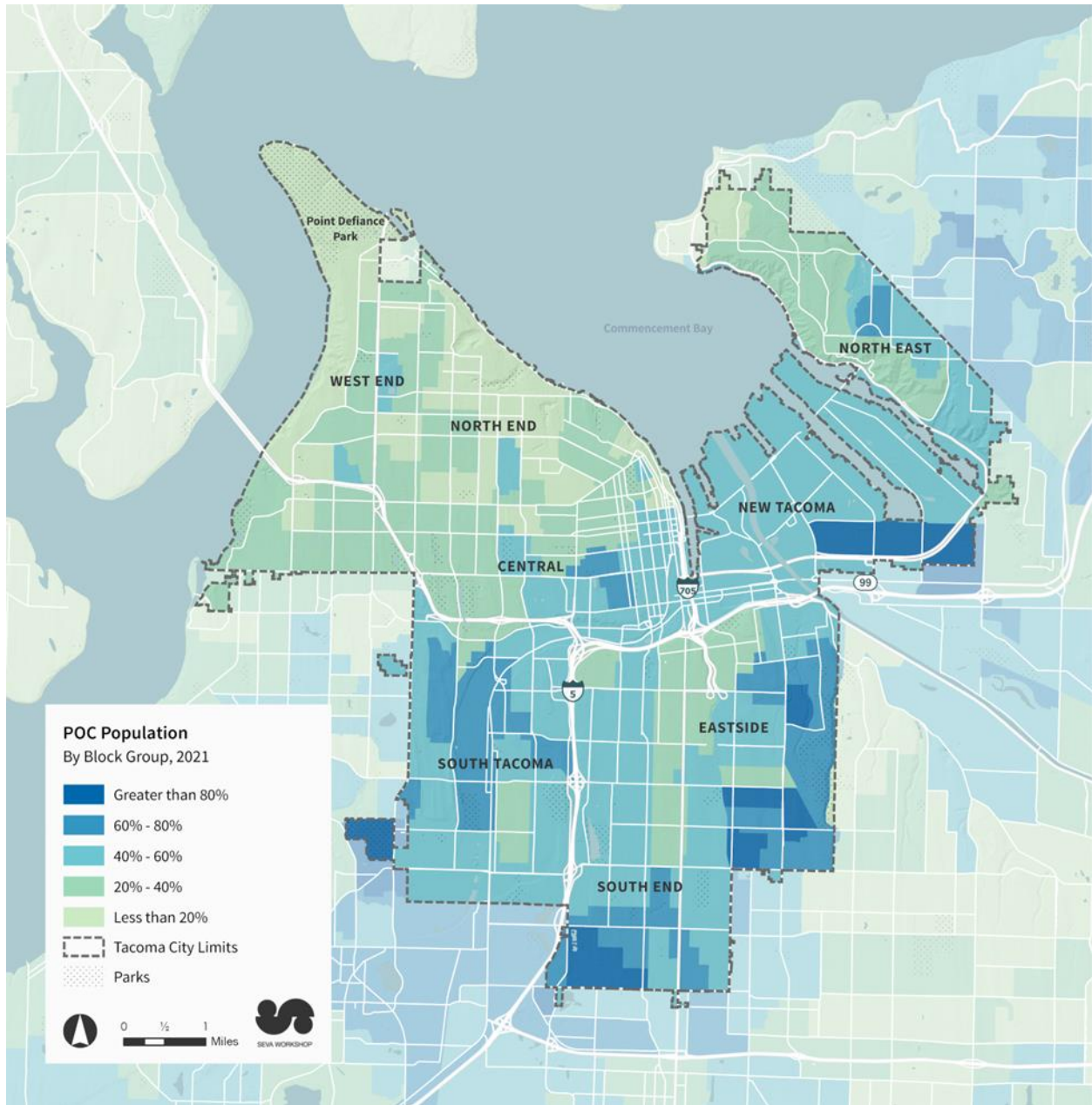
In Tacoma, racial disparities are observed in homeownership rates (see Exhibit 7), household incomes (see Exhibit 15), and rates of housing cost burden (Exhibit 20). Non-white households have lower rates of homeownership and lower household incomes, and Black households experience the greatest disparities across these datapoints. Geographically speaking, Tacoma’s communities of color are more densely populated in south and east Tacoma neighborhoods, as shown in the map in Exhibit 43. Location decisions are a function of many factors at the household level, including available resources and access to desired amenities. Today’s distribution of racial groups is also influenced by historical policies and practices, such as treaties, redlining, Japanese incarceration, and Chinese expulsion²¹.

During active redlining in Tacoma, the North End and areas extending to the bay were identified as the most desirable parts of the city. Downtown, the Hilltop area, the northern parts of Eastside, and parts of South Tacoma were labeled as “hazardous” (pink) or “undesirable” (yellow) due to the presence of non-white residents. These practices concentrated communities of color in neighborhoods that were de-prioritized for public investment and services. Areas identified as “first” (green) or “second” (blue) grade were more favorable and predominantly White homeowners. These same areas remain whiter than other Tacoma neighborhoods today. See Exhibit 44 for the 1937 map used by mortgage lenders.

Today, the decline in homeownership affordability for moderate and low-income households perpetuates these inequities. Rising interest rates and house prices raise the barrier to entry for home ownership. In Tacoma, racial disparity persists among first-time homebuyers, particularly for Black and NHOPI households. See Exhibit 18. Policy proposals included with Home in Tacoma address this decline in affordability by expanding opportunities for middle housing types. The proposed zoning changes and incentive programs would take steps to address this disparity.

²¹ For a more detailed history see: Mapping Inequality, <https://dsl.richmond.edu/panorama/redlining/map/WA/Tacoma/context#loc=12/47.2481/-122.4546>

Exhibit 43: People of Color as a Proportion of the Population in Tacoma, 2021.



Source: American Community Survey 5-year estimates (2017-2021).

Exhibit 44: Tacoma “Residential Security Map”, 1937.

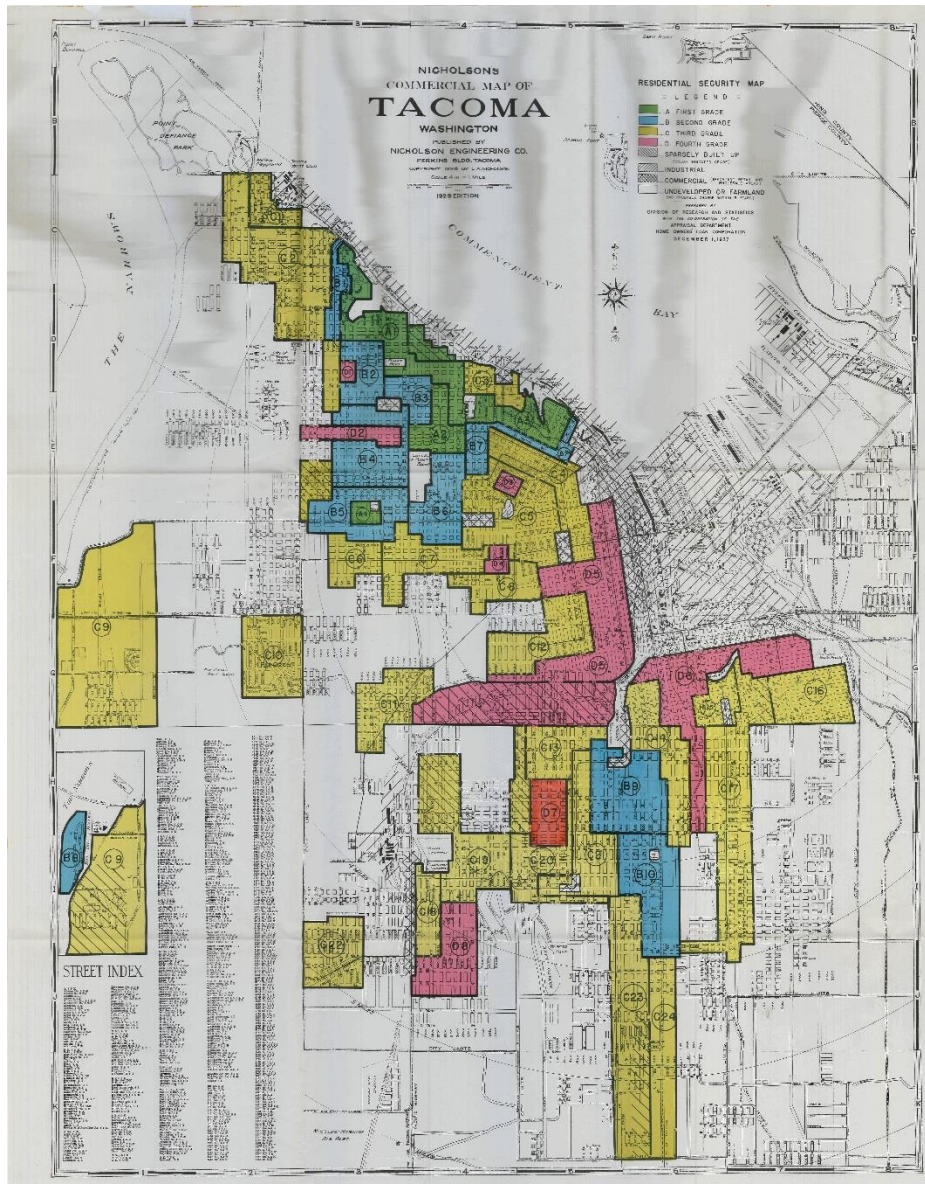
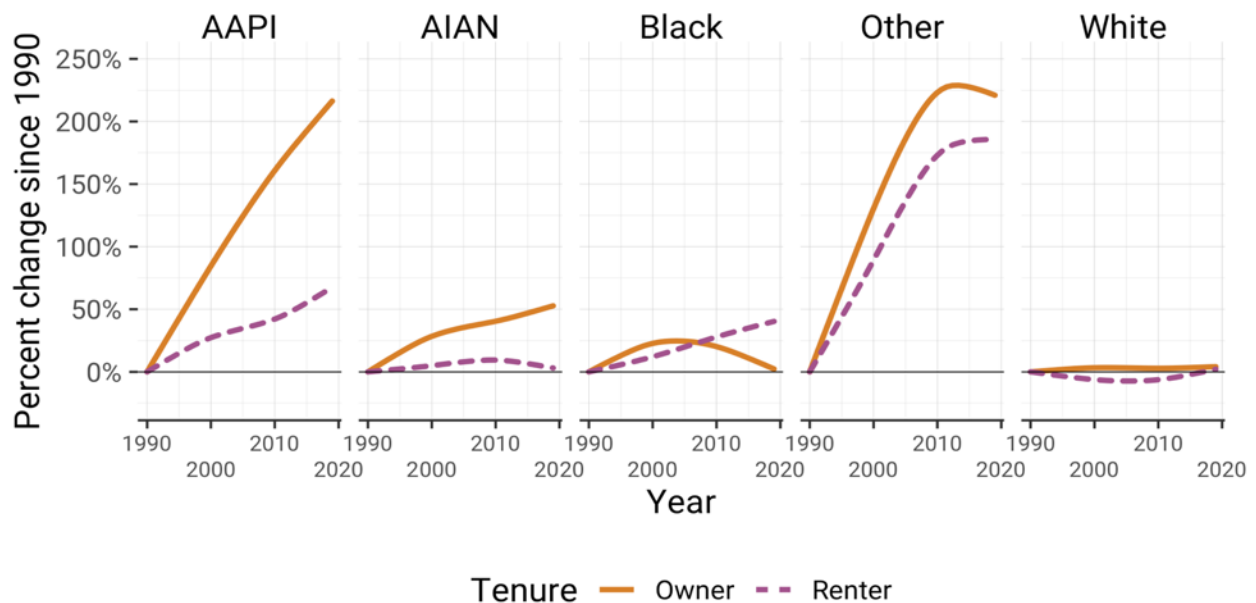


Image Source: “Mapping Inequality” website, hosted by the University of Richmond.

In 2021, the City of Tacoma conducted an in-depth study into its systemic race-based disparities in housing. This report studied both quantitative and qualitative sources related to housing, discrimination, and homeownership opportunity in Tacoma. Key findings from this study include:

- Black households have experienced a stark decline in homeownership from 1990-2020 in Tacoma. All other racial groups experienced increase or stable rates of homeownership over this time period. Black and Hispanic households across the country are shown to have been more significantly impacted by the predatory and subprime lending practices that led to the 2008 foreclosure crisis. See Exhibit 45.

Exhibit 45: Percent Change of Owner and Renter Households by Race, in the City of Tacoma 1990-2020.



Notes: AAPI is Asian American and Pacific Islanders, AIAN is American Indian and Alaska Native, Other refers to people not fitting into a provided group. The multiracial category was not introduced until 2000 and thus not included. Sources: Sources: U.S. Census, American Community Survey (ACS), 2015- 2019 (5 Year Survey) and NHGIS (National Historical GIS) iPUMs data; EcoNorthwest “Tacoma Housing Disparities”, 2021.

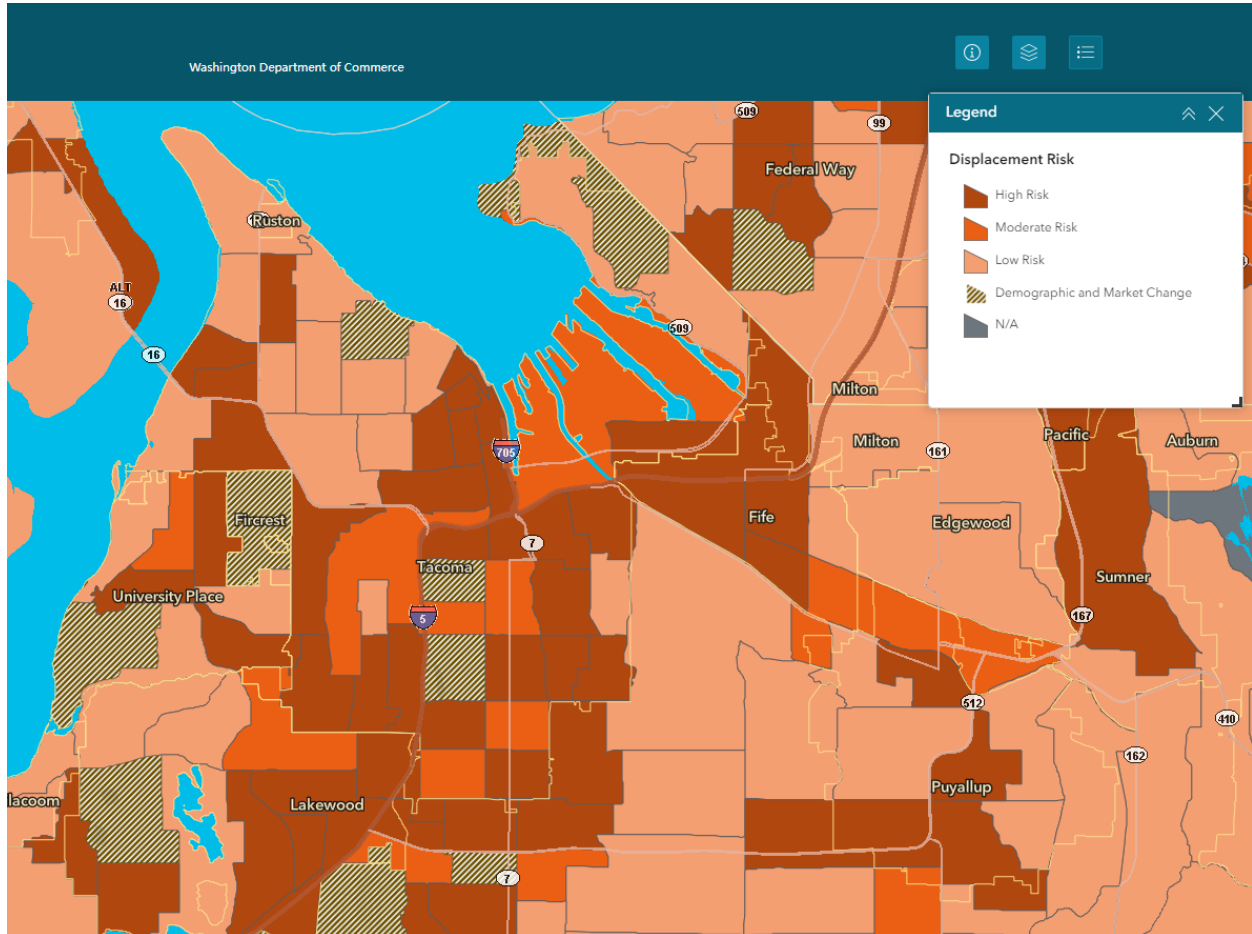
- Tacoma’s educational attainment levels are significantly lower than statewide rates across almost every race category. In Tacoma, 19% of Black residents have a bachelor’s degree or higher compared to a rate of 33% for White residents. Lower levels of educational attainment impact expected income generation potential, which connects directly to a household’s ability to avoid cost burden.
- Racial disparities for household income are observed in Tacoma, connecting to trends in homeownership and educational attainment. Black households have the lowest median income.

6.2 Displacement

In 2024, the City of Tacoma adopted an Anti-Displacement Strategy that outlines policies and programs that address housing stability for vulnerable residents. These strategies address four types of displacement: **physical displacement**, occurring when building conditions change like in case of natural disaster, condemnation, or eminent domain; **economic displacement**, when housing cost increases are dramatic enough that a resident must move or is evicted; and **cultural displacement**, when a household moves because the businesses/services/community that cultivate a sense of belonging for them are no longer present.

The strategy studies displacement risk mapping exercises completed by the Department of Commerce, Puget Sound Regional Council, UC Berkeley Urban Displacement Project, Evictions Study Map, and the City's own Equity Index.²² Rather than creating a new displacement risk mapping tool, the City evaluated these 5 different, but related, analyses for a comprehensive study of the various factors impacting displacement risk in Tacoma.

Exhibit 46: Displacement Risk Mapping in Tacoma, Draft 2024.



Note: This is a Draft version
Source: Washington Department of Commerce, 2025.

Under these displacement definitions and considering the findings of these five studies, the strategy identifies particular displacement risk:

- Geographically, in the Hilltop neighborhood and in parts of South and East Tacoma

²² [Department of Commerce Displacement Risk Map, Draft, 2024](#), [PSRC Displacement Risk Map, 2019](#), <https://www.urbandisplacement.org/>, <https://evictionlab.org/>, and [Tacoma Equity Index, 2022](#)

- Racially, People of Color are shown to be at higher displacement risk than White residents

Additional detailed study into movement of particular households is conducted in the 2021 “Tacoma Housing Disparity Study”. This report observes that between 2000-2019, residential patterns of Black households indicate that the central, west end, and eastside areas of Tacoma show signs of gentrification and displacement risk.

Existing policies and programs that might contribute to displacement in Tacoma are:

- Concentrated and significant upzones contribute to displacement risk. Land becomes more valuable as denser development is allowed on each site, which contributes to financial pressures toward economic displacement. When certain parts of the city remain very low density while others are dramatically upzoned, displacement risk is concentrated in those upzoned areas. In Tacoma, there are many neighborhoods where low density residential zoning is protected, meaning that other areas, such as the Downtown and Mixed-Use Centers, have experienced this increased displacement risk.
- Large public investments in infrastructure and amenities can contribute to displacement risk. These investments, such as new public transit infrastructure, increase the desirability of neighborhoods and can increase land values. Light rail expansion in Tacoma will increase displacement risk near station areas, both from physical displacement via eminent domain and economic displacement from increased property values. Future stations are planned in the Portland Avenue and Tacoma Dome areas, with service starting in 2030.

Existing policies and programs that are aimed at mitigating displacement pressures:

- Concentrations of residential zones with very low density also contribute to a city’s overall displacement risk. Maintaining these areas means that during periods of growth when development pressures rise, there is less land to spread these pressures across. Areas vulnerable to displacement pressure feel a more intense version of those forces. State policies that eliminate exclusive single family zoning (HB 1110) and new legislation proposed through Home in Tacoma would make a big impact on increasing housing options in Tacoma.²³
- Affordable housing incentive programs increase the supply of income-restricted housing units. These units provide assurance that households with lower incomes will have a place in the community, for the long term. When applied in areas with higher concentrations of vulnerable populations, they can have a bigger anti-displacement impact. Examples of these programs in Tacoma today include: Inclusionary zoning, density bonuses, Multifamily Tax Exemption (MFTE), and priority permit review.
- Down-payment homebuyer assistance program. Since 2014, the City has intermittently contracted with Washington State Housing Finance Commission to administer downpayment assistance funds for eligible households with incomes at or below 80% AMI. This program ended in 2023, but the City is working to implement a new, internally operated program.

²³ apps.leg.wa.gov/documents/billdocs/2023-24/htm/bill%20reports/House/1110%20HBA%20HOUS%2023.htm

6.3 Exclusion

Historic Practices

A history of exclusionary legal practices provides a framework for modern residential patterns. A longer exploration of this history can be found in the Equity Assessment Context History and Baseline document for this project. Key takeaways from this review, relevant to residential exclusion, include:

- Intense decrease in Tribal populations after early arrival of White settlers due to diseases such as smallpox and influenza. Displacement of indigenous inhabitants via treaties that cede Tribal lands in areas now known as Tacoma.
- Labor movements and fear-based campaigns against Chinese railroad workers, leading to a ban on citizenship and land ownership for these immigrants in the late 1800s. This included a mob in 1885 that marched through Tacoma's Chinatown, destroying homes and businesses.
- The internment of Japanese and Japanese-Americans to concentration camps during World War II.
- Redlining and Racially Restrictive covenants, as explored in the Racially Disparate Impacts section, blocked many – particularly Black Americans – from homeownership and settlement in certain designated areas of Tacoma until these practices started being dismantled with the Fair Housing Act of 1968

Modern Lending Practices

Home Mortgage Disclosure Act (HMDA) data show that Black, Hispanic, and other minority applicants are less successful than White applicants in obtaining mortgage financing in Tacoma. The most common denial reasons listed for loan applicants in Tacoma are debt to income ratio (28%) and credit history (23%). Credit history is a more prevalent reason for denial among Black and Indian/Alaska Native applicants, while Hispanic applicants are more likely denied based on debt-to-income ratios.²⁴ Access to credit is a major factor in determining eligibility for homeownership and building generational wealth.

Location Quotient Analysis

A location quotient is a metric calculated to show the concentration of communities of interest in each census tract relative to patterns across a larger geography. It is a useful tool for illustrating patterns of segregation and exclusion. For example, if 7% of a neighborhood population is Black, and 7% of that county's population is Black, then the location quotient is 1. A tract where 14% of residents are Black would have a location quotient of 2. And a tract where only 3.5% of residents are Black would have a location quotient of 0.5. So, tracts

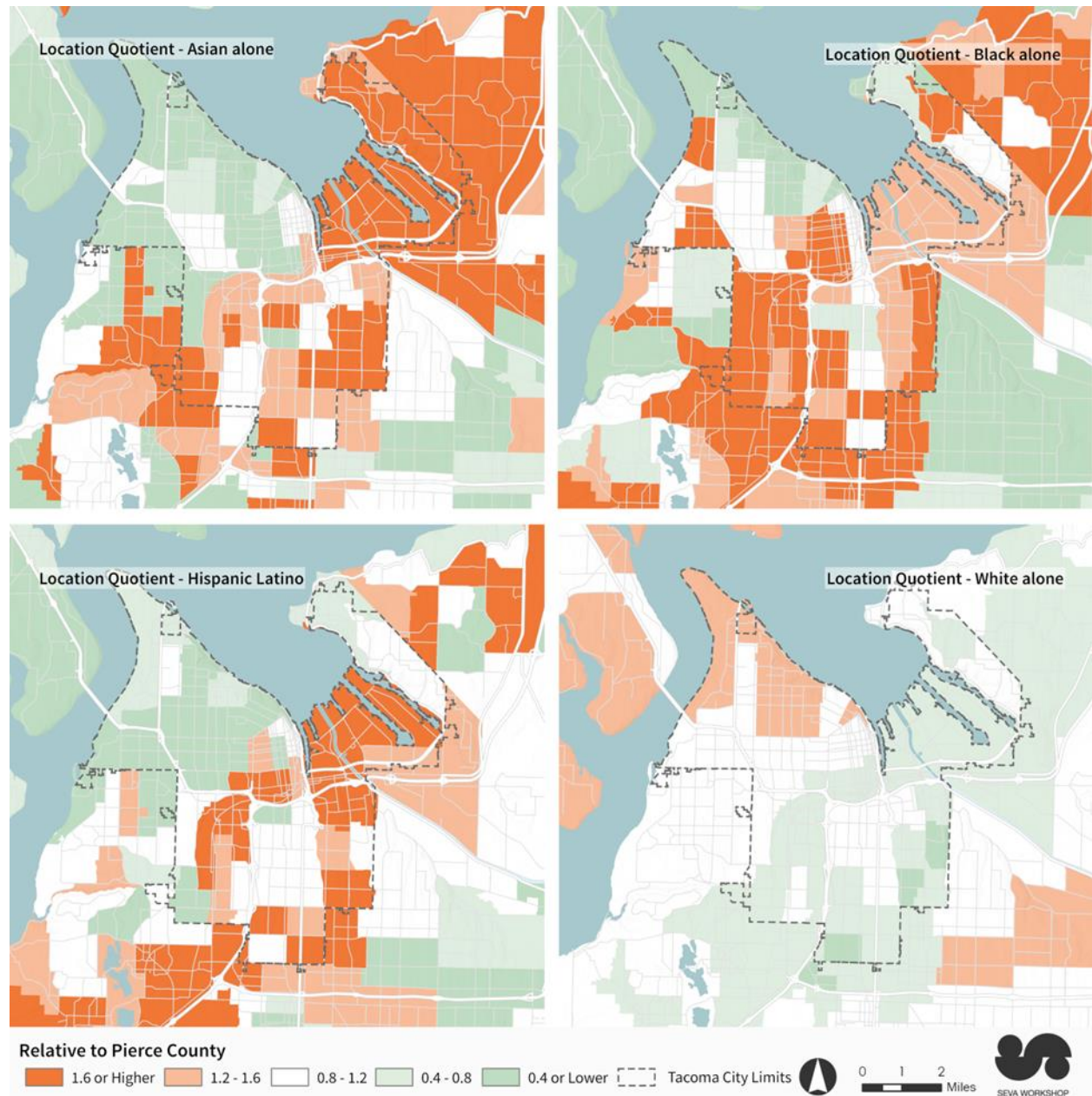
²⁴ "Tacoma Housing Disparity Study", 2021. Data from 2020.

with high location quotient scores have a greater share of that population compared to the rest of the County.

Tacoma has long been more diverse than Pierce County as a whole. As noted above, the City has historically been home to particularly high concentrations of Asian and Black residents as compared to Pierce County. Asian communities in Tacoma are highly represented in the southern parts of the city, particularly in South Tacoma and Eastside. Black communities have higher representation across many Tacoma neighborhoods, but notably low representation along the waterfront in the North End. Both Black and Asian communities are also highly represented in areas outside of the Tacoma City boundary and in other urban and peri-urban areas of Pierce County. See Exhibit 47.

The durability of redlining effects can be seen in North End that has a higher concentration of White households than compared to Pierce County as a whole and lower concentration of Asian, Black and Hispanic/Latino residents. The location quotient maps suggest that the concentration of White communities is relatively even across Tacoma, with lowest prevalence in southern neighborhoods. Hispanic/Latino communities of Tacoma are most densely represented in Eastside, New Tacoma, and South Tacoma neighborhoods.

Exhibit 47: Location Quotient, Asian, Black, Hispanic Latino, White Alone



Sources: American Community Survey 5-year estimates (2017-2021); Seva Workshop, 2024.

A location quotient is a metric calculated to show the concentration of communities of interest in each census tract relative to patterns across a larger geography. It is a useful tool for illustrating patterns of segregation and exclusion. In the above maps, the darker orange shade identifies concentrations of the studied group across Tacoma, and the green identifies low prevalence of the group. In the top left, Asian households. Top right, Black households. Bottom left, Hispanic/Latino households, and bottom right-White households. These rates are relative to Pierce County's overall demographics, hence the overall lower ratios of White households in Tacoma.