



A G E N D A

PLANNING COMMISSION

Don Daniels • Ryan Pearson • Paul Wagemann
Phillip Combs • Linn Larsen • Brian Parsons • Robert Estrada

Wednesday, October 5, 2022 at 6:30 pm

Hybrid Meeting: In-Person & Virtual via ZOOM

City Hall American Lake Conference Room (6000 Main St. SW, Lakewood 1st floor)

Per the Lakewood City Council, the Planning Commission will meet in a hybrid in-person and virtual format.

Residents can attend in person at the Lakewood City Council Chambers; they can also attend virtually by watching them live on the City's YouTube channel @ <https://www.youtube.com/user/cityoflakewoodwa> or by calling in to listen by telephone at +1 (253) 215-8782 and by entering meeting ID: 864 2883 6136

To Submit Public Comment and/or Public Hearing Testimony Prior to Meeting: Send comments by mail or email to Karen Devereaux, Planning Commission Clerk, at kdevereaux@cityoflakewood.us or 6000 Main Street SW Lakewood, WA 98499. Comments received by noon on the day of the meeting will be provided to the Planning Commission electronically.

Live Virtual Public Participation: To provide live virtual Public Comments or Public Hearing Testimony during the meeting, join the Zoom meeting as an attendee by calling by telephone Dial +1(253) 215- 8782 and enter participant ID: 864 2883 6136 or by going online at <https://us06web.zoom.us/j/86428836136>. Each speaker will be allowed (3) three minutes to speak during the Public Comment and during each Public Hearing. Outside of Public Comments and Public Hearings, attendees will not be acknowledged and their microphone will remain muted.

By Phone: For those participating by calling in by phone to testify, the Chair will call on you during the Public Comment and/or Public Hearings portions of the agenda. When you are unmuted, please provide your name and city of residence.

Online: For those using the ZOOM link <https://us06web.zoom.us/j/86428836136> to testify, upon entering the meeting, please enter your name or other chosen identifier. Use the "Raise Hand" feature to be called upon by the Chair during the Public Comments and/or Public Hearings portions of the agenda. When you are unmuted, please provide your name and city of residence.

1.	Call to Order
2.	Roll Call
3.	Approval of Minutes from September 21, 2022
4.	Agenda Updates
5.	Public Comments
6.	Public Hearings <ul style="list-style-type: none">• 2023 Comprehensive Plan Amendment Docket
7.	Unfinished Business <ul style="list-style-type: none">• None
8.	New Business <ul style="list-style-type: none">• 2024 Comprehensive Plan Periodic Review Process - Housing
9.	Reports from Council Liaison, City Staff & Commission Members <ul style="list-style-type: none">• City Council Updates/Actions• City Staff Updates• Next meeting October 19, 2022

Meeting materials will be distributed and published no later than 24 hours prior to the meeting

1. Draft Meeting Minutes from September 21, 2022
2. Staff Report: 2023 Comprehensive Plan Amendment Docket
3. Staff Report: 2024 Comprehensive Plan Periodic Review Process - Housing

Members Only

Please email kdevereaux@cityoflakewood.us or call Karen Devereaux at 253.983.7767 no later than Tuesday, October 4, 2022 at noon if you are unable to attend. Thank you.



**PLANNING COMMISSION
MEETING MINUTES
September 21, 2022
Hybrid In-Person/Virtual Meeting via ZOOM
6000 Main Street SW, Lakewood, WA 98499**

Call to Order

Mr. Don Daniels, Chair called the hybrid ZOOM meeting to order at 6:30 p.m.

Roll Call

Planning Commission Members Present: Don Daniels, Chair; Ryan Pearson, Vice-Chair; Paul Wagemann, Phillip Combs, Brian Parsons, Robert Estrada, and Linn Larsen

Planning Commission Members Excused: None

Commission Members Absent: None

Staff Present: Dave Bugher, Assistant City Manager, Development Services; Tiffany Speir, Long Range & Strategic Planning Manager; and Karen Devereaux, Administrative Assistant

Council Liaison: Paul Bocchi (present)

Approval of Minutes

The minutes of the meeting held on July 20, 2022 were approved as written by voice vote M/S/C Larsen/Estrada. The motion carried unanimously, 6 - 0.

Agenda Updates

None

Public Comments

None

Public Hearings

None

Unfinished Business

None

New Business

2023 Comprehensive Plan Amendment Docket Introduction

Ms. Tiffany Speir introduced eight applications submitted for 2023 Comprehensive Plan amendments. The period for the public to submit applications was duly noticed and open during the month of August 2022.

- 2023-01** Rick Hjelm request to redesignate /rezone Parcel 020352126 (8821 John Dower Rd SW) from Multifamily (MF) / Multifamily 1 (MF1) to Corridor Commercial CC/Commercial 1 (C1).
- 2023-02** Claude Remy request to redesignate/rezone parcel numbers 0219024020 and 0219024021 (5626 and 5634 Main St SW, respectively), and 0219024022 (1064 Davisson Rd SW) from Multifamily (MF) /Multifamily 3 (MF3) to Downtown /Central Business district (CBD).
- 2023-03** Lakewood Racquet Club request to redesignate/rezone parcel(s) 0219111038, -1040, and 3097000312 (5820 112th St SW) from mixed Residential (MR)/Mixed Residential 1 (MR1) to Open Space & Recreation (OSR)/ Open Space Recreation 2 (OSR2).

- 2023-04** **LASA request to redesignate/rezone parcel(s) for development of low income housing:**
- 5130001640 (5516 Fairlawn Dr SW) and -1650 (5520 Fairlawn Dr SW) from Residential (R)/Residential 4 (R4) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2); and**
- 5130001660 (8966 Gravelly Lake Dr SW), and -1671 (8956 Gravelly Lk Dr SW) from Arterial Corridor (ARC)/arterial Residential-Commercial (ARC) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2)**
- 2023-05** **Allow permanent supportive housing (PSH) and Transitional Housing (TH)**
- 2023-06** **Amend Policy LU-5.3 to reflect changes in allowed types of funding for financial and relocation assistance for people displaced as a result of construction and development projects. within the City's Commercial 1, 2, and 3 zones.**
- 2023-06** **Amend Policy LU-5.3 to reflect changes in allowed types of funding for financial and relocation assistance for people displaced as a result of construction and development projects**
- 2023-07** **Rezone Parcel 880900340 from Residential/Residential3 (R3) to Open Space & Recreation 1 (OSR1) for expansion of Wards Lake Park**
- 2023-08** **Update of Comprehensive Plan text regarding Western State Hospital to reflect adoption of new Master Plan (continued from 2021 amendment cycle)**

The discussion included preliminary information about each of the proposed amendments.

Ms. Speir presented the next steps in the 23CPA legislative process (subject to change):

October 5: Planning Commission public hearing on proposed docket;
 October 19: Planning commission action on 23CPA docket recommendation;
 November 7: City Council study session on Commission-recommended 23CPA docket

2044 Lakewood Population and Employment Growth Targets

Ms. Tiffany Speir presented information on the County Council adoption of the 2044 Population, housing and Employment Targets for Pierce County and its Cities via Ordinance 2022-126s.

In August 2022, following deliberative and legislative processes at the Growth Management Coordination Committee, Pierce County Regional Council and Pierce County Council levels, the County Council adopted the 2044 Population, Housing and Employment Targets for Pierce County and its Cities via Ordinance 2022-126s. The Lakewood City Council has approved executing the Interlocal Agreement with the County to ratify the targets.

In summary, the Lakewood 2044 growth targets and amount of growth for each between 2020 and 2044 are included here:

2044 Population Target	2020-2044 Net Increase	2044 Housing Target	2020-2044 Net Increase	2044 Employment Target	2020-2044 Net Increase
86,792	23,180	36,713	9,714	39,735	9,863

The locations identified for 35% of the planned housing growth and 87% of the planned employment growth in Lakewood by 2035 are within the Downtown and Lakewood Station District Subareas:

	Downtown Subarea	Station District Subarea	Total
Net Increase in Housing Units by 2035	2,257 (23% of '44 target)	1,179 (12% of '44 target)	3,436*
Net Increase in Jobs by 2035	7,369 (75% of '44 target)	1,186 (12% of '44 target)	8,555

2024 Comprehensive Plan Periodic Review Process Introduction

Ms. Tiffany Speir reviewed the process and legal requirements for the 2024 Comprehensive Plan Periodic Review (24CPPR) with Commissioners.

Lakewood, along with every county and city in the state planning under the Growth Management Act (GMA), is required to conduct a “periodic review” (and potential update) of its Comprehensive Plan and development regulations (RCW 36.70A.130(1).) Lakewood’s next periodic review must be completed by December 21, 2024; future periodic reviews will be conducted every 10 years. In addition, Lakewood will be required to complete submit an implementation progress report on key outcomes five (5) years after each review and revision of the Comprehensive Plan.

Counties and cities must be up-to-date with the requirements of the GMA, including the periodic update requirements, to be eligible for grants and loans from certain state infrastructure programs.

There are six overall tasks Lakewood must accomplish during the periodic update process:

1. Establish a work program (including a public participation plan) and schedule
2. Review, and revise where needed, relevant plans and regulations
3. Conduct a public engagement program throughout the periodic update process
4. Submit notice to the state
5. Take legislative action on proposed amendments
6. Submit updated Comprehensive Plan to PSRC for certification

Ms. Speir provided an initial work plan schedule to the Commission:

Sept – Oct '22	Oct '22	Nov '22	Oct - Dec '22	Nov '22 – Feb '23
Work program	Community Engagement Plan	City-Co. collaboration & launch community engagement	Review of existing Plan & regulations	Data gathering & analysis; start SEPA review

Feb – Sept. '23	Sept. – Dec. '23	Jan' 24	Feb - May '24	May - Jun '24
Staff reports & maps, draft Plan, draft regulations	Planning Commission public hearings and action to recommend	SEPA determination, submit to PSRC	Submit draft to Commerce, start Council review	Council hearings, action to adopt, notify Commerce

City staff would bring updates regarding the 2024 Periodic Review to the Planning Commission for the remainder of 2022 and regularly throughout 2023 and 2024. Action by the Commission would be completed no later than June 2024.

Report from Council Liaison

Councilmember Mr. Paul Bocchi updated Commissioners on the progress of the tree code update at the City Council level.

Reports from Commission Members and Staff

Ms. Speir reminded the Commission that the October 5 meeting would be held in the American Lake Conference Room due to a special City Council meeting occurring at the same time as the Commission meeting.

Next Regular Meeting would be held as a hybrid in-person/ZOOM meeting on October 5, 2022.

Meeting Adjourned at 8:15 p.m.

Don Daniels, Chair
Planning Commission 10/05/2022

Karen Devereaux, Recording Secretary
Planning Commission 10/05/2022



TO: Planning Commission
FROM: Tiffany Speir, Long Range & Strategic Planning Manager
DATE: October 5, 2022
SUBJECT: Public Hearing on Proposed 2023 Lakewood Comprehensive Plan and Zoning Map Amendment Docket

BACKGROUND

On September 21, the Planning Commission began its review of eight applications submitted for the 2023 Lakewood Comprehensive Plan and Zoning Map Amendment process. A Planning Commission public hearing on the draft docket list is being held October 5.

The schedule for the 23CPA legislative process (subject to change) is as follows:

- October 19: Planning Commission action on 23CPA docket recommendation;
- November 7: City Council study session on Commission-recommended 23CPA docket;
- November 21: City Council public hearing on 23CPA docket
- December 5: City Council takes action on 22CPA docket Resolution;
- Winter - Spring 2023: City substantive review of the proposed 21CPAs and preparation of recommendations for each;
- Spring/Summer 2023: Planning Commission substantive review and public hearing on proposed 23CPA amendments; and
- Summer/Fall 2023: City Council adopts 2023 Comprehensive Plan Amendments.

DISCUSSION

The following four (4) privately initiated and four (4) City initiated amendments have been requested for inclusion in the 2023 Comprehensive Plan and Zoning Map amendment cycle:

- 2023-01 Rick Hjelm request to redesignate/Rezone Parcel 0220352126 (8821 John Dower Rd SW) from Multifamily (MF)/Multifamily 1 (MF1) to Corridor Commercial (CC)/Commercial 1 (C1).**
- 2023-02 Claude Remy request to redesignate/rezone parcel numbers 0219024020 and 0219024021 (5626 and 5634 Main St SW, respectively), and 0219024022 (10604 Davisson Rd SW) from Multifamily (MF)/Multifamily 3 (MF3) to Downtown/Central Business District (CBD).**

- 2023-03** Lakewood Racquet Club request to redesignate/rezone parcel(s) 0219111038, -1040, and 3097000312 (5820 112th St. SW) from Mixed Residential (MR)/Mixed Residential 1 (MR1) to Open Space & Recreation (OSR)/ Open Space & Recreation 2 (OSR2).
- 2023-04** LASA request to Redesignate/Rezone parcel(s) for development of low income housing:
- 5130001640 (5516 Fairlawn Dr. SW) and -1650 (5520 Fairlawn Dr. SW) from Residential (R)/Residential 4 (R4) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2); and
 - 5130001660 (8966 Gravelly Lake Dr. SW), and -1671 (8956 Gravelly Lake Dr. SW) from Arterial Corridor (ARC)/Arterial Residential-Commercial (ARC) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2)
- 2023-05** Allow permanent supportive housing (PSH) and transitional housing (TH) within the City's Commercial 1, 2, and 3 zones.
- 2023-06** Amend Policy LU-5.3 to reflect changes in allowed types of funding for financial and relocation assistance for people displaced as a result of construction and development projects
- 2023-07** Rezone Parcel 880900340 from Residential/Residential 3 (R3) to Open Space & Recreation (OSR)/Open Space & Recreation 1 (OSR 1) for expansion of Wards Lake Park
- 2023-08** Update of Comprehensive Plan text regarding Western State Hospital to reflect adoption of new Master Plan (continued from 2021 amendment cycle)

Additional preliminary information about each of the proposed amendments is included below. Each of the descriptions below are subject to change.

PRIVATELY-INITIATED TEXT AND DESIGNATION/ZONE APPLICATIONS
(Text and/or maps for each being prepared)

2023-01 Rick Hjelm request to redesignate/rezone Parcel 0220352126 (8821 John Dower Rd SW) from Multifamily (MF)/Multifamily 1 (MF1) to Corridor Commercial (CC)/Commercial 1 (C1).

This application is for a single parcel. A “site-specific rezone” occurs when there are specific parties requesting a classification change for a specific tract. A site-specific rezone requires three (3) factors: (1) a specific tract or parcel of land, (2) a request for a classification change, and (3) a specific party making the request. A site-specific rezone is not handled as part of the annual Comprehensive Plan amendments schedule, but is instead subject to the review process per LMC 18A.30 Article VII and subsection .680.

A nonconforming use (a building contractor business) is currently operating on the parcel and can continue to do so per LMC Chapters 18A.10 and 18A.20:

LMC 18A.10.180: “Nonconforming use” means a use of land or a structure which was lawful when established and which does not now conform to the use regulations of the zone in which it is located. A use shall be considered established if it conformed to applicable zoning regulations at any time, or when it has commenced under permit, a permit for the use has been granted and has not expired, or a structure to be occupied by the use is substantially underway as defined in the International Building Code.

LMC 18A.20.218: The transfer of ownership of a nonconforming lot, use, or structure will not alter its legal nonconforming status.

LMC 18A.20.228 (A): Where a lawful structure exists at the effective date of adoption of the ordinance codified in this title that could not be built under the terms of this title by reason of restrictions on area, lot coverage, height, yards or other characteristics of the structure, it may be continued so long as the structure remains otherwise lawful subject to the [certain] provisions [described in 18A.20.228 (A) subsections 1-5.]

While the somewhat nearby Neighborhood Commercial 2 (NC2) zone does not allow building contractor uses, Commercial 1 (C1) does allow “Building Contractor, Light.” However, this parcel is not adjacent to or near any Commercial 1 (C1) zoning.

	Uses in Zones and Densities		
Type of Use	Use	NC2 35 dua	C1 35 dua
Commercial and Industrial	Building contractor, light	-	P
	Building contractor, heavy	-	-



2023-02 Claude Remy request to redesignate/rezone parcel numbers 0219024020 and 0219024021 (5626 and 5634 Main St SW, respectively), and 0219024022 (10604 Davisson Rd SW) from Multifamily (MF)/Multifamily 3 (MF3) to Downtown/Central Business District (CBD)

The parcels in question are immediately outside the Downtown Subarea Plan boundaries. They are within a Residential Target Area (RTA), meaning they are eligible for the City's MFTE program. They are bounded by Multifamily 1 (MF1) zoning to the south, Residential 4 (R4) to the east and west, and Central Business District (CBD) to the north.

The applicant wishes to remove the existing apartment building and its surface parking in order to construct a new building with approximately 200 housing units and 200 parking stalls. The site development standards and form-based code regulations for the CBD zone within the Downtown Subarea and LMC Title 18B would allow for higher building heights and higher density than is allowed in the MF1 zone:

Zone and Density	MF3 54 dua	CBD 80+ dua
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If rezoned to CBD by changing the Downtown Subarea Plan boundaries to include the parcels in question, the parcels would be located within the Town Center Incentive Transition Overlay (TCI-O) as defined in LMC 18B.200.210. This would mean the parcels would be available for master planning per LMC 18B.700.720, and while stand-alone residential development is prohibited in the TCI-O, mixed-use development incorporating multifamily residential uses is allowed.





2023-03 Lakewood Racquet Club request to redesignate/rezone parcel(s) 0219111038, -1040, and 3097000312 (5820 112th St. SW) from Mixed Residential (MR)/Mixed Residential 1 (MR1) to Open Space & Recreation (OSR)/ Open Space & Recreation 2 (OSR2).

Per Ordinance 629, these parcels were rezoned from OSR to MR1 in 2015 at the request of the Racquet Club, which was thinking that parcels would be developed and sold for revenue to operate the Club. Parcels 0219111040 and -1038 currently have split zoning, with part of each zone dMR1 and part zoned OSR2.

The Club is now requesting that the zoning for all three parcels be returned to OSR2 in order to be able to create six (6) new tennis courts for children, senior and family tennis.



2023-04 LASA request to Redesignate/Rezone parcel(s) for development of permanently low income housing:

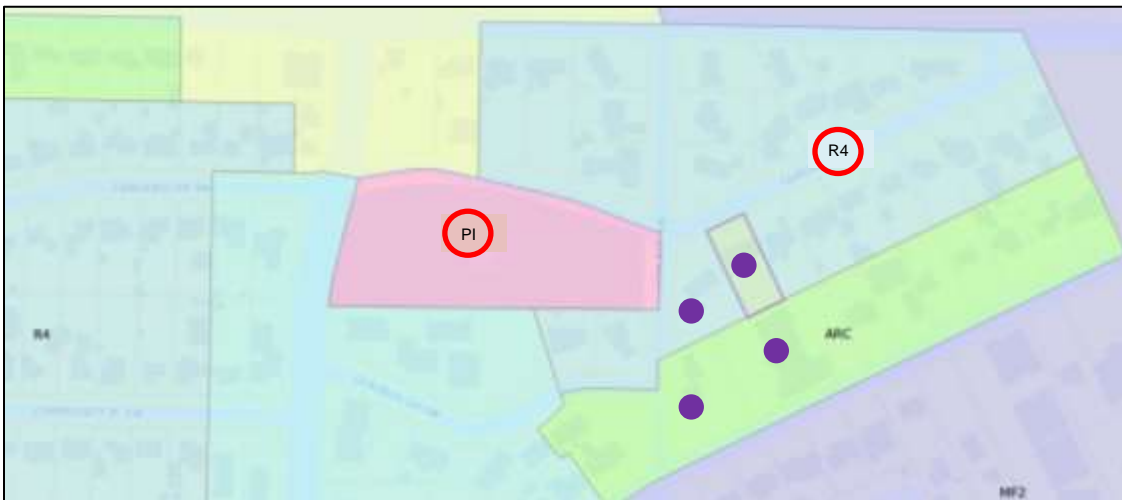
- 5130001640 (5516 Fairlawn Dr. SW) and -1650 (5520 Fairlawn Dr. SW) from Residential (R)/Residential 4 (R4) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2); and
- 5130001660 (8966 Gravelly Lake Dr. SW), and -1671 (8956 Gravelly Lake Dr. SW) from Arterial Corridor (ARC)/Arterial Residential-Commercial (ARC) to Neighborhood Business District (NBD)/Neighborhood Commercial 2 (NC2)

LASA is planning to construct 25 permanently low income housing units with 1, 2, and 3 bedrooms as part of the third phase of its four-phase master plan for “Gravelly Lake Commons.” LASA plans to construct a fourth phase including a day care and 30 more permanently low income units. The parcels included in this application are where phases 3 and 4 would be located and would rezone them to the NC2 which would allow for higher density on the parcels.



As currently planned, Gravelly Lake Commons Phase 3 includes construction of 25 new affordable housing units in four separate two and three-story buildings that would include a total of 4 one-bedroom, 11 two-bedroom and 10 three bedroom units. Each unit has a private balcony or patio. Shared Laundry is provided for the one and two-bedroom units while the three bedroom units have in unit washer and dryers. Site work includes a

designated playground, parking, dumpster and recycling enclosure, landscaping and irrigation.



Type of Use	Use	R4 6.4 dua	ARC 15 dua	NC2 35 dua
Lodging	Bed and breakfast guest houses	C	-	-
	Hostels	-	-	-
	Hotels and motels	-	-	-
	Short term vacation rentals	P	P	P
Residential Uses	Accessory caretaker's unit	-	-	P
	Accessory dwelling unit	P	-	-
	Babysitting care	P	P	P
	Boarding house	C	-	-
	Cottage housing	P	-	-
	Co-housing (dormitories, fraternities and sororities)	-	-	P
	Detached single family	P	P	-
	Two family residential, attached or detached dwelling units	C	P	P
	Three family residential, attached or detached dwelling units	-	-	-
	Multifamily, four or more residential units	-	P	P
	Mixed use	-	-	P
	Family daycare	P	P	P
	Home agriculture	P	P	-
	Home occupation	P	-	-
	Mobile home parks	C	-	-
	Mobile and/or manufactured homes, in mobile/manufactured home parks	C	-	P
	Residential accessory building	P	P	P
	Rooms for the use of domestic employees of the owner, lessee, or occupant of the primary dwelling	-	-	-
	Small craft distillery	P	-	P
	Specialized senior housing	-	-	P
	Accessory residential uses	P	P	P

CITY-INITIATED TEXT AND DESIGNATION/ZONE APPLICATIONS

(Text and/or maps for each being prepared)

2023-05 Allow permanent supportive housing (PSH) and transitional housing (TH) within the City's Commercial 1, 2, and 3 zones. (Related to purchase of parcel 0219018014 (10720 Pacific Hwy SW) for use as PSH.)

RCW 35A.21.430 states, "A code city shall not prohibit transitional housing or permanent supportive housing in any zones in which residential dwelling units or hotels are allowed."

The RCW also states "[r]easonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety."

"Permanent Supportive Housing" is defined in state law 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 (RCW 36.70A.030 (19).)

"Transitional Housing" is defined in state law as a project that provides housing and supportive services to homeless persons or families for up to two years and that has as its purpose facilitating the movement of homeless persons and families into independent living (RCW 84.36.043 (2)(c).)

Permanent Supportive Housing is currently undefined in the Lakewood Municipal Code (LMC), but is not Lakewood's defined "group homes" or "adult family homes" that are currently regulated under LMC Title 18A:

"Adult family home" means a residential home in which a person or persons provide personal care, special care, room and board to more than one (1) but not more than eight (8) adults who are not related by blood or marriage to the person or persons providing the services (see RCW 70.128.010.) Adult family homes shall serve those with functional limitations and are not intended to serve those with a history of violence, including sex offenses. See also "Group Homes."

The LMC defines "transitional housing" as:

[H]ousing that provides homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing. Transitional housing may be used to cover the costs of up to twenty-four (24) months of housing with accompanying supportive services. Program participants must have a lease (or sublease) or occupancy agreement in place when residing in transitional housing.

The following Lakewood land use zones currently allow hotels and/or residential dwelling units either conditionally or outright:

	Zoning Classifications									
Description(s)	R1, R2, R3, R4,	MR1, MR2	MF1, MF2, MF3	ARC, NC1, NC2	TOC, CBD	C1, C2, C3	IBP, I1, I2	OSR1, OSR2	PI	ML, CZ, AC1, AC2
Hotels	-	-	-	-	x	x	-	-	-	-
Residential	x	x	x	x	x	x	-	-	-	-

Under Lakewood’s current LMC 18A.40.120, the following land use zones currently allow Permanent Supportive Housing (PSH) and Transitional Housing (TH) either conditionally or outright:

	Zoning Classifications									
Description(s)	R1, R2, R3, R4,	MR1, MR2	MF1, MF2, MF3	ARC, NC1, NC2	TOC, CBD	C1, C2, C3	IBP, I1, I2	OSR1, OSR2	PI	ML, CZ, AC1, AC2
PSH	x	x	x	x	x	-	-	-	x	-
TH	x	x	x	x	x	-	-	-	x	-

In order to comply with RCW 35A.21.430, the allowed uses within the City’s C1, C2 and C3 zones must be amended to include PSH and TH. Per the same statute, “[r]easonable occupancy, spacing, and intensity of use requirements may be imposed by ordinance on permanent supportive housing, transitional housing, indoor emergency housing, and indoor emergency shelters to protect public health and safety.”

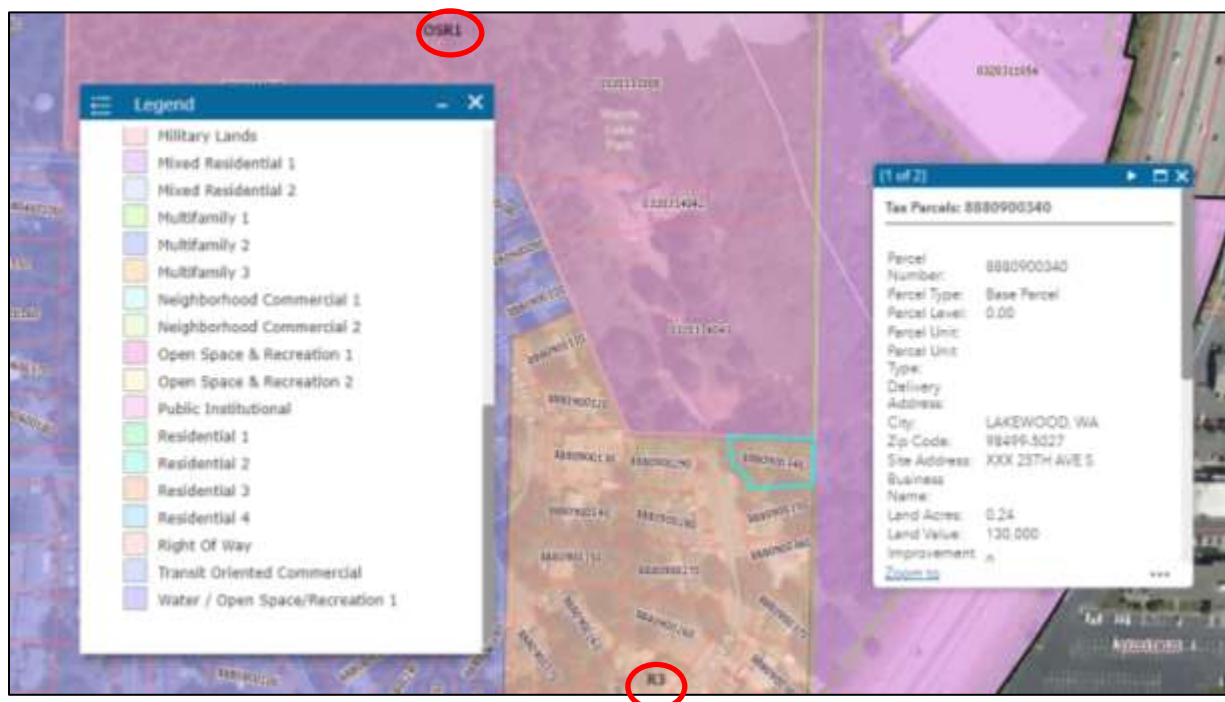
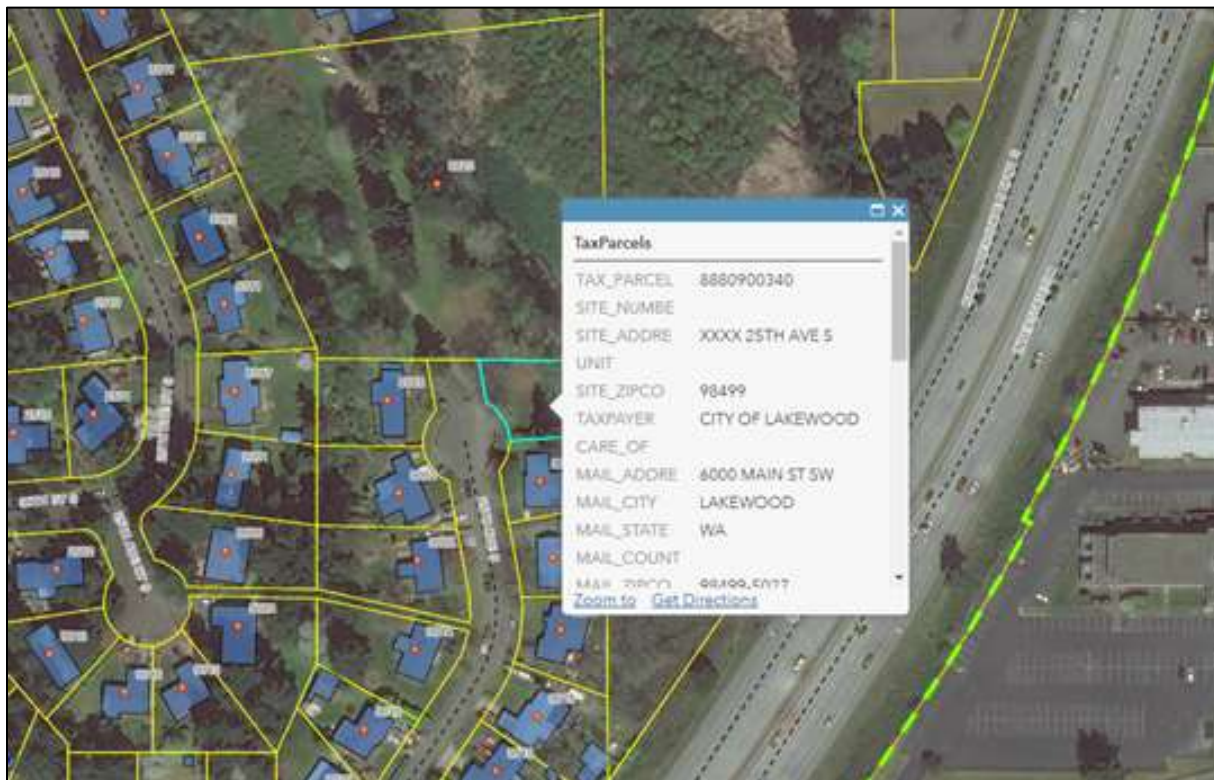
2023-06

Amend Policy LU-5.3 to reflect changes in allowed types of funding for financial and relocation assistance for people displaced as a result of construction and development projects as follows:

LU-5.3: Enforce the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Uniform Relocation Act Amendments of 1987 and any subsequent amendments, to provide financial and relocation assistance for people displaced as a result of construction and development projects ~~using federal funds~~. Lakewood shall also enforce Section 104(d) of the Housing and Community Development Act of 1974, as amended, requiring the replacement of low- and moderate-income housing units that are demolished or converted to another use in connection with a CDBG project.

2023-07 Rezone Parcel 880900340 from Residential/Residential 3 (R3) to Open Space & Recreation (OSR)/Open Space & Recreation 1 (OSR 1) for expansion of Wards Lake Park

The City purchased parcel 880900340 with grant funds in 2020. Phase 2 of the City's Ward's Lake Park CIP improvements can include this parcel once it is zoned OSR1.



2023-08 Update of Comprehensive Plan text regarding Western State Hospital to reflect adoption of new Master Plan (continued from the 2021 Comprehensive Plan amendment cycle)

On August 22, 2022, the Lakewood Hearing Examiner issued his Final Decision on the DSHS conditional use permit and master plan application to amend the 1999 Western State Hospital (WSH) Master Facilities Plan for a major reconstruction of the WSH campus. On August 30, the Department of Social and Health Services filed a request for reconsideration on the Hearing Examiner's Decision, and on September 6, the Lakewood Hearing Examiner issued an Order setting the Briefing Schedule for Reconsideration of the Final Decision.

Edits to the following Comprehensive Plan and related LMC text and maps will be presented to the Planning Commission once the WSH Master Plan is approved and after the City Council takes action to include the amendment in the 2023 Comprehensive Plan amendment docket.

3.2.7 Housing Characteristics

* * *

I. Group Quarters

There were 1,544 people living in group quarters in Lakewood at the time of the 2010 census, the most recent data available. This was equal to 2.7% of the total population in Lakewood. Group quarters includes Western State Hospital which is a regional facility serving 19 counties in Washington. There were 794 people counted residing at the psychiatric hospital.

* * *

3.8 Western State Hospital (WSH)

Shortly after the City's incorporation in 1996, the state Department of Social and Health Services (DSHS) completed a master plan for the WSH campus. In 1998, DSHS applied for and received a public facilities permit from the City to formally acknowledge the proposed improvement projects within the master plan. The scope of work under the public facilities permit formed a basis upon which DSHS could then seek capital appropriations for projects upon the WSH Campus. The WSH public facilities permit (LU98059) was approved by the Hearing Examiner on September 22, 1998, and formally ratified by the City after adoption of an interlocal agreement in March 30, 1999. This action permitted DSHS to implement a six year capital facilities plan including the construction of a 163,000 square foot replacement legal offender unit. The plan, in part, was to include the demolition of a women's work release building which in past years was operated by the state Department of Corrections (DOC); demolition was to take place in 2004.

However, the women's work release building was not demolished. In February 2005, the City became aware of a plan by DOC to relocate the Tacoma-based Progress House, a work release facility to the WSH campus, in place of the women's pre-release facility which had been closed. Media surrounding the

action made it appear that DOC was not going to pursue a siting process, as required by law, or potentially, City permits to undertake the move. The City, unsure of the actions of DOC, imposed a moratorium on the WSH Campus. The City also instituted revised land use regulations for essential public facilities. Legal action ensued. Both the moratorium and the revised land use amendments were eventually upheld. To-date, the current master plan adopted in 1999 for WSH has never been updated. Only minor additions/alterations have been permitted on the WSH campus.

GOAL LU-40: Recognize the unique nature of federal patent lands at Western State Hospital and Fort Steilacoom Golf Course.

Policies:

LU-40.1: Work with DSHS to update the Western State Hospital Campus Master Plan.

LU-40.2: Enforce the City's public facilities master plan process confirming that: 1) appropriate provisions are made for infrastructure and/or services; 2) approval criteria and mitigation measures are incorporated into project approvals; and 3) the safety of the general public, as well as workers at, and visitors to, Western State Hospital is ensured.

LU-40.3: Avoid as much as possible incompatible uses on the WSH campus which could adversely impact existing uses, adjoining properties, or adversely impact at-risk or special needs populations, including but not limited to children and the physically or mentally disabled.

* * *

7.1 Sanitary Sewers

Sewer service in the City of Lakewood is almost entirely provided by Pierce County Public Works and Utilities. Sewer service was recently expanded to serve the Tillicum and Woodbrook communities. The Town of Steilacoom provides sewer service to Western State Hospital. Steilacoom has indicated that its facilities serving the Western State Hospital currently have additional growth capacity. The City of Tacoma provides sewer service to the Flett subdivision, and to commercial and residential users located in northeast Lakewood (80th Street and 84th Streets). Figure 7.2 describes the locations of all major sewer trunk lines within Lakewood.

* * *

7.1.1 Other Water Purveyors

Minor portions of the city are served by the Southeast Tacoma Mutual Water Company, and the City of Tacoma. Continued service to these areas is expected to be adequate for the 20-year planning period. Western State Hospital provides its own water service. There are also private wells servicing existing mobile home parks scattered throughout Lakewood.



TO: Planning Commission
FROM: Tiffany Speir, Long Range & Strategic Planning Manager
DATE: October 5, 2022
SUBJECT: 2024 Lakewood Comprehensive Plan and Development
Regulations Periodic Review Process – Housing

BACKGROUND

Lakewood, along with every county and city in the state planning under the Growth Management Act (GMA), is required to conduct a “periodic review” (and potential update) of its Comprehensive Plan and development regulations (RCW 36.70A.130(1)). Lakewood’s next periodic review must be completed by December 21, 2024; future periodic reviews will be conducted every 10 years. In addition, Lakewood will be required to complete submit an “implementation progress report” on “key outcomes” five years after each periodic review.

The Planning Commission began review of the 2024 Comprehensive Plan Periodic Review (24CPPR) process on September 21. The Commission will hold a series of study sessions focusing on parts of the required 24CPPR during fall 2022 and into early 2023. The subject for October 5 is housing.

DISCUSSION

One of the main focuses for the 24CPPR is expanding the scope and level of detail in planning for housing. RCW 36.70A.070(2)¹ sets out the requirements for a city’s Comprehensive Plan Housing Element:

- **Housing Needs Assessment:** An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth.
- **Goals, Policies and Objectives:** A statement of goals, policies, objectives and mandatory provisions for the preservation, improvement and development of housing.
- **Residential Land Capacity Analysis:** Analysis to identify sufficient land to accommodate housing growth targets.
- **Provisions for all Economic Segments:** Adequate provisions to address existing and projected needs of households at all income levels.

¹ See also WAC 365-196-410

HB 1220 was adopted in 2021 by the State Legislature to amend the GMA and expanded what must be included in a Housing Element:

- A statement of **goals, policies, objectives, and mandatory provisions** for moderate density housing options (e.g., duplexes, triplexes, and townhomes.)
- Identified **sufficient land capacity** for housing, including
 - housing for moderate- , low- , very low- , and extremely low-income households²;
 - emergency housing, emergency shelters, and permanent supportive housing; and
 - consideration of duplexes, triplexes, and townhomes.
- Adequate **provisions for existing and projected housing needs** of all economic segments of the community, including:
 - Incorporating consideration for moderate-, low-, very low- and extremely low-income households.
 - Documenting programs and actions needed to achieve housing availability.
 - Considering housing locations in relation to employment location.
 - Considering the role of ADUs in meeting housing needs.
- **Identify local policies and regulations** that result in racially disparate impacts, displacement, and exclusion in housing (e.g., disinvestment, zoning that may have a discriminatory effect, and infrastructure availability).
- **Identify and implement policies and regulations to address and begin to undo** racially disparate impacts, displacement, and exclusion in housing caused by prior and current local policies, plans, and actions.
- **Identify areas at higher risk of displacement** from market forces that occur with changes to development regulations and capital investments.
- **Establish anti-displacement policies**, with consideration given to strategies such as the preservation of historical and cultural communities, equitable development initiatives, inclusionary zoning, and tenant protections.

I. 2022 Lakewood Housing Needs Assessment Report Excerpts

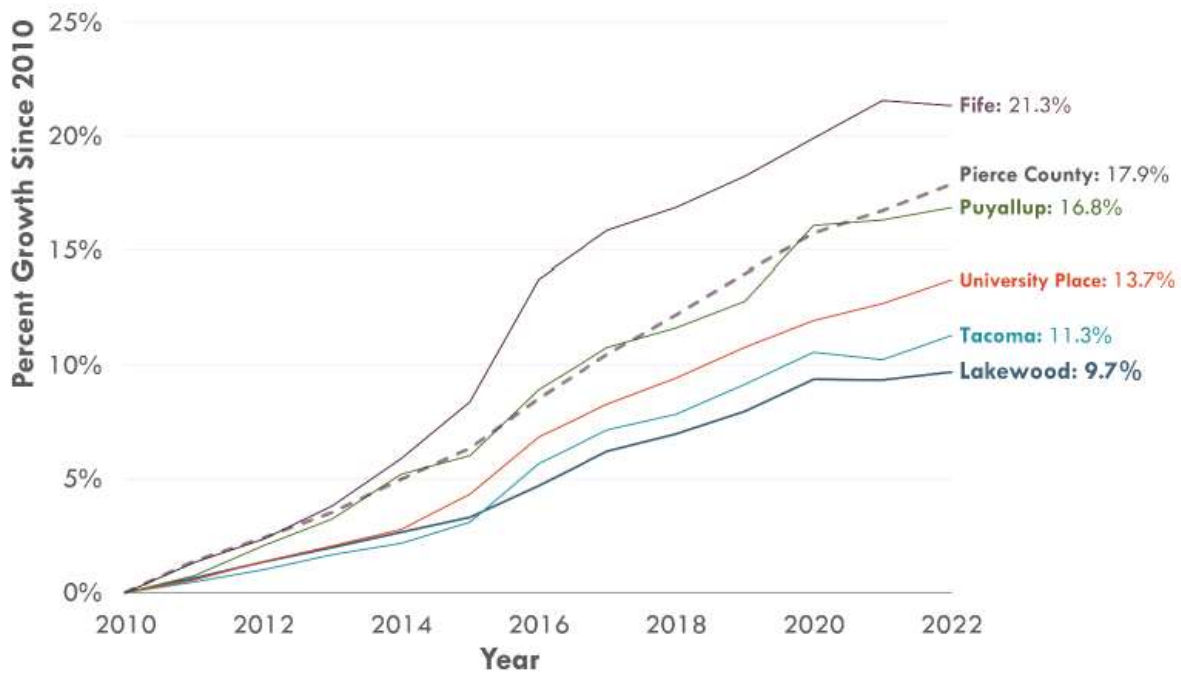
Lakewood's 2022 Housing Needs Assessment is nearing completion. Included here are excerpts from the current draft, which is subject to change.

Population and Households

▪ **Lakewood has had notably low population growth.** Overall, Lakewood has had low population growth, amounting to about 0.9% per year since 2010, without a significant increase in growth after 2014.

² 80-120% County Area Median Income (AMI), 50-80% AMI, 30-50% AMI, 0-30% AMI respectively

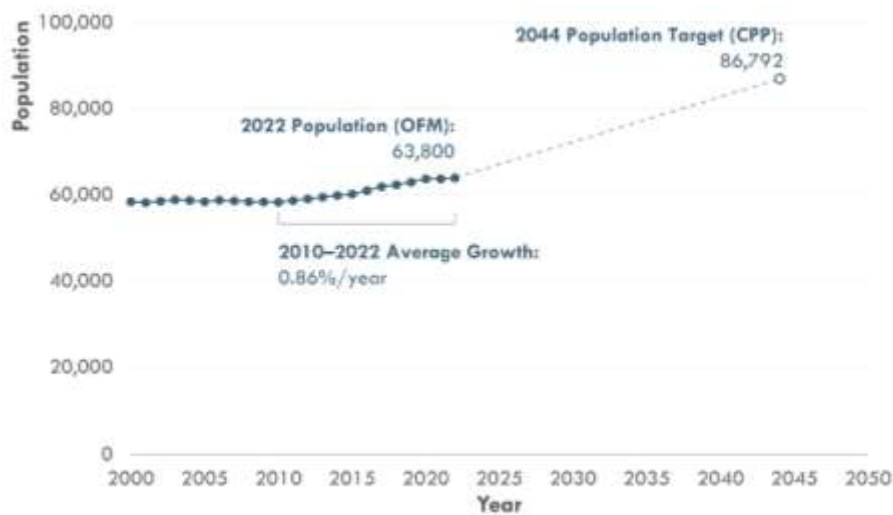
Exhibit 3. Population Growth, Lakewood and Neighboring Communities, 2010–2022.



Source: OFM, 2022; BERK, 2022.

- **Expected population targets are significantly higher than historical population trends.** Under the recently approved Countywide Planning Policies for Pierce County, it is expected that Lakewood’s population will grow by an additional 22,992 people to 86,792 total residents. This represents a growth rate of about 1.4% per year, which is a significant increase over recent historical trends.

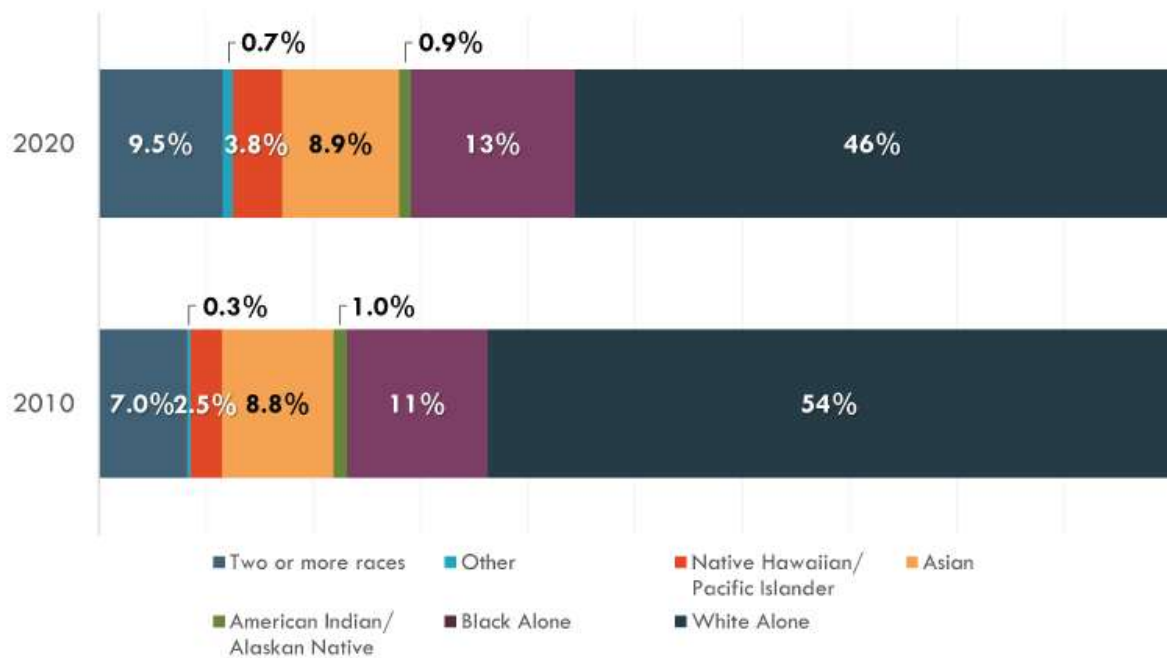
Exhibit 2. Historical Population and 2044 Population Target.



Source: OFM, 2022; BERK, 2022; Pierce County, 2022.

- **The local population has a disproportionate number of younger adults.** In comparison to other communities, Lakewood has a greater proportion of residents that are 20–29 years old. There are also a higher proportion of residents generally 60 years and older. This is likely tied to the proximity to Joint Base Lewis-McChord (JBLM), with younger service members living off-base and older veterans living closer to available veterans' facilities.
- **The community is becoming more diverse in Lakewood.** Over the past decade, Lakewood has become notably more diverse. There has been a decline in both the proportional and total number of white residents (from 54% in 2010 to 46% in 2020), while other populations of people of color have generally increased over time.

Exhibit 6. Proportion of Population by Race, 2010 and 2020.



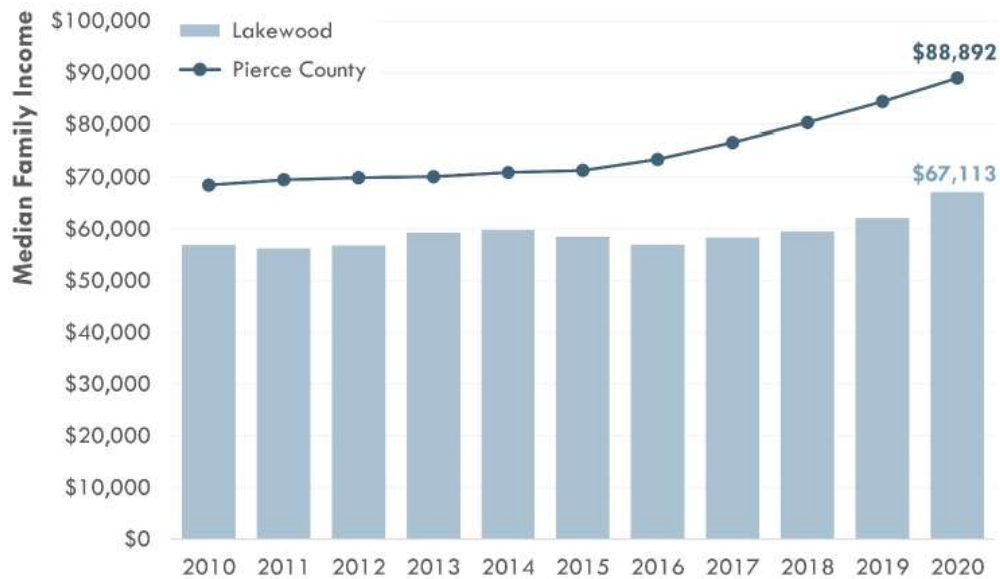
Source: 2020 ACS; BERK, 2022

- **Veterans form a key part of the population of the City.** Lakewood has a greater proportion of veterans in its population between the ages of 18 and 74 than Pierce County. This is due in part to the presence of JBLM, including the availability of services to veterans in the community.

Household Characteristics

- **Household incomes are lower than the county average.** The Lakewood 2020 median household income was \$55,723, about 27% lower than that of Pierce County. This is true both of family and non-family households.
- **Recent increases in median family income have been lower than in the county.** Median incomes have increased lately, but while the Pierce County median has increased by about 4.9% per year between 2016 and 2020, the Lakewood median has only increased by about 4.0% per year.

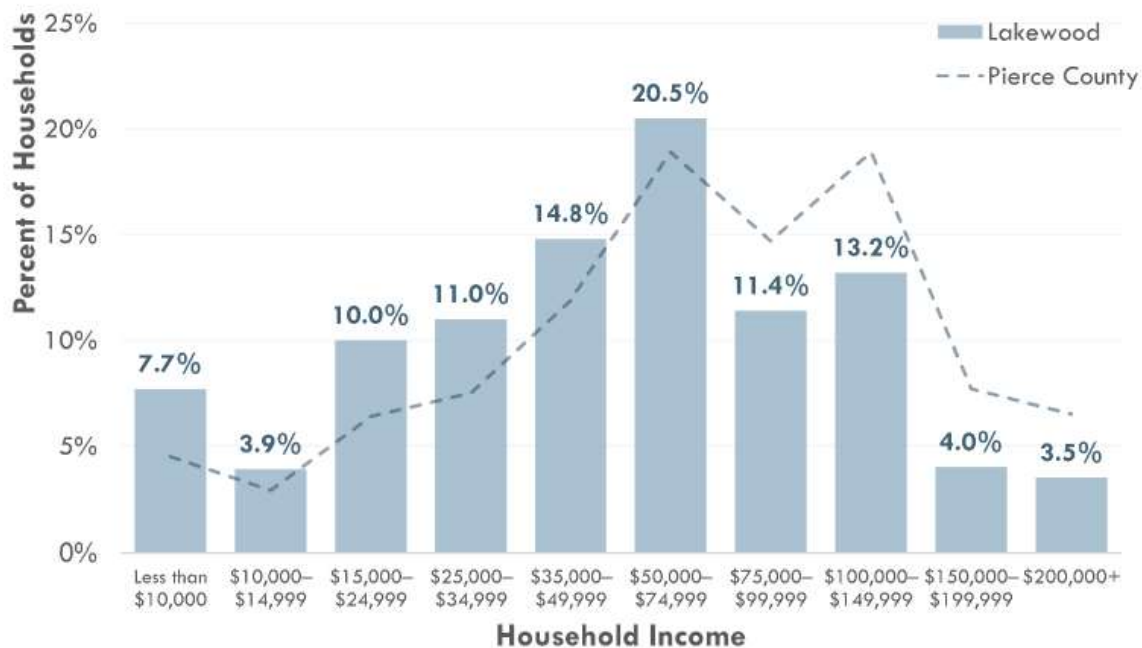
Exhibit 9. Historical Median Family Income, Lakewood and Pierce County.



Source: 2020 ACS; BERK, 2022.

▪ **Lakewood’s lower median income is due to a higher representation of lower-income households than in Pierce County.** There are a greater proportion of households earning less than \$75,000 in Lakewood than in Pierce County overall. Although higher-income households are found in the City, the availability of affordable housing options needs to consider this skew in the distribution.

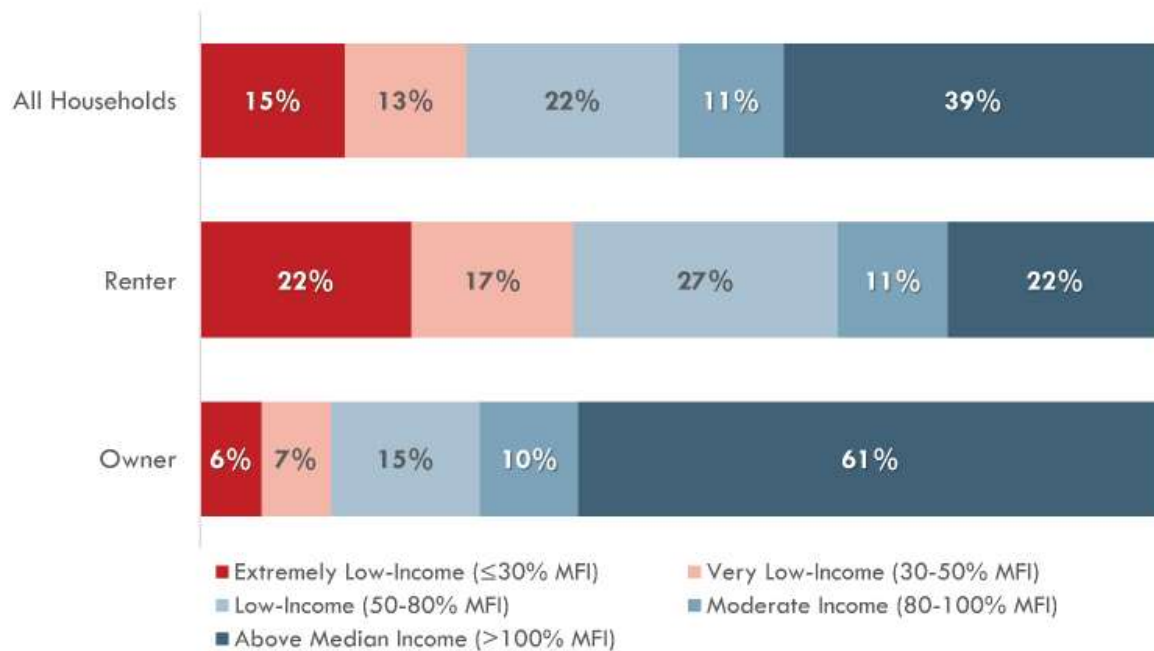
Exhibit 10. Households by Income Range, 2020.



Source: 2020 ACS; BERK, 2022.

- **Household income differs distinctly between renters and owners.** Nearly 61% of Lakewood’s homeowners have household incomes that are at or above the county median family income (MFI.) Conversely, about 66% of renters are below 80% of the county MFI, and 22% are considered extremely low-income.

Exhibit 11. Households by Tenure and Income Group (%MFI), 2018.

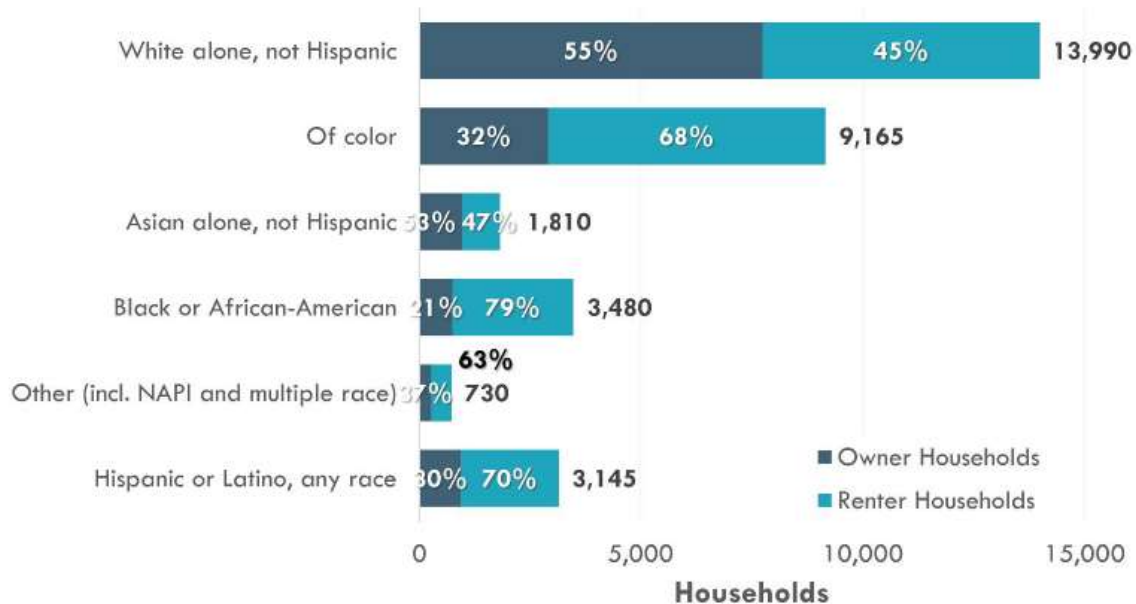


Source: 2018 CHAS; BERK, 2022.

- **Households that rent are far more likely to be of color than those that own.** Examining the distribution of renters versus owners from 2018 CHAS data³, 55% of Lakewood’s white households own their homes. In contrast, about 70% of Hispanic/Latino households are renters, and 79% of Black or African-American households rent.

³ The Housing Needs Assessment will be updated to include the most recent CHAS data available (2019)

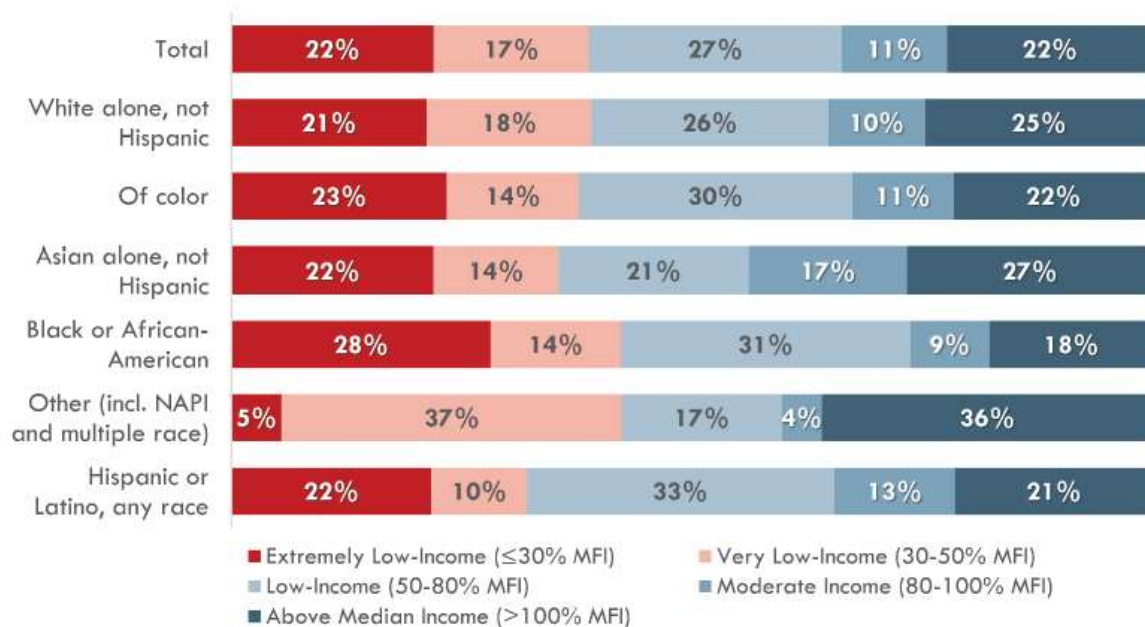
Exhibit 12. Households by Race and Tenure, 2018.



Source: 2018 CHAS; BERK, 2022.

▪ **Generally, African-American renting households are lower income.** Income data show that overall, white renting households have higher incomes than Black households. 28% of Black or African-American households are extremely low-income, compared to 22% of households overall.

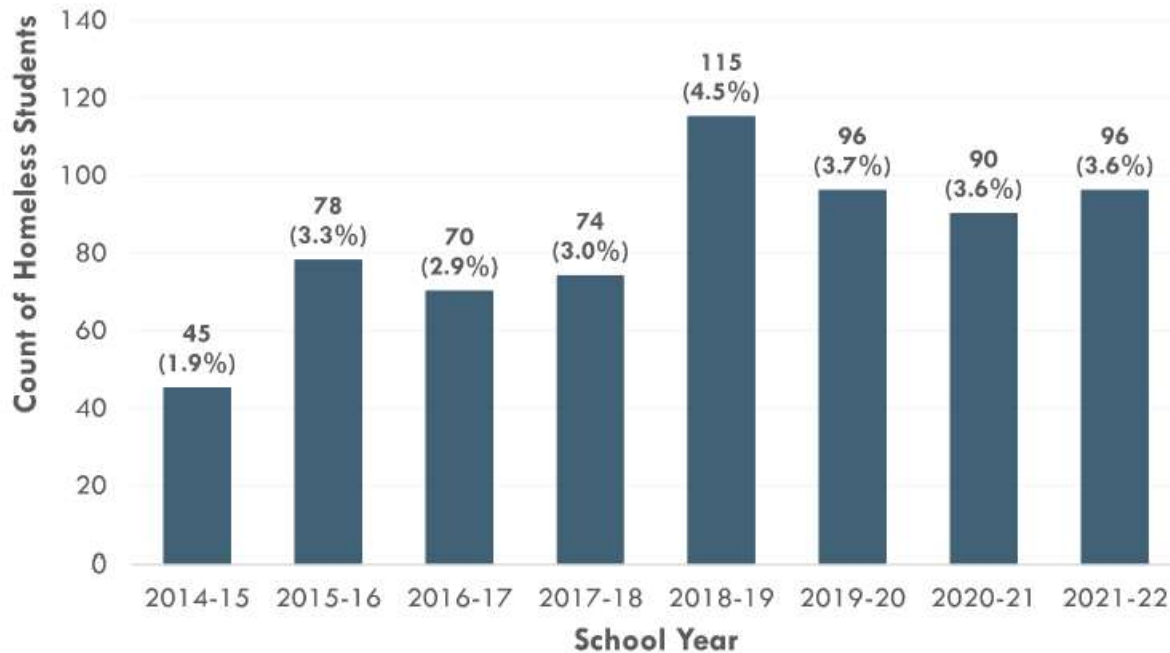
Exhibit 13. Proportion of Renter Households by Race and Income Category, 2018.



Source: 2018 CHAS; BERK, 2022.

- **Levels of homelessness in Lakewood have likely increased recently.** Data collected from the Lakewood School District under the McKinney-Vento Act highlights that student homelessness reached a new high in the 2018–2019 school year at 115 students, or 4.5% of the population. Levels of student homelessness increased from 2.9–3.3% from 2015 to 2018, to 3.6–3.7% since 2019. It is not yet fully known how the effects of COVID-19 may have increased student homelessness or whether the 2021 and 2022 data are truly accurate.

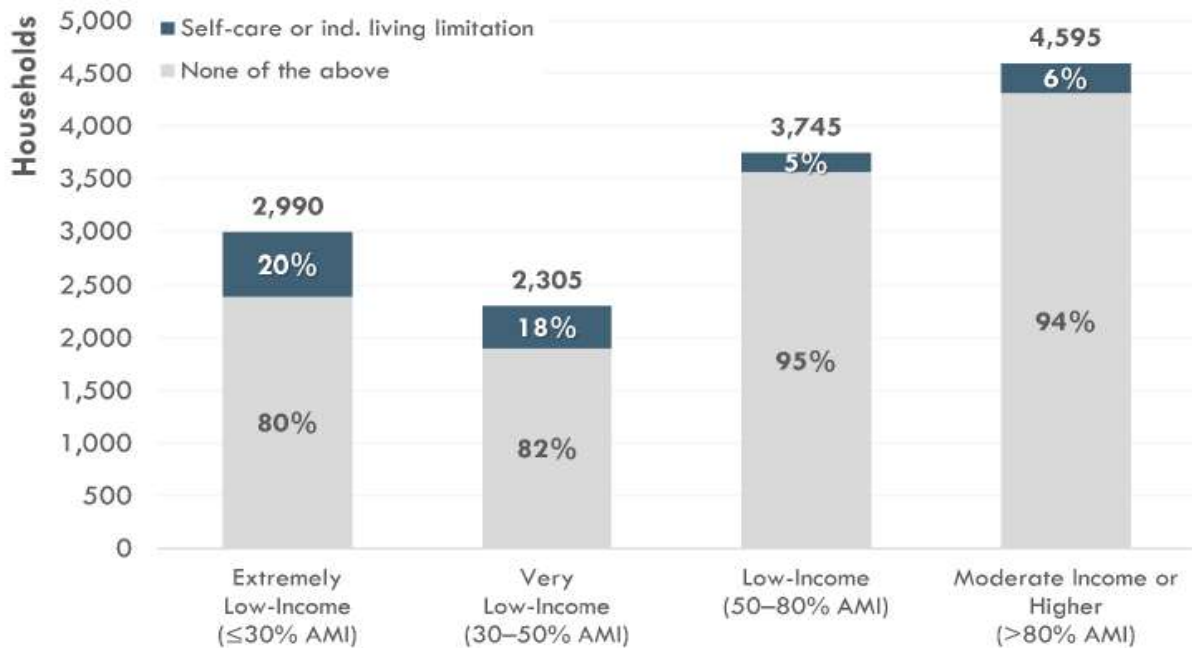
Exhibit 14. Student Homelessness, Lakewood School District, 2014–2022.



Source: OSPI, 2022; BERK, 2022.

- **A greater proportion of low-income renter households have members with self-care or independent living limitations.** A significant proportion of Lakewood’s very low- and extremely low-income households are experiencing challenges with housing affordability and income due to disabilities.

Exhibit 15. Renter Households by Disability Status and Income, 2018.



Source: 2018 CHAS; BERK, 2022.

Workforce Characteristics

- **There has been significant local employment growth since 2014.** Lakewood experienced a decline in employment due to the recession in the late 2000s, with only 22,540 jobs in 2014. Between 2014 and 2021, the City experienced roughly 3.3% employment growth annually. The fastest growing major sectors have been Construction/Resource (10% per year), Warehousing/Transportation/Utilities (5.3%), and Government. (5.0%). However, the greatest addition overall has been to Services, accounting for 2,157 additional jobs and about 38% of the total jobs added.
- **Lakewood represents a location for regional employment.** About 87% of local workers commute into Lakewood from across the county and the Puget Sound region. The greatest proportion of Lakewood workers commute from Tacoma (17%), with a significant number coming from Parkland (4.2%), South Hill (3.8%) and University Place (3.5%).
- **The community has workers that stay in the community to work.** Although there are many commuters coming into Lakewood every day, almost 15% of workers at their primary job in the city are from Lakewood.

Top Home Locations for Lakewood Workers

Tacoma city, WA	16.5%	Spanaway CDP, WA	3.2%
Lakewood city, WA	12.8%	Puyallup city, WA	2.0%
Parkland CDP, WA	4.2%	Federal Way city, WA	1.9%
South Hill CDP, WA	3.8%	Frederickson CDP, WA	1.9%
University Place city, WA	3.5%	Graham CDP, WA	1.8%

Sources: US Census LEHD, 2022; ESRI, 2022;
City of Lakewood, 2022; BERK, 2022.

Top Work Locations for Lakewood Residents

Tacoma city, WA	21.5%	Kent city, WA	2.6%
Lakewood city, WA	14.5%	Auburn city, WA	2.4%
Seattle city, WA	8.5%	Olympia city, WA	2.4%
Fife city, WA	3.2%	Bellevue city, WA	2.3%
Puyallup city, WA	3.1%	University Place city, WA	1.8%

Sources: US Census LEHD, 2022; ESRI, 2022;
City of Lakewood, 2022; BERK, 2022.

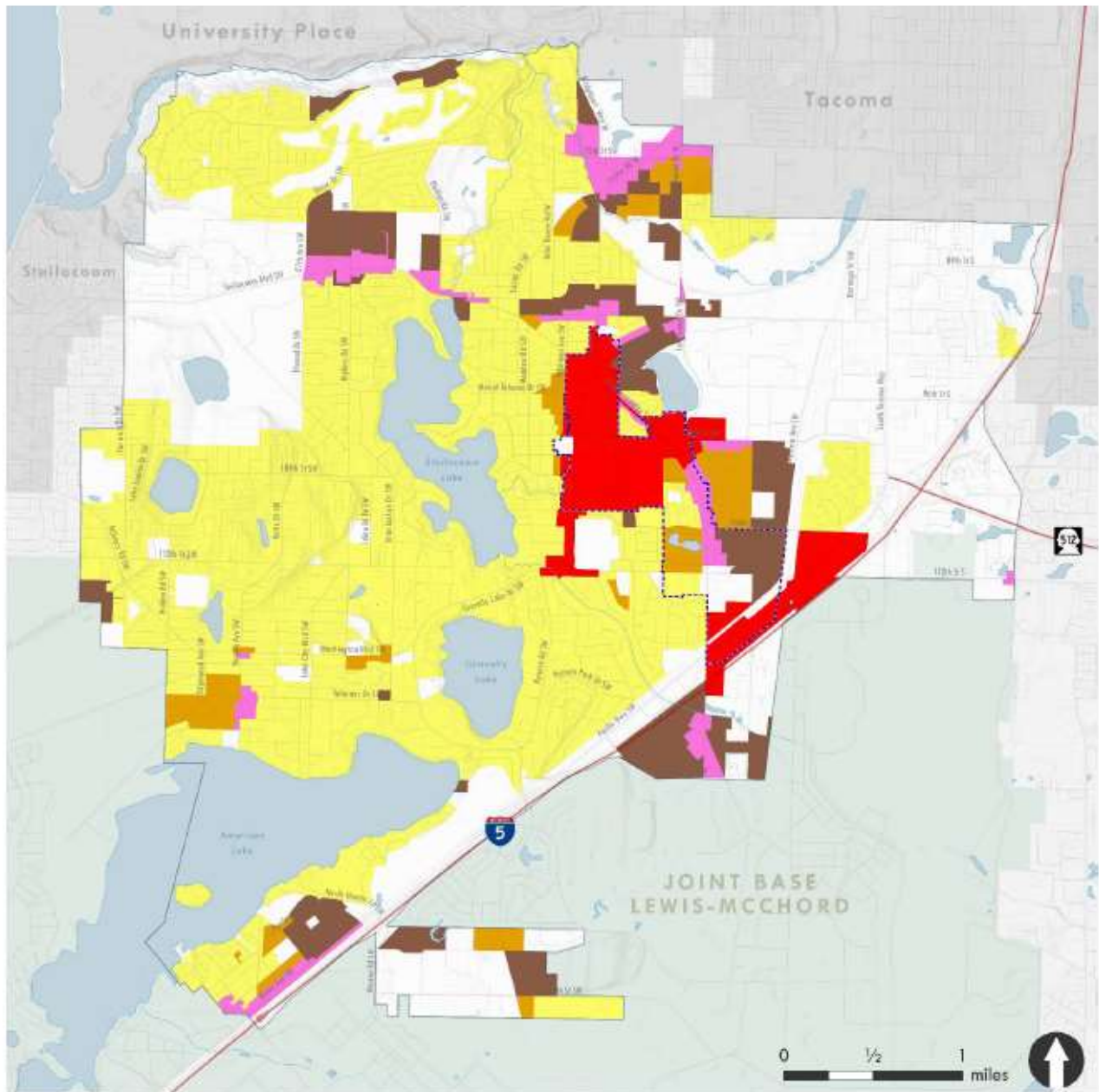
Housing Supply and Development

City zoning and capacity

Under the 2021 Pierce County Buildable Lands Report, there was an identified capacity of 11,371 housing units in Lakewood, including:

- 1,203 units on vacant multi-unit parcels.
 - 226 units on vacant single-unit parcels.
 - 8,889 units that could be accommodated on underutilized sites.
 - 1,053 units in the development pipeline.
- **A substantive amount of future growth needs to be accommodated through infill development and redevelopment.** About 78% of the total growth capacity in Lakewood is found on “underutilized” sites. **Accommodating future growth will therefore require the redevelopment of sites and infill projects**, as opposed to development of larger plats of single-family housing possible in other areas of the county.
- **Similarly, most currently zoned capacity is in multifamily development.** Only 14% of the total future buildable lands capacity is found in areas where single-family zoning is allowed as-of-right and is not a conditional use. This highlights that **a major focus of future growth in the city will be on multifamily and mixed-use projects.**

Exhibit 21. Residential and Mixed-Use Zoning Categories, City of Lakewood.



Legend

- City of Lakewood
- Other cities
- Joint Base Lewis-McChord
- Water
- Parks
- Regional Growth Center
- Highways
- Arterials
- Roads

Residential and Mixed-Use Zoning Categories

- Single-Family Residential
- Mixed Residential
- Multifamily
- Neighborhood Business
- Commercial (Mixed-Use)

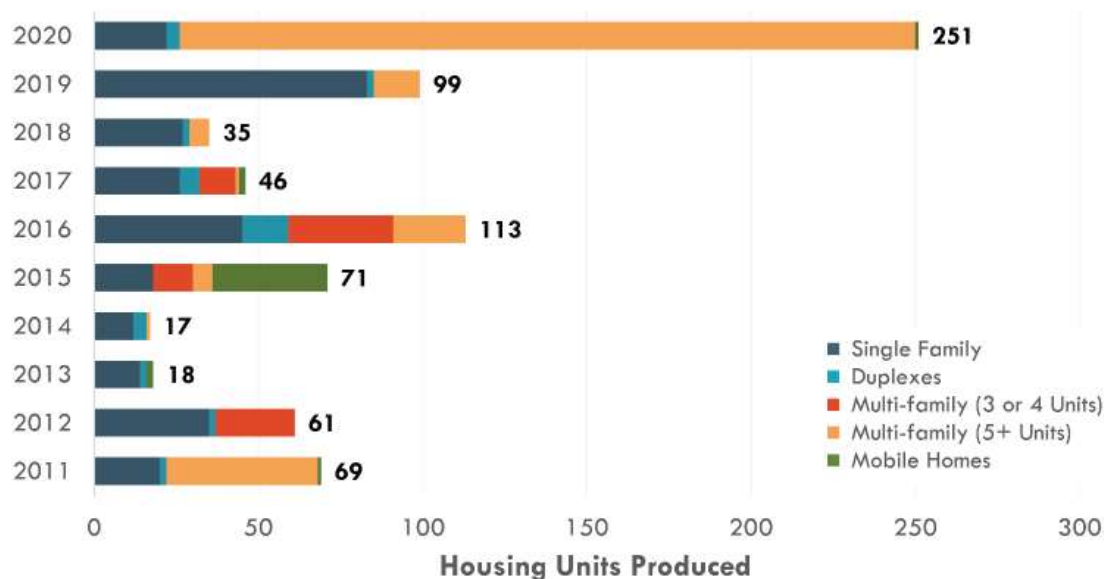
BERK
Map Date: August 2022

Sources: Pierce County GIS, 2022; ESRI, 2022;
City of Lakewood, 2022; BERK, 2022.

Housing inventory and production

▪ **Recent net housing production in Lakewood has been nominal.** Between 2010 and 2022, there has been a net 0.17% increase in housing production per year. Note that this is substantively lower than the City's population growth rate, implying that a substantive amount of population increases have been accommodated through household size increases.

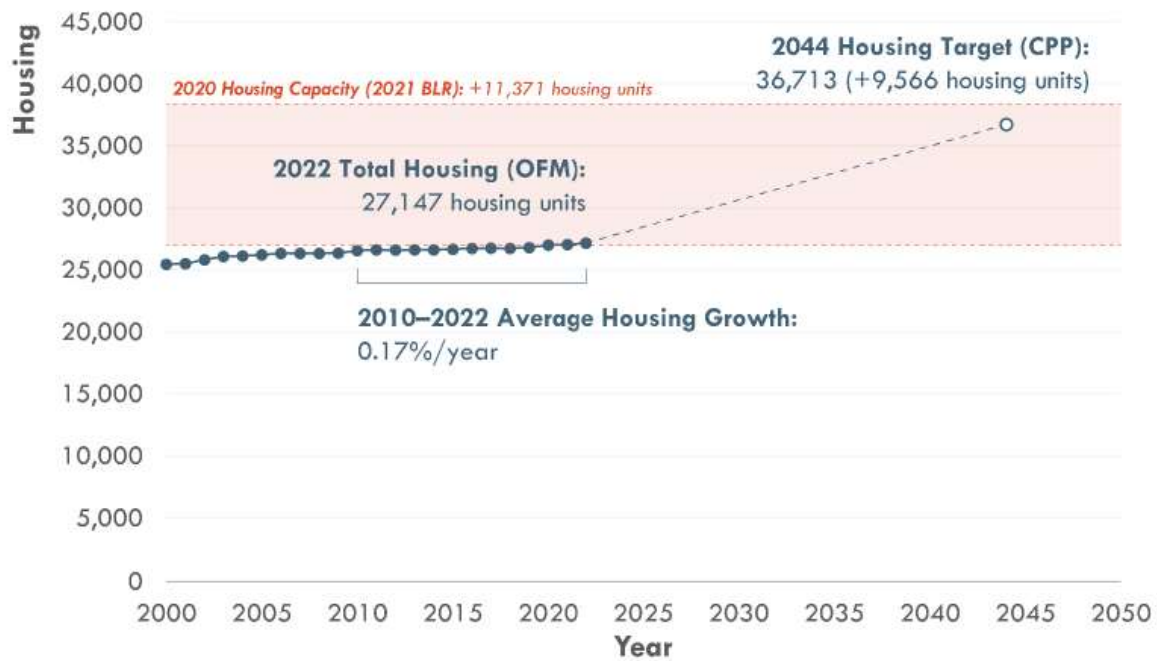
Exhibit 24. Housing Production, by Type and Year, 2011–2020.



Source: OFM, 2022; BERK, 2022.

▪ **Future housing production can be accommodated to meet the City's growth targets, but the rate of development will have to increase significantly.** In order for Lakewood to reach the 2044 housing target of 36,713 housing units as adopted in the Pierce County 2022 Countywide Planning Policies, there needs to be a substantive and sustainable increase in housing production over the next 20 years. **An average of 435 new units per year will be required, which is 73% higher than the peak production rate recorded in 2020.**

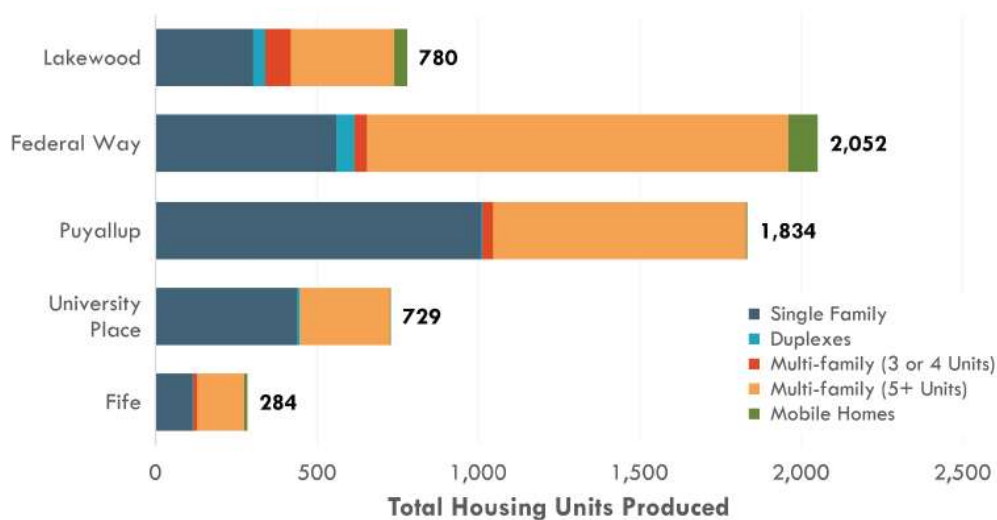
Exhibit 22. Housing Unit Counts and 2044 Housing Target.



Source: OFM, 2022; BERK, 2022.

▪ **Lakewood has had a greater proportionate amount of attached and multifamily units developed recently than many comparable communities.** Between Lakewood, Federal Way, Puyallup, University Place, and Fife from 2011 to 2020, only Federal Way had a lower percentage of single-family detached homes in their total housing production than Lakewood.

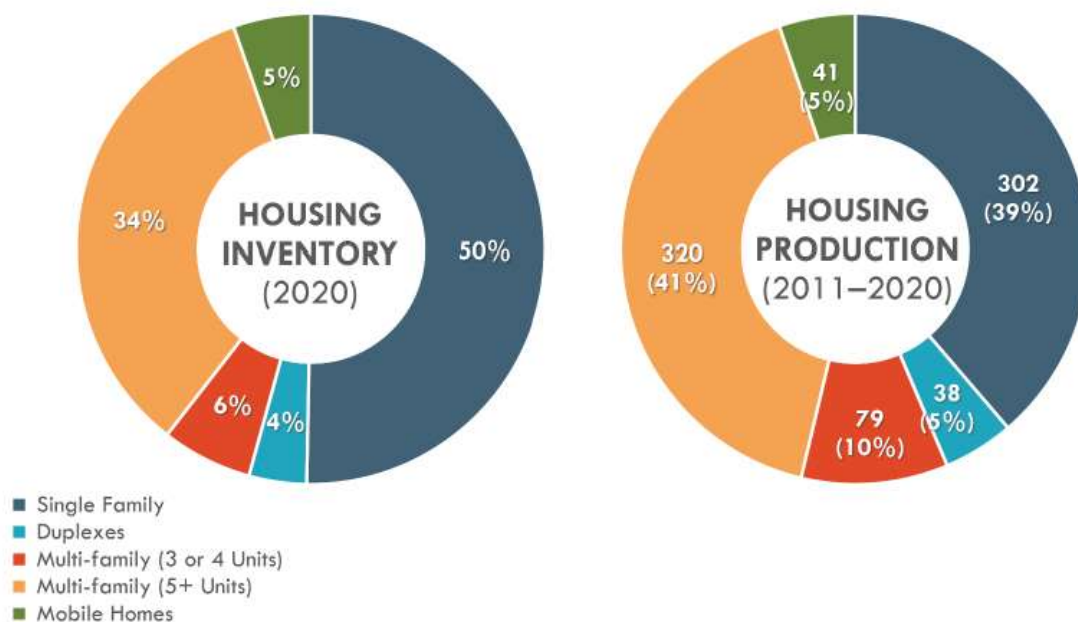
Exhibit 27. Total Housing Production Comparison, by Type, 2011–2020.



Source: OFM, 2022; BERK, 2022.

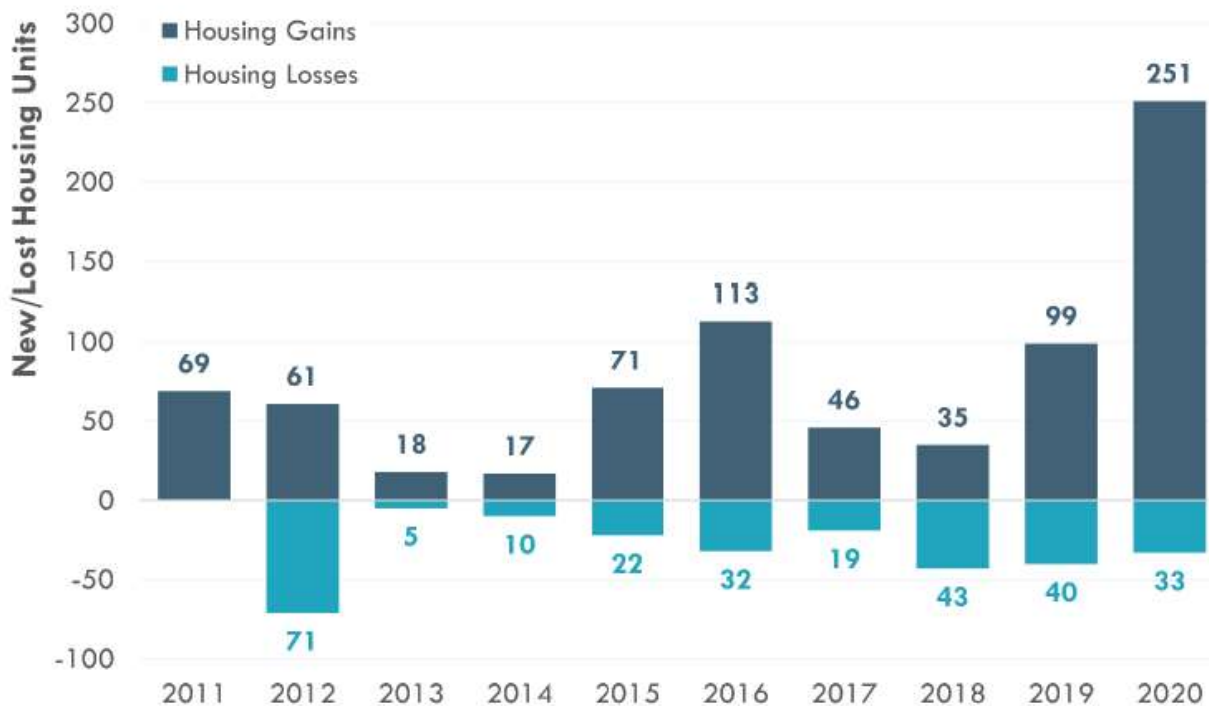
A significantly larger percentage of local development in Lakewood has also been developed as duplexes, triplexes, and fourplexes, than in these other jurisdictions, consisting nearly 15% of the total development in the community.

Exhibit 23. 2020 Housing Inventory and 2011–2020 Housing Production, by Type.



Source: OFM, 2022; BERK, 2022.

Exhibit 25. Housing Production, Gains and Losses, 2011–2020.



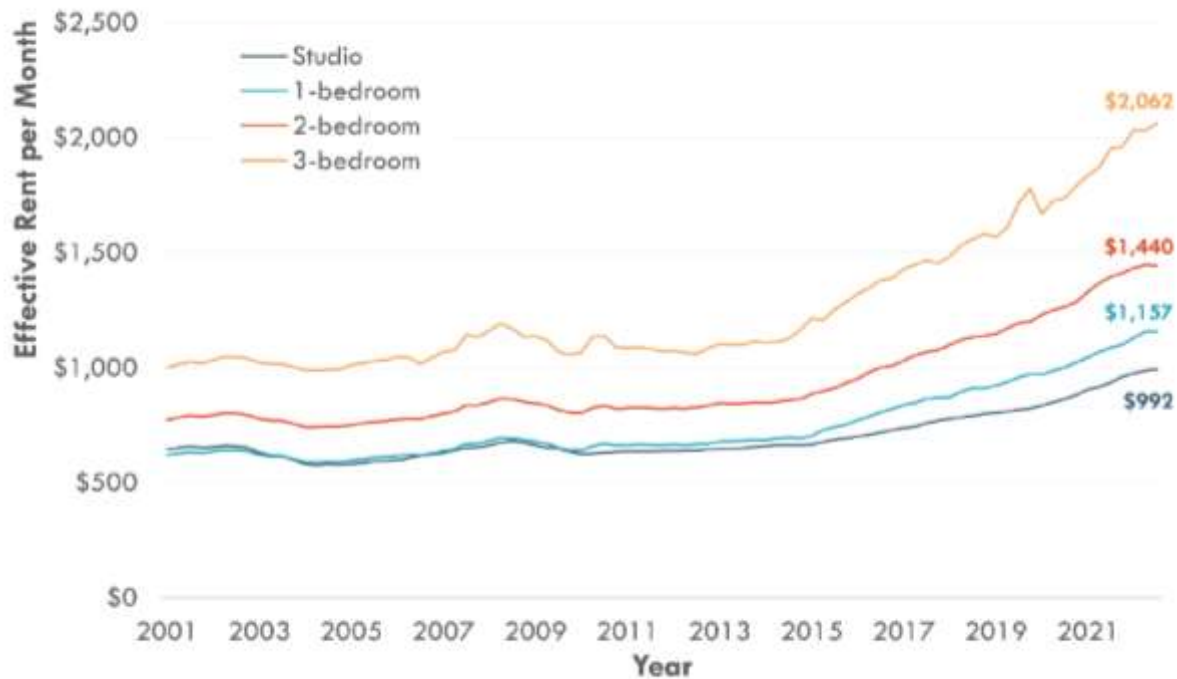
Source: OFM, 2022; BERK, 2022.

Housing Market Trends

Rental Housing

- **Rents have experienced a notable increase since 2014.** Rents in Lakewood have been experiencing considerable upward pressure since 2014. While these increases have differed by the size of the units in question, overall rents have been increasing by at least 5% per year, even during periods where rents in the overall market have decreased year-over-year.

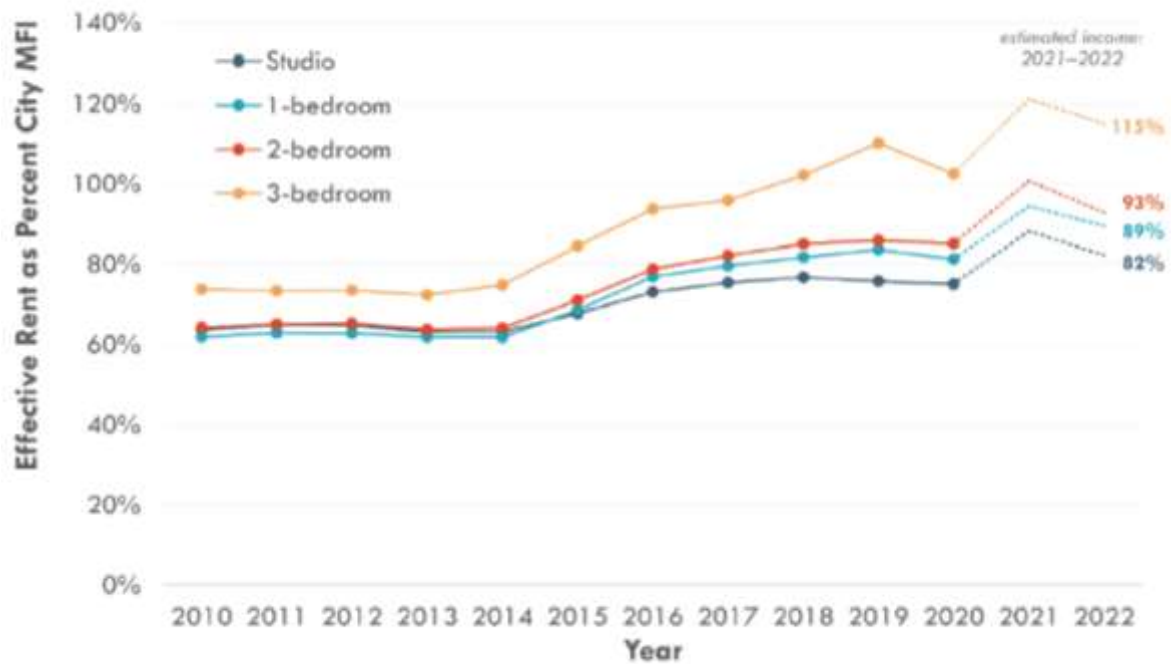
Exhibit 29. Effective Rents by Unit Size, 2001–2022.



Source: CoStar, 2022; BERK, 2022.

- **Rental affordability has also declined since 2014.** Between 2010 and 2014, median rents for studios to two-bedroom apartments were considered affordable to households with income at 60–65% MFI. Since then, 75% MFI is required for studios and 85% MFI for two-bedrooms. This increased further to an estimated 88–101% in 2021 and 82–93% in 2022. Three-bedroom units rent affordability increased to an estimated 115% of MFI in 2022.

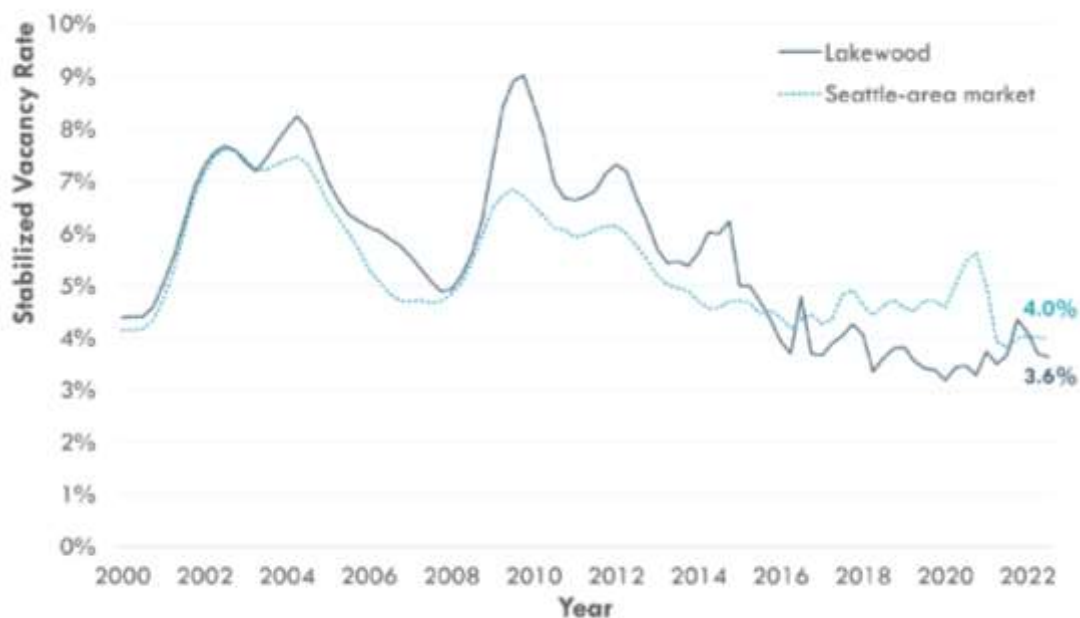
Exhibit 30. Effective Rent as Percent Lakewood Median Income by Size, 2010–2022.



Source: CoStar, 2022; ACS 2022; BERK, 2022.

- **Local vacancy rates have been trending lower than regional rates since 2015.** Before 2014 - 2015, vacancy rates in Lakewood were generally higher than regional vacancy rates overall. However, since then, regional vacancy rates have been higher than in Lakewood, suggesting that there may be higher pressure on prices in the local market.

Exhibit 32. Vacancy Rates, Lakewood and Region, 2000–2022.

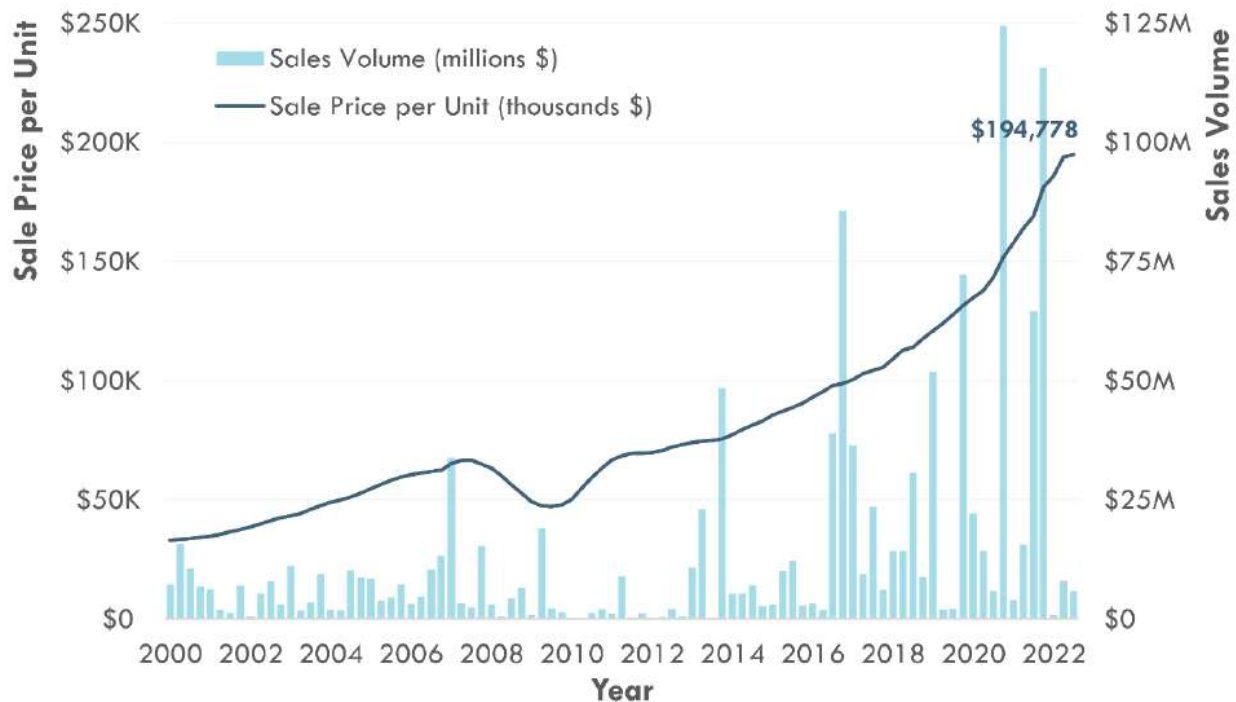


Source: CoStar, 2022; BERK, 2022.

- **Sales of multifamily housing suggest a greater involvement by institutional investors.**

The increase in sales volume and sale prices for multifamily housing has been notable since 2016. While this can be attributed in general to the increasing attractiveness of multifamily housing to investors in general, there has also been a general increase in sales from private to institutional investors. This trend indicates a greater willingness for larger investors to be involved in the Lakewood market.

Exhibit 33. Sales Volume and Sale Price per Unit for Rental Properties, 2000–2022.

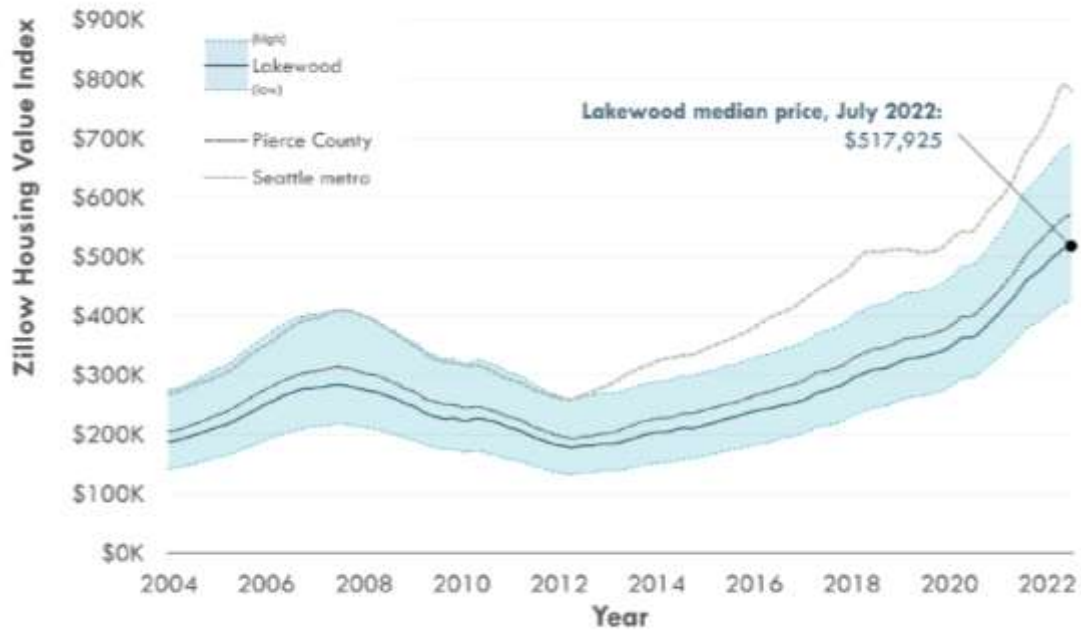


Source: CoStar, 2022; BERK, 2022.

Owner-occupied Housing

- **The Lakewood market is more affordable than others in the region but has been experiencing considerable recent increases.** Median prices for housing in Lakewood have increased from \$178,297 in April 2014 to a recent peak of \$517,925 in July 2022. This represents an increase of 190% from this market low over the past eight years, and is about 8.3% lower than Pierce County and 34% lower than the broader Seattle metro region. While Lakewood may present a more affordable option on average, national and regional increases in prices have also impacted the local market as well.

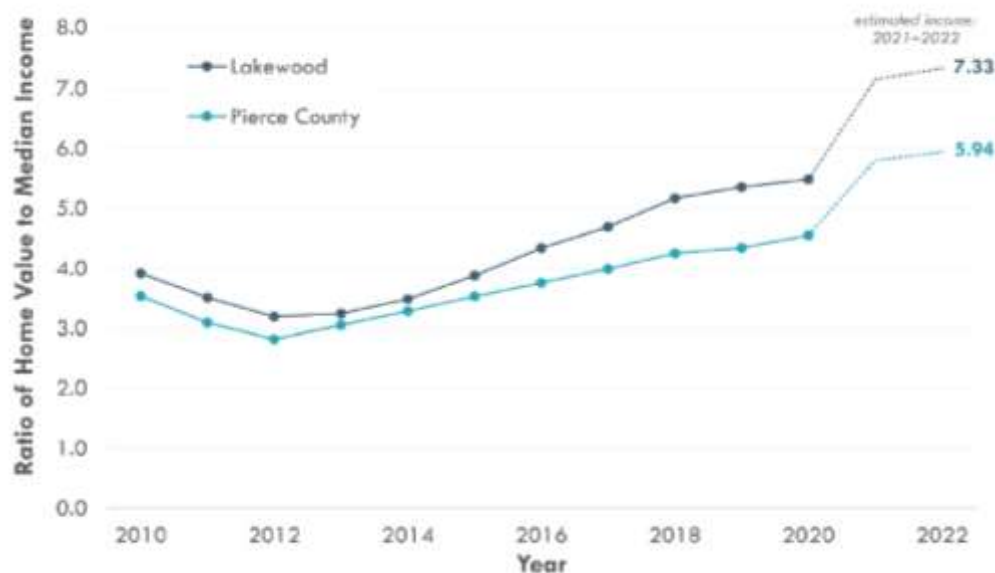
Exhibit 34. Home Value, Lakewood, Pierce County, and Seattle metro region, 2004–2022.



Source: Zillow, 2022; ACS 2022; BERK, 2022.

• **While owned-occupied housing is more affordable in Lakewood, this affordability is also declining.** The comparisons between median income and median owner-occupied housing prices highlight two major points. First, Pierce County is less affordable than Lakewood on average, with median housing prices, with an estimated ratio of 7.33 in 2022 for Pierce County versus 5.94 for Lakewood. However, in both cases, there has been a consistent increase in this ratio over time from a low in 2012, demonstrating that housing has become less accessible to households since the end of the previous recession.

Exhibit 35. Ratio of Home Value to Median Income, Lakewood and Pierce County, 2010–2022.



Source: Zillow, 2022; ACS 2022; BERK, 2022.

Housing Affordability

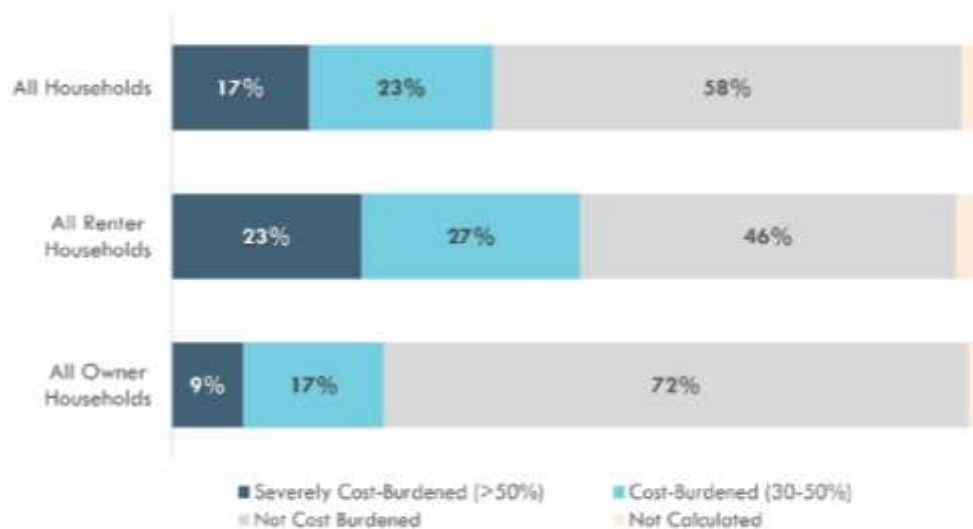
Household Cost Burden

Note that a major focus in this section is on rental housing versus owner-occupied housing. While challenges with accessing affordable housing to own can also be a challenge, many households have investment wealth in the housing that they own. In other cases, this housing can be owned outright, and “housing rich” households may have significant assets in their house despite having lower incomes.

When trying to evaluate the combination of market supply and demand factors and their impacts on households in the community, it is important to assess housing costs as compared to income. Under current metrics, the US Department of Housing and Urban Development provides two general thresholds for “housing cost burdens”:

- If households are paying **30% or more** of their income on housing and housing-related costs (e.g., utilities), they are considered to be **cost burdened**.
- Households that are paying **50% or more** of their income on housing are considered **severely cost burdened**. Lower-income households may experience some severe impacts on other necessary expenditures and be more at risk of housing insecurity, especially as housing rent increases generally outpace in household income increases.
- **About half of all Lakewood renter households are facing cost burdens.** About 50% of all renter households are facing some type of housing cost burden, and 23% are severely cost burdened. Only 26% of owner households face housing cost burdens, with 9% facing severe housing cost burdens. This highlights that affordability is a much more immediate consideration with renters, especially lower-income renters in the community.

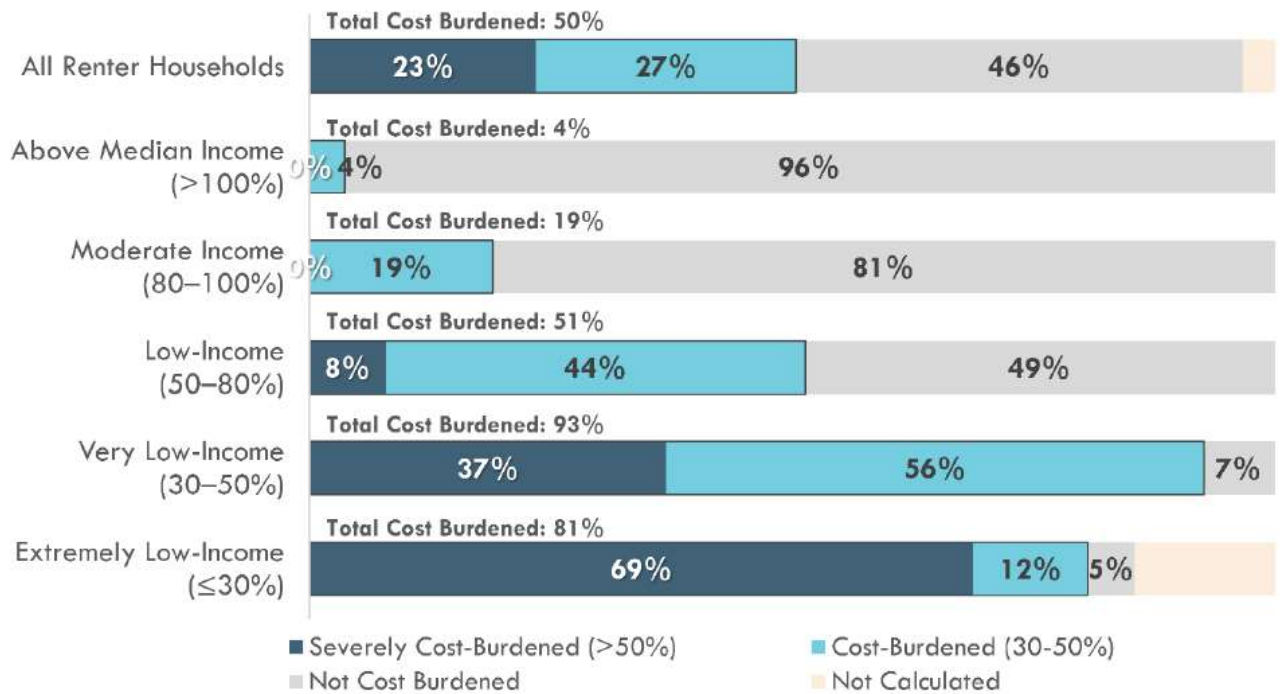
Exhibit 36. Percent of Households by Tenure and Cost Burden, 2018.



Source: 2018 CHAS, BERK, 2022.

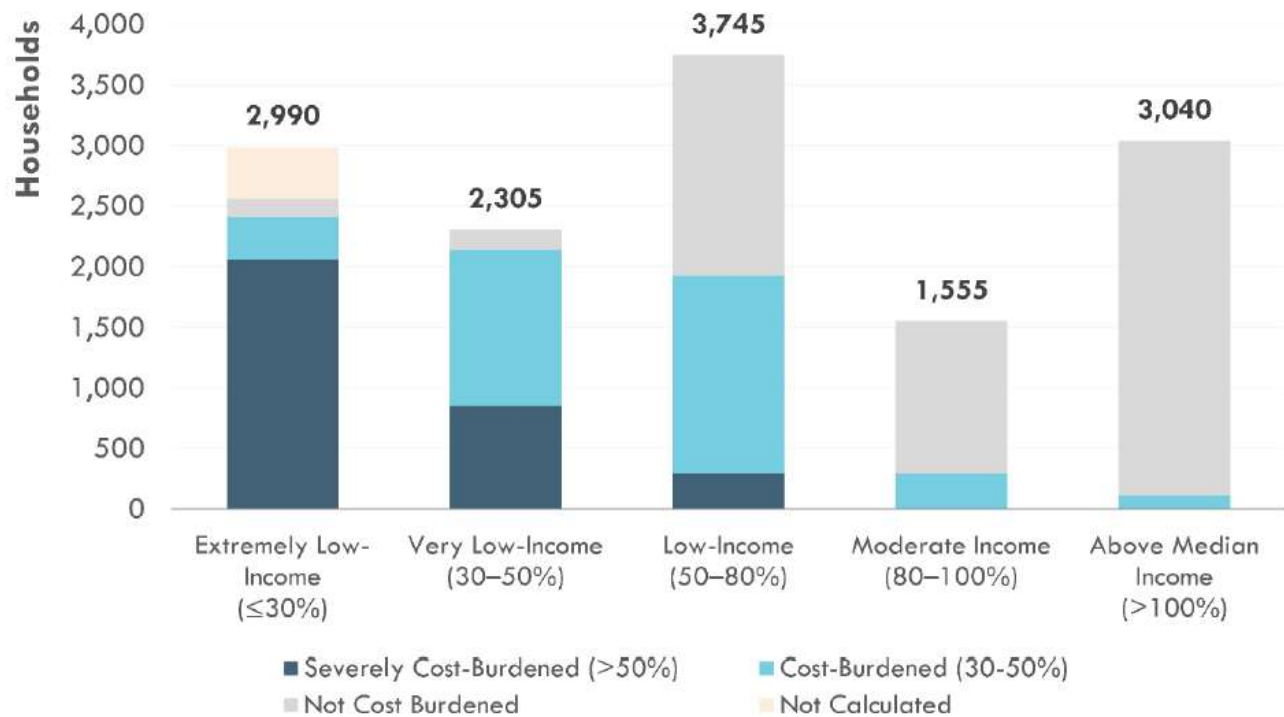
▪ **Lower-income renter households are experiencing considerable cost burdens.** In examining renter housing cost burdens, it is apparent that the greatest cost burdens are being experienced by very low- and extremely low-income households. Only 7% and 3% of these households, respectively, are not cost burdened. Additionally, 37% of very low-income and 69% of extremely low-income households are severely cost-burdened.

Exhibit 37. Proportion of Renter Households by Income Category and Cost Burden, 2018.



Source: 2018 CHAS; BERK, 2022.

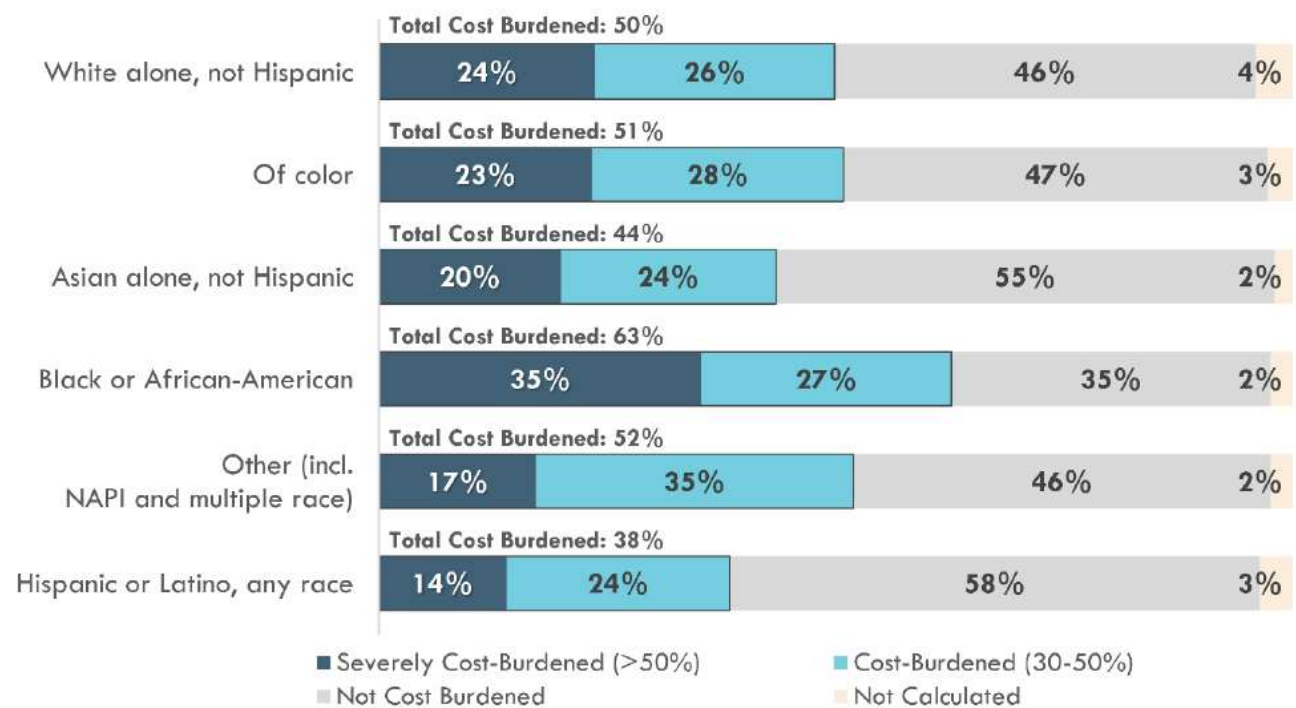
Exhibit 38. Renter Households by Income Category and Cost Burden, 2018.



Source: 2018 CHAS; BERK, 2022.

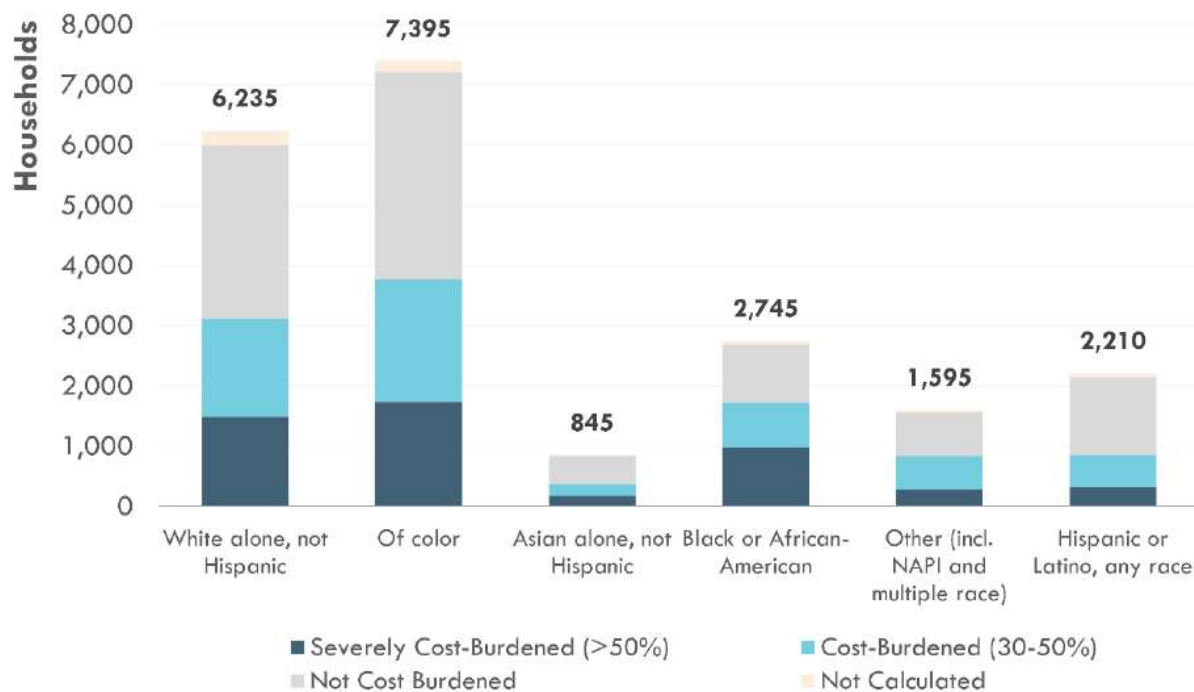
- **Black/African-American renter households are experiencing greater housing cost burdens in Lakewood.** 62% of renting Black households are facing housing cost burdens, as compared to 50% of white households. In addition, more Black or African American renter households are severely cost burdened (35%) than in other racial and ethnic groups. While this could be related to differences in household income, the data demonstrates that there is a difference by race in the needs for affordable housing in the City.

Exhibit 39. Proportion of Renter Households by Race and Cost Burden, 2018.



Source: 2018 CHAS; BERK, 2022.

Exhibit 40. Renter Households by Race and Cost Burden, 2018.

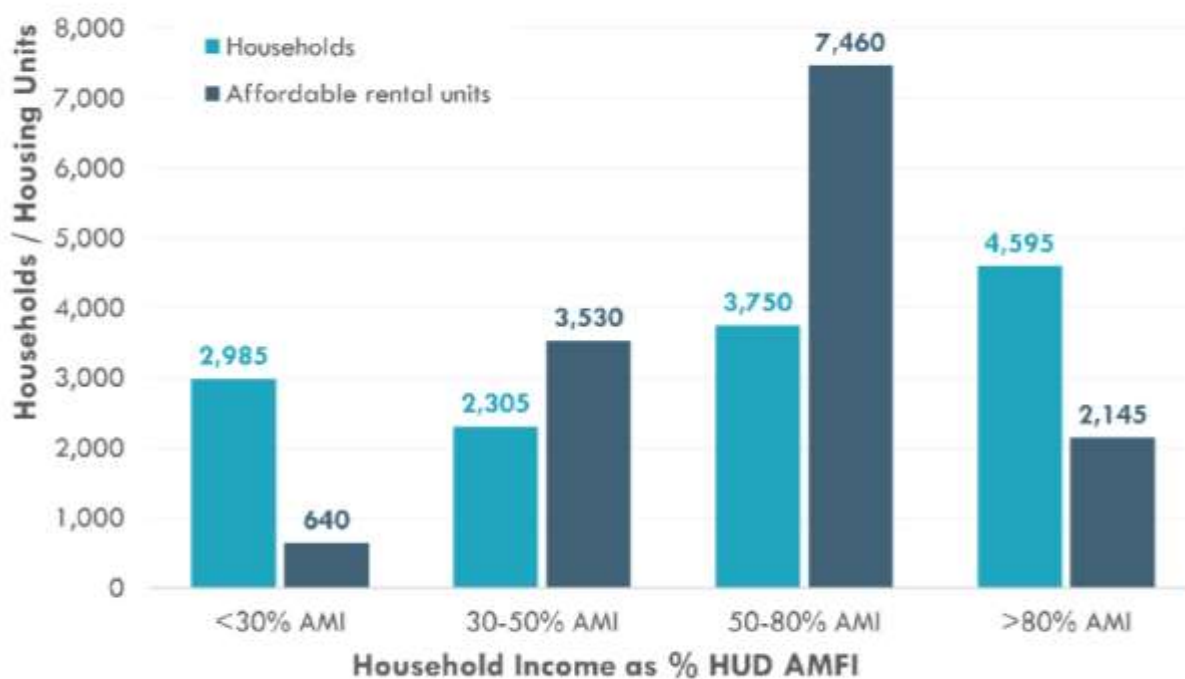


Source: 2018 CHAS; BERK, 2022.

Access to Affordable Units

▪ **There is notable “uprenting” and “downrenting” in the Lakewood market.** There are significant deficits at the high and low ends of the market, where there are more households than affordable housing units. This behavior, where extremely low-income households will tend to “uprent” and spend more of their household income on rent while moderate income households at 80% AMI or higher will tend to “downrent” and spend less of their income on housing, is not unique to Lakewood. The data indicate that the most significant housing gap in Lakewood is for extremely low-income households.

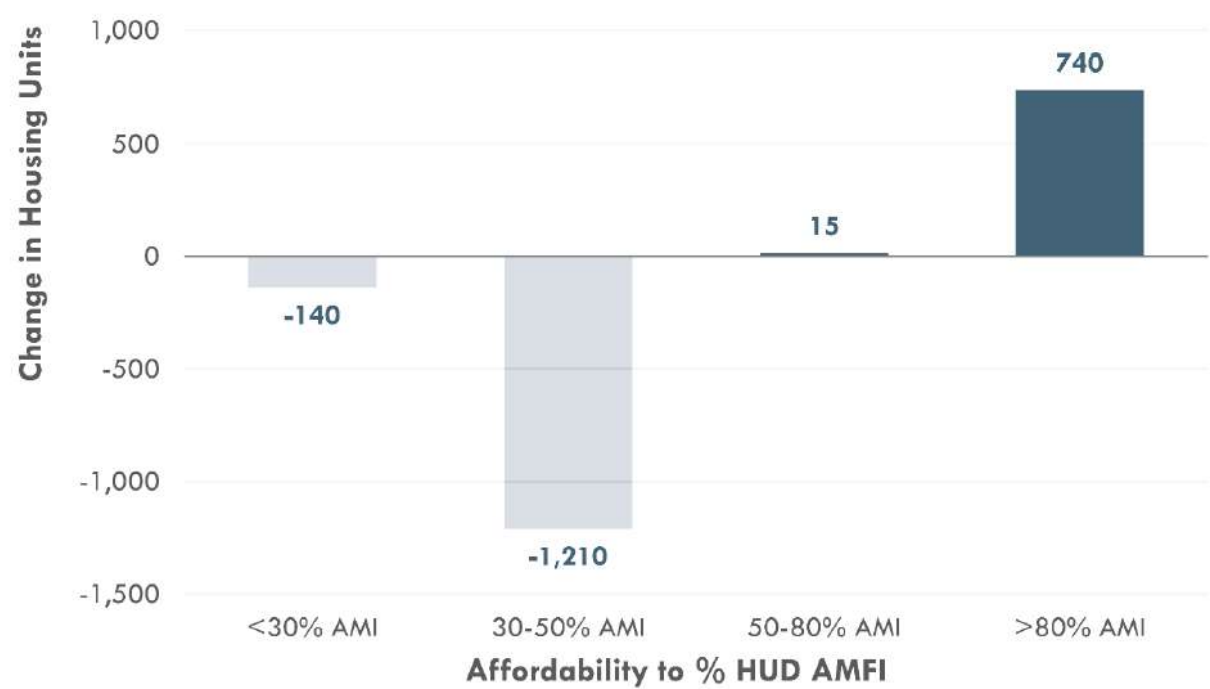
Exhibit 41. Renter Households versus Affordable Rental Units by Income Category, 2018.



Source: 2018 CHAS.

▪ **The losses of affordable housing have been greatest with housing affordable to very low- and extremely low-income households.** Between 2013 and 2018 there has been a decrease in the total amount of affordable housing available to households at 50% AMI or below. This may represent either rehabilitation or demolition of these units, or both. Housing affordable to households making 30 - 50% of median income has decreased by about 26%. The severe shortages for extremely low-income households suggests that even in this category there may be a significant increase in uprenting.

Exhibit 42. Change in Rental Affordability by Income Category, 2013–2018.



Source: 2013 and 2018 CHAS.

▪ **The role of Lakewood in meeting the needs for affordable housing for active-duty servicemembers should be considered in City planning.** In 2020, the South Sound Military & Communities Partnership published its Off-Installation Housing Study to highlight the need to improve housing options for active-duty members in communities around Joint Base Lewis-McChord (JBLM). The study identified the need to add 113,000 units by 2040 to meet projected population growth. The study recommends that JBLM and military housing needs are considered as part of the Lakewood’s comprehensive planning processes and that the City develop a JBLM Regional Policy Considerations Guide to coordinate with economic development and housing policy.

II. Housing for All Income Bands: Commerce Housing Needs Assessment Tool

To assist cities with their work to comply with HB 1220 and the 24CPPR requirements, Commerce is developing a tool to calculate the number of housing units at each AMI level and for emergency shelter a city must plan for. Included here is a *preliminary* calculation for Lakewood.

Lakewood Permanent & Emergency Housing Unit Needs – 9/12/22 Draft

Pierce County Population Growth Targets 2020 - 2044			
Jurisdiction	2020 Census Population	2020-2044 Population Growth	2044 Total Population
Lakewood	63,612	23,180	86,792

Pierce County Housing Unit (H.U.) Growth Targets 2020 – 2044			
Jurisdiction	2020 Census H.U.	2020-2044 H.U. Growth	2044 Total H.U.
Lakewood	26,999	9,714	36,713

User Input - Share of County Growth	100.00%	<-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.						
	Met Target							
6.91%	Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Temporary)
	Total	0-30%						
		Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%
2020	26,999	689	no data	4,565	11,699	4,347	2,250	3,449
2044 Target*	9,734	1,747	558	1,516	1,620	732	653	2,808
								351

*Discrepancy between 9,714 housing units in PC Ord. 2022-46s and 9,734 housing units in draft HNAT calculation is noted

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Using Lakewood's 2044 growth target of 9,714 housing units (per PC Ord. 2022-46s), HB 1220's requirements mean planning for the City's 2044 housing growth as follows:

0-30% AMI*	30-50% AMI*	50-80% AMI*	80-100% AMI*	100-120% AMI*	Unrestricted AMI*
2,305 Units (558 Units PSH, 1747 non-PSH)	1,516 Units	1,620 Units	732 Units	653 Units	2,888 Units

*AMI – County AMI per 36.70A.070(2)(a)

Note: 351 emergency housing units also required in addition to AMI-specific and –unrestricted units