



State of Affordable Housing In Pierce County, Part II

March 2009

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The League of Women Voters, a nonpartisan political organization, encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.

I. INTRODUCTION, GOOD NEWS, AND BAD NEWS

Our initial paper (March 2008) defined affordable housing* and discussed the status of the issue throughout Pierce County. This paper first discusses current projects and happenings in Pierce County (the good news and the bad news). Next, we describe specific types of building options - zoning, financial, regulatory, and design - which have been proposed, and might increase our affordable housing stock. We then outline some of the financial assistance options which exist, including information on Section 8 Housing.

We hope that you evaluate these options and possible actions and develop an opinion of how successful they might be. Finally, in the appendices, we offer a few definitions and local, national, and state League of Women Voters positions on housing,

***AFFORDABLE HOUSING: Housing that costs 30 percent or less of the net income(s) of those living in that housing. Those costs include not just rent or mortgage, but also property taxes, utilities, insurance, and neighborhood association fees.**

THE GOOD NEWS:

Annobee Apartments: The Annobee Apartments in Tacoma were transformed from 3 and 4 room apartments into 43 single units for senior citizens. The apartments were built in 1925, abandoned in the late 80s and vacant for about 10 years. The primary sources of funding were Low Income Housing Tax Credits (\$2m), a bank loan (\$1m), Historic Rehabilitation Tax Credits (\$790,000) and Affordable Housing Funds (\$750,000). The Annobee also benefited from Tacoma's local Special Tax Valuation program which allows property owners, who complete substantial rehabilitation within a period of two years, to get reduced property taxes for a period of ten years. We now have affordable housing for low-income seniors at a location that puts them close to health care services and retail. This is a good example of adaptive reuse.

Habitat for Humanity: Habitat for Humanity continues its building of lower-cost houses in Pierce County. As well as Tacoma-Pierce County, there are now chapters in Gig Harbor/Key Peninsula, and East Pierce County. The houses completed in 2008 brought the total to 152 in our area (136 houses in Tacoma, 10 on the Key Peninsula, 3 in Lakewood, 2 in Puyallup, and 1 in Roy). To date, local Habitat projects have housed more than 291 adults and 588 children. There are five more houses under construction in Tacoma.

Tacoma Housing Authority (THA) is involved in securing lower-cost homes that might be renovated, or at least made available to lower income families. THA is receiving funding of \$7-8 million from the National Neighborhood Stabilization Fund, to purchase housing in danger of foreclosure, due to the area's high foreclosure rate. Houses will be rehabilitated and sold to low income residents. If there are not enough buyers, the houses may be rented by THA.

Olympus Hotel: The Olympus Hotel, in downtown Tacoma, is being purchased by the Korean Women's Association. It will become low cost housing.

Salishan: The Salishan Project of the Tacoma Housing Authority occupies 188 acres in East Tacoma. The community will provide approximately 1300 new homes with 760 units for residents at 50% or less of Area Median Income. There is a mix of private and public housing, rental and family-owned housing. To date, 415 rental units, and 136 owned units are finished and occupied. Ninety more units will be completed in the next few months. There is also a

senior apartment facility, International Place, operated by the Korean Women's Association According to Kathleen Merryman, in *The News Tribune*, "This Hope VI project is transforming public housing on Tacoma's East Side into a lovely, safe, environmentally sound community. The people who live there are diverse in age, income and ethnicity, yet they have created a welcoming neighborhood." (January 26, 2009)

Tacoma/Pierce County Affordable Housing Consortium provides a unified voice for affordable housing in our community. Founded in 2003, the Consortium is an organization of key stakeholders in the production and operation of affordable housing. They continue their work of improving the financial, political, and social will to develop critically-needed housing in Pierce County. (www.affordablehousingconsortium.org)

University Place: The University Place study of Affordable Housing will be available later this spring, to be presented to the Council with recommendations. It will follow State and County guidelines. One interesting inclusion is the idea of Work-Force Housing possible through non-profit and private investment. The idea is similar to plans presented to the Tacoma City Council in 2008.

THE BAD NEWS:

Foreclosures: The issue of affordable housing has come to the forefront again with the downturn in the economy. In 2008, Pierce County and Tacoma led the state in mortgage foreclosures. Critical areas in Tacoma are the Hilltop and Eastside. People suffering foreclosures may become homeless or lack sufficient funds for available housing.

Manufactured Homes: More than 52 manufactured home parks have closed or were scheduled to close since 2006 – a loss of more than 2000 spots, according to the Department of Trade and Economic Development's Office of Manufactured Housing. (*The News Tribune*, March 12, 2008). In Pierce County, 13 parks were scheduled to close between 2006 and 2008, eliminating 503 spaces. Since manufactured home parks have been a source of affordable housing, the reduction of available spaces has increased the shortage of affordable housing.

See Appendix B - Assistance Options, for financial help for some who are forced to leave their manufactured homes because of park closure. However, for the residents of Country Aire Estates, a Pierce County manufactured homes park, which was recently closed, the waiting time for reimbursement is expected to be up to two years, due to the demand.

In December 2008, the Pierce County Council's Rules Committee denied the proposed 6 month moratorium on converting manufactured/mobile home parks to other uses.

United Way of Pierce County 2006-2007 Human Services Assessment says the real wage per job employees earned during 2005, in Pierce County, was \$39,248, compared to \$33,421 a decade earlier. Pierce County has a higher rate of people receiving Temporary Aid to Needy Families (TANF), at 4.4% of the population, than the state as a whole (4.4%). The poverty rate is higher for children (14.7%), particularly those in single-parent households. The current economic situation makes everything more difficult and complicated. More people are likely to need housing assistance, while government will have less money.

The Possible Good News:

It is expected that the National Stimulus Package will provide some funds which will help pay for affordable housing.. Kathleen Merryman, in the same column quoted about Salishan,

suggests funding additional building at Salishan with stimulus package funds. *"Paying for this would add to the infrastructure of affordable housing, which is needed now more than ever.....92% of construction jobs created at Salishan have gone to low-income people, including many current or former residents."*

II. PROPOSALS FOR ACHIEVING AFFORDABLE HOUSING IN PIERCE COUNTY

The proposals for Pierce County came from five primary documents. They are identified throughout as follows:

- ***Task Force: Housing Affordability: Final Report and Recommendations from the Pierce County Housing Affordability Task Force, March 2007***
- ***PCCP: Pierce County Comprehensive Plan, 2007 Amendment***
- ***County Policy: Countywide Planning Policy***
- ***Tacoma-Lakewood: Consolidated Plan for Housing and Community Development 2005 – 2010. Tacoma-Lakewood HOME Consortium***
- ***Road Home: The Road Home-Ending Chronic Homelessness A Ten Year Plan for Pierce County. The Pierce County Coalition for the Homeless***

We recommend reading these documents if you need more information..

In the *Task Force* Report, recommendations are grouped together as Zoning, Regulatory, Design, Special Needs, and Financial. We have maintained that format. These are not just definitions, but are a guide to possible methods for increasing the amount of affordable housing. Where possible, we have provided further information on programs incorporating these strategies.

Zoning

Accessory Dwelling Units (ADUs) are structures, either attached to or detached from an existing single-family dwelling. They are also called mother-in-law houses and temporary housing units. Pierce County currently permits 1,250 square feet ADUs within urban growth areas, and also in locations outside these areas. PCCP encourages the construction of ADUs, cottage housing, and Katrina cottages as ways to realize affordable housing.

The News Tribune reported in May 2007: *Increasingly, seniors are choosing to live right behind their kids in manufactured homes called accessory dwelling units. Such units allow seniors to still be independent and at the same time close to family. Local laws now permit owners to enjoy two homes on a single parcel of land. There are certain size restrictions for accessory units depending on whether the parcel is in unincorporated or incorporated Pierce County.*

Tacoma residential code changes, in 2008, continued to restrict ADUs from major residential neighborhoods (any area with lot sizes of 5000 to 75000 square feet). Current zoning limits ADUs to downtown and mixed-use areas.

Katrina Cottages were designed after Hurricane Katrina, and many designs fall within the ADU size requirements. *The News Tribune* wrote in 2007: *Costs for materials begin at about*

\$30,000 and that doesn't include a building site and construction expenses... The houses range from 544 square feet to 1,807 square feet, and 2 bedrooms to five.

Cottage Housing: These are clusters of small houses around a common landscaped area. They are also known as Bungalow Courts, and require zoning changes to allow for higher density and smaller lots. *PCCP* encourages their use.

Inclusionary Housing: A new development would be required to have a certain percentage of affordable housing units as part of the permit approval process. The *Task Force* says the number of affordable units to be included in the new development would be based on a percentage of the total number of units (generally 12 - 15%). Additionally, the resale price of the affordable units would be restricted for a number of years. Developers can also pay a proportional fee per unit to include affordable units in another development, instead of including the affordable units at the present time and location.

PCCP proposes to implement voluntary and required inclusionary housing methods to ensure housing attainable by households earning 80 percent or less of the County median household income within developments.

Infill Housing Development involves using vacant lots or blighted properties, which, with zoning or design changes, could accommodate affordable housing. *County Policy* calls for the identification of vacant infill parcels, appropriately-zoned for residential development, with assurances that neighborhood compatibility and fit will be maintained. *PCCP* promotes the development of vacant, blighted properties that are already using existing infrastructure. The new Tacoma City Plan calls for an overhaul of the city's residential zoning code, to include encouraging infill housing. Manufactured homes, Katrina cottages and cottage housing are well-suited for infill development or urban placement. This can be a valuable land-use tool for limiting sprawl and implementing smart growth, according to the *Task Force*.

Tacoma-Lakewood states that some lots have not been marketable in the past because of small size or because they are isolated from one another and can not be developed economically. The 2002 Pierce County Buildable Lands Report says that Tacoma alone could accommodate an additional 40,000 units. Given an average household size of 2.45 persons, this would translate into housing for an additional 90,000 people.

Manufactured Homes:

Tacoma allows only new manufactured homes; they must meet HUD standards, and city energy and building codes.

Manufactured Home Park Purchase Programs provide resources to acquire manufactured home parks or create incentives for owners of privately-owned manufactured home parks to sell to homeowners' associations or non-profit entities. A state relocation fund exists, but is very limited. Housing Authorities in King and Snohomish Counties have acquired manufactured home parks.

Limitations on Conversion of Manufactured Home Parks: *PCCP* wants to create tax or land use policies that discourage the conversion of existing manufactured home parks. Manufactured Home Parks could be taxed at current use, rather than highest and best use. Manufactured home zones could also be created. As of 2005, manufactured homes can be located within the limits of any city in Washington, so this is a county-wide issue. The Pierce County Council voted down a resolution for a moratorium on closures, in December 2008.

Planned Development Districts employ a flexible zoning concept which provides an opportunity to mold a district by exempting multiple zoning requirements. Exemptions include: building façade, length, and height; setbacks; and amount and location of parking.

PCCP wants to create affordable housing opportunities in mixed income communities through Planned Development Districts (PDD) to provide various land use, regulatory and financial incentives that encourage developments with a range of affordable housing units. It would require changes in the base densities permitted, definition of the number of affordable units, the level of affordability achieved for low income households, and the duration of time that the units would be maintained as affordable.

Rural Villages are developed to create mixed income communities in rural areas where the cost of land is lower. *PCCP* supports this concept in rural areas located near Activity Centers, transportation services, and other public infrastructure. They would provide incentives that encourage affordable housing units. *PCCP* proposes a limit on the number of affordable housing units that can be created in any one development, and would provide incentives that encourage affordable housing units.

Transfer Development Rights: *PCCP* wants to pursue the transfer or banking of rural development rights (sending sites) for urban affordable housing units (receiving sites).

The News Tribune wrote, on November 28, 2007: “*Open Space Gets Boost*” *The Pierce County Council approved a new conservation program that compensates farmers and other property owners while allowing them to protect their land from development.*

The market-driven approach allows the owners of farms, timberland and other open space to sell development rights to their property without actually having it developed. It allows developers who buy those rights to get credits that will allow them to increase the density of building projects in urban areas. The program was developed by the Cascade Land Conservancy.

Regulatory

Density Bonuses: Density is determined by zoning controlling the number of houses allowed to be built on an acre of land. A bonus is an allowance for densities that are higher than would normally be allowed within a designated land use zone, and is generally provided as an incentive to encourage development in a more desirable manner, such as affordable housing. This is called up-zoning. The maximum bonus allowed is typically no more than a 20 percent increase over the current zoning.

Higher density residential development can generate community opposition, due to concerns about development scale, increased congestion, impact on nearby property values, and the perception that it does not fit with the community character.

Expedited Permitting provides fast-track review and permitting of affordable housing projects. *PCCP* wants to develop consistent, streamlined regulations and procedures, which maintain environmental quality, public health, and safety standards, while minimizing the economic impact on the development of housing.

Fee Waivers: Cost of construction includes 10 to 12 percent in fees imposed by various entities. Development fees include sewer and water connection, planning application, building permits, park and open space dedication, parking deficiency, and fire. Impact fees are one-time charges

assessed on new developments to help pay for new or expanded infrastructure to serve them (water and sewer lines, roads, sidewalks, parks, schools) These fees may be reduced or waived completely or proportionally, based on the number of affordable units provided. This cuts the cost of building, while decreasing income to the county or municipality. It may also increase the fees paid by other users. *PCCP* supports establishing a procedure in which affordable housing may be exempted from certain fees

Reduced Zoning Requirements: Reducing zoning requirements is one of the tools used for encouraging affordable housing in planned development districts. It can also be used in smaller scale projects.

Design

Great House Concept: A Great House is a multi-family dwelling where the exterior of the building resembles the larger single-family detached homes that surround it, but inside, the building is divided into two or more individual units. It blends in with the surrounding neighborhood, preserving its character.

PCCP wants to allow multi-family development within residential zones if the design is consistent with single-family character. It supports the Great House concept. It would require amendment to regulations to permit interior second floor entries for multi-family developments.

Green Buildings use designs that create healthy indoor air quality and use less energy, making them more affordable to maintain. Since July 2008, the Washington State Housing Trust Fund has required green construction for affordable housing projects which it funds. *PCCP* intends to use green building designs and collaborate with the housing industry to provide technical assistance and education, in order to encourage greater use of green standards. *PCCP* is also consider requiring the application of green standards. The Pierce County Master Builders Association has voluntary green standards for single-family development, and are creating standards for multi-family housing.

Permit Ready Housing: *PCCP* supports Permit Ready Housing, which uses pre-approved, city-provided, designs and floor plans. Those using the plans are eligible for waivers on almost all permitting fees. This can promote affordability, infill development, or preservation.

Special Needs

Special needs housing: is designed for an individual or family who also requires supportive social services in order to live independently or semi-independently. These households require all types of housing, including emergency, transitional, and permanent housing. Special needs groups include, but are not limited to, the homeless; elderly; people with illnesses such as AIDS, victims of domestic violence; runaway and homeless youth; severely physically disabled; mentally and emotionally disturbed; chronically mentally ill; developmentally disabled; persons with substance abuse problems, and recently-released prisoners.

People with Disabilities: The 1990 Americans with Disability Act requires accessibility, for people with disabilities, to places of public accommodation and commercial facilities. The 1988

Fair Housing Act Amendments call for all new or substantially rehabilitated multifamily housing to be built with similarly accessible features.

Demographic shifts in the United States have resulted in a large increase in the number of such accessible housing units required. *PCCP* intends to investigate the need for more affordable accessible units within residential developments

Single Room Occupancy (SRO) units provide a small (140-260 square feet) private room for one individual, usually for homeless persons or those with very low incomes. Bathrooms, living rooms, kitchens, laundry facilities, and meeting rooms are often shared spaces. The zoning codes need to be amended to clarify which use categories apply to SROs.

Transitional Housing provides shelter, as well as supportive services, to help homeless individuals and families become self sufficient. Transitional housing programs typically offer a wide range of services, such as child care, job and educational training, and housing search assistance to assist residents in making successful transitions to other types of housing. People usually remain in transitional housing from 3 months to one year.

Zoning codes need to be amended to clarify which use categories apply to transitional housing. *PCCP* intends to review codes and revise them to permit temporary shelter (transitional housing) and supportive services that assist homeless individuals and families.

The *Road Home*, supported by multiple non profits and local government, created and implemented the Housing First concept, which offers low-barrier housing linked to supportive services. The *Road Home* also lists supporting the creation and retention of living wage jobs as a strategy.

On November 5, 2006, *The News Tribune* wrote: “*Housing First*”
The experiment employs a strategy known as Housing First, a relatively new approach to solving the problem of homelessness. Rather than focus first on the problems that often lead to homelessness, such as mental illness or alcohol, with Housing First the idea is to find the person a home, and then address any underlying problems. Staying clean and sober isn’t a requirement. And a criminal record won’t necessarily disqualify someone, but some people with extensive records won’t make it into the system.

Financial

Adaptive Reuse creates new housing in existing buildings once used for commercial, public, or industrial purposes. Infrastructure is generally already present at the site. This is frequently used with historic preservation programs. It introduces housing into non-residential areas and offers new residents convenient access to transportation, shopping and employment centers. (*see Annobee Apartments in section I*)

Difficulties in renovating old buildings and getting commercial financing, could be eased if exemptions were written to release renovators from some restrictive planning codes, enacted after the buildings were built.

PCCP wants to explore and identify opportunities to reuse and redevelop existing parcels where rehabilitation of existing buildings is not cost-effective.

County Surplus Land: *PCCP* intends to identify Pierce County surplus land that could be used for development of affordable housing, and explore the potential to sell County surplus land in return for achieving this. About five county-owned parcels are identified as surplus each year. The revenues from these sales could be dedicated to affordable housing.

Lakewood developed its first Habitat for Humanity project in 2007. The city acquired county foreclosure property, demolished the house and turned the property over to Habitat for Humanity for a successful family home project. (It should be noted that Lakewood also provides some financing to needy homeowners for household repairs, down payment assistance, and housing rehabilitation.)

There is currently a movement to build affordable housing on the state-owned property around the Orting Military Retirement Home. This will include manufactured homes.

Countywide Planning Policy says that in determining the location and identification of sites for affordable housing, the jurisdictions shall consider the availability and proximity of transit facilities, governmental facilities and services, and other commercial services necessary to complement the housing. Liens must be placed on designated parcels creating an enforceable penalty for compliance to keep the property affordable.

Employee Housing: This housing need is limited to communities that have seasonal employment housing needs. Employee housing is distinguished by shared kitchen/dining areas as well as shared restroom/shower facilities. No more than 20 individual sleeping units per building shall be allowed, with each unit requiring internal building access.

Hometown Home Loan: This program gives special interest rates and other discounts to employees of the City of Seattle, UW, and other major Seattle institutions. This could be explored here.

Housing Trust Fund accounts receive designated revenue and are used to support affordable housing.

The State Housing Trust Fund, largely a revolving fund for loans for nonprofit and local government housing organizations, stood at \$200 million in 2008.

Since its creation in 1989, the state's fund has invested more than \$500 million in housing and leveraged more than \$2 billion in private and public sector support. The money has helped finance more than 32,000 housing units. In October 2007, the National Affordable Housing Trust Fund Act was passed. Its goal is producing, rehabilitating and preserving 1.5 million housing units over the next ten years.

The News Tribune published "Proposed trust fund will help families afford housing," by Connie Brown, Executive Director of the Tacoma/Pierce County Affordable Housing Consortium, on August 27, 2007.

In the past 20 years, more than 600 state and local governments have formed housing trust funds that now total \$1.6 billion in annual investments....More than 5,600 national, state and local organizations, religious leaders and state and local elected officials have endorsed the establishment of a national Housing Trust Fund Campaign.

The campaign's goal is a national housing trust fund with sufficient dedicated sources of revenue to support the production and preservation of 1.5 million homes for extremely low-income families over a 10 year period. National Housing Trust Fund legislation was introduced in the US House of Representatives in June with bipartisan co-sponsorship.

This legislation was passed in October 2007.

Neither Pierce County nor any of its municipalities has established a Housing Trust Fund.

Housing trust funds are powerful tools for providing locally targeted and managed assistance for affordable housing. The funds can have a variety of revenue sources, including some portion of the real estate transfer tax, penalties on late

payments of real estate taxes, and fees on other real estate transactions. Trust funds provide advantages both to municipalities and to developers of affordable housing, by streamlining application processes, making a variety of housing projects possible, and community involvement in review and evaluation of requests for loans. (*PCCP*)

Land Trusts are usually community non-profit organizations which acquire land and develop affordable housing.. Homeowners own the improvements (houses) and have a long-term lease on the land, which is owned by the land trust in perpetuity. The homeowners sign limited-appreciation contracts to assure long-term affordability. Land trusts have been used successfully in Whatcom and San Juan counties. It has been suggested that Pierce County could develop a land trust and use surplus county land to support it.

Local Dedicated Revenue Source: Pierce County Community Services Department's Housing Programs now have dedicated Homeless Housing Funding from Washington State. The funds come from a permit surcharge fee on certain county documents, and may be used for transitional housing programs.

To get additional money for housing, the county is considering bonds, levies, or other options, such as lease revenues or proceeds from the sale of surplus county land; dedication of some portion of the Real Estate Excise Tax earmarked for park acquisition; a roof top fee; or one cent of real property tax.

Location Efficient Mortgage: Homebuyers who purchase a property in Seattle and work within the Seattle city limits may qualify for a higher loan amount than with a traditional mortgage. The idea is that people who live in urban neighborhoods close to transit and services don't need to necessarily own a second car and can afford a higher mortgage payment. This could be done in our municipalities.

Preservation calls for efforts to keep the affordable housing we have. County Policy calls for preservation of the existing housing stock through repair and maintenance, rehabilitation and redevelopment. Some examples of local preservation programs follow. Associated Ministries administers a volunteer program called Paint Tacoma-Pierce Beautiful, in which volunteers paint homes for low income, elderly, and disabled households. Tacoma's Neighborhood Preservation Program includes aid in home energy, housing repair, and comprehensive rehabilitation. Pierce County and Tacoma both offer Major Home Repair Programs to aid seniors or people with disabilities.. The Metropolitan Development Council administers a weatherization program, the Minor Home Repair Program, and the Emergency Minor Home Repair Program

Property Tax Relief: The objective of property tax relief is to encourage a commitment to build and maintain affordable housing. Tax exemptions for multifamily housing are currently available in jurisdictions with populations over 30,000. This stimulates new multifamily housing construction or the rehabilitation of vacant or under-used buildings for multifamily housing.

In 1995, Washington State authorized cities, with populations of more than 150,000, to provide a property tax exemption for ten years to those who rehabilitate, convert, or build new housing units in designated urban areas. State law also provides tax relief for senior citizens, persons retired because of physical disability, and veterans.

The *Task Force* recommends a change in state legislation to allow counties the authority to provide property tax relief to encourage building and maintaining affordable housing. Tax relief could be included for non-profit developments, inclusionary zoning incentives, and planned development district incentives.

Raising Income: An affordable housing shortage can be approached by raising the income(s) of those living in the housing, building new housing within those income(s), or lowering any or all of the costs associated with housing.

Tacoma-Lakewood has this as *Strategic Plan Goal 3: Support economic development activities that provide livable wage jobs*. Creating access by persons in poverty to jobs that provide sufficient income to pay for housing and living expenses will provide lower income residents an opportunity to achieve economic independence. As many low income persons are often trapped in poverty because of inadequate wages, the cities will continue their efforts to support new investment and business development that will expand opportunities for livable wage employment.

III. Assistance Options

100% Conventional Home Loans: The 100% conventional fixed rate loan is a home loan whose monthly payments and interest rate remain the same over the life of the loan. The loan is 100% of the sales price of the home. No down payment is required, but there is a minimum \$500 contribution from the borrower's own funds. The loan amount is based on the lesser of the appraised value or the sales price, and may be used for single family attached and detached homes, 2 to 4 unit properties, planned unit developments, Fannie Mae or Freddie Mac approved condominiums.

Down Payment Assistance Programs: Lakewood, Tacoma, and Pierce County all offer Down Payment Assistance Programs, which assist with the down payment and closing costs needed to buy a house.

Federal Housing Administration (FHA) has the primary responsibility for administering the government home loan insurance program. This program allows buyers who otherwise would not qualify for a home loan to obtain one because the risk is removed from the lender by FHA. The most popular FHA home loan program nationwide is the 203(b) FHA home loan that only requires 3% down from the buyer and permits 100% of the money needed to close to be a gift from a relative, non-profit organization, or government agency.

Low Income Public Housing Program (LIPH) (Pierce County Housing Authority): The LIPH offers affordable, safe, decent, and sanitary housing to families who meet eligibility criteria. LIPH is available to those who qualify for three or four bedroom units. Rent is based on 30% of income, less applicable utility allowances. Pierce County Housing Authority owns and manages three and four bedroom homes in South Hill (Puyallup), Sumner, Spanaway, Parkland, Key Peninsula, Bonney Lake, and Graham. The wait list is currently closed.

Manufactured Homes: In 1991, the Washington State legislature passed a new law establishing the Mobile Home Relocation Assistance program to provide financial assistance to low-income mobile home park tenants who are forced to relocate due to a park closure. For residents of recently-closed manufactured home parks, the waiting time for reimbursements may be one to two years, due to a long waiting list. In addition to the financial assistance measure, this law also exempts mobile homes that are relocated, due to a park closure, from complying with the requirements of city or county fire, safety, or construction codes.

For homes which can no longer be moved, a homeowner can receive \$7,500 for a single-wide and \$12,000 for a double-wide towards purchasing a different home.

Pierce County Community Services Housing Programs

- rental and furnishing of dwelling units for homeless persons
- costs of developing affordable housing for homeless persons
- operating subsidies for transitional housing or permanent housing serving former homeless persons
- services to prevent homelessness
- temporary services to assist persons leaving state institutions
- outreach services for homeless persons
- rental vouchers for those who are homeless or at below 30% of the median income levels

Section 8 Housing Choice Voucher Program: Section 8's Housing Choice Voucher Program provides housing assistance to low-income renters and homeowners. This program pays a portion of the rent directly to landlords on behalf of participating households.

Section 8 is a Federal program funded and administered nationally by the Department of Housing and Urban Development (HUD). However, the program is administered locally by Tacoma Housing Authority and Pierce County Housing Authority.

The Section 8 Rental Voucher Program increases affordable housing choices for low-income households by allowing families to choose privately-owned rental housing. HUD contracts with housing authorities to provide Section 8 voucher assistance to very low-income households, and households with incomes up to 80 percent of area median, if they qualify to receive a voucher in connection with other HUD programs. HUD determines median income levels for each area annually. In 2006, for Pierce County, this amount was \$61,000. Current income limits to qualify for Section 8 Housing range from \$21,750 for one person to \$33,550 for five persons.

The local public housing authority generally pays the landlord the difference between 30 percent of household income and the determined payment standard (about 80 - 100 percent of the Fair Market Rent.). For instance, if your monthly income is \$2000, and you find an apartment for \$900 a month, you will pay \$600, and the voucher would pay the remaining \$300, as long as the rental amount is no greater than the area's Fair Market Rent. Current area Fair Market Rents are \$743 for a one bedroom rental, \$926 for a two bedroom, and \$1349 for a three bedroom rental.

A system of "portability" allows recipients to use the assistance outside the boundaries of the housing authority that originally admitted them. [Once someone receives a voucher, it can be used anywhere in the United States that has a public housing authority which can administer the program.](#)

Vouchers may be used at any property that accepts Section 8. When the voucher-recipient finds an apartment or home that meets all Section 8 program requirements, including a physical inspection to insure the building is decent, safe, and sanitary, the housing authority executes a contract with the landlord to pay rent on your behalf.

Many landlords accept Section 8, as it is a dependable revenue stream, and most experiences with Section 8 tenants are positive. Landlords are not required to accept Section 8, however. As conventional rental rates have risen in recent years, outpacing Fair Market Rents, landlords have been less likely to accept Section 8 renters.

Tacoma Housing Authority serves over 3,500 households by helping them afford their rent in the private rental market, and brings about \$25 million to Tacoma annually in payments to private landlords.

The Section 8 program has historically been oversubscribed and waiting lists can run into years. In fact, many housing authorities frequently close their waiting lists and stop accepting applications because the waiting lists are so long. Currently in Tacoma, the lists are closed, and the waiting period, once you are on a list, is two to three years. Pierce County Housing Authority also has too many applicants; new applicants are placed on a wait list. As funding becomes available, random drawings are held from the wait list. The wait list is currently closed.

(Sources: www.hud.gov/progdesc; www.affordablehousingonline.com, www.section8program.com, *Out of Reach 2006*, National Low Income Housing Coalition; www.pchawa.org/Housing_Section_8; Tacoma Housing Authority [www.tacomahousing.org])

Tacoma Community Redevelopment Authority: administers loans to a variety of clients, including low-income families who need help in buying or repairing their homes; owners who provide multi-family housing to low-income families; businesses which create jobs or rehabilitate older, blighted buildings; and non-profit organizations that provide services to our community.

Tacoma HOME: The City of Tacoma works closely with the Metropolitan Development Council, the Homeownership Center of Tacoma, Martin Luther King Housing Development Association, and Intercommunity Mercy Housing to utilize federal HUD funds available through the HOME program, to help people obtain affordable housing.:

Tacoma Housing Authority administers the federal Section 8 Housing program for Tacoma. As well, they manage Salishan, and 800 additional units in Tacoma, including five high-rise buildings for seniors and the disabled, and five family communities. Public housing is not part of Section 8, although there are similar income qualifications. Currently, all Tacoma Public Housing units are occupied. When units are available, those on the waiting list are notified. Tacoma Housing Authority serves 12,000 individual, about 6% of the city's population. The majority are elderly, disabled, or minors.

Veterans Administration (VA) Home Loans guarantee mortgages up to 100% of the value of the property. The maximum loan amounts are adjusted periodically and are currently available up to \$359,950. There is no required down payment. These are for owner-occupants only. Loans can be fixed rates for 15 to 30 years, or adjustable rates, with initial fixed terms of 3 to 5 years. Loans can be used for new, under construction, or existing homes, town homes, duplex properties, and condominiums. Manufactured homes with a permanent foundation on their own land, and built after 1976, may also be eligible. VA loans are available to qualifying current and former members of the Armed Forces (including Reserves and National Guard).

Washington State Housing Finance Commission: The Commission's Homeownership Division helps make first-time home ownership possible for those of low and moderate incomes. A first-time homebuyer is defined as someone who has not owned and occupied a primary residence at any time in the past three years. The maximum acquisition cost for a single-family residence must not exceed \$370,000 (non-targeted) or \$395,000 (targeted) in Pierce County. Targeted areas are census tracts that meet federal guidelines as economically distressed. Persons buying a home in a targeted area do not have to be first-time homebuyers.

This program uses the proceeds of tax-exempt bonds to provide first-time homebuyers with the benefit of a lower interest rate. Recapture tax requires some to repay the federal government a portion of their gain upon the sale of the home. In reality, most borrowers will not have to pay any recapture tax. For others, the amount will be minimal.

IV. CONCLUSION

In the previous pages, we have defined affordable housing and talked about some of the good and bad news for affordable housing in our area.

Of the various proposals in the areas of zoning, regulatory, design, special needs, and financial, the information is not designed for the reader to be able to go build a house. It is enough to let you know what ideas people are considering. For more information, explore the reports which we have mentioned, or search for information on a specific topic. When we mention that one group supports a certain program, it does not mean that none of the others does also.

We hope that the information here gives you knowledge about the problems and some of its possible solutions. We urge that people explore further and get involved in finding solutions to some of the problems of affordable housing in our communities.

Appendix A

Definitions

Activity Center: - A land use designation for an area which has as its focus a recreational, cultural, or educational activity, around which develops a concentration of commercial, office, or residential development. The attraction draws people from throughout the area, not just the surrounding neighborhoods or the community in which the activity is located.

Character - the distinctive features or other attributes of buildings, uses, and site design on adjacent properties and in the vicinity as required in the comprehensive and community plans; including, but not limited to: building façade, length, modulation, height, and location; roof form; tree cover, types of flora, and location of landscaping; size and location of signs; setbacks; amount and location of parking; fencing type, height, and location; and intensity of uses

Manufactured/ Mobile Home: According to RCW 46.04.302, a mobile home' or manufactured home is a structure, designed and constructed to be transportable in one or more sections, is built on a permanent chassis, and is designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities that include plumbing, heating, and electrical systems. The structure must comply with the national mobile home construction and safety standards act of 1974 as adopted by chapter 43.22 RCW if applicable. A structure which met the definition of a "manufactured home" at the time of manufacture is still considered to meet this definition even if it is no longer transportable. (The above definition does not include modular homes. RCW 46.04.303 says that a modular home is a factory-assembled structure designed primarily for use as a dwelling when connected to the required utilities that include plumbing, heating, and electrical systems contained therein, does not contain its own running gear, and must be mounted on a permanent foundation.)

Multi-family: A structure containing three or more dwelling units, with the units joined to one another.

Scale - the relative size of a structure in relationship to other nearby and adjacent structures or to the human form.

Setback: The minimum required distance between any structure and a specified line such as a lot, public or private right-of-way, easement, that is required to remain free of structures unless otherwise provided herein.

Variance: a deviation from a required development standard.

Appendix B

LEAGUE OF WOMEN VOTERS' POSITIONS

League of Women Voters of Tacoma-Pierce County

Fair Housing Laws:

Pierce County and its municipalities should add those who participate in a Section 8 program, and receive vouchers for subsidized rent payments, to their Fair Housing Laws as a protected class.

League of Women Voters of the United States, *Impact On Issues 2006-2008*

Housing

Pg 72. *The federal government should set minimum, uniform standards and guidelines for social welfare programs and should bear primary responsibility for financing programs designed to help meet the basic needs of individuals and families. State and local governments, as well as the private sector, should have a secondary role in financing food, housing and health care programs. Income assistance programs should be financed primarily by the federal government with state governments assuming secondary responsibility.*

Pg 73. *Benefit levels should be sufficient to provide decent, adequate standards for food, clothing and shelter. There should be increasing emphasis on cash assistance, but in-kind assistance (e.g. food stamps, housing subsidies, medical aid) should be continued to help assure that these needs are met.*

Raising Income

Pg 63. *Programs should assist people to become self-supporting, contributing members of society.*

Pg 74. *Assure that our economic system is functioning to produce and maintain sufficient decent housing for citizens at all income levels.*

Lowering Costs

Pg 3. *Support income assistance programs, based on need, that provide decent, adequate standards for food, clothing and shelter.*

Pg 48. *Support use of a variety of energy sources, with emphasis on conserving energy and using energy-efficient technologies; mandatory energy-conservation measures, including thermal standards for building efficiency, new appliance standards; assistance for low-income individuals when energy policies bear unduly on the poor.*

Pg 74. *Government at all levels must make available sufficient funds for housing-assistance programs. When families or individuals cannot afford decent housing, government should provide assistance in the form of income and/or subsidized housing. State and local tax structures should be examined and revised to benefit communities that build housing for lower-income families, and encourage private owners to improve their homes.*

Fair Housing

Pg 64. *Responsibility in the nationwide effort to achieve equality of opportunity for access to housing resides with government at all levels and with the private sector—builders, lending institutions, realtors, labor unions, business and industry, news media, civic organizations, educational institutions, churches, and private citizens.*

**League of Women Voters of Washington,
Program In Action 2007-2009: A Leader's Guide to State Program.**

Pg 6. *Action to achieve equality of opportunity for education, employment and housing regardless of race, color, gender, national origin, age, sexual orientation or disability. Action to obtain measures that provide basic human needs for those unable to provide for themselves.*

Pg 17. *Equity and uniformity both within and among counties in the administration of the property tax are of major importance.*

Pg 18. *Exemptions from property tax should be limited, but may be valid when used to further public policy... The state should assume the responsibility for revenue lost to local governments because of property tax exemptions granted by the state... Ability to pay is an important criterion.*

Pg 23. *Energy conservation methods to be encouraged should include promotion of thermal efficiency in buildings and residences through building code provisions and fiscal incentives for weatherization... and pricing policies which reward low use of energy*

Pg 39. *All levels of government and the private sector share the responsibility to help alleviate the housing shortage in the low income sector... Policies should be formulated to allow for maximum use of available federal funding as well as encourage the participation of industry, business, local and nonprofit groups in meeting housing needs.*

Provide opportunities and incentives for education and training for employment at wages sufficient to support a family

Pg 39-40. *Persons who are unable to work, whose incomes are inadequate, or for whom jobs are not available, should be assured of public assistance and services sufficient to meet their needs for food, shelter and health care... We support adequate funding of income maintenance programs (cash grants) measured by a realistic and regularly updated standard of need, and continued eligibility for "in kind" assistance (food stamps, food and nutrition programs, housing and health care and preventive services).*