

# **Gig Harbor Comprehensive Plan: Housing Calculations Appendix A**

**March 2025**

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# Introduction

The following appendix to the Gig Harbor Comprehensive Plan details the approaches used to evaluate the compliance of the Plan with housing targets under state and regional growth mandates. This includes the methods for aligning housing capacity with targets identified under Pierce County Ordinances [2022-46s](#) and [2023-22s](#) and ensuring consistency with the relevant provisions of the Growth Management Act (GMA) for these housing targets.<sup>1</sup>

This analysis considers available data on current housing stock, permitting pipelines, and available capacity data to assess readiness to meet the city's housing needs through 2044. This is focused on four main areas for compliance:

- Overall housing targets implemented under Pierce County Ordinance [2022-46s](#).
- Income-based housing targets by type according to Pierce County Ordinance [2023-22s](#).
- Emergency housing targets included in Pierce County Ordinance [2023-22s](#).

The assessment of general and income-based housing targets is based on an evaluation using information and modeling from the [2021 Pierce County Buildable Lands Report](#) (BLR). This includes both the primary report and the supplementary spreadsheets used to calculate land capacity figures included within the report.<sup>2</sup>

Additionally, this Appendix provides additional details on the City's work to evaluate housing equity and displacement risks as per the requirements under the *Growth Management Act*.<sup>3</sup> Under recent changes, Housing Elements needs to:

- Identify and implement policies and regulations to address racially disparate impacts, displacement, and exclusion in housing.
- Identify areas that may be at higher risk of displacement.
- Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as additional factors.

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<sup>1</sup> See RCW [36.70A.070](#)(2)(c)

<sup>2</sup> See [Data Spreadsheets](#), 2021 Pierce County Buildable Lands Report.

<sup>3</sup> See RCW [36.70A.070](#)(2)(e) through (h)

# Housing Targets and Capacity

## Growth Targets

Targets for growth between 2020 and 2044 have been identified by Pierce County through Ordinances [2022-46s](#) and [2023-22s](#). These growth targets have been informed by two major policy considerations:

- Compliance with the [PSRC VISION 2050 Regional Growth Strategy](#), which specifies both broad targets for growth at the County level and specified targets by community type.
- Fulfillment of state requirements under RCW [36.70A.070\(2\)\(c\)](#) to provide sufficient capacity to meet housing needs for moderate, low, very low, and extremely low-income households.

Under these requirements, Pierce County has provided the housing growth allocations shown in Exhibit 1 for Gig Harbor for the 2020–2044 period. These allocations are based on “area median income” for Pierce County, which is the projected median income assumed for a family of four that is typically used in housing affordability measures.

In addition to these targets on housing, the city is also committed to accommodating an additional **2,200 residents** and **2,747 jobs** in the city from 2020 to 2024 based on the targets provided under Ordinance [2023-22s](#).

**Exhibit 1. Gig Harbor 2020–2044 Housing Growth Targets.**

Target Category	Target Units
Extremely low-income (0–30% AMI)	
<i>Permanent supportive housing</i>	156
<i>Other housing units</i>	115
Very low-income (30–50% AMI)	165
Low-income (50–80% AMI)	131
Moderate-income (80–100% AMI)	56
Moderate-income (100–120% AMI)	51
Higher income (120% or more)	218
<b>Total Housing Units</b>	<b>892</b>

Source: Pierce County, 2023; WA Department of Commerce, 2023.

These targets include the following categories:

- **Extremely low income**, making 30% or less of Area Median Income (AMI);
- **Very low income**, making 30–50% of AMI;
- **Low income**, making 50–80% of AMI;
- **Moderate income**, making 80–120% of AMI (divided between above and below median; and
- **Higher income** households making above 120% AMI.

The targets for residential development are typically divided according to the housing type, however. Although there is a clear understanding that affordability often requires a broader recognition of subsidies to allow low-income households to access available units, these targets are intended to focus development on types that are much more likely to be affordable.

The following exhibits highlight how these targets can be divided by housing type:

- Exhibit 2 presents the growth targets as shown in Exhibit 1, divided according to the approach provided by the WA Department of Commerce in guidance materials for compliance with these requirements.<sup>4</sup>
- Exhibit 3 provides a comparison between the estimates of existing housing stock by affordability in Gig Harbor in 2020, compared with the identified targets for 2044.

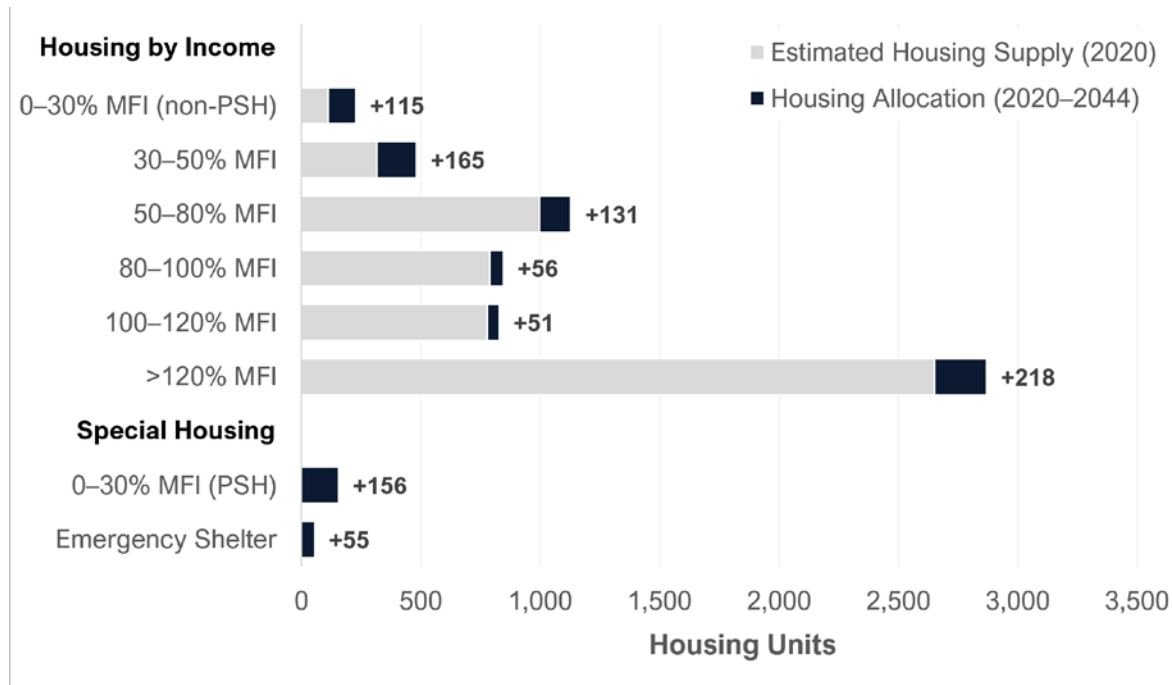
## Exhibit 2. Gig Harbor 2020–2044 Housing Growth Targets with Housing Types Needed.

Target Category	Target Increase, 2020–2044	Type of Housing	Increase by Type, 2024–2044
<b>Extremely low-income (0–30% AMI)</b>			
<i>Permanent supportive housing</i>	+156	Low- and mid-rise apartments that include rental assistance and supportive services for residents, often serving as rapid re-housing for chronically homeless individuals.	+567
<i>Other housing units</i>	+115	Low- and mid-rise apartments, potentially with significant public support/subsidies	
<b>Very low-income (30–50% AMI)</b>	+165	Low- and mid-rise apartments and condos.	+107
<b>Low-income (50–80% AMI)</b>	+131	Low- and mid-rise apartments and condos, including ADUs.	
<b>Moderate-income (80–100% AMI)</b>	+56	Moderate “middle” housing, including plex and townhome development	
<b>Moderate-income (100–120% AMI)</b>	+51		+218
<b>Higher income (120% or more)</b>	+218	Low-density detached single-unit homes	
<b>Total Housing Units</b>	<b>+892</b>		<b>+662</b>

Sources: Pierce County, 2023; WA Department of Commerce, 2023; WA Office of Financial Management, 2024.

<sup>4</sup> See [Guidance for Updating Your Housing Element](#) (March 2021), WA Department of Commerce.

**Exhibit 3. Gig Harbor 2020–2024 Housing Needs by Income Level and Allocation.**



Source: Pierce County, 2023.

Although these figures seem attainable, one challenge is with the nature of recent housing development, as shown in Exhibit 4. The 2021 Buildable Lands Report indicates that the city has sufficient capacity to meet broader housing targets, but these targets would largely be fulfilled with single-unit detached housing under those assumptions. According to OFM, development after the 2020 baseline exceeds the growth targets implied for this housing type,<sup>5</sup> meaning that additional development beyond the baseline target will be necessary to meet targets under Ordinance 2023-22s. Note that this should be resolved through future discussions with the County about appropriate growth targets.

**Exhibit 4. Gig Harbor 2020–2044 Housing Targets versus 2020–2024 Housing Development.**

Type of Housing	Target, 2020–2044	Net Change, 2020–2024	Remaining, 2024–2044
Low- and mid-rise housing	+567	+2	+565
Middle housing (plex, townhome)	+107	+10	+97
Low-density detached single-unit	+218	+500	-
<b>Total Housing Units</b>	<b>+892</b>	<b>+512</b>	<b>+662</b>

Sources: City of Gig Harbor, 2024; Pierce County, 2023; WA Department of Commerce, 2023; WA Office of Financial Management, 2024.

<sup>5</sup> Note that targets under RCW [36.70A.070\(2\)\(c\)](#) do not technically include single-unit detached housing for targets.

# Housing Capacity

## Previous Analysis

The [2021 Pierce County Buildable Lands Report](#) outlines the methodology used to assess the capacity for housing and employment within urban growth areas in Pierce County, including Gig Harbor. This framework has been developed to evaluate whether sufficient land and infrastructure exist to accommodate growth targets through 2044, as required by the GMA.

The methodology applies standardized processes for categorizing land, analyzing development potential, and calculating capacity for residential and non-residential uses. Major steps include:

- Classifying land parcels according to their current level of development (e.g., vacant, underutilized, built-out) and identifying which sites are included in a community's current development pipeline.
- Determining the environmental constraints, zoning restrictions, and infrastructure limitations that would impact whether a site is developable.
- Calculating total housing and employment capacity through assumptions based on previous development patterns and expected growth.
- Determining effective capacity based on deductions for properties unlikely to develop within the planning horizon, and reductions for other uses.
- Comparing effective capacity by city and UGA with projected growth to identify available shortfalls.

Although this method from the 2021 report included provisions for separating single- and multi-unit housing types, the distinction was not sufficient to meet the current requirements under the UGA for compliance with income targets.

Model spreadsheets have been made available to cities by Pierce County to show the process used for the calculations. This includes base assumptions according to each zoning classification, which include:

- The **net acres** available for development from the parcel inventory.
- The estimated **housing units per net acre** assumed for the zone.
- The estimated **jobs per gross acre** assumed for the zone.
- The expected percent of land in each zone to be used for **residential versus non-residential** development.

Exhibit 4 includes these assumptions for the base scenario under the 2021 report, based on zoning classifications and the development pipeline at that time. This report determined that the 2021 housing capacity in the city could accommodate another 1,976 units.

**Exhibit 5. Base Assumptions from the 2021 Buildable Lands Report, Gig Harbor.**

Zone	Zone Name	Net Acres	Units / Acre	Empl. / Acre	% Res	% Non-Res
B-1	Neighborhood Commercial District	0.6	-	20	-	100%
B-2	General Business District	230.8	6	20	20%	80%
C-1	Commercial District	54.4	-	20	-	100%
DB	Downtown Business District	30.9	8	20	20%	80%
ED	Employment District	232.4	-	9	-	100%
PCD-BP	PCD Business Park District	151.4	-	20	-	100%
PCD-C	PCD Commercial	74.9	-	20	-	100%
PCD-RMD	PCD Medium Density Residential	39.3	-	-	-	-
PI	Public-Institutional District	140.6	-	20	-	100%
PRD	Planned Residential Development	214.2	-	-	-	-
R-1	Single-Family Residential	1,279.3	4	20	100%	-
R-2	Medium-Density Residential	394.6	6	20	100%	-
R-3	Multiple-Family Residential	49.4	8	20	100%	-
RB-1	Residential and Business District	39.1	4	20	30%	70%
RB-2	Residential and Business District	196.3	8	20	30%	70%
WC	Waterfront Commercial	26.1	4	20	20%	80%
WM	Waterfront Millville	13.5	4	20	20%	80%
WR	Waterfront Residential	16.3	4	20	100%	-
WTR	Water (Not Zoned)	10.1	-	-	-	-

Source: Pierce County, 2024.

While these calculations are used in the evaluation of capacity to meet County requirements, note that the densities in the B-2 and RB-2 zones were observed to be substantially higher than these assumptions. According to Table 11-11 in the 2021 BLR:

- Observed multifamily density in the B-2 zone was at 33 units per acre but assumed to be eight in the calculations provided above.
- Similarly, the RB-2 zone had observed densities of about 12 units per acre, with higher densities for single-unit residential plats, but the assumed densities were set to eight units per acre.

What is also important to note when viewing these results is the effect that HB [1110](#) and [1337](#) have had on these assumptions. Under these new requirements, at least two housing units and two accessory dwelling units are allowed (with some restrictions) on all residential-zoned parcels in the city.<sup>6</sup> Understanding the expected changes in capacity due to these new requirements will be especially difficult, as this new growth will rely on infill development which is not well-understood in this market.

<sup>6</sup> See RCW [36.70A.635](#)(1)(c) and RCW [36.70A.681](#) for more information.

## Revised Analysis for the Comprehensive Plan

In developing a land use strategy for the revised Comprehensive Plan that meets the requirements under Pierce County Ordinance 2023-22s, the choice was made to maintain the current structure of the zoning code but change the development assumptions (and associated development regulations) to meet these targets. This was done for three main reasons:

- Many of the zones do not require any changes for compliance, especially as employment targets have not changed substantially since the 2021 BLR.
- For the residential zones that would require changes, most of these would require changes to underlying assumptions that would be consistent with the designation names and concepts.
- Maintaining the current structure of the zoning code would maintain consistency and reduce confusion.

A revised model based on the 2021 BLR spreadsheet model from Pierce County was created to evaluate new capacity and whether estimated capacity would meet estimated targets. These revisions included:

- Updating the pipeline data in the model to include permit data from 462 parcels up to summer 2024.
- Changing the model parameters to adjust residential density and capacity.
- Identifying the likely development types from Exhibit 2 that would be accommodated within each zoning district.

Exhibit 6 summarizes the changes made to the existing 2021 BLR assumptions, with the first four columns after the zoning districts providing the 2021 assumptions, and the second four providing the revised assumptions for the model. These include the following:

- Increasing densities to **12 units per acre** in the **B-2, DB, R-3, and RB-1** zones.
- Increasing densities to **32 units per acre** in the **RB-2** zone.
- Increasing the **proportion of residential development** in the **RB-1** and **RB-2** zones from **30% to 50%** of available capacity.

For the purposes of affordability calculations, applications of capacity to targets from the 2021 BLR are based on densities and the types currently allowed in these zones, or the type of housing indicated in the pipeline. For the proposed 2024 changes:

- **RB-1 zones** are assumed to allow **middle housing** formats.
- **RB-2 zones** are assumed to allow **low- and mid-rise housing** to meet requirements for low-income households and below (80% AMI and lower)

Note that this model does not explore changes to zoning in the R-1, R-2, and waterfront areas. As discussed above, changes to the zoning code will be necessary to allow duplexes and ADUs for infill development, but the effective yields of these development types are unknown over the longer term and will not contribute units that can fulfill lower-income housing needs.

These changes are intended to address the lack of available development capacity for denser, more affordable housing types. Exhibit 7 compares the expected yields under previous zoning assumptions and the proposed land use concept provided in the Comprehensive Plan.

**Exhibit 6. Revisions to BLR Assumptions under the 2024 Gig Harbor Comprehensive Plan Update.**

Zone	Zone Name	2021 Buildable Lands Report				2024 Comprehensive Plan			
		Units / Acre	Empl. / Acre	% Res	% Non-Res	Units / Acre	Empl. / Acre	% Res	% Non-Res
B-1	Neighborhood Commercial District	-	20	-	100%	-	20	-	100%
B-2	General Business District	6	20	20%	80%	12	20	20%	80%
C-1	Commercial District	-	20	-	100%	-	20	-	100%
DB	Downtown Business District	8	20	20%	80%	12	20	20%	80%
ED	Employment District	-	9	-	100%	-	9	-	100%
PCD-BP	PCD Business Park District	-	20	-	100%	-	20	-	100%
PCD-C	PCD Commercial	-	20	-	100%	-	20	-	100%
PCD-RMD	PCD Medium Density Residential	-	-	-	-	-	-	-	-
PI	Public-Institutional District	-	20	-	100%	-	20	-	100%
PRD	Planned Residential Development	-	-	-	-	-	-	-	-
R-1	Single-Family Residential	4	20	100%	-	4	20	100%	-
R-2	Medium-Density Residential	6	20	100%	-	6	20	100%	-
R-3	Multiple-Family Residential	8	20	100%	-	12	20	100%	-
RB-1	Residential and Business District	4	20	30%	70%	12	20	50%	50%
RB-2	Residential and Business District	8	20	30%	70%	32	20	50%	50%
WC	Waterfront Commercial	4	20	20%	80%	4	20	20%	80%
WM	Waterfront Millville	4	20	20%	80%	4	20	20%	80%
WR	Waterfront Residential	4	20	100%	-	4	20	100%	-
WTR	Water (Not Zoned)	-	-	-	-	-	-	-	-

Source: City of Gig Harbor, 2024; Pierce County, 2024.

**Exhibit 7. Calculated Housing Capacity in Gig Harbor, 2021 BLR / 2024 Comp Plan Assumptions.**

Type of Housing	Target, 2020–2044	2021 BLR Capacity	2024 Comp Plan Capacity
Low- and mid-rise housing	+567	-	756
Middle housing (plex, townhome)	+107	144	152
Low-density detached single-unit	+218	1,646	1,675
<b>Total Housing Units</b>	<b>+892</b>	<b>1,790</b>	<b>2,582</b>

Source: City of Gig Harbor, 2024; Pierce County, 2024.

Key observations and notes from this analysis include the following:

- **Changes to zoning are specifically driven by housing targets for lower-income households.** As noted in Exhibit 7, meeting the 2044 target to include 567 units of low- and mid-rise housing targeted to be accessible to lower-income households requires upzoning and changes to development regulations as these housing types are more challenging to accommodate in Gig Harbor under the current code. As meeting this requirement relies on buildable capacity from the RB-2 zone, which includes a majority of the remaining capacity for middle housing, other areas need to be upzoned to make up the difference.
- **There is substantial single-detached residential capacity remaining.** A major challenge for local housing policy in Gig Harbor is that there is a substantive amount of capacity remaining for single-unit detached housing, primarily in the R-1 and R-2 zones. Additionally, as noted in Exhibit 4, recent development since 2020 has completely taken up the growth associated with lower density single-detached housing. This suggests that no net growth of this housing type would be allowed before 2044 under current targets. This should be addressed in future policy, both for revisions to Pierce County policies and the expected five-year review of the Plan in 2029.
- **Additional incentives and subsidies will be necessary to build accessible housing.** Although upzoning the RB-2 zoning district to allow for higher density housing can help with affordability issues, about 436 units will need to be built to accommodate households making less than half of the area median income, and 156 units will need to be built as permanent supportive housing with associated services for residents. This will require a substantial investment of subsidies, both in terms of capital support and ongoing operating costs. As these demands will exceed what the city can give for support, it is essential to coordinate with nonprofits, government agencies, and other housing providers to meet these needs.

# Capacity for Emergency Shelters

## Overview

Determining the capacity to meet needs for emergency shelters can be more challenging. Emergency shelter spaces are normally not provided by the private real estate market, and there are usually a relatively small number of facilities sited within communities as opposed to other types of housing. Although the capacity of these organizations to build and run these facilities is often a limiting factor in their development, it is essential to ensure that these facilities are supported by land use regulations that support their development and operation in the community.

Recent revisions to state law have provided several requirements that must be considered as part of a city's zoning code. As per RCW [36.70A.070](#)(2)(a)(ii) and (c), cities must identify the needs for and sufficient capacities of land to accommodate:<sup>7</sup>

- **Permanent supportive housing**, defined as subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors.
- **Emergency housing**, defined as temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families.
- **Emergency shelters**, defined as facilities that provide for individuals or families who are currently homeless.

Although each of these requires significant financial support and subsidies to operate, identifying capacity for permanent supportive housing is typically included under the process to understand available space for multi-unit housing as above. However, as emergency housing and emergency shelters specifically do not require leases or occupancy agreements, they are not managed in the same way.

Under Pierce County Ordinance [2023-22s](#), no shelter space is currently identified in the city and under the 20-year targets, there is a need to identify capacity for adding **55 beds of emergency housing**. As per guidance from the WA Department of Commerce under the 2024 [Guidance for Updating Your Housing Element](#), capacity for emergency housing and emergency shelters can be evaluated in two general ways:

- Conversion of existing hotel spaces into emergency housing and shelter space.

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<sup>7</sup> Note that these housing types typically are considered as “STEP” housing (indoor emergency Shelter, Transitional housing, Emergency housing and Permanent supportive housing) together with “transitional housing”, which is defined separately under RCW [59.18.030](#)(38) as “housing units owned, operated, or managed by a nonprofit organization or governmental entity in which supportive services are provided to individuals and families that were formerly homeless, with the intent to stabilize them and move them to permanent housing within a period of not more than 24 months, or longer if the program is limited to tenants within a specified age range or the program is intended for tenants in need of time to complete and transition from educational or training or service programs.” As these units require tenancy agreements, they are typically evaluated as “multi-unit housing” according to growth targets.

- Evaluating capacity of lands available for emergency housing and shelter where current zoning permits these uses (including areas where hotels and motels are allowed, as per RCW [35A.21.430](#)).

The sections below provide an assessment of the potential capacity for achieving targets in both ways. It is important to note that this is only intended to highlight the available capacity for shelter space, and not to indicate that 20-year plans specifically endorse any of these approaches. As part of long-term implementation of the Comprehensive Plan, the City will need to coordinate the best approaches for meeting these needs, which may include a mix of different possible strategies.

## Available Hotel/Motel Conversion Capacity

Currently, there are several hotels and motels located within the City, some of which over a 20-year period could be acquired and repurposed for use as shelter space. Excluding bed-and-breakfasts and small-scale accommodations located within the harbor area, two hotels are currently located in the city with sufficient capacity to accommodate these targets, as shown in Exhibit 8:

**Exhibit 8. Hotel/Motel Capacity for Emergency Housing Targets, Gig Harbor.**

Hotel/Motel Name	Address	Capacity	Property Area	Intensity
Best Western Wesley Inn and Suites	6575 Kimball Drive	82 rooms	2.38 acres	34.4 rooms/acre
The Inn at Gig Harbor	3211 56 <sup>th</sup> Street	64 rooms	1.62 acres	39.5 rooms/acre

Source: Costar, 2025.

Altogether, a 1:1 conversion of either property would result in sufficient emergency housing capacity to exceed the identified targets. Again, while no plans are currently in place for either of these facilities to be converted, they remain as a potential long-term option for meeting these needs.

## Available Development Capacity

An alternate approach to demonstrating capacity is to highlight the potential for new development to meet emergency shelter needs with new facilities. This assumes that this new construction on buildable lands would be able to accommodate demand, but does not include other potential options, such as the development of shelter space associated with existing institutional uses such as places of worship.

According to current use regulations under Chapter [17.04](#) GHMC, lodging as a use is divided into three categories:<sup>8</sup>

- Level 1 is defined as a single-family residence that includes no more than eight guest rooms, comparable to a bed-and-breakfast or comparable short-stay accommodation.
- Level 2 includes accommodations with rooms that have direct access to the outside, comparable to a motel format.

<sup>8</sup> Note that neither emergency shelters nor emergency housing are included as explicit uses under Chapter [17.14](#) GHMC.

- Level 3 includes accommodations with rooms with shared access through a lobby, comparable to a hotel format.

Although technically level 1 lodging under land use regulations could accommodate emergency housing, the scale and format of these developments would make it unlikely to be the location of larger shelter facilities. As shown in Exhibit 9, the following zones currently allow level 2 or 3 accommodations:

**Exhibit 9. Zoning Districts Allowing Lodging Uses, Gig Harbor.**

Lodging Type	B-2	C-1	DB	MUD	PCD-BP	PCD-C	RB-2	WC
Level 2	P	P	P	P	-	P	C	C
Level 3	P	P	P	P	P	P	C	C

P = permitted use, C = conditional use

Source: City of Gig Harbor, 2024.

Under the assessment of land capacity described in the Land Use Element, there is an **employment target of 2,747 additional jobs** to be accommodated in Gig Harbor by 2044. Under current estimates, the city has the capacity to accommodate an additional 3,692 jobs through pipeline development after 2019 and additional available capacity. This represents an excess capacity that can support 945 jobs in areas that can accommodate employment. This additional capacity can represent locations where new emergency shelter locations can be sited.

Based on the assumptions for the Future Land Use Map defined in the Land Use Element, Exhibit 10 highlights how available excess employment capacity would be sufficient to meet available needs for emergency housing. This table includes the following:

- **Estimated total employment** capacity calculated according to the land use model.
- **Employees per net acre** by zoning district used as an assumption in the land use model.
- The **effective net acres available** for employment uses, based on capacity and employment density.
- **Estimated emergency housing capacity** based on an assumption of 25 beds/acre.

Estimated emergency housing capacity is calculated based on conservative estimates aligned with the guidance provided by the Department of Commerce. While examples for the intensity of beds per acre for emergency housing and emergency congregate housing in that guide can be as high as 150–200 beds per acre for multistory urban shelters, the lowest end of estimates is about 25 beds/acre. While this is lower than the hotel rooms per acre measure provided for existing hotels in the city provided in Exhibit 8 (which is around 35–40 rooms per acre), this measure is intended to present an extremely conservative evaluation of available capacity.

#### Exhibit 10. Potential Capacity for Emergency Housing by Zoning District, Gig Harbor.

Zoning District							
Employment Capacity	520	213	88	613	-	451	18
Employees per Net Acre	20	20	20	20	20	20	20
Net Acres Available (empl.)	26.0	10.7	4.4	30.7	-	22.6	0.9
Emergency Housing Capacity	650	266	110	766		563	22

Source: Pierce County, 2021; WA Department of Commerce, 2023.

Although not all of the emergency housing capacity indicated in Exhibit 10 is available as much of this will be required to fulfill the City's goals for employment growth, this highlights that there is more than sufficient capacity to meet the need for 55 emergency shelter beds through new construction. In terms of base capacity, almost every zone could accommodate the entire emergency housing need alone without concerns about meeting the indicated employment targets. Even if separation requirements are considered for shelter space in amendments to the City's zoning code,<sup>9</sup> this capacity is spread out amongst a large number of zones such that a small number of facilities could meet this target.

### Conclusion and Next Steps

Meeting the needs for emergency housing and shelter space as identified in the Comprehensive Plan does not appear to be limited by capacity concerns in Gig Harbor over the next 20 years. Capacity exists both in terms of available space that would otherwise be assigned to employment uses, as well as with existing hotels that could be positioned to be converted into shelter space in the moderate to long term.

It should be noted that while this exercise is intended to demonstrate available capacity, there may be other options that the City may take in the future to accommodate emergency housing options. In particular, development in partnership with institutions and religious organizations may help reach these identified targets.

As part of the zoning code updates coordinated by the City, more details should be provided regarding emergency housing as an allowable use in identified zones. Additionally, the City should engage in long-range planning to refine strategies to expand emergency housing capacity and encourage the development of related support services.

<sup>9</sup> See RCW [9.94A.030](#)(6), which recommends a buffer of 880 feet from compatible uses.

# Equity and Displacement

## Introduction

The region is experiencing critical challenges with its housing supply not keeping pace with growth, resulting in significant impacts. These impacts are particularly felt by communities of color that do not have the resources available to respond to these trends. These communities often face higher costs, poorer housing quality, and reduced opportunities for homeownership due to longstanding discriminatory practices.

Displacement in housing is increasingly problematic as rising costs and inadequate housing supply prevent many from securing suitable, affordable homes. Displacement types include:

- **Economic displacement** occurs when households can no longer afford to live in their homes due to rising housing costs, such as rent increases or higher property taxes. For example, a family may have to move because their rent has doubled over the past year, or a homeowner might sell their house because they can't afford the increased property taxes. This type of displacement is driven primarily by economic forces and can disproportionately affect low-income households.
- **Physical displacement** happens when residents are forced to move due to actions like eviction, property acquisition, rehabilitation, or demolition. An example of physical displacement is tenants being evicted because the building is being converted into luxury apartments, or a community being displaced due to the construction of a new highway. This form of displacement is often a direct result of development projects or changes in property ownership and use.
- **Cultural displacement** occurs when residents feel compelled to leave because the cultural or social fabric of their community has changed, making them feel out of place. For instance, long-term residents might move out of a neighborhood that has become gentrified and now caters to a different demographic, or a cultural community might disperse due to the closure of local businesses and institutions that served as cultural hubs. This type of displacement affects the social and cultural dynamics of a community, leading to a loss of cultural identity and support networks.

Displacement has broader implications for community dynamics and regional stability. It leads to longer commutes, fragmented community ties, and increased strain on social services, potentially escalating homelessness. Addressing these issues through local policies can help retain community integrity and support economic and social sustainability in the face of inevitable urban changes.

The updates to the Comprehensive Plan must address these disparities according to requirements under the *Growth Management Act*. As per RCW [36.70A.070](#)(2) Under this approach, requirements indicate that a Housing Element needs to:

- Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions.
- Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments.
- Establish antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income

housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

To support these requirements, the South Sound Housing Affordability Partners coordinated the development of a Racial Equity Analysis in June 2023. This assessment provides an evaluation of multiple geographic, demographic, racial and ethnic, housing, income, and displacement metrics to determine:

- Racially disparate impacts in housing due to past and current discriminatory policies.
- Areas that may be at a higher risk of displacement from market forces.

This section provides a summary of this effort supplemented by additional data, with a specific focus on the potential for displacement in the city and the resulting equity concerns to historically disadvantaged populations.

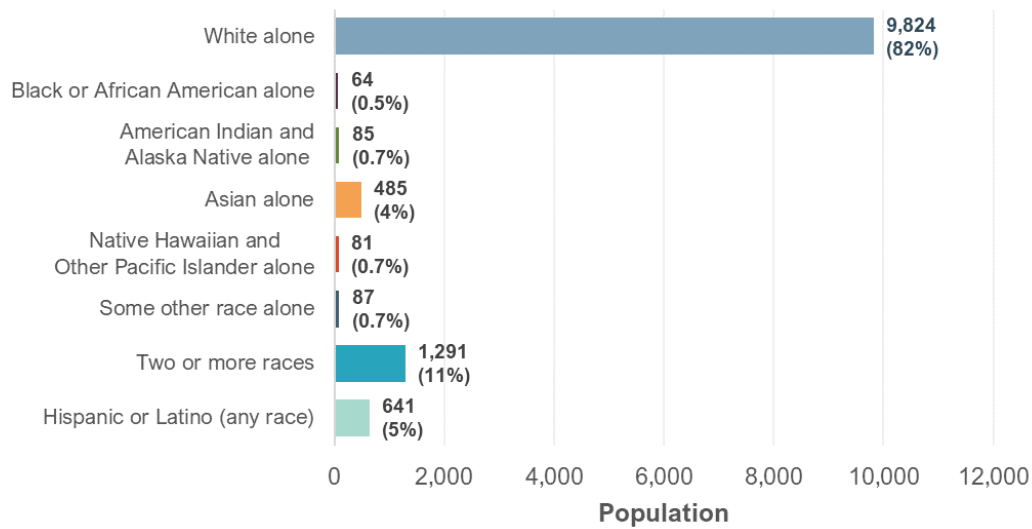
## **Assessment of Equity and Displacement Risks**

### **Overall Statistics**

The following data provides a summary of major considerations with racially disparate impacts, displacement, and other patterns of exclusion:

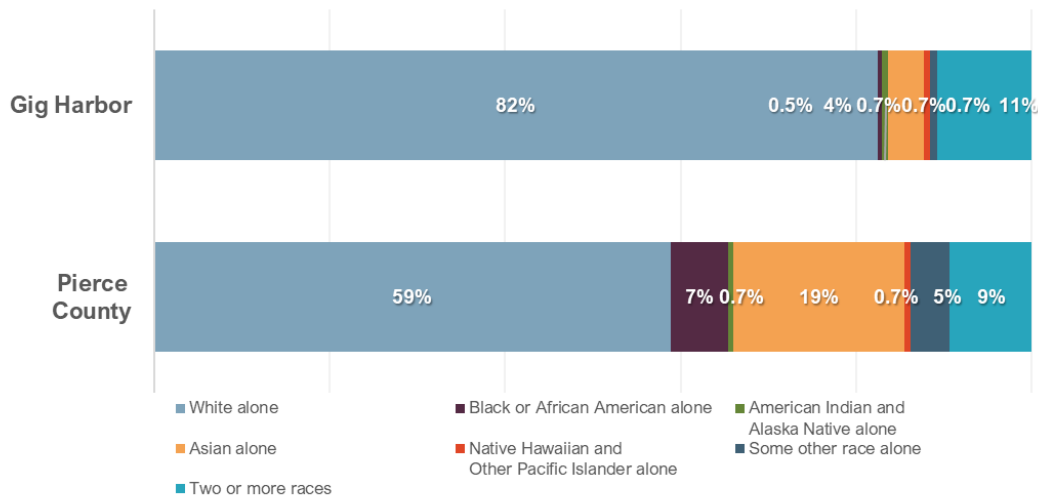
- Exhibit 11 provides a breakdown of the race and ethnicity of individuals in Gig Harbor in 2022.
- Exhibit 12 compares this breakdown by race with Pierce County as a whole.
- Exhibit 13 compares the breakdown of race in Gig Harbor between 2017 and 2022.
- Exhibit 14 presents the breakdown of white households versus households of color by tenure (renter/owner) in 2020.
- Exhibit 15 includes the proportion of white households versus households of color by income category in 2020.
- Exhibit 16 includes the proportion of white renter households versus renting households of color by cost burden in 2020.
- Exhibit 17 provides the median household income for all households and family and non-family households for Gig Harbor and Pierce County in 2022.
- Exhibit 18 presents the distribution of household income by income category for Gig Harbor and Pierce County in 2022.

**Exhibit 11. Race/Ethnicity of Individuals in Gig Harbor, 2022.**



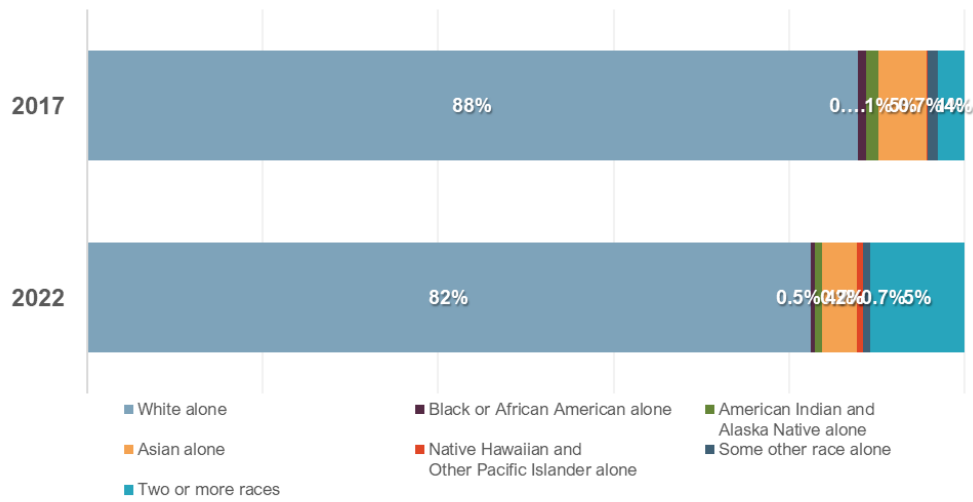
Source: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

**Exhibit 12. Race of Individuals in Gig Harbor and Pierce County, 2022.**



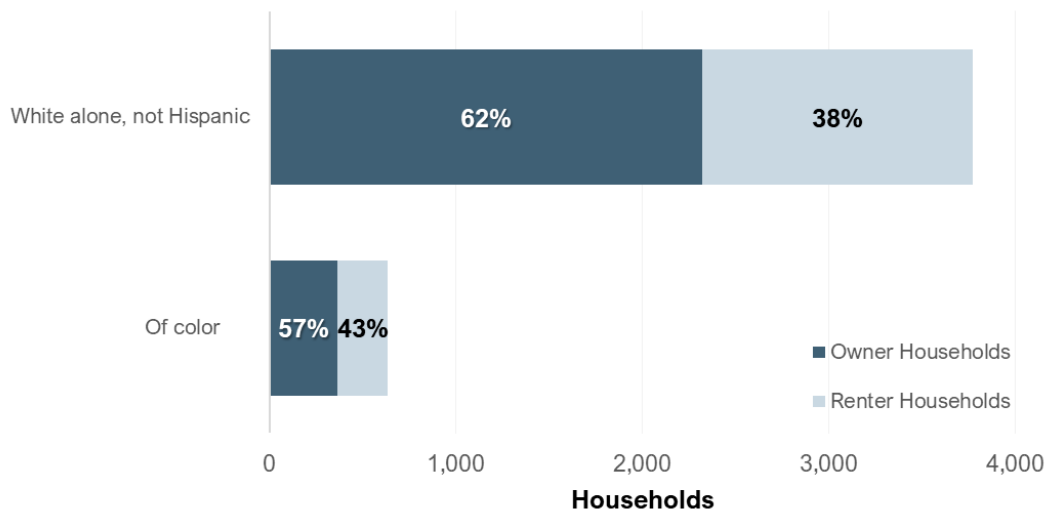
Source: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

**Exhibit 13. Race of Individuals in Gig Harbor and Pierce County, 2017 and 2022.**



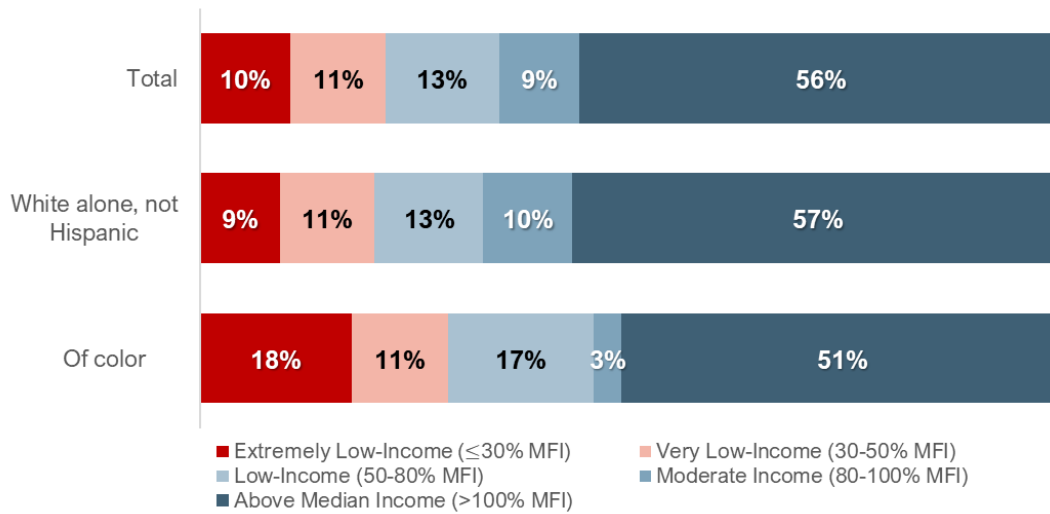
Source: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

**Exhibit 14. Households by Tenure and White/POC, 2020.**



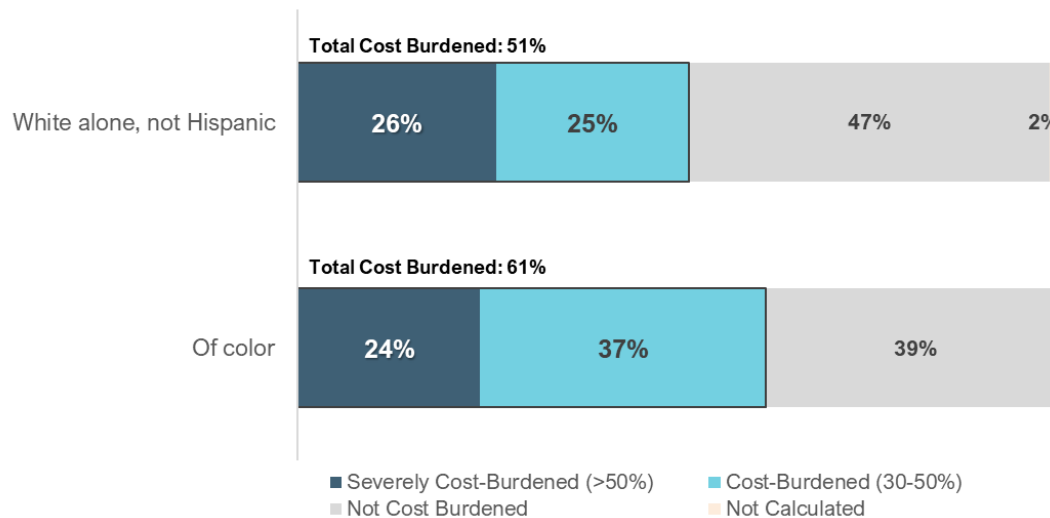
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

**Exhibit 15. Households by Income Category and White/POC, 2020.**



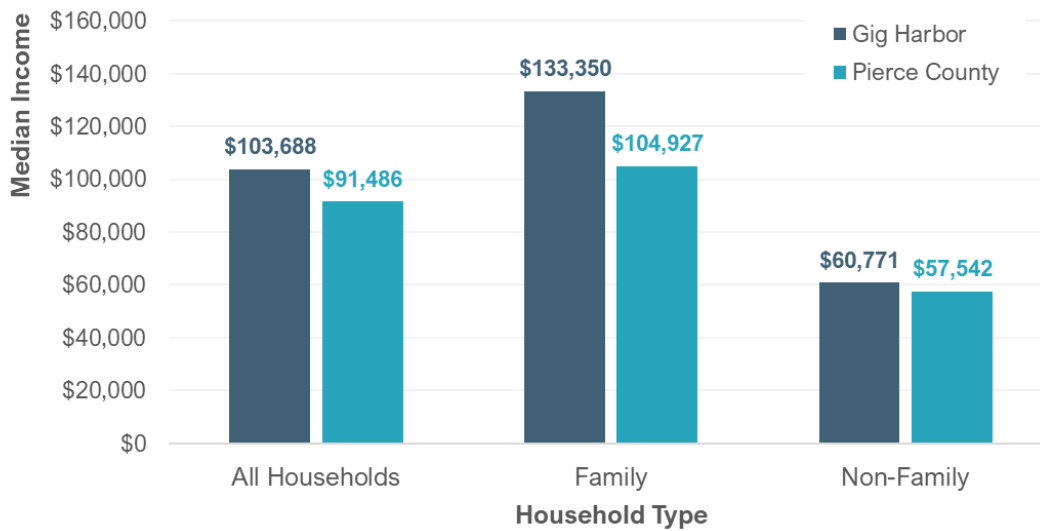
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

**Exhibit 16. Renter Households by Housing Cost Burden and White/POC, 2020.**



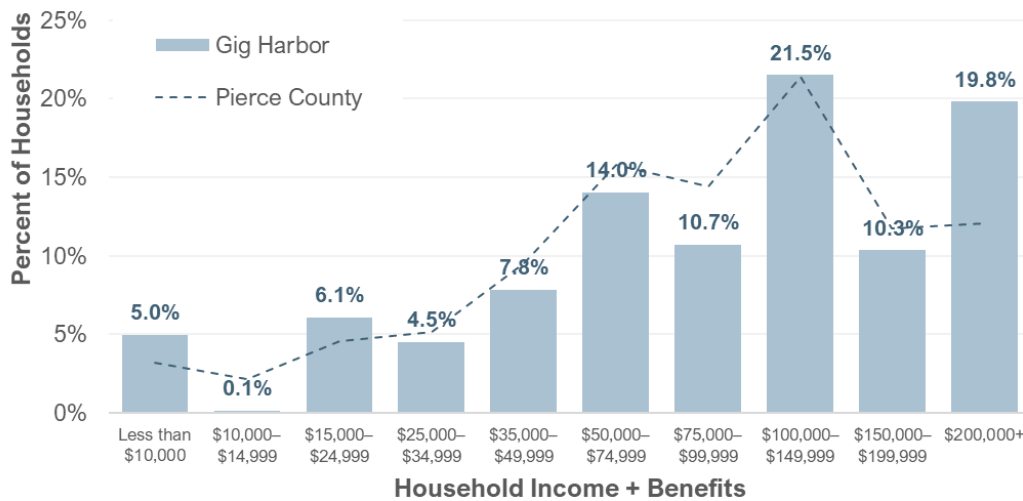
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

**Exhibit 17. Comparisons of 2022 Median Household Income, Gig Harbor and Pierce County.**



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

**Exhibit 18. Comparisons of 2022 Household Income Distribution, Gig Harbor and Pierce County.**



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2016–2020.

The following conclusions can be drawn from this information:

- **There is a lower proportion of people of color in Gig Harbor than the county overall.** Although only 59% of Pierce County identifies as white, around 82% of the population of Gig Harbor identifies in this way. While there is a much higher proportion of “two or more races” in Gig Harbor than the county (11% versus 5%), these proportions plus the small size of the city mean that identifying trends with exclusion and potential displacement within the city can be challenging.
- **Non-white households tend to be somewhat more likely to be vulnerable to issues of housing instability.** From the data provided below, households of color are somewhat more likely to be renters than white households (43% versus 38%), are more likely to be extremely low-income (18% versus 9%), and are more likely to be paying more than 30% of their income on rent (61% versus 51%). Because of the small number of households of color, this is subject to some uncertainty, but there are signs that some issues in housing may be related to race in the city.
- **High median incomes and high proportions of high-income households suggest that there may be significant gentrification pressures in the city.** Almost 1 in 5 households in 2022 made more than \$200,000 in yearly income, well over the countywide average. Median incomes were also about \$12,000 per year higher across all households, with a larger gap present for family households. While there are a notable proportion of households making substantively less, this income difference suggests that there could be additional pressure on lower-income households in the community.

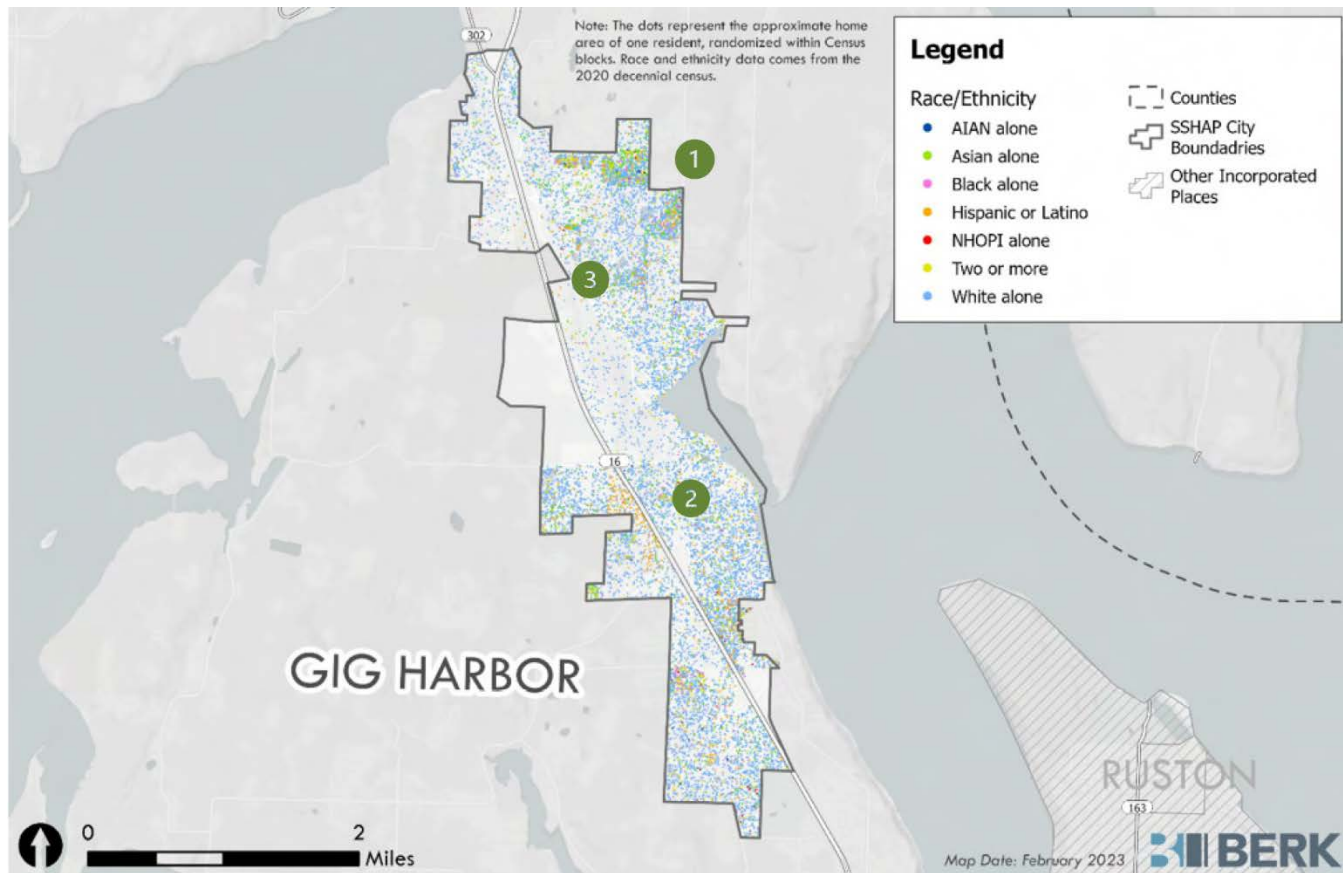
## Local Displacement Risks

As part of the analysis conducted on equity and displacement risk, the [2023 SSHAP Racial Equity Analysis Report](#) incorporated several approaches to evaluate specific considerations for locations within Gig Harbor:

- Exhibit 19 provides a density map of population by Census block in Gig Harbor, based on 2020 Census data.
- Exhibit 20 highlights areas where improvement value to land value ratios for vacant and underutilized parcels identified in the 2021 Pierce County Buildable Lands Report suggest that development would be more likely to take place.
- Exhibit 21 presents a summary of major risk factors calculated at the Census tract level, based on demographics, social vulnerability, and market statistics.

Note that the material from this section is drawn from this report.

**Exhibit 19. Density Map of Race and Ethnicity, Gig Harbor, 2020.**

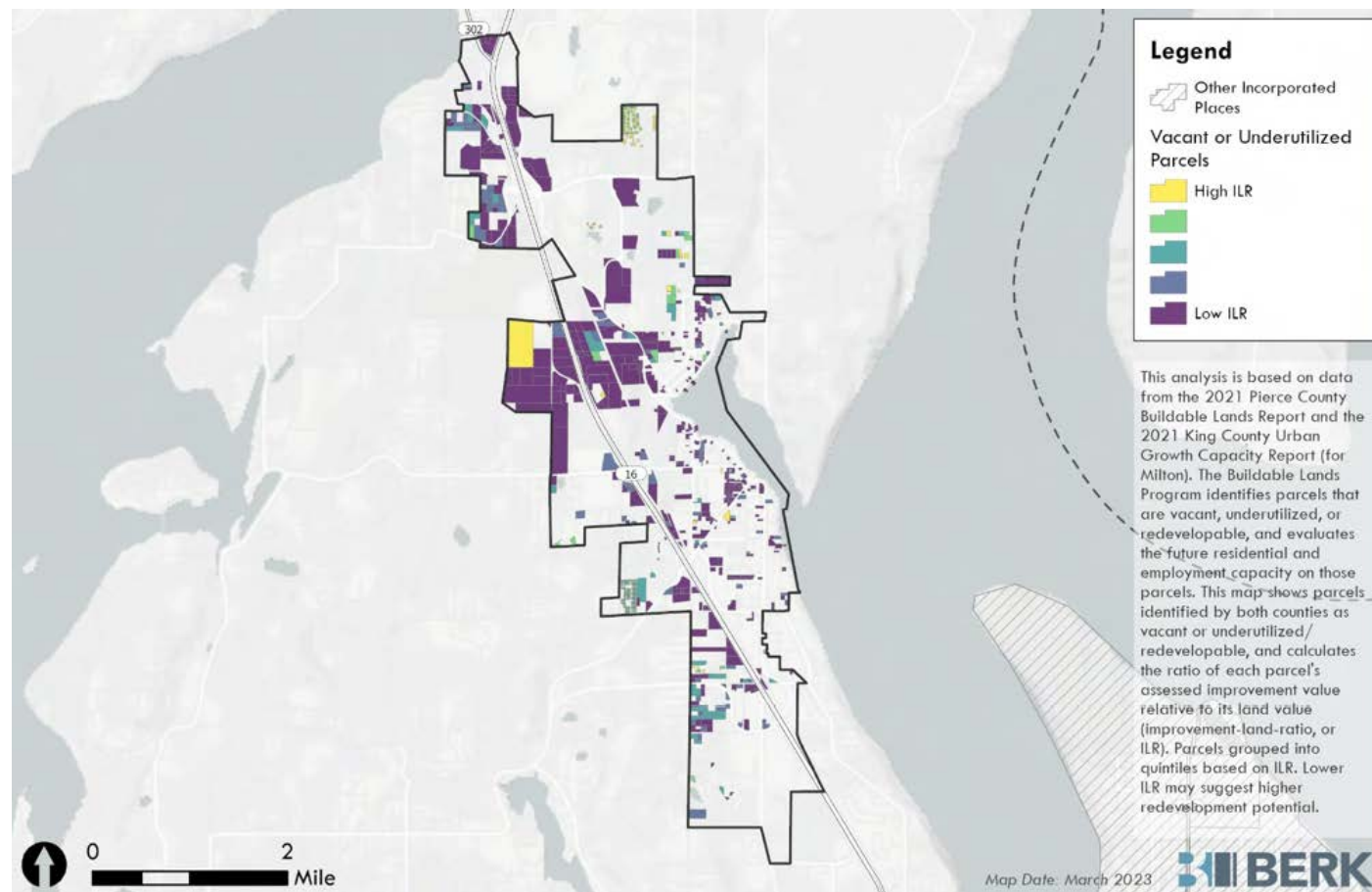


Note:

AIAN = American Indian or Alaskan Native; NHOPI = Native Hawaiian or Other Pacific Islander (Census-defined categories).

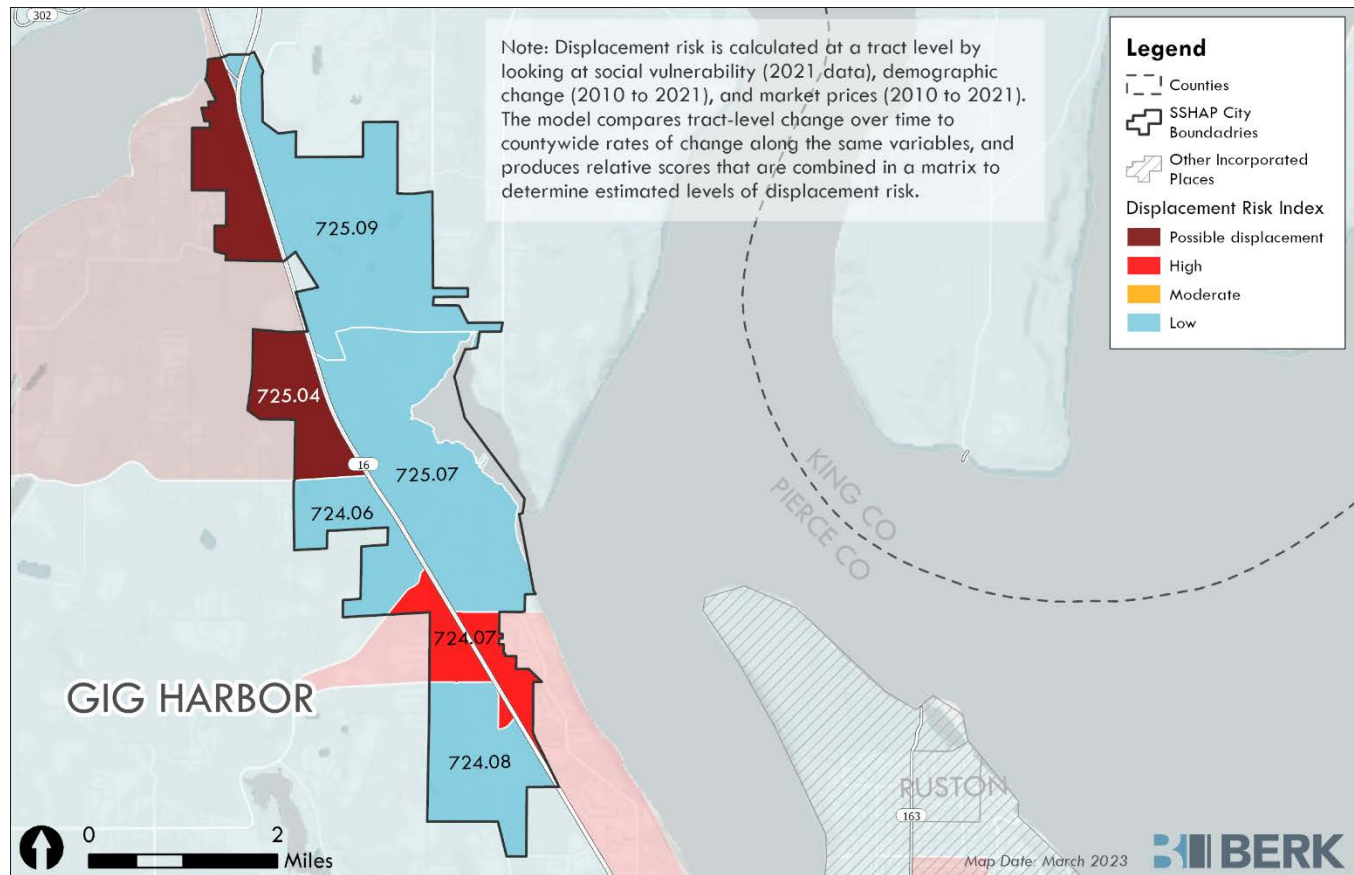
Source: U.S. Decennial Census, 2020; SSHAP Racial Equity Analysis, 2023.

**Exhibit 20. Improvement Value to Land Value Ratio of Underutilized Parcels, Gig Harbor, 2021.**



Source: Pierce County, 2021; SSHAP Racial Equity Analysis, 2023.

**Exhibit 21. Displacement Risk Index, Gig Harbor, 2021.**



Gig Harbor Tracts	Social Vulnerability					Demographic Change			Market Prices			Final Displacement Risk
	Percent Overlap	Renter Quintile	BIPOC Quintile	Median Income	Social Vulnerability Score	BIPOC Change	Under 80% AMI Change	Demographic Change Score	High or Low Rent Area - 2015	Appreciation Rate	Market Price Score	
53053072406	18%	1	1	1	3	Increasing BIPOC	Increasing Low Income HHs	Disinvestment	High rent area	High appreciation	Appreciated	Low
53053072407	21%	4	1	2	7	Tracking county change	Decreasing Low Income HHs	Gentrification	Low rent area	High appreciation	Accelerating	High
53053072408	31%	3	1	1	5	Tracking county change	Tracking county change	No	High rent area	Low or mod appreciation	Appreciated	Low
53053072504	8%	2	1	1	4	Tracking county change	Decreasing Low Income HHs	Gentrification	High rent area	High appreciation	Appreciated	Possible displacement
53053072507	100%	4	1	2	7	Increasing BIPOC	Increasing Low Income HHs	Disinvestment	Low rent area	High appreciation	Accelerating	Low
53053072509	64%	2	1	1	4	Increasing BIPOC	Increasing Low Income HHs	Disinvestment	High rent area	High appreciation	Appreciated	Low

Source: SSHAP Racial Equity Analysis, 2023.

The dot-density map in Exhibit 19 highlights several major considerations:

- There is an area of higher population density with a small cluster of “Asian alone” residents in the northeastern area of Gig Harbor (1), representing more than twice the city rate (location quotients of more than 2, see Exhibit 4). This population in Gig Harbor is predominately Filipino, Chinese, and Japanese. The higher population density may be associated with the Bracera Apartments at 11400 Olympus Way. Bracera Apartments has apartments at market rate (\$1,900 for 1 bedroom, \$2,200 for 2 bedrooms, \$2,400 for 3 bedroom); it may be the larger units attracting larger numbers of people.<sup>34</sup> This may include populations associated with the military as well as the fishing industry. Bracera Apartments requires that an applicant make three times the rent and will refer lower-income people to other apartments in the area, including Forest Grove.
- There is a slight concentration of Hispanic and Latino residents along Highway 16 (2). There may be some new development in the area and it is unclear if the Hispanic and Latino population recently moved to the area. Another possibility is recent displacement since 2020 from other areas of Gig Harbor as well as cities outside of Gig Harbor has instigated an influx of Hispanic and Latino residents. Additional community engagement can clarify recent population composition and potential shifting. Forest Grove Apartments is in this area and offers apartments at a lower rate than Bracera Apartments. They have 1 bedroom units (\$1,700 or \$1,800), 2 bedroom units (\$1,900–\$2,500), and 3 bedroom apartments (\$2,100–\$2,200).
- There is a slightly higher housing density in the north-central portion of the city (3) which could be associated with the Hillcrest Mobile Home Park. Note that this area may be of interest as a supply of “naturally occurring” affordable housing that could be supported by City programs in the future.

With respect to the mapping presented in Exhibit 20, the improvement-to-land value analysis estimates the relative development potential of parcels based on the ratio of the parcel's assessed value and built structure(s). Parcels with greater improvement to land value ratios have lower redevelopment potential since the redevelopment is less likely to increase the parcel's value enough to return a profit for the developer. For example, a residential lot with a new, larger, more valuable house (higher improvement value) is less likely to be redeveloped than an adjacent lot with an older, smaller home (lower improvement value). Parcels with relatively low improvement values, such as vacant lots or lots with structures that are at the end of their useful lives or no longer meeting current market needs, often provide more profitable opportunities for redevelopment.

The high-level analysis presented in Exhibit 21 indicates where there is evidence of gentrification (a process of neighborhood change characterized by a loss of vulnerable populations and an increase in households with higher incomes). Displacement effects are often local in nature and can impact just a few square blocks. The best policy solutions to displacement risk are tailored to the push and pull factors specific to the experience of community members experiencing displacement.

This analysis provides a neighborhood-scale index of the relative displacement risk within Gig Harbor. A finding of low displacement risk does not mean no one is experiencing displacement. In an area with low displacement risk, some people may still be displaced out of their homes based on circumstances beyond their control. A finding of low displacement risk means that the neighborhood is not exhibiting changes associated with neighborhood-wide gentrification that typically accompanies the displacement of whole communities. These findings should be corroborated with and augmented by community input.

The displacement index used is based on a comparable metric used by the Puget Sound Regional Council (PSRC) on similar displacement assessments. This measure presents an alternative displacement methodology that focuses on three elements:

- **Social vulnerability**, which includes factors that would make it difficult for a household to find new housing in the area if they should be displaced from their current unit. This includes several measures of demographic characteristics that correlate with social vulnerability, including the share of households that rent, the BIPOC share of the population, and median income relative to the countywide median income.
- **Demographic change**, which measures change over time (e.g., 2010 to 2021) in the BIPOC share of the population and proportion of households with household incomes of less than 80% AMI and compares the level of change to the overall countywide change in those same characteristics.
- **Market prices**, specifically the change over time (e.g., 2010 to 2021) in median rents in occupied rental units to identify high and low rent areas along with areas that have high, moderate, or low rental price appreciation. This method assigns a score that describes the market status based on the combined factors of rents in 2015 and the change in rents between 2010 and 2021 (e.g., stable, appreciated, or accelerating).

This method includes many of the measures within PSRC's index but relates them differently to reveal their contribution to displacement risk. More details about the methodology for the assessment can be found in the [2023 SSHAP Racial Equity Analysis Report](#).

Significant findings from this review include the following:

- **A substantial portion of the city is not subject to broad displacement risks, although individual households may still be impacted.** Most of Gig Harbor's residential areas are in census tracts with low displacement risk relative to the county (census tracts 725.07, 725.09, 724.06, and 724.09). Low displacement risk is due to lower rates of social vulnerability and an increasing share of people of color and households with incomes less than 80% of AMI. Market prices suggest rental cost appreciation higher than countywide trends.
- **Previous displacement may have occurred in the northwest portion of the city.** The analysis indicates one area with evidence of possible displacement (census tract 725.04 in the northwest area of the city limits). This census tract is comprised mainly of McCormick Forest Park and McCormick Creek. This area has had more expensive housing that has continued to appreciate. A new subdivision on 61st Ave Ct makes it appear like a proportionally large influx of higher-earning households and a loss of households earning less than 80% of AMI.
- **There is a higher displacement risk in the southern-central portion of the city.** The analysis also indicates an area of higher displacement risk in census tract 724.07, approximately 21% of which falls within Gig Harbor's city limits. Most of this census tract lies south of Gig Harbor between Highway 16 and the shoreline of the Tacoma Narrows. The area has relatively higher rates of renter households than the countywide mean (fourth quintile) and evidence of fewer households in 2020 than 2010 with incomes less than 80% of AMI. Relative to other parts of Pierce County, the area had lower rents in 2015 that have seen high appreciation between 2010 and 2020.

## Recommendations and Options for Future Action

As part of the SSHAP reporting, several recommendations were provided to the City to address issues of potential displacement over time. While many of these are programmatic in nature, there are targeted options that should be considered as part of the implementation of the Comprehensive Plan.

These include the following:

### Housing Cost Burdens

- **Conduct additional community engagement with communities of color** to reveal specific barriers to housing affordability experienced by these groups. Policy and strategy updates should prioritize the needs and solutions expressed by this disproportionately impacted community for implementation.
- **Relax development regulations and/or waive fees** to incentivize affordable housing development.
- **Dedicate surplus or underutilized land** for affordable housing production.
- **Implement an inclusionary zoning (IZ) ordinance** to require new subdivision plats over a designated number of units to include income-qualified affordable housing.
- **Review and revise SEPA threshold exemptions.** Gig Harbor could reduce housing production costs by taking advantage of flexible thresholds for categorical exemptions beyond what is already in the code.
- **Change short subdivision limits.** Expand the number of lots that can be administratively approved in a new short subdivision to encourage a greater number of units per acre within the urban growth area. Per the GMA, the City can increase to a maximum of nine lots per short subdivision.
- **Add flexibility to design review.** Design guidelines on buffers, in particular, could be revised to make development more feasible.
- **Review impact fees for potential flexibility and/or waive fees for some housing types.** Affordable housing development, for example, could be made exempt from some fees.
- **Support middle housing by connecting property owners with lenders and stock designs.** The City could provide a fact sheet or webpage with resources on lending and designs for homeowners who may wish to develop ADUs or convert existing homes to duplexes or triplexes.
- **Consider adjusting minimum lot sizes for duplexes.** Duplexes would be more feasible if there were one minimum lot size for both single-family units and duplexes instead of requiring larger lots for duplexes. Duplexes would still have to meet other development regulations giving them the same overall buildable envelope as a single-family house on the same lot.
- **Consider removing the parking requirement for ADUs.** Many lots otherwise eligible for ADUs may not have space or budget for a separate parking spot.
- **Consider adjusting existing conditional use requirements** for ADUs, triplexes, and fourplexes (in some zones). The conditional use permit process and associated fees can be prohibitive to housing production.
- **Review permitting processes for potential improvements.** A slow and complex permitting process can be prohibitive to housing development.

- **Review frontage improvement requirements for potential flexibility.** For smaller developments, these requirements can be prohibitively expensive. If not already available, consider adding a fee-in-lieu option.
- **Review height limits in each zone for potential flexibility.** In the region more generally, developers mentioned height limits as a barrier to developing some housing types, including middle housing.

### Displacement Risks

- **Require tenant relocation assistance.** The City could pass an ordinance that requires developers, public funds, or a combination of both to provide relocation funds for households displaced by new development. This could be limited to tenants earning below a certain income level.
- **Provide just cause eviction protections.** The City could pass protections that mandate that landlords provide tenants with a legally justifiable reason when asking tenants to vacate a property.
- **Pass a notice of intent to sell ordinance.** This would require owners of multifamily buildings to notify tenants and local housing officials in advance of a sale. The ordinance could be written to apply to buildings with rents below certain income levels.
- **Inform tenants when income-restricted housing becomes at risk of being converted** to market-rate status. Provide information on relocation options available.
- **Provide need-based rehabilitation assistance** or connect residents to state resources. This assistance helps qualifying households (such as senior residents and those with disabilities or low incomes) get favorable financing terms or tax abatements for home repairs and upgrades.
- **Provide information on Pierce County's property tax assistance program.** Residents who own their homes may struggle to afford property tax increases. Pierce County provides some exemptions for senior citizens and people with disabilities. The City could send mailers and/or provide information on the City website to connect residents to resources.

Overall, these recommendations should be explored during the implementation of the Comprehensive Plan to provide additional approaches to achieve affordable housing targets and prevent displacement.