

Element 4

# ***HOUSING***



## **I. Introduction**

### **A. Purpose**

The Fife Comprehensive Plan Housing Element has been developed to help the City of Fife realize its “vision” and community goals as they relate to the residential base of the City. These goals include fostering a neighborhood-like atmosphere with the framework of the Growth Management Act and County-Wide Planning Policies. This Element also is intended to be consistent with the rest of the Comprehensive Plan and to be compatible with housing elements of neighboring jurisdictions.

The Housing Element includes a population and housing profile in order to document community demographics and the conditions of Fife’s existing housing stock. The Puget Sound area is, and will continue to be, an attractive location for growth.

The heavy influx of people is a contributing factor in rising land and housing costs. In an effort to maintain the region’s high quality of life and provide for the needs of its citizenry, the issue of housing affordability needs to be addressed. Following an analysis of affordability is an identification of land to accommodate the existing and projected housing needs of the community. After a need has been identified, it is necessary to inventory external resources, which potentially could assist in planning efforts. The implementation program provides for strategies and incentives based on community goals and values for overcoming housing deficiencies and fostering housing improvements.

This Element includes the description of a housing mix citizens want to see in Fife, including a range of housing types intended to promote residential and living style choices to all economic segments of the community. The discussion of the current housing characteristics within the City and its Urban Growth Area provides necessary base-line data. This information, along with the demographic characteristics of the community, helps to determine the community’s housing needs.

The Housing Element is integrally related to the other elements of the Comprehensive Plan. The Land Use Element, relying upon land use densities, land use compatibility, and growth estimates, indicates where and how much land needs to be made available to accommodate the identified housing needs. The Capital Facilities, Transportation, and Utilities Elements indicate where and how public facilities will be provided to support the projected housing.

### **B. Public Participation**

The Housing Element has been prepared with opportunities for comment by the public through hearings on the Comprehensive Plan and related amendments.

### **C. State Growth Management Act**

This Element has also been prepared to comply with the State of Washington Growth Management Act (GMA). Under the GMA, housing is a mandatory element of the Comprehensive Plan and must, at a minimum, include the following:

- An inventory and analysis of existing and projected housing needs;
- A statement of goals, policies, and objectives for the preservation, improvement, and

- development of housing;
- Identification of sufficient land for housing, including but not limited to, government-assisted housing, housing for low income families, manufactured housing, multi-family housing, group homes, and foster care facilities; and
- Adequate provisions for existing and projected housing needs of all economic segments of the community.

#### **D. County-wide Planning Policies**

The legislative body of each county planning under the GMA is required to adopt countywide planning policies in cooperation with the municipalities in the county. Countywide planning policies are strategies establishing a regional framework from which county and municipal comprehensive plans are developed and adopted. Significant policies on housing as adopted by Pierce County and mandated for Fife include:

- Determination of the extent of the need (demand) for housing for all economic segments of the population that are projected for the community over the planning period. The projection shall be made in dwelling units by type. The projection shall be reflective of census or other reliable data indicating the economic segments of the population for whom housing needs to be provided, and shall incorporate the jurisdiction's fair share of the County's housing needs. The projections shall be reflective of the County-wide fair share housing allocation as established pursuant to federal or state law and supplemented by provisions established in intergovernmental agreements between County jurisdictions.
- Housing demand shall be met by one or more of the following: a) Preservation of existing housing through repair and maintenance, rehabilitation and redevelopment; b) Identification of vacant, infill parcel appropriately zoned for residential development with assurances that neighborhood compatibility and fit will be maintained through appropriate and flexible zoning and related techniques; c) Identification of other vacant lands suitable for residential development and permitting sufficient land through zoning to meet one or more or all types and densities of housing; and d) Consideration of the availability and proximity of transit facilities, governmental facilities and services and other commercial services necessary to complement the housing.
- Assessment of the City's success in meeting its housing demands and monitoring the achievement of the housing policies not less than once every five years.
- Maximization of available local, state and federal funding opportunities and private resources in the development of affordable housing.
- Exploration and identification of opportunities for non-profit developers to build affordable housing.
- Exploration and identification of opportunities to reutilize and redevelop existing parcels where rehabilitation of the buildings is not cost-effective.

#### **E. Sections of the Housing Element**

The remainder of this housing element is divided into the following sections:

II. Population and Housing Profile - This section contains an existing and projected demographic analysis of the community and the type of housing in which people reside.

III. Analysis of Affordable Housing - This section evaluates the changes in median income of the community relative to changes in housing and rental costs. This analysis helps determine to what degree housing has become a cost burden to various household incomes.

IV. Availability of Sufficient Land for Housing - This section contains most of the crucial information for the Element. What are the existing and projected housing needs of the community with respect to structure type, assisted housing, and socioeconomic segments? What roles does "fair share" play? Does the City have the necessary land at the appropriate density to accommodate the prescribed housing needs of the community?

V. Inventory of Resources & Funding Opportunities - This section includes documentation on potential land use strategies to foster affordable housing within the context of community goals and vision, and a listing of federal, state, and county programs offering housing assistance.

VI. Housing Goal, Policies, and Implementation - The housing goals and policies are expressions of the citizen's desired approach and direction to the challenges presented in the previous sections. The implementation program identifies specific regulatory actions and measures that can be undertaken to make the community vision a reality.

## II. Population and Housing Profile

### A. Population and Change

The City of Fife's population grew at a relatively slow pace from 1960-1980. However, in the 1990's, the City's population increased by 24%, and by 92% in the 2000's. The City of Fife's April 1, 2014 Washington State Office of Financial Management population estimate was 9,405.

Based on staff projections of the Pierce County Regional Council's population allocation for the City's FAZ (Forecast Analysis Zone, an area closely approximating the Fife Urban Growth area plus all of Fife Heights), Fife's population is expected to reach 9,515 by 2035 (Table H1). Given Fife's 2014 population, this is a conservative estimate.

**TABLE H1: Population and Change (# of people)**

Year	1990*	2000*	2010*	2025**	2035**
Fife - Population	3,864	4,784	9,173	9,335	9,515

Source: \*US Census Bureau

\*\*Puget Sound Regional Council Land Use Forecasts 2013

### B. Racial Composition

Although the white population in Fife recorded the largest net increase from 1980-2000, the non-white populations grew at significantly higher growth rates. As a result, the non-white population increased from 14.6% in 1990 to 31.4% in 2000

Since then the City of Fife's population has become increasingly diverse (Table H2). Approximately 55% of the population is White; the balance is non-white. Among the population,

Hispanics make up 17 percent of the population while Asian/Pacific Islanders comprise 16.2 percent.

**TABLE H2: City of Fife Racial Composition (2000- 2010)**

	<b>2000 (%)</b>	<b>2010 (%)</b>
White	3,283 (68.6)	5,061 (55.2)
Black	326 (6.8)	749 (8.2)
American Indian	198 (4.1)	275 (3.0)
Asian/Pacific Islander	370 (7.7)	1,677 (16.2)
Two or more races	Not included	712 (7.8)
Other	607 (12.7)	699 (7.6)
<b>TOTAL</b>	<b>4,784</b>	<b>9,173</b>
Hispanic	648 (13.5)	1,595 (17.4)

Source: US Census Bureau, 2000 and 2010

### C. Population by Age Group

As Table H3 indicates, people between 30 and 44 years of age make up a quarter of the City of Fife’s population while the age group 20-29 (usually recognized as first-time home buyers group, although that is changing following the Great Recession) comprise almost 20 percent of the population.

The US Census indicated 2,570 young people (19 years and younger) lived in Fife in 2010. The age group 0-9 comprised 16.2% of the City’s entire population. The median age in the City was 30.9, and the County’s median age was 35.0 (Table H3).

**TABLE H3: Age Group Population (2000-2010)**

<b>Age Group</b>	<b>2000(%)</b>	<b>2010(%)</b>
0-4	416 (8.7)	857 (9.3)
5-9	336 (7.0)	637 (6.9)
10-19	636 (13.3)	1,076 (11.7)
20-29	20-44 2210 (46.2)	1,806 (19.7)
30-44	See above	2,337 (25.5)
45-54	513 (10.7)	1,135 (12.4)
55-64	313 (6.5)	731 (8.0)
65-74	175 (3.7)	379 (4.2)
75+	185 (3.9)	215 (2.3)

Source: US Census Bureau, 2000 and 2010

**D. Employment Characteristics**

Due to availability of land and the proximity of the Port of Tacoma, the City of Tacoma, and South King County, Fife is an attractive location for employers. As a result, Fife is a net importer of labor, with a daytime population of over 12,000. Although a large portion of the work force is employed in manufacturing, wholesaling, and transportation, agricultural activities continue to play a role in the local economy. The Economic Development Element includes a more detailed discussion of employment characteristics and trends.

**E. Household Types**

According to the 2008-2012 American Community Survey, Fife had a total of 3,603 households. Of these, 2,259 were family households, of which 1,207 had children. An estimated 1,344 households, or almost 38%, were non-family households (Table H4).

**TABLE H4: Selected Household Types, 2008-2012 American Community Survey 5-year estimates**

Household Type	Number (Estimate)	Percent
Family Households	2,259	62.7%
Family Households with Children <i>(Subset of Households)</i>	1,207	33.5%
Male Householder, no Wife with Children <i>(Subset of Households)</i>	79	2.2%
Female Householder, no husband with Children <i>(Subset of Households)</i>	309	8.6%
Non-Family Households	1,344	37.3%
<b>Total</b>	<b>3,603</b>	<b>100.0%</b>

Source: US Census Bureau, 2008-2012 American Community Survey 5-year estimates

**F. Household Income**

In obtaining a measure of the housing needs of the community, it is important to first evaluate existing household incomes of the area. These income classifications are shown on Table H5. These income groupings compare the City of Fife to Pierce County as a whole and, generally, are comparable in nature to the County.

**G. Inventory of Existing Housing Stock**

The housing stock in the City of Fife numbered 3,963 dwelling units (2008-2012), roughly equally split between single family (attached and detached) units (51%) and multi-family units (46.8%). Slightly more than two percent of the housing stock are mobile homes/trailers/other (Table H6).

**TABLE H5: Income and Benefits (in 2012 Inflation Adjusted Dollars)**

Range	Fife	Pierce County Percentage
<b>Less than \$10,000</b>	222 (6.2)	5.6
<b>\$10,000 to \$14,999</b>	127 (3.5)	3.9
<b>\$15,000 to \$24,999</b>	221 (6.1)	8.6
<b>\$25,000 to \$34,999</b>	331 (9.2)	9.5
<b>\$35,000 to \$49,999</b>	600 (16.7)	14.4
<b>\$50,000 to \$74,999</b>	777 (21.6)	20.5
<b>\$75,000 to \$99,999</b>	677 (18.8)	14.3
<b>\$100,000 to \$149,000</b>	483 (13.4)	15.1
<b>\$150,000 to \$199,999</b>	102 (2.8)	4.9
<b>\$200,000 or more</b>	63 (1.7)	3.2
<b>TOTAL</b>	3,603	
<b>Median Household Income</b>	\$57,653	\$59,105

Source: US Census Bureau, 2008-2012 American Community Survey 5-Year Estimates

**TABLE H6: Total Dwelling Units by Structure Type, 2008-2012**

Dwelling units by type	Number of units	Percent of total units
<b>Single Family</b>		
Detached	1,799	45.4%
Attached	222	5.6%
<b>Subtotal</b>	<b>2,021</b>	<b>51.0%</b>
<b>Multi-Family</b>		
Duplex	60	1.5%
Triplex/Fourplex	387	9.8%
5-9 Units	575	14.5%
10-19 Units	489	12.3%
20 or more units	344	8.7%
<b>Subtotal</b>	<b>1,855</b>	<b>46.8%</b>
Mobile Home/Trailer/Other	87	2.2%
<b>Total</b>	<b>3,963</b>	<b>100.0%</b>

Source: US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

### H. Housing Occupancy

The 2010 Census shows that 38.5% of the occupied housing units in the City were occupied by owners while 52.4% were renter occupied (Table H7). This is compared to 24.8% owners and 75.2% renters in 2000.

The percentage of owner occupied units has increased over the last decade as new residential developments that lent themselves to owner occupants were constructed during the 2000-2010 decade.

### I. Vacancy Rates

Vacancy rates (proportions of unoccupied dwelling units to occupied dwelling units) are one indication of the supply and demand for housing within an area. Nationally, vacancy rates ranging from 4% to 7% are usually deemed necessary to provide a healthy variety of housing choices to consumers. A rate less than 4% may indicate a tight market.

In 2010, the City had a vacancy rate of approximately 9.1%, reflecting in good measure the impacts of the economic downturn at that time (Table H7).

**TABLE H7: Occupied & Vacant Dwelling Units, 2008-2012**

Housing Units	Number of Units	Percent of Total Units
Owner Occupied	1,526	38.5%
Renter Occupied	2,077	52.4%
Vacant Units	360	9.1%
<b>Total</b>	<b>3,963</b>	<b>100.0%</b>

**Source:** US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

### J. Overcrowded Units

A unit is determined to be overcrowded if there are 1.01 or more persons per room. The census definition for "room" includes kitchens, recreation rooms, bedrooms, living rooms and enclosed porches. Under this definition, more than 1 person per room can result in a very crowded household.

According to the 2010 Census, 118 dwelling units in the City were identified as having overcrowded conditions. This is approximately 3.3% of the 3,603 total occupied units. (See Table H8.)

### K. Age of Housing

The age of the housing stock can be an important indicator of its condition. Furthermore, age can give a general indication of the degree of potential future rehabilitation efforts and/or additional housing needs.

The 2010 US Census indicates that almost half of the housing stock in Fife was built in 2000 or



later. Almost 70% of the housing stock was built in 1980 or later. This makes for a fairly new housing stock (Table H9).

**TABLE H8: Overcrowded Units, 2008-2012**  
City of Fife

Persons/Room	Total Units	% overcrowded units
1.01+	118	3.3%

Source: US Census Bureau, 2008-2012 American Community Survey

**TABLE H9: Age of Housing, 2008-2012**

Year Built	Number of Units	%
Before 1940	127	3.2
1940-1959	327	8.3
1960-1969	124	3.1
1970-1979	497	12.5
1980-1989	666	16.8
1990-1999	335	8.5
2000-2009	1,867	47.1
2010 or later	20	0.1
<b>TOTAL</b>	<b>3,963</b>	<b>99.6*</b>

Source: US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

\*All percentages rounded to nearest tenth

## L. Summary

This section provides an overview of the changes in population and housing for Fife. Similar to much of the Puget Sound region, the City has experienced a surge in population over the last 20 years. This growth, due in large part to Fife's strategic location for commerce and industry, and available land, has contributed to rising housing costs.

The demographic composition of Fife is also changing. Fife is becoming a more racially diverse community as well as one that appears to be characterized by persons in the first-time home-buyer age group. Changes in household characteristics in Fife have mirrored national trends. The household has increasingly become smaller, single parent, and non-family type. The proportion of traditional nuclear family households has significantly decreased over the last 20 years.

The housing stock in Fife has become increasingly single family and owner occupied since 2000. This is attributable to significant single-family residential developments during the 2000-2010 decade.

### III. Analysis of Housing Affordability

The Growth Management Act (GMA) specifically mandates that jurisdictions address housing affordability for all economic segments.

From a quantitative standpoint, housing affordability is difficult to determine. Housing data which the City currently has, for instance, reflects a moment in time during the great recession when housing values declined dramatically and average household income stayed stagnant due to high unemployment. The issue for many households was being able to afford housing that had been purchased at significantly higher prices before the Great Recession.

Prior to the Great Recession, housing affordability presented a different context; that is, the ability for people's incomes to keep on pace with rising housing values and rents.

Still, looking at a broader time frame, the City of Fife has dramatically expanded its housing stock during the past 14 years. Maintaining and increasing the supply of housing is one way to promote Housing Affordability.

According to the Washington State Office of Management (OFM), the City of Fife had 2,232 housing units in 2000. In 2104, the total was 3,957 housing units, a 77% increase. Most of this increase was new development, and was not a result of annexation. Fife was able to respond to the housing marketplace by accommodating new development.

Looking ahead, as indicated by the Buildable Lands analysis in the Land Use Element, sufficient land capacity exists in the City to achieve the city's target growth to not only 2030, but also to 2035. This analysis assumes that future housing may take the form of single family units, multi-family units, and/or mixed use development, meaning that future housing development in Fife will, as it has in the past, be able to respond to the marketplace for various housing types and tenure.

From a qualitative standpoint, however, the City of Fife contributes to the provision of housing for various income levels. For example,

- The City of Fife's housing stock is diverse. It includes multi-family housing, single family housing (on small lots), mobile homes (in a mobile home park) and also special needs housing. Households with various housing needs and/or tenure types can find housing available in Fife.
- According to the Washington State Office of Management (April 1, 2014), over half (55%, 2,183 units) of Fife's 3,957 housing units are two units or more, 1,683 units are one unit and 91 units are mobile home or other. The provision of multi-family housing units lends itself to meeting the housing needs of those with a tendency to have lower incomes than those that occupy single family units.
- The existing multi-family housing stock includes a 248 unit multi-family complex operated by the Pierce County Housing Authority. This represents over six percent of the city's housing unit stock.
- The City of Fife zoning code has provisions that allows for accessory dwelling units.

- The City of Fife zoning code allows for mixed use development in the two commercial zoning district's that comprise most of the City's commercial zones: Regional Commercial and Community Mixed Use.

Recent data that are indicators of housing affordability are included in Tables H10 and H11. These tables show the value of Owner Occupied Units and Gross Rent respectively. The median value of owner occupied units for Fife was \$256,000 while the median gross rent was \$969.

As Table H12 indicates, the median household income in Fife increased from about \$31,806 in 2000 to \$57,653 in 2008-2012, an increase of 81%. However, during that same period, the median contract rent and median home value increased by 66% and 75% respectively (Table H13).

Fife's incomes have increased from 2000 to 2009 on par if not exceeded the percentage increase in housing costs. It is worth noting that 2009 reflected a time when many households and the housing market were dramatically affected by the Great Recession, and some of the data points may not be typical to what the region and, for that matter, nation have experienced previously.

**TABLE H10: Value of Owner Occupied Units - CITY OF FIFE**

<b>Value</b>	<b>Number (Estimate)</b>	<b>Percent</b>
Less than \$50,000	84	5.5
\$50,000 to \$99,999	31	2.0
\$100,000 to \$149,999	65	4.3
\$150,000 to \$199,999	190	12.5
\$200,000 to \$299,999	753	49.4
\$300,000 to \$499,999	356	23.3
\$500,000 to \$999,999	47	3.1
\$1,000,000 or more	0	0.0
<b>Total Units</b>	<b>1,526</b>	
<b>MEDIAN (\$256,000)</b>		

Source: US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

**TABLE H11: Gross Rent - CITY OF FIFE**

<b>Rent</b>	<b>Number (Estimate)</b>	<b>Percent</b>
Less than \$200	27	1.3
\$200 to \$299	0	0.0
\$300 to \$499	62	3.0
\$500 to \$749	264	12.8
\$750 to \$999	768	37.2
\$1,000 to \$1,499	639	30.9
\$1,500 or more	295	14.3
<b>Total Units</b>	<b>2,055</b>	
MEDIAN (\$969)		

Source: US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

**TABLE H12: Median Household Income, 2000-2012**

	2000	2008-2012	Increase
Median Household Income	\$ 31,806	\$ 57,653	81%

Source: US Census Bureau 2000 and US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

**TABLE H13: Changes in Median Contract Rent, 2000-2012**

	2000	2008-2012	Increase
Median Contract Rent	\$583	\$969	66%
Home Values	\$145,900	\$256,000	75%

Source: US Census Bureau 2000 and US Census Bureau, 2008-2012 American Community Survey 5-year Estimates

What housing is "affordable" is often difficult to define. Affordability may be an issue for a household regardless of its income. However, the Federal Department of Housing and Urban Development (HUD) defines "affordable" as using a maximum of 30% of a household's adjusted gross income to be spent on housing. In other words, a household, regardless of income, should have the ability to expend 70% of its gross adjusted income on non-housing needs and expenses. This delineation is consistent with the intent of the Growth Management Act. One of GMA's goals is for jurisdictions to "provide opportunities for the provision of affordable housing to all segments of the population".

The lack of affordability in a local market can have the effect of limiting housing choice and mobility thus driving up overall costs. These rising costs particularly present a disproportionate

cost burden to lower-income residents. Obviously, the more a household expends on housing, the less that is to be available for other basic needs such as food, clothing, transportation, and health care.

Table H14 is a means of identifying housing needs by income levels and tenure types in the City of Fife for 1999 and 2012. Table H15 identifies affordable 2012 housing prices for renters and owners for various income groups.

Generally, in 2012 both renter and owner households with less than \$50,000 in income were paying a much greater proportion of their income over the 30% standard. Owner households in the \$50,000 to \$74,999 range also were in a similar situation. Housing affordability is clearly an issue for those households with incomes less than \$50,000.

The conclusions that might be reached from such analysis again need to be taken in context of the impacts of the recession during the 2008-2012 time period (which serves as the basis for the 2012 information.) The economy has generally improved since that time, although it is still reasonable to conclude that housing affordability is still a challenge for those at the lower end of the income scale.

**TABLE H14: City of Fife Housing Affordability Analysis**

<b>Household Income</b>	<b>Number of Households Paying &gt; 30% 1999</b>	<b>Percentage of Households Paying &gt; 30% 1999</b>	<b>Number of Households Paying &gt; 30% 2012</b>	<b>Percentage of Households Paying &gt; 30% 2012</b>
<b>Owner Households</b>				
<b>Less than \$20,000</b>	39 of 52	75.0%	41 of 62	66.1%
<b>\$20,000 to \$34,999</b>	32 of 68	47.1%	48 of 90	53.3%
<b>\$35,000 to \$49,999</b>	12 of 54	22.2%	131 of 189	69.3%
<b>\$50,000 to \$74,999</b>	16 of 104	15.4%	231 of 374	61.8%
<b>\$75,000 or more</b>	6 of 93	6.5%	172 of 809	21.3%
<b>All Income Categories</b>	105 of 371	28.3%	623 of 1524	40.9%
<b>Renter Households</b>				
<b>Less than \$20,000</b>	406 of 444	91.4%	360 of 383	94.0%
<b>\$20,000 to \$34,999</b>	147 of 508	28.9%	258 of 313	82.4%
<b>\$35,000 to \$49,999</b>	2 of 363	0.6%	195 of 407	47.9%
<b>\$50,000 to \$74,999</b>	0 of 197	0.0%	35 of 403	8.7%
<b>\$75,000 or more</b>	0 of 80	0.0%	26 of 516	5.0%
<b>All Income Categories</b>	555 of 1592	34.9%	874 of 2022	43.2%
<b>Owner and Renter Households Combined</b>				
<b>All Income Categories</b>	660 of 1963	33.6%	1497 of 3546	42.2%
U.S. Census 2000 (H073 and QT-H16) and U.S. Census American Community Survey 5-Year Estimates 2008-2012 Mortgage costs typically include taxes, insurance and other related housing expenses Rent Payments typically include a utility allowance				

**TABLE H15: City of Fife - Affordable Housing Values by Income Group**

<b>Income Group</b>	<b>2012 Annual Household Income</b>	<b>Maximum Affordable Monthly Rent/Utility*</b>	<b>Maximum Affordable House Price**</b>
<b>Very Low-Income (&lt;30 percent)</b>	\$17,296	\$432	\$51,888
<b>Low-Income (30 to 80 percent)</b>	\$17,297 to \$46,122	\$432 to \$1,153	\$51,889 to \$138,366
<b>Moderate-Income (80 to 120 percent)</b>	\$46,123 to \$69,184	\$1,154 to \$1,730	\$138,367 to \$207,552
<b>Median-Income (100 percent)</b>	\$57,653	\$1,441	\$172,959
*30 percent of monthly income **Annual income multiplied by 3 Source: U.S. Census American Community Survey 5-Year Estimates 2008-2012			

As an effort to compare the City of Fife to the broader Pierce County area, Tables H16 and H17 provide the same information as Tables H14 and H15, but on a countywide basis.

In some ways, the data are very similar. While 43.2% of the combined owners and renters devote more than 30% of their household income to housing costs, that percentage is 42.2% countywide. The maximum affordable house price for an individual making median income in Fife was \$172,959; in Pierce County is was \$177,315.

Fife’s efforts to meet its needs for affordable housing are addressed in Sections IV and V of this Element. The strategy involves ensuring sufficient land is available to meet population growth, having some flexibility in the amount of available land as well as allowing for a diversity of housing types across zoning districts in order to enable local zoning to respond to the changing housing marketplace. It also involves looking for opportunities to support the efforts of those organizations involved with the provision of housing that addresses the needs of low-and-moderate income households.

**TABLE: H16: Pierce County Housing Affordability Analysis – Owner and Renter Occupied Housing**

Pierce County Household Income	Number of Households Paying > 30% 1999	Percentage of Households Paying > 30% 1999	Number of Households Paying > 30% 2012	Percentage of Households Paying > 30% 2012
<b>Owner Households</b>				
Less than \$20,000	7891 of 12065	65.4%	9790 of 12127	80.7%
\$20,000 to \$34,999	9821 of 17810	55.1%	10660 of 17627	60.5%
\$35,000 to \$49,999	9806 of 23571	41.6%	13208 of 22370	59.0%
\$50,000 to \$74,999	8623 of 38644	22.3%	19182 of 39326	48.8%
\$75,000 or more	2515 of 45178	5.6%	14362 of 93607	15.3%
<b>All Income Categories</b>	<b>38656 of 137268</b>	<b>28.2%</b>	<b>67202 of 185057</b>	<b>36.3%</b>
<b>Renter Households</b>				
Less than \$20,000	24490 of 30753	79.6%	22629 of 24623	91.9%
\$20,000 to \$34,999	10245 of 26754	38.3%	19396 of 23510	82.5%
\$35,000 to \$49,999	1519 of 17344	8.8%	9126 of 20108	45.4%
\$50,000 to \$74,999	319 of 13139	2.4%	4532 of 21489	2.1%
\$75,000 or more	46 of 6744	0.7%	586 of 18069	3.2%
<b>All Income Categories</b>	<b>36619 of 94734</b>	<b>38.7%</b>	<b>56269 of 107799</b>	<b>52.2%</b>
<b>Owner and Renter Households Combined</b>				
<b>All Income Categories</b>	<b>75275 of 232002</b>	<b>32.4%</b>	<b>123471 of 292856</b>	<b>42.2%</b>
<b>U.S. Census 2000 (H073 and QT-H16) and U.S. Census American Community Survey 5-Year Estimates 2008-2012</b>				
Note: Mortgage costs typically include taxes, insurance and other related housing expenses				
Note: Rent Payments typically include a utility allowance				

**TABLE H17: Pierce County - Affordable Housing Values by Income Group**

Pierce County Income Group	2012 Annual Household Income	Maximum Affordable Monthly Rent/Utility*	Maximum Affordable House Price**
Very Low-Income (<30 percent)	\$17,732	\$443	\$53,196
Low-Income (30 to 80 percent)	\$17,733 to \$47,284	\$444 to \$1,182	\$53,197 to \$141,854
Moderate-Income (80 to 120 percent)	\$47,285 to \$70,926	\$1,182 to \$1,773	\$141,855 to \$212,778
Median-Income (100 percent)	\$59,105	\$1,478	\$177,315
*30 percent of monthly income			
**Annual income multiplied by 3			
U.S. Census American Community Survey 5-Year Estimates 2008-2012			

## **IV. Housing Demand and Availability of Sufficient Land**

### **A. Need for Additional Housing**

Population increases translate to a need for additional housing. The Pierce County Buildable Lands study discussed in the Land Use Element shows there is a need for a minimum of 640 new units by the year 2030. The 2014 Buildable Lands analysis also shows that sufficient capacity exists to accommodate not only the 640 units to 2030, but also that there is sufficient capacity to meet the projected number of housing units to 2035 based on the Puget Sound Regional Council targets.

Planning for future housing needs requires an analysis of expected population growth and characteristics and housing preferences. If regional development trends of the last 20 years in housing type and household/socioeconomic structure were to continue, the proportion of the new units built as multifamily structures, especially in a mixed use format, increase and the number of detached single-family dwellings would decrease.

However, this commitment could still be difficult to meet. Fife's strategic location coupled with the "highest and best use" assessment methodology will continue to keep land values in and around Fife relatively high. In addition, in order to address affordability issues, the community has committed itself to providing for a variety of housing types and densities. A number of implementation strategies can be used to meet this commitment and the overall housing needs of the community. Such strategies may include the following:

#### **1. Inclusionary zoning**

Incentives such as density bonuses shall be offered to developers who will include a specified number of affordable dwelling units as part of a development.

#### **2. Accessory dwelling units**

One additional living unit, including separate kitchen, sleeping, and bathroom facilities, attached or detached from the primary residential unit, shall be allowed on a single-family lot. Consideration should be given to minimum unit size, reduced yard setbacks, parking considerations, and other development factors.

#### **3. Cluster subdivisions**

Housing units should be allowed to be clustered on lots smaller than normally allowed under existing zoning as a means to meet open space requirements or to locate structures away from sensitive environmental areas such as wetlands. This will maintain higher net density thus increasing economic viability of a residential project while still meeting these other requirements as well as allow economies in utility provision and other site development costs.

#### **4. Small lots and small lot zoning**

In some areas of the city lots as small as 4,000 square feet in area should be allowed. Smaller lots should be used in conjunction with techniques such as zero lot line development, zipper-lots and alternate width lots. Special attention should be given to privacy issues, the tendency toward streetscapes dominated by garages and cars, and maintenance access in site designs for small lot areas.



5. Office/Housing Linkage

Voluntary Office or Commercial/Housing linkage programs shall be established, in which incentives such as density bonuses, reduced setbacks, reduced parking requirements, which add value to a project or reduce development costs will be given in exchange for the provision of affordable housing units either on the development site or elsewhere in the city.

6. Zero Lot Line Development

This should be allowed in small lot residential districts, as an exception in existing or large lot districts, and planned unit developments as a means of preserving privacy and yard usefulness and generally increase the attractiveness of higher density residential areas. Zero lot line alternatives include z-lots, zipper-lots, and alternate width lots layouts. Special consideration should be given to issues such as, architectural design, access to sides of structures on the lot line, and parking/streetscape when permitting use of this technique to reduce negative impacts.

7. Mixed Residential Development

A mixing of residential development with other uses such as office and commercial should be allowed and encouraged. Consideration to cost savings resulting from shared parking, efficiencies in provision of infrastructure, and higher overall land use intensity should be given.

8. Relaxation of Subdivision/Development Standards

Site development costs associated with the creation of housing should be reduced wherever possible throughout the city. The city should consider modifications to standards for such things as; street width and cul-de-sac turning radii, curb and gutters, sidewalks, location and trenching for underground utilities, grass swales and other alternatives to storm drains and underground stormwater systems, parking requirements, and others. Consideration should be given to Washington State subdivision standards, and issues of short-term savings versus long-term costs.

**B. Land Availability and Need for Housing**

The City's Buildable lands analysis (summarized in the Land Use Element) shows the City with housing capacity of 1,181 units. Total housing units needed to achieve the 2030 growth target is 640. Sufficient land is available to meet the City's growth target, with sufficient excess capacity to meet additional demand that may occur in the City of Fife.

In addition, as also indicated in the Land Use Element, sufficient land capacity exists to meet the 785 additional units to meet the Puget Sound Regional Council's 2035 housing unit target of 4,602 housing units.

That there is extra capacity to meet the 2035 targets implies that there is some degree of flexibility for the city to respond to different housing types and tenure types that might present themselves during the planning period.

**C. Other Population Needs**

1. Group Quarters

People residing in group quarters do not require substantial additional housing needs. Based on the 2010 Census, 86 persons reside in group quarters, an increase from the 2000 Census number of 47 (Table H16).

**TABLE H16: Population in Group Quarters, 1990-2010**

<b>Year</b>	<b>Group Quarters Population - Fife</b>
<b>1990</b>	12
<b>2000</b>	47
<b>2010</b>	86

\*Source: US Census Bureau

**2. Assisted Units**

The Pierce County Housing Authority operates the 248 unit Chateau Rainier Apartments in the City of Fife. In addition, the Pierce County Housing Authority runs the Section 8 Rental Assistance Program. The Section 8 Programs are Federal rental assistance programs administered through the U.S. Department of Housing and Urban Development (HUD) and local housing authorities and is intended to make decent, safe and sanitary rental housing more affordable to low-income, elderly, and handicapped / disabled individuals and families.

Applicants must meet HUD eligibility requirements, and have incomes that do not exceed HUD-established area income limits. Potentially eligible applicants will be placed on a waiting list until a housing subsidy can be issued.

The Pierce County Housing Authority’s 248 unit Chateau Rainier multi-family complex alone represents over 6 percent of the City’s total 3,957 housing unit stock. Section 8 vouchers that may exist in Fife would be in addition to this with regards to addressing the needs of low-and moderate-income households.

**D. Fair Share Allotments**

According to the Growth Management Act and the Countywide Planning Policies for Pierce County, each jurisdiction must incorporate its "fair share" of the county's need for housing for all economic segments of the population. This fair share of affordable housing must be reflected in the number and type of housing units accommodated in its comprehensive plan. There is a question about some communities having to assume a disproportionate responsibility and burden of providing for a region's housing needs (usually lower-income).

To create fairness to all communities in the distribution of low-income housing, an allotment formula for low-income housing was developed with countywide cooperation by the Pierce County Regional Council. The methodology incorporates adjustments designed to co-locate jobs and housing and with recognition that some jurisdictions proportion of lower-income housing may be higher than the county average. Households in need were those moderate-income and below who were paying greater than 30% of income in rental or homeowner costs. Those above this cutoff were assumed to have their needs addressed through the market. Approximately 90-94% of all households in need (paying more than 30% of their adjusted income for housing) are within the lower income segments.

As indicated in this element, over six percent of the City’s housing stock is associated with the Chateau Rainier apartment complex operated by the Pierce County Housing Authority. Multi-family housing (two or more units) and also mobile homes in general, comprise about 50% percent of the City’s housing stock. The City’s housing stock is quite reasonably weighted towards

providing housing that is affordable to those that cannot (or choose not to) purchase a single family home.

## V. Inventory of Resources & Funding Opportunities

### A. Affordable Housing Land Use Strategies

Many factors that affect housing prices are generally out of the control of local governments. Examples include changing demographics (demand), economic trends and business cycles, lending practices, rising labor/materials costs, and interest rates. However, local governments can create development incentives and zoning standards to encourage the production of affordable housing units. Following is an assortment of land use techniques and strategies that could help encourage the production of affordable housing in Fife. The feasibility of each technique and strategy will depend largely on the status of the local housing market and community goals and vision.

It is important to keep in mind that many of the methods listed below are not stand-alone methods; rather they can be effectively combined.

#### 1. Planned Unit Developments (PUD's)

Planned Unit Developments essentially afford developers flexibility with site design and densities, differing housing types, and the provision of non-residential uses in residential areas. In return, community amenities and open space are included in the development. Some people believe that an appropriate mix of uses and housing types add "livability" to the community. This method can provide opportunity for affordable units particularly if the developer is permitted an increase in density thus spreading costs over more units. The city of Fife's current zoning code allows for PUD's. Planned Residential Developments (PRD's) normally do not make provisions for non-residential uses. *Cluster Development* is similar to PRD's in which a clustering of homes on smaller lots reduces site development costs and provides for common open space.

#### 2. Inclusionary Zoning

This technique can either be regulatory or incentive-based in nature. Applicable to single-family and multi-family development, this method could require a certain number of units (per development) to be set aside as affordable. Density bonuses can be used as an incentive for the inclusion of affordable units.

#### 3. Upzoning/Minimum Density/Small Lots

These regulatory approaches attempt to achieve affordability through smaller lots and minimum densities. There are several advantages to these methods: development and land costs can be spread out over a higher number of units reducing per unit costs; allowing smaller lots may encourage infill, a goal of the GMA; and the use of *zero lot line development* to enjoy the cost-savings associated with higher-density development while maintaining the single-family "feel."

#### 4. Density Bonuses

Development incentives that allow a percentage increase in units in exchange for the provision of affordable units and open space thereby increasing the value (and attractiveness) of the project.

5. Relaxation/Flexibility of Development Standards

Reducing development standards (resulting in a reduction in labor/materials costs) as an incentive to build affordable housing units.

6. Manufactured Housing

The number of units in this category has increased substantially in the Fife area as households seek more affordable units. Manufactured housing can be permitted in all residential areas with the same development standards as a site built residence.

7. Accessory Units

These units are typically smaller "extra" units located on or within a single-family dwelling. These units provide the "host" household with supplemental income to offset the costs of housing. This allows the tenant to feel like part of a neighborhood rather than simply an anonymous apartment dweller. Accessory living quarters are currently permitted in Fife for temporary guests and occupants of the premises only and such units may not be rented out or used as a separate dwelling unit.

8. Performance Zoning

This is another method that allows considerable flexibility in housing types, density, and site design while ensuring neighborhood compatibility. Each project is evaluated on a case-by-case basis with specified performance criteria. The criteria may include traffic generation, neighborhood compatibility, parking, noise, open space, and usage. A point system could be tied to the criteria used for development approval. This method can have a tendency to increase the supply of land for housing thus decreasing housing and land costs. Performance standards allow for flexibility and may encourage cost-saving techniques such as clustering and small lot development.

9. Other Methods

These may include the encouragement of incentives for infill development and an evaluation and reduction (if feasible) of "indirect costs" such as fees and permits. The idea is to create incentives to allow for affordable units to be built at a reduced cost.

**B. Housing Assistance Programs**

The Federal Department of Housing and Urban Development (HUD) and the Pierce County Housing Authority provide most of the housing assistance that impacts residents in the Fife area. These programs are not specific to a particular city; rather they are targeted on a regional level.

1. Federal Programs:

- *Section 8 Housing Assistance Program* - Rental assistance is provided to a limited number of low income designated households (family, elderly, disabled, or displaced by government action). Income limits and family size will vary by county. The tenant pays 10% of gross income or 30% of adjusted gross income whichever may be higher. The HUD program provides payment vouchers for the difference between the tenant's share and the regular rent to the owner/landlord. This program includes extra benefits for childcare, medical expenses, and allowances for the elderly, family clients with dependents, and disabled people.

- *Rent Supplement Program* - This program is targeted to family, elderly, disabled, and single-person households within the Section 8 lower-income limitations. Under this program, the tenant pays no more than 30% of their adjusted gross income for rent and HUD pays the difference to the owner (not to exceed 70% or be less than 10% of the unit rent).
- *Section 236 Program* - This program is eligible to anyone within the Section 8 lower income limits. For projects where all units are below the market rate, the tenant pays at least the basic minimum rent or 30% of their adjusted gross income, whichever is greater (not to exceed the market rent).
- *Section 221 (d) (3) TOWN Program* - This program is eligible to anyone within the Section 221 (d) (3) TOWN income limits. These limits vary by county and family size. In Pierce County, these limits are \$23,300 for 1 person, \$26,600 for 2 persons, and \$29,900 for 3 persons. Tenants pay an established rent or an adjusted rent based on their income for "221" housing.
- *Section 202 Program* - This program is eligible to all elderly or physically disabled people within the Section 8 income limits. The tenant pays the established rent for program housing. Projects designated as "DD" are for developmentally disabled whereas those designated as "CMI" are for chronically mentally ill.
- *Federal Housing Administration (FHA)* - The Federal Housing Administration, a division of HUD, provides mortgage assistance to moderate-income homebuyers. FHA loans typically allow lower down payments, low interest rates and high debt-to-income ratios (up to 29% for housing expenses). First-time homebuyers are the largest proportion of FHA's business.

## 2. State Programs:

- *Washington State Housing Finance Commission* - Established in 1983, this program attempts to promote home ownership with assistance to first-time homebuyers in the form of low-interest mortgage loans and low down payments. The programs are generally targeted to first-time homebuyers with incomes ranging between 50 and 115% of an area's median household income. The commission also provides for low-interest financing for affordable multi-family housing projects.
- *Housing Assistance Program (DCD)* - This program was expanded and renamed in 1991 from the Housing Trust Fund Program to the Housing Assistance Program. Grants and/or low-interest loans are provided to create housing for lower income (< 80% of area's median income) households and households with special needs. Trust fund monies can be used to assist with new construction, rehabilitation, rent subsidies, and other costs associated with low-income housing development.
- *Affordable Housing Program (DCD)* - This program was established in 1991 to increase the availability and affordability of low-income housing through loans and/or grants. Households with incomes at or below 80% of an area's median household income are targeted. Eligible activities for funding include new

construction, rehabilitation, acquisition of low-income housing, down payment and closing cost assistance for first-time homebuyers and rent and mortgage subsidies for multi-family construction.

3. County Programs:

- *Community Action Agency* - Utilizing a variety of federal and state funding resources, this agency provides counseling services and weatherization assistance. Counseling services (certified by HUD) include: pre-purchase/pre- rental, delinquent rental and mortgage default, landlord/tenant counseling and fair housing. Weatherization assistance is targeted to low-income homeowners/renters and mobile home owners/renters.
- *Pierce County Housing Authority (PCHA)* - This agency administers Section 8 rental assistance to low-income people outside of Tacoma and Puyallup city limits. The PCHA also owns rental units and refurbished older homes used for low-income rentals.
- *Good Samaritan Out-Reach Services* - Housing is developed for elderly and disabled persons through Section 202 (federal) funding and other sources.

## **VI. Housing Goal, Policies, and Implementation Strategies**

The housing goal and policies provide general direction to decision makers for housing related actions needed to guide the community toward the future described in the vision statement. To make that vision a reality, however, specific programs, actions, and (in some cases) regulations will be necessary. The strategies listed in this section provide the City with a work program for implementation of the Housing Element.

### **Goal: Provide for adequate housing for all income ranges**

- |                           |   |
|---------------------------|---|
| Policy 1                  | Provide for a variety of housing densities and types throughout the area, with emphasis on owner-occupied residences.   |
| <i>Implementation 1.1</i> | <i>Allow manufactured housing in all areas zoned for residential uses in the City.</i>  |
| <i>Implementation 1.2</i> | <i>Ensure that adequate land is designated for a variety of housing densities and types on the City's Comprehensive Plan Land Use Map.</i>  |
| <i>Implementation 1.3</i> | <i>Implement and maintain policies and plans that encourage single family, detached housing as the residential pattern of choice while including a mixture of housing types and densities in appropriate areas.</i>                         |
| <i>Implementation 1.4</i> | <i>Encourage public and non-profit agencies with expertise in housing practices and special needs, such as the Pierce County Housing Authority, to be major partners in implementing housing techniques and incentive programs in Fife.</i> |

- Policy 2 Promote preservation and improvement of the existing single family and multifamily units.
- Implementation 2.1 Support neighborhood revitalization through available grants from the state, federal, and local government levels to maintain and improve existing residences.*
- Implementation 2.2 Explore and identify opportunities to reutilize and redevelop existing parcels where rehabilitation of the buildings is not cost-effective.*
- Implementation 2.3 Develop and adopt code provisions that provide relaxation of appropriate development standards to parties engaged in rehabilitation or preservation of existing housing.*
- Policy 3 Monitor the housing market and the effectiveness of the housing policies.
- Implementation 3.1 Assess the effectiveness in meeting housing demands and monitor the achievement of the housing policies not less than once every 5 years.*
- Policy 4 Investigate a wide variety of code amendments providing new incentives that encourage the provision of housing that is affordable to the lower income groups in the community and adopt appropriate code amendments.
- Implementation 4.1 Use incentive techniques to encourage the creation of housing for the extremely low, very low, low, and moderate income groups in the city. Use Incentives compatible with those in surrounding jurisdictions.*
- Implementation 4.2 Provide increased attention to design criteria such as landscaping, lot coverage, open space, and parking in residential developments to enhance aesthetic appeal and to better blend with surrounding developments.*
- Implementation 4.3 Encourage residential infill development on existing lots in the City, including the preparation of an inventory of potentially available lots with utilities, adoption of a zone code amendment that facilitates development of substandard lots for infill residential development, and amendments to appropriate codes to simplify and encourage consolidation of substandard lots to facilitate residential infill.*
- Implementation 4.4 Allow mixed residential/commercial and mixed density developments to increase economic feasibility of housing developments.*
- Implementation 4.5 Explore and identify opportunities for non-profit developers to build affordable housing.*
- Implementation 4.6 Maximize available local, state, and federal funding opportunities and private resources in the development of affordable housing (County-Wide Planning Policy #4).*
- Implementation 4.7 Include commercial/residential multi-use within commercial zones.*

- Implementation 4.8*      *Continue zoning code provisions that allow for the development of cluster and cottage housing, as well as planned residential development provisions that enable higher densities above base density when increased amenities are provided.*
- Policy 5                Accept County-Wide Planning Policy requirements to distribute a fair share of affordable housing units for extremely low to moderate-income households throughout the City.
- Implementation 5.1*      *Strive to implement the City’s “fair share” of affordable housing units as outlined in the cooperative effort among Pierce County jurisdictions.*
- Implementation 5.2*      *Include a report of recent housing development activity in the community as part of background data gathered in preparation for each update of the Comprehensive Plan. Use this information to assess market trends and the affect of land use and housing policies on them and to assist updating the Comprehensive Plan.*
- Policy 6                Identification of lands for extremely low to moderate-income households could be located in the Mixed Commercial/High Density Residential land use designations.
- Policy 7                Actively engage in discussion with the Pierce County Assessor, state officials, legislators, and other jurisdictions to affect a change in “highest and best use” taxation policies. This should be done under the provision in state law that the activities of state and local agencies should be compatible with and support local comprehensive plans.
- Implementation 7.1*      *Direct staff to pursue discussion with the Pierce County Assessor, state officials, legislators, and other jurisdictions, to affect a change in “highest and best use” taxation policies.*