

City of Lakewood

FY 2022 Consolidated Annual Action Plan

DRAFT



Tacoma-Lakewood
HOME Consortium

March 28, 2022

Annual Action Plan
2021

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The FY 2022 Consolidated Plans for the Tacoma-Lakewood Consortium provide a framework for addressing housing and community development needs in these cities. The Plans are developed for the U.S. Department of Housing and Urban Development to define how funding is to be allocated for the following federal programs: the Community Development Block Grant Program (CDBG), HOME Investment Partnership Act (HOME), and for the City of Tacoma, Emergency Shelter Grants (ESG).

The FY 2022 Annual Action Plan (July 1, 2022 – June 30, 2023), Lakewood's third under the 5-YR Consolidated Plan (2020-2024), is a one-year plan that addresses local community and economic development needs and the resources necessary to meet the needs of low- and moderate-income households. The Plan identifies unique needs and assets in Lakewood and Tacoma, as well as on a regional basis. Goals and priorities of the Annual Action Plan are to be consistent with national objectives and priorities established by HUD and shall be consistent with the goals and strategies identified in the 5-YR Consolidated Plan.

Strategies identified in this Plan were built upon a broad citizen participation process in consultation with public and private agencies. Through this planning process, FY 2022 policies and priorities were developed to be consistent with those long-term goals established as part of the 5-YR Consolidated Plan (2020-2024). Priority needs identified as part of the Plan include, housing instability among residents, including homelessness; a limited supply of diverse rental and homeownership opportunities; the need for accessible, culturally competent services; and the need for safe, accessible homes and facilities. All needs identified were prioritized as high.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2022 Annual Action Plan will primarily focus on the following priority needs identified in the 5-YR Consolidated Plan:

- Housing instability among residents, including homelessness – Programs will continue to prioritize housing affordability through rehabilitation of owner-occupied housing units,

neighborhood revitalization through the removal of blighted properties, and relocation assistance for low-income households displaced through no fault of their own.

- Limited supply of diverse rental and homeownership opportunities – Funding will focus on providing additional affordable rental and homeownership opportunities through the rehabilitation of two affordable rental-housing complexes owned and operated by the Pierce County Housing Authority, and through the provision of down payment assistance, coupled with homebuyer education, to low-income homebuyers.
- Need for accessible, culturally competent services – Services will include the provision of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for those minority households disproportionately impacted by the lingering effects of the coronavirus pandemic. Fair housing counseling, foreclosure counseling, and financial counseling services will be provided through program administration funding.

Recommended funding allocations for FY 2022, including the reprogramming of unexpended FY 2020 CDBG and FY 2021 HOME funding, include:

- *Housing Improvements* – Funding in the amount of \$221,512.87 (2022 CDBG allocation of \$155,095.20, plus reallocation of 2020 Administration - \$66,417.67) is recommended in support of the Major Home Repair Program; \$15,000 in support of CDBG Administration of HOME housing activities; and \$200,000 is recommended in support of the rehabilitation of Oakleaf and Village Square apartment complexes owned and operated by the Pierce County Housing Authority. A total of \$160,000 in program income is recommended for continued support of Major Home Repair and Down Payment Assistance programs (CDBG - \$110,000) and Neighborhood Stabilization Program 1 revolving loan fund activities (NSP1 - \$50,000).

In addition, a total of \$327,781.58 (2022 HOME allocation of \$291,901, plus reallocation of 2021 Emergency TBRA Program - \$35,880.58) in HOME funding is recommended in support of housing activities directed at the expansion of affordable homeownership opportunities. HOME program income in the amount of \$187,751.32 is recommended to fund down payment assistance in support of expanding affordable homeownership opportunities for low-income homebuyers. HOME funding allocations for Lakewood may be found in Tacoma's 2022 Joint Consolidated Annual Action Plan.

- *Public Services* – \$100,000 is recommended in support of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for those minority households disproportionately impacted by the lingering effects of the coronavirus pandemic. Fair housing counseling, foreclosure counseling, and financial counseling services will be funded through program administration. Funding in support of public and human services programs is also being provided as part of the City's 1% General Fund allocation totaling \$390,000 in 2022, with an additional \$68,830 in ARPA funding supplementing human services in both 2022 and 2023.

- *Physical/Infrastructure Improvements* – No funding recommended.
- *Administrative Activities* – Funding in support of general administrative activities for CDBG are recommended at \$117,523.80.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The 5-YR Consolidated Plan (2020-2024) for Lakewood identified five primary goals: 1) Stabilize existing residents; 2) Increase rental and homeownership opportunities; 3) Prevent and reduce homelessness; 4) Need of accessible, culturally competent services; and 5) Support of public infrastructure improvements.

As the Consolidated Plan moves into its third year, the City has identified funding strategies consistent with the priority needs identified in the Plan. As the City’s rental assistance, housing, and infrastructure projects wrap up in 2022, the City remains on task and on track to meet the five-year goals identified in the Plan. Access to safe, decent, affordable housing continues to remain a key element in the planning process moving forward. As housing prices continue to rise and instances of homelessness increase, so does the urgency to develop long-term strategies to increase the supply of affordable housing options for low- and moderate-income households.

Lakewood, like many other cities, continues to experience the lingering impacts of the coronavirus pandemic. The pandemic has changed the economic landscape and social fabric of our community, from the loss of interpersonal relationships and connection, to redefining jobs and ultimately how business will be conducted in the face of this new and emerging reality. The effects of the pandemic have also taken their toll on minority and low-income households, with many disproportionately impacted through increased infection rates, job loss, foreclosure, and evictions. Income disparity and housing instability are unfortunate hallmarks the pandemic has only exacerbated in many minority communities; ones we hope to shake in coming years.

While the City of Lakewood has seen some of its five-year goals delayed due to the effects of shifting funding priorities and resources related to the coronavirus pandemic, it does expect to meet or exceed the benchmarks established as part of the overall 5-YR Consolidated Plan. As additional funding streams have become available, at both the State and federal levels, the City has positioned itself to take advantage of these opportunities, refocusing priorities in response to the coronavirus pandemic towards the development of affordable rental opportunities and the construction of new affordable housing options for low- and moderate-income households. A complete evaluation of the performance measures, including program expenditures and accomplishments, will be provided as part of the Consolidated Annual Performance Evaluation Report (CAPER) for FY 2021.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The FY 2022 Annual Action Plan will be developed in coordination with the City of Tacoma and local organizations, agencies, and stakeholders. The Plan will be developed in accordance with requirements established by the U.S. Department of Housing and Urban Development and the Citizen Participation Plan as adopted by the City of Lakewood. Citizen activities included notification in the Tacoma News Tribune on October 12, 2021 of an October 27, 2021 public hearing held by city staff for FY 2022 (July 1, 2022 – June 30, 2023) Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) program funding. Citizen input was solicited to identify community and economic development, housing, and public service's needs.

Notification of the Draft FY 2022 Annual Action Plan will be published in the Tacoma News Tribune indicating where the document will be available for review during the 30-day citizen comment period (April 1, 2022 – April 30, 2022). A public hearing will be held by the Lakewood City Council on April 18, 2022 to solicit comments from citizens, local for-profit and non-profit agencies, neighborhood associations, the State of Washington, Pierce County, City of Tacoma, local public housing authorities, and other interested parties on the draft document. Copies of the Plan will be posted on the City's website and available to those requesting copies. Records on the proposed housing and community development projects will be made accessible to the general public. Comments received at the public hearings held by the Lakewood CSAB and Lakewood City Council will be summarized later in this report.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The following comments were received as part of the FY 2022 citizen participation process. They include testimony provided at the October 27, 2021 public hearing and the Lakewood City Council public hearing on April 18, 2022:

2022 Annual Action Plan Public Hearing – October 27, 2021

At the October 27, 2021 public hearing held by the City staff, the City received multiple comments from six (6) public attendees. Comments received focused primarily upon the need for affordable housing, shelter and transitional housing, and related housing programs and expenses (moving expenses, utility expenses and liens, screening fees, financial counseling, supportive drug/alcohol-free housing, re-entry

beds, and transportation). Comments included support of the development of new transitional and shelter housing for the homeless and affordable homeownership opportunities for low- and moderate-income households in the wake of escalating housing prices. Additional support was recommended in the way of food assistance to low-income households, funding for land acquisition, infrastructure investment in support of affordable housing development, and the rehabilitation of derelict properties.

30-Day Public Comment Period (April 1, 2022 – April 30, 2022) and City Council Public Hearing on Approval of the FY 2022 Annual Action Plan (April 18, 2022)

(Insert Public comments here)

6. Summary of comments or views not accepted and the reasons for not accepting them

2022 Annual Action Plan Public Hearing – October 27, 2021

There were no comments or views received that were not accepted.

30-Day Public Comment Period (April 1, 2022 – April 30, 2022) and City Council Public Hearing on Approval of the FY 2022 Annual Action Plan (April 18, 2022)

(Insert Public comments here)

7. Summary

Section 108 – Principal repayment for 2022 includes \$32,000 in principal repayment by Curbside Motors and \$17,000 in principal for repayment by LASA for the Client Service Center project. The table below summarizes the City's Section 108 outstanding balances and scheduled principal repayments:

PROJECT	SECTION 108 BALANCE	ANTICIPATED INCOME – 2022	PRINCIPAL REPAYMENT - 2022
Curbside Motors	\$509,000	\$50,623.50	\$32,000
LASA Client Service Center	\$279,000	\$27,284.75	\$17,000

Table 1 - Section 108 Loan Program - 2022

PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	LAKEWOOD	Community Development Department

Table 2 – Responsible Agencies

Narrative

In the City of Lakewood, CDBG funding is administered by the Community Development Department with oversight provided by the Council-appointed Community Services Advisory Board (CSAB) and Lakewood City Council. As a member of the Tacoma-Lakewood HOME Consortium, Lakewood receives HOME funding through the Tacoma Community Redevelopment Authority (TCRA). HOME funding allocations are initially approved by the Lakewood City Council before they are forwarded on to the TCRA for final review and approval.

Consolidated Plan Public Contact Information

City of Lakewood
Community Development Department
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AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The FY 2022 Annual Action Plan was developed to provide a general framework for addressing housing and community development needs in the City of Lakewood. In a larger sense, the plan involves a regional element to coordinate and address economic development, transportation, public services, special needs, housing, and homelessness throughout Pierce County. Coordination included consultation with the City of Tacoma, Pierce County, Pierce County Continuum of Care, Pierce County Housing Authority, Living Access Support Alliance (LASA), Tacoma/Pierce County Habitat for Humanity, Homeownership Center of Tacoma, Banner Bank, and other stakeholders as provided in the Plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

As part of the planning process, the City of Lakewood established a committee to provide public oversight, comment on the process, and to review funding recommendations for both the CDBG and HOME programs. As part of the development of the 5-YR Consolidated Plan (2020-2024), the City solicited input through interviews, meetings, and public hearings to determine community need, priorities, and approaches to meeting those needs. Since the development of the 5-Year Plan, the City has continued to consult with many of the agencies and organizations originally polled.

The Pierce County Housing Authority and the Tacoma Housing Authority continue to work closely with the cities of Lakewood and Tacoma coordinating efforts to improve housing choice for low-income households in both communities. Additionally, local housing and services providers such as Living Access Support Alliance (LASA), Greater Lakes Mental Health, Tacoma/Pierce County Habitat for Humanity, the Homeownership Center of Tacoma, Associated Ministries, Tacoma/Lakewood/Pierce County Continuum of Care, and the Tacoma Pierce County Affordable Housing Consortium among others continue to provide input and support for mental health, services, and housing options in Lakewood, Tacoma, and throughout Pierce County.

As part of the City's human services funding process, monthly coalition meetings are held at the City to bring together non-profits, service providers and governmental agencies to help determine and better understand the need for housing and human services in Lakewood and throughout Pierce County. Coordination through the South Sound Military and Communities Partnership (SSMCP) continues an ongoing partnership with Joint Base Lewis McChord to better understand what level of assistance military personnel and veterans are experiencing in terms of housing need, health and human services, and mental health care assistance.

Lakewood sought comment internally from City departments on housing and community development needs and services to low income and special needs populations. On a regional level, the consolidated

planning process involved consultation with Pierce County Community Connections, the City of Tacoma, United Way of Pierce County, the Pierce County Housing Authority, Tacoma/Pierce County Habitat for Humanity, the Homeownership Center of Tacoma, Living Access Support Alliance (LASA), Lakewood Community Services Advisory Board, Tacoma/Lakewood/Pierce County Continuum of Care, local school districts, police and fire departments, and the State of Washington, to better understand the needs of at risk populations such as homeless families with children, victims of domestic violence, individuals with disabilities, ethnic minorities, and the elderly.

Additional efforts to enhance and coordinate efforts between housing, health, and services providers are described throughout the Plan.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Cities of Tacoma and Lakewood are actively engaged members of the Tacoma/Lakewood/Pierce Continuum of Care Committee. The three jurisdictions are the most involved governmental entities in the Continuum, cooperatively working on programs to meet needs for housing and services. Both Tacoma and Lakewood support the Continuum's priorities focusing on the needs of the most vulnerable populations including chronically homeless persons, unaccompanied youth, families with children, and veterans, among others. The mission of the Continuum of Care is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness.

In recent years, the Continuum has moved from a single point of access, or centralized intake, to that of a coordinated entry system providing many points of entry. This system, when coupled with an active diversion program, known as Housing Solutions Conversations, aims at keeping those in housing crisis from entering the system by supporting their own identification of a solution and prioritizes them for a specific housing referral based on their vulnerabilities and the severity of their barriers to secure housing. Through this partnership and implementation of the Five-Year Plan to Address Homelessness, stands a countywide commitment to ensure all persons facing homelessness have access to shelter and support, no matter their social or economic circumstances or where they live within Pierce County.

As housing prices and market-rate rents continue to rise at alarming rates, further destabilizing housing affordability and limiting housing options for low- and moderate-income households, this coordinated and cooperative effort to ensure affordable housing stability and access to a safe home endure as a realistic and attainable goal for all in our community.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate

outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Cities of Tacoma and Lakewood work closely with the Collaborative Applicant of the Continuum of Care (Pierce County) planning for allocation and use of Emergency Solutions Grant (ESG) funds. ESG policies and procedures were created and are updated periodically in cooperation with Pierce County and Tacoma to ensure that ESG subrecipients are operating programs consistently across eligible activities. Performance is reviewed by both entities. The Collaborative Applicant is also the HMIS lead and works closely with City of Tacoma to maximize use of HMIS resources and to draw data for reports on project performance and program outcomes. The City of Lakewood does not receive ESG funding.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 3 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	City of Tacoma
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	As the lead member of the Tacoma-Lakewood HOME Consortium, Tacoma remains a key partner in the development and implementation of the consolidated planning process. The City of Tacoma was consulted in the development of priorities and strategies designed to meet the various community and economic development needs identified in this Plan. Lakewood and Tacoma will continue to coordinate their efforts to ensure the goals and outcomes identified in the 5-YR Consolidated Plan (2020-2024) are satisfied.
2	Agency/Group/Organization	Pierce County Community Connections
	Agency/Group/Organization Type	Other government - Local

	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Pierce County Community Connections is a partner agency in a regional effort to end homelessness, encourage community and economic development efforts benefitting low income individuals, to expand safe, decent, affordable housing, and in the provision of public and human services to individuals in need. As a recipient of CDBG, HOME, and ESG funding, the County is a natural partner with the cities of Lakewood and Tacoma in determining a regional approach to housing and community development activities.</p>
3	<p>Agency/Group/Organization</p>	<p>Pierce County Continuum of Care</p>
	<p>Agency/Group/Organization Type</p>	<p>Regional organization Regional Continuum of Care</p>

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Tacoma, Lakewood and Pierce County all take active rolls on the Continuum of Care Committee. The goal of the Continuum is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness. Members of the Continuum strive to ensure all persons facing homelessness have critical access to shelter and support designed to make homelessness a brief event.
4	Agency/Group/Organization	Pierce County Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homelessness Strategy Market Analysis Anti-poverty Strategy

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Pierce County Housing Authority (PCHA) is a vital partner to the City of Lakewood in its efforts to increase and preserve affordable housing options for low-income households. PCHA manages a number of programs such as scattered site public housing, Section 8 vouchers, and enterprise fund apartments to provide housing stability to many low-income Lakewood households. As an operator of 285 apartment units in Lakewood, the housing authority was consulted to provide information on the need for public housing in Lakewood and in greater-Pierce County. In FY 2022, Lakewood will again seek to collaborate with PCHA and fund the rehabilitation of two low-income public housing complexes within the City of Lakewood - Village Square and Oakleaf Apartments.</p>
5	<p>Agency/Group/Organization</p>	<p>Tacoma Pierce County Habitat for Humanity</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis Anti-poverty Strategy</p>

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Tacoma/Pierce County Habitat for Humanity remains an integral part of Lakewood's approach to providing safe, decent, affordable housing to low-income households in Lakewood and Tacoma. Lakewood recognizes the crucial link between wealth building and homeownership, especially for minority and low income households. Consultation with the agency focused on housing need, market analysis, anti-poverty strategy, veteran housing opportunities, and special needs housing. Lakewood looks forward to ongoing and continued coordination with Habitat as it seeks to expand affordable housing options for low-income families and make much needed improvements to distressed communities through redevelopment activities focused on replacing older blighted homes with newly constructed affordable single-family homes. As housing and land prices continue to spiral, the City and Habitat have begun to explore land trust models to ensure investments in affordable housing continue for generations to come.</p>
6	<p>Agency/Group/Organization</p>	<p>LASA</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-homeless</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy</p>

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>LASA was consulted as part of the planning process to better define and understand the scope and type of homeless need in Pierce County. LASA continues to be an integral provider in the fabric of homeless services and housing assistance to the homeless and those at risk of homelessness. With LASA's ongoing partnerships with the Pierce County and Tacoma Housing Authorities, and operation of housing and services facilities for the homeless, LASA is uniquely positioned to understand and assist the homeless population in Lakewood and Pierce County. Partnership and coordination with LASA allows Lakewood a better understanding of the needs of those living at or below the poverty rate, as well as what seems to be an ever-increasing demand for homeless services. Current partnership with LASA involves the expansion of homeless services at its Service Center facility, and a regional effort to expand affordable housing options, including shelter, transitional, and permanent affordable housing, on properties recently acquired by LASA.</p>
7	<p>Agency/Group/Organization</p>	<p>HOMEOWNERSHIP CENTER OF TACOMA</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Market Analysis Anti-poverty Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Consultation with the agency included housing need, market analysis, and anti-poverty strategy. Lakewood anticipates continued coordination with the Homeownership Center will provide additional affordable housing options to low-income households seeking homeownership opportunities through targeted redevelopment of blighted properties with newly constructed affordable single-family homes.</p>

8	Agency/Group/Organization	Banner Bank
	Agency/Group/Organization Type	Business and Civic Leaders Private Lending Institution Private Sector Banking / Financing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Down Payment Assistance Programs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Consultation focused on a market trends and analysis of homebuyer options, including down payment assistance programs available to low- and moderate-income homebuyers amidst the current housing price spike throughout Pierce County. Strategized on ways to expand affordable homeownership opportunities for families at or below 50% area median income.

Identify any Agency Types not consulted and provide rationale for not consulting

N/A

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Pierce County	The mission of the Road Home Continuum of Care is to promote community wide commitment to ending homelessness through policy and resource alignment by implementing activities to achieve the goals and objectives of the Plan to End Homelessness.
City of Lakewood Comprehensive Plan	City of Lakewood	The plan encourages infill housing, cottage-style development, changes in zoning to permit higher densities, and incentivizes the construction of affordable housing.

Table 4 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.401, 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Citizen input for the FY 2022 Annual Action Plan was conducted in accordance with the requirements established by the U.S. Department of Housing and Urban Development and the City of Lakewood Citizen Participation Plan. Citizen participation was encouraged throughout the process culminating in the development of this FY 2022 Annual Action Plan.

The process included:

- Input from community-based organizations, service providers, and local non-profit organizations.
- Oversight and review provided by the City of Lakewood Community Services Advisory Board and the Tacoma Community Redevelopment Authority (TCRA).
- Input and coordination with the City of Lakewood, City of Tacoma, and Pierce County.
- Meetings with Lakewood and Tacoma City Councils.
- Review of planning documents for local agencies.
- Solicitation of public input.

Effort to encourage citizen participation in the development of the Plan included notification of public hearings on housing and community development need, notice of availability of the plan, and community input concerning approval the final plan. Public hearings were advertised in the Tacoma News Tribune as follows:

- October 27, 2021 – Public hearing on housing and community development needs
- April 1 - April 30, 2022 – Public Comment Period
- April 18, 2022 – Public hearing on FY 2022 Annual Action Plan

A draft of the FY 2022 Annual Action Plan will be made available to the public for review beginning April 1, 2022. Comments received through the citizen participation process will be incorporated into the Plan. Formal approval of the final Plan will be made by City Council on May 2, 2022.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Newspaper Ad	Non-targeted/broad community	Notification of October 27, 2021 public hearing on housing and community development needs for CDBG and HOME funding.	Comments detailing the public hearing are summarized in item #2 below.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Meeting	Non-targeted/broad community	<p>October 27, 2021 public meeting on FY 2022 Annual Action Plan funding priorities for CDBG and HOME programs. Annual Action Plan 2022</p>	<p>Comments received included the need for affordable housing, shelter and transitional housing, and related housing programs and expenses (moving expenses, utility expenses and liens, screening fees, financial counseling, supportive drug/alcohol-free housing, re-entry beds, and transportation). Comment included support of the development of new transitional and shelter housing for the homeless and affordable homeownership opportunities for low- and moderate-income households in the wake of escalating housing</p>	<p>N/A</p> <p>20</p>	
OMB Control No:	2506-0117 (exp. 09/30/2021)					

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	Non-targeted/broad community	Notification of April 18, 2022 public hearing and April 1 - April 30, 2022 public comment period.	Comments detailing the public hearing will be summarized in item #5 below.	N/A	
4	Internet Outreach	Non-targeted/broad community	Notification of April 18, 2022 public hearing, April 1 - April 30, 2022 public comment period, and provision of Annual Action Plan.	Comments detailing the public hearing will be summarized in item #5 below.	N/A	
5	Public Hearing	Non-targeted/broad community	April 18, 2022 public hearing held by the Lakewood City Council.	Comments to be inserted here.		
6	30-Day Public Comment Period	Non-targeted/broad community	April 1 - April 30, 2022 30-day public comment period.	Comments to be inserted here.		

Table 5 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

Funding for FY 2022 is provided by the U.S. Department of Housing and Urban Development through the Community Development Block Grant (CDBG) Program. Additional programmatic funding is being generated through program income and the reprogramming of unexpended funds from fiscal year 2020. All funds received, and otherwise reprogrammed, will be allocated to activities in support of the goals and objectives identified in the 5-YR Consolidated Plan. Additional funding for public service activities will be supported with General Fund dollars in accordance with a City Council-adopted strategic plan for human services. Local funds in support of affordable housing will be made available through the implementation of SHB-1406 affordable housing sales tax credit to assist households with income at or below 60% of the area median income.

CDBG funding in FY 2022 will focus on housing instability among residents, including homelessness; the expansion of affordable rental and homeownership opportunities; and the need for accessible, culturally competent services. Specifically, investments will include the rehabilitation of owner-occupied housing units; the rehabilitation of two affordable rental housing complexes owned and operated by the Pierce County Housing Authority; provision of emergency assistance payments to low-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic; support of affordable homeownership opportunities through down payment assistance; and, the provision of fair housing activities, including foreclosure and financial counseling.

Additional activities will include ongoing assistance and programs funded through previous Annual Action Plans, including the construction of new affordable housing units in the Tillicum neighborhood, and emergency relocation assistance for families displaced through no fault of their own. Program income generated in FY 2022 will continue to support housing affordability efforts through the City's Major Home Repair and Down Payment Assistance Revolving Loan Fund. Finally, activities seeking the stabilization of existing residents through the creation of safe, accessible homes and facilities will focus on the redevelopment of slum and blight conditions in communities adversely impacted by disproportionate foreclosure and vacancy rates through the City's Neighborhood Stabilization Program 1 (NSP1) Dangerous and Nuisance Abatement Revolving Loan Fund.

Additional HOME-funded activities in support of the expansion of diverse homeownership opportunities will include the funding of the HOME Affordable Housing Fund, intended to support the development of new housing and homeownership opportunities for low-income households. Program income will support ongoing homeowner rehabilitation and down payment assistance programs. HOME funding activities are detailed in Tacoma's Annual Action Plan as lead agency in the Tacoma-Lakewood HOME Consortium.

The City of Lakewood has employed a conservative approach for estimating CDBG and HOME allocations and program income for FY 2022 and the remainder of the 5-YR Consolidated Plan. FY 2022 CDBG and HOME allocations have not yet been released by HUD; the following funding allocations represent anticipated allocations. Differences in actual funding allocations will be addresses on a pro rata basis.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	587,619	110,000	66,417.67	764,036.67	1,100,000	Prior year resources include reprogrammed funds from the following FY 2020 Administration activities (Activity 225). Anticipated program income of \$110,000 is composed of RLF activities for Major Home Repair and Down Payment Assistance. Section 108 income of \$77,908.25 is not included in this total.
Other	public - federal	Economic Development Housing Public Improvements Other	0	50,000	0	50,000	120,000	NSP1 funds were awarded to Lakewood in 2009 through the Washington State Department of Commerce to address issues of slums and blight through the demolition of homes that have been foreclosed, abandoned or have been left vacant. Funds may also be used to acquire and redevelop foreclosed and abandoned properties for the purpose of constructing safe, decent, affordable housing for low-income individuals. Anticipated program income of \$50,000 for NSP1 Abatement Fund RLF activities.

Table 6 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Leverage ratios for 2022 CDBG projects are anticipated to remain low as a majority of funding is being targeted to the rehabilitation of homeowner occupied housing units, the rehabilitation of two affordable rental housing complexes owned and operated by the Pierce County Housing Authority, and for emergency assistance payments to low-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic. Homeowner rehabilitation projects usually see little to no leveraging of funds as the program typically assists clients who would otherwise be unable to pursue commercial loans to repair their home were it not for this type of program. Many clients have credit issues restricting their access to funding, limited incomes restricting their ability to debt service a conventional loan, or simply limited equity in their homes in which to access to make renovations or improvements.

Much of the City’s match will come in the way of conventional financing, secured by low-income homebuyers through private-sector banking and lending institutions, as part of the City’s efforts to construct new homeownership opportunities through partnership with Habitat for Humanity and the City’s down payment assistance programs. The City anticipates leverage ratios of between 2.5:1 and 4.5:1 for homebuyer activities. HOME funds match requirements and leverage is provided as part of the Tacoma-Lakewood HOME Consortium and is reported in Tacoma’s portion of the Plan.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

No publicly owned land or property is scheduled to be included as a part of this plan.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Stabilize existing residents	2020	2024	Affordable Housing Homeless Non-Housing Community Development		Housing instability, including homelessness Need for safe, accessible homes and facilities	CDBG: \$256,513 NSP1: \$50,000	Homeowner Housing Rehabilitated: 10 Household Housing Unit Buildings Demolished: 3 Buildings
2	Increase rental and homeownership opportunities	2020	2024	Affordable Housing Public Housing		Affordable rental and homeowner opportunities	CDBG: \$290,000	Rental Units Rehabilitated: 64 Household Housing Unit Homeowner Housing Added: 6 Household Housing Unit Direct Financial Assistance to Homebuyers: 4 Households Assisted
3	Prevent and reduce homelessness	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs		Housing instability, including homelessness Need for accessible, culturally competent services	CDBG: \$100,000	Public service Activities other than LMI Housing Benefit: 80 Persons Assisted Homelessness Prevention: 10 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Need of accessible, culturally competent services	2020	2024	Homeless Non-Housing Community Development		Housing instability, including homelessness Need for accessible, culturally competent services	CDBG: \$0	Public service activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted

Table 7 – Goals Summary

Goal Description

1	Goal Name	Stabilize existing residents
	Goal Description	Funding provides support of the stabilization of residents experiencing homelessness or displacement pressure. Activities include the creation of new or maintenance of existing affordable housing stock for low- and moderate-income homeowners or renters and the elimination of slums and blight through the demolition and redevelopment of blighted properties.
2	Goal Name	Increase rental and homeownership opportunities
	Goal Description	Projects in support of rental and homeownership opportunities include activities to create new homeownership opportunities for low- and moderate-income households through the construction of new, affordable single-family housing units; maintenance of rental housing opportunities for low- and moderate-income households; and the advancement of low- and moderate-income homebuyer opportunities through down payment assistance.
3	Goal Name	Prevent and reduce homelessness
	Goal Description	Funding provides for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic, and through relocation assistance for households displaced through no fault of their own.

4	Goal Name	Need of accessible, culturally competent services
	Goal Description	Provides for increased access to culturally competent services for low- and moderate-income individuals with emphasis on extremely low-income individuals, persons of color, immigrants, and the elderly. Activities include fair housing counseling, foreclosure counseling, and financial counseling aimed at those households disproportionately impacted by the coronavirus pandemic. Assistance is anticipated to be provided through CDBG Administrative activities focusing on fair housing education/outreach, and landlord tenant education, and as such, will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER).

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City of Lakewood will aim to implement its federal funds in 2022 to accomplish the following goals and corresponding activities:

- **Stabilize existing residents** – Through funds for owner-occupied housing rehabilitation and renovation programs to maintain existing affordability, and through the removal of slums and blight by addressing and demolishing dangerous structures.
- **Increase diverse rental and homeownership opportunities** – Providing homeownership opportunities to low- and moderate-income families through the construction of new affordable housing, through the provision of down payment assistance, and by preserving existing rental housing through rehabilitation activities.
- **Prevent and reduce homelessness** – Funding provides for emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic, and through relocation assistance for households displaced through no fault of their own.
- **Increase availability of accessible, culturally competent services** – Through funds for housing and foreclosure counseling and fair housing activities designed to assist low- and moderate-income households maintain housing access and affordability, and provide landlord tenant education and outreach.

The projects listed and described in this plan represent the proposed use of funds for the FY 2022 CDBG program.

#	Project Name
1	Administration
2	CDBG Administration of HOME Housing Services
3	Major Home Repair Program
4	PCHA Village Square and Oakleaf Apartment Rehabilitation
5	CDBG Emergency Assistance Payments
6	Down Payment Assistance
7	NSP1 Abatement Program

Table 8 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Funding in FY 2022 will focus primarily upon the need to address housing instability, including homelessness; the need to increase diverse rental and homeownership opportunities; and the need to expand accessible, culturally competent services to low- and moderate-income households. Funding priorities were established as part of the City's 5-YR 2020-2024 Consolidated Plan and continue to be evaluated with each subsequent Annual Action Plan. Allocation priorities are identified through input from community partners and neighboring entitlement communities, elected leaders, Community Services Advisory Board members, and public input throughout the process. When allocating CDBG and HOME funds, the City evaluates community need, the ability of a project to leverage partnerships and other non-federal funding streams, project impact, and the ability to complete a project within the requirements of the 5-YR Consolidated Plan goals and objectives.

With housing prices continuing to rise in excess of 22% over the most recent year and average rents rising 14% year-over-year, low- and moderate-income families are struggling to keep up. This is of special significance when looking at Lakewood's median household income of \$51,972 (30% less than WA State average of \$73,775) and the fact that 16% of Lakewood's population is living at or below the poverty line (nearly 1.5 times the rate of WA State rate of 10.8%). Unfortunately, for Lakewood's minority populations, the ongoing negative impacts of the coronavirus pandemic have disproportionately disadvantaged an already economically disadvantaged population. As housing costs continue to outpace income growth, the need to develop affordable housing is something nearly all communities are being forced to balance with ever-dwindling resources.

Activities to be carried out in FY 2022 will include the funding of housing rehabilitation programs aimed at assisting low- and moderate-income households with housing repairs and renovations they may not otherwise be able to afford through conventional financing options; homeownership assistance programs directed toward expanding homeownership assistance and the long-term wealth-building opportunities these programs afford low- and moderate-income households; providing housing stability and homelessness prevention through the provision of emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic, and through relocation assistance for families displaced through no fault of their own; through reduction of slums and blight in low-income neighborhoods with the demolition and redevelopment of dangerous buildings; through financial and housing counseling programs and fair housing counseling services aimed at alleviating the economic impacts the coronavirus and rising skyrocketing housing costs have had on minority and low-income households; and finally, funding will support the maintenance of existing affordable rental housing through the rehabilitation of two low-income apartment complexes owned and operated by the Pierce County Housing Authority.

AP-38 Project Summary

Project Summary Information

1	Project Name	Administration
	Target Area	
	Goals Supported	Need of accessible, culturally competent services
	Needs Addressed	Need for accessible, culturally competent services
	Funding	CDBG: \$117,524
	Description	Administration to implement and manage the Consolidated Plan funds. Activities include providing fair housing and landlord tenant outreach and education.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	Administration funds are anticipated to be expended in support of general administration activities to administer the 2022 Annual Action Plan, including funding for fair housing activities in support of 50 low- and moderate-income individuals. Fair housing activities will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER).
	Location Description	
	Planned Activities	Administration funds are anticipated to be expended in support of general administration activities to administer the 2022 Annual Action Plan, including funding for fair housing activities in support of 50 low- and moderate-income individuals.
2	Project Name	CDBG Administration of HOME Housing Services
	Target Area	
	Goals Supported	Increase rental and homeownership opportunities
	Needs Addressed	Affordable rental and homeowner opportunities
	Funding	CDBG: \$15,000
	Description	Program administration and housing services in support of HOME Program.
	Target Date	6/30/2023

	Estimate the number and type of families that will benefit from the proposed activities	Up to 9 low- and moderate-income households will be assisted with HOME-funded activities, including the construction of new affordable single-family homes and homebuyer assistance through down payment assistance programs.
	Location Description	City-wide
	Planned Activities	Program administration and housing services in support of HOME Program.
3	Project Name	Major Home Repair Program
	Target Area	
	Goals Supported	Stabilize existing residents
	Needs Addressed	Housing instability, including homelessness
	Funding	CDBG: \$256,513
	Description	Program provides home repair and/or sewer connection loans to eligible low-income homeowners. Funding for program provided through FY 2021 entitlement funding and revolving loan funds. Activity funding includes revolving loan fund.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	A total of 10 low- and moderate-income households will be assisted with owner-occupied, housing rehabilitation activities.
	Location Description	City-wide
	Planned Activities	The project will provide major home repair/sewer connection loans which include connection of side-sewer to sewer main, decommissioning of septic systems, roofing, removal of architectural barriers, plumbing, electrical, weatherization, major systems replacement/upgrade, and general home repairs for eligible low- and moderate-income homeowners. Program funding includes a total of \$66,417.67 in reprogrammed CDBG funding and \$35,000 in program income.
4	Project Name	PCHA Village Square and Oakleaf Apartment Rehabilitation
	Target Area	
	Goals Supported	Stabilize existing residents Increase rental and homeownership opportunities

	Needs Addressed	Housing instability, including homelessness Affordable rental and homeowner opportunities
	Funding	CDBG: \$200,000
	Description	Project will provide funding for the preservation of existing affordable rental housing through the rehabilitation of two affordable rental-housing complexes owned and operated by the Pierce County Housing Authority.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	A total of 64 households will be assisted through the rehabilitation of affordable rental housing units at Village Square and Oakleaf Apartments. The project anticipates that 62 of the 64 rental households (96.9% of households assisted) will be occupied by low- or moderate-income households at project completion.
	Location Description	Village Square Apartments is located at 10810 Lakeview Ave. SW, Lakewood, WA 98499. Oakleaf Apartments is located at 4111 110th St. SW, Lakewood, WA 989499.
	Planned Activities	The project will provide funding for the preservation of existing affordable rental housing through the rehabilitation of two affordable rental-housing complexes, Village Square Apartments and Oakleaf Apartments, owned and operated by the Pierce County Housing Authority.
5	Project Name	CDBG Emergency Assistance Payments
	Target Area	
	Goals Supported	Prevent and reduce homelessness
	Needs Addressed	Housing instability, including homelessness Need for accessible, culturally competent services
	Funding	CDBG: \$100,000
	Description	Program provides for the provision of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for those minority households disproportionately impacted by the lingering effects of the coronavirus pandemic.
	Target Date	6/30/2023

	Estimate the number and type of families that will benefit from the proposed activities	A total of 80 low- and moderate-income individuals will be assisted through the provision of emergency assistance payments to low-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic.
	Location Description	City-wide
	Planned Activities	Program provides funding for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic.
6	Project Name	Down Payment Assistance
	Target Area	
	Goals Supported	Increase rental and homeownership opportunities
	Needs Addressed	Affordable rental and homeowner opportunities
	Funding	CDBG: \$75,000
	Description	Program provides down payment assistance in support of homeownership opportunities for low- and moderate-income homebuyers. Activities funded with revolving loan fund.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	One low- and moderate-income household will be served through down payment assistance activities.
	Location Description	City-wide
	Planned Activities	Program provides funding for the support of low- and moderate-income homebuyer opportunities through down payment assistance. Program funding includes a total of \$75,000 in program income to be used to fund similar RLF activities.
7	Project Name	NSP1 Abatement Program
	Target Area	
	Goals Supported	Stabilize existing residents
	Needs Addressed	Housing instability, including homelessness Need for safe, accessible homes and facilities

Funding	NSP1: \$50,000
Description	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Activities funded with revolving loan fund.
Target Date	6/30/2023
Estimate the number and type of families that will benefit from the proposed activities	The City of Lakewood anticipates it will demolish a total of 3 dangerous buildings located in low-income block groups in FY 2022 with the NSP1 Abatement Fund.
Location Description	City-wide
Planned Activities	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Funding for the program is provided through revolving loan funds generated from previous NSP1 abatement activities. Program funding includes a total of \$50,000 in program income to be used for similar RLF activities.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

In targeting CDBG and HOME funds, the City has typically looked to block groups with at least 51% low- and moderate-income populations as many of Lakewood’s minority and ethnic populations continue to be concentrated in these areas. Many of these block groups tend to have large concentrations of older housing stock suffering from a lack of routine maintenance and infrastructure that is either inadequate or are outdated in accordance with current development requirements.

In 2022, Lakewood’s third year of the 5-YR Consolidated Plan (2020-2024), funding prioritization will focus on increasing and preserving affordable housing stock through owner-occupied housing rehabilitation and the construction of new affordable homes; the preservation of existing affordable rental housing through the rehabilitation of two affordable rental housing complexes owned and operated by the Pierce County Housing Authority; accessibility to homeownership through the provision of down payment assistance to low-income homebuyers; the prevention and reduction of homelessness through emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations disproportionately impacted by the coronavirus pandemic, and through relocation assistance for households displaced through no fault of their own; and improved access to housing and foreclosure counseling and fair housing activities directed at maintaining housing access and affordability for low- and moderate-income households.

The City intends to target households living in Census Tracts 718.05, 718.06, 718.07, 718.08 and 720.00 for its Major Home Repair and CDBG Emergency Assistance Payments programs, which assist with the preservation of housing stability and prevention of homelessness through owner-occupied housing repairs and emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households.

For all other funding, the City has not identified specific targeted areas; programs are open to eligible low- and moderate-income individuals citywide.

Geographic Distribution

Target Area	Percentage of Funds

Table 9 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

N/A

Discussion

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

As identified in the 5-YR Consolidated Plan (2020-2024), low incomes, high housing costs, overcrowding, homelessness, and aging all present challenges to Lakewood residents, which can have negative impacts on their quality of life. Most common among these housing problems for Lakewood residents is housing affordability, as measured through cost burdens. Renters, in particular, face more acute cost burdens than do homeowners.

Lakewood's housing demographics have remained constant over the recent ten years with a slight trend favoring renter-occupied (56.8%) to owner-occupied (43.2%) (2016-20 American Community Survey). These numbers are reflected in the opposite when looking at the county and Washington, both at 63.3% owner-occupied and 36.7% renter-occupied, and that of the United States at 64.4% owner-occupied and 35.6% renter-occupied.

Although household incomes have seen increases in recent years, Lakewood's median income of \$55,723 (2016-2020 American Community Survey) lags far below that of the county (\$76,438), Washington (\$77,006), and the United States (\$64,994). Of additional concern is Lakewood's apparent concentration of households living at or below the poverty rate, currently 14.7% of households, much higher than that of the county at 9.5%, Washington at 10.5%, and the United States at 12.8% (2016-20 American Community Survey). The disparate impacts of households living in poverty become clear when looking at Black, Indigenous and People of Color (BIPOC) households. For Lakewood, Black or African American households experience poverty at a rate of 18.7%, Hispanic or Latino households 17.2%, and American Indian and Alaskan Native households experience poverty at an alarming rate of 36.9%. These numbers remain in stark contrast when considering Lakewood's White only population, which makes up 56.6% of Lakewood's total population, who experience poverty at a rate of 14.1%.

When looking at monthly housing expenses as a percentage of total household income, households paying at least 35% of their total income towards housing expenses are considered cost burdened households. For Lakewood renters, the percentage of cost burdened households sits at 42.6% of households (40.5% for the county, 37.9% for Washington, and 40% for the United States), while only 22.6% of owner-occupied households with a mortgage in Lakewood are cost burdened (21.7% for the county, 20.9% for Washington, and 20.6% for the United States) (2016-20 American Community Survey). Even though median incomes continue to see improvement in Lakewood, they are being outstripped by even higher escalating housing related expenses, leaving little relief for low-income households who have been traditionally cost burdened. This becomes of special concern when looking at households experiencing poverty who have children under the age of five- 19.4% of all families with related children under 5 years old live in poverty, and 34% of single-female households with related children under 5 years old live in poverty (2016-20 American Community Survey).

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City of Lakewood encourages the development of affordable housing through the City's Comprehensive Plan. The Plan addresses future housing needs for current and future residents of all incomes. Policies offers density bonuses to developers of affordable housing, encourage infill housing, cottage-style development, changes in zoning to permit higher densities, and incentivizes the construction of affordable housing.

Additional means used to encourage affordable development is though the City's Multifamily Tax Credit Program which allows developers to defer taxes on valuation improvements for all housing repairs for up to 12 years within certain urban use centers. This is especially important in areas where development is stymied by conditions of blight, the lack of infrastructure, or where rents are not conducive to sustaining redevelopment activities. With the tax deferral, the development of new housing or the modernization of existing substandard units can be incentivized as a means of neighborhood revitalization.

Discussion

With the median home price in Lakewood at \$309,600 (2016-20 American Community Survey) and percentage increases continuing into the double digits, the dream of owning a home remains out of reach for many, if not for all low-income households. This remains especially true of Black and Latino families who experience homeownership at much lower rates than do White households. With homeownership being a key driver to familial wealth building, today's typical White family holds eight times the wealth of the average Black family and five times the wealth of the average Latino family (2019 Survey of Consumer Finances). Echoing this problem is the disparity in median household net worth between White and minority families. While White families have a median household net worth of \$188,200, Hispanic families net worth remains over 5 times lower at \$36,100, and Black families net worth remains nearly 8 times lower at \$24,100 (2019 Survey of Consumer Finances).

As a majority of Lakewood's population live in rental households, the steady increase in the cost of rents year over year remains of concern, especially for those low- and moderate-income Lakewood households who are already cost burdened. With the median gross monthly rent now standing at \$1,095 (2016-20 American Community Survey), housing cost is easily outstripping income growth, especially for low- and moderate-income households. These issues of rising housing costs relative to household incomes become strikingly apparent when looking at the percentages of Lakewood households where monthly housing cost exceeds 35 percent of household income- 22.6% for

households with a mortgage and 42.6% for households who rent (2016-20 American Community Survey).

With strong increases in property valuation and land costs, housing development costs have continued to push private investment into market rate housing and away from affordable housing. Additionally, as house valuations have risen, single-family homes once dedicated to rental uses are seeing increased pressure to sell and realize profits, ultimately turning them from rental to owner-occupied. As investment continues to shift toward higher return market-rate housing and more and more housing units are converted from rental to homeowner use, many communities are looking for creative ways to meet the increasing demand for affordable housing. Unfortunately, with rapidly escalating property valuations and the ever-competitive nature of financing affordable housing vs. market rate housing, affordable housing development has become increasingly difficult to develop, especially within the time horizons necessary to keep up with growing demand.

Of additional concern for the future of affordable housing development are the outdated and lagging regulatory policies of the HOME and CDBG programs. In today's frenzied economy, with property valuations appreciating almost daily and construction costs spiraling out of sight, the very programs designed to assist communities in the support and development of affordable housing are beginning to hinder that development. Certain regulations like the restriction of investment in homes whose value exceeds that of 95% of median purchase price valuations, outdated per-unit investment subsidy limits, onerous environmental regulations, and a restriction of CDBG investments in the constructing of new housing units unless conducted by a Community Based Development Organization. As economies change around the globe, regulatory policies need to be evaluated and updated to keep pace with the changing economic environment.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

Actions planned to address obstacles to meeting underserved needs

In 2022, Lakewood will continue its efforts to respond to the ongoing economic impacts of the coronavirus pandemic through the funding of housing and financial counseling services, fair housing and landlord-tenant education, and emergency financial assistance payments for basic services such as food, clothing or housing-related expenses to low-income households. Programs will prioritize elderly, disabled, and minority populations disproportionately impacted by the lingering effects of the coronavirus pandemic.

Additional action to assist those economically impacted and at risk of homelessness is through the continuation of emergency relocation assistance to individuals who find themselves at risk of homelessness through no fault of their own due to discriminatory housing practices, or as a result of building and code enforcement closures, fires, or redevelopment activities. Funding for this program will utilize FY 2020-21 CDBG allocations until funding is exhausted.

Efforts to support low-income and minority populations grow wealth and create long-term housing affordability are being supported through the City's down payment assistance programs. As housing prices have continued to rise, the need for down payment assistance grows stronger still, especially for low-income and minority homebuyers. Homeownership disparity between White and non-White homeowners remain significant, with the biggest gap existing between White and Black families. In 2020, the national average for homeownership was 62 percent. Among Whites, the homeownership rate was 71 percent, the Hispanic homeownership rate was 58 percent, and Black homeownership rate was the lowest at 39 percent (2020 American Community Survey). In 2020, the homeownership rate by Blacks was 32 percentage points lower than White homeownership, and White households were 82 percent more likely to own their own home than Black households. Hispanic households trailed White households by 13 percentage points, with White households 22 percent more likely to own their homes than Hispanic households. The City's down payment assistance program offers down payment assistance loans up to \$75,000 with a 1% interest rate; loans may be deferred for a period to ensure affordability.

Additional actions to address the needs of Lakewood's underserved population are addressed through the ongoing 1% allocation from the City's general fund; strategic priorities include emotional supports and youth programs, housing assistance and homelessness services, crisis stabilization and advocacy, access to health & behavioral health, and access to food. For 2022, the City has allocated \$390,000 in general fund dollars in support of these programs.

Actions planned to foster and maintain affordable housing

Lakewood recognizes the importance affordable housing and homeownership play in building vibrant communities and the direct connection they afford low-income households in wealth-building opportunities. In 2022, the City will continue its partnership with LASA and Habitat for Humanity in developing new affordable housing. Habitat has acquired multiple vacant, abandoned and blighted properties in Lakewood and has begun the redevelopment process to construct eleven new homes for low-income homebuyers; construction is anticipated to be completed in late 2023. LASA has also acquired multiple properties around their current facility with the intention to develop homeless housing and improved access to services, in addition to new affordable rental opportunities for low-income households. LASA intends to develop its project in phases with the initial phase, improved access to services, to begin in mid-2022.

Maintenance and support of affordable rental housing will be provided through funding for the Pierce County Housing Authority's (PCHA) exterior rehabilitation at Village Square and Oakleaf Apartments. The project will assist in the maintenance and preservation of 64 low-income rental households, of which 37 are presently occupied by extremely low-income households ($\leq 30\%$ AMI), 10 are occupied by low-income households ($\leq 50\%$ AMI), 8 are occupied by moderate-income households ($\leq 80\%$ AMI), 8 units are vacant, and 1 unit is for office use. Upon completion, the anticipated low- and moderate-income households served population will likely exceed 90 percent.

Support for existing affordable owner-occupied housing will be provided through Major Home Repair and HOME Housing Rehabilitation, while single-family and multifamily housing is supported and encouraged through Lakewood's HOME Affordable Housing Fund and zoning density bonuses offered to developers of affordable housing. With homeownership opportunities increasingly difficult as housing development costs continue to escalate, the City continues to offer down payment assistance to low-income homebuyers to offset the cash investment necessary for down payment.

Additional efforts in support of housing stability come from an annual 0.0073% sales and use tax (SHB-1406) to be used to provide financing for the development and maintenance of affordable housing for households at or below 60% of area median income. The fund has a current balance of \$181,358 with additional revenue of approximately \$95,000 to be received in FY 2022. Over the next 20 years, the City anticipates an estimated \$1.95 million dollars to be raised in support of affordable and supportive housing development.

Rental habitability and affordability remain a priority for the City. With approximately 56.8 percent of Lakewood's housing stock being rental, and more than 65 percent of Lakewood's housing stock constructed prior to 1960, the importance of maintain this housing stock remains of paramount importance. In 2017, the City began its Rental Housing Safety Program (RHSP) requiring all residential rental properties (apartments, single-family homes, duplexes, etc.) within the Lakewood city limit be registered on an annual basis and maintain specific life and safety standards for those properties. Since

substandard housing disproportionately affects the poor, working class families, seniors, the disabled, and persons who suffer from chronic illness, it is the aim of the RHSP to eliminate all substandard rental housing in Lakewood and improve the quality of life for all Lakewood residents. Since the program's inception, the City has inspected approximately 90 percent of its rental properties and has seen substantial improvements in both the quality and condition of many of the City's substandard rental properties.

Actions planned to reduce lead-based paint hazards

Consistent with Title X of the Housing and Community Development Act of 1992, Lakewood provides information on lead-safe practices to owners of all properties receiving up to \$5,000 of federal assistance. If work on painted surfaces is involved in properties constructed prior to 1978, the presence of lead is assumed, and safe work practices are followed if testing is not conducted.

In addition to the above, homes with repairs in excess of \$5,000 in federally funded rehabilitation assistance are assessed for risk (completed by a certified Lead Based Paint firm) or are presumed to have lead. If surfaces to be disturbed are determined to contain lead, interim controls are exercised, occupants notified, and clearance testing performed by an EPA-certified firm. Properties constructed prior to 1978 and acquired with federal funds are inspected for hazards and acquired rental properties are inspected periodically.

With approximately 64% of Lakewood's 26,999 housing units being built prior to 1980, there exists the potential for some 17,000 housing units to contain lead-based paint hazards. To inform the community of the hazards of lead-based paint, the City offers copies of the EPA's "Protect Your Family from Lead in Your Home" and HUD's "Renovate Right" pamphlets at City Hall and provides copies of these pamphlets to all housing repair program applicants. As part of the City's single and multifamily housing programs, XRF paint inspections and Risk Assessments are conducted, lead-safe work is conducted by Washington State certified RRP renovation contractors, abatement work is conducted by certified abatement contractors, and clearance testing of all disturbed surfaces is performed by certified Risk Assessors.

The City conducts lead paint inspections on all pre-1978 properties where persons are relocated to with the Emergency Assistance for Displaced Residents and where homeownership assistance is provided for existing housing. Risk assessments are to be conducted on all pre-1978 homes served by housing repair programs where painted surfaces are to be disturbed as part of the scope of repairs. When completed, all homes will be free of lead-based paint hazards.

Actions planned to reduce the number of poverty-level families

The goals in the Strategic Plan have the capacity to reduce the number of households living in poverty. The goals emphasize stable and affordable housing and services as a means to address poverty and high-

quality infrastructure as a way to revitalize communities.

For instance, the goal to address housing instability among residents, including homelessness includes projects which address long-term housing stability through housing rehabilitation programs designed to address housing repairs and renovations vital to maintaining existing affordable housing stock. Housing improvements also provide for accessibility and energy efficiency improvements providing for safer and more economical housing. Funding used to acquire blighted properties and replace them with new homeownership opportunities revitalizes neighborhoods, increases the value of neighboring properties, and creates ownership avenues designed to build household wealth and move families from poverty.

The goal to address the limited supply of diverse rental and homeownership opportunities includes funding for the construction of new, safe and affordable housing units for low-income homebuyers. By subsidizing project development costs, the City is able to effectively decrease the share of total income a family commits for housing cost, allowing the household to use those extra funds to pay down short-term debt and pay for other necessities, such as transportation, healthcare, and food, or save for the future. Additional effort to address the limited supply of affordable rental opportunities comes through the rehabilitation of existing multifamily rental housing owned and operated by the Pierce County Housing Authority.

To address the need for accessible, culturally competent services, programs will focus on the financial impacts the coronavirus pandemic has had on low- and moderate-income households. Programs will provide housing counseling, foreclosure counseling, and fair housing counseling for those households impacted by the coronavirus pandemic. Finally, the importance that stable housing plays in a family's life cannot be understated. Towards this end, the City is allocating \$100,000 in support of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for those minority households disproportionately impacted by the lingering effects of the coronavirus pandemic.

Additional effort to reduce the number of poverty-level families include funding through the 1% human services allocation which provides a broad spectrum of services including, supportive and emergency services, human services programs targeting basic human needs, homelessness intervention and prevention, fair housing assistance, crisis stabilization and advocacy, youth programs, access to health and behavioral services, access to food, and activities to increase self-sufficiency (e.g., workforce training, employment readiness, and education). For 2022, the City has allocated \$390,000 in general fund dollars in support of these programs.

Actions planned to develop institutional structure

Lakewood, Tacoma, and Pierce County have a long history of working closely together to coordinate funding activities and ensure funding strategies don't overlap or conflict. This is especially true today, as all three jurisdictions have been working towards regional coordination on anti-poverty strategies, affordable housing strategies, and homelessness initiatives. These initiatives aim to increase the supply

of affordable housing (both rental and homeownership), lower the overall cost of housing for residents, create access to financial assistance and services, increase the earning potential of low-income households, reduce or eliminate the time a family is homeless, and create pathways to build wealth and assets.

Both Tacoma and Lakewood are represented on the Tacoma/Pierce County Affordable Housing Consortium to work on issues of affordable housing, including state-level policies and programs to increase resources and opportunities to address local housing needs. Tacoma and Lakewood participate in a multicounty planning system (Puget Sound Regional Council) that looks at regional growth and economic development, as well as equal access to opportunities. The City of Lakewood is also a founding member of the South Sound Housing Affordability Partners (SSHAP), a voluntary collaboration among 14 governments, whose goal is to provide a regional approach to preserve affordable, attainable, and accessible housing throughout Pierce County.

On a local level, Lakewood continues to coordinate federal funding opportunities and general fund expenditures through the Community Services Advisory Board (CSAB). The CSAB is tasked with policymaking and general funding recommendation authority as they relate to community development and human services activities citywide. Board responsibilities include facilitating the cooperation and coordination of human services and Consolidated Plan activities, holding public hearings to receive input on community development and human service's needs, developing policy guidance and program evaluation criteria, and making funding recommendations.

With regard to the Tacoma-Lakewood HOME consortium and the allocation of HOME funds, the City of Tacoma has established the Tacoma Community Redevelopment Authority (TCRA), a public corporation organized and dedicated to the administration of federal grants and programs such as the Community Development Block Grant and HOME Investment Partnerships Program. The TCRA is responsible for administering the HOME Program, including the review of all housing programs for both Tacoma and Lakewood. The Board is staffed by ten Board members and is supported by City of Tacoma staff.

Actions planned to enhance coordination between public and private housing and social service agencies

The City is the convener of monthly human services Collaboration meetings. Collaboration partners include for-profit and nonprofit providers of housing, services, homeless programs, dv and family services, youth programs, food banks, and healthcare services.

City of Lakewood staff routinely coordinate with City of Tacoma, as part of the HOME Consortium, and participate in regional efforts coordinating planning efforts and service delivery. The Cities participate in the Tacoma/Lakewood/Pierce County Continuum of Care and are active in the Tacoma Pierce County Affordable Housing Consortium, the Economic Development Board for Tacoma-Pierce County, the Pierce County Human Services Coalition and other public entities and associations that set priorities for use of

resources in the region, set goals, and measure progress in meeting those goals. Lakewood staff participate in monthly meetings with service providers and coordinate on the development of plans and strategies. Coordination with public and assisted housing providers along with governmental agencies for health, mental health, and other services focus on economic development, transportation, public services, special needs, homelessness, and housing. As the need for affordable housing and services continues to increase, the Cities of Tacoma and Lakewood, Pierce County, and the Puget Sound Regional Council continue to collaborate on long-term priorities to leverage limited funding to meet the needs of the community.

Through the City's annual 1% human services allocation, relationships have been maintained with providers of services such as, Catholic Community Services, Tacoma Rescue Mission, Emergency Food Network, Community Health Care, Greater Lakes Mental Healthcare, YWCA & YMCA, Boys & Girls Club of South Puget Sound, Rebuilding Together South Sound, Asian Pacific Cultural Center, Oasis Youth Center, and other services providers offering programs to low and moderate income households throughout the County. Collaboration continues with both the Pierce County Housing Authority and the Tacoma Housing Authority on the expansion of safe, decent, affordable housing options for low-income citizens.

Additional effort to reduce the number of poverty-level families include funding through the 1% human services allocation is targeted to programs that provide low income housing and homelessness assistance, crisis stabilization and advocacy, emotional supports & youth programs, access to health and behavioral services, and access to food. For 2022, the City has allocated \$390,000 in General Fund dollars in support of these programs.

Discussion

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

Discussion

Attachments

(Insert SF 424 and Certifications)