



LAKEWOOD CITY COUNCIL STUDY SESSION AGENDA

Monday, July 10, 2023

7:00 P.M.

City of Lakewood

Council Chambers

6000 Main Street SW

Lakewood, WA 98499

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<https://www.youtube.com/user/cityoflakewoodwa>

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Page No.

CALL TO ORDER

ITEMS FOR DISCUSSION:

- (3) 1. Living Access Support Alliance (LASA) Gravelly Lake Commons Project Update. – (Memorandum)
- (14) 2. Joint Lodging Tax Advisory Committee meeting. – (Memorandum)
- (20) 3. Lakewood Housing Needs Assessment. – (Memorandum)
- (151) 4. Flock Safety Security Camera Presentation. – (PowerPoint)

ITEMS TENTATIVELY SCHEDULED FOR JULY 17, 2023 REGULAR CITY COUNCIL MEETING:

- 1. Proclamation recognizing August 1, 2023 as National Night Out.
- 2. Presentation from Wagon West Mobile Home Park.
- 3. Authorizing the execution of an agreement with KPG Promas, in the amount of \$251,750, for design services for the Wadsworth, Silcox and Boat Street Sewer Extension project. – (Motion – Consent Agenda)
- 4. Authorizing the execution of an interagency agreement with the State of Washington Department of Ecology for the Pollution Prevention Assistance Partnership. – (Motion – Consent Agenda)

Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.

5. Authorizing the execution of an agreement with Flock Safety for security cameras. – (Motion – Consent Agenda)
6. Authorizing the execution of an agreement with Sound Pacific Construction, LLC, in the amount of \$893,699, for the Union Avenue SW Sidewalk project. – (Motion – Consent Agenda)
7. Appointing Ross Drangsholt, Mark Herr, Shawn C. Hill, Kris Kaufmann and Linda Smith to serve on the Independent Salary Commission. – (Motion – Consent Agenda)
8. Review of 2nd Quarter (2023) Police Report. – (Reports by the City Manager)

REPORTS BY THE CITY MANAGER

CITY COUNCIL COMMENTS

ADJOURNMENT

Persons requesting special accommodations or language interpreters should contact the City Clerk, 253-983-7705, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.



TO: Mayor and City Councilmembers

FROM: Jeff Gumm, Housing Program Manager and
Dave Bugher, Assistant City Manager for Development Services

THROUGH: Tho Kraus, Acting City Manager *Tho Kraus*

DATE: Monday, July 10, 2023

SUBJECT: Discussion of support funding for LASA Gravelly Lake Commons 25-unit affordable housing development

Background: On April 10, 2023 Study Session, Council reviewed a staff proposal to allocate \$1 million in HOME funding and \$1,175,489 (\$1,057,940 project funding/ \$117,549 administration- Lakewood Tacoma staff) in HOME-ARP funding in support of LASA's development of 25 units of affordable housing at 8956 Gravelly Lake Dr. SW. During this review, Council raised multiple questions surrounding the project and expressed concern related to development costs and general management of the project once completed. A separate attachment, Attachment A, has been provided that reviews the specific Council questions along with detailed responses. This memo also provides additional information about the project in general.

Quick review of the LASA Gravelly Lake Commons affordable housing project.

The Living Access Support Alliance (LASA) Gravelly Lake Commons development looks to develop 25 new units of affordable housing for low-income households. The project will be considered phase 3 a four phased development, with the first being LASA's development of the Client Service Center and 15-units of affordable housing in 2015, and the second consisting of the currently ongoing hygiene center expansion - shower, bathroom, laundry, personal items and clothing bank, and computer access (anticipated to be completed in late-August). A future Phase 4 will look to complete the construction project with an additional 30 affordable units. Recent discussions with LASA's new Executive Director, Jason Scales, revealed LASA is beginning to engage funders and developers to explore the possibility of moving the final phase of construction project forward sooner so it is more closely aligned with the completion of LASA's 25-unit development process.

This project will provide affordable housing units with no supportive housing provisions or restrictions and will be solely managed and operated by LASA. The Tacoma Housing Authority will not be involved in this phase of development, as they were when LASA

constructed their initial 15 units of affordable housing. All management decisions and tenant selections will be conducted by LASA outside the coordinated entry/centralized intake system (centralized intake or Access Point for Housing is used by Pierce County to coordinate is regional homelessness approach where clients are initially screened and connected to regional providers participating in the County's 10-year plan to end homelessness). This project will be developed as permanent affordable housing with access through LASA, outside this coordinated entry process.

The project will construct a mix of one, two and three bedroom units and will be located at the corner of Gravelly Lake Drive, 59th Street SW and Fairlawn Drive SW. Affordable housing units constructed as a part of this project will serve low-income households at or below 80% of area median income (AMI) with a focus on serving those at 30-50% AMI. A minimum of one unit will be set aside to serve eligible HOME-ARP clientele. For Lakewood, a household of four would be considered low-income (80% income limit) with a maximum household income of \$86,000. HOME regulations require that all HOME-assisted units, at initial lease up, be rented to households at or below 60% AMI (\$64,500 for a household of four).

What does LASA's development budget look like? Total construction costs for the Prairie Oaks Commons 25-unit affordable housing development are \$10.5 million. To date, LASA has been awarded \$3.5 Million from Pierce County (ARPA funds) and a conditional \$1 Million in ARPA funding from the City of Lakewood, additionally \$500,000 in direct funding from the State of Washington for a total project commitment of \$5 million.

LASA is seeking \$2.5 Million in direct funding from the federal government and has active application for funding. State funding is expected in full; however, federal funding is anticipated to be funded at a between \$2 and \$2.5 million. As of now Representative Strickland has forwarded LASA's ask into the proposed THUD budget request with subcommittee review anticipated in the next three weeks. Once passed through subcommittee, it then must be approved via House bill and then Senate bill. Our federal lobbyist is optimistic the funding will move through the process to a successful conclusion; however, a bit slowed with the recent debt ceiling imbroglio.

Currently, all approved (and requested) funding does not require the project to provide permanent supportive affordable housing, simply affordable housing. This is important when looking at a project's clientele mix and the cost required to provide mandatory supportive services. Should Lakewood provide additional HOME funding, these funds do not require supportive services be provided, in fact, HOME funds prohibit the requirement that tenants enroll in required services. Any clientele in this project would have access to all of LASA's services and would be encouraged to avail themselves of the services as they move from homelessness, into this project, and ultimately on to a self-sufficient lifestyle. By not requiring permanent supportive housing as a funding requirement, overall project costs are decreased and LASA's flexibility of selecting clients is increased.

Is LASA going to receive the \$4.41 million it requested from the State Housing Trust Fund?

The Gravelly Lake Commons project was not initially funded and was waitlisted for its FY 2022 HTF request. The project was again passed over for funding with the latest round of

projects that were funded from that waitlist as Commerce prioritized rural projects and gap funding over waitlist projects with its reallocation of funding.

What does LASA's current project budget look like?

With a current commitment of \$5 million, LASA's budget is still looking to fill a gap of \$5.5 million to reach its \$10.5 million project budget. Should the State and federal direct funding requests be funded in full at \$3 million, the project still has funding gap of \$2.5 million (likely this number will be slightly reduced leaving a larger gap of approximately \$3 plus million). With the HTF application not being funded, LASA's anticipated funding gap remains at \$3 plus million. The City's HOME and HOME-ARP funding request totaling \$2,057,940 will close this gap to \$942,060. The remaining gap is proposed to be filled with non-federal, private and foundational funding raised by LASA. Typically, private and foundational gifts are easier to raise once federal and local commitments are made and the project is nearing full funding. Attachment B provides a project budget submitted by LASA.

Who is LASA's new Executive Director and how was the position filled?

Mr. Jason Scales is the new Executive Director for LASA. Mr. Scales was hired in April after an extensive hiring process and search headed by LASA's Board, with City of Lakewood staff (Jeff Gumm) involved in the interview and rating process. Approximately fifteen candidates were interviewed with the final three being forwarded on the full Board for final interviews.

Mr. Scales comes to LASA with a long history of housing, human services and workforce development background. He recently served as Interim Director of the Tacoma Community House and was responsible for the overall operation of the Tacoma Community Center and the REACH Center. Prior to this, Mr. Scales served as the Client Services Director/Director of the Reach Center from October 2019 – January 2022, and Client Services Director from February 2015 to October 2019.

What process does LASA intend to use to screen for current and future tenants?

LASA's current 15-unit affordable housing development (Prairie Oaks) was constructed in 2015 with funding provided from Pierce County, Lakewood (HOME, CDBG & Section 108), and other funding sources. The project involved the construction of new affordable housing units and a new client services center for LASA. As part of this process, LASA partnered with the Tacoma Housing Authority for the development and management of the housing side with Pierce County Housing Authority providing housing vouchers for the project. This process, although convoluted, provided the needed development experience – THA, and funding stream – PCHA, to support the project's operating requirements. LASA remained in charge of the services side of the project. THA and LASA have an operating agreement that runs a total of ten years and the project is then returned to LASA.

As THA is in charge of the housing side with PCHA providing vouchers, tenants are screened through coordinated entry and THA/PCHA procedures, not LASA's procedures.

LASA follows all state, federal, and fair housing laws and regulations when it comes to screening. Currently, for properties that LASA owns, we run a credit/criminal report through Global Verification Network. The background looks at all district, municipal, and superior court systems in the state of Washington. It pulls not only convictions, but all

charges. Automatic no's are sex offenses, violent crimes against a person or persons, arson, and drug manufacturing. All other items are accepted/rejected on a case-by-case basis depending on the nature of the incident and length of time since it occurred.

What does LASA have in the way of 2022 tax returns and an annual report?

LASA states that it is, "...working on it." LASA has its annual audit tentatively scheduled for the first week of August. Finding an auditor has been difficult through the COVID period. LASA has reached out to a few other businesses to conduct the audit, but they are booked out six to nine months.

What does the project's proforma look like (including all revenue and expenses)?

Please see the attached budget.

What requirements and restrictions the City could impose should it choose to fund this project?

As part of the funding commitment process, the City could enforce certain clientele requirements, such as household income limitations, and family size restrictions (based on International Property Maintenance Code Section 404, Occupancy Limits which establish occupancy limits with a formula based on square footage and number of occupants per bedroom/living room/dining room). However in doing so, we need to be mindful of establishing screening or policy requirements so as not to run afoul of fair housing law or current federal requirements that prohibit certain discriminatory practices.

What staff would recommend is for LASA to maintain certain internal policies and procedures to ensure all clients are screened appropriately and any tenant who does not follow certain behavioral or community standard practices is engaged quickly and appropriate action is taken to address the issue, up to and including removal from the housing project.

What is the process moving forward?

Should Council be in favor of moving forward with a proposal of commitment of funds in support of the LASA Gravelly Lake Commons 25-unit housing project, staff will put together a funding request for review at a future Council meeting. The funding request would include \$1 million in HOME funds and \$1,175,489 (\$1,057,940 project funding/ \$117,549 administration- Lakewood Tacoma staff) in HOME-ARP funding.

Attachments:

- A - City Council questions with LASA responses; &
- B - Project Budget.

ATTACHMENT “A”

City Council Questions with Responses

April 10, 2023

Councilmember Moss - wanted to know how the new director was hired; what process was used.

There was a panel consisting of three board members, Tracy Bowen, Thomas Thompson, Betty Beer, and one city representative, housing project manager, Jeff Gumm. Janne Hutchins attended but did not rate the applicants. Once all candidates were interviewed, the review panel passed along the three highest rated to the LASA Board. The Board then interviewed the final three and made the decision on who to hire.

Comments from Jason Scales, LASA Executive Director: “As the person who went through the process, it was very thorough. I had two interviews, spoke with the previous Executive Director who gave a very honest view of where the agency was, and spoke with members of the board in the final decision-making process.”

Councilmember Lauricella – wanted to know how tenants are screened.

Some clarification on the ownership and management of the Prairie Oaks units is needed to fully respond to the question.

LASA is not the owner of, nor the property manager of the 15 Prairie Oaks units. As a part of the funding to build the units, Tacoma Housing Authority (THA) assumed ownership of the units. THA has a property management company that manages the units. All units are connected to a voucher through Pierce County Housing Authority (PCHA). PCHA does all the screenings and follows rules and regulations from HUD. All residents are referred to Prairie Oaks through the Coordinated Entry system. LASA does provide services to residents of the units, so that they can increase their income, build a positive rental history, and move out to their own unit. Residents are not required to accept services.

“LASA does not screen potential residents, decide on compliance issues with leases, and/or make final decisions on evictions. LASA does provide information on potential and current residents so that PCHA, THA, and the property management company can make decisions with as much information as possible.

All Gravelly Lake Commons units will house individuals or families who earn below 30% to 50% of the Area Median Income. The populations that are targeted are families at risk of homelessness, veterans, and seniors. These populations are the most vulnerable to increasing housing costs in our neighborhoods now and in the future.

First and foremost, we follow all state, federal, and fair housing laws and regulations when it to screening. Currently, for properties that LASA owns, we run a credit/criminal report through Global Verification Network. The background looks at all district, municipal, and superior court systems in the state of Washington. It pulls not only convictions, but all charges. Automatic no's are sex offense, violent crimes against person, arson, and drug manufacturing. All other items are accepted/rejected on a case-by-case basis depending on the nature of the incident and length of time since it occurred.

As an affordable housing provider, we believe that housing is the foundation for City of Lakewood residents to build a life where they thrive. We want to invest in our neighbors who maybe have never had that investment. This does mean that we may screen in potential residents that a for-profit property management group may not. It also means that we are going to take the safety and stability of all residents very seriously. The Gravelly Lake Commons project will be a steppingstone for families, veterans, and seniors to build a life where they thrive. Their safety and stability is paramount in their ability to be successful. If a resident's actions put the safety and stability of others at risk, we will take appropriate action.

The importance of the Gravelly Lake Commons project for LASA, and the reason we have approached funding the way we have, is so that we will have more control over who the residents are and how long they stay. We did not want to limit the populations we housed by the funding we accessed to build the units. That is one of the reasons the City of Lakewood funding is so important to us."

Councilmember Bocchi - wanted to know about HTF and if the State is going to commit funds.

"Currently, we are on the waiting list. It does not look good for the current round. We are applying again. The application is due September 18th. I believe there is a good chance that we will receive funds this time around because they should be the final funds, and that is what they have traditionally funded. The HTF looks at local support and ability to fully fund the project. With the funding that Pierce County and City of Lakewood, and the support several organizations, such as the Tacoma/Pierce County Affordable Housing Consortium LASA will be checking those all-important boxes.

There is also a push to make sure Pierce County is getting their fair share of the housing trust fund, which has not always been the case. In a possible new funding format Pierce County would be one of two counties, King County being the other, to receive specific allocations from the Trust Fund."

Belle- Wanted to meet new ED and understand the director's take and plan for the organization.

"My vision for LASA, which of course is adjusting daily as I learn more, is to make sure those who are unhoused become housed and stay housed forever. What I would like to do is to build a continuum of services where someone calls us and/or is referred to us by Coordinated Entry who is literally homeless, and we can get them in a unit that day. Once they are settled, we can find them more stable housing through our services such as Rapid Rehousing. During that time, we can walk alongside them as they increase their income, possibly attend school or a training program, and build the foundation for moving into their own housing that they 100% pay for. This may include units that LASA owns such GLC. It can take years to recover from tough times financially, housing wise, and/or dealing with trauma. We want to make sure that Lakewood families and individuals have that opportunity.

We want to be part of the solution to the housing crisis on multiple levels. This includes building properties such as Gravelly Lake Commons. The only way housing is going to be affordable for all of us is if we build. There are not enough housing options in the South Sound area. We need to invest in building more living units.

Other areas I would like to see us grow are family and veterans shelter units. We need to move people out of encampments, their cars, and on the streets. Let's have options for 30 to 60 days for them to stabilize so they can move forward.

Finally, I would like to focus our work in the Lakewood area. This is our home, these are our neighbors, and our community. It is our priority to make sure we are a part of building a stronger Lakewood where everyone has the opportunity to make it their home and thrive.”

Councilmember Anderson - wanted most recent tax returns and annual report (2022) showing income and expenses.

“We are working on it. We have our annual audit tentatively scheduled for the first week of August. Like many nonprofits, finding an auditor has been difficult through the COVID period. I have reached out to a few other businesses to conduct the audit and they are booked out for six to nine months.”

Multiple questions from Councilmembers - what process does LASA have for safety of households residing in the complex.

“LASA is limited in our ability in what we can do in the Prairie Oaks units. Here is what we do:

- 1) Clearly communicate any issues we see or hear about from residents to the property management organization. For example, one of the tenants complained about late night traffic in the parking lot. We passed that information along to the property manager.
- 2) Set clear expectations with residents we are working with about following the rules and regulations in the lease.
- 3) When we notice issues that may be a violation of the lease, we are communicated with the resident about what is going on and what we are seeing. We will also pass that information along to the property manager.
- 4) There are now cameras covering all the public areas of the building and parking lot. LASA does have access to view these cameras.

What we are planning on doing:

- 1) Holding some events for residents with LASA staff. Some of these events are going to be workshops such as financial coaching. These events were put on hold during COVID. We need to build a better community with the residents we work with as we are their neighbors as well.
- 2) Evictions are currently happening. As you know the eviction moratorium and some of the COVID procedures to evict led to extended stays for many residents who would have moved on during normal times and are now.
- 3) Cameras have been installed and when a resident raises an issue, we look it up on the camera and forwarding that on.”

Councilmember Anderson – wanted pro forma, budget, and operations budget for project.

“I can provide what we have turned in to the county and the state in our applications.”

Councilmember Brandstetter – not a question to LASA, but for City staff. He wanted to know what restrictions and conditions we could put in place for new tenants.

Programmatically, the City has its own general HUD conditions which relate to household income, and other homeless requirements (HOME ARPA funding requirements) that target McKinney Vento-type clients. The City’s ARPA funds do not require supportive services be provided; HOME does not require supportive services; and neither does the County funding or State and federal grants. As proposed for the new project, the clientele that is selected will be of LASA’s choosing. Clients will not go through PCHA or THA, and coordinated entry. The City could institute certain requirements so long as they are

complaint with fair housing law, accessibility requirements, HUD general requirements, and other equity issues relating to housing and recent court rulings. LASA can develop requirements and conduct background checks, but they have to be careful when discriminating against persons with felonies and the like as they are not automatic disqualifiers under fair housing law.



Gravelly Lake Commons Draft Budget

Acquisition Costs:

Land	N/A Already Aquired
Existing Structures	\$0
Liens	\$0
Closing, Title & Recording Costs	\$0
Extension payment	\$0
Other:	\$26,000
SUBTOTAL	\$26,000

Construction:

Demolition	\$45,000
New Building	\$5,650,000
Rehabilitation	
Contractor Profit	\$200,000
Contractor Overhead	\$150,000
New Construction Contingency	\$720,000
Rehab Contingency	
Accessory Building	
Site Work / Infrastructure	\$750,000
Off site Infrastructure	
Environmental Abatement - Building	
Environmental Abatement - Land	
Sales Tax	\$650,000
Bond Premium	
Equipment and Furnishings	\$26,000
Other: Inspections	\$25,000
SUBTOTAL	8,241,000

Soft Costs:

Buyer's Appraisal	
Market Study	\$7,500
Architect	\$500,000
Engineering	\$150,000
Environmental Assessment	\$5,500
Geotechnical Study	\$5,000
Boundary & Topographic Survey	\$5,000
Legal - Real Estate	\$30,000
Developer Fee	\$850,000

Project Management / Dev. Consultant Fees	
Other Consultants	
Soft Cost Contingency	\$200,000
Other:	
SUBTOTAL	\$1,753,000

Pre-Development / Bridge Financing

Bridge Loan Fees	
Bridge Loan Interest	
SUBTOTAL	\$0

Construction Financing

Construction Loan Fees	
Construction Loan Expenses	
Construction Loan Legal	
Construction Period Interest	
Lease-up Period Interest	
SUBTOTAL	\$0

Permanent Financing

Permanent Loan Fees	
Permanent Loan Expenses	
Permanent Loan Legal	
LIHTC Fees	
LIHTC Legal	
LIHTC Owners Title Policy	
State HTF Fees	
Other:	
SUBTOTAL	\$0

Capitalized Reserves

Operating Reserves	\$113,275
Replacement Reserves	\$37,500
Other:	
SUBTOTAL	\$150,775

Other Development Costs

Real Estate Tax	\$5,000
Insurance	\$35,000
Relocation (from Form 4)	\$59,000
Bidding Costs	
Permits, Fees & Hookups	\$34,285
Impact/Mitigation Fees	
Development Period Utilities	
Nonprofit Donation	
Accounting/Audit	

3rd Party Certification of final development cost
Marketing/Leasing Expenses
Carrying Costs at Rent up/Lease Up Reserve

SUBTOTAL	\$134,085
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Bond Related Costs of Issuance (4% Tax Credit/Bond Projects Only)

Issuer Fees & Related Expenses
Bond Counsel
Trustee Fees & Expenses
Underwriter Fees & Counsel
Placement Agent Fees & Counsel
Borrower's Counsel - Bond Related
Rating Agency

SUBTOTAL	\$0
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<i>Total Development Cost:</i>	\$10,304,860
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To: Mayor and City Councilmembers
From: Tho Kraus, Deputy City Manager
Dana Kapla, Assistant Finance Director
Through: Tho Kraus, Acting City Manager *Tho Kraus*
Date: July 10, 2023
Subject: Joint Lodging Tax Advisory Committee Meeting

Overview

As authorized under state law, the City of Lakewood has enacted a lodging tax. The City receives a 7% share of the taxes collected by Washington State from lodging-related businesses located within the City. The 7% breaks down into 4% which can be used for tourism promotion, or the acquisition and operation of tourism-related facilities. The additional 3% is restricted to the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions that serve a minimum of one million visitors per year.

This memo discusses the City's Lodging Tax Advisory Committee (LTAC), the estimated funds available, how the funds may be used and the upcoming 2024 grant allocation process.

Lodging Tax Advisory Committee

If a city collects lodging tax, state law requires the formation of a Lodging Tax Advisory Committee (LTAC). The committee must have at least five (5) members, each member must be appointed by the City Council and the committee membership must be comprised of the following:

- At least two members of the committee must represent businesses required to collect the tax; and
- At least two members of the committee must represent entities who are involved in activities authorized to be funded by the tax; and
- One elected official of the City, who serves as chairperson of the committee.

There is no maximum number of participants on the LTAC; however, there must be equal members representing businesses authorized to collect and entities authorized to receive funding. Mayor Jason Whalen currently serves as Chair. Other committee members include:

Represent Businesses Authorized to Collect Tax

Jarnail Singh, Comfort Inn & Suites
DJ Wilkins, Best Western Lakewood

Represent Entities Authorized to Receive Funding

Dean Burke-Bird, Travel Tacoma - Mt. Rainier Tourism & Sports

Linda K. Smith, Lakewood Chamber of Commerce

One role of the LTAC is to make recommendations to the City Council in regards to how the taxes are to be used. All applicants for awards of lodging tax must apply to the City through the LTAC.

The LTAC receives all applications for lodging tax revenue and recommends a list of candidates and funding levels to the City council for final determination. By state law, the City Council may choose only recipients from the list of candidates and recommended amounts provided by the LTAC. An August 2016 informal opinion from the Attorney General's Office interpreted this to mean that the legislative body may award amounts different from the LTAC's recommended amounts, but only after satisfying the procedural requirements which requires that the City submit its proposed change(s) to the LTAC for review and comment at least 45 days before final action is taken.

The objective of the LTAC process is to support projects which encourage eligible tourism and cultural activities that support tourism in Lakewood. The members of the committee will carefully consider each request based on the following criteria: funds available; past performance; ability to attract tourism, particularly from outside the 50 mile radius; strength of the applications; and the City's desire to retain dollars for future capital project(s).

The general, LTAC annual work plan is as follows:

- Jul: Joint LTAC meeting to review guidelines, past grants awarded and potential funding for the following year's grant allocation.
- Sep: Listen to applicant presentations and make funding recommendations.
- Nov: Present recommendations to the City Council.

Grant Awards Process, Estimated Available Funds and Reporting Requirements

Grant Application Process

Any organization, including businesses and the City, can use the funds to advertise and promote tourism through the media. The promotion must be designed to attract tourist to Lakewood with the goal of increasing the number of overnight stays in lodging facilities located within the City. Capital projects funding is limited to those under City ownership.

2023 LTAC Application Schedule for 2024 Grant Awards (subject to change):

- Monday, July 31, 2023 Application period opens (available on the City's Finance webpage).
- Friday, August 18, 2023 Notification of intent to apply and method of submittal.
- Monday, August 21, 2023 Applications due by 5:00pm.
- Tuesday, September 12, 2023 Application packet compiled and submitted to LTAC.
- Friday, September 22, 2023 Applicant presentations to LTAC & LTAC makes funding recommendations.
- Monday, November 13, 2023 LTAC Funding recommendations presented to the City Council for consideration.
- Monday, November 20, 2023 City Council approves 2024 LTAC Grant Awards
- January 2024 Contracts issued for FY2024 LTAC grant awards.

Estimated Available Funds

The City estimates the 2023 projected revenue amount to be \$1,125,000 and the estimated ending fund balance to be \$3,240,825 on December 31, 2023.

In 2007, the City entered into an agreement with Clover Park Technical College to contribute 11% of the construction costs for the McGavick Center. The contribution is in equal installments of \$101,850 over 20 years (last installment is June 2026). In return for the contribution, the City has use of the center for 18 days per year for a 30-year period to be used for tourism related activities. The City's practice has been to use the available restricted funds for this commitment.

The available balance for 2024 grant allocation, net of the required McGavick Center contribution is \$3,138,975.

Total Estimated Funding Available for 2024 Grant Awards	Restrictions on Use		Total
	4%	3% (Restricted)	
	Reserved for tourism, promotion, acquisition of tourism related facilities, or operation of tourism related facilities.	Reserved for acquisition, construction, expansion, marketing, and management of convention facilities.	
Estimated Ending Balance, 12/31/2022	\$1,440,104	\$1,800,721	\$3,240,825
Less Required for CPTC McGavick Center	\$0	(\$101,850)	(\$101,850)
Total	\$1,440,104	\$1,698,871	\$3,138,975

Note: The 3% is restricted to capital; however, the 4% is not restricted and may be used for capital as well.

Sources & Uses - 5 Year History						
	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Estimate
Revenues						
4% Revenue:						
Special Hotel/Motel Tax (2%)	\$ 306,901	\$ 309,868	\$ 247,803	\$ 353,906	\$ 400,024	\$ 321,429
Transient Rental Income Tax (2%)	288,084	317,282	247,803	355,057	400,029	321,429
	594,985	627,150	495,606	708,963	800,053	642,858
3% Revenue:						
Special Hotel/Motel Tax (3%)	460,351	464,803	371,705	530,858	600,036	482,143
	460,351	464,803	371,705	530,858	600,036	482,143
Interest Income	22,883	22,666	7,693	2,118	38,681	10,000
Total Revenues	\$ 1,078,219	\$ 1,114,619	\$ 875,004	\$ 1,241,939	\$ 1,438,770	\$ 1,135,000
Tourism/Promotion	368,943	438,502	354,665	425,639	632,177	802,500
Capital	1,057,311	280,686	421,943	169,899	101,850	101,850
Total Expenditures	\$ 1,426,254	\$ 719,188	\$ 776,608	\$ 595,538	\$ 734,027	\$ 904,350
Beginning Balance	\$ 1,513,242	\$ 1,165,207	\$ 1,560,638	\$ 1,659,034	\$ 2,305,432	\$ 3,010,175
Ending Balance	\$ 1,165,207	\$ 1,560,638	\$ 1,659,034	\$ 2,305,432	\$ 3,010,175	\$ 3,240,825
Estimated Ending Fund Balance from the 4% Unrestricted Revenue =>					\$ 1,594,449	\$ 1,440,104
Estimated Ending Fund Balance from the 3% Restricted (for Capital) Revenue =>					\$ 1,415,725	\$ 1,800,721

Previous Grant Awards

The following table provides a 6-year history of grant awards.

Lodging Tax Grant Award History (2018-2023)						
Applicant	2023	2022	2021	2020	2019	2018
Asian Pacific Cultural Center	15,000	15,000	15,000	10,000	5,000	5,000
CoL - Concert Series	30,000	20,000	20,000	20,000	6,000	2,500
CoL - Farmers Market	57,000	35,000	35,000	20,000	20,000	20,000
CoL - Lakewood Film Festival, REEL Life 96	-	17,100	-	-	-	-
CoL - Love Lakewood Festival Serices, First Saturday	-	30,000	-	-	-	-
CoL - Media Production/Imaging Promotion	60,000	50,000	40,000	30,000	30,000	25,000
CoL - SummerFEST	135,000	80,000	80,000	80,000	50,000	40,000
CoL - Saturday Street Festivals on Motor Avenue	37,500					
Friends of Lakewold/Lakewold Gardens	100,000	85,000	50,000	50,000	30,000	45,000
Grave Concerns	5,000	-	-	-	-	-
Historic Fort Steilacoom Association	12,000	15,000	12,000	12,000	8,000	8,000
Lakewood Arts Commission - Asian Film Festival	-	-	-	-	-	7,000
Lakewood Arts Festival Association	23,000	20,500	19,500	19,500	17,500	5,000
Lakewood Chamber of Commerce - Night of Lights	25,000	25,000	25,000	20,000	20,000	-
Lakewood Chamber of Commerce - Tourism	100,000	100,000	90,000	90,000	90,000	80,000
Lakewood Historical Society	32,500	35,000	35,000	42,000	20,000	25,000
Lakewood Playhouse	25,000	25,000	25,000	23,000	23,000	21,000
Lakewood Sister Cities Association	-	-	-	23,900	13,000	8,000
Lakewood Sister Cities Association - Gimhae	21,500	20,550	16,350	-	-	-
Lakewood Sister Cities Association - Internat'l Festival	9,000	5,500	7,550	-	-	-
Tacoma Pierce County Sports Commission	-	-	-	-	75,000	60,000
Travel Tacoma - Mt. Rainier Tourism & Sports	-	100,000	100,000	120,000	-	-
Travel Tacoma + Pierce County	115,000	-	-	-	50,000	25,000
Total Non-Capital (4%)	802,500	678,650	570,400	560,400	457,500	376,500
CoL - Fort Steilacoom Park Angle Lane	-	-	-	-	209,870	-
CoL - Fort Steilacoom Park Pavilion	-	-	-	-	-	403,490
CoL - Gateway Improvements	-	-	-	150,000	80,000	-
CoL - Harry Todd Park	-	-	-	-	200,000	-
Total Capital (3%)	-	-	-	150,000	489,870	403,490
	\$ 802,500	\$ 678,650	\$ 570,400	\$ 710,400	\$ 947,370	\$ 779,990
CPTC McGavic Center (Committee, Annual Payment)	101,850	101,850	101,850	101,850	101,850	101,850
	\$ 904,350	\$ 780,500	\$ 672,250	\$ 812,250	\$ 1,049,220	\$ 881,840

Post-Funding Report:

JLARC (Joint Legislative Audit & Review Committee) requires post-funding reporting of predicted and actual number of people who attended and the method used to determine attendance for various categories including: overall attendance; 50+ miles from their residence; out of state and out of country; paid for overnight lodging; did not pay for overnight lodging; and number paid lodging nights. All entities receiving lodging tax funds must provide this information to the City. The City will then report this information annually to JLARC.

The information as reported to JLARC for the 2022 grant program is included as an attachment.

City of Lakewood
Lodging Tax Funding Guideline
As Amended by the City Council on September 21, 2015

Background

The objective of the City of Lakewood Lodging Tax Advisory Committee process is to support projects, which encourage eligible tourism and cultural activities and support tourism facilities in Lakewood. The process is reviewed annually and the guidelines are updated in accordance with reported success of existing programs, potential for new programs and changes in state law. A calendar for the application process will be established but will allow for emerging opportunities as they arise.

Objectives for Hotel/Motel Tax Funds:

- Generate increased tourism in Lakewood resulting in over-night stays at local hotels.
- Generate maximum economic benefit through overnight lodging, sale of meals and goods, and construction of tourism-related facilities.
- Increase recognition of Lakewood throughout the region as a destination for tourism.
- Increase opportunities for tourism by developing new visitor activities.

Allocation Guidelines:

- The City shall seek proposals for funding on an annual basis from organizations seeking to use Hotel/Motel Tax funds for promoting tourism or for acquisition, construction or operation of tourism related facilities.
- Organizations seeking funding must complete an application form.
- The Lodging Tax Advisory Committee shall review the proposals and make recommendations to City Council as to which applications should receive funding.
- The final funding decision will be made by City Council in the form of approval or denial of the recommendation as recommended – no amendments to recommendations will be made by the City Council.
- Once approved for funding an organization must enter into a contract and funding will be provided in quarterly installments or on a reimbursable basis.
- Organizations receiving funding must submit a report at the end of the calendar year.
- \$101,850 will be paid annually to the Sharon McGavick Student Center through 2027 pursuant to the City's agreement with Clover Park Technical College.
- 4% - Can be used for tourism promotion, or the acquisition of tourism-related facilities, or operation of tourism-related facilities.
- 3%- Can only be used for the acquisition, construction, expansion, marketing, management, and financing of convention facilities, and facilities necessary to support major tourism destination attractions that serve a minimum of one million visitors per year.

City of Lakewood 2022 LTAC Awardees														
(Reported to JLARC)			Overall Attendance		50+ Miles		Out of State		Overnight		Non - Overnight		Paid Lodging	
Activity Name	Type	Funds Awarded	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual	Predicted	Actual
Asia Pacific Cultural Center	Event/Festival	\$15,000	5,000	7,500	1,500	2,500	50	30	10	10	600	1,000	200	300
Chamber of Commerce	Marketing	\$100,000	6,500	6,500	3,000	3,000	1,000	1,000	3,000	2,500	5,500	5,500	1,000	1,000
Chamber of Commerce Night of Lights	Event/Festival	\$25,000	3,000	2,200	250	100	50	40	300	280	2,700	2,060	300	140
Historic Fort Steilacoom	Marketing	\$15,000	-	546	-	40	-	20	-	-	-	486	-	-
Lakewood Arts Festival Association	Event/Festival	\$20,500	870	695	100	500	20	3	-	-	870	650	30	5
Lakewood Historical Society & Museum	Marketing	\$35,000	250	1,052	10	17	5	27	5	7	5	11	5	3
Lakewood Playhouse	Marketing	\$25,000	5,224	4,878	140	87	64	45	-	105	-	4,854	46	24
Lakewood Sister Cities Association Gimhae	Event/Festival	\$20,550	200	212	12	9	8	8	24	24	190	204	8	8
Lakewood Sister Cities Association	Event/Festival	\$5,500	8,000	7,000	400	100	45	15	20	15	7,525	6,860	30	25
Tacoma Regional Convention & Visitor Bureau	Marketing	\$100,000	204,160	309,942	66,992	119,347	15,227	27,139	59,937	99,053	31,525	61,793	40,582	62,834
The Friends of Lakewold	Marketing	\$85,000	10,000	11,676	2,000	1,455	-	1,200	-	-	-	-	-	-
CoL Farmers Market	Event/Festival	\$35,000	40,000	55,000	726	6,600	550	5,500	1,375	1,375	48,263	53,625	344	1,375
CoL Film Festival Reel Life 96	Event/Festival	\$17,100	500	650	65	32	-	-	30	32	300	300	65	32
CoL Media Communiactions	Marketing	\$50,000	25,000	25,000	1,563	6,250	-	-	250	2,500	22,500	22,500	250	2,500
CoL Saturday Street Festivals	Event/Festival	\$30,000	8,000	8,000	800	800	400	400	200	200	7,800	7,800	200	200
CoL Summer Concert Series	Event/Festival	\$20,000	2,300	2,500	25	50	10	20	10	20	2,400	2,400	10	20
CoL SummerFest	Event/Festival	\$80,000	25,000	25,000	6,250	6,250	3,750	3,750	2,500	2,500	22,500	22,500	2,500	2,500
Clover Park Technical College McGavick Center	Facility	\$101,850	-	-	-	-	-	-	-	-	-	-	-	-
		\$780,500	344,004	468,351	83,833	147,137	21,179	39,197	67,661	108,621	152,678	192,543	45,570	70,966



TO: City Council

FROM: Tiffany Speir, Long Range & Strategic Planning Manager

THROUGH: Tho Kraus, Acting City Manager *Tho Kraus*

DATE: July 10, 2023

SUBJECT: 2024 Comprehensive Plan and Development Regulations Periodic Review Process – Housing Needs Assessment; Racially Disparate Impacts & Equity within All Elements

ATTACHMENTS: Lakewood Housing Needs Assessment with Racially Disparate Impacts and Equity in All Elements Analysis (**Attachment A**); Summary of Lakewood Racially Restrictive Covenants (**Attachment B**); Excerpt from Draft Lakewood Equity Index Map (**Attachment C**); PSRC VISION 2050 Policies related to Racial Equity (**Attachment D**); June 2023 PSRC Racial Equity Assessment's Appendix A (**Attachment E**); Pierce County Ordinance 2023-22s 2044 Growth Targets (**Attachment F**); SSHA³P Attainable Housing in Lakewood Graphics (**Attachment G**)

BACKGROUND

The 2024 Comprehensive Plan Periodic Review (24CPPR) process requires:

- An inventory and analysis of existing and projected housing needs over the planning period (by 2044 for the current period), by economic income band, consistent with Lakewood's share of housing need, as provided by Commerce;
- Identification of capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing;
- Adequate provisions for existing and projected housing needs for all economic segments of the community;
- Identifying local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing;
- Identifying and implementing policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing;
- identifying areas at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
- establishing anti-displacement policies, with consideration given to:
 - o the preservation of historical and cultural communities;
 - o investments in low, very low, extremely low, and moderate-income housing;
 - o equitable development initiatives;
 - o inclusionary zoning;
 - o community planning requirements;
 - o tenant protections; land disposition policies; and
 - o consideration of land that may be used for affordable housing.

DISCUSSION

Inventory and Analysis of Existing and Projected Housing Needs

In 2021, House Bill 1220 amended the GMA to introduce new requirements that jurisdictions plan for the number of housing units as provided by the Washington State Department of Commerce, including the number of units needed by moderate, low, very low, and extremely low-income households and emergency housing, emergency shelters, and permanent supportive housing (RCW 36.70A.070(2).)

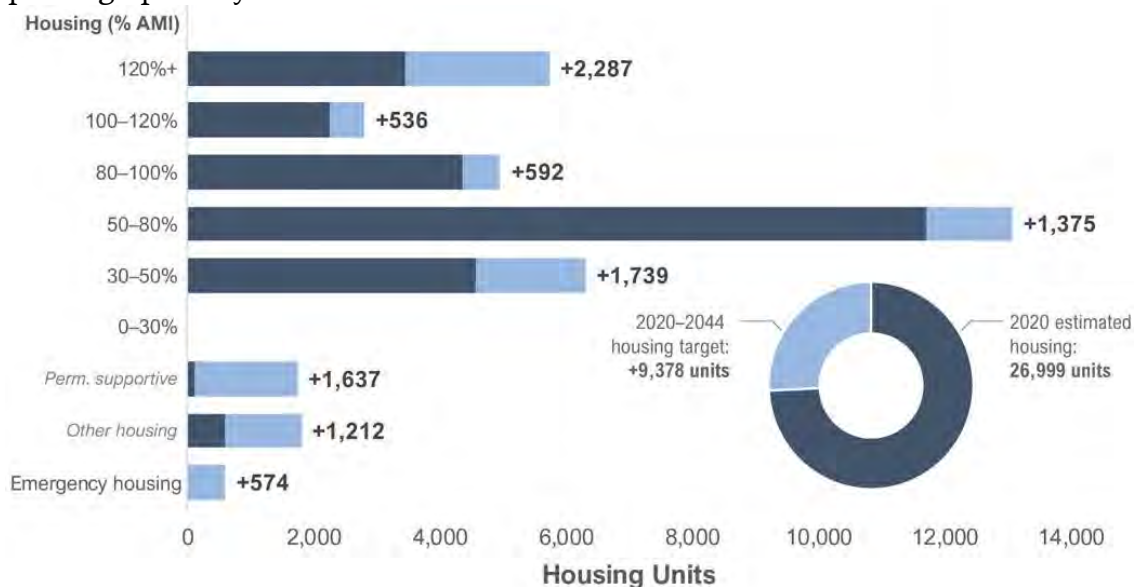
In response to this state law change, the Pierce County Council updated the 2044 housing unit growth targets for all jurisdictions through Ordinance 2023-22s, and then assigned numbers of housing units required for various are median income levels. In summary for Lakewood:

Pierce County Housing Unit (H.U.) Growth Targets 2020 – 2044				
Jurisdiction	2020 Estimated Housing Supply (HAPT)	2020-2044 Housing Units Growth (HAPT)	2044 Total H.U.	Emergency Housing Needs (HAPT)
Lakewood	26,999	9,378	36,377	574

Permanent Housing Needs by Income Level (% of Area Median income (AMI))										
		Total	0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Emergency Units
			PSH*	Non-PSH						
Lakewood	'20 Estimate	26,999	588	101	4,565	11,699	4,347	2,250	3,449	8
	'44 Allocation	9,378	1,212	1,367	1,739	1,375	592	536	2,287	574

*PSH = permanent supportive housing

Depicted graphically:



Highlights from Lakewood 2023 Housing Needs Assessment

The full 2023 Housing Needs Assessment is attached hereto as **Attachment A**. A summary of key findings is included below.

- **There are significant needs for extremely low-income housing options.** About 28% of Lakewood's total housing target must be allocated to extremely low-income households making 30% of area median family income or less. This is a substantial

policy change - the current Comprehensive Plan identifies that 25% of housing should be directed to households making 80% of median income or less.¹

- **Some new multifamily housing will need to be targeted to high-income households.** Generally, while there is a notable need for affordable housing at the lower income tiers, there is also a projected need for higher-income housing.
- **The most critical focus area for anti-displacement policies will be the Lakewood Station District and the Lakeview/Kendrick area.**

Recommendations for Action from Housing Needs Assessment

Considering low-income housing options, homeownership, improvements in amenities and community capital for neighborhoods with a greater proportion of residents of color as well as new multifamily development has the potential to address disparities in the community. To move further with addressing local needs for equity in housing, the 2024 Comprehensive Plan periodic review process should consider the following:

- **Incorporate state-mandated housing targets by income.** These state-mandated targets include very low- and extremely low-income households, as well as requirements for permanent supportive housing and emergency housing. The City should also provide direction as to how these targets may apply to individual subarea plans and other neighborhoods.
- **Include policies that focus on integration of neighborhoods by income.** Policies discussing how to accommodate new growth across different income levels should work to encourage mixed-income neighborhoods and developments. This can help promote access to amenities by lower-income households, and encourage better outcomes for households.
- **Provide stronger anti-displacement policies.** There is the risk that new projects will take up existing “naturally occurring” affordable housing units and replace them with units that are inaccessible because of higher rents or inappropriate size (e.g., family-sized units being replaced by one-bedroom units). The City should provide stronger policies towards preservation of existing affordable units and accommodation of new affordable units in market-rate projects through direct policy goals, adjustments to incentive programs, and grant and loan programs for encouraging preservation.
- **Celebrate local diversity.** A specific consideration should be to talk about local communities of color as valued community resources that should be preserved and strengthened. The International District is one area with a strong base of businesses that should be a focus of clear policies, and the impact of these businesses on maintaining different communities of color in Lakewood should be reinforced. Additionally, discussions of cultural diversity should clearly define many of the local communities that contribute to that diversity, and highlight local needs to support those communities.
- **Improve support for low-income homeownership.** While homeownership is identified as an important goal in current policy, these elements do not typically

¹ See Policy LU 2.14 in the [City of Lakewood Comprehensive Plan](#).

extend to discussions of how low-income households can be included as homeowners as well. Policies regarding creative solutions to encouraging low-income homeownership, such as community land trusts (CLTs) and comparable programs should be highlighted. This should also include specific links to partnerships with local housing organizations such as Habitat for Humanity.

- **Enhance emergency housing support.** As the City works to integrate new income-based housing targets and identified emergency housing needs into the Comprehensive Plan, another potential focus may be on providing proactive approaches to stabilize households facing housing insecurity. This would supplement existing programs for home repair and down payment assistance, and provide emergency rent subsidies to prevent households from becoming homeless.
- **Provide for housing navigation services.** The Lakewood Station District Subarea Plan includes suggestions for housing navigation services, which would look to pair community members displaced by new development with appropriate housing opportunities. Expanding this type of approach further in partnership with local housing organizations to include the entire City may be an approach to increase local housing stability and minimize broader displacement across the community.

Lakewood Current Population Characteristics

- Lakewood has had notably low population growth since incorporation.
- Housing development pace will need to increase in order to meet 2044 population targets.
- Lakewood's population has a disproportionately higher number of younger adults.
- Lakewood's population is becoming more racially diverse.
- Veterans form a key part of the population of the city.
- Small families are the most common type of household in Lakewood.
- Household incomes are lower than the county average.
- Recent increases in City median family incomes have been lower than county increases; this is due to a higher percentage of lower-income households.
- Household income differs distinctly between renters and owners.
- Black, Indigenous, and People of Color (BIPOC) households are more likely to rent than to own.
- Generally, African-American renting households are lower income than other renting groups.
- Levels of homelessness in Lakewood have increased recently.
- A greater proportion of low-income renter households have members with self-care or independent living limitations.

Workforce Characteristics

Lakewood is both a population center as well as a destination for local and regional employment. According to the PSRC, a total of 28,152 covered jobs were in Lakewood in 2021, which amounted to 1.04 jobs for every resident. This is important, as while Lakewood does serve a role as a residential community for commuters to regional job centers, including Tacoma, Seattle, and JBLM, it also serves as a local and regional employment center.

- There has been significant local employment growth since 2014.
- Lakewood represents a prime location for regional employment.
- 14.5% of City workers at their primary job reside in Lakewood.

- COVID-19 and its effects on employment patterns is still not fully understood.

Housing Capacity

Understanding where new development is an important part of developing effective housing policy. Under the [2021 Pierce County Buildable Lands Report](#), Lakewood had an identified capacity of 11,371 housing units, including:

- 8,889 units that could be accommodated on underutilized sites.
- 1,203 units on vacant multi-unit parcels.
- 226 units on vacant single-unit parcels.
- 1,053 units in the development pipeline.
- A large majority of future growth (78%) needs to be accommodated through infill development and redevelopment.
- Most currently zoned capacity is in multifamily zones. Although half of the current housing inventory is in single-family detached, only 14% of the total future capacity is found in areas where single-family zoning is not a conditional use.

Housing inventory and production

As of April 2022, the state Office of Financial Management estimated that Lakewood had a total of 27,147 housing units.

- Recent net housing production in Lakewood has been nominal.
- Future housing production can be accommodated to meet the city's growth targets, but the rate of development will have to increase significantly.
- Lakewood has predominantly been building multifamily housing in the last ten years.
- Lakewood has had a greater amount of attached and multifamily development than many comparable communities.

Housing Market Trends

Rental Housing

- Rents have experienced a notable increase since 2014.
- Rental affordability has also declined since 2014.
- Local vacancy rates have been trending lower than regional rates since 2015.
- Sales of multifamily housing suggest a greater involvement by institutional investors.

Access to Affordable Housing

- There is notable “uprenting” and “downrenting” in the Lakewood market.
- Extremely low- and very low- income households are more likely to uprent.
- The losses of affordable housing have been greatest with housing affordable to very low- and extremely low-income households.
- The role of Lakewood in meeting the needs for affordable housing from active-duty service members will also need to be considered.

Owner-Occupied Housing

- The Lakewood market is more affordable than others in the region but has recently experienced considerable recent increases.
- While owned-occupied housing is currently more affordable in Lakewood, this affordability is also declining.

Housing Cost Burden

- About half of all households renting in Lakewood are facing cost burdens.
- Lower-income households are experiencing considerable cost burdens.
- Black/African-American households that are renting are experiencing greater housing cost burdens in Lakewood.

Projected Housing Needs

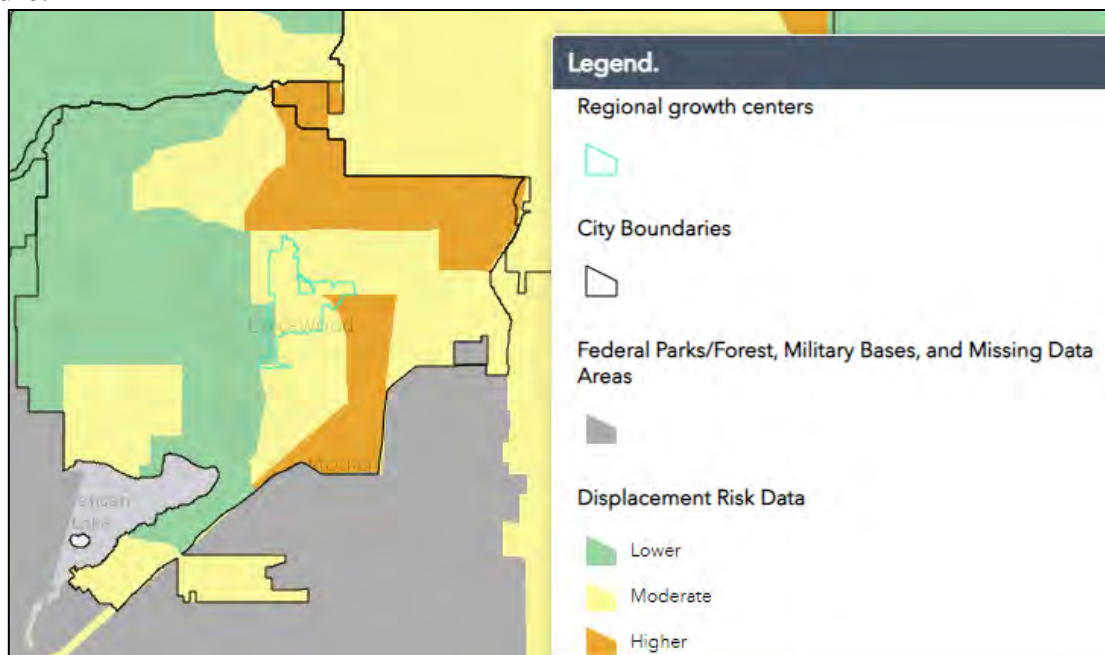
- Significant reliance on redevelopment opportunities.
- Capacity is focused in existing multifamily areas.
- Potential for displacement.

Racially Disparate Impacts and Equity in All Elements

Included below is a summary of the racial disparity and equity information gathered as part of the 2023 Housing Needs Assessment. The City will be conducting a review of its Comprehensive Plan policies, land use zoning, infrastructure capacity, and displacement “pressure areas” as part of the 24CPPR and presenting amendments to the City Council for consideration.

Displacement Risk Data:

Displacement risk is a composite of indicators representing five elements of neighborhood displacement risks: socio-demographics, transportation qualities, neighborhood characteristics, housing, and civic engagement. The PSRC displacement risk mapping tool and interactive report identifies areas where residents and businesses are at greater risk of displacement; it is used to identify what neighborhoods in the region are at higher risk of displacement so policy makers can prevent it from happening in the future.



[PSRC Displacement Risk Map](#)

Highlights from draft Lakewood Housing Needs Assessment re Racially Disparate Impacts and Risk of Displacement Findings

- Lakewood is more diverse than Pierce County as a whole.
- The city is becoming more diverse over time.
- There are significant differences in income distributions in the city between white and BIPOC households.

- **There is a significant lack of homeownership amongst households of color.**
- There are a disproportionate number of extremely low-income Black or African-American households compared to other races.
- There is a lower percentage of Hispanic/Latino households with above median income than other races.
- Black or African-American renters face significant cost burdens in the market.
- **The largest concentrations residents potentially sensitive to displacement are found on the eastern and southern edges of Lakewood.** This includes the Lakeview/Kendrick neighborhood and the Lakewood Station District, as well as Springbrook, Tillicum, and the International District.
- **The most critical focus area for anti-displacement policies will be the Lakewood Station District and the Lakeview/Kendrick area.** This is exacerbated by the fact that these areas include higher population densities and a high proportion of populations of color, which suggests that promoting housing development and encouraging displacement in these areas could provide a racially disparate impact.
- **Businesses in the Lakewood Station area as well as in the International District may also be at risk.** While this data highlights characteristics of Lakewood residents, there may be associated impacts to local businesses as well. In particular, businesses in the International District may be impacted if neighborhood changes result in increased pressures to relocate.

ATTACHMENT A
2023 Housing Needs Assessment

City of Lakewood Housing Needs Assessment

June 2023



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Exhibit 66. Distribution of Population by Race and Census Block, Lakewood.	744

Introduction

The City of Lakewood (see Exhibit 1) intends to update the Housing Element of its Comprehensive Plan with the deadline for adoption by December 2024. As part of this work, several steps are required to evaluate the current state of the housing market, determine current and projected housing gaps, assess existing policies, and determine changes to the Comprehensive Plan necessary to comply with state law and achieve local housing goals.

This report is divided into three main parts:

Current Housing Needs Assessment

The first part of this report provides an assessment of the housing needs in Lakewood. It is divided into the following sections:

- **Population and households.** Major characteristics of the population of Lakewood are described, including age, race, and income.
- **Workforce characteristics.** The dynamics of the local workforce are described, including the commuting patterns for the people that live and work in the city.
- **Housing supply and development.** Characteristics of the local housing stock are described, including the current units in the City and development trends for the market. This focuses on Lakewood, but also includes neighboring cities' information for comparison.
- **Housing market trends.** Current data about the market, including rent levels and housing sale prices. This highlights some of the major local and regional trends and indicate areas of potential concern for future action.
- **Housing affordability.** Examines major characteristics about local affordability and housing costs, with a focus on the accessibility of rental housing to residents.
- **Housing incentive programs.** Highlights some of Lakewood's existing programs that will have an impact on local housing. This focuses on major programs that incentivize new development and preserve housing affordability, but also includes other programs that are intended to maintain the safety and security of the existing housing stock.

Projected Housing Needs Assessment

The second part of this report provides the projected housing needs that the City of Lakewood will must plan for over the next twenty years. This focuses on:

- **Population and housing projections.** Estimates are drawn from the Pierce County Countywide Planning Policies to identify the targeted population of Lakewood by 2044, as well as the expected total housing stock required.
- **Projected housing needs by income level.** Based on guidance from the Department of Commerce, projected housing needs are divided by income level as necessary to present estimated needs by affordability targets.

- **Projected needs for emergency housing, shelters, and permanent supportive housing.** The Department of Commerce is providing the estimated local allocations for specialized types of housing directed at addressing homelessness and housing insecurity. This includes emergency housing and permanent supportive housing that can provide longer-term housing solutions for those in need of support services as well as secure housing options.

Racial Equity and Displacement

The final component of this report is based on the need to address long-term, systemic issues resulting racial exclusion in the housing market as well as the potential for displacement of racial, ethnic, and religious communities which have been subject to discriminatory housing policies in the past. New requirements provided in the Growth Management Act require communities to analyze the following when developing the Housing Element of their Comprehensive Plans:¹

- Areas that may be at higher risk of displacement from market forces that occur with changes to zoning, development regulations, and capital investments;
- Local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing;
- Options for policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions; and
- Options for anti-displacement policies, with consideration given to the preservation of historical and cultural communities.

This section includes:

- **Assessment of racially disparate impacts and displacement risks.** Based on key metrics, an assessment of current racially disparate impacts in housing is provided, as well as an evaluation of major displacement risks. This incorporates several major measures of housing exclusion and risk factors for displacement, as incorporated into established measures of socioeconomic vulnerability.
- **Audit of housing policies.** This section provides a review of major policies included in the current version of the Comprehensive Plan to understand the scope of how local policies may impact racially disparate impacts, displacement, and exclusion in housing, and highlights options for changes to these policies.
- **Recommendations for action.** From the assessment of Lakewood's racial disparate impacts and displacement risks, this part of the report highlights what options may be available for the City to adopt to help address these issues.

Note that the information for this Housing Needs Assessment is based on a range of sources, including:

- **Washington State Office of Financial Management** data on current population and housing, including more detailed information about housing development characteristics. Data on housing and population is available to April 2022, with information on housing production available to 2020.

¹ See [RCW 36.70A.070\(2\)](#).

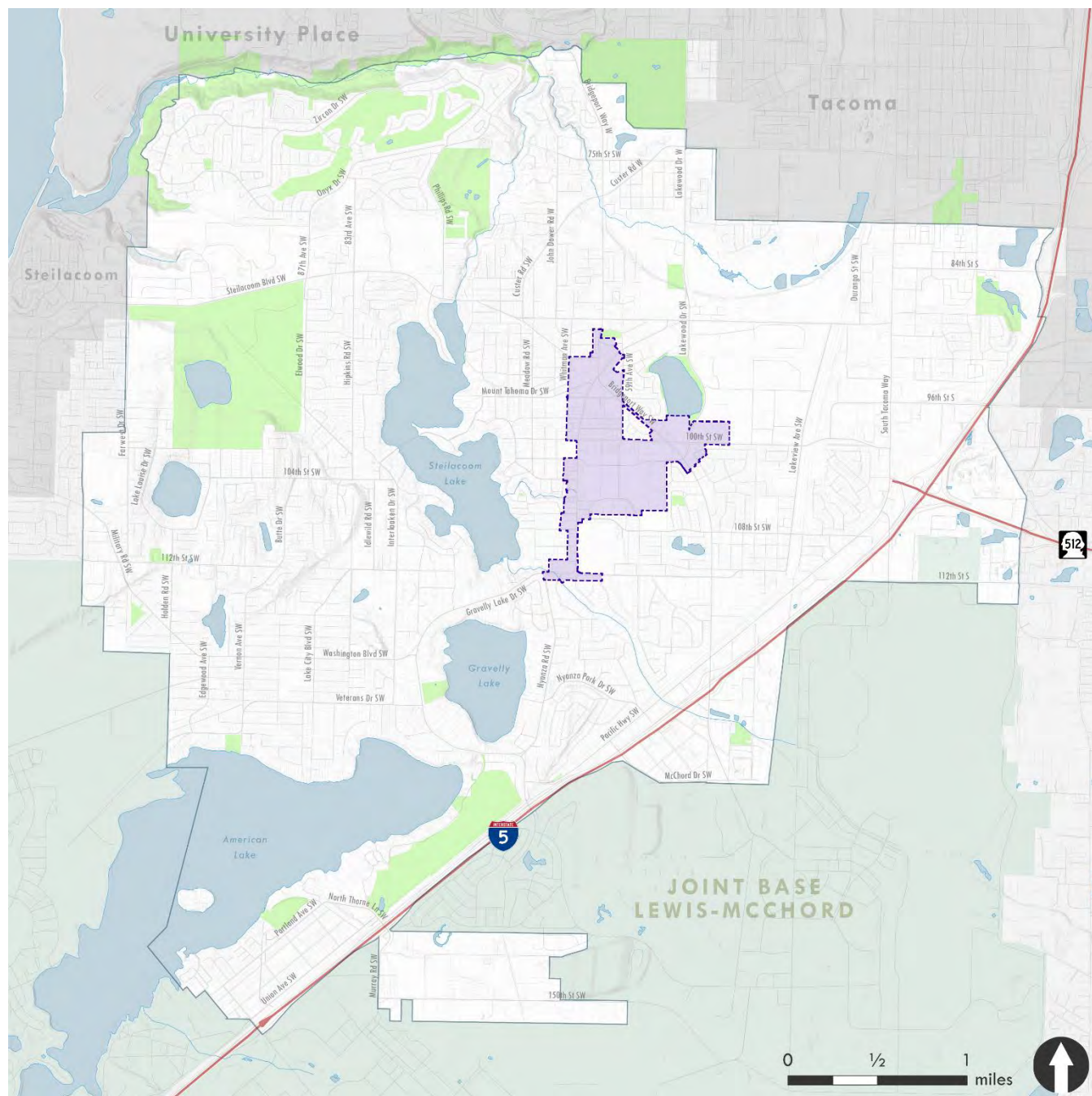
- **American Community Survey (ACS)** data from the US Census, with the most recent data available from the 2016–2020 5-year dataset for Lakewood. Note that this represents the most up-to-date demographic information available.
- **Comprehensive Housing Affordability Strategy (CHAS)** data from the US Department of Housing and Urban Development that relies on ACS microdata and pairs this with local housing market information to provide summaries of local housing affordability. The most recent CHAS dataset was released for 2015–2019.
- **Private sources of data**, including Zillow and CoStar, which are used to characterize the local housing markets. Note that this information is typically based on proprietary sources, and has coverage through 2022.

The lag in data availability is noted where applicable; while this may impact the immediacy of some of these results, this information represents the most up-to-date data that is commonly available.

Conclusion

The conclusion of this report details the major elements of the local housing market that should receive focus as part of new or revised policies. These points will receive additional attention in the review of local housing incentives as well as the development of the full Housing Element as part of the 2024 Comprehensive Plan Periodic Review per the Growth Management Act (GMA).

Exhibit 1. Overview of the City of Lakewood.



Legend

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

BERK
Map Date: October 2022

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

Part 1: Current Housing Needs

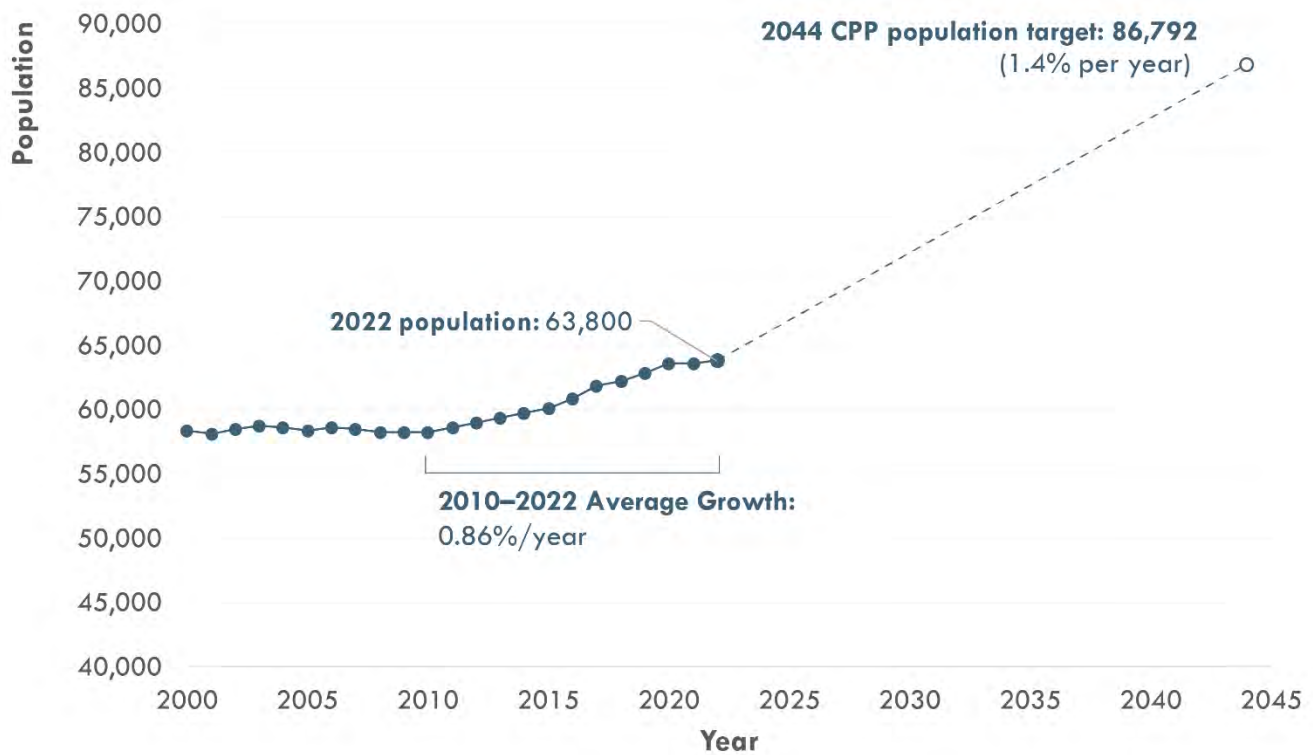
Population and Households

Population characteristics

Exhibits 2 through 8 provide details about the population of Lakewood, including population counts, projected targets, and age and race/ethnicity characteristics. From this information, there are several findings that are relevant looking at future housing needs:

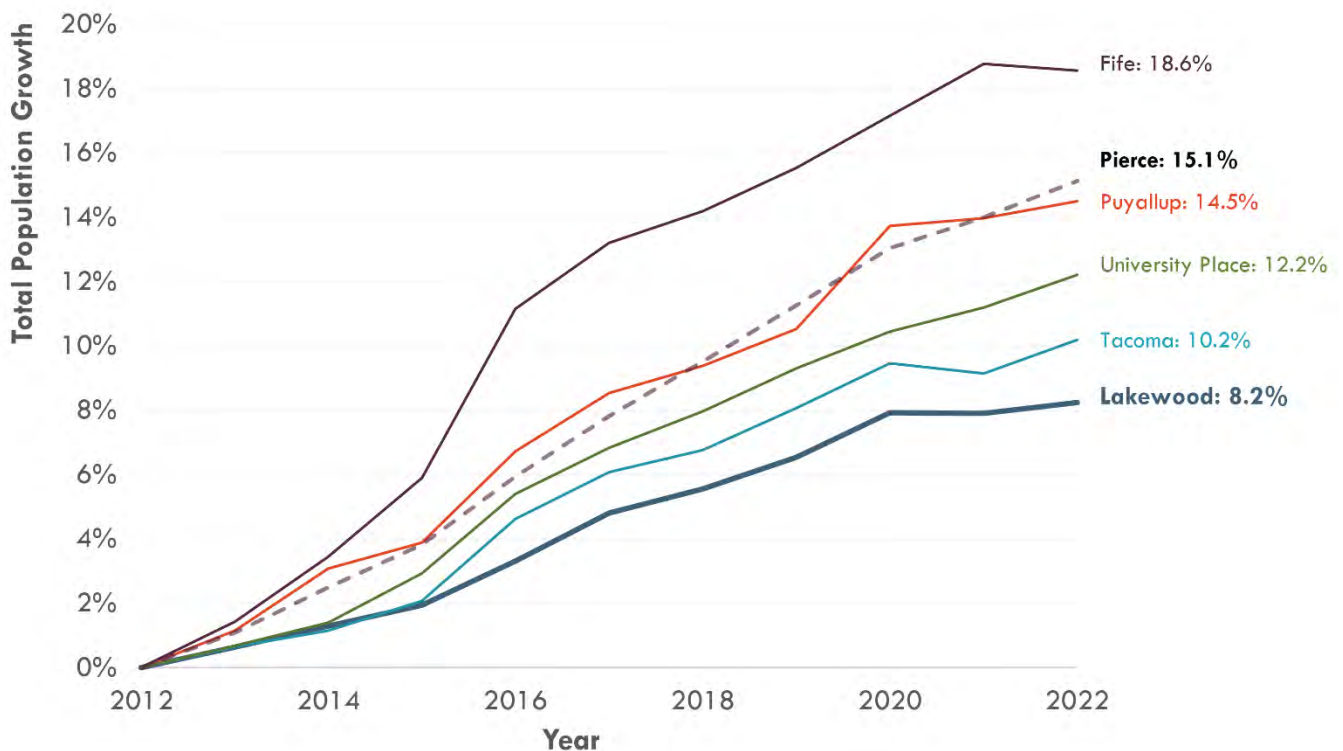
- **Lakewood has had notably low population growth since incorporation.** Exhibits 2 and 3 highlight population trends for Lakewood, with Exhibit 2 highlighting historical population growth since 2000, while Exhibit 3 provides information about how growth has compared to other nearby communities. Overall, this highlights that Lakewood has had low population growth, amounting to about 0.9% per year since 2010, without a significant increase in growth after 2014.
- **Expected population targets are significantly higher than historical population trends.** Exhibit 2 also highlights that 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.
- **The local population has a disproportionate number of younger adults.** Exhibit 4 highlights the age profile of Lakewood residents, with a comparison to the average for Pierce County as a whole. In comparison to other communities, Lakewood has a greater proportion of residents that are 20–29 years old. There is also a higher proportion of residents 60 years of age and older. This is possibly tied to the proximity to Joint Base Lewis-McChord (JBLM), both with younger service members living off-base and older veterans living closer to available veterans' facilities.
- **The Lakewood community is becoming more diverse.** Over the past decade, Lakewood has become notably more racially diverse. There has been a decline in both the proportional and total number of white residents (from 54% in 2010 to 48% in 2020), while other populations of people of color have increased over time (see Exhibit 5). Lakewood is home to a higher percentage of Black, Indigenous and people of color compared to Pierce County, as shown in Exhibit 7 in 2020.
- **Veterans form a key part of the population of the city.** Exhibit 8 provides a comparison between the proportion of veterans by age in Lakewood versus Pierce County as a whole. While the oldest veterans are represented at rates comparable to the county overall, Lakewood has a greater proportion of veterans in its population between the ages of 18 and 74. This is due in part to the presence of JBLM, including the availability of services to veterans in the community.

Exhibit 2. Historical Population and 2044 Population Target.



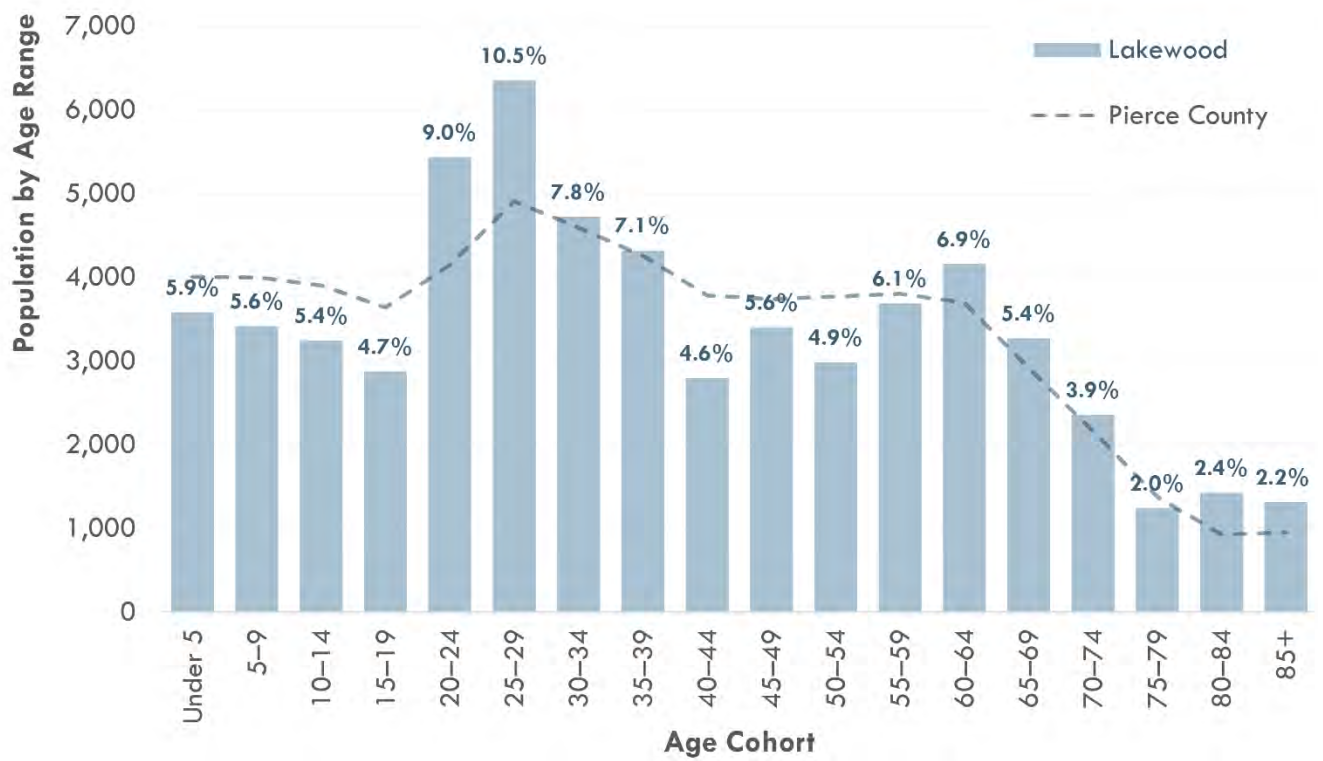
Source: OFM, 2022; BERK, 2022; Pierce County, 2022.

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



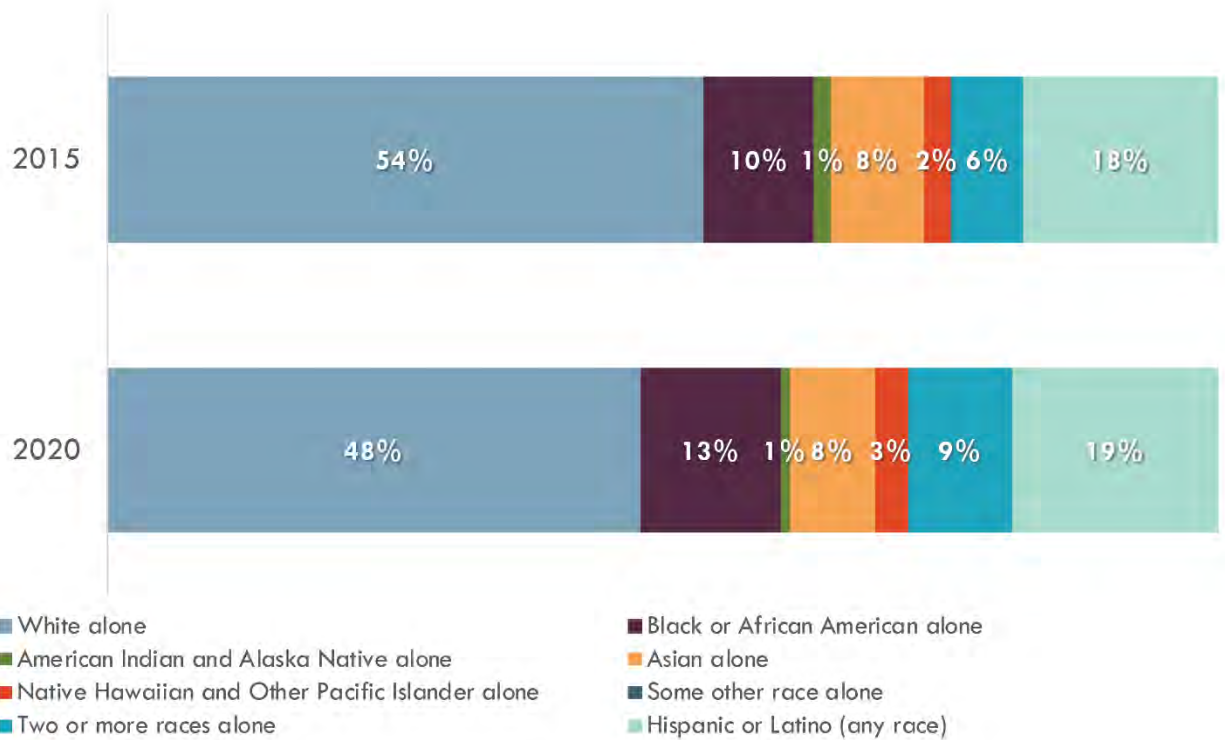
Source: OFM, 2022; BERK, 2022.

Exhibit 4. Population by Age, 2020.



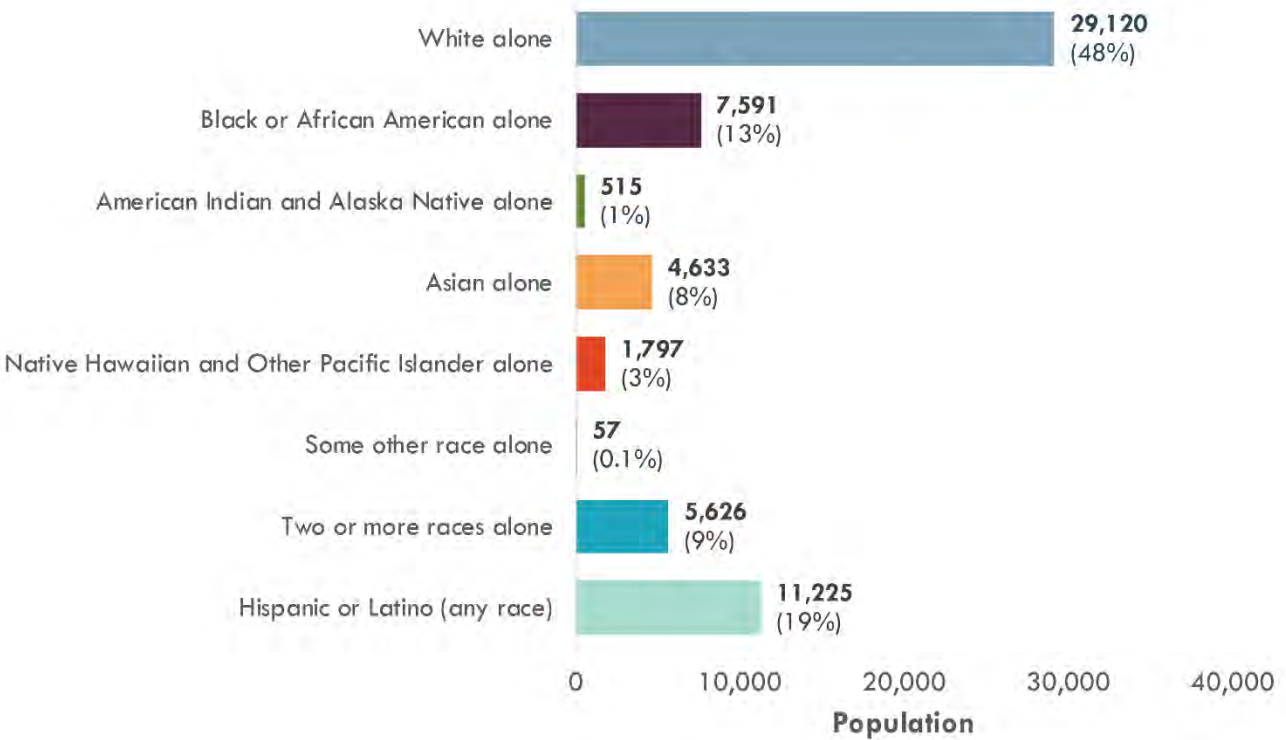
Source: 2020 ACS; BERK, 2022.

Exhibit 5. Proportion of Population by Race/Ethnicity, 2015 and 2020.



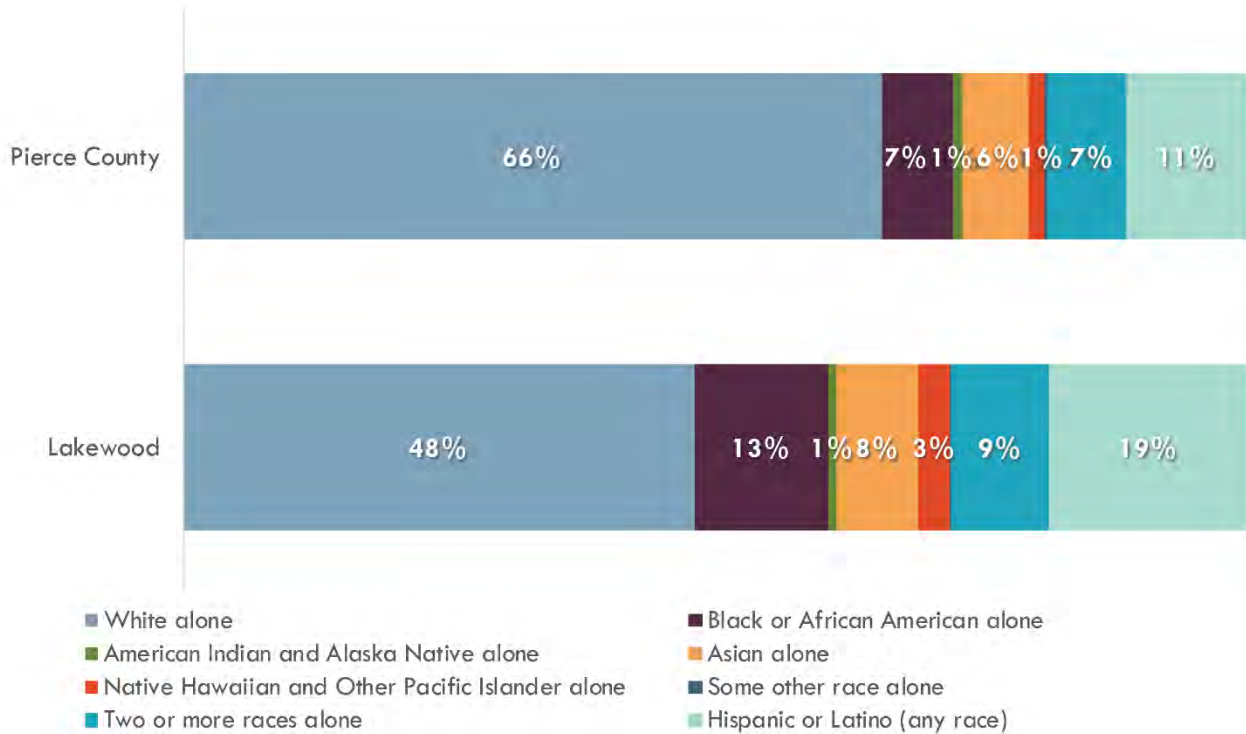
Source: 2020 ACS; BERK, 2022

Exhibit 6. Population by Race/Ethnicity, 2020.



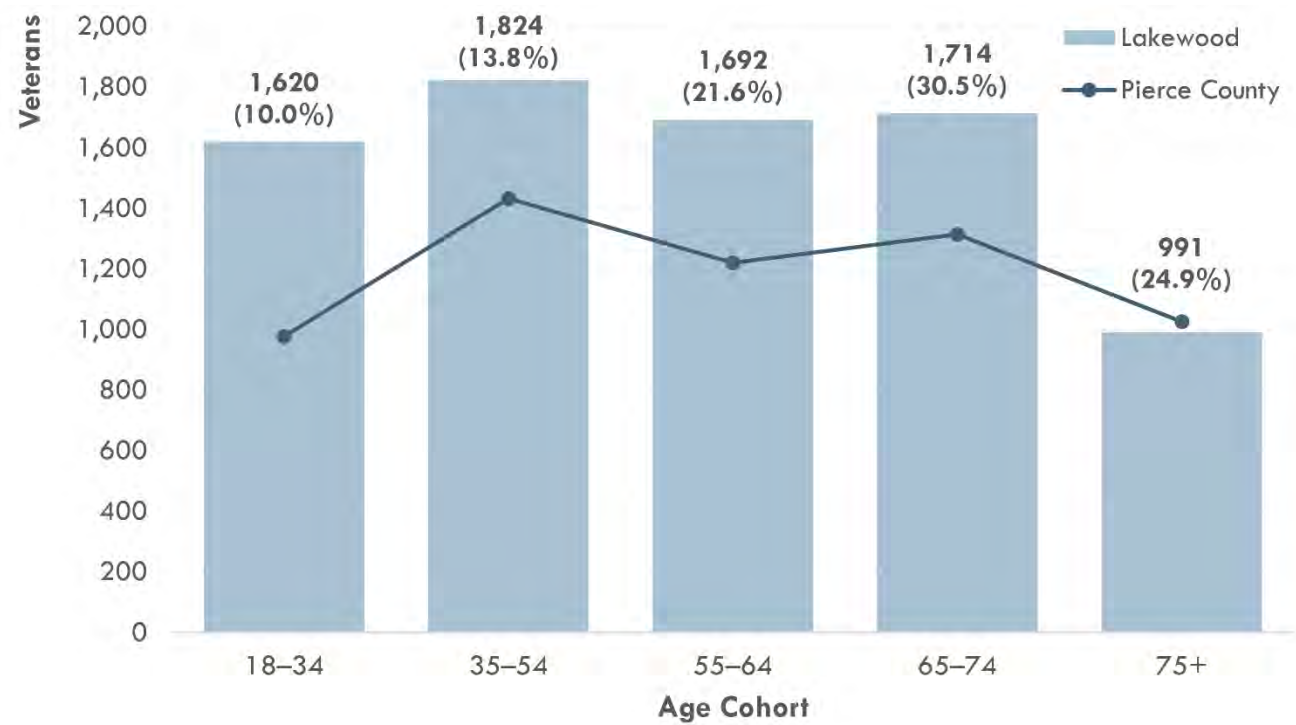
Source: 2020 ACS; BERK, 2022

Exhibit 7. Comparison by Race/Ethnicity, Lakewood and Pierce County 2020



Source: 2020 ACS; BERK, 2022

Exhibit 8. Veterans by Age, Lakewood and Pierce County.



Source: 2020 ACS; BERK, 2022.

Household characteristics

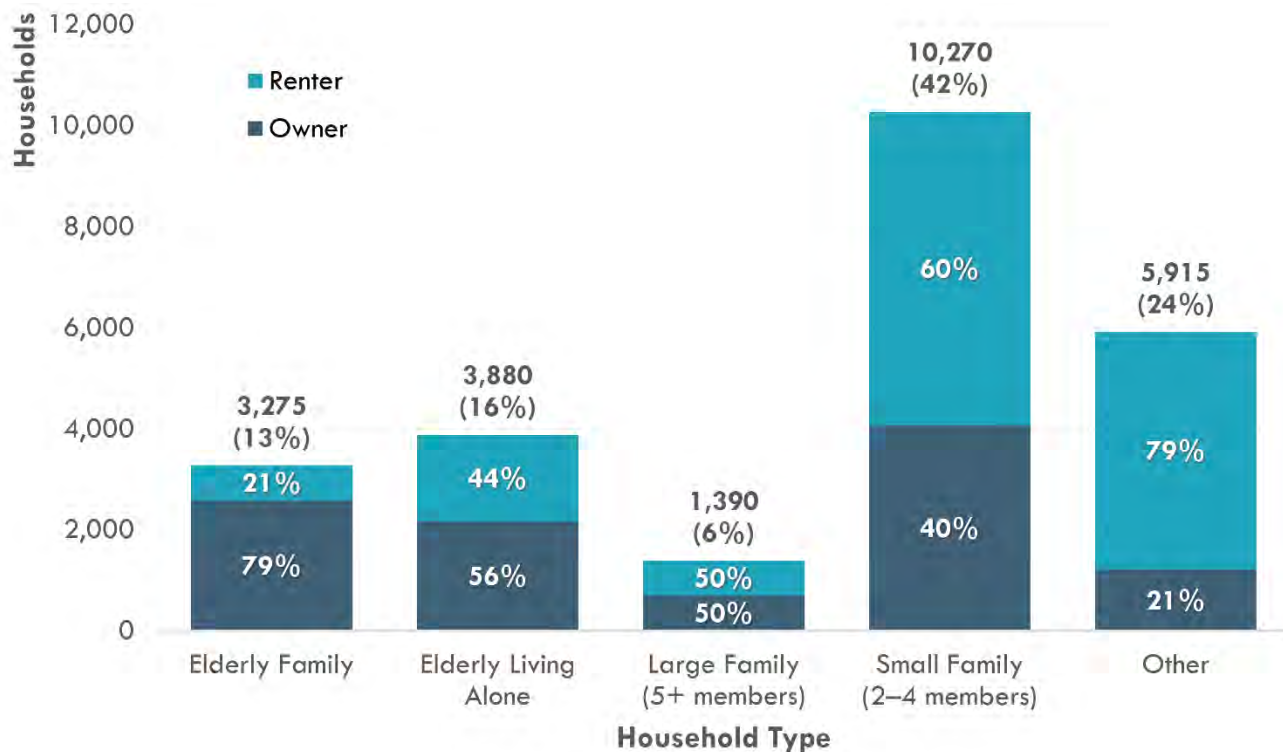
Exhibits 9 through 18 highlight major characteristics of households in Lakewood, with a focus on household income and tenure. These characteristics are important to consider when developing new housing goals and policies.

- **Small families are the most common type of household in Lakewood.** Exhibit 9 highlights that about 42% of households in the City are small families with two to four members. A majority of these households (60%) are renters, unlike larger families (50%), seniors living alone (44%), and senior couples (21%). A significant number – 79% - of non-family, non-senior households (including individuals and unrelated people living together) are renters.
- **Household incomes are lower than the county average.** As shown in Exhibit 10, the median household income for Lakewood in 2020 was \$55,723, about 27% lower than the median household income of Pierce County. This percentage difference is true for both family and non-family households.
- **Recent increases in median family income have been lower than in the county.** As shown in Exhibit 11, between 2010 and 2015, the median income in Lakewood grew by about 1.5% per year, while the county median grew by about 0.8% per year. Median incomes have increased more recently, but while the Pierce County median increased by about 4.9% per year between 2016 and 2020, the Lakewood median only increased by about 4.0% per year.
- **Lakewood's lower median income is due to a higher representation of lower-income households.** As shown in Exhibit 12, there are a greater proportion of households earning less than \$75,000 in Lakewood than in the county. Although higher-income households are found in the City, the availability of affordable housing options needs to consider this skew in the distribution.
- **Household income differs distinctly between renters and owners.** Exhibit 13 highlights that there are clear differences in incomes between renters and owners. For owners, about 52% have household incomes that are at least at the county median family income (MFI) or higher. Conversely, about half of all renters are below 80% of the county MFI, and 25% are considered extremely low-income.
- **Black, Indigenous, People of Color (BIPOC) Households are more likely to rent than to own.** Exhibit 14 depicts that BIPOC households are more likely to rent. About 69% of Lakewood's households of color rent in comparison to 47% of white, non-Hispanic, households. This is even more true for African American and non-white Hispanic households
- **Generally, a greater percentage of renting African-Americans households are lower income than overall.** Exhibit 15 displays the proportion of households renting in Lakewood divided by race/ethnicity and income category. Overall, the income distribution of white renting households skews slightly higher, while Black households skew lower. According to this dataset, 28% of Black or African American households are extremely low-income, compared to 18% of households overall.
- **Levels of homelessness in Lakewood have increased recently.** While homelessness can be difficult to evaluate accurately at times, information about rates of student homelessness collected by local school districts can be an important measure. Exhibit 17 includes data collected from the Lakewood School District under the McKinney-Vento Act, and highlights that student homelessness reached a

high in the 2018–2019 school year at 115 students, or 4.5% of the population. Levels of student homelessness have increased from 2.9–3.3% from 2015 to 2018, and since 2019 the percentage has stayed around 3.6%. These data do not include how COVID-19 has affected student or overall homelessness in the city.

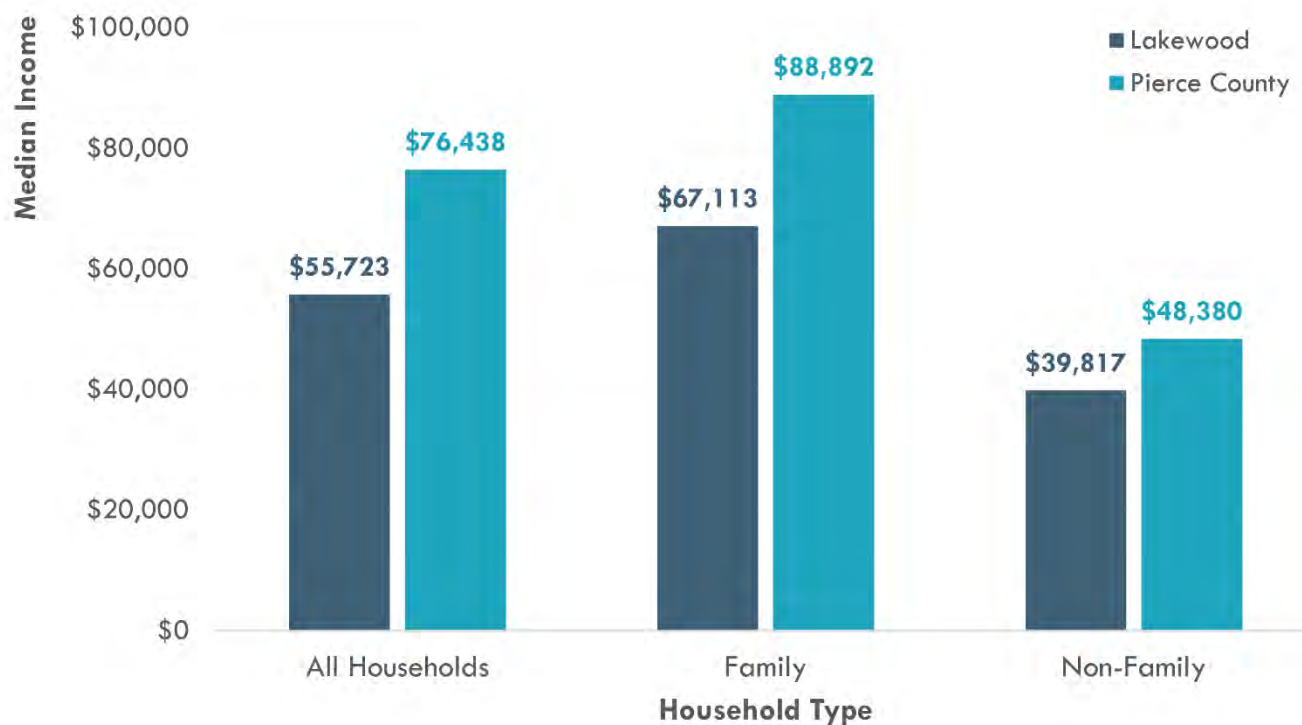
- **A greater proportion of low-income renter households have members with self-care or independent living limitations.** Exhibit 18 provides a breakdown of renting households according to their income category (as compared to median family income) and whether a member of the household has a self-care or independent living limitation. A significant proportion of very low- and extremely low-income households may be experiencing challenges with housing affordability and income related to disabilities.

Exhibit 9. Households by Type and Tenure



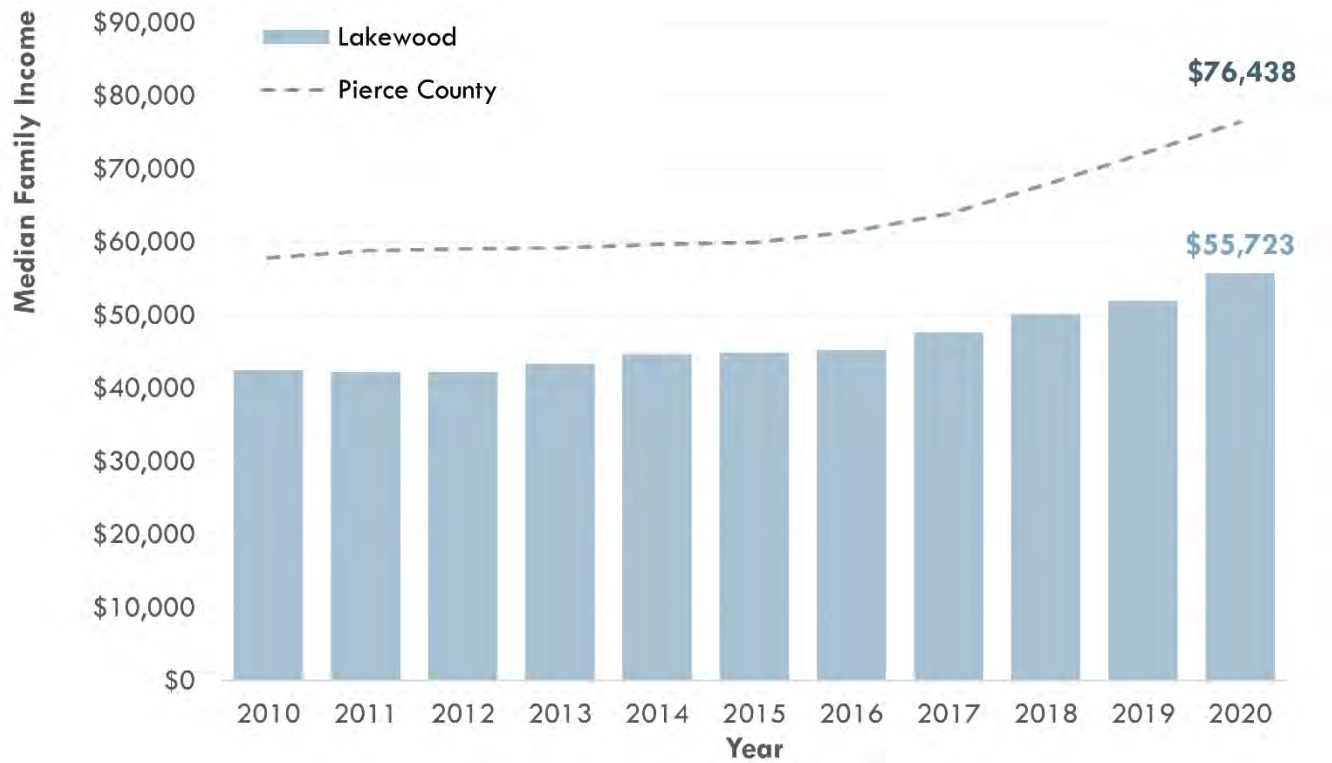
Source: 2018 CHAS; BERK 2022

Exhibit 10. Comparison of Household Median Income, Lakewood and Pierce County.



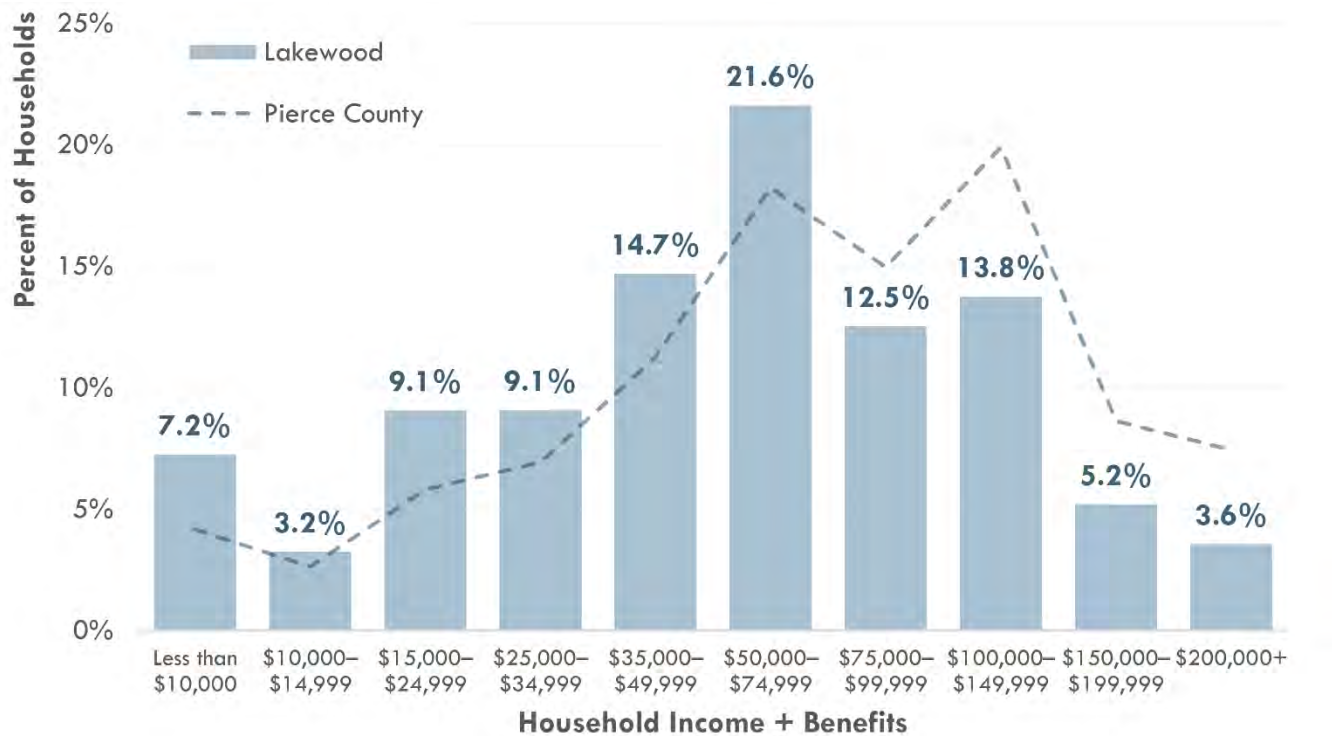
Source: 2020 ACS; BERK, 2022.

Exhibit 11. Historical Median Family Income, Lakewood and Pierce County.



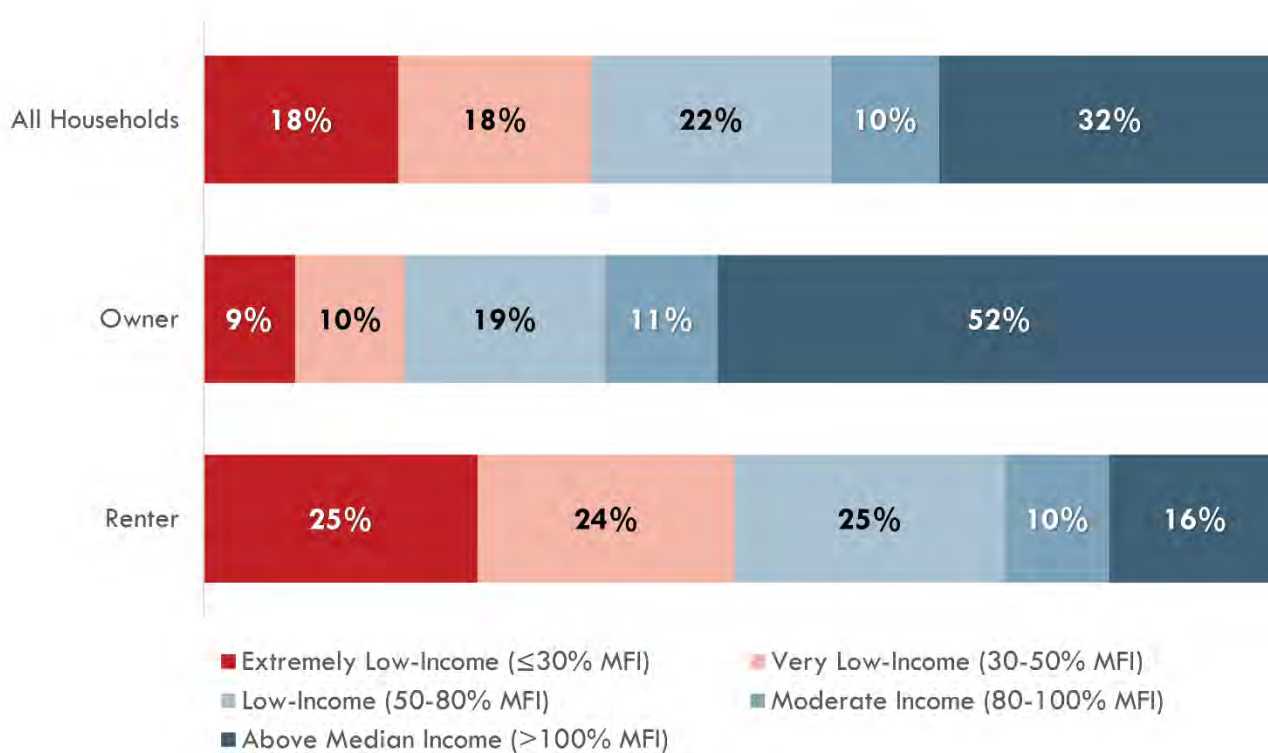
Source: 2020 ACS; BERK, 2022.

Exhibit 12. Households by Income Range, 2020.



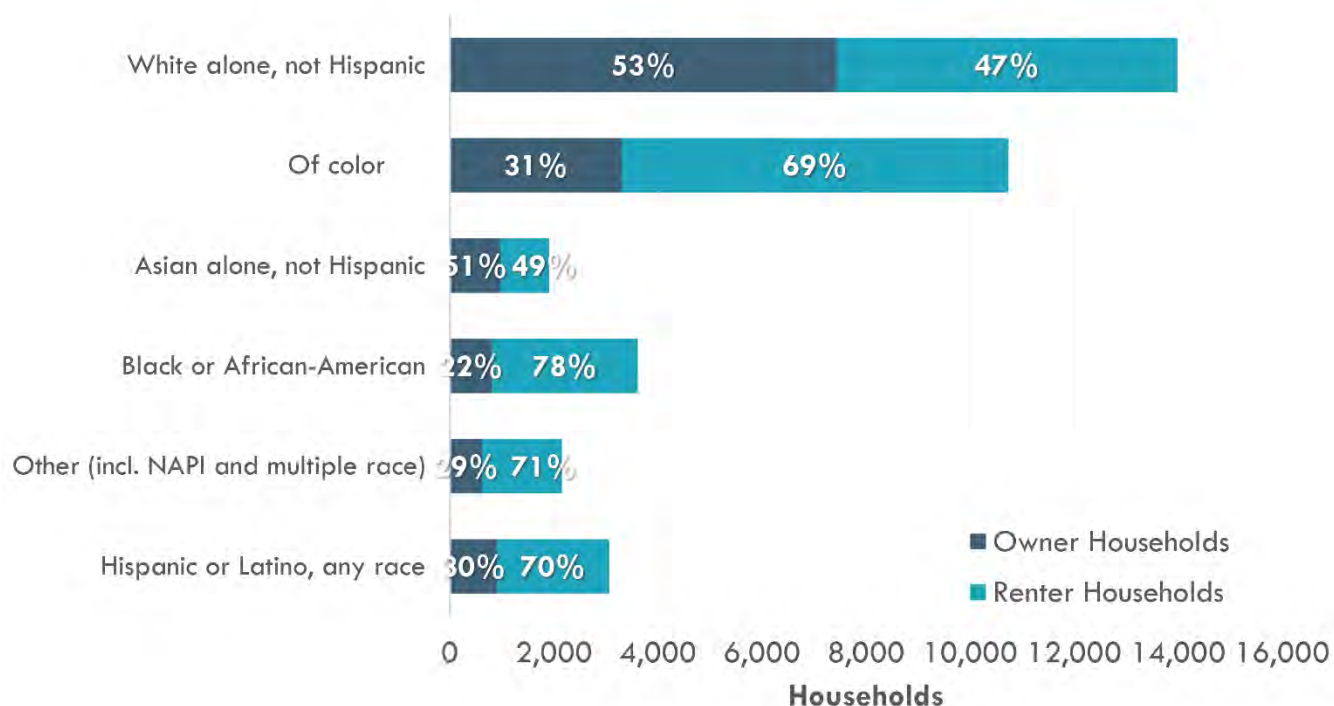
Source: 2020 ACS; BERK, 2022.

Exhibit 13. Households by Tenure and Income Group (%MFI), 2018.



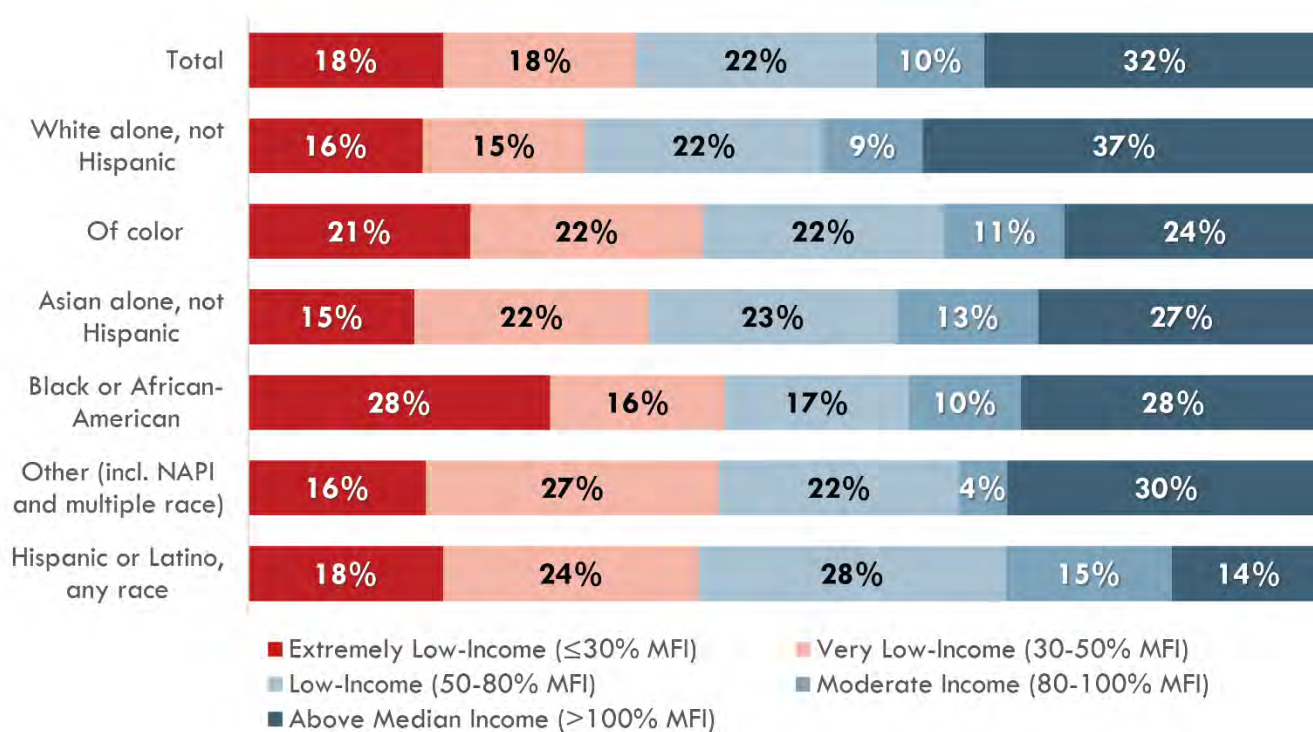
Source: 2018 CHAS; BERK, 2022.

Exhibit 14. Households by Race and Tenure, 2018.



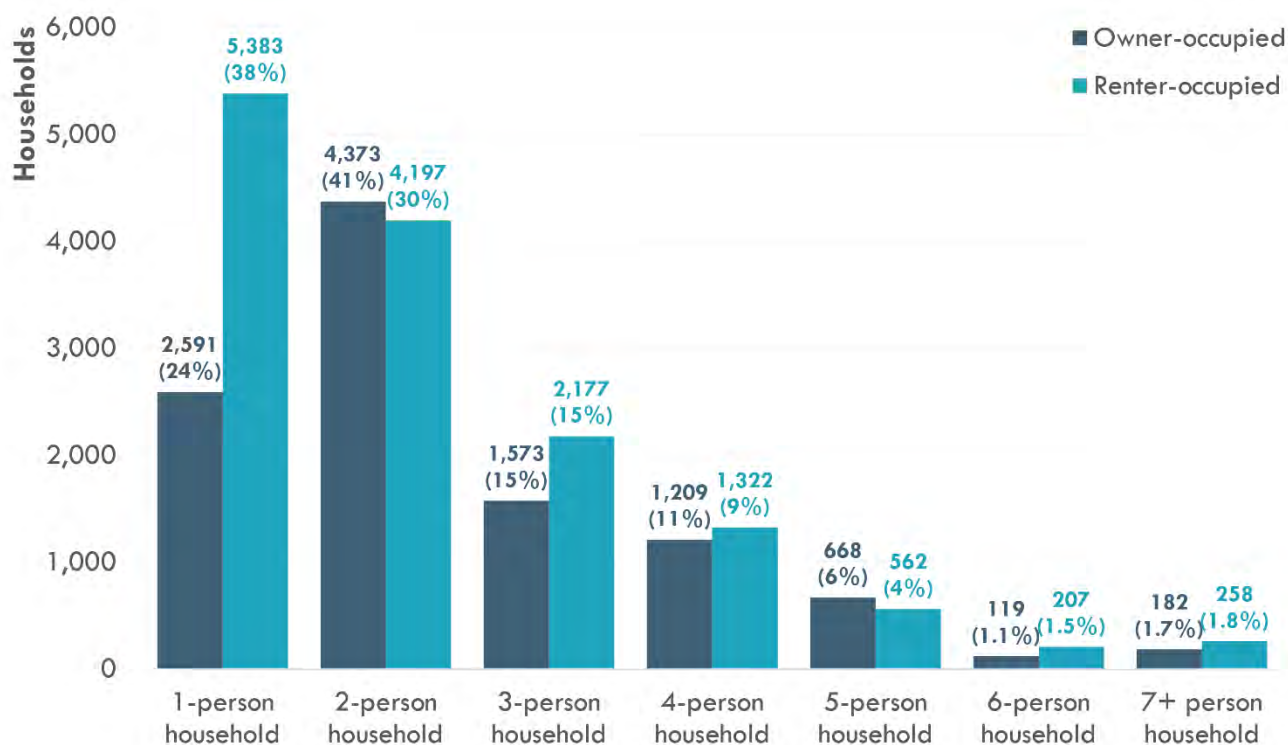
Source: 2018 CHAS; BERK, 2022.

Exhibit 15. Proportion of Renter Households by Race and Income Category, 2018.



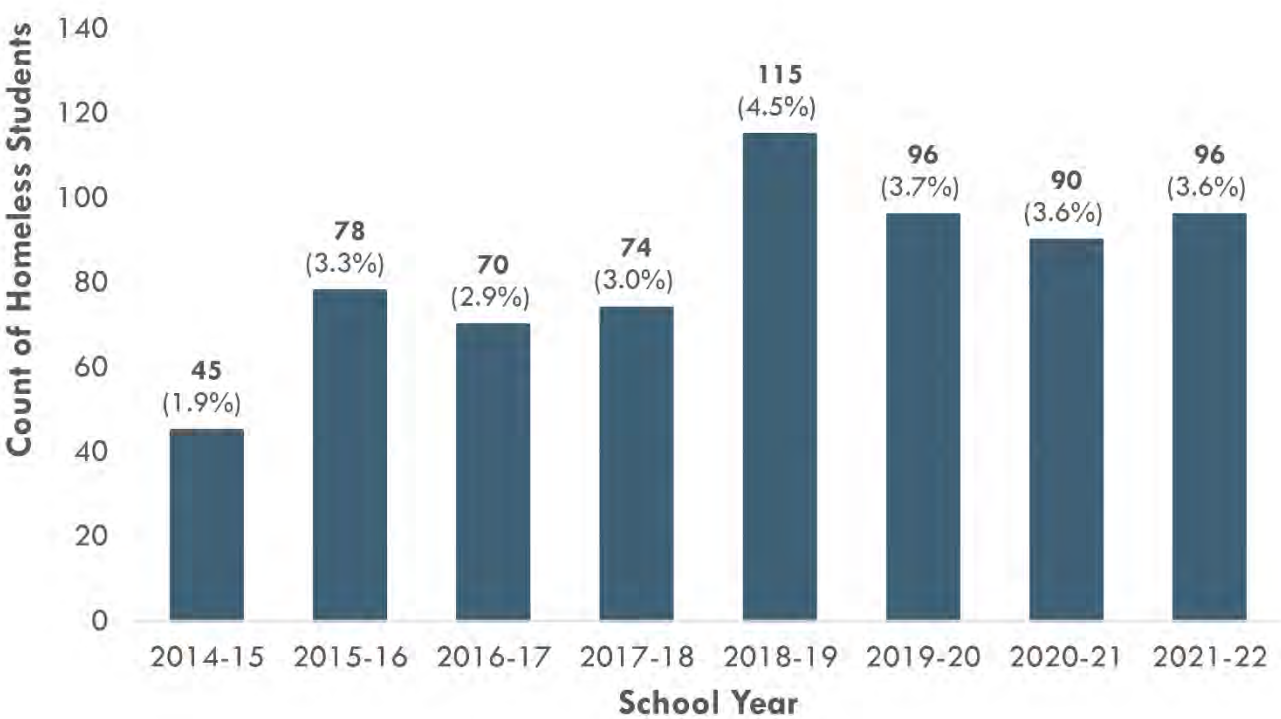
Source: 2018 CHAS; BERK, 2022.

Exhibit 16. Households by Size and Tenure



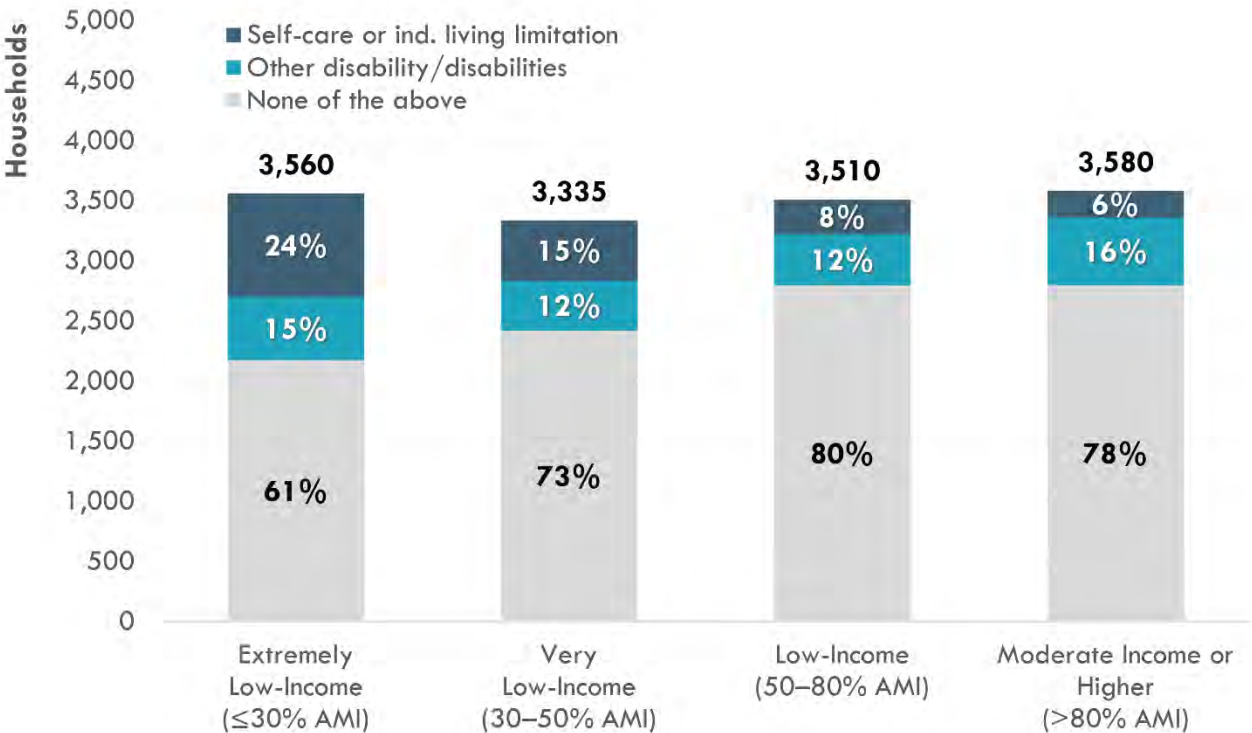
Source: 2018 CHAS; BERK, 2022.

Exhibit 17. Student Homelessness, Lakewood School District, 2014–2022.



Source: OSPI, 2022; BERK, 2022.

Exhibit 18. Renter Households by Disability Status and Income, 2019.



Source: 2018 CHAS; BERK, 2022.

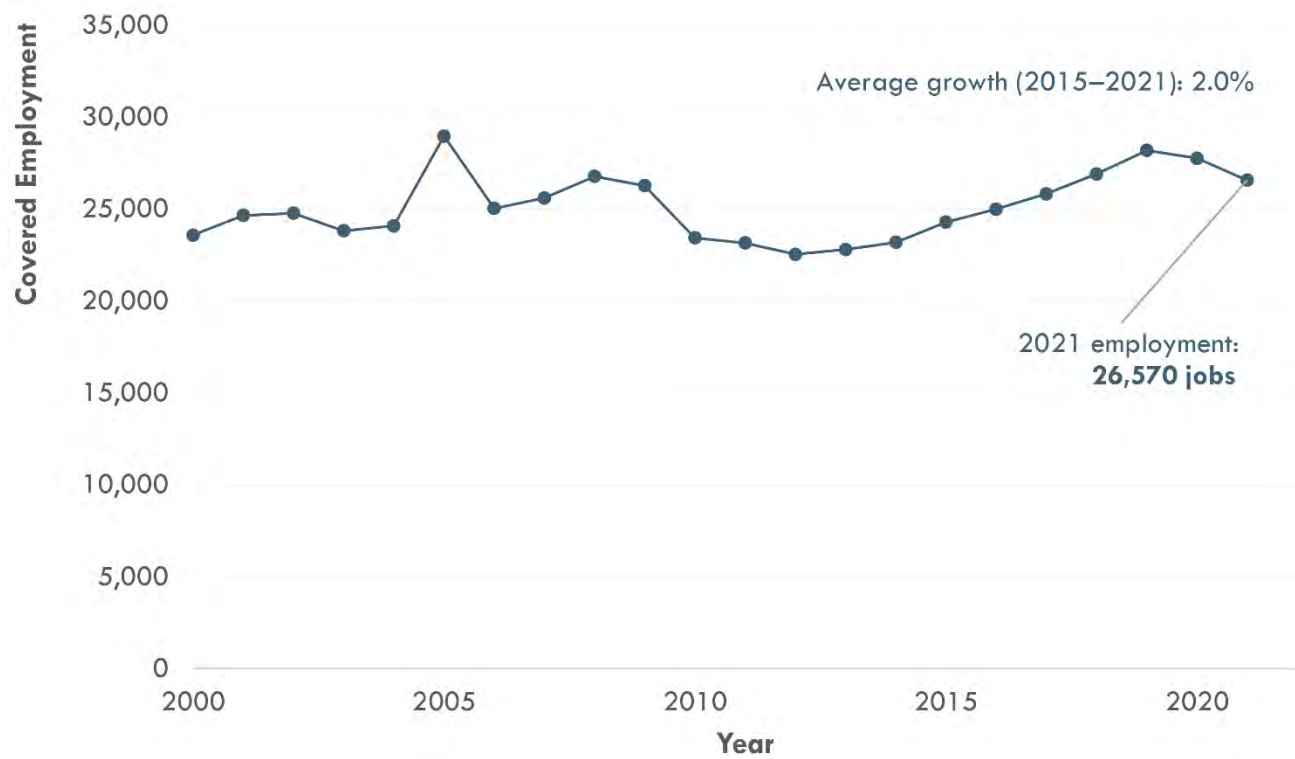
Workforce Characteristics

Lakewood is both a population center and a destination for local and regional employment. According to the PSRC, a total of 28,152 covered jobs were in Lakewood in 2021, which amounted to 1.04 jobs for every resident. This is important, as while Lakewood does serve a role as a residential community for commuters to regional job centers, including Tacoma, Seattle, and JBLM, it also serves as a local and regional employment center. Lakewood's PSRC-designated Regional Growth Center has the same boundaries as the 2018 Downtown Subarea.

Exhibits 19 and 20 provide a breakdown of covered primary employment by type, while Exhibit 21 and 22 show commuting patterns by highlighting where Lakewood workers reside and where Lakewood residents work. This information indicates the following:

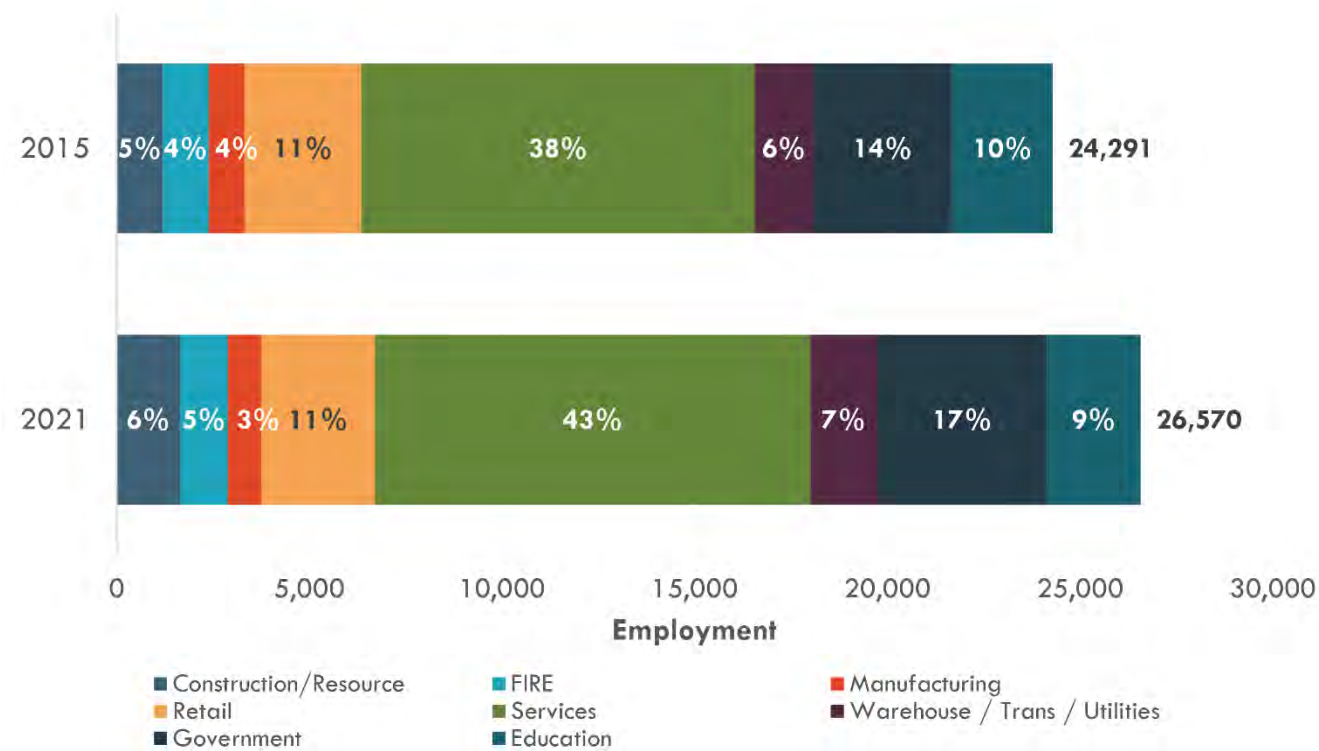
- **There has been significant local employment growth since 2014.** As shown in Exhibit 19, Lakewood experienced a decline in employment related to the recession in the late 2000s, with only 22,540 jobs in 2014. However, from 2014–2021, the City experienced employment growth of about 3.3% per year. The fastest growing major sectors have been Construction/Resource (10% per year), Warehousing/Transportation/Utilities (5.3%), and Government. (5.0%). 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 87.2% 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%).
- **14.5% of workers at their primary job reside in Lakewood.** This percentage has declined over time despite an increase to the actual number of jobs within the City (see Exhibit 16).
- **COVID-19 and its effects on employment patterns are still not fully understood.** While by Fall 2022 many jobs had transitioned back from remote to in-office, it is unclear how much commuting patterns and remote work opportunities will permanently change. Local and regional service jobs are also in flux, with long-term impacts from changes in economic systems still uncertain.

Exhibit 19. Lakewood Covered Employment, 2008–2021.



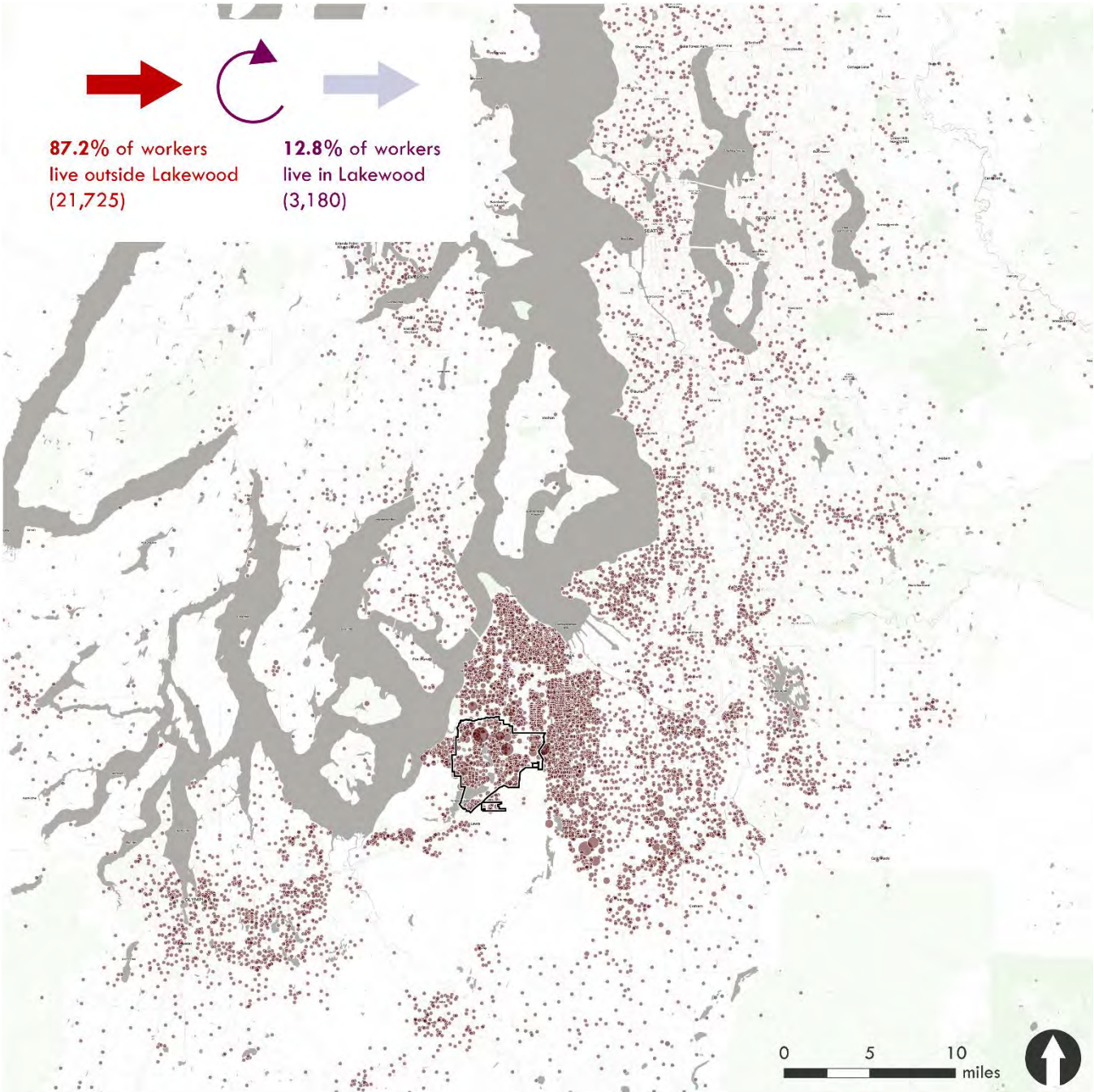
Sources: PSRC Covered Employment, 2022; BERK, 2022.

Exhibit 20. Lakewood Covered Employment by Major Sector, 2015 and 2021.



Source: PSRC Covered Employment, 2022; BERK, 2022.

Exhibit 21. Home Locations of Lakewood Workers (Primary Jobs), 2019.



Legend

- City of Lakewood
- Home locations of Lakewood workers



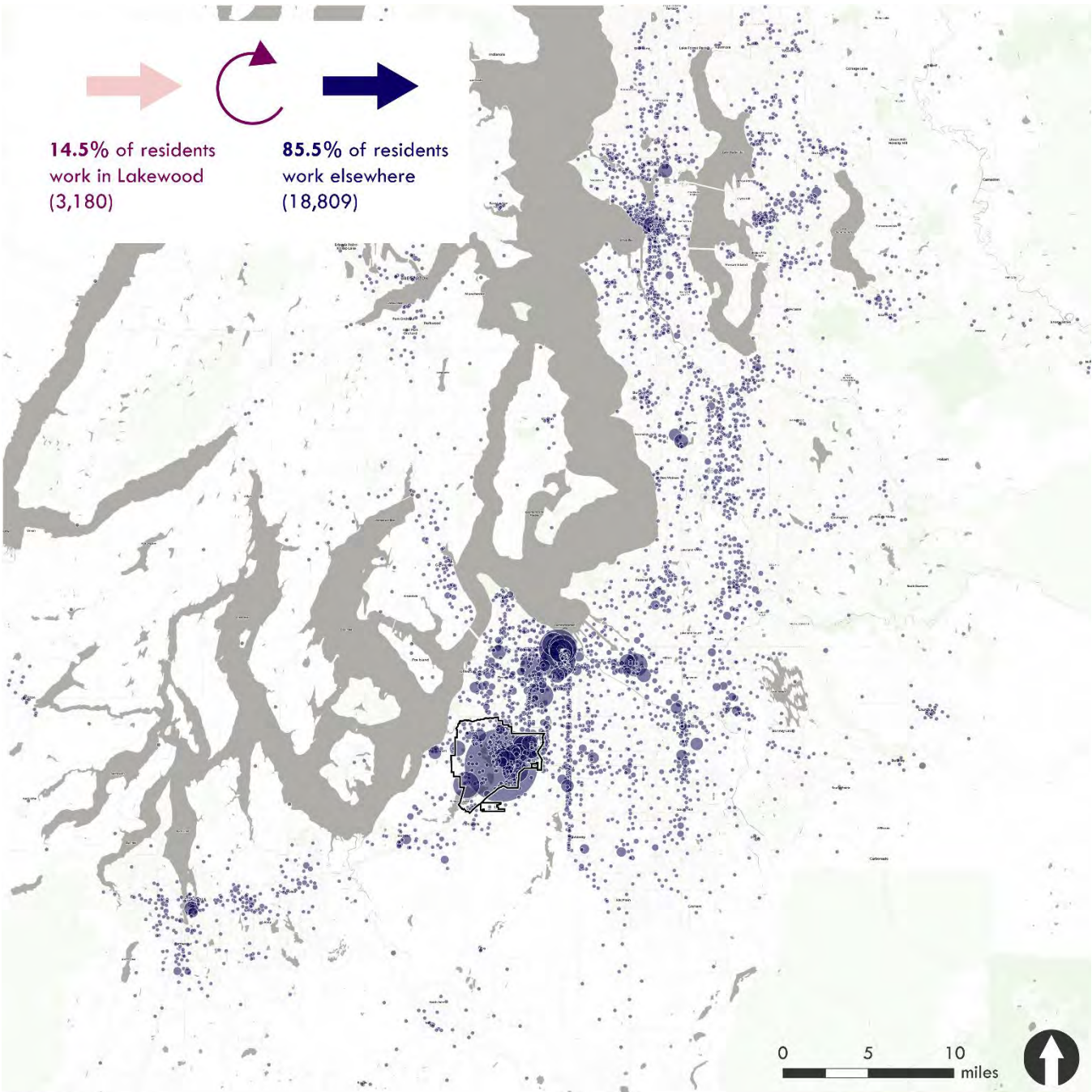
Map Date: August 2022

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.

Exhibit 22. Work Locations of Lakewood Residents (Primary Jobs), 2019.



Legend

- City of Lakewood
- Work locations of Lakewood residents



Map Date: August 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

Understanding where new development can be accommodated is an important part of developing effective housing policy. Under the [2021 Pierce County Buildable Lands Report](#), Lakewood had an identified capacity of 11,371 housing units as shown in Exhibit 23, 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.

Current City policy regarding development can be found in the following maps:

- Exhibit 24 is the 2022 Comprehensive Plan **Future Land Use Map**. This highlights that much of the City can accommodate residential uses apart from areas with major park/institutional uses (e.g., Western State Hospital, Clover Park Technical College, Pierce College, and Fort Steilacoom), and the Air Corridor zones where new residential units are prohibited.
- Exhibit 25 shows **residential zoning** in the city, derived from a full map of zoning in the city. This highlights areas according to which types of residential land uses are allowed as of right: single-family, multifamily, and mixed-use.

These figures indicate the following:

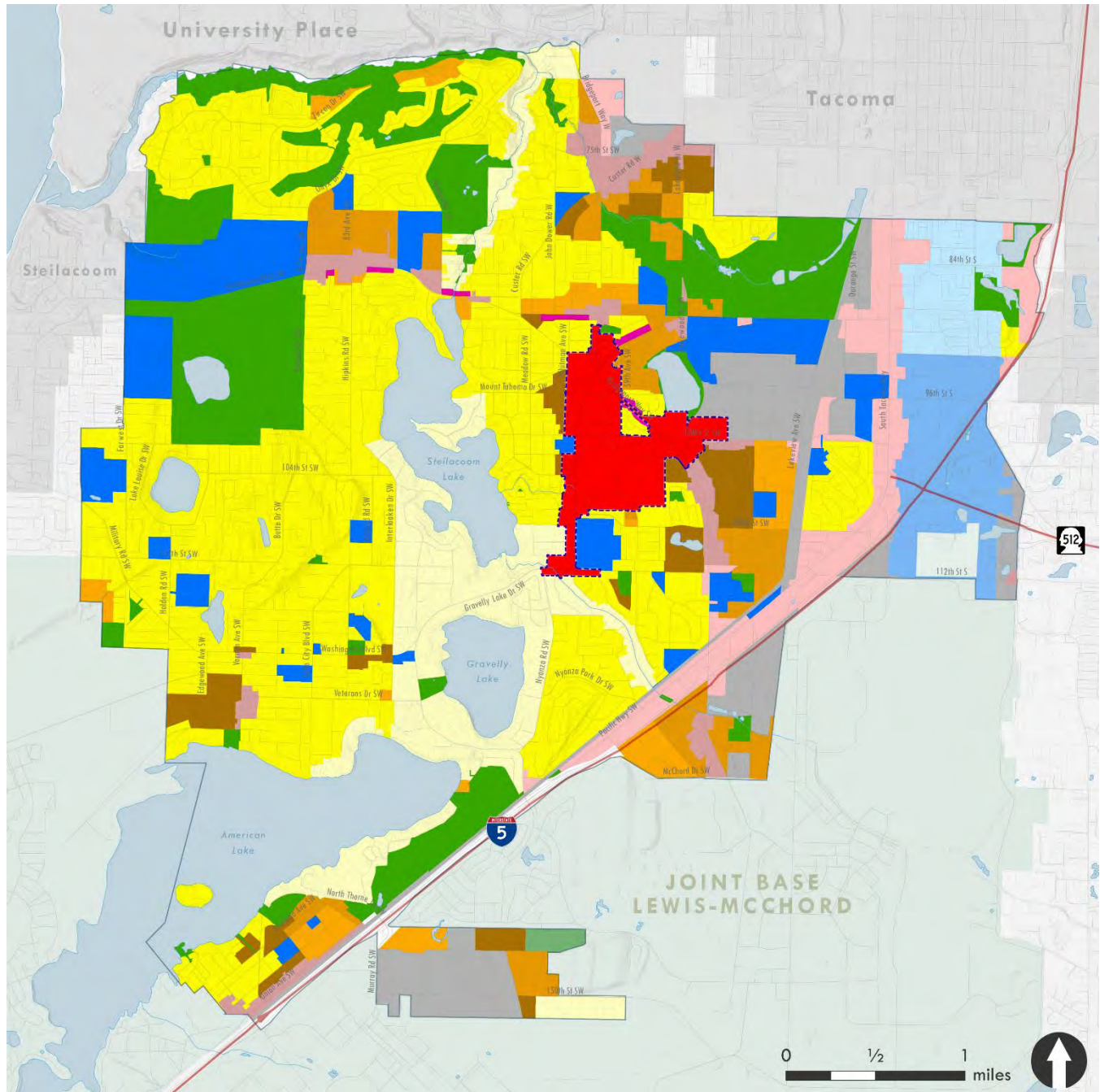
- **A substantive amount of future growth needs to be accommodated through infill development and redevelopment.** About 78% of the total growth capacity in Lakewood is found as “underutilized” sites as shown in Exhibit 23. Accommodating future growth will require significant redevelopment and infill as opposed to development of larger plats of single-family housing as in other areas of the county.
- **Similarly, most currently zoned capacity is in multifamily development.** Although half of the current housing inventory is in single-family detached housing (see Exhibit 27), only 14% of the total capacity is found in areas where single-family zoning 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 23. Lakewood Development Capacity, 2020–2044.

Zone	Vacant	Underutilized	Vacant Single Unit	Pipeline	Total
CBD	181	2,405	0	67	2,653
MF1	132	1,251	16	5	1,404
MF2	304	1,240	0	80	1,624
MF3	152	1,164	0	1	1,317
MR1	0	147	0	1	148
MR2	42	636	5	5	688
NC1	2	17	0	42	61
NC2	49	458	0	2	509
R1	7	26	17	1	51
R2	15	91	39	20	165
R3	172	739	91	34	1,036
R4	23	237	58	24	342
TOC	124	478	0	771	1,373
Total	1,203	8,889	226	1,053	11,371

Source: Pierce County, 2021.

Exhibit 24. Future Land Use, City of Lakewood Comprehensive Plan.



Legend

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

Future Land Use

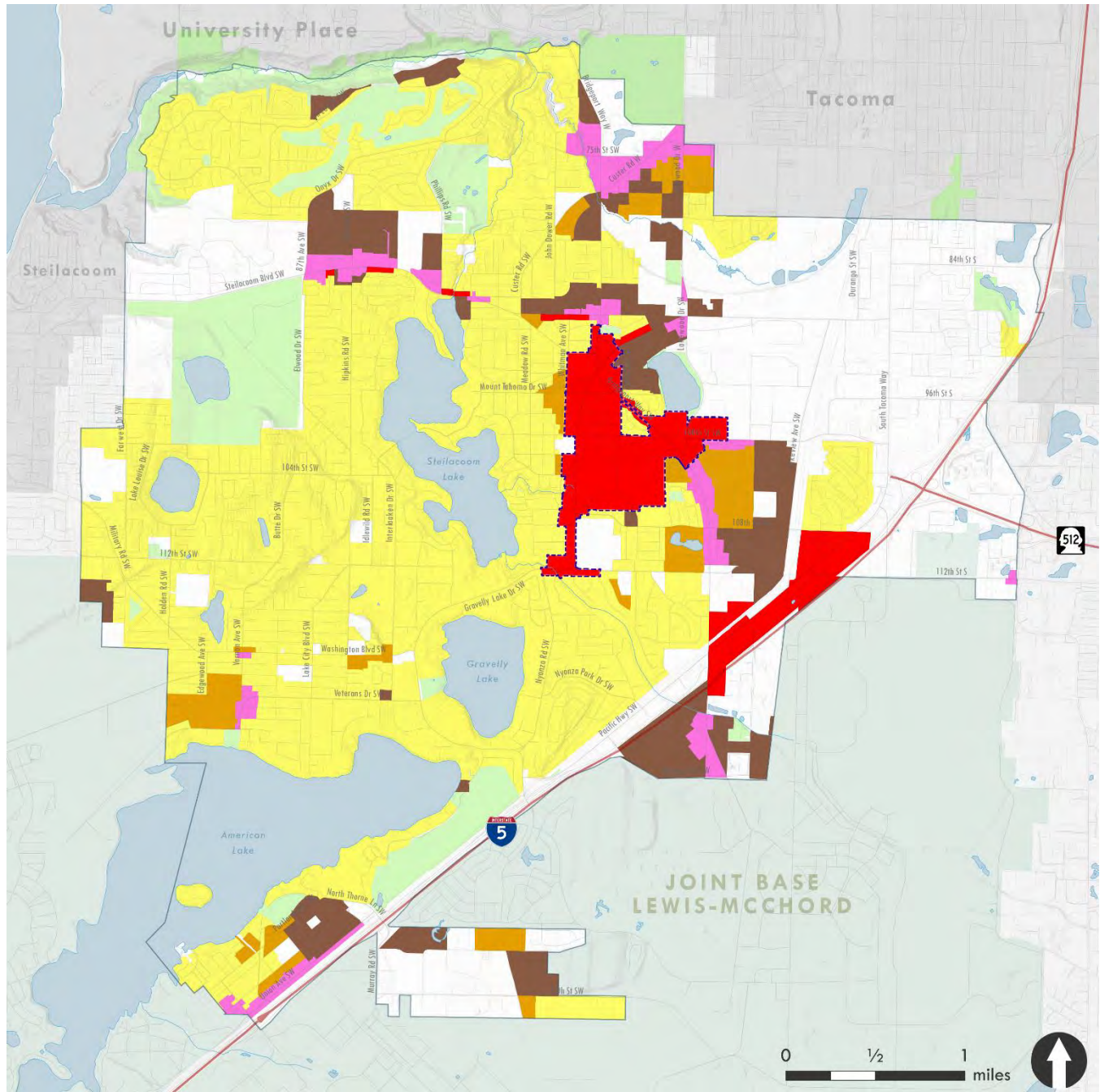
- Air Corridor 1
- Air Corridor 2
- Arterial Corridor
- Corridor Commercial
- Downtown
- High-Density Multi Family
- Industrial
- Public & Semi-Public Institutional
- Multi-Family
- Military Lands

- Mixed Residential
- Neighborhood Business District
- Open Space & Recreation
- Residential Estate
- Single Family

BERK
Map Date: October 2022

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

Exhibit 25. 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)



Map Date: October 2022

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

Housing inventory and production

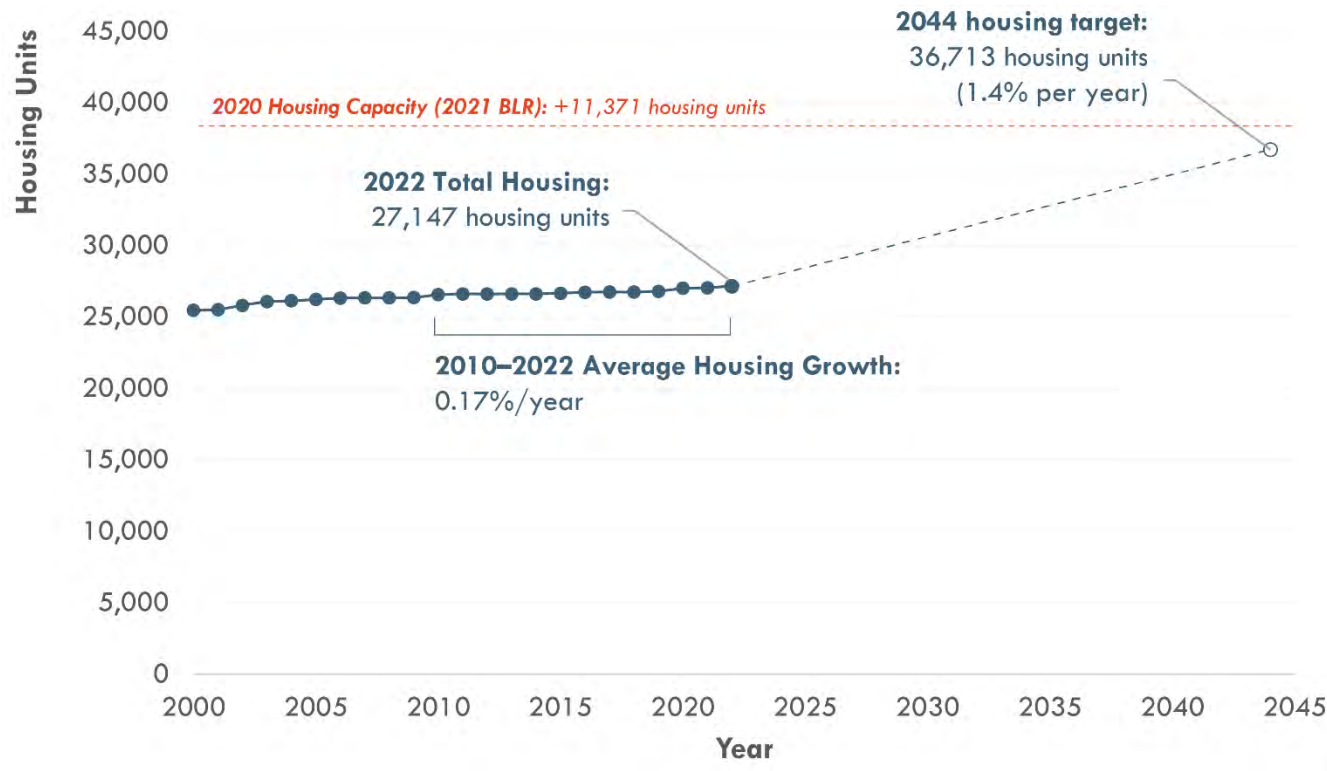
As of April 2022, the state Office of Financial Management estimated that Lakewood had a total of 27,147 housing units. Exhibits 26 through 32 provide perspectives on the current stock and production of housing in Lakewood. This includes:

- Historical trends for housing unit counts in Lakewood, together with existing capacity and current 2044 housing targets (Exhibit 26).
- Breakdowns of the proportion of current housing inventory by type as of 2020, and proportion of production over the previous 10 years (Exhibit 27).
- Housing production by type and year (Exhibit 28), total gains and losses (Exhibit 29), and net change by general type (Exhibit 30).
- Comparisons with other area communities by total housing (Exhibit 31) and proportions by type (Exhibit 32).

This information highlights the following:

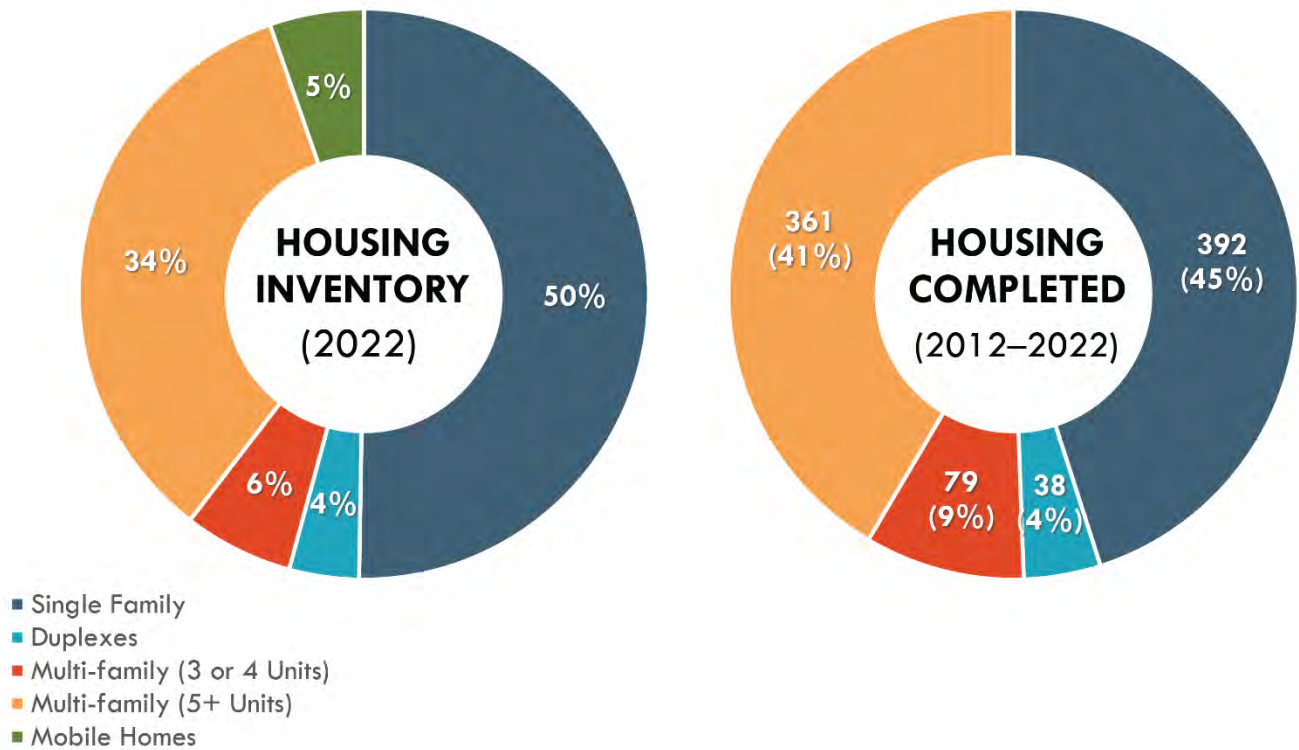
- **Net housing production in Lakewood since incorporation has been nominal.** Between 2010 and 2022, there has been only a very small net increase in the total amount of housing, with a net 0.17% increase per year, as shown in Exhibit 26. Note that this is substantively lower than the population growth rate provided in Exhibit 2, implying that a substantive amount of population increases have been accommodated through household size increases.
- **Future housing production can be accommodated to meet the City's growth targets, but the rate of development will have to increase significantly.** To meet Lakewood's the 2044 housing target of 36,713 housing units, there needs to be a substantive and sustainable increase in housing production over the next 20 years. An average of 435 units per year will be required, which is 73% higher than the peak recorded in 2020.
- **Lakewood has predominantly been building multifamily housing in the last ten years.** Lakewood has seen a net increase of housing production from 2010 to 2022 (see Exhibit 29 and Exhibit 30). Overall Lakewood has built 870 units, predominantly multifamily from 2012–2022.
- **Lakewood has recently had a greater amount of attached and multifamily development than many comparable communities.** Exhibits 31 and 32 highlight the differences between housing production from 2011 to 2020 by type between Lakewood and area communities (Federal Way, Puyallup, University Place, and Fife). Of all of these communities, only Federal Way has had a lower percentage of their total housing production as single-family detached homes. A significantly larger percentage of local development in Lakewood has also been developed as duplexes, triplexes, and fourplexes, consisting nearly 13% of the total development in the community.

Exhibit 26. Housing Unit Counts and 2044 Housing Target.



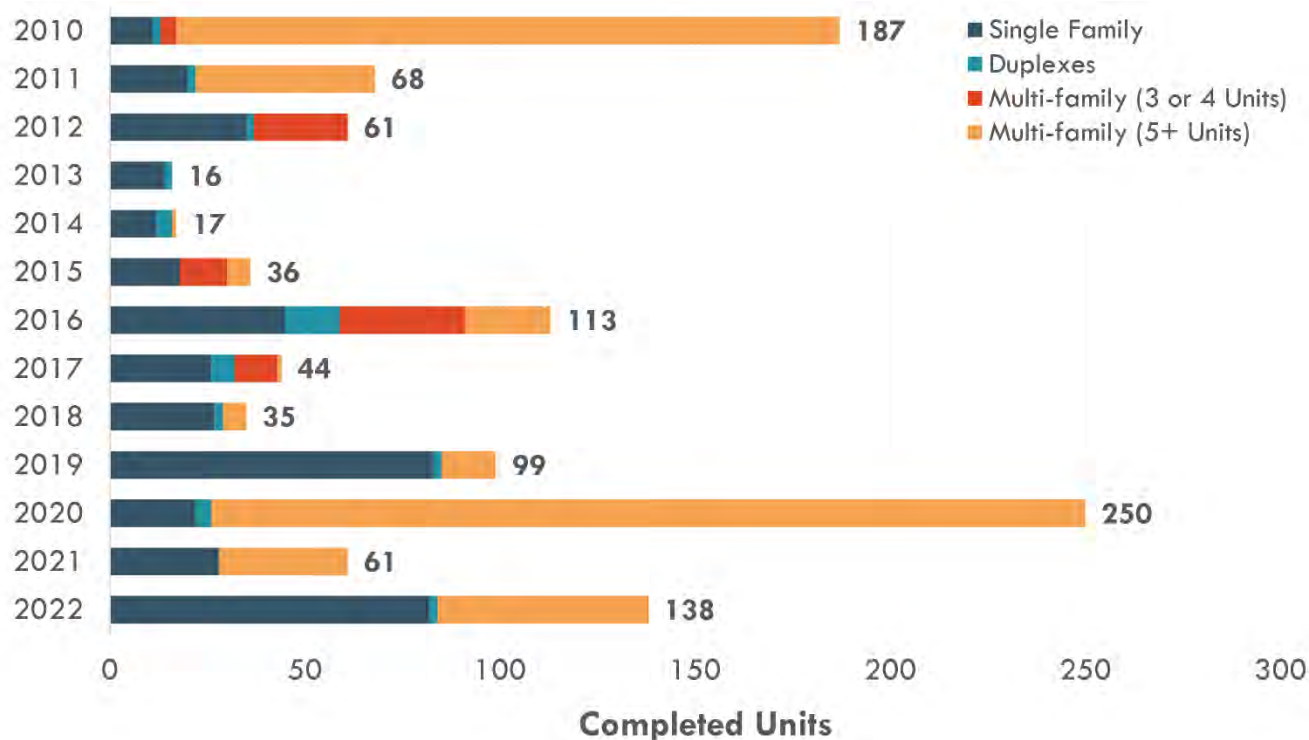
Source: OFM, 2022; BERK, 2022.

Exhibit 27. 2020 Housing Inventory and 2011–2020 Housing Production, by Type.



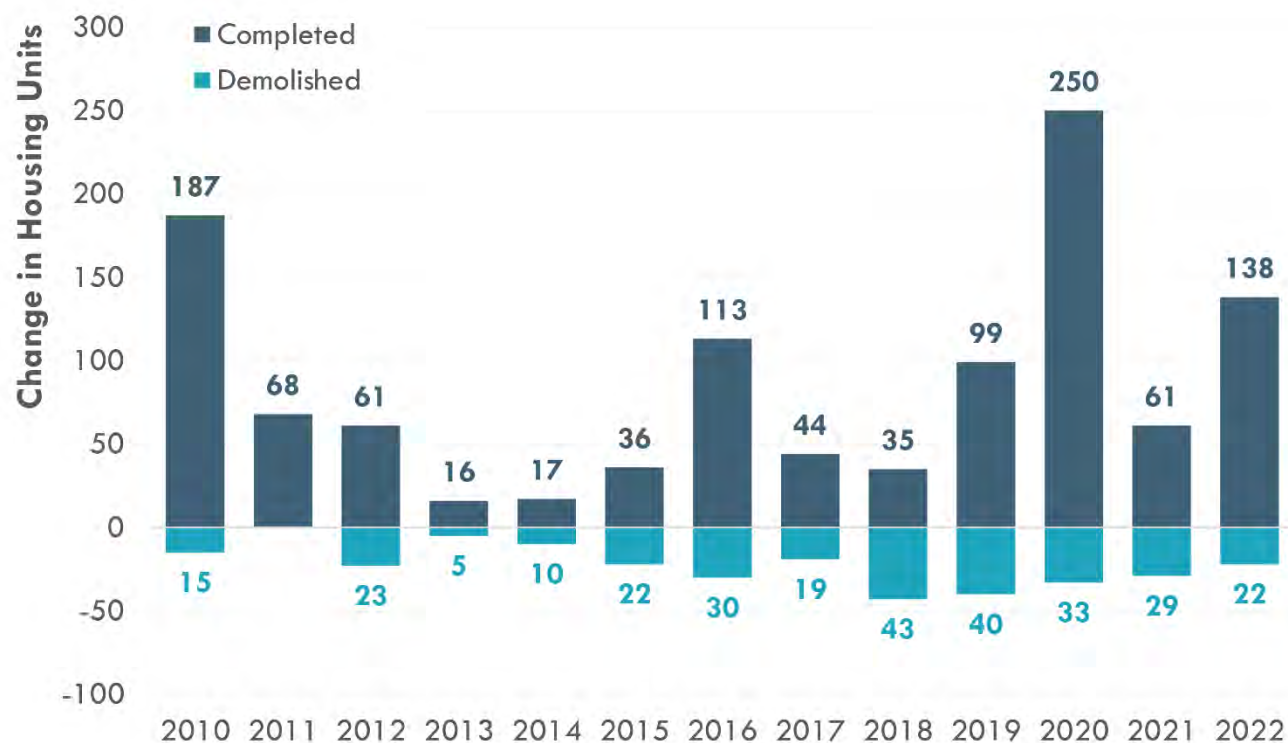
Source: OFM, 2022; BERK, 2022.

Exhibit 28. Housing Production, by Type and Year, 2010–2022.



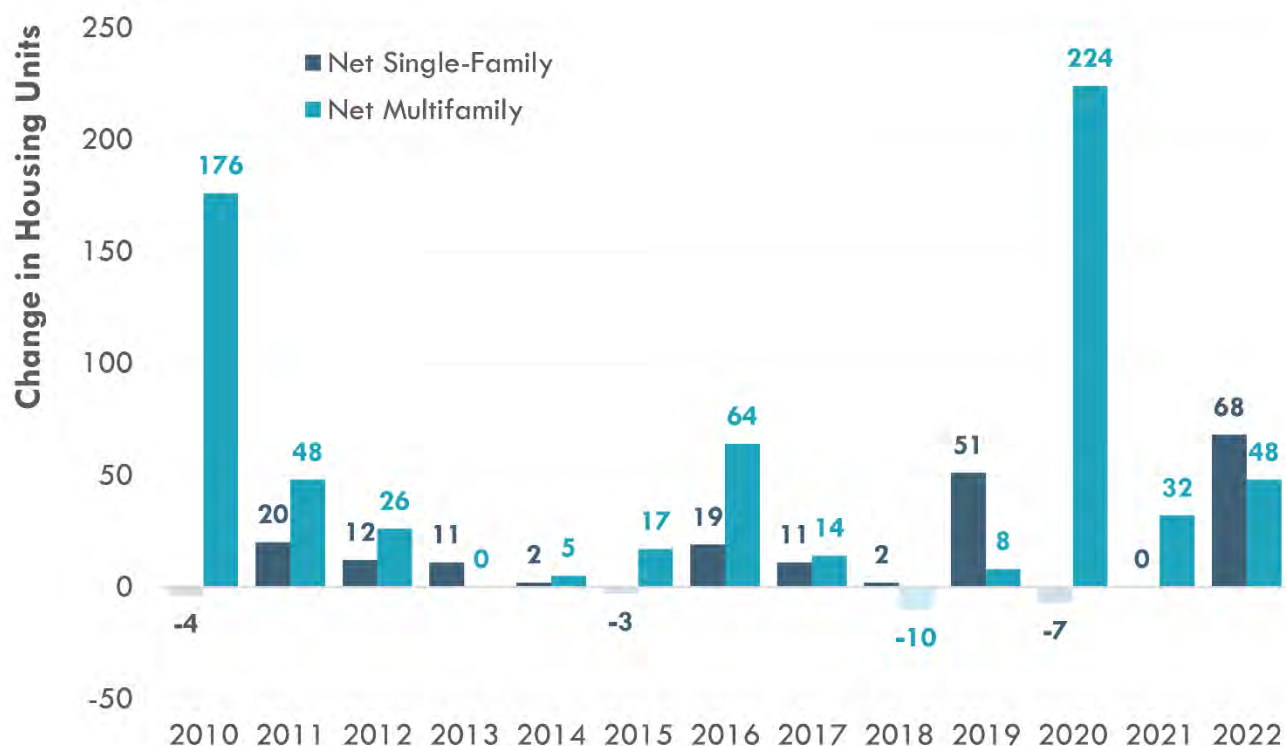
Source: OFM, 2022; BERK, 2022.

Exhibit 29. Housing Production, Gains and Losses, 2011–2020.



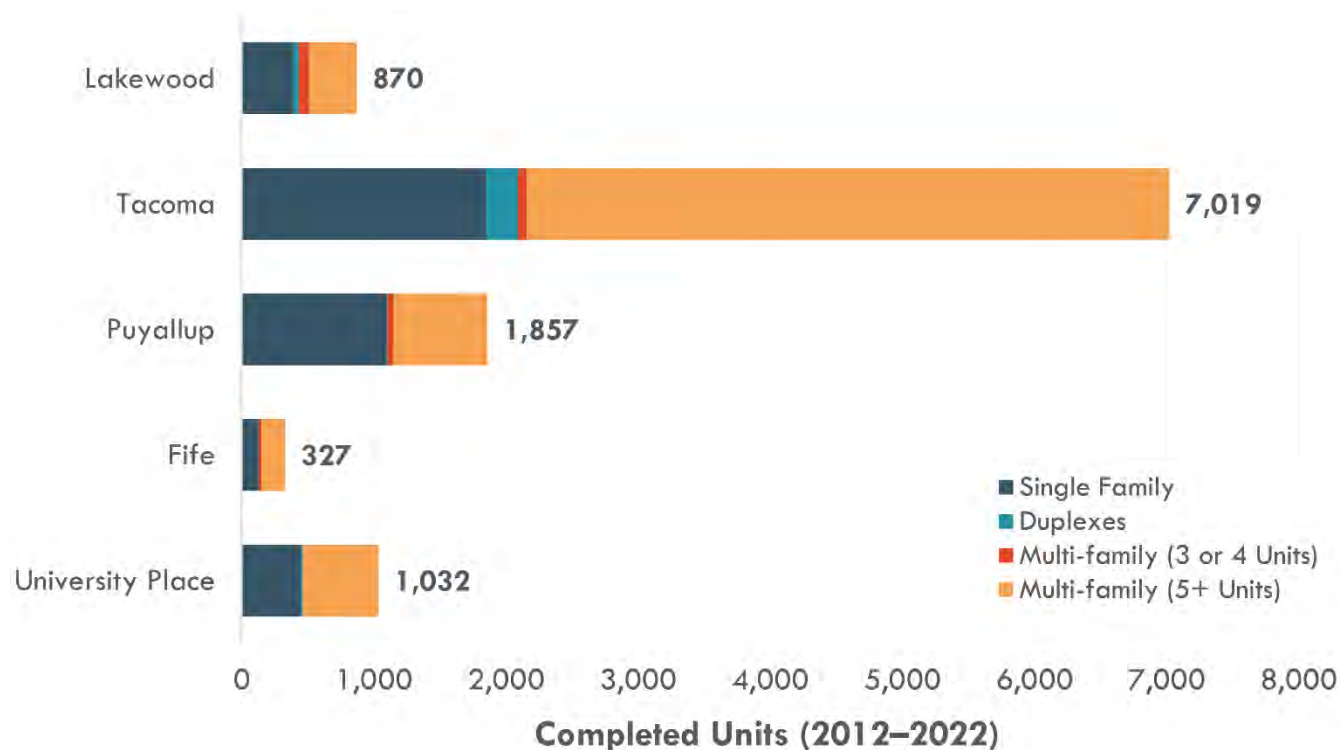
Source: OFM, 2022; BERK, 2022.

Exhibit 30. Housing Production, Net Change, 2010–2022.



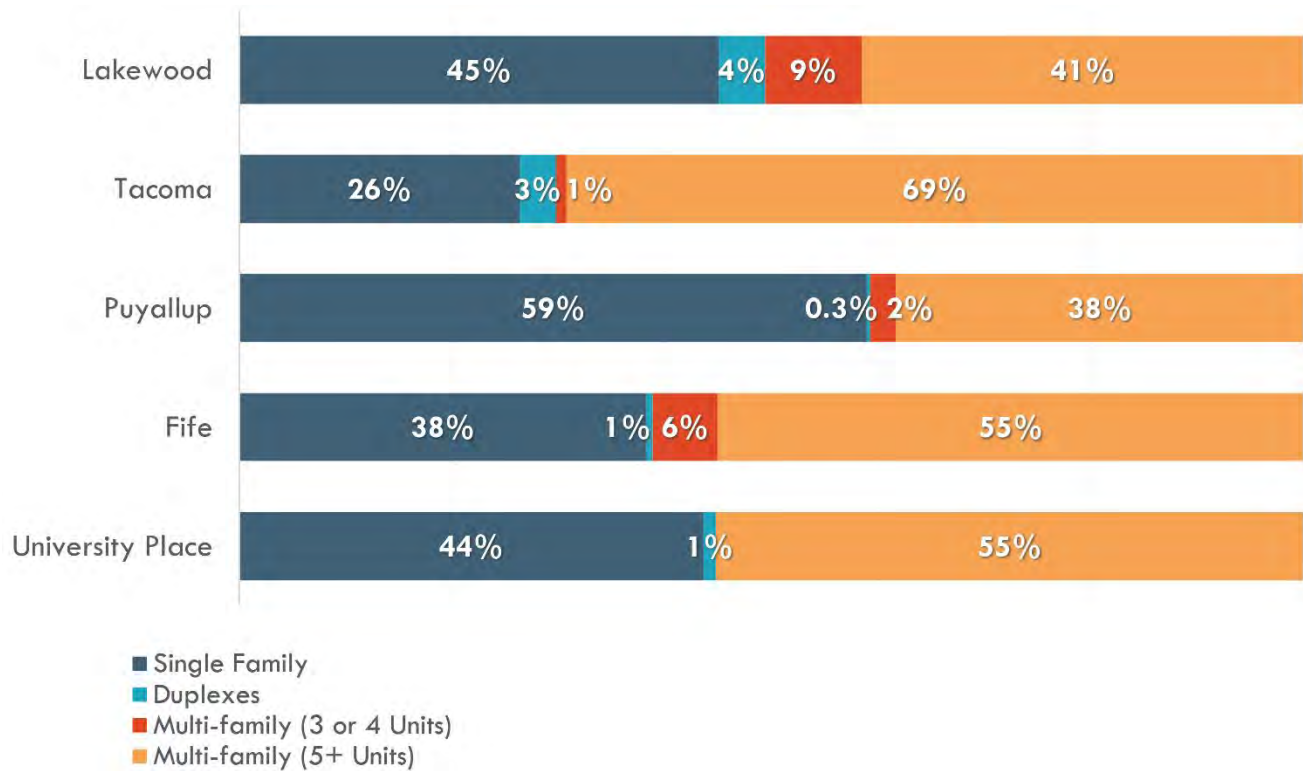
Source: OFM, 2022; BERK, 2022.

Exhibit 31. Total Housing Production Comparison, by Type, 2012–2022.



Source: OFM, 2022; BERK, 2022.

Exhibit 32. Proportion of Housing Production Comparison, by Type, 2011–2020.



Source: OFM, 2022; BERK, 2022.

Housing Market Trends

Rental housing

Understanding housing costs and related indicators can be important in determining key characteristics of housing needs. The following exhibits highlight major characteristics of the rental market:

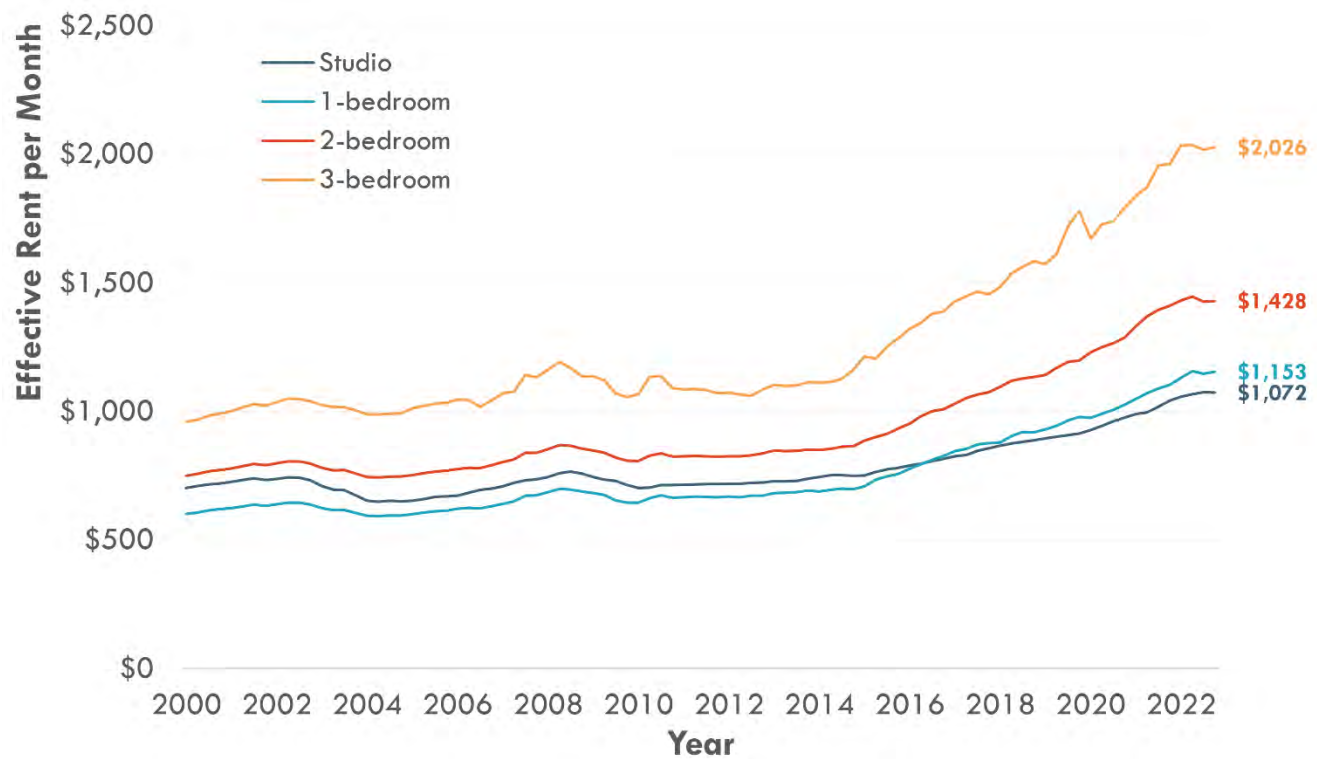
- Exhibit 33 provides a description of **effective rents by the size of rental units** from 2000–2022. Note that in this case, “effective rents” incorporate the asking rent for units as well as any concessions (e.g., free rent, free parking, etc.).
- Exhibit 34 provides the **ratio of effective rent to median family income** for Lakewood from 2010–2022 by size of unit. Note that median income information is not available for 2021 and 2022, but was projected from the previous three years based on methods established by the US Department of Housing and Urban Development. This can highlight changes in effective affordability over time.
- Exhibit 35 shows **year-over-year changes in rent** for Lakewood and the Seattle-area market (King, Pierce, and Snohomish Counties) for 2001–2022, but does not fully reflect changes in rent during and after the COVID-19 pandemic rent moratoria.
- Multifamily housing **rental vacancy rates** for Lakewood and the Seattle-area market are provided in Exhibit 36.
- To understand the sales of rental properties, Exhibit 37 includes the **volume of sales** in Lakewood in millions of dollars, and the **average sale prices per unit** in thousands of dollars.

From these assessments, the following conclusions can be reached:

- **Rent amounts have experienced a notable increase since 2014.** As can be seen in Exhibit 33, rents in Lakewood have been experiencing considerable upward pressure since 2014. While these increases have differed by the size of the units in question, Exhibit 35 highlights that in general rents have been increasing by at least 5% per year, even during periods where rents in the overall market have decreased year-over-year.
- **Rental affordability has also declined since 2014.** Exhibit 34 shows comparisons between rents and local median income. While the 2010–2014 period demonstrated some stability where median rents for studios to two-bedroom apartments were considered affordable to households with income at 60–65% MFI, this has increased to 75% MFI for studios to 85% for two-bedrooms. With projections of median income, this has increased further to 88–101% in 2021, and 82–93% in 2022. Three-bedroom unit rents increased to 115% of MFI in 2022.
- **Local vacancy rates have been trending lower than regional rates since 2015.** The historical vacancy rates shown in Exhibit 36 highlight that before 2014–2015, vacancy rates in Lakewood have generally been higher than regional vacancy rates overall. However, over the past five to six years, vacancy rates in the broader market have been higher than in Lakewood, suggesting that there may be higher local pressure on prices in the local market.
- **Sales of multifamily housing suggest a greater involvement by institutional investors.** The increase in sales volume and sale prices for multifamily housing in Exhibit 37 has been notable since 2016. While this can be attributed in general to the increasing attractiveness of multifamily housing

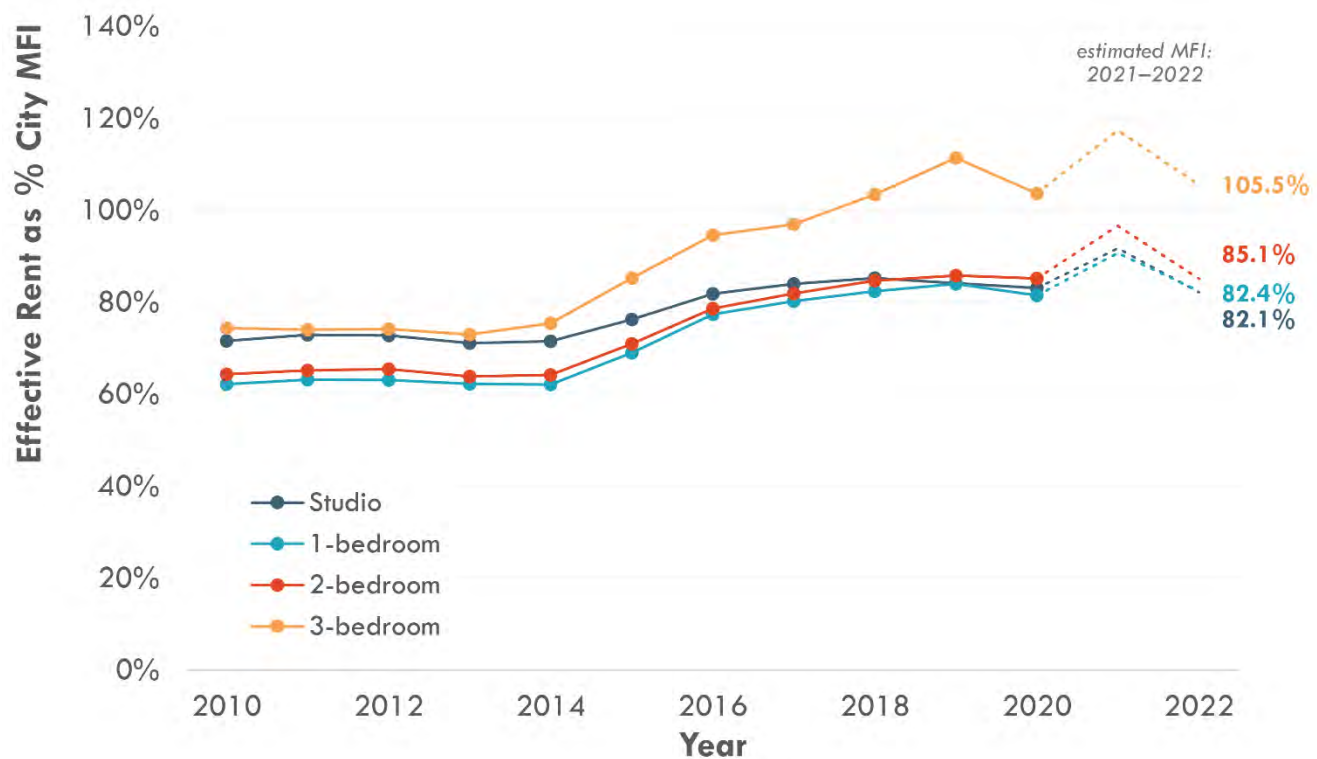
to investors in general, there has been a general increase in sales from private to institutional investors. This may be due in part to the fact that the City's rental housing safety program has prompted the sale of multifamily housing by owners unwilling to make required improvements to their property.

Exhibit 33. Effective Rents by Unit Size, 2001–2022.



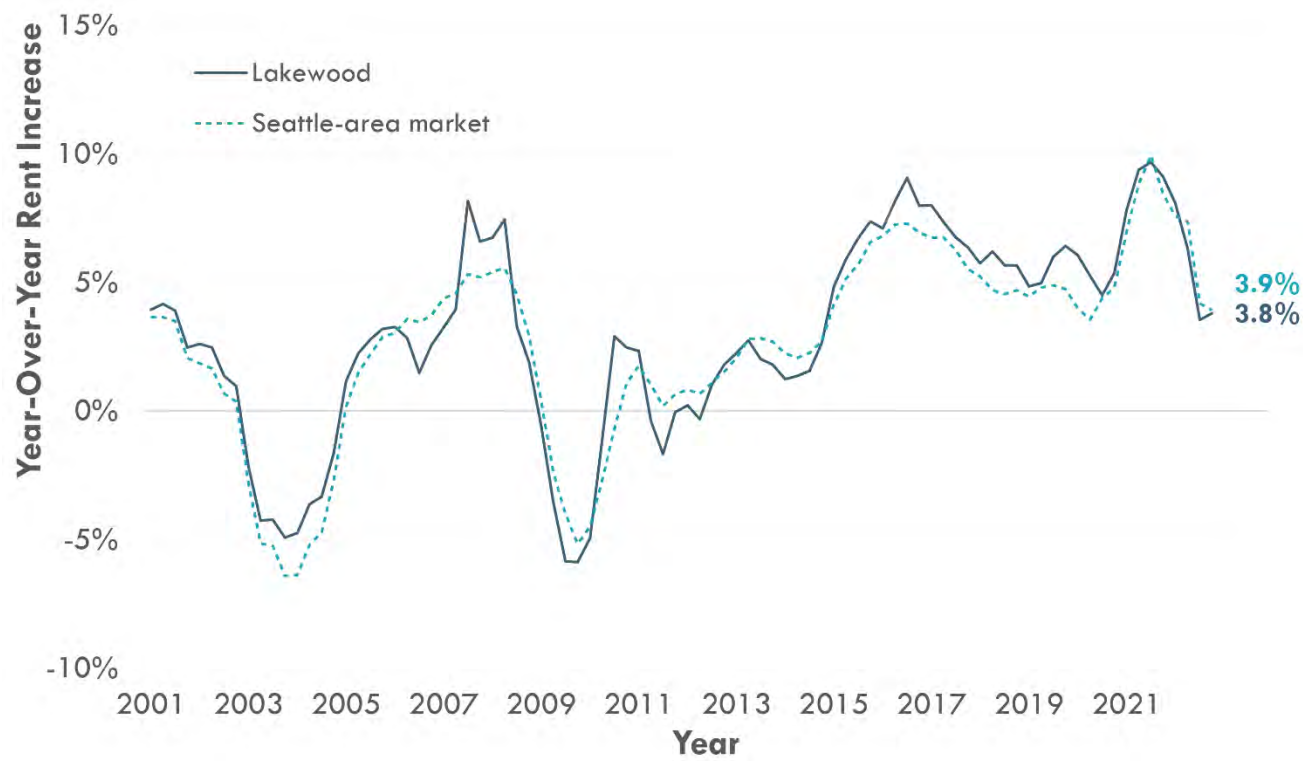
Source: CoStar, 2022; BERK, 2022.

Exhibit 34. Effective Rent as Percent Lakewood Median Income by Size, 2010–2022.



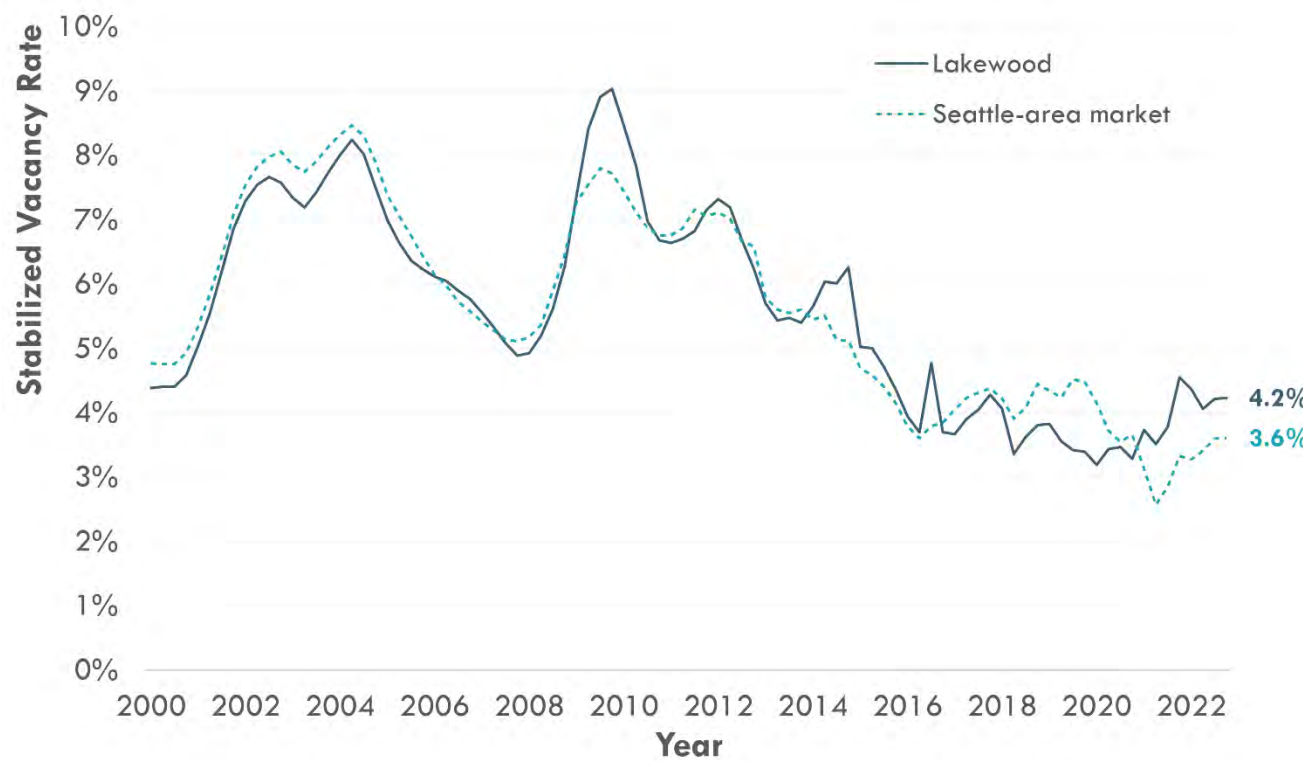
Source: CoStar, 2022; ACS 2022; BERK, 2022.

Exhibit 35. Year-Over-Year Rent Changes, Lakewood and Region, 2001–2022.



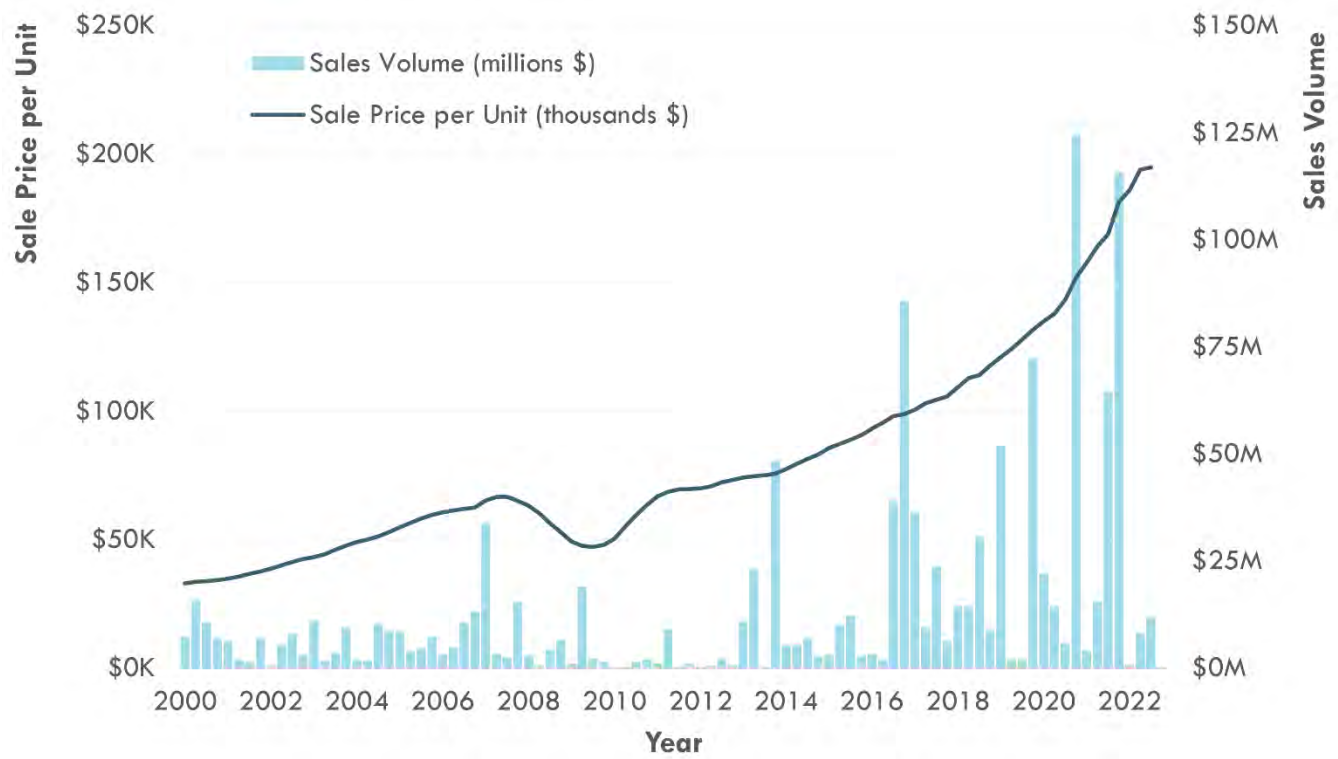
Source: CoStar, 2022; BERK, 2022.

Exhibit 36. Vacancy Rates, Lakewood and Region, 2000–2022.



Source: CoStar, 2022; BERK, 2022.

Exhibit 37. Sales Volume and Sale Price per Unit for Rental Properties, 2000–2022.



Source: CoStar, 2022; BERK, 2022.

Owner-occupied housing

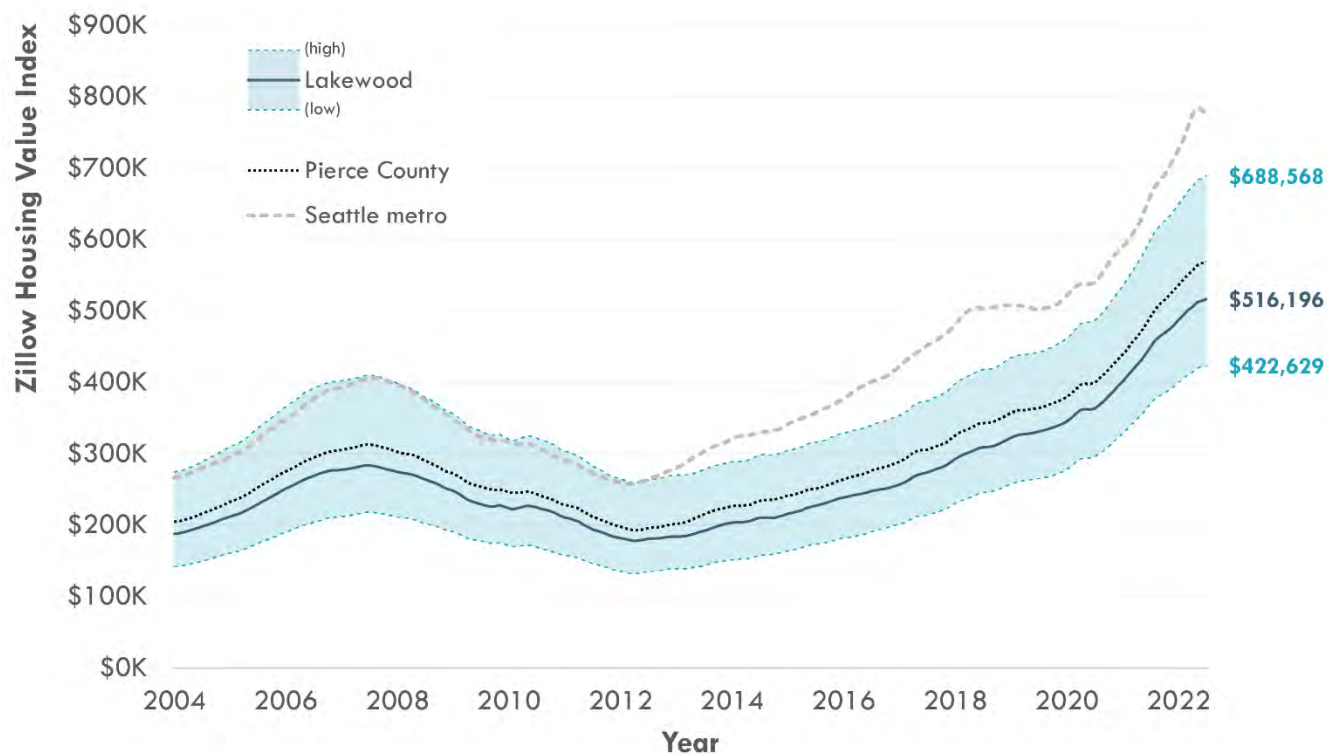
Information about owner-occupied housing can be useful in highlighting other potential market trends that can impact affordability. Zillow Group, Inc. provides summaries of key metrics at the metro, county, and city level.

- Exhibit 38 highlights **housing price distributions** based on the “Zillow Housing Value Index” (ZHVI). This includes the median and range of housing prices for Lakewood in blue, as well as the median housing prices for Pierce County and the Seattle metro area.
- Comparable to the measures provided for rental housing, Exhibit 39 provides **ratios of median housing prices (ZHVI) and median family income** for Lakewood and Pierce County. As with the rent measure, this can highlight effective changes in housing affordability over time. As with the rental calculations in Exhibit 34, median incomes are projected for 2021 and 2022.

These data highlight the following:

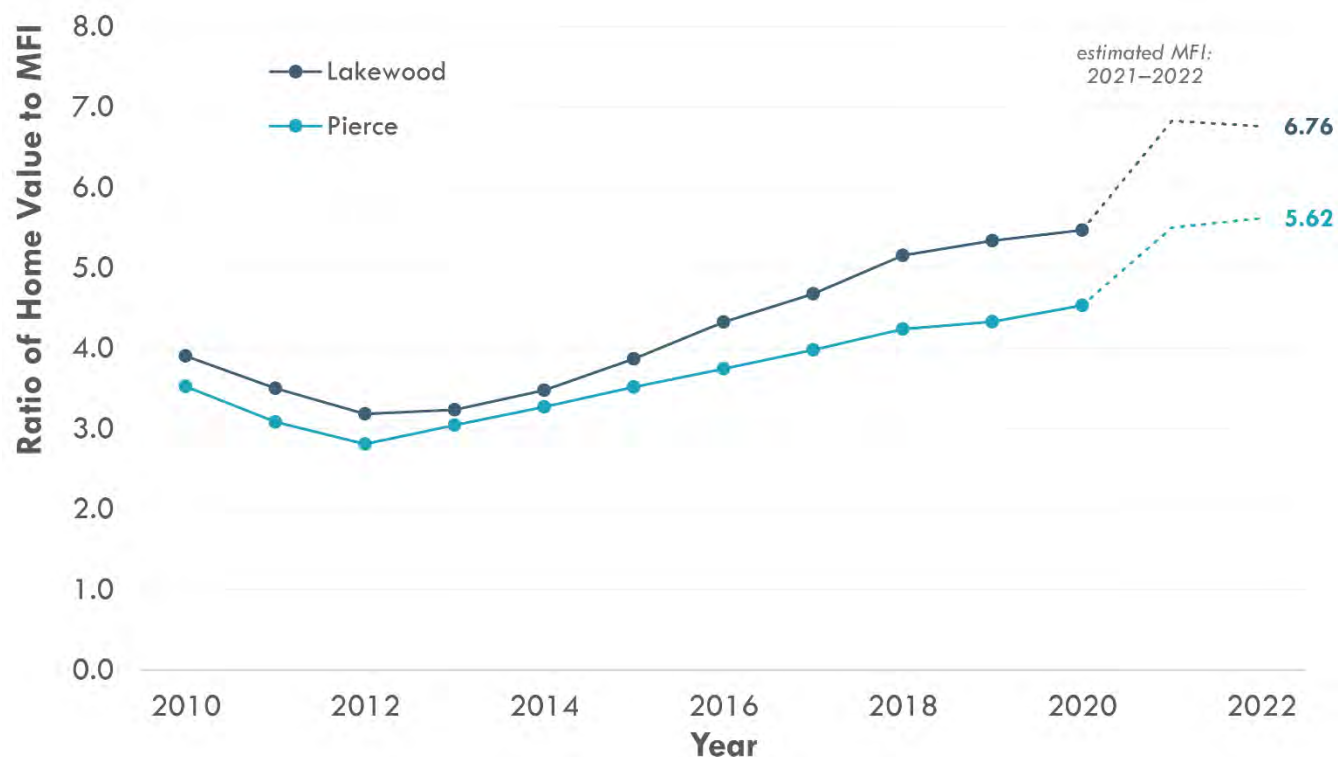
- **The Lakewood market is more affordable than others in the region, but has been experiencing considerable recent increases.** The data in Exhibit 38 highlights that median prices for housing in Lakewood have increased from \$178,297 in April 2014 to a recent peak of \$516,196 in July 2022. This represents 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.
- **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 in Exhibit 39 highlight two major points. First, Pierce County is less affordable than Lakewood on average; the 2022 median housing price estimated ratio for Pierce County being 7.33 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, meaning housing becoming less accessible to households since the end of the previous recession.

Exhibit 38. Home Value, Lakewood, Pierce County, and Seattle metro region, 2004–2022.



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

Exhibit 39. 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

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 (HUD) provides two general thresholds for “housing cost burdens”:

- If households are paying at least 30% of their income on housing and housing-related costs (e.g., utilities), they are considered to be **cost burdened**. This assumes that the costs of housing will start to crowd out other household expenditures, especially for lower-income households.
- Households that are paying at least 50% of their income on housing are considered **severely cost burdened**. In these cases, lower-income households may experience some severe impacts on other necessary expenditures. They may also be more at risk for housing insecurity, especially if housing rent increases may outpace increases in household income.

A major focus in this section is on rental housing versus owner-occupied housing. Many households have investment wealth in their owned home; in other cases, lower income households own their home outright but are unable to utilize its value for living costs for whatever reason. Overall, Lakewood’s renters are increasingly challenged both with rising rents and with finding the means to become homeowners (i.e., gathering down payment.)

The following exhibits highlight key calculations from the HUD CHAS dataset, which is derived from American Community Survey data:

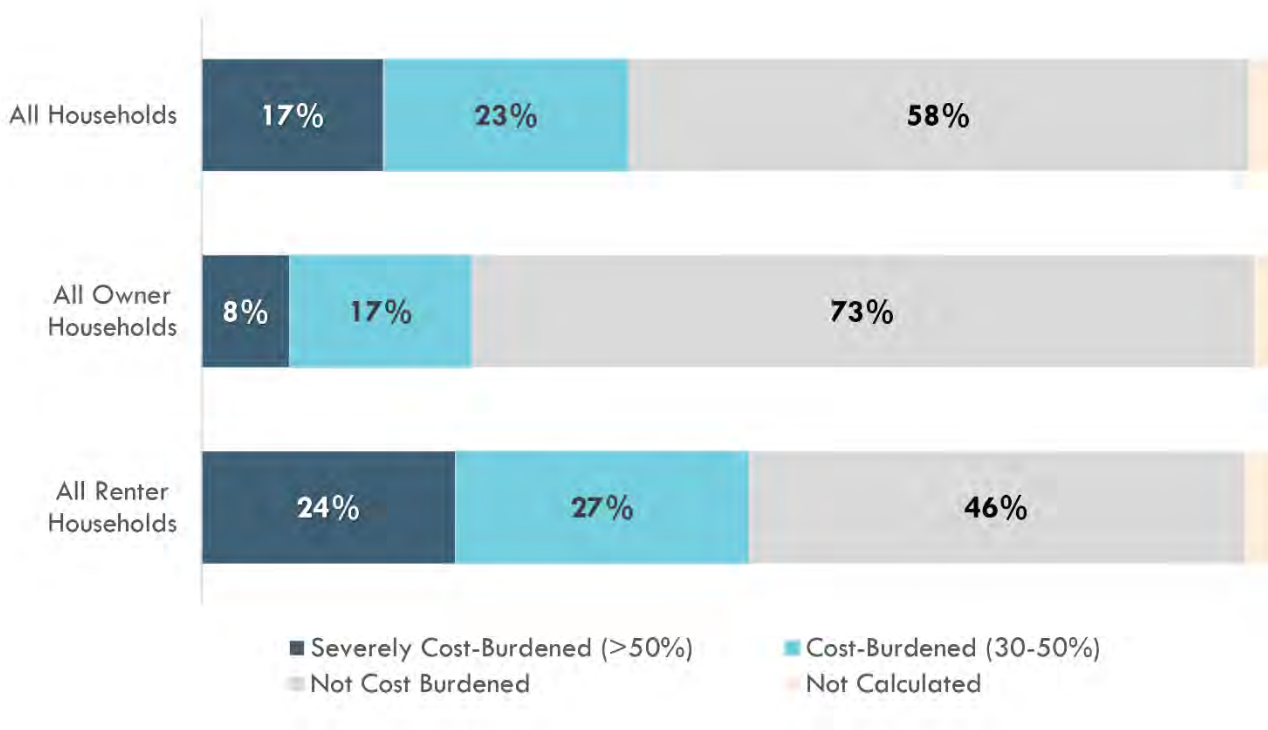
- Exhibit 40 compares the proportion of cost burdened and severely cost burdened households in Lakewood between renters and owners.
- Exhibits 41 and 42 provide a breakdown of renter cost burden by income categories in Lakewood, with Exhibit 41 providing proportions of each category and Exhibit 42 giving total counts.
- Rent cost burdens are broken down by race and ethnicity in Exhibits 43 (proportions) and 44 (total counts) to highlight potential racial disparities.

Based on these statistics, the following conclusions can be reached:

- **About half of all households renting in Lakewood are facing cost burdens.** Exhibit 40 shows that about 50% of all renter households are facing some type of housing cost burden. This stands in contrast to homeowners, where 26% face housing cost burdens of some type, and 9% face severe housing cost burdens. This highlights that affordability is a much more immediate consideration with renters, especially lower-income renters in the community.
- **Lower-income households are experiencing considerable cost burdens.** In examining Exhibits 41 and 42, where renter cost burdens are split according to household income, it is apparent that the greatest cost burdens are being experienced by very low- (30–50% MFI) and extremely low-income (less than 30% MFI) households. Only 7% and 3% of these households, respectively, are not cost burdened.

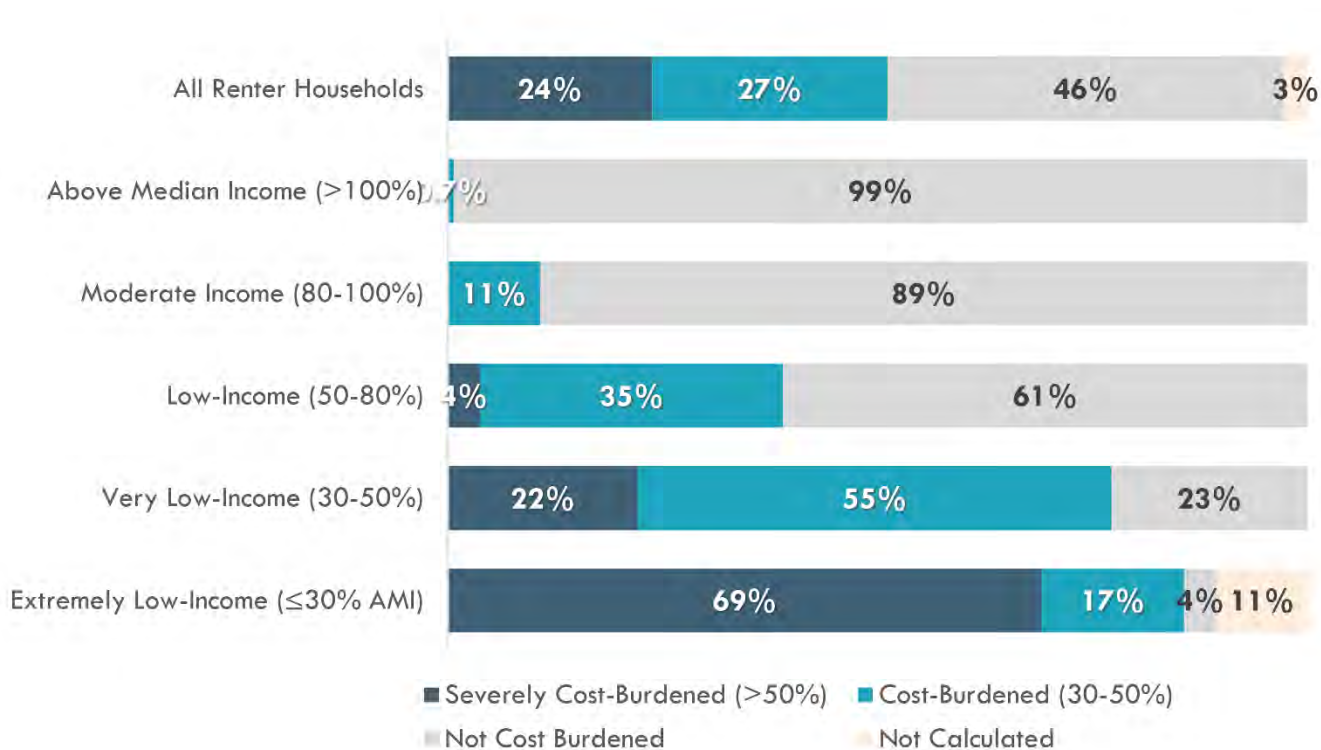
- **Black/African-American households that are renting are experiencing greater housing cost burdens in Lakewood.** Exhibits 43 and 44 demonstrate that Black or African American renter households have higher rates of being severely cost burdened (40%) as compared to renter households from other racial and ethnic groups. Overall, 58% of renting Black households are facing cost burdens versus 54% of white households. This racial disparity needs to be addressed as the City develops new housing goals and policies.

Exhibit 40. Percent of Households by Tenure and Cost Burden, 2018.



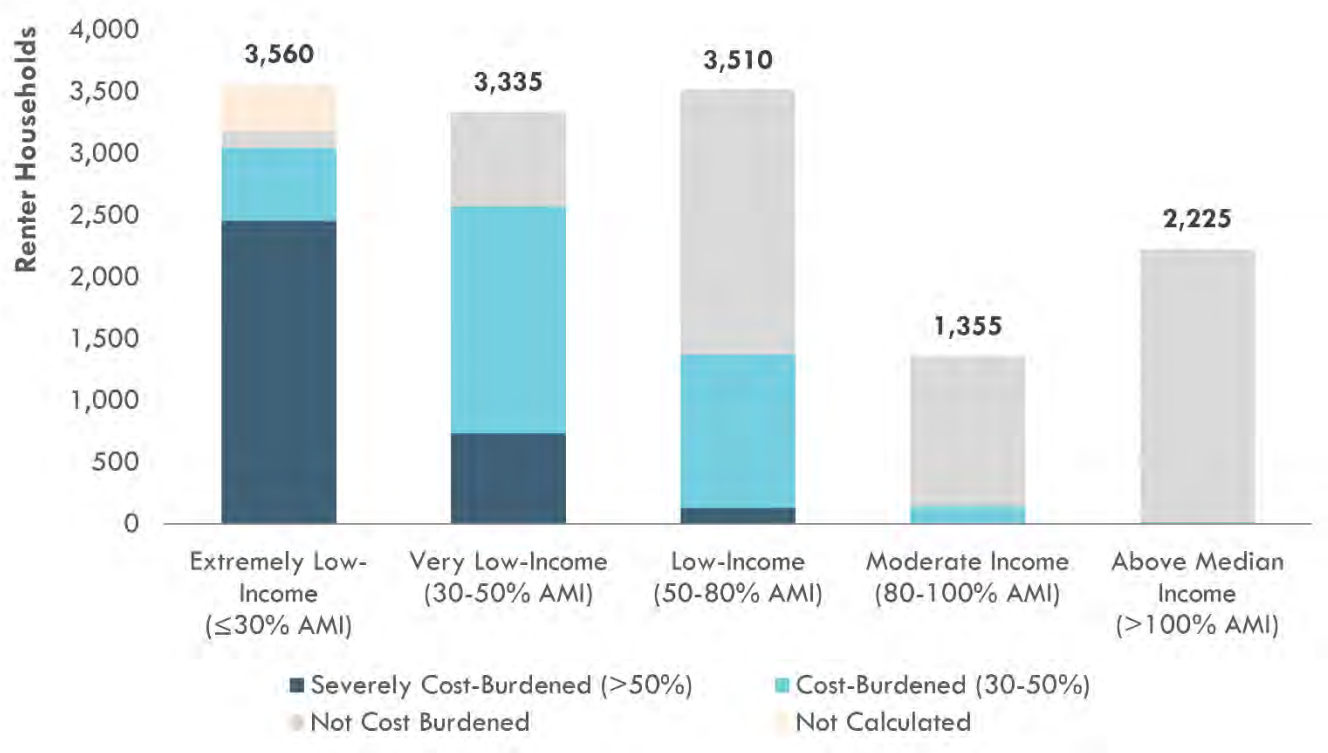
Source: 2018 CHAS; BERK, 2022.

Exhibit 41. Proportion of Renter Households by Income Category and Cost Burden, 2018.



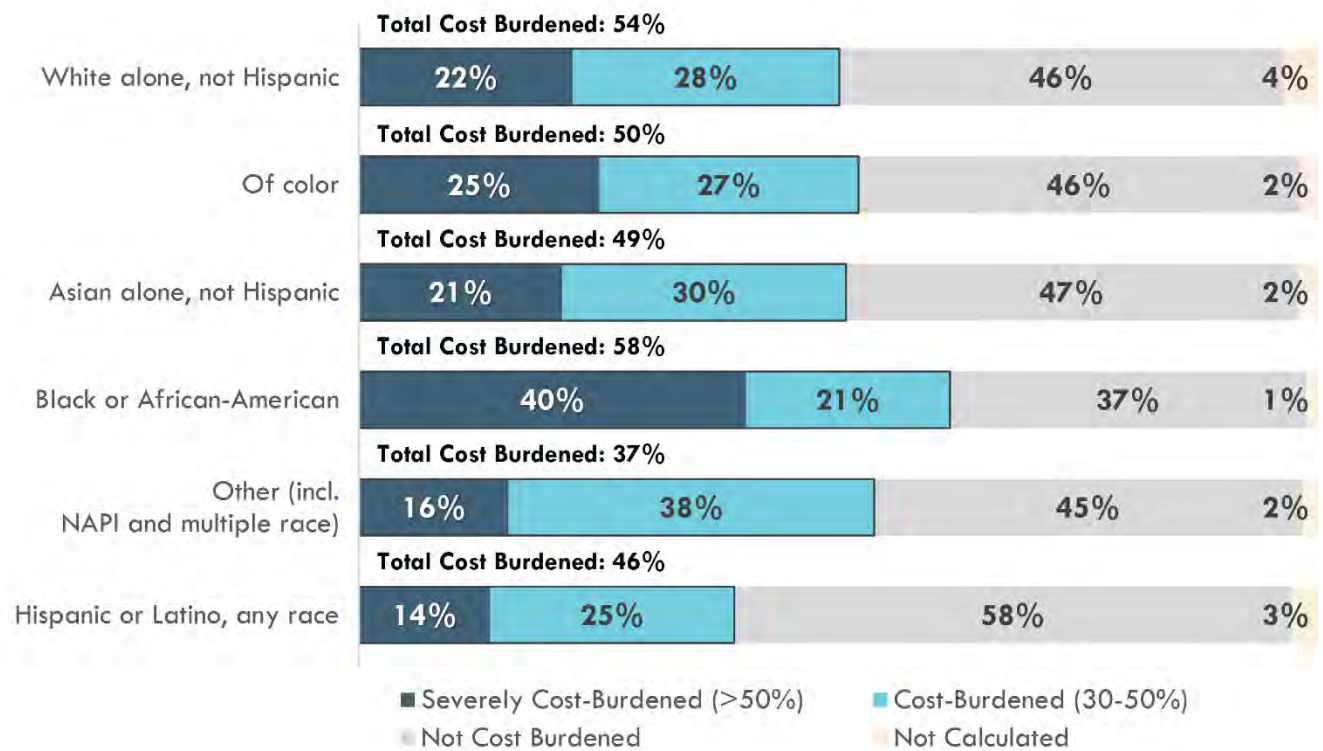
Source: 2018 CHAS; BERK, 2022.

Exhibit 42. Renter Households by Income Category and Cost Burden, 2018.



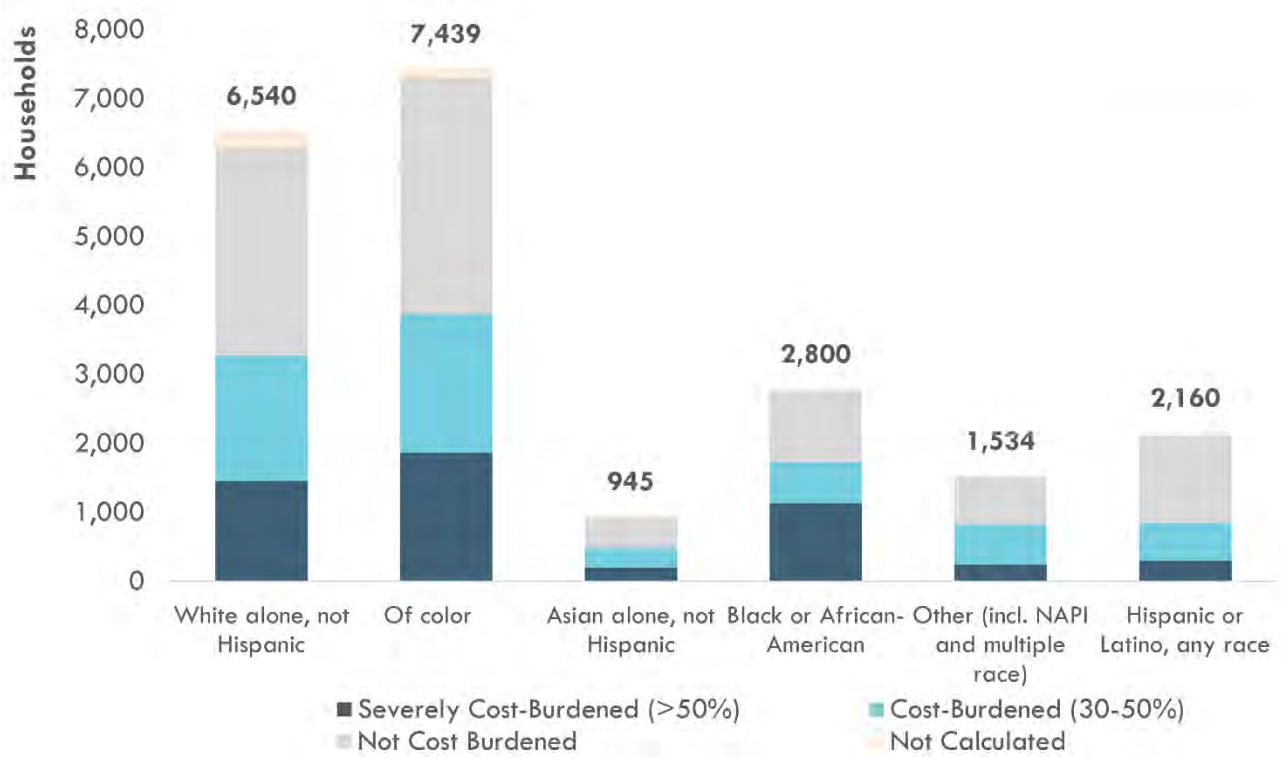
Source: 2018 CHAS; BERK, 2022.

Exhibit 43. Proportion of Renter Households by Race and Cost Burden, 2018.



Source: 2018 CHAS; BERK, 2022.

Exhibit 44. Renter Households by Race and Cost Burden, 2018.



Source: 2018 CHAS; BERK, 2022.

Access to affordable units

When evaluating the major housing affordability gaps, it is important to compare the availability of affordable housing with the characteristics of households that can afford this housing. Two figures below provide a perspective on affordability gaps:

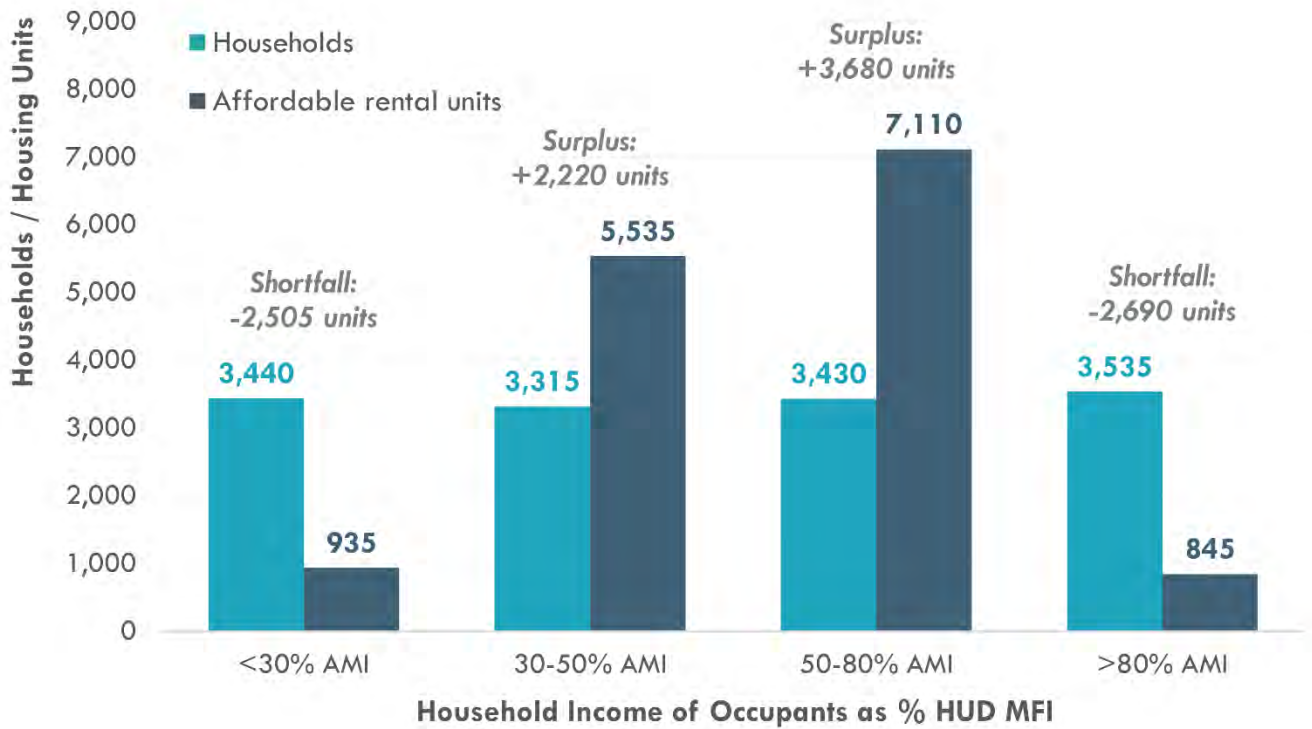
- Exhibit 45 compares the number of rental units that are affordable at given income levels (i.e., where a household would not need to pay more than 30% of their income for rent) versus the number of households in each category.
- Exhibit 46 compares the count of affordable rental units by affordability category between the 2013 and 2018 CHAS datasets. As these datasets rely on the 5-year American Community Survey for household and housing data, this five-year difference is used not only to compare conditions over time, but also to ensure that the same data is not used for both measures.
- Exhibit 47 shows the number of households “uprenting” and “downrenting” by housing unit size.
- Exhibit 48 compares renter household income and affordability between Lakewood and Pierce County.

This information highlights the following:

- **There is notable “uprenting” and “downrenting” in the Lakewood market.** As indicated in Exhibit 45, there are significant deficits at the high and low ends of the market, where there are more households than housing units affordable in each. This is similar to a lot of other markets, 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. This distribution demonstrates that the most significant gap that to be addressed is for extremely low-income households.
- **Extremely low- and very low- income households are more likely to uprent.** As shown in Exhibit 47, at least 86% of all households with extremely low incomes are more likely to uprent their home, regardless of housing unit size. Conversely, at least 80% of all households with moderate incomes are more likely to downrent.
- **The losses of affordable housing have been greatest with housing affordable to very low- and extremely low-income households.** Exhibit 46 shows that from 2013 to 2018, there was a decrease in the total amount of affordable housing available to households at 50% AMI or below. While this may represent demolitions of some of these units, this may also reflect rent increases due to various reasons, such as rehabilitation of existing units. This availability decline has most affected households making 30–50% of median income, where the total amount of available housing decreased by about 26%. The severe shortages of units for extremely low-income households suggests that even in this category there may be a significant increase in uprenting.
- **The role of Lakewood in meeting the needs for affordable housing from active-duty service members must be considered.** The South Sound Military and Communities Partnership (SSMCP) published the 2020 Off-Installation Housing Study 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.

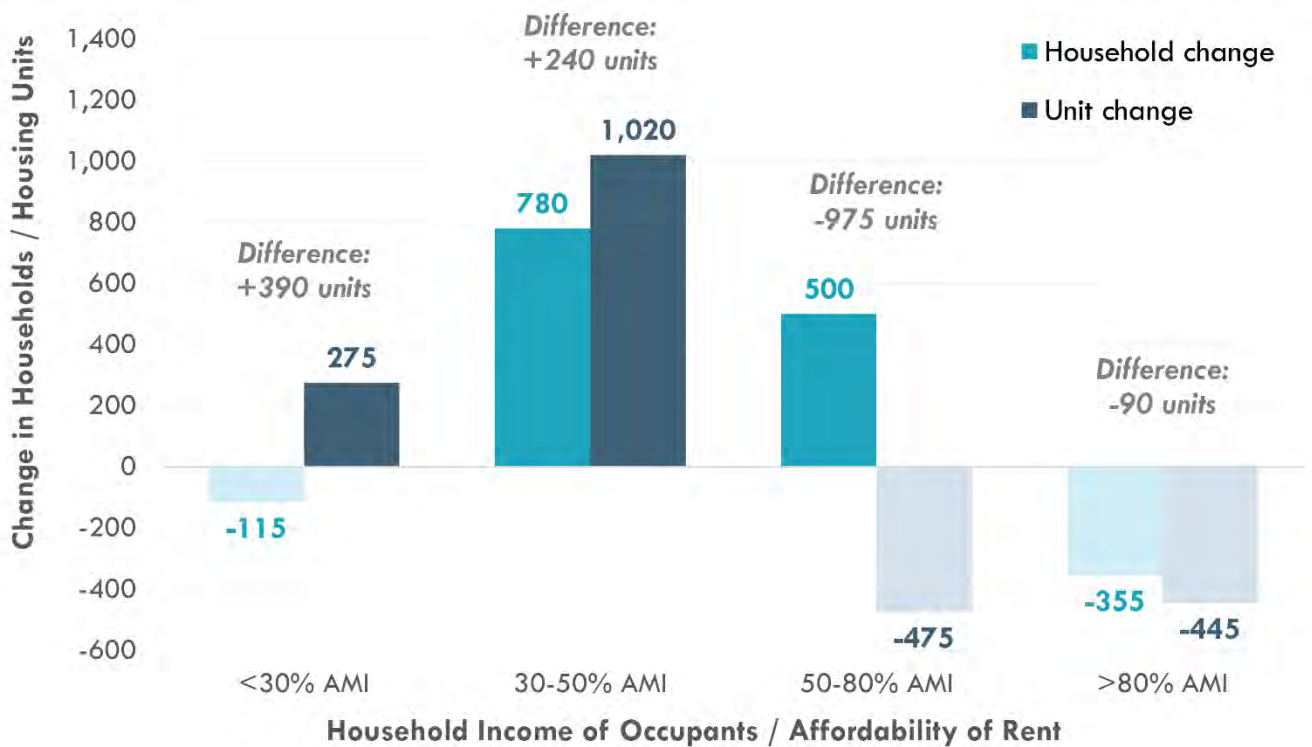
The study recommends that JBLM and military housing needs are considered as part of the City's comprehensive planning processes and that a JBLM Regional Policy Considerations Guide be developed to coordinate with economic development and housing policy.

Exhibit 45. Renter Households versus Affordable Rental Units by Income Category, 2018.



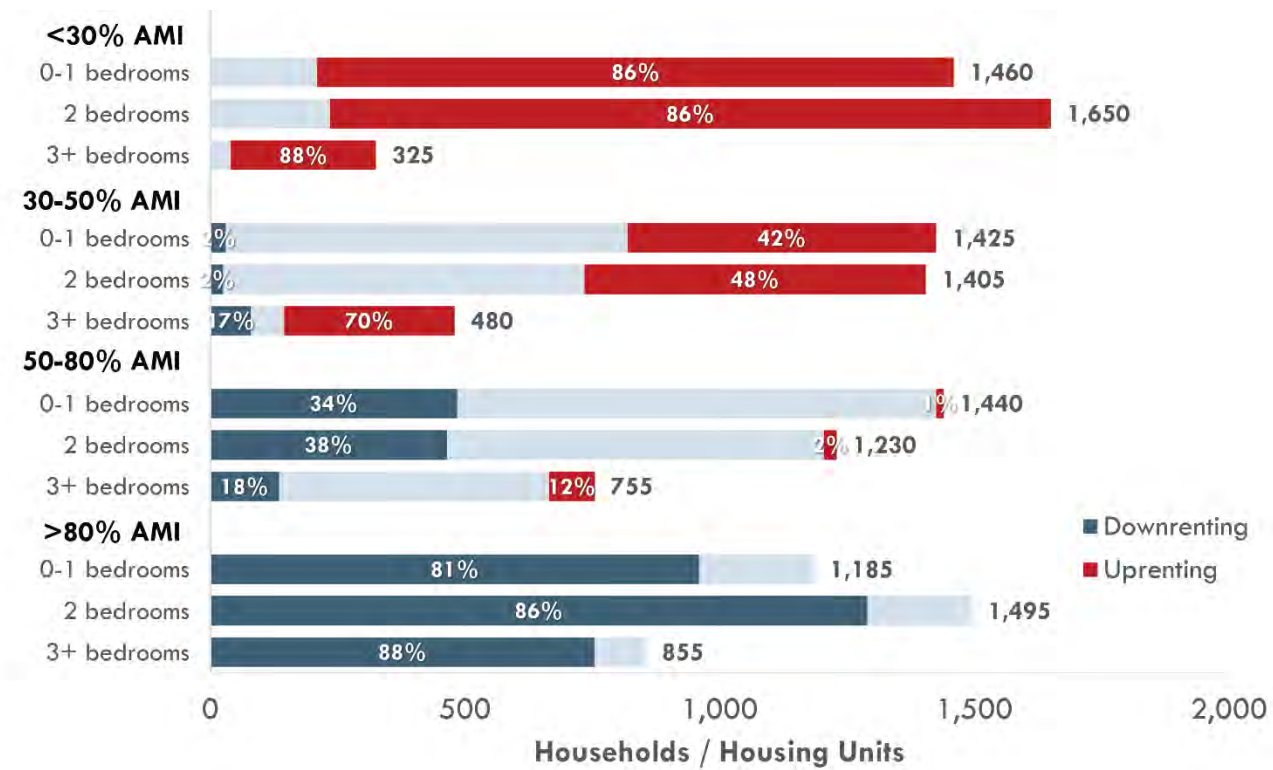
Source: 2018 CHAS.

Exhibit 46. Change in Rental Affordability by Income Category, 2013–2018.



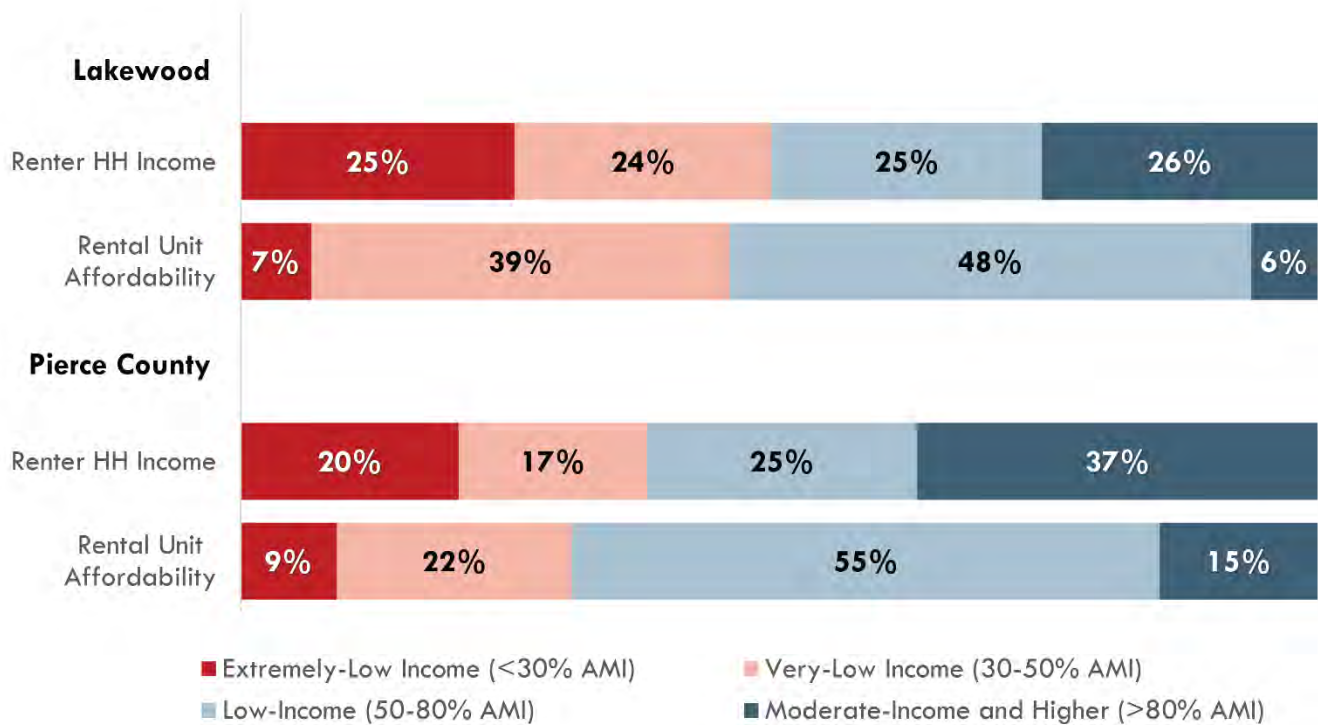
Source: 2013 and 2018 CHAS.

Exhibit 47. Uprenting and Downrenting by Unit Size.



Source: CHAS 2018; BERK 2022

Exhibit 48. Comparison of Renter Income and Affordability.



Source: CHAS 2018; BERK 2022

Housing Incentive Programs

Multi Family Tax Exemption (MFTE) Program

The Multi Family Tax Exemption (MFTE) program allows for multifamily housing projects to be exempt from paying taxes for housing improvements for a period of 8 or 12 years. The tax exemption is based off the improvement value for the residential portion of a project only.

Requirements for an eight-year exemption:

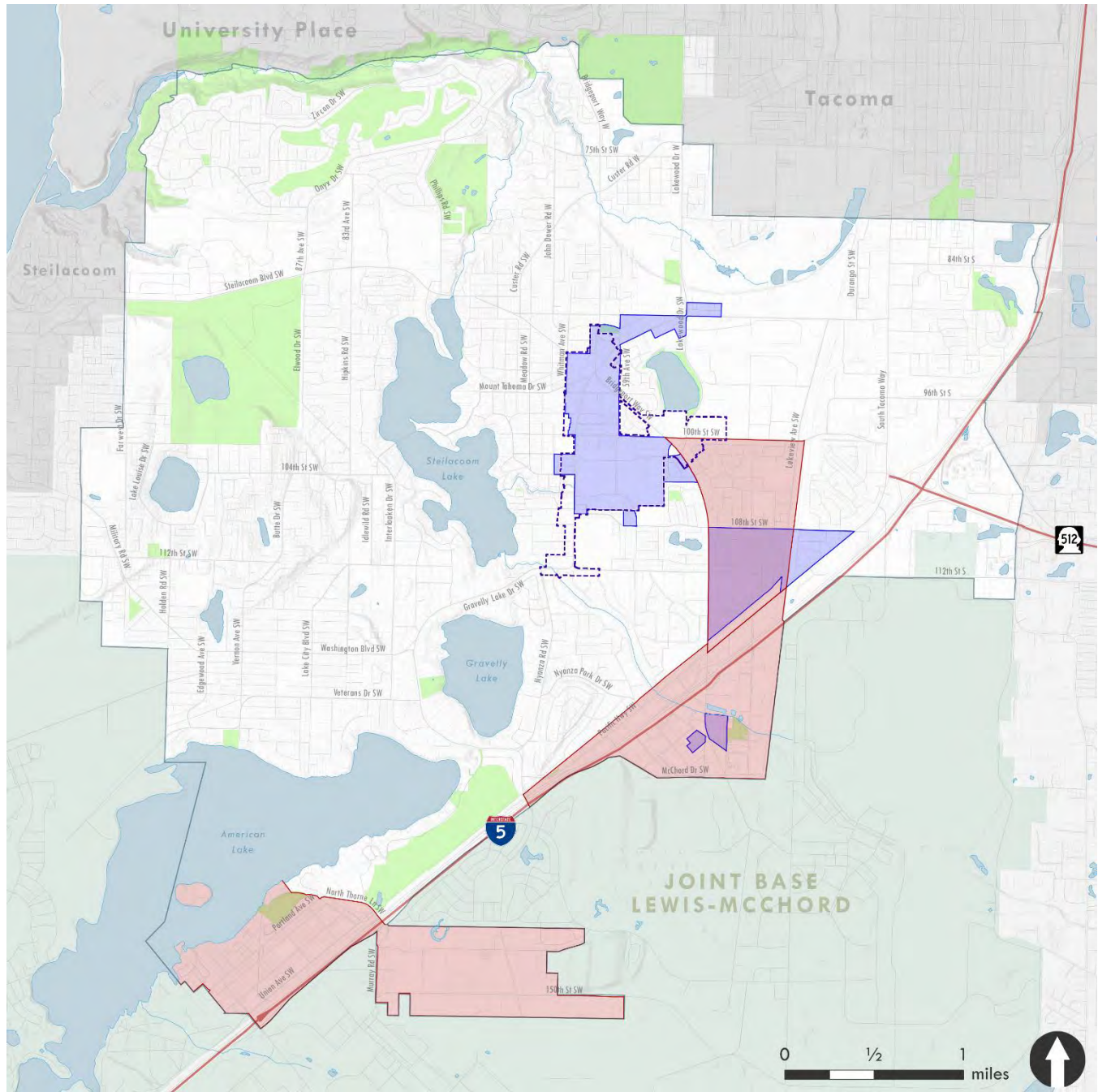
- Location: must be located within a Residential Target Area (RTA), an area identified by Lakewood City Council that is lacking sufficient housing.
 - RTA's can only be sited within the Lakewood Tax Incentive Urban Use Center (TIUUC), or a compact, urban district that qualifies for specific products and services.
- Size: Housing improvements must include a minimum of 4 multi-family (MF) units
- Permanent Residential Housing: 50% of the MF housing units must be provided for permanent residential occupancy
- Proposed Completion Date: All construction and improvements must be completed within 3 years of approval
- Compliance: All construction and improvements must comply with the comprehensive plan, building codes and other standards set by Lakewood City Council in the RTA.

A 12-year exemption can be made when in addition to the requirements above, the owner rents or sells at least 20% of the MF housing units as affordable to low- and moderate-income households.

Opportunity Zones

The Opportunity Zone program provides a tax incentive to fund development and businesses in communities designated as an Opportunity Zone. Each state is allowed to designate up to 25% of low-income census tracts for this program. Within Lakewood, there are four census tracts that have been identified as opportunity zones. This includes census tracts in the Tillicum, Woodbrook, Lakeview-Kendrick, and Springbrook neighborhoods (see Exhibit 41). Through this program, investors can defer on a capital gains tax on investments through December 31st, 2026.

Exhibit 49. Location of MFTE Residential Targeted Areas and Opportunity Zone Census Tracts.



Legend

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

Incentive Areas

- MFTE Residential Targeted Areas
- Opportunity Zone Census Tracts



Map Date: October 2022

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

Lakewood Municipal Code 18A.90 Housing Incentives Program

Lakewood Municipal Code 18A.90 Housing Incentives Program provides certain incentive programs for developers to include affordable housing in future residential development, including zoning and financial bonuses based on individual land use applications.

Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME)

Lakewood's Community Development Block Grant (CDBG) program provides financial and technical resources to government municipalities on community and economic development projects, including housing. CDBG funds must be used to support low- and moderate- income households.

Key recent program achievements include:

- Developed and implemented:
 - the FY2020-2024 Five Year Consolidated Plan and 2020 Annual Action Plan.
 - Lakewood's 2020 Analysis of Impediments to Fair Housing.
- Managed the HOME Multifamily & Homeownership Affordability Fund, Section 108 program and the Major Home Repair / Sewer Loan program; and the HOME Housing Rehab program.

Looking ahead, the City will:

- Facilitate the implementation of the Five Year 2020-2024 Consolidated Plan and associated Action Plan.
- Perform at least 18 dangerous building abatements annually.
- Continue to monitor the HOME Multifamily & Homeownership Affordability Fund and Section 108 program.
- Monitor Habitat for Humanity redevelopment projects in the Tillicum neighborhood.
- Implement the Tenant Based Rental Assistance (TBRA) Program.
- Develop a Capital Facilities Plan for Living Access Support Alliance (LASA)'s Gravelly Lake Commons project.

Rental Housing Safety Program (RHSP)

The Lakewood Rental Housing Safety Program (RHSP) was adopted in 2016 to ensure all rental units are safe and habitable. The program aims to ensure all rental units adhere to life, fire, safety, and health regulations. The RHSP program also increases awareness of these housing standards to property owners, managers, landlords, and tenants. As of November 2017, all rental units are required to be registered to the RHSP website and be inspected every 5 years. As of 2020, 90% of all rental units (11,968) were registered and 485 initial inspections had been conducted by City and private inspectors.

Inspections and enforcement under RHSP were slowed by the COVID-19 pandemic. Looking ahead into 2023, RHSP will restart full enforcement on rental units that are not registered or inspected.

Dangerous Building Abatement

In 2021, Lakewood completed 12 dangerous building abatements and three public nuisance actions. As of June 30, 2022, five dangerous building abatements and one public nuisance action were completed and 15 dangerous building abatements and five public nuisances were pending. These building abatements offer unique housing opportunities within the City to provide safe, affordable housing options to help Lakewood meet their housing need.

Part 2: Projected Housing Needs

Overall Projections

Per the information provided in Part 1 of this report:

- Exhibit 50 provides a tabulation of the development capacity available as of the Buildable Lands Report review in 2020.
- Exhibit 51 presents the 2044 population target for Lakewood under the Pierce County Countywide Planning Policies.
- Exhibit 52 shows the corresponding housing target under the Countywide Planning Policies to achieve these population goals.

These figures highlight that while the City may include enough overall development capacity to accommodate needed housing over the next 20 years, there are certain key considerations for Lakewood when planning for future development:

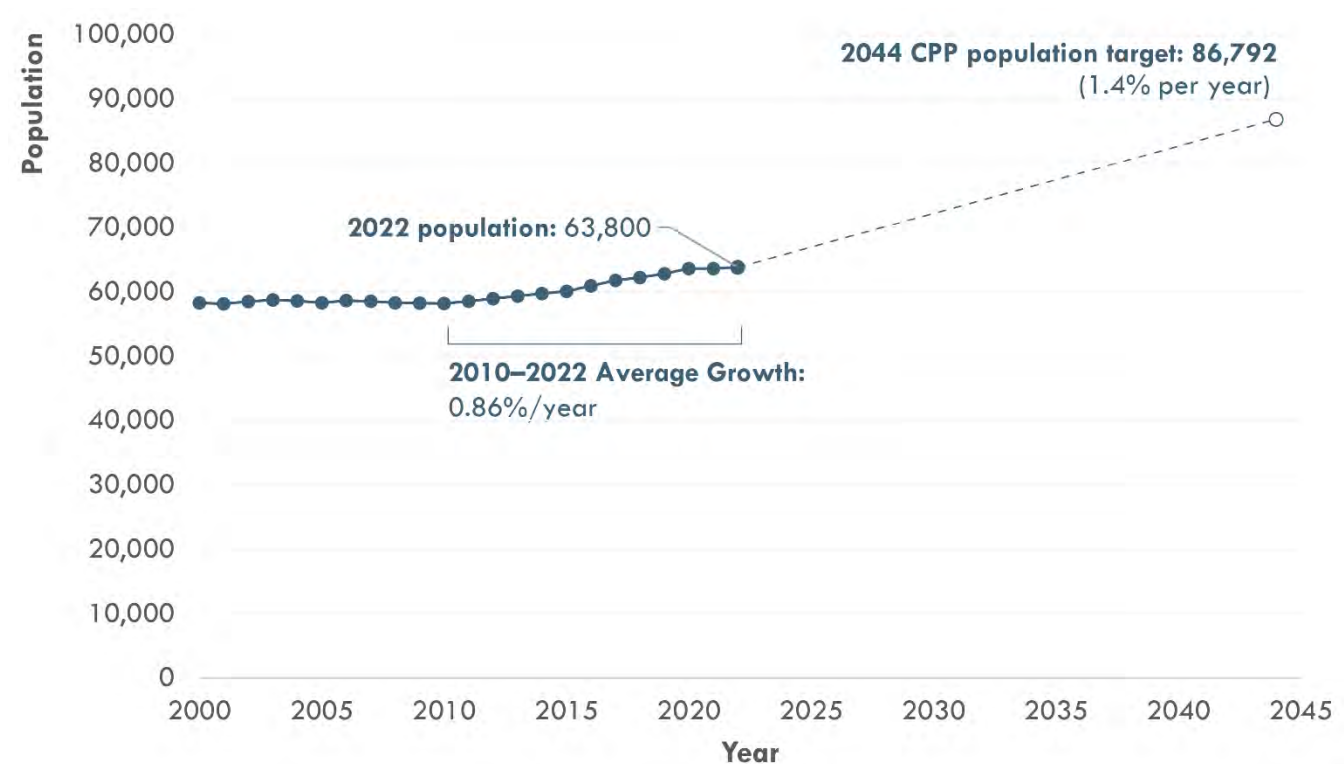
- **Significant reliance on redevelopment opportunities.** 78% of the available housing capacity (8,889 units) in the City is on “underutilized” sites, which include both infill and redevelopment opportunities. While this can be a way to accommodate new growth, these areas are often more challenging to develop than vacant sites. Based on State law changes adopted in 2023 that require cities to allow multiple dwelling units on traditionally single family lots and also strongly encourage accessory dwelling units (ADUs), Lakewood will need to review its zoning and development regulations to ensure that underutilized residential sites are made attractive for denser use over time.
- **Capacity is focused in existing multifamily areas.** While overall housing targets can be accommodated under the general tabulation of capacity, most of Lakewood’s capacity available is on multifamily-zoned parcels. Only 14% of total capacity (1,594 housing units) is located in Residential 1, 2 and 3 zones that do not allow multifamily housing of any kind (or in the case of the R4 zone, only permit duplexes as a conditional use). Given that about half of the current housing stock in Lakewood is single-family residential (see Exhibit 27 in Part 1), this indicates a very significant shift in the types of housing that will be needed to meet these targets. This also raises the question for Lakewood whether to allow additional housing types in the R1, 2, 3, and 4 zones in order to provide additional housing unit capacity in more areas of the City. Again, recent state law changes will influence how Lakewood addresses where to concentrate future housing growth.
- **Potential for displacement.** The reliance on underutilized sites also means that existing housing with affordable rents could be lost in favor of new development with higher rents in these targeted areas. This can challenge efforts to maintain affordability in the community for lower-income households. Policies will need to be in place to address these potential impacts to the community.

Exhibit 50. Lakewood Development Capacity, 2020–2044.

Zone	Vacant	Underutilized	Vacant Single Unit	Pipeline	Total
CBD	181	2,405	0	67	2,653
MF1	132	1,251	16	5	1,404
MF2	304	1,240	0	80	1,624
MF3	152	1,164	0	1	1,317
MR1	0	147	0	1	148
MR2	42	636	5	5	688
NC1	2	17	0	42	61
NC2	49	458	0	2	509
R1	7	26	17	1	51
R2	15	91	39	20	165
R3	172	739	91	34	1,036
R4	23	237	58	24	342
TOC	124	478	0	771	1,373
Total	1,203	8,889	226	1,053	11,371

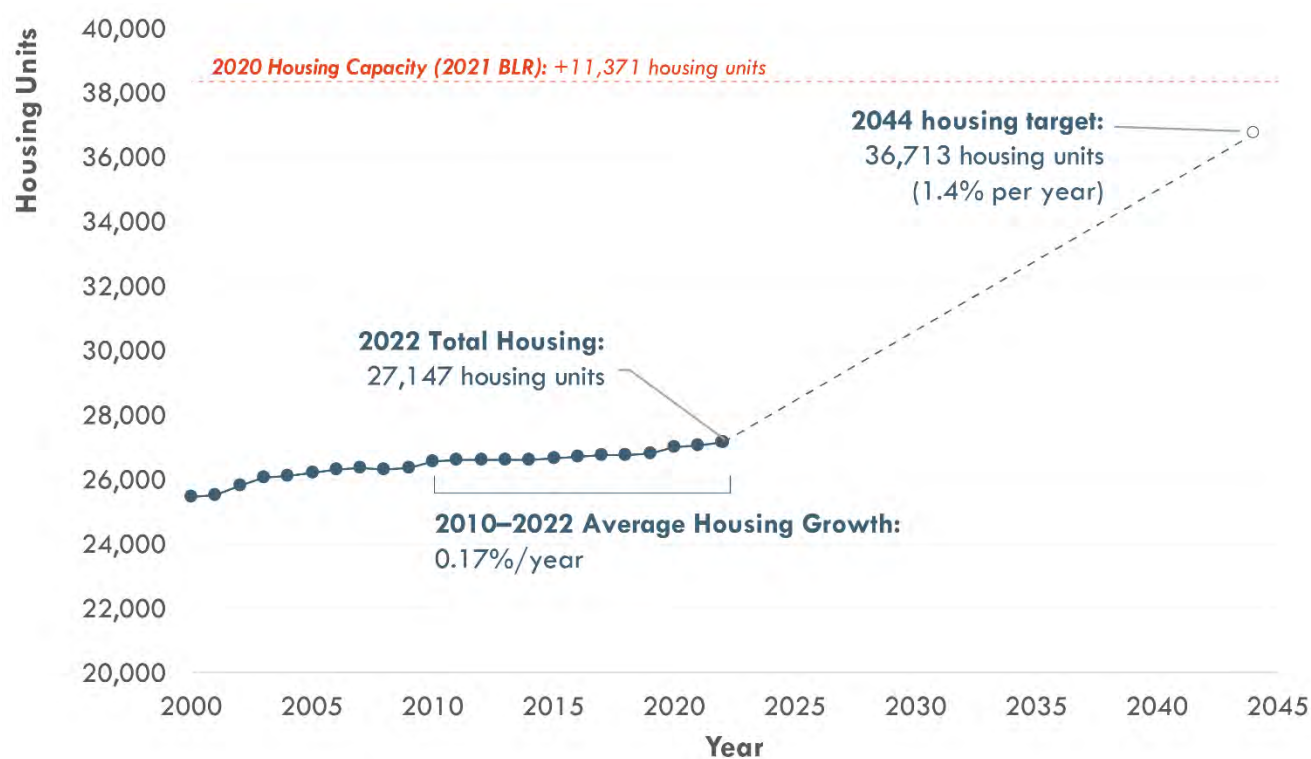
Source: Pierce County, 2021.

Exhibit 51. Historical Population and 2044 Population Target.



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

Exhibit 52. Housing Unit Counts and 2044 Housing Target.



Source: OFM, 2022; BERK, 2022.

Projections by Income Level

Under the *Growth Management Act* after the adoption of 2021’s E2SB 1220, the housing elements of Comprehensive Plans are required to identify the number of units needed for future growth at the following income levels²:

- **Moderate** income (80–120% of the metro/county median family income, divided between 80–100% and 100–120%)
- **Low** income (50–80% of median family income)
- **Very low** income (30–50% of median family income)
- **Extremely low** income (0–30% of median family income)

(Note that this also consequently indicates planning for high-income households at greater than 120% of median income.)

Needs for extremely low-income households are disaggregated further between those households that require permanent supportive housing (PSH) or similar types of supportive services, and other households that do not require these services.

Addressing these units through housing policy is important for a number of reasons:

- Future zoning and land use regulations may need to be adjusted to accommodate those housing types that may be more affordable to other income levels. Higher identified demand by lower income households could require a greater focus on multifamily development options, such as “missing middle” housing types.
- Efforts to provide incentives for operating affordable housing may need to be focused at particular income levels where demands and needs may be the highest.
- Work by the City to support affordable housing developers may need to prioritize housing at different income levels.
- “Wrap-around” social services to be provided with PSH may need to be coordinated in part by the City to ensure that residents receive the proper support.

The Washington State Department of Commerce’s Housing for All Planning Tool (HAPT) produced the housing unit allocations for Lakewood that were adopted by Pierce County via Ordinance 2023-22s and are shown in **Exhibit 53**.³

Exhibit 53. Lakewood Housing Targets by Income Level.

Permanent Housing Needs by Income Level (% of Area Median income (AMI))										
		Total	0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Emergency Units
			PSH	Non-PSH						
Lakewood	'20 Est.	26,999	588	101	4,565	11,699	4,347	2,250	3,449	8
	'44 Allocation	9,378	1,212	1,367	1,739	1,375	592	536	2,287	574

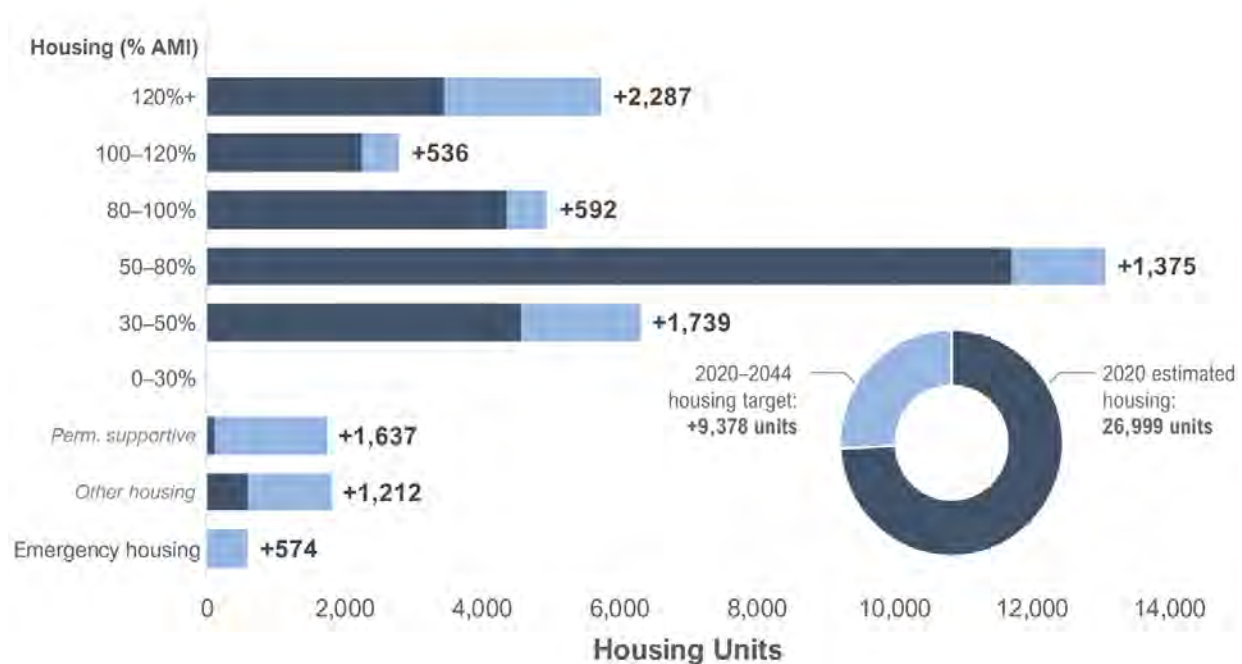
Source: Department of Commerce, 2023, and Pierce County Ordinance 2023-22s.

² Under the Act, [RCW 36.70A.070\(2\)\(a\)](#) requires that communities identify needs at these different income levels.

³ See the Department of Commerce [Updating GMA Housing Elements](#) website for more information.

These results highlight the following with respect to accommodating these targets with land use policy:

- **There are significant needs for housing for extremely low-income households.** About 28% of the total housing target is proposed to be allocated to extremely low-income households making 30% of median family income or less. This is a substantial policy change, as the current Comprehensive Plan identifies that 25% of housing should be directed to households making 80% of median income or less.⁴ While the Comprehensive Plan requirements do not indicate that this mandate also requires financial support from the City, it does suggest that certain development incentives may need to shift to address these needs.
- **A substantial amount of new housing will be targeted to high-income households in multifamily development.** There is a projected need for higher-income housing in Lakewood. This is due in part to the large number of these households choosing to own housing with payments lower than what they might be able to afford if they were to move today. While this may not be as much of a priority for specific housing policies and incentives, it could contribute to higher residential property taxes and a more mixed-income environment in neighborhoods. However, given the availability of development capacity, this will likely require higher-end multifamily style development as well as a consideration of whether to allow additional housing types in zones that currently are limited to single family.



⁴ See Policy LU 2.14 in the [City of Lakewood Comprehensive Plan](#).

Special Housing Needs

In addition to housing targets by income level, there are also targets provided for three specific types of housing related to special housing needs:⁵

- **Emergency shelters** are facilities that provide temporary shelter for individuals or families who are currently homeless. They may not require occupants to enter into a lease or an occupancy agreement, and may include day and warming centers that do not provide overnight accommodations.
- **Emergency housing** includes temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. They may or may not require occupants to enter into a lease or an occupancy agreement.
- **Permanent supportive housing** is subsidized, leased housing with no limit on length of stay. This prioritizes people who need comprehensive support services to retain tenancy, and it utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing. These barriers can be related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support people living with complex and disabling behavioral health or physical health conditions experiencing homelessness or at imminent risk of homelessness prior to moving into housing. This can help residents to retain their housing and be a successful tenant in a housing arrangement, improve the residents' health status, and connect the residents of the housing with community-based health care, treatment, or employment services.

Targets that have been developed based on the Department of Commerce methodologies are provided in 3. Lakewood's 2023 emergency housing units totaled 8, and the zoning code was silent on both emergency housing and emergency shelters. The requirement to plan for emergency housing and emergency shelter was initially addressed in the City's 2023 Comprehensive Plan amendment cycle; the City will need to review its actions regarding special needs housing in light of the equity policies required as part of the 2024 Comprehensive Plan Periodic Review.

According to the Department of Commerce, in 2020 Lakewood had 101 units of permanent supportive housing. A major policy focus will need to be on relationships with regional housing agencies to help understand both the specific needs for emergency and supportive housing, and effective ways to accommodate this housing in the City.

⁵ These definitions are drawn from the Department of Commerce [Projection Methodology](#) for the E2SB 1220 targets.

Part 3. Racial Equity and Displacement

Introduction

There are distinct issues with housing supply across the region, as housing production has not kept up with growth. This shortfall has had significant disproportionate (i.e., more severe) impacts on many communities. Communities of color have often experienced higher cost burdens, substandard housing conditions, lower household wealth, and fewer homeownership opportunities. This has often been rooted in historical patterns of discrimination and exclusion in the housing market that has echoed across generations, as well as related impacts on household income and wealth.

Under new requirements of the Growth Management Act, within the 2024 Comprehensive Plan periodic review cities and counties are required to include several components to consider these trends:⁶

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

This section provides guidance on how racial equity in housing and the potential for displacement, especially of communities of color, should be considered as part of the updates to the City of Lakewood Comprehensive Plan. In addition to providing a definition of displacement and exclusion, this section:

- Provides a high-level assessment of racially disparate impacts and displacement risks.
- Reviews current housing policies that may have racially disparate impacts in housing, potentially through excluding or displacing people from the housing market.
- Presents options for future efforts to address displacement and exclusion in the housing market.

⁶ See [RCW 36.70A.070\(2\)\(e\) through \(h\)](#).

Defining Displacement

Over time, it is likely to get more difficult for many households to access the housing they need in the market. Higher prices, lower vacancy rates, and a lack of appropriate housing can make it harder for some people and families to find safe, affordable housing that meet their needs. One impact of these pressures is often a “displacement” of these households.

Under displacement, people are excluded from living in a community they have or could have accessed in the past, primarily because they cannot find appropriate and affordable housing. Generally, there are three types of displacement in a community:

- **Economic displacement** occurs when current residents simply cannot afford to pay rent for housing that is suitable for them. In these cases, people may be forced to find lower-cost options elsewhere.
- **Physical displacement** is when the housing units that people rely on for affordable housing options is redeveloped or rehabilitated, and no longer exists. If there are no other appropriate and affordable options in the local market, residents may leave, even if some housing in the neighborhood might be affordable to others.
- **Cultural displacement** is a secondary effect that occurs when economic and physical displacement have resulted in neighbors in a community leaving to live elsewhere. This loss of local social connections can have significant impacts, especially where businesses and institutions serving local cultural communities lose support. This loss of social and community capital can hasten the decision for other households to relocate.

These types of displacement are often **direct**, where existing residents are pressured to leave due to neighborhood changes. However, **indirect** displacement can also occur where potential residents that would have been able to access the community in the past are now excluded due to a lack of affordable housing options, or reduced community connections make an area less desirable.

The effects of displacement can be considerable, not just for individual households, but also to the community and region:

- A lack of affordable housing options in a community can lead to people moving elsewhere to access housing options. This can mean longer commutes and higher transportation costs, fewer services and community ties, and potentially even people occupying housing that is unhealthy or unsafe. Housing insecurity can lead to financial, social, and health impacts, and can even lead to homelessness.
- For neighborhoods, displacement reduces community cohesion and social bonds as long-term residents are forced to leave the area for other housing. This can reduce many of the social supports that households rely upon. Additionally, while new development can bring additional resources and amenities, the changes to local services and amenities may not support the needs of existing residents.
- For social and cultural groups in the City, displacement can affect their long-term sustainability. Reducing important social connections can change the cultural character and makeup of a community, and local businesses supporting these communities may no longer have the customer base to continue. As noted above, this can encourage further cultural displacement.

- Local businesses may need to manage employees that are displaced from the community and need to commute longer distances to find appropriate housing. This can make it far more difficult to attract workers, especially lower-income employees that may be less likely to commute for longer distances to work.
- For the City and region, displacement can often result in higher rates of homelessness. Displacing lower-income households to other areas, especially suburban locations with fewer resources, also puts an additional strain on social services, and can make service delivery harder.

Many households experiencing displacement pressures such as increasing rents try not leave a community. This may especially be true when they value the social connections, amenities, and services available in an area. However, these households will experience more housing instability if they remain. Again, some may be forced to live in housing that may not be safe or appropriate for their needs, or even experience homelessness.

While all neighborhoods are expected to grow and change, displacement is specifically related to involuntary choices driven by market conditions. Although the City cannot address all of these impacts, state law now requires that Lakewood develop and expand policy options to help address and minimize displacement.

Assessing Racially Disparate Impacts and Displacement

Introduction

There are several ways to measure how racially disparate impacts in housing and risks of housing displacement can manifest in a community. Available data from the US Census and other sources, this can be viewed in two ways:

- **Community-wide measures** that examine trends in race and housing over the entire City. These measures can identify broad city-wide trends with race, income, and housing, and highlight overall elements to consider in planning for racially-disparate impacts.
- Measures of subarea **geographical distribution** can highlight how households of color are distributed across the City, and how this can relate to the distribution of major risk factors. This is often coordinated at the Census tract or block level, depending on the data, and can provide a more focused assessment of specific locations where further measures may be needed.

Community-wide measures

Based on available data from the US Census Bureau and HUD, several dataset categories highlight some of the major racially-based differences in household characteristics and housing access and security:

- Population distribution and change;
- Race and household income; and
- Housing tenure and cost burden.

Population distribution and change

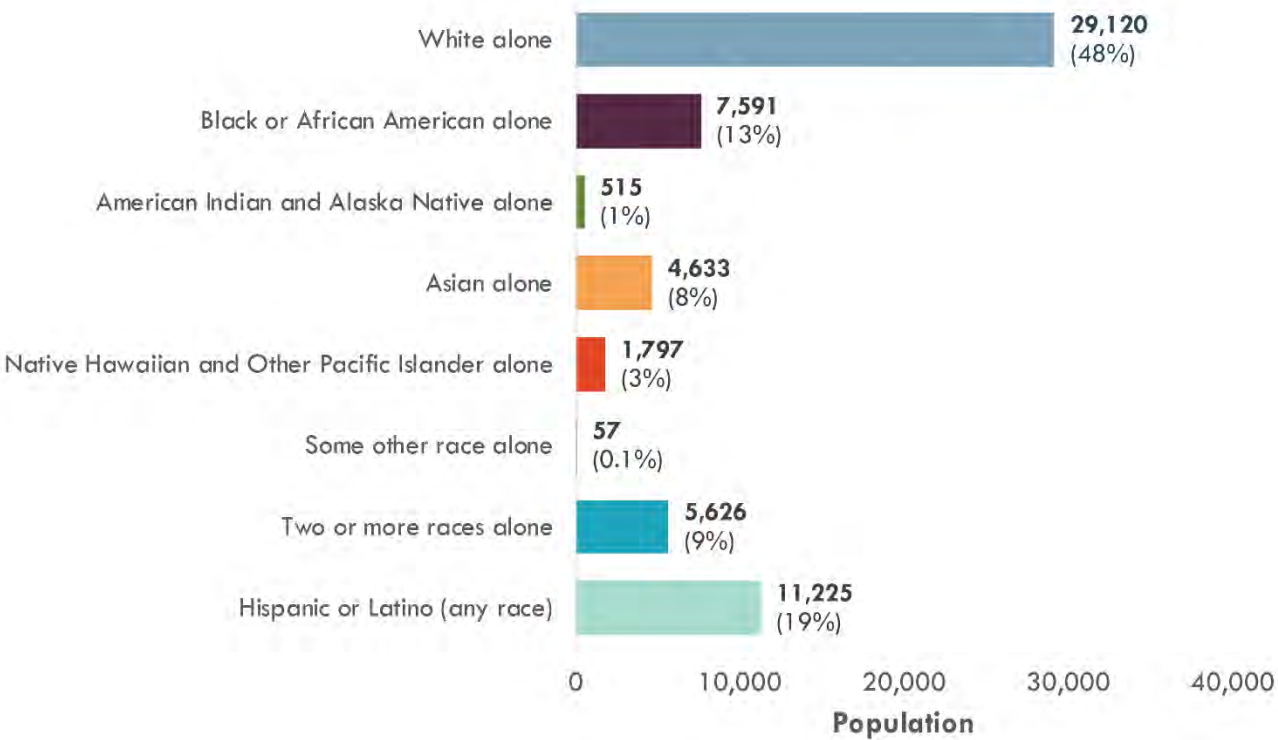
The following exhibits present distributions of population by race/ethnicity for Lakewood:

- Exhibit 54 provides an overall distribution of the population by race and ethnicity for 2020.
- Exhibit 55 presents a comparison between the racial distribution of Lakewood and Pierce County.
- Exhibit 56 compares the racial distribution of Lakewood in 2015 with the distribution in 2020.

These figures indicate the following:

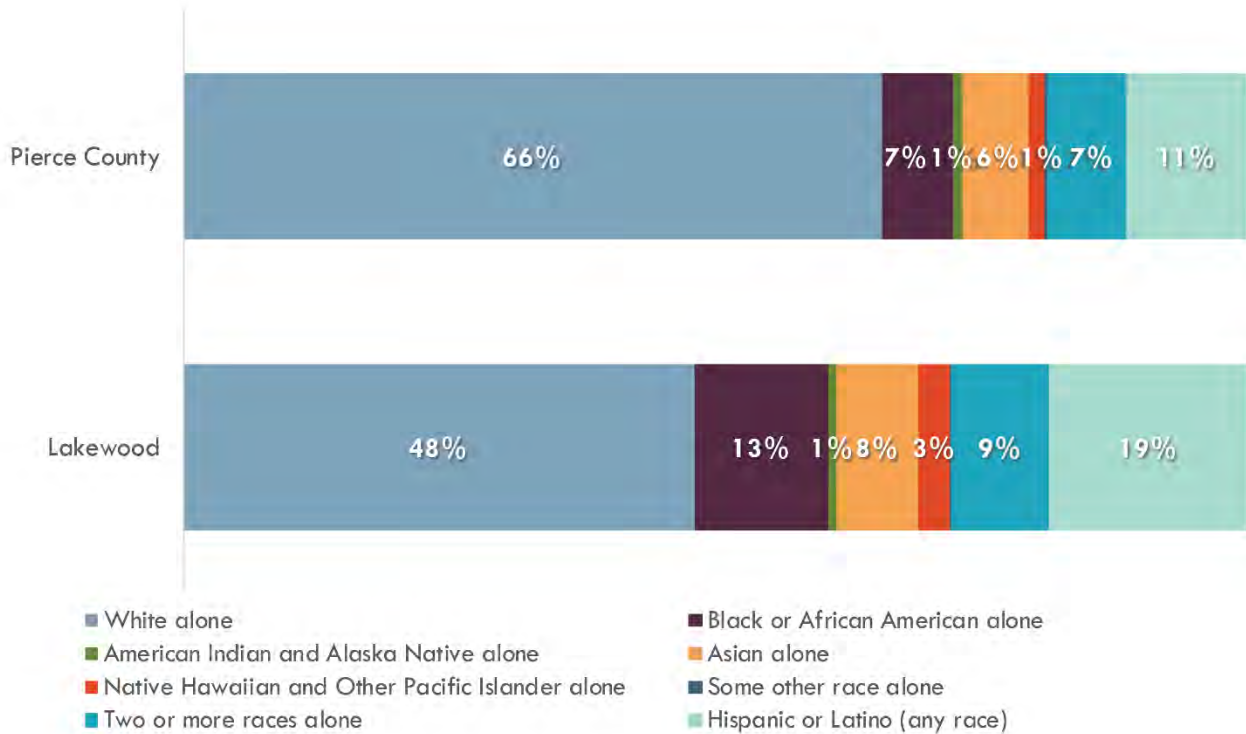
- **The population of Lakewood is substantially white, with a notable representation of other groups that comprise a majority of the population.** 48% of the population of the City is white alone, while 13% of the population identifies as Black or African American, 13% as multiracial, and 7.7% as Asian, and about 19% of the population as Hispanic or Latino of any race.

Exhibit 54. Population of Lakewood by Race/Ethnicity, 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Exhibit 55. Comparison of Racial Composition, Lakewood versus Pierce County, 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

Exhibit 56. Comparison of Lakewood Racial Composition, 2015 and 2020.



Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates

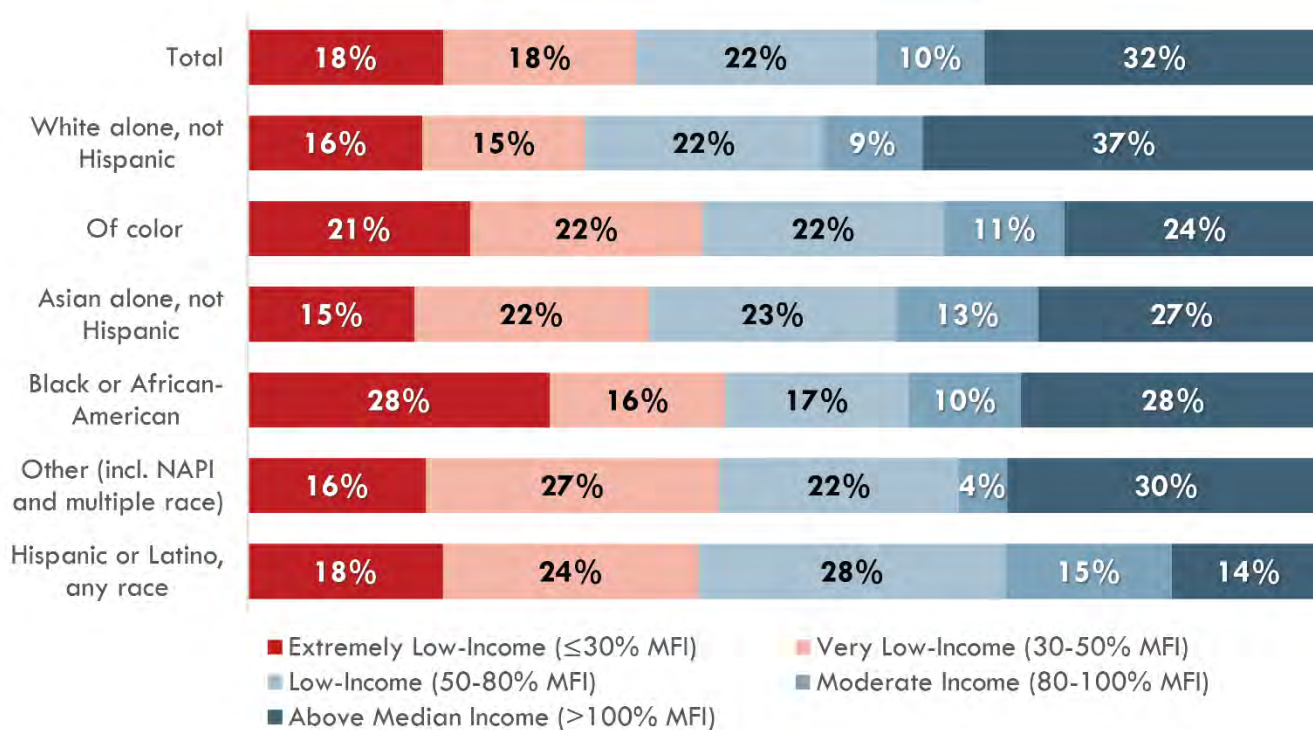
- **Lakewood is more diverse than Pierce County as a whole.** In 2020, about 52% of the population of Lakewood consisted of people of color, compared to only 34% of the population of Pierce County. The proportion of Black or African American residents in Lakewood is twice that of the county, and Hispanic/Latino residents make up 19% of the population of Lakewood versus 11% of the county overall. This highlights that Lakewood tends to be more diverse than many of the other communities in Pierce County.
- **The City is becoming more diverse over time.** From the comparison of the 2015 versus the 2020 population in Exhibit 56, the largest proportional growth was people identifying as Black/African-American and multiracial, which both increased by about 3 percentage points over this period.

Race and household income

The exhibits below provide insight into the differences in household income by race in the City:

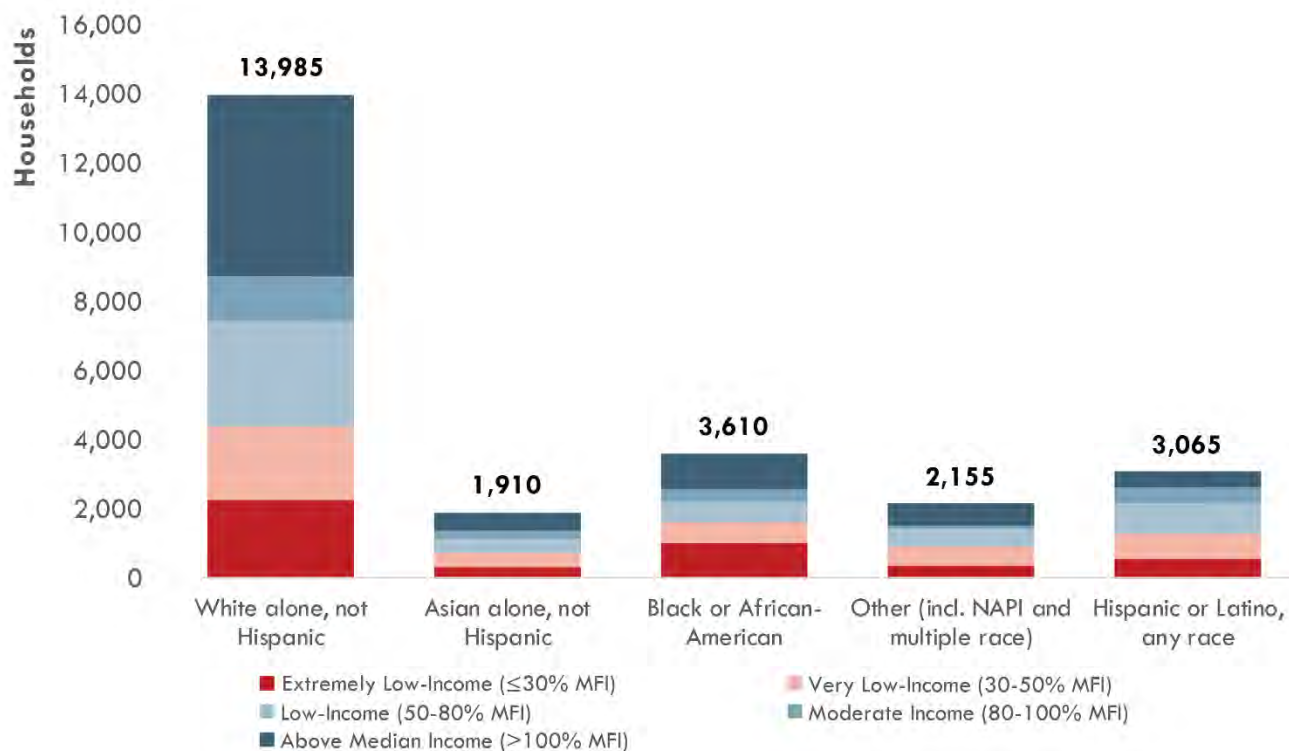
- Exhibit 57 provides proportional distributions between five different income categories based on area median income, for different divisions by race and ethnicity.
- Exhibit 58 provides this information in terms of household counts (with certain categories combined where necessary).
- Exhibit 59 provides household counts for broad categories of race to highlight major differences between white and POC households in the city.

Exhibit 57. Percent of Households by Race and Household Income, 2019.



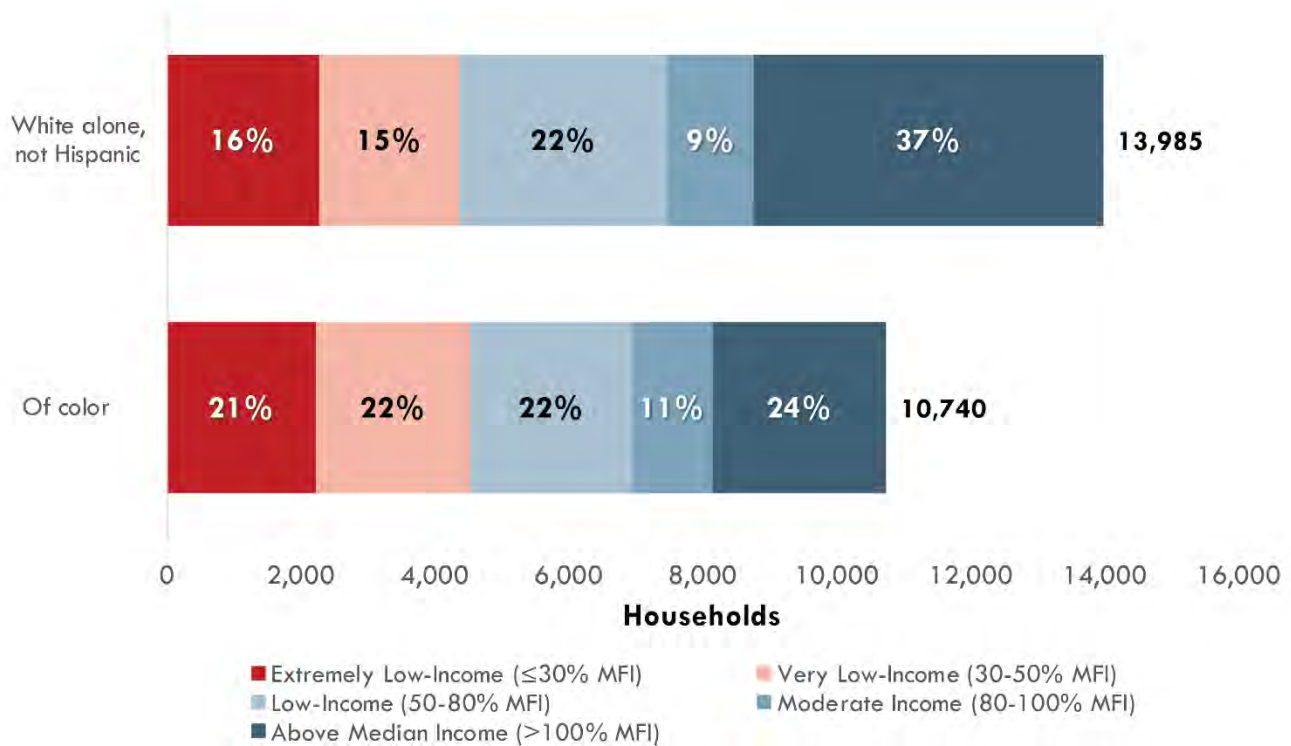
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 58. Count of Households by Race and Household Income, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 59. Count of Households by White/POC Status and Household Income, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

These data above indicate the following:

- **There are significant differences in income distributions in the City between white and POC households.** From these three figures, it is clear that with the distribution of household income, white households tend to skew higher. For white households, only 16% are extremely low-income (30% AMI or below), while 37% are above median income. Conversely, about 21% of POC households are extremely low-income, while only 24% are above the median.
- **There are a disproportionate number of extremely low-income Black or African-American households.** Although the overall proportion of households that were extremely low-income in 2019 was about 18%, about 28% of Black or African-American households were extremely low-income. Similarly, the proportion of Black or African-American households with incomes greater than the median is less than the overall proportion (28% versus 32%).
- **There are fewer Hispanic/Latino households with above median income.** Although the proportion of Hispanic/Latino households that are extremely low-income is comparable to the overall average, only 14% of Hispanic/Latino households are above the median income versus the overall average of 32%.
- **These constraints suggest that these households may be impacted by housing insecurity.** In these cases, lower household incomes and potentially lower household wealth can have significant impacts on whether these households can afford healthy, safe, and convenient housing in the community. These households may be the focus of targeted financial and housing assistance.

Housing tenure and cost burden

In addition to understanding the relationships between race and household income, it is also important to evaluate “tenure” (whether households rent or own their homes) and housing cost burdens. The following exhibits present information regarding the following:

- Exhibit 60 provides a breakdown of household tenure by race and ethnicity.
- Exhibit 61 indicates the proportion of different renter groups that are “cost burdened” and paying a disproportionate amount of their income.
- Exhibit 62 provides information about the count of renter households that are “cost burdened”.

These charts highlight two different types of “housing cost burden”:

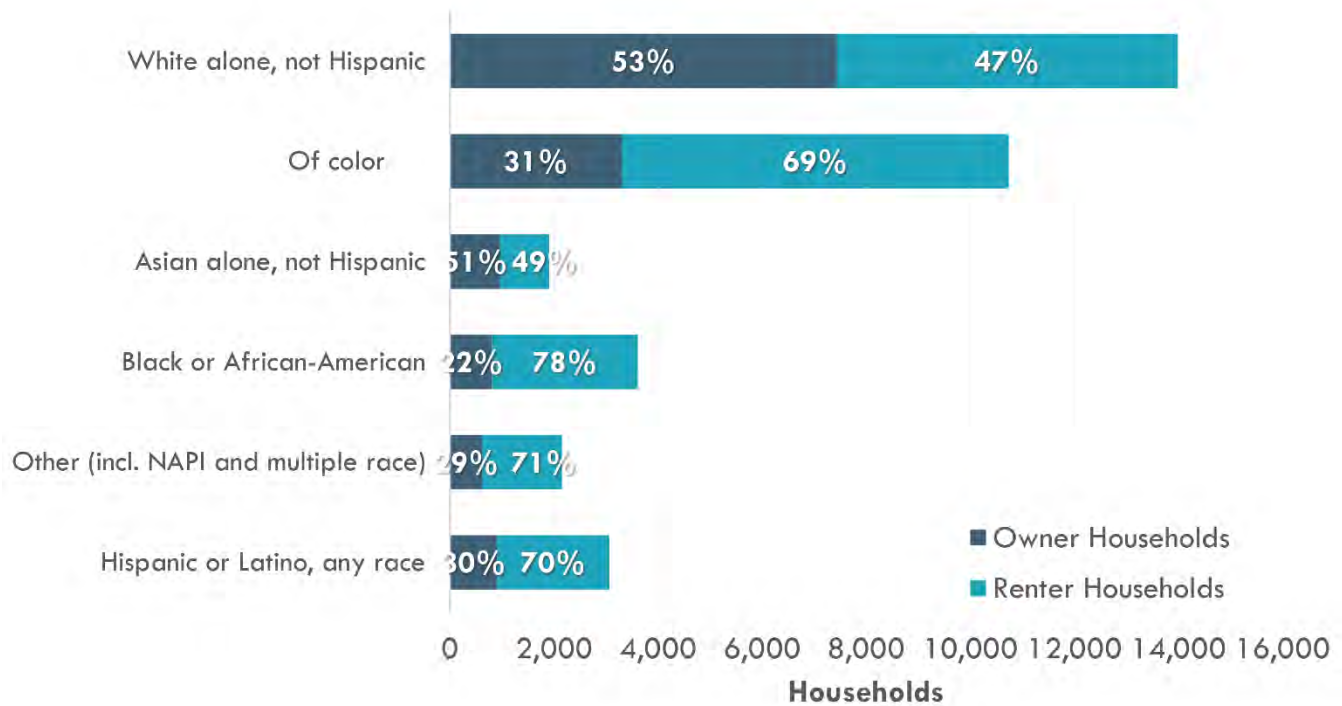
- **“Cost burdened”** households typically pay over 30% of their household income on housing costs. Note that this includes not only rent, but also utilities and any other mandatory charges associated with occupying the house.
- **“Severely cost burdened”** households pay over 50% of their income on housing costs.

Note that Exhibits 61 and 62 focus on cost burden as it relates to rental housing only. Cost burdens can certainly apply to homeowners; new homebuyers carrying significant mortgage debt or older householders with minimal incomes and high housing expenses could be considered “cost burdened” as well. However, unlike renters, households that own their own home can draw upon household wealth in certain cases, and those that do not have a mortgage may have significantly lower housing costs.

From this information come the following conclusions:

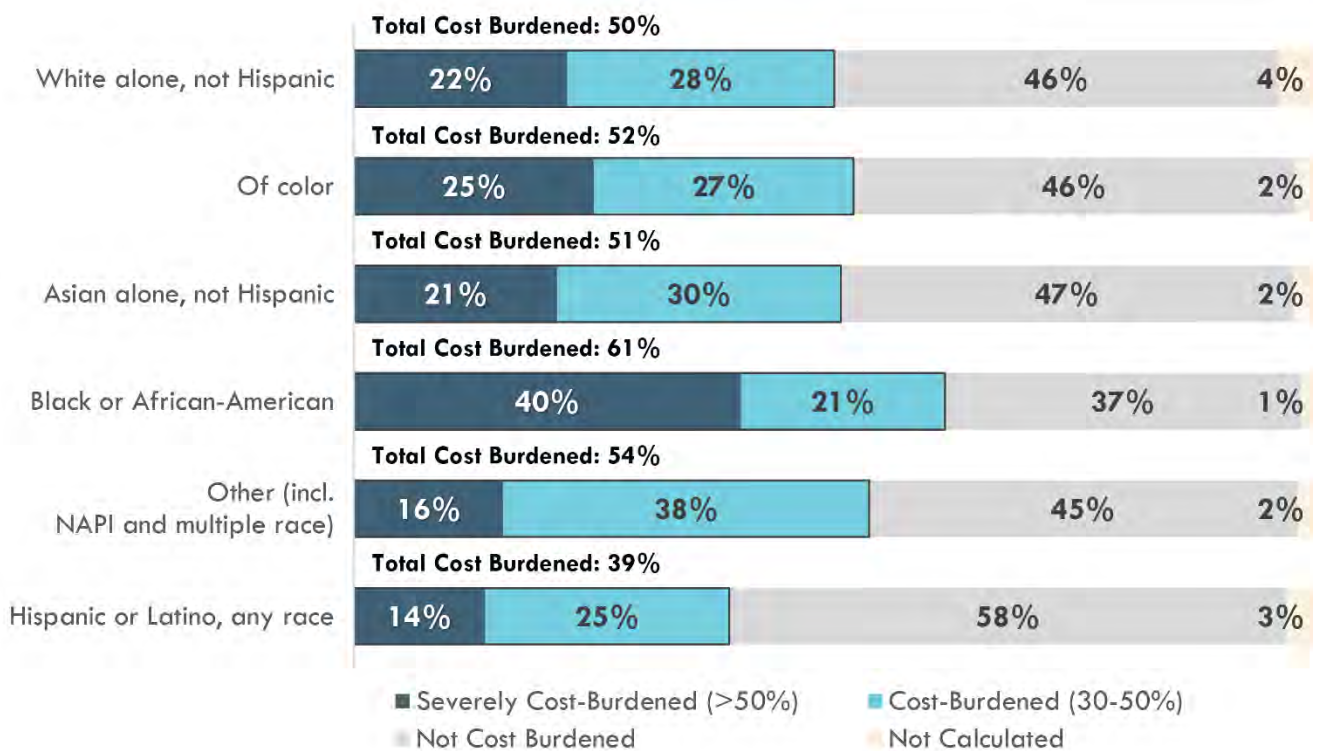
- **There is a significant lack of homeownership amongst BIPOC households compared to white households.** Although 53% of white households own their own homes, only 31% for households of color own. This breakdown is even more significant with certain subpopulations: around 78% of Black or African-American households rent, as well as 70% Hispanic/Latino households. This indicates that different demographic groups are experiencing a distinctly different access to certain types of housing, and highlights the vulnerability of these populations to shocks in the rental market. Increasing Lakewood’s capacity to house future population targets not only helps address the City’s housing needs, but can also provide more equitable opportunities for BIPOC communities to have access to affordable housing.
- **Black or African-American renters face significant cost burdens in the market.** Over 61% of Black or African-American households in Lakewood are facing a cost burden, with 40% experiencing severe cost burdens. This indicates that housing costs are likely too high for many of these households, which may need to be addressed through targeted policies. Community partnerships will be critical in meeting the needs of the Black and African American community in Lakewood. Additional housing affordable to the very-low and extremely-low income levels is needed.

Exhibit 60. Households by Race and Tenure, 2019.



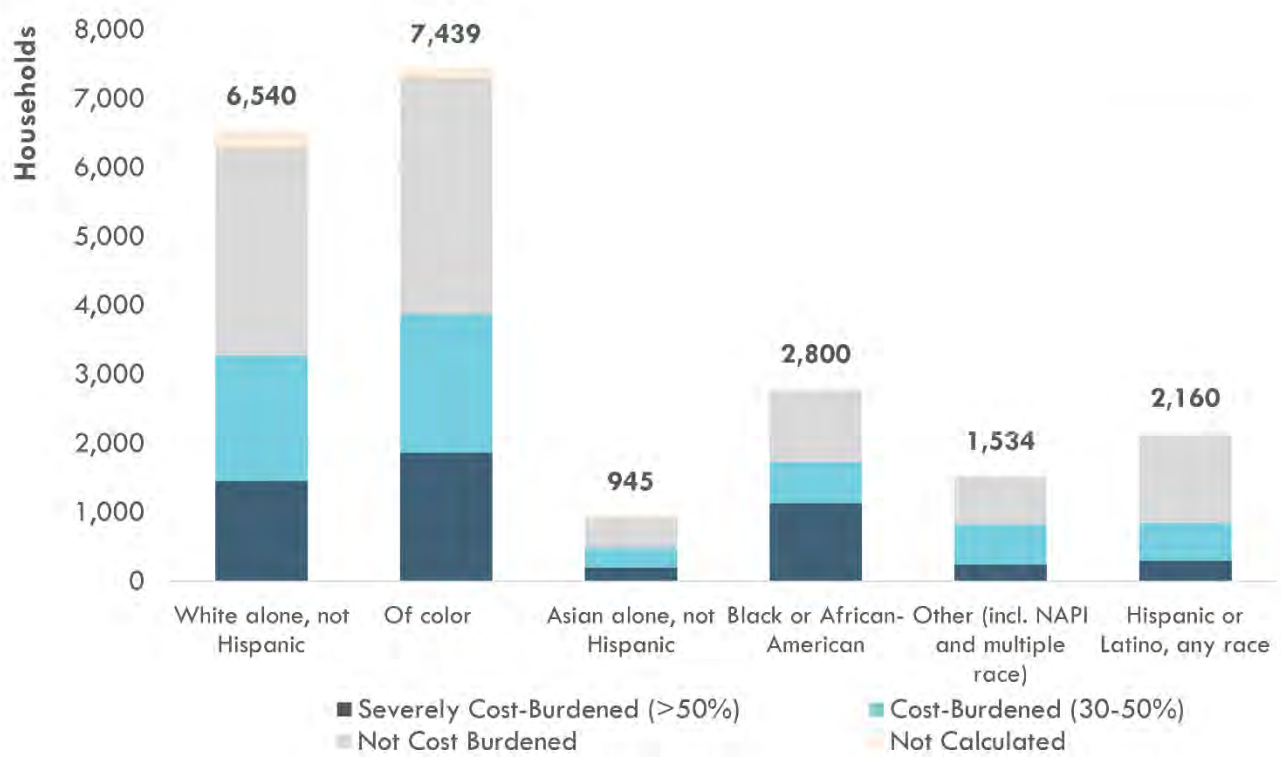
Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 61. Proportion of Renter Households by Race and Cost Burden, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Exhibit 62. Renter Households by Race and Cost Burden, 2019.



Source: US HUD Comprehensive Housing Affordability Strategy (CHAS) data, 2015–2019.

Geographical distribution measures

Metrics can highlight geographic areas where racially disparate impacts may be a greater concern. Those used in this report include:

- The CDC/ATSDR Social Vulnerability Index.
- The PSRC's Displacement Risk Index and Opportunity Mapping Index.
- Census data on the distribution of populations by race, by census block.

These measures have been employed in the region before and when considered together, they can highlight some important patterns in the distribution of Lakewood's future housing pressures.

Social Vulnerability Index

The Centers for Disease Control (CDC) and Agency for Toxic Substances and Disease Registry (ATSDR) have developed a Social Vulnerability Index (SVI) to identify populations vulnerable to significant impacts from hazardous events.⁷ This was intended to assist public health and emergency response experts to identify areas of extra concern in the event of a major event such as a natural disaster or chemical spill, but this has been adapted to other application as well.

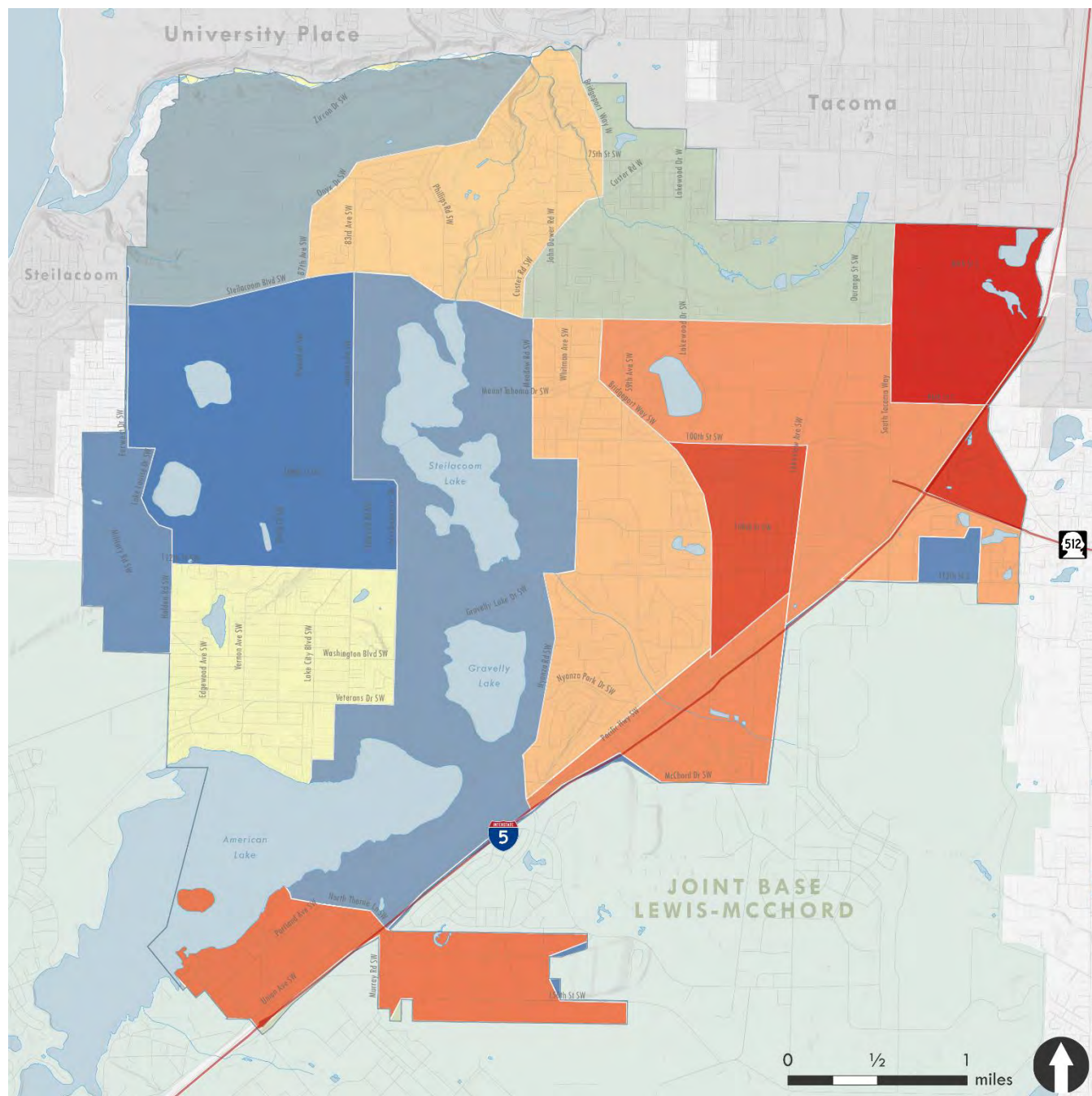
This metric identifies four groups of indicators that highlight particular risk factors for local populations:

- **Socioeconomic Status**, including poverty rates, unemployment, income, and adults without high school diplomas.
- **Household Composition and Disability**, including the proportion of children and seniors, single-parent households, and populations with disabilities.
- **Minority Status and Language**, including minority status and residents that speak English "less than well".
- **Housing Type and Transportation**, including the number of multi-unit structures and mobile homes, crowding of households, households with no vehicles, and percentage of housing as group quarters.

These indicators' aggregate index is shown for Lakewood in Exhibit 63. In this case, "high vulnerability" represents a situation where different factors can weaken a community's ability to prevent human suffering and financial loss in a disaster, while "low vulnerability" can represent greater resiliency and access to resources to prevent significant impacts. The factors contributing to a lack of local capacity and resiliency are also strongly related to those factors that may impact a community's ability to manage displacement pressures.

⁷ For more information on this metric, see the [CDC/ATSDR Social Vulnerability Index website](#), which includes resources describing the methodology in more detail and applications of the SVI to applications in emergency response.

Exhibit 63. Social Vulnerability Index by Census Tract, Lakewood.



Legend

- City of Lakewood
- Other cities
- Joint Base Lewis-McChord
- Water

Social Vulnerability Index

- Low Vulnerability
-
-
-
- High Vulnerability

- Highways
- Arterials
- Roads

BERK
Map Date: January 2023

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

PSRC Displacement Risk Index

The Puget Sound Regional Council (PSRC) updated a series of indicators in 2018 to highlight the locations across the region where businesses and households may have an increased relative risk for displacement and may require an additional policy focus to address affordability challenges from having a disproportionate impact on low-income households and households of color.

The **Regional Displacement Index** provided in Exhibit 64 identifies displacement risks by indicating Census tracts that have the highest combined score for 15 indicators related to major risk factors for displacement.⁸ These include:

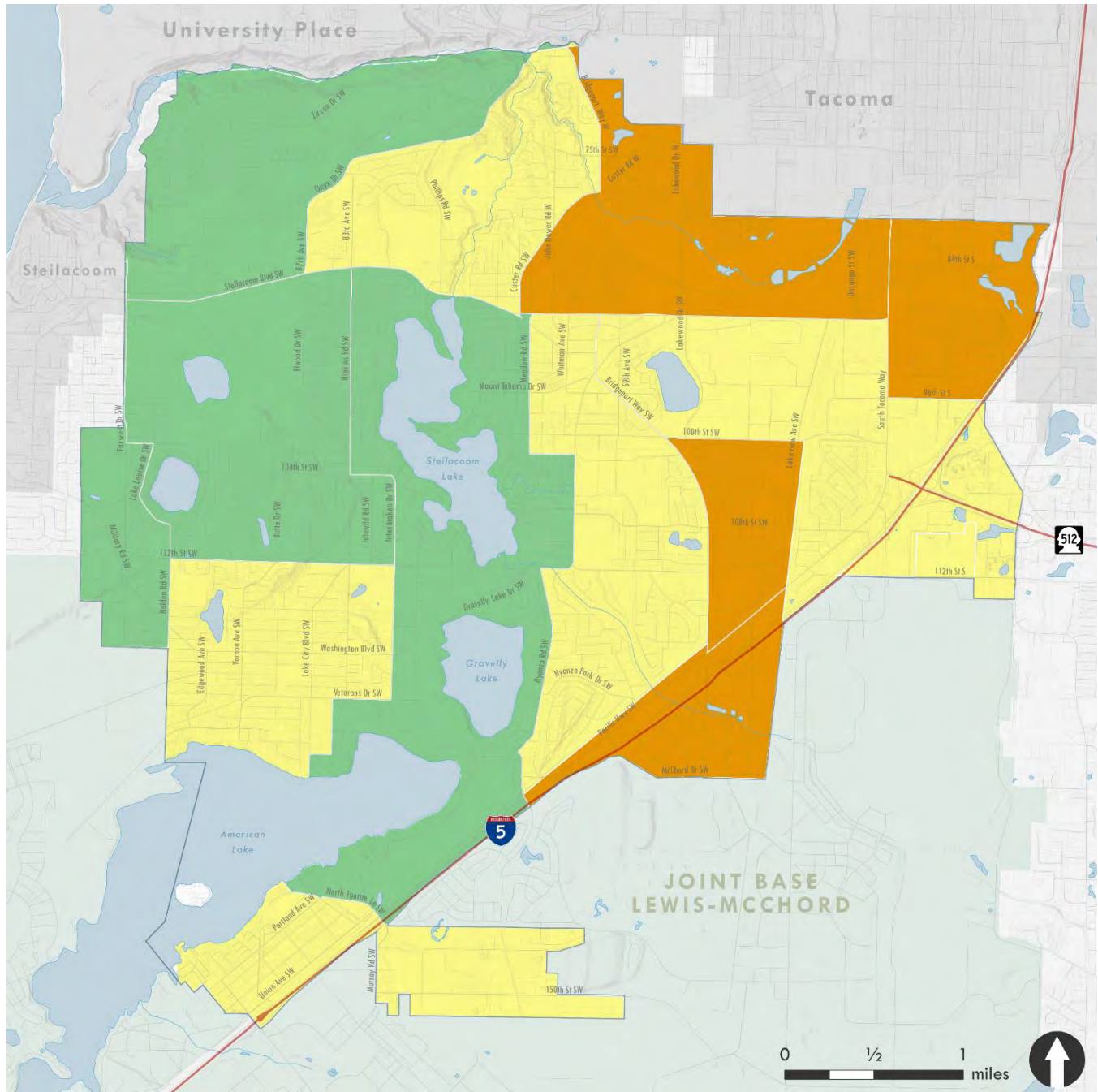
- **Socio-demographic characteristics**, such as populations of color, English language skills, proportion of renters, and household incomes.
- **Transportation access** in the local neighborhood, represented by access to employment and proximity to current and future transit.
- **Neighborhood characteristics**, including proximity to community businesses and public services, as well as locations close to high-income neighborhoods.
- **Housing**, including development capacity and median rent.

Altogether, these measures are aggregated to create a relative score to measure their displacement risk against other Census tracts in the region. These scores are used to group tracts into three different categories based on their relative risk:

- **“Higher”** risk (where scores in the top 10% of the score range)
- **“Moderate”** risk (scores in the top 50% but outside the top 10%)
- **“Lower”** risk (scores at the bottom 50% of the range)

⁸ For more details see [PSRC Displacement Risk Mapping: Technical Documentation](#).

Exhibit 64. PSRC Displacement Risk Index by Census Tract, Lakewood.



Legend

- City of Lakewood
- Other cities
- Joint Base Lewis-McChord
- Water

PSRC Displacement Index

- Lower
- Moderate
- Higher



Map Date: January 2023

- Highways
- Arterials
- Roads

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

PSRC Opportunity Mapping Index

PSRC's Opportunity Mapping Index highlights issues related to socio-economic resources and support available to residents to highlight geographic areas which may be opportunity-rich or opportunity-poor. While this is comparable to the Displacement Risk index, it relies on a broader set of measures that can highlight the resources available to local communities.⁹

Lakewood's aggregate Opportunity Mapping Index is provided in Exhibit 65, along with the combined indicators used to develop the index. Although Lakewood is considered to have "Low" or "Very Low" opportunity relative to other areas in the region under this measure, the differences between tracts can highlight variations in local opportunities across different categories.

These measures are divided according to general categories, and include:

- **Education**, including local test scores and graduation rates (b).
- **Economic Health**, with metrics such as job growth and unemployment rates (c).
- **Housing and Neighborhood Quality**, including local vacancy and foreclosure rates, condition of local housing, and crime rates (d).
- **Health and Environment**, incorporating proximities to parks and sources of pollution (e).
- **Mobility and Transportation**, including transportation costs, walkability, and access to transit (f).

⁹ See [PSRC Opportunity Mapping Technical Addendum](#).

Exhibit 65. PSRC Opportunity Index by Census Tract, Lakewood.

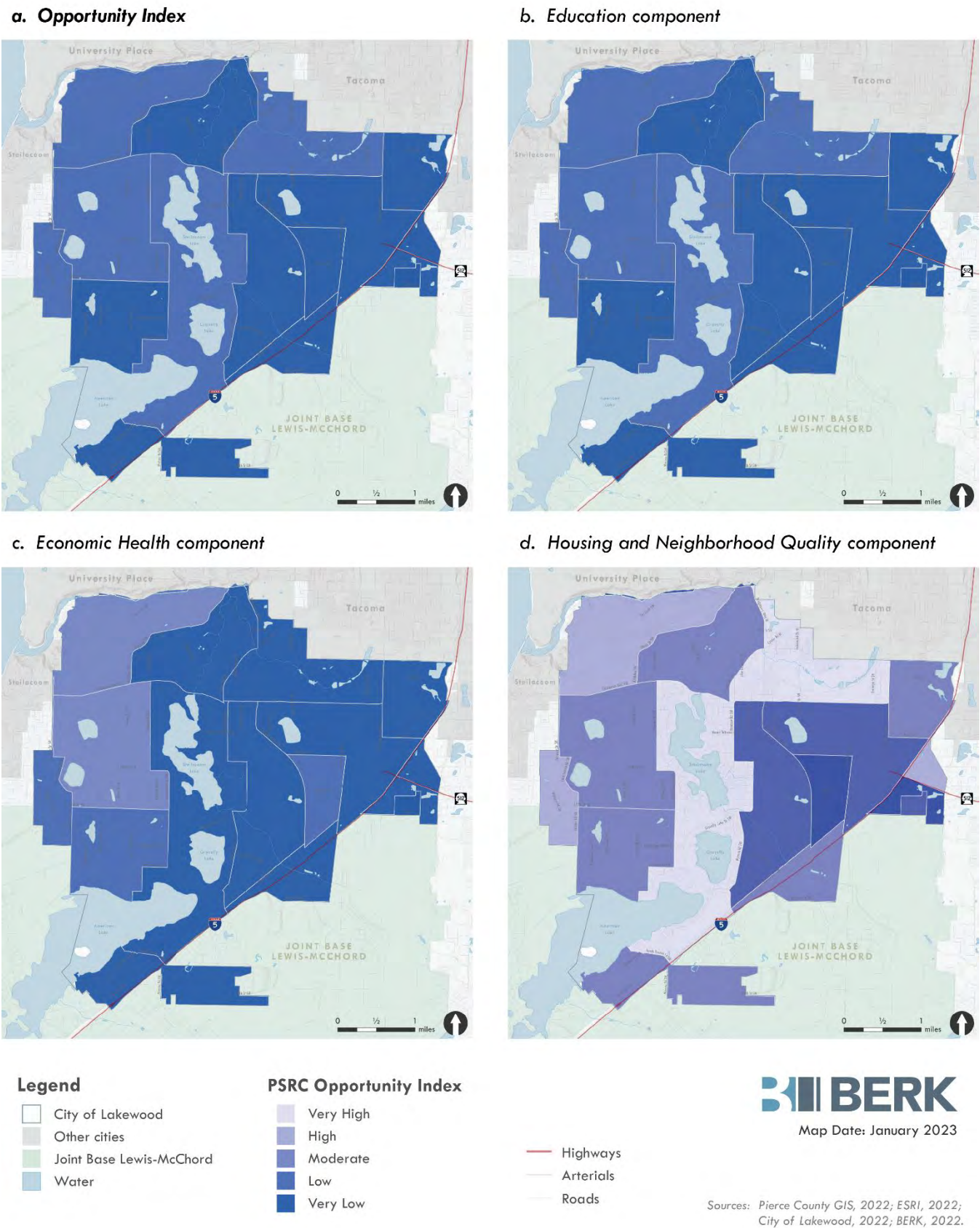
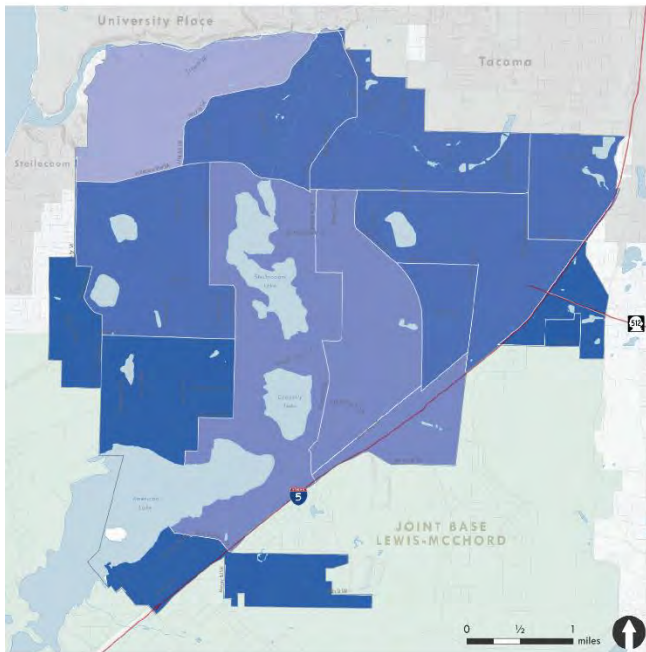
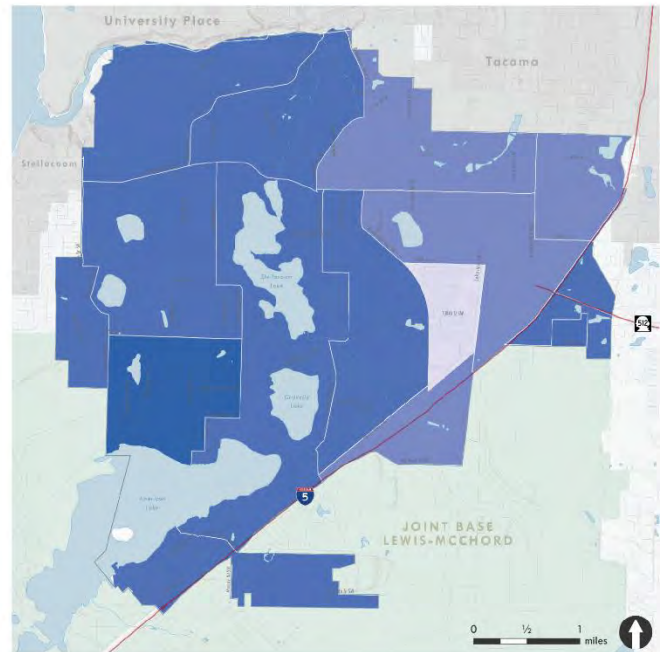


Exhibit 65 (continued)

e. Health and Environment component



f. Mobility and Transportation component



Legend

- City of Lakewood
- Other cities
- Joint Base Lewis-McChord
- Water

PSRC Opportunity Index

- Very High
- High
- Moderate
- Low
- Very Low



Map Date: January 2023

- Highways
- Arterials
- Roads

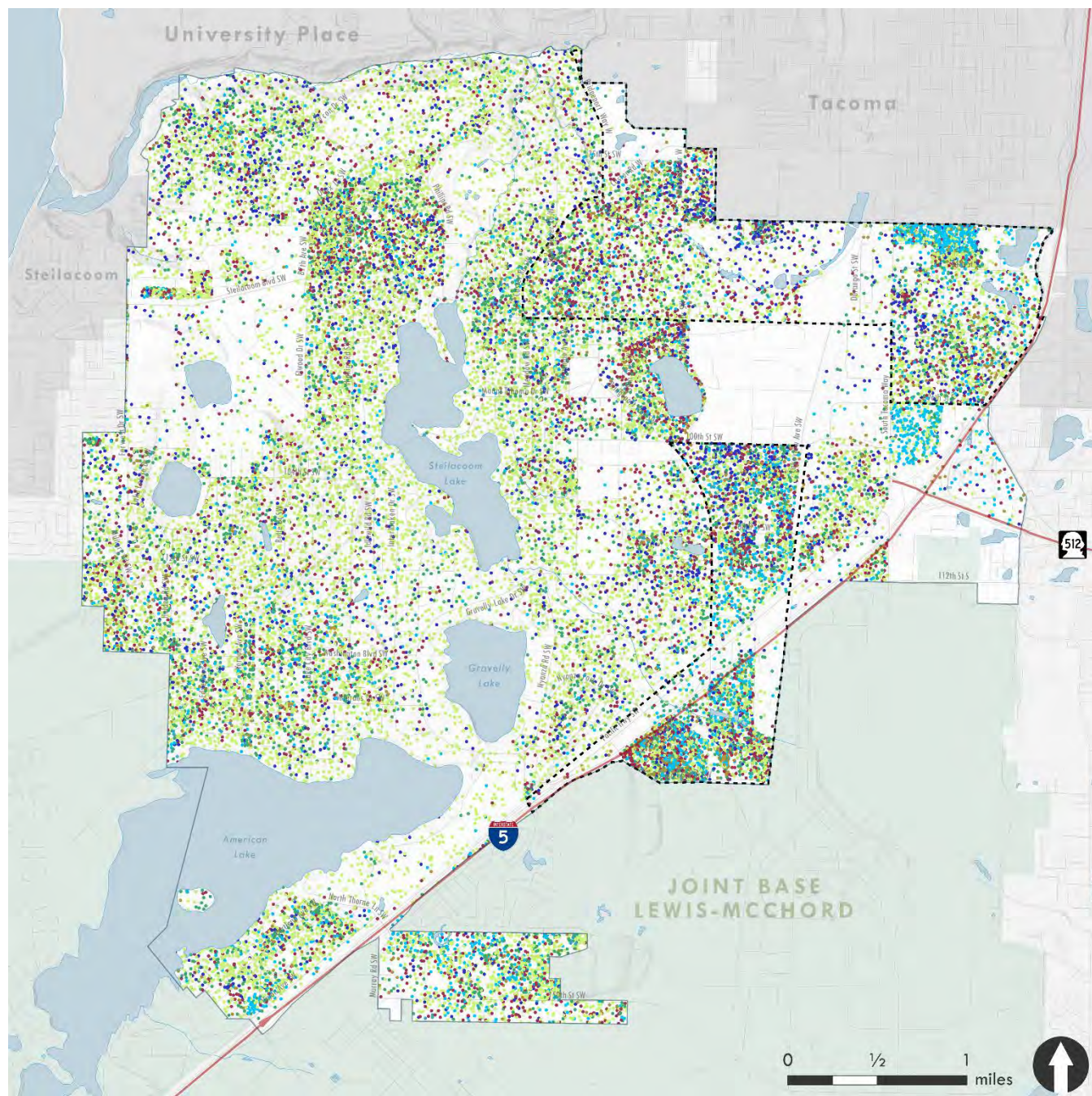
Sources: Pierce County GIS, 2022; ESRI, 2022; City of Lakewood, 2022; BERK, 2022.

Distribution of population by race

Exhibit 66 provides a dot-density map to highlight the geographical distribution of race in Lakewood. Note that in this exhibit, population counts are divided by race and represented in a random dot pattern within individual Census blocks. This highlights not only the concentration of different groups in the city, but also how this may be related to population density. Major categories of race included in the Census are represented by different dot colors.¹⁰

¹⁰ Note the particular issue with “Some Other Race” dominating certain areas. This has been related to an increasing trend, as this category has increased by 129% nationally between the 2010 and 2020 Census. (See [“2020 Census Illuminates Racial and Ethnic Composition of the Country”](#) from the US Census Bureau.) This may relate to more multiracial perspectives on identity, as well as trends towards Hispanics/Latinos self-identifying in this way. See the Pew Research Center’s [“Measuring the racial identity of Latinos”](#) report for one particular discussion of this.

Exhibit 66. Distribution of Population by Race and Census Block, Lakewood.



Legend

- City of Lakewood
- Other cities
- Joint Base Lewis-McChord
- Water

- Highways
- Arterials
- Roads

Distribution of Population by Race

- White alone
- Black or African American alone
- American Indian and Alaska Native alone
- Asian alone
- Native Hawaiian and Other Pacific Islander alone
- Some Other Race alone
- Two or more races
- PSRC Displacement Index: Higher Risk



Map Date: January 2023

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

Findings

From the geographic information presented above, there are several highlights that should be considered as part of future work:

- **There are distinct patterns of populations that may be at risk of displacement.** The largest concentrations of residents potentially sensitive to displacement are found on the eastern and southern edges of Lakewood. This includes the Lakeview/Kendrick neighborhood and the Lakewood Station District, as well as Springbrook, Tillicum, and the International District.
- **The most critical focus area for anti-displacement policies will be the Lakewood Station District and the Lakeview/Kendrick area.** Although different measures of vulnerability to displacement raise some Census tracts over others, the stability and welfare of these neighborhoods should be a consistent concern. These areas include higher population densities and a high proportion of populations of color; seeing significant new housing development in, and thereby encouraging displacement from, these areas could result in a racially disparate impact.
- **Businesses in the Lakewood Station area as well as in the International District may be at risk.** While these data highlight characteristics of Lakewood residents, there may be associated impacts to local businesses as well. In particular, businesses in the International District may be impacted if neighborhood changes result in increased pressures to relocate.

Auditing City Housing Policies for Equity

Introduction

Housing policies for Lakewood are primarily incorporated into major planning documents for the City, including:

- Lakewood Comprehensive Plan (2000, revised 2022)
- Tillicum Neighborhood Plan (2011, revised 2022)
- Lakewood Downtown Plan (2018)
- Lakewood Station District Subarea Plan (2021)

Additionally, the City's development regulations, which are primarily included in [Title 18A, Title 18B and Title 18C LMC](#), also reflect many of the City's priorities with respect to housing development.

When assessing racially disparate impacts in housing, the primary focus of a policy audit is focused on the major actions that can result from these policies.¹¹ Questions include:

- Is the policy effective in accommodating needed housing?
- Does the policy contribute to racially disparate impacts? Displacement? Exclusion in housing?
- Who benefits and who is burdened by the policy?
- Does the policy increase displacement risk? If so, can this be mitigated through policies or actions?
- Does the policy provide protection to communities of interest from displacement?

An evaluation of the major policy documents listed above is included below key elements that should be changed to address potential disparate impacts on different communities are identified. Additionally, this section discusses high-level guidance on how these documents can be edited to address drafting issues that may implicitly or explicitly reinforce issues of marginalization and exclusion.

Where practical, relevant policy excerpts are included for reference. These excerpts have been drawn from these documents as of January 2023; later changes made by the City are not included.

¹¹ These elements are drawn from the Department of Commerce [Racially Disparate Impacts Guidance](#); please refer to that document for more information.

Lakewood Comprehensive Plan (2000)

The current version of the [Lakewood Comprehensive Plan](#) does not include a distinct Housing Element¹². Instead, many of the City's housing policies are incorporated into a substantial section on land use. As such, there are certain policies that may not necessarily be related to the provision of housing. On the other hand, there are additional policies in other sections that may relate to issues of housing accessibility, neighborhood quality, and ease of development which also need to be considered.

This assessment starts with elements of the Comprehensive Plan that should be highlighted as policies that already help to address exclusion in the community, and should be maintained in the Plan after revisions. Following are several categories of policies summarized where revisions could help to reduce racially disparate impacts and exclusion in housing.

The considerations in this section include the following:

- **Housing for high-income households.** Provisions in the Comprehensive Plan suggest that the City is promoting geographically distinct, exclusive neighborhoods with private amenities for high-income households. Encouraging integration and mixed-income neighborhoods can help to reduce exclusion.
- **Housing for moderate-income households.** Policies regarding moderate-income households include provisions for distributing this type of housing throughout the City, which is positive. However, low- and very low-income households should be receiving more support, especially with respect to any opportunities to encourage low-income homeownership.
- **Housing for low- and very low-income households.** A primary change in general for low- and very low-income housing will need to address state-mandated housing targets for these income levels. Additionally, policies that specifically encourage the housing to meet the needs of low- and very low-income households to be located in specific zones should also be addressed to encourage integration, and policies should recognize the needs for low-income housing preservation and family-sized housing.
- **Special needs housing.** The City provides a broad category for “special needs” housing, which combines senior housing, assisted living, and emergency and transitional housing to meet the needs of people at risk of homelessness. These policies should be separated by need, and elements related to transitional and emergency housing need to recognize recent state-level requirements for allowable areas and unit targets for these uses.
- **Neighborhood character.** While preserving and improving neighborhood amenities is an important goal, the City should ensure that efforts to maintain “neighborhood character” do not further restrict affordable housing options through additional design requirements. Similarly, efforts to improve urban design in neighborhoods should also explicitly provide support for low-income neighborhoods and neighborhoods of color.

¹² The need for a housing element for a Comprehensive Plan is defined under [RCW 36.70A.070\(2\)](#). The upcoming revisions to the City's Comprehensive Plan are expected to include a separate housing element to meet these requirements.

- **Anti-displacement policies.** The Comprehensive Plan includes some considerations to monitor displacement and provide support in cases where federal funding mandates require action. However, the City should also work to include provisions to preserve naturally-occurring and subsidized affordable housing, and ensure that displaced households are provided support even in the case of private projects.
- **Commercial businesses.** While policies regarding commercial development and business support are included in the sections on land use and economic development, there are no policies which recognize the specific needs of many of the businesses owned by people of color in the community. Providing specific policies not only to provide targeted support but also to highlight the benefits these businesses provide and commit to minimizing the displacement of these businesses.

Housing for High-Income Households

While the need to provide housing for households at all income levels is an important consideration, there is a particular focus in the Lakewood Comprehensive Plan on providing high-income housing that run counter to RDI and correcting historical exclusion. Goal LU-2 is an objective to “Increase housing opportunities for upper-income households”, which provides the following policies:

- LU-2.1: Target ten (10) percent of new housing units annually through 2030 to be affordable to upper income households that earn over 120 percent of county median income.*
- LU-2.2: Encourage the construction of luxury condominium adjacent to the lakes.*
- LU-2.3: Support site plans and subdivisions incorporating amenity features such as private recreation facilities, e.g., pools, tennis courts, and private parks to serve luxury developments.*
- LU-2.4: Increase public awareness of upper income housing opportunities in Lakewood.*

This can be a complex issue for city policy, as high-income housing can provide for more property and sales tax revenue. Additionally, the implicit targets included under the Department of Commerce guidance suggest that Lakewood would need to accommodate 28% of their housing target as high-income housing, exceeding the target indicated in the current policy.

However, there is some concern about these policies:

- **These policies place the focus of attention on high-income housing over other housing needs.** A policy focus on high-income housing implies that this is a priority for the City, especially in cases where language like “encourage” and “support” are used. This suggests that this may be using City resources that could be assigned elsewhere.
- **Private amenities for high-income households would exclude other residents.** Encouraging private amenities for high-income developments can effectively exclude other households from using them, which may be especially problematic if development regulations would otherwise require public amenities to be provided.
- **Policies do not allow for the distribution of high-income housing.** While provisions for middle-income housing include a note that it should be dispersed across all areas of the City (LU-2.12), similar provisions for high-income housing are not included in policy. This suggests that high-income

housing will continue to be separated, especially considering that LU-2.2 indicates that luxury condominiums should be targeted to specific areas. Distributing high-income housing can potentially have positive effects, as mixed-income housing can have positive benefits for lower-income households.¹³

Providing for greater integration of housing types can help to provide more benefits for a wider range of people, and potentially address many of the disparate impacts that may be experienced between different areas. Edits should work to clarify how and where the City can leverage housing intended for high-income households to gain public benefits for the community overall. While concerns such as fiscal sustainability should also be addressed through policy, other approaches in the Plan can be used to manage the associated underlying equity issues.

Housing for Moderate-Income Households

Goal LU-2 also includes an objective which states that the City will “encourage the private sector to provide market rate housing for the widest potential range of income groups including middle income households.” This focuses on moderate-income housing, and includes policies such as:

- LU-2.5: Target sixty-five (65) percent of new housing units annually through 2030 to be affordable to middle income households that earn 80 to 120 percent of county median income.*
- LU-2.6: Encourage home ownership opportunities affordable to moderate income households.*
- LU-2.7: Encourage the construction of townhouse, condominium, and rental units affordable to moderate income households in residential and mixed-use developments and redevelopments.*
- LU-2.11: Pursue public-private partnerships to provide for moderate-income housing.*
- LU-2.12: Disperse middle-income housing in all areas of the City.*

Note that changes to these targets under LU-2.5 will be necessary due to the targets by income level as calculated by the Department of Commerce and adopted by Pierce County for Lakewood. These targets are significantly lower than LU-2.5’s 65%, and Plan policies require some realignment as a result.

Additionally, there are other considerations involved with issues of potential exclusion:

- **The policies do not highlight the important role of low-income homeownership.** Homeownership opportunities are specifically called out for moderate-income households, but in certain cases there may be options for lower-income households to access opportunities for homeownership and thus begin to build wealth over time. This can potentially be facilitated through partnerships with community land trusts (CLTs) and other housing organizations.
- **The use of public resources for moderate-income housing can divert resources from other needs.** Rather than directing that the City pursue public-private partnerships to provide for moderate-income housing, policies can instead focus public resources should be directed towards communities with greater needs.

¹³ See [Mixed-Income's Anticipated and Realized Benefits](#) (2013) from the Urban Institute for a summary of many of these benefits. Note that while there are benefits to mixed-income housing, this may also require additional policy changes to realize other advantages, such as improvements in economic well-being.

- **Incorporating middle-income housing in mixed-income development should consider displacement.** The goal of distributing middle-income housing throughout the City should be highlighted as a way to promote mixed-income communities. However, this consideration should be tempered by other policies to anticipate and manage the potential resulting displacement of lower-income households.

Combining these policies with other income-targeted policies in the Comprehensive Plan can ensure that housing will meet the needs of different income groups in the City consistently.

Housing for Low- and Very Low-Income Households

Goal LU-2 includes a discussion of housing for low- and very low-income households, with the stated objective to “Provide a fair share of low-and very low-income housing in the future.” This section has a clear need for editing to address issues of housing exclusion.

The immediate need for a rewrite is with respect to the objective itself. While the basis for this statement is important to consider, as less expensive housing may result in lower tax revenues and impacts to municipal budgets, discussing a “fair share” implies a burden to the City from certain residents that are lower income and more likely to be people of color. Policies can work to address these concerns without suggesting that certain people are not welcome in the community.

Several policies under Goal LU-2 need to be revised per state law and multicounty and countywide planning policies:

- LU-2.14: Maintain a sufficient land supply and adequate zoning within the City to accommodate 25 percent of the City’s projected net household growth for those making less than or equal to 80 percent of county median income.*
- LU-2.15: Establish the following sub-targets for affordability to households earning 50 percent or less of county median income, to be counted to toward the 25 percent target:*
 - *Fifteen (15) percent of new housing units constructed in the City;*
 - *A number equal to five (5) percent of new housing units, to be met by existing units that are given long-term affordability; and*
 - *A number equal to five (5) percent of new housing units, to be met by existing units that are purchased by low-income households through home-buyer assistance programs.*
- LU-2.18: Disperse low-income housing in all mixed-use and multi-family land use designations that allow attached dwelling units.*
- LU-2.20: Reduce existing housing need, defined as the number of existing households that earn 80 percent of county median income, and are paying more than 30 percent of their income for housing, or live in inadequate housing by increasing housing supply for all economic segments of the community.*
 - *Create opportunities for higher income households to vacate existing lower cost units, by creating a variety of market rate detached and attached housing types; and*
 - *Prioritize applications to the City for housing rehabilitation grants to homeowners earning 80 percent of county median income or below based on the greatest degree of existing need. With*

the exception of emergencies, priority should be given to households occupying conventional housing.

Considerations when revising these policies include the following:

- **Future housing targets include mandated allocations by income level.** At a broad level, the primary policy need for this section is to include considerations of different income levels, including not only low-income (50–80% median income), but also very low- (30–50%) and extremely low-income (0–30%) households. This would be reflected in the final targets discussed in Part 2.
- **Meeting low-income housing needs should provide support for different sizes of housing.** Although there are clear statements about maintaining targets for housing intended for lower-income households, this section should also consider the needs for family-sized housing versus only smaller housing units. Larger households that have lower income will usually have greater pressures to uprent or experience overcrowding, and can have a harder time trying to find naturally occurring affordable housing in the market.
- **Existing affordable housing should be preserved.** While the policy focus on preserving affordable housing in LU-2.15 can be important, using existing housing exclusively to meet affordability targets should be approached with caution. These efforts need to be explicit and distinguished from providing new opportunities for accessing affordable housing.
- **The general geographical constraints on low-income housing can provide a problematic mechanism for exclusion.** Policy LU-2.18 explicitly indicates that the needs for low-income housing will need to be met in mixed-use and multifamily areas. This explicitly supports geographical exclusion of lower-income households. While these zoning districts are likely to be the ones that can support the housing types that can meet the needs of these households, this type of policy should instead focus on integrating opportunities for lower-income housing across the City in mixed-income neighborhoods.
- **There is a lack of explicit anti-displacement policies in the Comprehensive Plan for lower-income households.** While monitoring losses of affordable housing is considered later as part of Goal LU-5, stronger efforts should be included in the discussion of affordable housing options to ensure that displacement can be minimized and impacts to lower-income households can be reduced.

Special Needs Housing

Goal LU-3 indicates that the City shall “ensure that there are housing opportunities for people with special needs, such as seniors, people with disabilities, and the homeless.” This is paired with a specific objective to increase the supply of this type of “special needs” housing.

There are several policies included in this section that are positively oriented to providing housing for these individual groups in the community, such as Policy LU-3.1, which encourages an even distribution of these uses across “all residential and mixed-use zones”, and Policies LU-3.4 and 3.14, which explicitly express support for emergency shelters and supporting services.

These policies should be expanded and adjusted as follows:

- **Future housing targets must include mandated transitional and supportive housing targets.** As per requirements under [RCW 36.70A.070\(2\)](#), the City will need to include projected needs for emergency housing, emergency shelters, and permanent supportive housing under (a)(ii) and identify sufficient capacity for these uses under (c). These housing types are being addressed in the 2023 Comprehensive Plan amendment cycle, but should also be reviewed under the 2024 periodic review racial disparity and equity lens for potential needed amendment.
- **Clarity should be provided to distinguish policies for different types of special needs housing.** While this section provides a broad base for establishing City policy on specialized housing types, the objective covers a lot of disparate types of uses that may have different needs. Senior housing and assisted living can address a range of different possible uses with different needs, and in turn these facilities are often different than transitional and emergency housing facilities. These policies should explicitly note each use and address each distinctly..
- **Policies must be updated to reflect state requirements to site emergency and transitional housing.** E2SHB 1220 as adopted by the State Legislature has specifically restricted cities from excluding transitional and permanent supportive housing from areas that allow any residential development, and prevent cities from excluding emergency shelters in areas where hotels are allowed.¹⁴ This would include C1–C3 commercial zoning under [LMC 18A.40.090](#), but management of these uses had not been acknowledged in either the zoning code or the Comprehensive Plan as of 2022. These are being addressed in the 2023 Comprehensive Plan amendment cycle, but should also be reviewed under the 2024 periodic review racial disparity and equity lens for potential needed amendment.
- **Incentives should be provided for other types of special needs housing beyond senior and disabled housing.** Under LU-3.11, the City is encouraged to provide density and height benefits to senior and disabled housing as appropriate. Extending these incentives to other types of special needs housing could allow these facilities to be more readily built in the community.

Neighborhood Character

The discussion of “neighborhood character” can be a challenging one when viewed through a racial equity lens. While on one hand, maintaining livable, high-amenity neighborhoods should be a priority for all communities, efforts to maintain neighborhood character can often be more vague and subjective. Generally, more overly-protectionist approaches to preserving neighborhood character have led to situations where certain members of the community are implicitly or even explicitly excluded from certain neighborhoods. Policies intended to maintain neighborhood quality will need to strike a balance to ensure that this does not lead to further exclusion.

Neighborhood character under the current plan is managed in part under Goal LU-4 (“Maintain, protect, and enhance the quality of life of Lakewood’s residents”) with the objective: “Develop and maintain

¹⁴ [RCW 35.21.689](#) initially prohibited cities from excluding supportive housing from multifamily areas. Changes under [RCW 35A.21.430](#) and [E2SHB 1220](#) in 2021 mandated that transitional and emergency housing can only be excluded from areas where hotels are permitted if a city authorizes indoor emergency shelters and housing in a majority of the zones within a one-mile proximity to transit.

livable neighborhoods with a desirable quality of life.” Several of these policies need to be amended due to concerns about exclusion, including the following:

- LU-4.2: High-density housing projects, with the exception of senior housing, will not be permitted in existing single-family residential neighborhoods. More moderate densities such as planned development districts and cottage housing will be considered.*
- LU-4.15: Promote high quality residential living environments in all types of neighborhoods.*
- LU-4.18: Protect the character of existing single-family neighborhoods by promoting high quality of development, including through planned development districts (PDDs.)*
- LU-4.19: Use design standards to encourage housing types that protect privacy, provide landscaping or other buffering features between structures of different scale, and/or promote investments that increase property values where housing that is more dense is allowed in existing single-family neighborhoods.*
- LU-4.20: Development standards for flats and triplex developments should encourage design at the scale of single-family developments by limiting building length and heights.*
- LU-4.21: Relate the size of structures to the size of lots in order to create development that fits into a neighborhood.*
- LU-4.22: New single-family subdivisions should provide pedestrian and vehicular connections to adjoining residential development unless a determination is made that a physical features of the site, such as a ravine, wetland or pre-existing developed property prevents practical implementation of this provision.*

In addition to this goal, the Urban Design chapter includes several goals that are related to neighborhood character. Relevant goals include:

- UD-1: Design streets and associated amenities so that they are an asset to the city.*
- UD-2: Establish a system of gateways and civic boulevards to provide identity to the city, foster appropriate commercial uses, and enhance the aesthetic character of the city.*
- UD-3: Employ design standards to ease the transition of scale and intensity between abutting residential uses and between residential areas and other uses.*
- UD-7: Promote pedestrian-oriented development patterns within designated mixed-use commercial districts.*
- UD-8: Develop the design of the CBD to support its role as Lakewood's Downtown.*
- UD-9: Create a livable, transit-oriented community within the Lakewood Station District through application of urban design principles.*
- UD-10: Promote the evolution of Tillicum into a vital higher density pedestrian-oriented neighborhood through application of urban design principles.*

UD-13: Provide funding for urban design and open space improvements necessary for maintenance and improvement of the quality of life in Lakewood.

UD-15: Substantially increase walking and cycling activity while at the same time reducing collisions involving cyclists and pedestrians. The federal government and the State of Washington seek to double walking and cycling activity over the planning horizon, while at the same time reducing collisions involving cyclists and pedestrians by 5% per year.

With respect to the policies above, there are three major considerations to address:

- **Design requirements should not constrain new development allowed in an area.** Lakewood’s housing policy, zoning and regulations need to be explicit that neighborhood design requirements are not intended to restrict development, especially multifamily development, from areas where it is allowed. While new projects will change urban form, the design requirements that can result from these policies can restrict height and floorplate allowed on a site, as well as increase project costs from additional design details. In cases where only multifamily development is subject to these requirements, more detailed design requirements can exclude more dense types of housing from certain neighborhoods even when allowed. This in turn can reduce the stock of more affordable new housing options.
- **Denser forms of development should be allowed away from arterials and major centers.** Outright exclusions of “high-density housing projects” from single-family residential neighborhoods (excluding senior housing) in Policy LU-4.2 implies that any multifamily project would not be allowed in many neighborhoods. Additionally, there are several policies that suggest that multifamily housing should be limited to arterials and major centers, which suggests that these developments should serve as a buffer against noise and air pollution. 2023 state bills 1110 and 1337 significantly change what is required of cities related to allowing multiple units per lot, accessory dwelling units, and allowed regulation of parking; Lakewood’s Plan and regulations must comply with these laws.
- **Provisions for improved pedestrian and cycling access, neighborhood parks, and other amenities should be distributed to serve all residents.** There should be explicit policies in place that recognize that needs in low-income neighborhoods and neighborhoods of color should be specifically considered for expansions to amenities.

Anti-Displacement Policies

Under Goal LU-5, the City of Lakewood establishes a level of oversight on displacement by including a specific goal to “recognize relocation issues brought about by demolition or conversion to another use.” The policies under this goal (LU-5.1 through 5.4) cover three main elements:

- Monitoring changes in affordable housing in the community due to demolition, conversion, deterioration, and area-wide redevelopment efforts.
- Enforce existing federal law regarding financial and relocation assistance for people displaced by housing projects using federal funds.
- Considering the use of CDBG funds for relocation assistance related to displacement.

While there are specific cases where the City has provided other, more extensive protections against displacement,¹⁵ there are currently no provisions for anti-displacement policies in the Comprehensive Plan related to private development, especially as related to low-income neighborhoods and communities of color. Such policies must be added as part of the 2024 periodic review.

Commercial Businesses

Provisions for supporting community businesses are distributed throughout the Comprehensive Plan, with Goals LU-21 through 29 covering commercial land use management, and broader economic development strategies included in the Economic Development Element in Chapter 5. However, none of these policies specifically identifies businesses in communities of color as something that requires additional policy attention and potentially protection against commercial displacement. Areas such as the International District should be specifically called out as one location where a diverse range of businesses serving both the community and local residents of color is strongly supported.

Similarly, policies such as ED-2.5 (*“Provide targeted assistance to businesses that may be unsophisticated in permitting and licensing requirements.”*) should be amended to reflect that “sophisticated” businesses may face language and cultural barriers when dealing with the City. Other policies should be updated to consider how best to accommodate comparable considerations with City operations.

Tillicum Neighborhood Plan (2011)

The [Tillicum Subarea Plan](#) was approved in 2011 to guide planning and development in the Tillicum community, and updated in 2022 to include a status update about the action items completed to date.¹⁶ In this Plan, several challenges were originally identified:

- The need to build community capital to address local issues.
- Perceptions of public safety issues.
- The role of freeway-oriented commercial development in the area.
- Needs for cohesive design and transitions between different areas.
- Management of signs for I-5 traffic.
- Needs for additional rights-of-way for Union Avenue SW.
- Improvements in gateways and urban design.
- Development of alleyways to improve the street network.

This Plan was based in part on an earlier [2009 conceptual plan](#) and vision from BCRA that examined six key initiatives:

- Maple Street link

¹⁵ For example, note the vacancy requirements and requirements for displacement assistance for the City’s MFTE program as per [LMC 3.64.020\(E\)\(6\)](#), which exceeds the requirements for relocation assistance mandated by the state.

¹⁶ Note that as per [City Ordinance 772](#), the Tillicum Subarea Plan will be updated as part of the update to the City’s Comprehensive Plan in 2024.

- Union Avenue commercial/retail
- Multifamily note fronting Harry Todd Park
- Harry Todd Park entrance realignment
- Gateways at either end of Union Avenue
- Pedestrian/bike path loop

This subarea plan is dominated by physical planning and design considerations, with a focus on actions to take to catalyze redevelopment in the community. As such, policies and actions to address equity and exclusion issues are minimal.

Nine goals are put forward as part of the Tillicum Neighborhood Plan, with corresponding tasks to be included in the City's work planning:

- **Goal 1: Develop community capacity.** Encourage neighborhood leadership development and collaborative community involvement as a means of grassroots problem-solving.
- **Goal 2: Update infrastructure.** Complete the sewer, water, and storm water infrastructure projects that are currently funded in the Tillicum and Wood brook neighborhoods. Support the efforts of the school district to provide quality school facilities that function as focal points for family and community activity. Maintain a six-year capital facilities plan as a basis for seeking grants.
- **Goal 3: Reduce crime and neglect.** Enhance the ability of Tillicum citizens and the Lakewood Police Department to minimize crime through stepped up property maintenance enforcement and the implementation of public outreach programs.
- **Goal 4: Improve transportation into and within the area.** Minimize the growth of traffic congestion. Balance the need for property access with traffic safety considerations. Apply standardized set of street classifications. Find new sources of revenue to upgrade streets and key intersections in Tillicum.
- **Goal 5: Revitalize and upgrade residential and commercial areas.** Identify where more dense, mixed-use development can be used to offer affordable housing opportunities within walking distance of amenities. Improve residential areas and streets to enhance the neighborhood appeal.
- **Goal 6: Provide a mix of housing opportunities.** Enhance social and economic diversity within Tillicum by mixing affordable housing in with new market-rate development.
- **Goal 7: Expand access to American Lake.** Make American Lake more accessible to Tillicum residents and visitors by identifying and enhancing more public access points to the lake, providing public amenities, and improving disabled access to the shoreline.
- **Goal 8: Enhance and protect Tillicum's natural environment.** Protect forest cover, riparian habitat, air quality, and the quality of groundwater flowing into American Lake.
- **Goal 9: Maintain a sensitivity to the area's history and historical elements.** Promote Tillicum's unique heritage, foster civic pride and honor past accomplishments, and use landmarks as a means to advance economic redevelopment.

These goals present a strong basis for planning efforts for housing in the neighborhood. The 2022 update provided an overview of the tasks completed by the City and its partners since the subarea plan's adoption, particularly sewer, stormwater, and other utility expansion, which were previously identified as a limitation to new development.

As the Tillicum Neighborhood Plan is updated in 2024, there are key elements which should be addressed regarding housing equity:

- **Further efforts are needed to develop community capacity and link this effort to City initiatives.** Per the 2022 update, community outreach goals with an end date of 2015 were as yet not completed, including both the establishment of a community leadership team and funding for youth in the community. These goals should be tied into efforts to engage the local neighborhood association, but also consider approaches to engage with residents of color in Tillicum to ensure clear representation.
- **Affordable housing incentives have not been rolled out to the Tillicum neighborhood.** Under Task F-15, the City was looking to consider the Multifamily Housing Property Tax Exemption (MFTE) incentive for the neighborhood to encourage multifamily development in the neighborhood. Additionally, tasks E-11, F-2, and F-5 also indicate efforts by the City that would encourage development of affordable housing options. To date, these tasks have not been completed. New incentives could look to encourage the development of affordable housing in the Tillicum area, especially if new development is promoted in the neighborhood. This may include expansions of the incentives under [Chapter 18A.90 LMC](#), as well as the extension of the residential targeted areas for the MFTE program under [Chapter 3.64 LMC](#).
- **Clear anti-displacement policies should be included as part of planning for the Tillicum neighborhood.** While the City has included several implementation steps to manage the impacts of substandard housing and provide support for tenants displaced by enforcement actions, there is no approach identified to address issues of displacement. There is a significant amount of market-rate housing in the Tillicum area that provides more affordable options for households, and any losses of these units may need to be coordinated with efforts to preserve and develop affordable housing options.
- **The Neighborhood Plan should address displacement risks due to new infrastructure.** With the completion of two new I-5 interchanges in Tillicum and the continuing expansion of sewer lines, the City should be proactively considering the risks of both residential and commercial displacement in Tillicum within the Plan.

Lakewood Downtown Plan (2018)

Since 2018, Lakewood has been working through the City's [Downtown Plan](#) to redevelop the Central Business District (CBD) zone as the “heart” of the city: a rich urban area with civic amenities, walkable streets, and a mix of uses such as housing, entertainment, restaurants, and retail. This is primarily related to coordinating a transition from an area dominated by auto-oriented “big box” stores and shopping centers into a central neighborhood for the community.

The overall design concept includes:

- A green loop for circulation and green space
- A new, denser street grid
- A new urban park of between two to four acres is proposed just north of City Hall
- A revised road design for Gravelly Lake Drive SW
- Catalyst sites for redevelopment
- A “festival street” along Motor Avenue

To achieve the vision and goals of the Plan and fulfill the overall design concept, the Plan also includes policies and strategies in several topics:

- Urban design + land use
- Economic development
- Housing
- Street grids, streetscapes & public spaces
- Transportation
- Parks, open spaces, & trails
- Stormwater and the natural environment
- Utility infrastructure (water, sewer, power)
- Community partnerships and organization

Because of the nature of the area, the Downtown Plan is focused on redevelopment of existing commercial uses and does not pose a significant displacement risk for an existing community. However, there are some elements to consider that can help reduce exclusion from the new community envisioned for the area:

- **The Plan should incorporate clearer definitions of “cultural diversity” and their relation to City policy.** There are discussions of the role of cultural diversity in the Downtown included as part of the Plan, but there are few definitions of what this means in practice. While the Downtown includes a library, museum, and theater, there is also a broader potential definition of what cultural diversity means and how it can be supported through initiatives such as placemaking and the provision of public amenities in the Downtown.
- **Policies should be in place to support housing affordability and access.** While there are policies for diverse types of housing that are accessible to all income levels in the Downtown, the provisions in the Plan do not include clear policies to encourage housing affordability and access. Currently, the only clear policy related to affordable housing is to “engage affordable housing organizations about opportunities and partnerships to increase housing in the Downtown”¹⁷. The City has included

¹⁷ See pages 37 and 63 of the [Lakewood Downtown Plan](#).

the Downtown in the local MFTE program¹⁸, but other programs and policies should be employed as well to encourage affordable housing in the Downtown.

Lakewood Station District Subarea Plan (2021)

The Lakewood Station District is a multi-modal commuter hub of Lakewood and the southern terminus of Sound Transit's commuter rail service. The intention of the [Lakewood Station Subarea Plan](#) is to develop a transit-oriented neighborhood surrounding the commuter rail station that includes a mix of intensive land uses and activities as part of a high quality, pedestrian-oriented urban environment. This regional transit access can allow for greater densities of development and support the creation of a cohesive neighborhood.

Under the Plan, policies are explored in multiple areas:

- Land use and urban design
- Housing
- Economic development, business, and employment
- Transportation
- Utilities and services

A major component of the Plan is the development of a hybrid form-based code that can provide greater control of the impacts of new projects on the streetscape. With respect to housing, the Plan also includes policies that highlight the need for:

- A variety of housing types to ensure choice for current and future residents, workers, military families, and to strengthen commercial areas.
- Housing affordable to current residents through preservation where possible, as well as redevelopment activities.
- Development of market rate and affordable housing options for households with incomes at 60-120% of the area median income to preserve affordability in the LSDS and avoid displacement of existing residents.
- Homeownership options that allow local residents to invest in the community to gain equity and wealth.
- A mix of large and small builders that can provide new housing options at a variety of scales and levels of affordability.

These stated intentions of the Plan highlight the desire to encourage the development of housing that meets the needs of a broad range of households. This includes specific statements about avoiding displacement in the neighborhood, as well as encouraging local homeownership.

With respect to this Plan, there are some considerations with respect to long-term housing equity:

¹⁸ See [LMC 3.64.030](#) and [Ordinance No. 607](#) for the definition of the areas.

- **Stronger efforts may be needed with respect to anti-displacement policies.** Although an anti-displacement focus on development is included in the policies, there may need to be an increased focus on leveraging policies to encourage replacement of lost affordable units in the community. Similarly, while the Plan indicates several overall strategies such as housing navigator programs to address issues of displacement, further support and guidance could be put into place as part of a comprehensive anti-displacement policy.
- **Strategies should look to provide broader housing targets given access to transit.** The housing policies of the Subarea Plan look to encourage housing at 60–120% of median income to encourage an economically integrated neighborhood and prevent displacement of existing residents. However, as the City will also have state-mandated housing targets for households making 0–50% median income. Given the transit-supported nature of this neighborhood, identifying opportunities to include housing targets for a broader set of household incomes will be important. Similarly, housing targets should make note of the need for family-sized units as well, to ensure that broader types of households can be accommodated in the neighborhood.

Recommendations for Action

Across Lakewood's different Citywide and subarea plans, there are several elements that address elements of housing equity and the history of exclusion in the housing market, but these can be updated and expanded upon. Considering low-income housing options, homeownership, improvements in amenities and community capital for neighborhoods with a greater proportion of residents of color as well as new multifamily development has the potential to address disparities in the community.

To better address local needs for equity in housing, the Lakewood 2024 Comprehensive Plan periodic review process should consider the following:

- **Incorporate state-mandated housing targets by income.** As noted in the previous section, the state has mandated housing targets for counties that will be taken up by constituent cities as part of planning. For Lakewood, these targets will include very low- and extremely low-income households, as well as requirements for permanent supportive housing and emergency housing. These targets will need to be incorporated into the Plan, and the City should also provide direction as to how these targets may apply to individual subarea plans and other neighborhoods.
- **Include policies that focus on integration of neighborhoods by income.** The housing policies in the Comprehensive Plan include some elements that intentionally discuss higher-income neighborhoods separate from the needs of moderate- and lower-income households. Where possible, future policies discussing how to accommodate new growth across different income levels should work to encourage mixed-income neighborhoods and developments. This can help promote access to amenities by lower-income households, and encourage better outcomes for households.
- **Provide stronger anti-displacement policies.** Although efforts to encourage new housing in the community should be a broad-based effort, there is the risk that new projects will take up existing "naturally occurring" affordable housing units and replace them with units that are inaccessible because of higher rents or inappropriate size (e.g., family-sized units being replaced by one-bedroom units). The City should provide stronger policies towards preservation of existing affordable units and accommodation of new affordable units in market-rate projects through direct policy goals, adjustments to incentive programs, and grant and loan programs for encouraging preservation.
- **Celebrate local diversity.** A specific consideration should be recognizing local communities of color as valued community resources that should be preserved and strengthened. The International District is one area with a strong base of businesses that should be a focus of clear policies, and the impact of these businesses on maintaining different communities of color in Lakewood should be reinforced. Additionally, discussions of cultural diversity should clearly define many of the local communities that contribute to that diversity, and highlight local needs to support those communities.
- **Improve support for low-income homeownership.** While homeownership is identified as an important goal in current policy, these elements do not typically extend to discussions of how low-income households can be included as homeowners as well. Policies regarding creative solutions to encouraging low-income homeownership, such as community land trusts (CLTs) and comparable programs should be highlighted. This should also include specific links to partnerships with local housing organizations such as Habitat for Humanity.

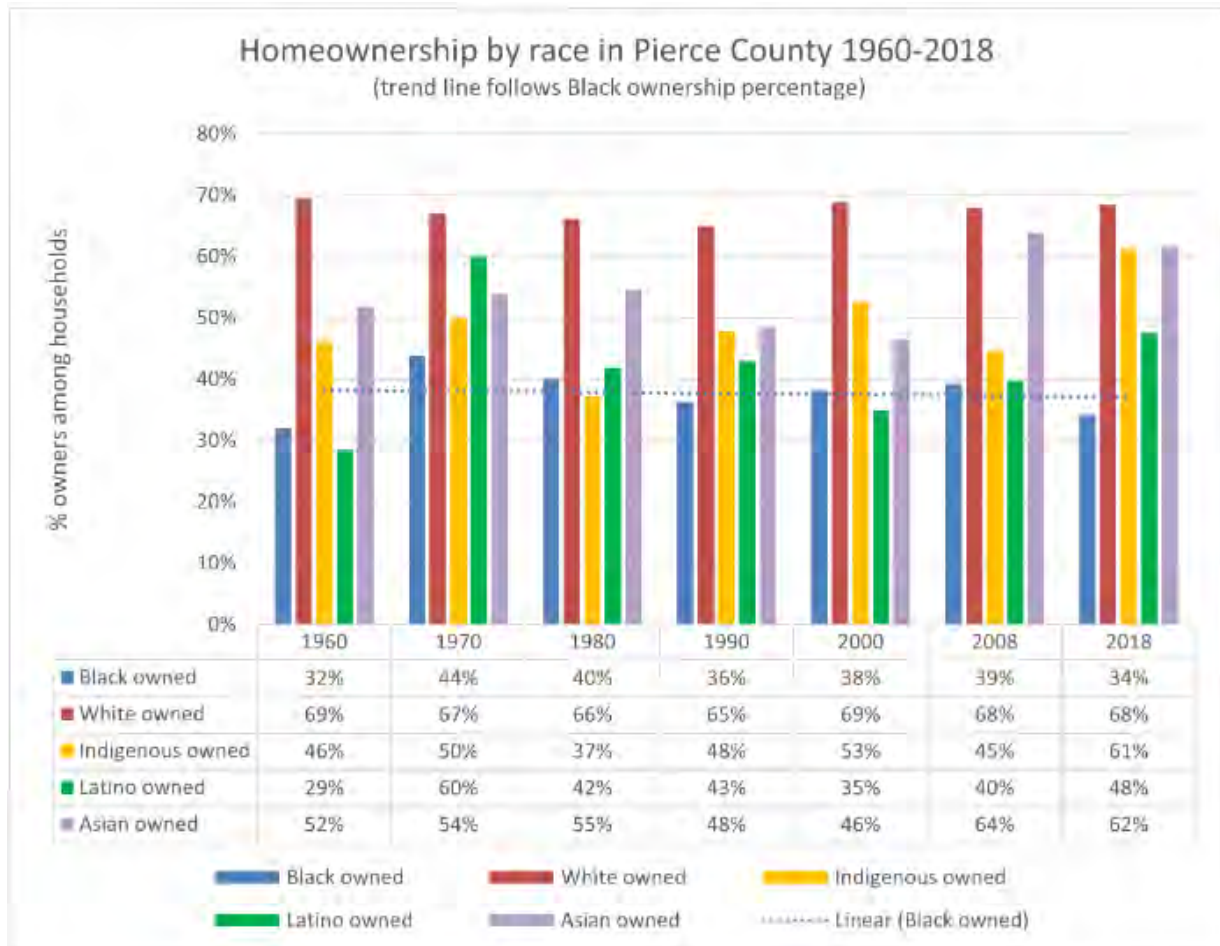
- **Enhance emergency housing support.** As the City works to integrate new income-based housing targets and identified emergency housing needs into the Comprehensive Plan, another potential focus may be on providing proactive approaches to stabilize households facing housing insecurity. This would supplement existing programs for home repair and down payment assistance, and provide emergency rent subsidies to prevent households from becoming homeless.
- **Provide for housing navigation services.** The Lakewood Station District Subarea Plan includes suggestions for housing navigation services, which would look to pair community members displaced by new development with appropriate housing opportunities. Expanding this type of approach further in partnership with local housing organizations to include the entire City may be an approach to increase local housing stability and minimize broader displacement across the community.

While these recommendations should consider the resources available to the City, providing stronger policy direction overall can also help to provide guidance for existing programs, and can help to set priorities for long-term action.

ATTACHMENT B

Lakewood Racially Restrictive Covenants

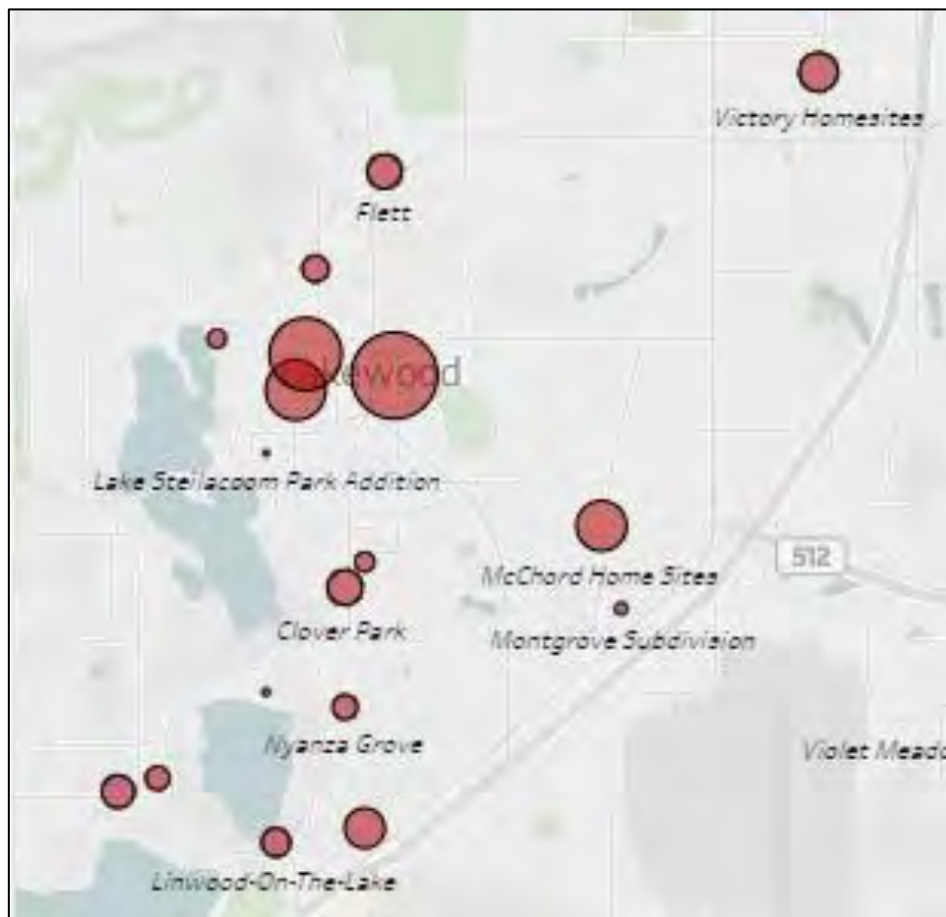
[The Racial Restrictive Covenants Project](#) involves teams of researchers at the University of Washington and Eastern Washington University. Authorized by the state legislature under HB 1335 (May 2021), this project is charged with identifying and mapping neighborhoods marked by racist deed provisions and restrictive covenants.



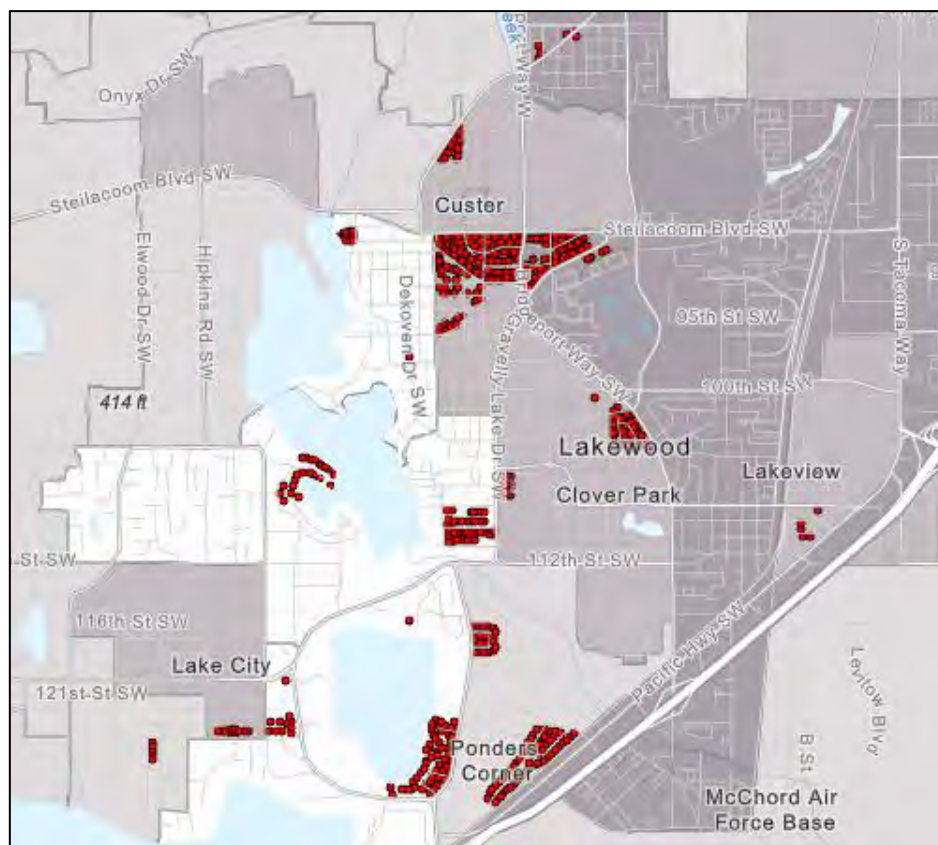
Initial review results show that Lakewood has 18 subdivisions and 928 parcels originally regulated by racially restricted covenants. As noted by The Racial Restrictive Covenants Project, do not assume that areas without circles on the map below were not restricted. Deed restrictions were only one of the mechanisms of segregation. Neighborhoods without covenants often practiced racial exclusion by other means.

Interactive maps documenting the racial makeup of county and city populations over time can be seen at <https://depts.washington.edu/labhist/maps-race-tacoma.shtml>. For instance, in 1970, nearly one-third of Pierce County's Black population were military personnel at Fort Lewis. Most of the rest lived in the Hilltop neighborhood near the bend in the I-5 freeway. Asian and Latino people in the County numbered only 5,373 in 1970, a quarter of them stationed at the military base.²

² Credits: These maps and tables were created by Anna Yoon, Brian Lam, Gihoon Du, Jiang Wu, and Yurika Harada using data and shape files from the National Historical Geographic Information System (NHGIS). The work was a class project for Geography 469 GIS Workshop taught by Professor Sarah Elwood-Faustino Spring 2017. James Gregory added the 2019 maps.



Racially restricted subdivisions in Lakewood



928 racially restricted parcels in Lakewood

Initial Findings within Lakewood's Boundaries from The Racial Restrictive Covenants Project				
Subdivision Name	Developer/Seller	Restrictive Covenant Date	# of Lots	Restriction language
Clover Park	O.M. Cullen	1934	39	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.
Flett	Norton Clapp	1950	38	No persons excepts persons who shall be of the Caucasian race shall be allowed to purchase, nor be allowed to use or occupy said property or any part thereof, except in the capacity of domestic servants, chauffeurs or employees of the occupants thereof.
Freeman's Subdivision	Magnus & Bertha M. Freeman	1948	22	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.
Griggs Acres	Grace I.W. Griggs	1944	18	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race or nationality employed by an owner or tenant.
Lake Steilacoom Park Addition	Norton Clapp	1946	1	No race other than Caucasian shall use or occupy any dwelling on the premises, except that this covenant shall not prevent occupancy of domestic servants of a different race or nationality employed by an owner or tenant.
Lakewood Colonial Village	Harold W. & Thelma K. Gloyde, Philip Horther, Mary Horther, Elmer D. Hubbard, Myrtle E. Hubbard	1942	11	No persons, excepting persons who shall be of the Caucasian race, shall be allowed to purchase, nor allowed to use or occupy said property or any part thereof, except in the capacity of domestic servants, chauffeurs, or employees of the occupants thereof.
Lakewood Park	Lakewood, Inc.	1938	168	No race other than Caucasian shall use or occupy any dwelling on the premises, except that this covenant shall not prevent occupancy of domestic servants of a different race or nationality employed by an owner or tenant.
Lakewood Subdivision 1	Norton & Evelyn Clapp	1942	115	No race other than Caucasian shall use or occupy any dwelling on the premises, except that this covenant shall not prevent occupancy of domestic servants of a different race or nationality employed by an owner or tenant.
Linwood-on-the-Lake	Washington Security Company	1926	26	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race or nationality domiciled with an owner or tenant.
McChord Homesites	R. Alvin Padgett	1941	80	No race or nationality other than the caucasian shall use or occupy any building or any lot in McChord Home Sites except that this covenant shall not prevent occupancy of domestic

				servants of a different race or nationality employed by an owner or tenant.
Montgrove Subdivision	TH Algeo and Ruth Isabelle Algeo	1952	5	No person of any race other than the White or Caucasian race shall use or occupy any building on the premises except that as servant actually employed by a person of the white or Caucasian race, where the latter is an occupant of such property.
Nyanza Grove	Nyanza Construction Company	1947	20	No person of any race other than the white or caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race or nationality domiciled with an owner or tenant.
Nyanza Park	O.M. Kulien	1946	51	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.
Parlamans Replat Part North Lake Plat	Lloyd Walton, Edna Walton, Irvin E. Muri, Marion A. Muri	1942	34	No person of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this Covenant shall not prevent occupancy by domestic servants of a different race domiciled with an owner or tenant.
Seeley's Lake Park Addition	Norton Clapp	1950	238	No persons except persons of the Caucasian race shall be allowed to purchase, nor allowed to use or occupy said property or any part thereof, except in the capacity of domestic servants, chauffeurs, or employees of the occupants thereof.
Sunshine Villa Tracts	Guy Kircher	1941	12	No person of any race other than Caucasian shall use or occupy any dwelling on the premises, except that this covenant shall not prevent occupancy of domestic servants of a different race or nationality employed by an owner or tenant.
Townsite of Interlaaken	Grace I.W. Griggs	1944	2	No race other than the White or Caucasian race shall use or occupy any dwelling on any lot, except that this covenant shall not prevent occupancy by domestic servants of a different race or nationality employed by an owner or tenant.
Victory Homesites	Victory Homes, Inc., HA Briggs and Ruth Briggs	1942	48	No persons of any race other than the White or Caucasian race shall use or occupy any building or any lot, except that this covenant shall not prevent occupancy of domestic servants of a different race domiciled with an owner or tenant.

https://depts.washington.edu/covenants/map_restrictions_pierce.shtml

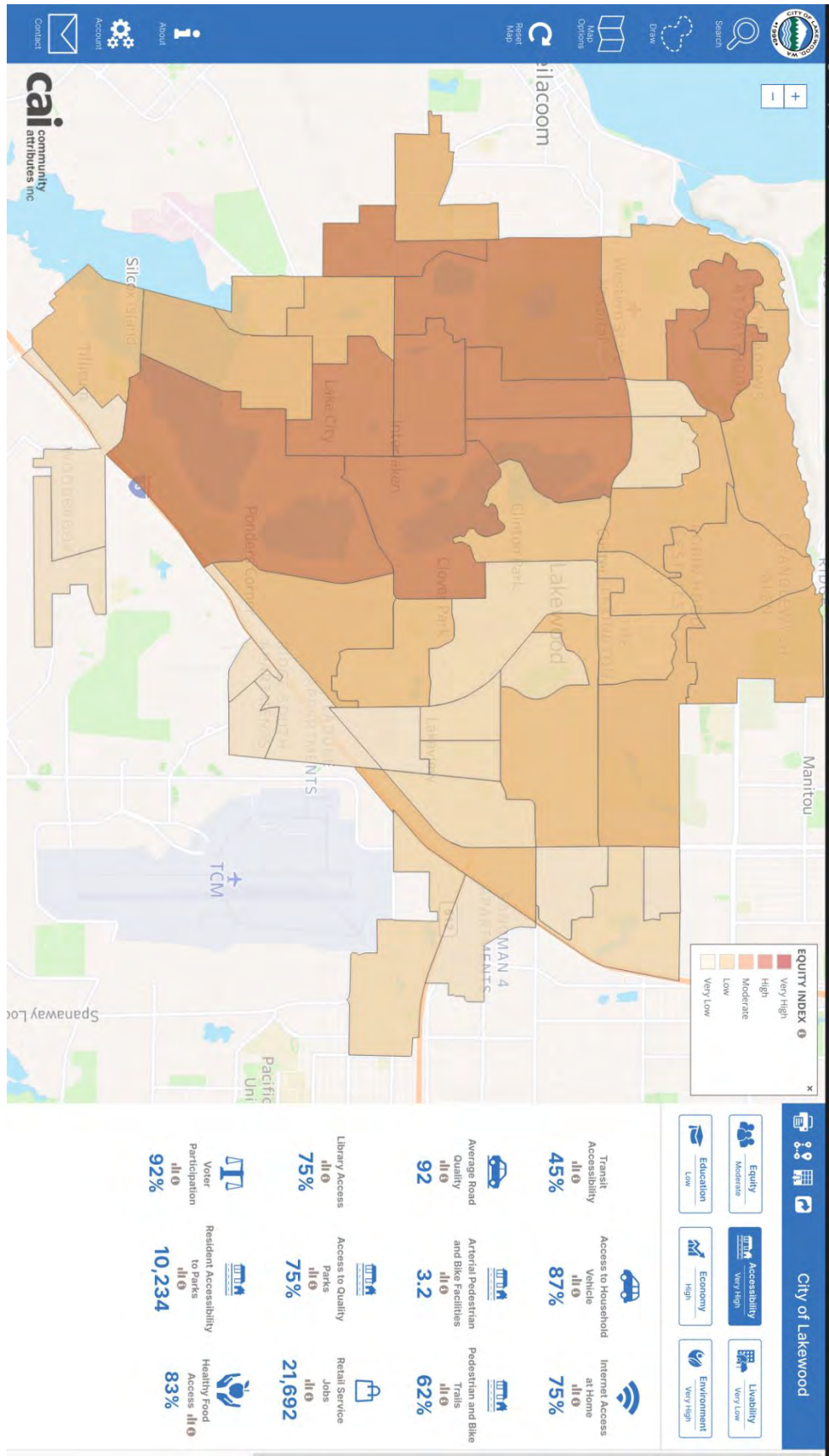
Since Lakewood did not incorporate until 1996, these covenants on 928 lots pre-date when the City adopted its zoning and land use regulations. However, there are actions the City can take now, including adopting policies opposing any such remaining language in deeds, restrictive covenants, and Home Owners Association documents and supporting the actions authorized under HB 1335 to eliminate such language:

HB 1335 allocated funds and authorized teams at the University of Washington and Eastern Washington University to "review existing recorded covenants and deed restrictions to identify those recorded documents that include racial or other restrictions on property ownership or use against protected classes that are unlawful under RCW 49.60.224. For properties subject to such racial and other unlawful restrictions, the universities shall provide notice to the property owner and to the county auditor of the county in which the property is located. The universities shall provide information to the property owner on how such provisions can be struck pursuant to RCW 49.60.227."

To fulfill our obligations under HB 1335, we are coordinating with the Auditor/Recorder office of each county to determine the best way to access and research records. The [Washington State Association of County Auditors](#) has urged members to work with us and is also preparing to handle the modification forms and deed redaction orders that are expected.

As revised by HB 1335 and HB 2514, RCW 49.60.224 encourages property owners to strike illegal and discriminatory language from deeds, restrictive covenants, and Home Owners Association documents by filing a Restrictive Covenant Modification form. [The process is simple \(see how\)](#). Alternately, property owners can seek a judgement in superior court that will physically remove the offensive wording.

ATTACHMENT C **Excerpt from Draft Lakewood Equity Map** **Final map tool to be released by August 31, 2023**



ATTACHMENT D

VISION 2050 Racial Equity Policies

Regional Collaboration

- Prioritize services and access to opportunity for people of color, people with low incomes, and historically underserved communities to ensure all people can attain the resources and opportunities to improve quality of life and address past inequities (MPP RC-2)

Environment & Climate Change

- Support programs to ensure that all residents, regardless of race, social, or economic status, have clean air, clean water, and other elements of a healthy environment and prioritize the reduction of impacts to vulnerable populations that have been disproportionately affected (MPP-En-3-4, En-7-8, En-21)
- Address impacts to vulnerable populations and areas that have been or will be disproportionately affected by climate change (MPP-CC-6, CC-8, CC-Action-3, CC-Action-4)

Development Patterns & Regional Growth Strategy

- Reduce disparities in access to opportunity and expand employment opportunities to improve the region's shared economic future (MPP-DP-2, Ec-8, Ec-13)
- Support inclusive engagement to ensure land use decisions do not negatively impact historically marginalized communities (MPP-DP-8)
- Reduce health disparities and improve health outcomes (MPP-RC-3, DP-18)
- Evaluate planning in areas for potential residential and commercial displacement and use a range of strategies to mitigate displacement impacts (MPP-DP-23, Ec-12)
- Metropolitan Cities: Provide additional housing capacity in response to rapid employment growth, particularly through increased zoning for middle density housing (MPP-RGS-7)

Housing

- Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations and work with communities to develop antidisplacement strategies in when planning for growth (MPP-H-12, H-Action-6)
- Promote homeownership opportunities while recognizing historic inequities in access to homeownership opportunities for communities of color (MPP-H-5)

Economy

- Promote strategies and policies that expand access to opportunity and remove barriers for economically disconnected communities (MPP-Ec-13-14)
- Address and prevent potential physical, economic, and cultural displacement of existing businesses that may result from redevelopment and market pressure (MPP-Ec12)
- Support, recognize, and empower the contributions of the region's culturally and ethnically diverse communities, institutions, and Native Tribes (MPP-Ec-15, Ec-17, Ec20)

Transportation

- Identify racial and social equity as a core objective when planning and implementing transportation improvements, programs, and services (MPP-T-9)
- Ensure mobility choices for people with special needs (MPP-T-10)

Public Services

- Promote affordable and equitable access of public services, including drinking water and telecommunication infrastructure, to provide access to all communities, especially underserved communities (MPP-PS-2, PS-16, PS-22)
- Locate community facilities and services, including civic places like parks, schools, and other public spaces, in centers and near transit, with consideration for climate change, economic, social and health impacts (MPP-PS-18, PS-20, PS-29, DP-11)

ATTACHMENT E
Excerpt from Draft PSRC Racial Equity Impact Assessment | June 2023

Appendix A. Racial Equity Impact Assessment Summary of Steps and Questions

Early inclusive community engagement before completing the Racial Equity Impact Assessment:

- ☐ What early inclusive community engagement work has been conducted?
- ☐ What key issues have emerged from this community engagement?

Step 1: Identify comprehensive plan proposals to assess and describe their desired outcomes.

- ☐ 1.1: What policy, program, or other element of the comprehensive plan (proposal) is being analyzed in the Racial Equity Impact Assessment and how was the proposal selected?
- ☐ 1.2: What are the intended short-term and long-term outcomes of the proposal?

Step 2: Gather and analyze information and data.

- ☐ 2.1: What are likely benefits and impacts (short-term and long-term) the comprehensive plan proposal will have in specific geographic areas (neighborhoods, areas, or regions)?
- ☐ 2.2: What are the racial demographics of the area affected by the proposal?
- ☐ 2.3: How has structural racism impacted the community? (See the interactive report on the legacy of structural racism.) What does data show you about how these inequities persist in the community?
- ☐ 2.4: What gaps exist in the data? If needed, how can you obtain additional information for analyzing the proposal?

Step 3: Engage communities.

- ☐ 3.1: Reflecting on Step 2, which communities have been the most marginalized and will likely be most impacted by the comprehensive plan proposal? How have you involved them in the development of the comprehensive plan?
- ☐ 3.2: What has your engagement process and the lived experience of community members told you about the proposal's burdens, benefits or unintended consequences for different groups?
- ☐ 3.3: Which affected communities were not involved in the development of the proposal? What barriers limited your engagement with these groups and how can this be addressed in the future?
- ☐ 3.4: Are there other issues to which the community thinks the Racial Equity Impact Assessment should be applied?

Step 4: Identify strategies for advancing racial equity.

- ☐ 4.1: What are potential strategies for reducing or mitigating the disparities identified for the comprehensive plan proposal, and how will they be implemented?
- ☐ 4.2: What are potential unintended consequences of the strategies? Can the proposal be adjusted if unintended consequences arise?
- ☐ 4.3: What are ways in which existing relationships could be strengthened to maximize positive impact in the community? How will you partner with stakeholders and other agencies for long-term positive change?

Step 5: Ensure accountability and communicate.

- ☐ 5.1: How will you work to implement the strategies identified in Step 4?
- ☐ 5.2: Are racial equity goals and actions in the comprehensive plan reflected in associated plans and strategies (transportation plan, housing strategy, etc.)?
- ☐ 5.3: What messages and communication strategies will help advance racial equity as part of your engagement process?
- ☐ 5.4: How will the outcomes, impacts and unintended consequences in Step 6 be evaluated and documented?

Step 6: Evaluate outcomes and next steps.

- ☐ 6.1: Are you achieving the anticipated outcomes? If not, how is this being addressed?
- ☐ 6.2: Have there been any unintended consequences? If so, how are these being addressed?
- ☐ 6.3: How are you continuing to engage communities and partners and ensure implementation is sustainable?

ATTACHMENT F
Pierce County Ordinance 2023-22s

Sponsored by: Councilmembers Ryan Mello and Robyn Denson
Requested by: County Executive/Planning and Public Works Dept.

ORDINANCE NO. 2023-22s

An Ordinance of the Pierce County Council Repealing and Replacing the Growth Management Act 2044 Housing Unit Targets for Cities, Towns, and Unincorporated Areas of Pierce County; Adopting 2044 Housing Unit Targets by Income Band Using the Department of Commerce Housing for All Planning Tool; and Adopting Findings of Fact.

Whereas, on July 1, 1990, the Growth Management Act (GMA) became effective (Chapter 36.70A Revised Code of Washington [RCW]); and

Whereas, the GMA requires Pierce County Government (the County), and cities and towns within Pierce County, to plan for projected needs based upon projected population growth in the Land Use, Housing, Capital Facilities, and Transportation elements of a jurisdiction's Comprehensive Land use Plan (RCW 36.70A.070); and

Whereas, House Bill 1220 amended the GMA in 2021 to introduce new requirements for the Housing Element of a jurisdiction's Comprehensive Plan, which requires that jurisdictions plan for the number of housing units as provided by the Washington State Department of Commerce, including the number of units needed by moderate, low, very low, and extremely low-income households and emergency housing, emergency shelters, and permanent supportive housing (RCW 36.70A.070(2)); and

Whereas, the GMA cites countywide planning policies as the method to allocate 20-year housing growth targets (RCW 36.70A.115(1)); and

Whereas, the Pierce County Countywide Planning Policies (CPPs) are written policy statements which are used solely for establishing a countywide framework from which the County and municipal comprehensive plans are developed and adopted; and

Whereas, the CPPs were originally adopted on June 30, 1992, and amended on April 9, 1996, December 17, 1996, November 18, 2004, November 17, 2008, June 26, 2012, August 27, 2012, July 14, 2014, July 27, 2014, November 13, 2018, May 10, 2020, and May 17, 2022; and

Whereas, CPPs – Amendments & Transition (AT) policy 3.11 identifies the Pierce County Council as the responsible body for adopting housing targets for Pierce County jurisdiction, subject to appeal to the Growth Management Hearings Board; and



1 **Whereas**, the Pierce County Council has previously allocated housing unit
2 targets to the cities, towns, and unincorporated areas of Pierce County, with the most
3 recent 2044 targets adopted in Ordinance No. 2022-46s, and
4

5 **Whereas**, the Department of Commerce (Commerce) issued formal guidance on
6 housing unit targets and the Housing for All Planning Tool (HAPT) on March 1, 2023,
7 which also presented two options for distributing housing targets by moderate, low, very
8 low, and extremely low-income households and emergency housing, emergency
9 shelters, and permanent supportive housing, identified as Method A and Method B; and
10

11 **Whereas**, the HAPT uses adopted population targets to calculate countywide
12 housing unit target and distribute housing unit needs among the cities, towns, and
13 unincorporated areas of Pierce County for the year 2044; and
14

15 **Whereas**, the HAPT identified a different countywide housing unit target and
16 distributed housing unit needs differently amongst the cities, towns, and unincorporated
17 areas of Pierce County for the year 2044 than the housing unit targets adopted in
18 Ordinance No. 2023-46s due to methodological differences in calculating housing units
19 targets from population targets; and
20

21 **Whereas**, Pierce County identified significant concerns with the total housing
22 target produced by the HAPT, the HAPT methodology, and the consistency between the
23 HAPT and VISION 2050; and
24

25 **Whereas**, Pierce County Planning and Public Works requested that Commerce
26 accept the housing unit targets adopted in Ordinance No. 2022-46s as the official
27 housing unit need for Pierce County; and
28

29 **Whereas**, in response to the County's request, Commerce advised the County to
30 input a population figure into the HAPT to generate the total housing unit count of
31 467,310 for the year 2044 as adopted by Ordinance No. 2022-46s, which resulted in a
32 new housing unit need of 111,511 units by the year 2044; and
33

34 **Whereas**, Commerce advised the County to readopt housing unit targets to
35 accommodate the new housing unit need of 111,511 units by the year 2044 and to
36 include the number of units needed by moderate, low, very low, and extremely low-
37 income households and emergency housing, emergency shelters, and permanent
38 supportive housing as required by the GMA; and
39

40 **Whereas**, Commerce advised the County that the approach as Commerce
41 advised would be consistent with the methodology used for the rest of the jurisdictions
42 in Washington state in determining housing needs; and
43

44 **Whereas**, the GMA directs the Puget Sound region to adopt multicounty planning
45 policies; and
46



1 **Whereas**, the Puget Sound Regional Council (PSRC) membership is comprised
2 of central Puget Sound counties (King, Pierce, Snohomish, and Kitsap), cities and
3 towns, ports, tribes, and transit agencies; and

4
5 **Whereas**, the PSRC is the regional authority to adopt multicounty planning
6 policies; and

7
8 **Whereas**, the PSRC adopted VISION 2050 on October 29, 2020; and

9
10 **Whereas**, VISION 2050 is the central Puget Sound region's multicounty planning
11 policies; and

12
13 **Whereas**, the County and its cities and towns comprehensive plans must be
14 consistent with VISION 2050; and

15
16 **Whereas**, VISION 2050 requires Pierce County and its cities and towns to adopt
17 housing unit targets; and

18
19 **Whereas**, VISION 2050's Regional Growth Strategy (RGS) categorizes
20 jurisdictions into six regional geographies; and

21
22 **Whereas**, VISION 2050's RGS identifies a growth share target for population and
23 employment per regional geography; and

24
25 **Whereas**, the Pierce County Regional Council (PCRC) is a multi-jurisdictional
26 body comprised of elected officials who represent Pierce County and its cities and
27 towns within; and

28
29 **Whereas**, the Pierce County Growth Management Coordinating Committee
30 (GMCC) is a standing advisory committee to the PCRC on growth management issues.
31 The GMCC includes staff representatives from PCRC member jurisdictions. A
32 subcommittee of the GMCC was formed to review HAPT allocation and make
33 recommendations to the GMCC; and

34
35 **Whereas**, over a period of March to May 2023, the GMCC subcommittee met to
36 review the proposed revised updates to the housing unit targets and the proposed
37 allocation of housing unit needs by moderate, low, very low, and extremely low-income
38 households and emergency housing, emergency shelters, and permanent supportive
39 housing; and

40
41 **Whereas**, VISION 2050s regional geography growth shares were considered in
42 the formulation of the draft revised housing unit targets; and

43
44 **Whereas**, the draft housing unit targets and draft allocation of housing unit needs
45 by moderate, low, very low, and extremely low-income households and emergency
46 housing, emergency shelters, and permanent supportive housing were presented to the
47 PCRC for discussion at its April 20, 2023, meeting; and

48



1 **Whereas**, on May 10, 2023, the GMCC recommended Method A from the HAPT
2 for the allocation of housing unit needs by moderate, low, very low, and extremely low-
3 income households and emergency housing, emergency shelters, and permanent
4 supportive housing; and
5

6 **Whereas**, the GMCC recommended the proposed revision of the 2044 housing
7 unit targets and proposed allocation of housing unit needs by moderate, low, very low,
8 and extremely low-income households and emergency housing, emergency shelters,
9 and permanent supportive housing to the PCRC at its May 18, 2023, meeting; and
10

11 **Whereas**, the PCRC, based upon the recommendation from the GMCC and its
12 own discussions, recommended the proposed revision of the 2044 housing unit targets
13 and proposed allocation of housing unit needs by moderate, low, very low, and
14 extremely low-income households and emergency housing, emergency shelters, and
15 permanent supportive housing at its May 18, 2023, meeting; and
16

17 **Whereas**, an environmental review of the proposal was conducted pursuant to
18 Chapter 43.21C RCW and an Addendum to the VISION 2050 Environmental Impact
19 Statement was issued on May 24, 2023; and
20

21 **Whereas**, the Pierce County Council Community Development Committee held a
22 study session on May 15, 2023, and was briefed on the proposed revision of the 2044
23 housing unit targets and proposed allocation of housing unit needs by income band; and
24

25 **Whereas**, after a properly noticed public hearing, the Community Development
26 Committee of the Council considered oral and written testimony at its June 5, 2023,
27 meeting and forwarded its recommendation to the full Council; and
28

29 **Whereas**, the County Council held a public hearing on June 20, 2023, where oral
30 and written testimony were considered; **Now Therefore**,
31

32 **BE IT ORDAINED by the Council of Pierce County:**
33

34 Section 1. The Pierce County housing unit targets for comprehensive planning
35 purposes for the year 2020-2044 are hereby adopted as shown in Exhibit A, which is
36 attached hereto and incorporated herein by reference, repealing and replacing the
37 Pierce County Housing Unit (H.U.) Growth Targets 2020-2044 table in Exhibit A of
38 Ordinance No. 2022-46s. All remaining portions of Ordinance No. 2022-46s, as well as
39 the 2020-2044 population and employment targets contained in Exhibit A and Exhibit B,
40 Findings Fact of Fact, remain as adopted.
41

42 Section 2. The Pierce County allocation of housing unit needs by moderate, low,
43 very low, and extremely low-income households and emergency housing, emergency
44 shelters, and permanent supportive housing for the year 2044 are hereby adopted as
45 shown in Exhibit B, which is attached hereto and incorporated herein by reference.
46
47



1 Section 3. Findings of Fact are hereby adopted as shown in Exhibit C, which is
2 attached hereto and incorporated herein by reference.
3

4 Section 4. The Pierce County Council will send a formal request to the
5 Washington State Department of Commerce to update its methodology for determining
6 total housing unit needs and to work with the Puget Sound Regional Council to
7 reconcile their approaches to housing unit targets prior to the next mandated periodic
8 review.
9

10
11 **PASSED this _____ day of _____, 2023.**
12

13
14 **ATTEST:**

15 **PIERCE COUNTY COUNCIL**
16 Pierce County, Washington
17

18
19 _____
20 **Denise D. Johnson**
21 Clerk to the Council
22

23 _____
24 **Ryan N. Mello**
25 Council Chair
26

27 _____
28 **Bruce F. Dammeier**
29 Pierce County Executive
30 Approved _____ Vetoed _____, this
31 _____ day of _____,
32 2023.
33

34 Date of Publication of
35 Notice of Public Hearing: _____

36 Effective Date of Ordinance: _____



Pierce County Housing Unit (H.U.) Growth Targets 2020 – 2044

Jurisdiction	2020 Estimated Housing Supply (HAPT)	2020-2044 H.U. Growth (HAPT)	2044 Total H.U.	Emergency Housing Needs (HAPT)
Auburn	3,963	112	4,075	7
Bonney Lake	7,605	1,450	9,055	89
Buckley	1,957	1,260	3,217	77
Carbonado	244	22	266	1
DuPont	3,791	2,096	5,887	128
Eatonville	1,127	323	1,450	20
Edgewood	5,125	2,397	7,522	147
Fife	4,325	1,784	6,109	109
Fircrest	2,927	769	3,696	47
Gig Harbor	5,642	892	6,534	55
Lakewood	26,999	9,378	36,377	574
Milton	2,963	245	3,208	15
Orting	2,998	223	3,221	14
Pacific	19	0	19	0
Puyallup	18,106	7,482	25,588	458
Roy	316	100	416	6
Ruston	517	178	695	11
South Prairie	150	11	161	1
Steilacoom	2,920	190	3,110	12
Sumner	4,492	1,985	6,477	121
Tacoma	92,310	42,865	135,175	2,624
Unincorporated PC ¹	3,963	32,048	152,322	1,961
HCT Communities ²		17,833		
Urban Unincorporated Areas ³		10,870		
Rural		3,345		
University Place	14,427	5,620	20,047	344
Wilkeson	183	78	261	5
Total	355,799⁴	111,511	467,310⁴	6,826

¹ Military lands are not included in the County's total for housing units because federal lands are not subject to planning under the Washington State Growth Management Act.

² Urban areas within the Mid-County, Parkland-Spanaway-Midland, and South Hill community plan boundaries.

³ All urban areas outside the HCT Communities geography.

⁴ The Commerce HAPT tool notes that there are 371 existing permanent supportive housing units whose location is unknown. This amount is reflected in these totals.



Pierce County Housing Allocation by Income 2020-2044

		Permanent Housing Needs by Income Level (% of Area Median Income)								Emergency Housing Needs (Beds)
		Total	0-30%		>30-50%	>50-80%	>80-100%	>100-120%	>120%	
			Non-PSH	PSH *						
Unincorporated Pierce County	Est. Supply (2020)	152,322	2,134	292	17,603	42,774	32,502	21,957	35,060	0
	Allocation (2020-2044)	32,048	4,140	5,594	5,943	4,697	2,022	1,833	7,817	1,961
Auburn	Est. Supply (2020)	3,963	0	33	134	493	1,141	680	1,482	8
	Allocation (2020-2044)	112	14	20	21	16	7	6	27	7
Bonney Lake	Est. Supply (2020)	7,605	67	0	542	1,134	1,709	1,217	2,936	0
	Allocation (2020-2044)	1,450	187	253	269	213	92	83	354	89
Buckley	Est. Supply (2020)	1,957	41	0	145	537	436	305	493	0
	Allocation (2020-2044)	1,260	163	220	234	185	80	72	307	77
Carbonado	Est. Supply (2020)	244	0	0	32	108	57	17	30	0
	Allocation (2020-2044)	22	3	4	4	3	1	1	5	1
DuPont	Est. Supply (2020)	3,791	20	0	55	287	1,415	895	1,119	0
	Allocation (2020-2044)	2,096	271	366	389	307	132	120	511	128
Eatonville	Est. Supply (2020)	1,127	29	0	162	449	227	97	163	0
	Allocation (2020-2044)	323	42	56	60	47	20	18	79	20
Edgewood	Est. Supply (2020)	5,125	165	0	356	744	644	875	2,341	0
	Allocation (2020-2044)	2,397	310	418	445	351	151	137	585	147
Fife	Est. Supply (2020)	4,325	58	0	255	1,714	1,167	452	679	0
	Allocation (2020-2044)	1,784	230	311	331	261	113	102	435	109
Fircrest	Est. Supply (2020)	2,927	12	0	140	812	537	322	1,104	0
	Allocation (2020-2044)	769	99	134	143	113	49	44	188	47
Gig Harbor	Est. Supply (2020)	5,642	112	0	316	997	789	777	2,651	0
	Allocation (2020-2044)	892	115	156	165	131	56	51	218	55
Lakewood	Est. Supply (2020)	26,999	588	101	4,565	11,699	4,347	2,250	3,449	8
	Allocation (2020-2044)	9,378	1,212	1,637	1,739	1,375	592	536	2,287	574
Milton	Est. Supply (2020)	2,963	75	0	145	899	752	374	718	0
	Allocation (2020-2044)	245	32	43	45	36	15	14	60	15
Orting	Est. Supply (2020)	2,998	41	0	232	965	937	345	478	40
	Allocation (2020-2044)	223	29	39	41	33	14	13	54	14
Pacific	Est. Supply (2020)	19	1	0	2	6	4	1	5	0
	Allocation (2020-2044)	0	0	0	0	0	0	0	0	0
Puyallup	Est. Supply (2020)	18,106	521	19	994	5,821	4,469	2,932	3,350	69
	Allocation (2020-2044)	7,482	967	1,306	1,388	1,097	472	428	1,825	458
Roy	Est. Supply (2020)	316	5	0	83	123	56	22	27	0
	Allocation (2020-2044)	100	13	17	19	15	6	6	24	6
Ruston	Est. Supply (2020)	517	18	0	12	102	105	66	214	0
	Allocation (2020-2044)	178	23	31	33	26	11	10	43	11
South Prairie	Est. Supply (2020)	150	0	0	12	58	47	14	19	0
	Allocation (2020-2044)	11	1	2	2	2	1	1	3	1
Steilacoom	Est. Supply (2020)	2,920	0	0	130	987	413	487	903	0
	Allocation (2020-2044)	190	25	33	35	28	12	11	46	12
Sumner	Est. Supply (2020)	4,492	73	0	445	1,334	1,049	518	1,073	0
	Allocation (2020-2044)	1,985	256	347	368	291	125	114	484	121
Tacoma	Est. Supply (2020)	92,310	4,806	255	9,574	35,970	17,418	9,633	14,654	1,118
	Allocation (2020-2044)	42,865	5,538	7,483	7,949	6,283	2,705	2,452	10,455	2,624
University Place	Est. Supply (2020)	14,427	286	0	787	4,439	2,180	1,831	4,904	0
	Allocation (2020-2044)	5,620	726	981	1,042	824	355	321	1,371	344
Wilkeson	Est. Supply (2020)	183	4	0	17	81	34	21	26	0
	Allocation (2020-2044)	78	10	14	14	11	5	4	19	5

*PSH = Permanent Supportive Housing

FINDINGS OF FACT

The Pierce County Council finds that:

1. The Growth Management Act (GMA) requires the County, and cities and towns within it, to plan for projected needs based upon projected population growth, in the Land Use, Housing, Capital Facilities, and Transportation elements of a jurisdiction's Comprehensive Land Use Plan (Revised Code of Washington [RCW] 36.70A.070).
2. House Bill 1220 amended the GMA in 2021 to introduce new requirements for the Housing element of a jurisdiction's Comprehensive Land Use Plan, which requires that jurisdictions plan for the number of housing units as provided by the Washington State Department of Commerce (Commerce), including the number of units needed by moderate, low, very low, and extremely low-income households and emergency housing, emergency shelters, and permanent supportive housing (RCW 36.70A.070(2)).
3. The GMA directs communities to adopt multicounty planning policies, which is done through the Puget Sound Regional Council (PSRC) for Pierce, King, Snohomish, and Kitsap counties. PSRC adopted multicounty planning policies in VISION 2050 on October 29, 2020.
4. VISION 2050 includes a Regional Growth Strategy (RGS) that categorizes Pierce County into six regional geography designations, with growth share targets for each geography.
5. The Pierce County Countywide Planning Policies (CPPs) Growth Target policy identifies that jurisdictions should incorporate adopted growth targets into their comprehensive plans as planning minimums. Policy 3.1 states that "*Growth targets are the minimum number of residents, housing units, or job a given jurisdiction is planning to accommodate within the appropriate planning horizon and are to be developed through a collaborative countywide process that ensures all jurisdictions are accommodating a fair share of growth.*" Policy 3.3 states that "*Targets are informational tools integrated into local land use plans to assist in formulating future residential and employment land needs.*"
6. Ordinance No. 2022-46s adopted growth targets for population, housing units, and employment for Pierce County, including its cities, towns, and unincorporated areas, for the year 2044 as shown in the following table:



Pierce County Housing Unit (H.U.) Growth Targets 2020 – 2044			
Jurisdiction	2020 Census H.U.	2020-2044 H.U. Growth	2044 Total H.U.
Auburn	3,898	96	3,994
Bonney Lake	7,605	2,850	10,455
Buckley	1,956	1,374	3,330
Carbonado	244	17	261
DuPont	3,791	1,960	5,751
Eatonville	1,127	277	1,404
Edgewood	5,125	2,432	7,557
Fife	4,326	1,873	6,199
Fircrest	2,926	788	3,714
Gig Harbor	5,642	1,000	6,642
Lakewood	26,999	9,714	36,713
Milton	2,963	259	3,222
Orting	2,999	168	3,167
Pacific	19	-	19
Puyallup	18,106	7,488	25,594
Roy	315	95	410
Ruston	517	169	686
South Prairie	149	13	162
Steilacoom	2,919	176	3,095
Sumner	4,492	2,035	6,527
Tacoma	92,309	42,390	134,699
Unincorporated PC			
HCT Communities ¹	56,309	13,380	69,689
Urban Unincorporated Areas ²	27,891	10,870	38,761
Rural	66,884	2,605	69,489
Military Lands	5,369	-	5,369
University Place	14,427	5,723	20,150
Wilkeson	182	69	251
Total	359,489	107,821	467,310

¹Urban areas within the Mid-County, Parkland-Spanaway-Midland, South Hill community plan boundaries.

²All urban areas outside the HCT Communities geography.

- 1
- 2
- 3 7. The adopted growth targets in Ordinance No. 2022-46s were based upon the
- 4 forecast of the Washington State Office of Financial Management, VISION 2050,
- 5 and the recommendation of the Pierce County Regional Council (PCRC).
- 6
- 7 8. At the time of the adoption of Ordinance No. 2022-46s, Commerce was not able to
- 8 provide the number of housing units that Pierce County needed to plan for,
- 9 including the number of units needed by moderate, low, very low, and extremely
- 10 low-income households and emergency housing, emergency shelters, and
- 11 permanent supportive housing.
- 12



- 1 9. On March 1, 2023, Commerce published the Housing for All Planning Tool (HAPT)
2 to supply communities with projected needs for housing units, including the
3 number of units needed by moderate, low, very low, and extremely low-income
4 households and emergency housing, emergency shelters, and permanent
5 supportive housing.
6
- 7 10. The HAPT uses population targets to calculate the housing unit target and
8 distribute housing unit needs among the cities, towns, and unincorporated areas
9 including the number of units needed by moderate, low, very low, and extremely
10 low-income households and emergency housing, emergency shelters, and
11 permanent supportive housing.
12
- 13 11. The HAPT identified a different countywide housing unit target and distributed
14 housing unit needs differently amongst the cities, towns, and unincorporated areas
15 of Pierce County for 2020-2044 than the housing unit targets adopted in Ordinance
16 No. 2022-46s due to methodological differences in calculating housing unit targets
17 from population targets.
18
- 19 12. When Pierce County entered its adopted 2044 population target into the HAPT, it
20 resulted in a new housing need of 161,251 units, which is 50 percent more units
21 than the adopted 2044 housing unit target of 107,821 based upon the same
22 population input.
23
- 24 13. The HAPT projects a future household size for Pierce County in 2044 of 2.4142
25 and a vacancy rate of 6 percent. These assumptions are applied to all Pierce
26 County jurisdictions regardless of local factors or conditions and regardless of
27 regional geography designation under VISION 2050.
28
- 29 14. The HAPT includes assumptions about needs for housing units for seasonal,
30 recreational or occasional use, migrant workers, and vacation homes or short-term
31 rentals, but does not explicitly define these assumptions.
32
- 33 15. The Pierce County 2044 Population, Housing, and Employment Growth Targets
34 Documentation, dated June 2022, identifies the methodology used to develop
35 housing unit targets based on regional geography designations under VISION
36 2050 and in consideration of local factors and conditions.
37
- 38 16. On February 23, 2023, in anticipation of the forthcoming publication of the HAPT
39 tool, Pierce County Planning and Public Works (PPW) met with Commerce,
40 including the Deputy Director of Growth Management Services, to discuss the
41 discrepancy between Pierce County's adopted housing unit target and the HAPT
42 housing unit target. At this meeting, Pierce County asked Commerce to determine
43 that Pierce County's adopted housing target was consistent with the housing unit
44 need, allowing Pierce County to plan for 107,821 housing units under the
45 provisions of RCW 36.70A.070(2).
46



- 1 17. On March 7, 2023, Commerce provided guidance to Pierce County establishing
2 housing unit needs consistent with RCW 36.70A.070(2)(a), in an email that
3 included both the Director and Deputy Director of Growth Management Services.
4
- 5 18. In the guidance Commerce provided on March 7, 2023, Commerce advised the
6 County to input a population figure into the HAPT tool to generate the total housing
7 unit count of 467,310 for the year 2044 as adopted by Ordinance No. 2022-46s,
8 which resulted in a new housing unit need of 111,511 units by 2044.
9
- 10 19. In the guidance Commerce provided on March 7, 2023, Commerce advised the
11 County to readopt housing unit targets to accommodate the new housing unit need
12 of 111,511 units by the year 2044 and to include the number of units needed by
13 moderate, low, very low, and extremely low-income households and emergency
14 housing, emergency shelters, and permanent supportive housing as required by
15 the GMA.
16
- 17 20. Adoption of revised housing unit targets does not require revision of the population
18 growth targets or employment growth targets adopted through Ordinance No.
19 2022-46s.
20
- 21 21. The HAPT assigns housing unit targets to jurisdictions based on each jurisdiction's
22 share of countywide population growth.
23
- 24 22. Pierce County input population growth shares into the HAPT based on the adopted
25 population growth targets in Ordinance No. 2022-46s. The HAPT outputs provided
26 the revised total housing unit target for Pierce County's cities, towns, and
27 unincorporated areas.
28
- 29 23. To demonstrate consistency with VISION 2050, the unincorporated Pierce County
30 housing unit target was further divided into the three applicable regional geography
31 designations: High-Capacity Transit Communities, Unincorporated Urban Areas,
32 and Rural Areas.
33
- 34 24. A maximum of 3 percent of Pierce County's unincorporated area housing unit
35 growth target (3,345 units) was assigned to the Rural Area regional geography
36 designation, consistent with VISION 2050.
37
- 38 25. A maximum of 10,870 housing units were assigned to Unincorporated Urban Areas
39 regional geography designation, consistent with the findings of Ordinance No.
40 2022-46s, which limited the housing unit target in this area to the number of
41 projects vested or in the pipeline for development in 2020.
42
- 43 26. The remainder of the housing unit targets assigned to unincorporated Pierce
44 County (17,833 units) is assigned to the High-Capacity Transit Area regional
45 geography designation within the South Hill, Mid-County, and Parkland-Spanaway-
46 Midland community plan areas.
47



27. The overall allocation of the housing unit targets is as consistent with VISION 2050 population allocations by regional geography as the housing unit target adopted in Ordinance No. 2022-46s. The rationale in the Findings of Fact for Ordinance No. 2022-46s still applies and explains the small discrepancies in local growth shares as compared to the VISION 2050 regional geography growth share allocations. Consistency between the revised housing unit targets and the VISION 2050 regional geography growth allocation is shown in the following table:

Regional Geography	VISION 2050 Population Allocation	Share of Revised Housing Unit Target
Metropolitan City	38%	38.44%
Core Cities	23%	20.26%
High-Capacity Transit Communities	21%	21.94%
Cities and Towns	7%	6.61%
Unincorporated Urban Areas	8%	9.75%
Rural Areas	3%	3.00%

28. Military lands were not included in the housing unit targets because federal lands are not subject to planning under the GMA.
29. The HAPT provides two methods of allocating housing unit growth by moderate, low, very low, and extremely low-income households and emergency housing, emergency shelters, and permanent supportive housing. Method A is described as an equal share, where each jurisdiction plans for the same percentage of its new housing unit target for each income category. Method B is described as a fair share, where jurisdictions plan for the same percentage of total housing in each income category by 2044. Method B recognizes existing affordable housing stock and allows jurisdictions to count it toward the total housing need.
30. Pierce County chooses Method A to allocate housing unit growth by moderate, low, very low, and extremely low-income households and emergency housing, emergency shelters, and permanent supportive housing.
31. The HAPT identifies 371 units of permanent supportive housing in Pierce County that cannot be assigned to a specific jurisdiction. This affects the outputs of the HAPT and the total figures in the 2020 Estimated Housing Supply (HAPT) and 2-44 Total H.U. columns of the Pierce County Housing Unit (H.U.) Growth Targets 2020-2044 table.
32. The HAPT identifies the need for a total of 6,826 emergency housing beds in Pierce County in Method A.
33. It is in the County's interest to repeal and readopt the housing unit growth targets consistent with the GMA, VISION 2050, and Commerce's determination of housing unit need based on guidance issued to the County on March 7, 2023.



- 1 34. The guidance provided by Commerce on March 7, 2023, is a compromise position
2 that works within Pierce County's adopted total housing target instead of the total
3 population target. Pierce County accepts this compromise in order to efficiently
4 reconcile the difference between Pierce County's adopted housing unit growth
5 targets and the housing unit targets produced by the HAPT in order for Pierce
6 County and its cities and towns to complete the mandated periodic review of their
7 Comprehensive Plans by the statutory deadline of December 31, 2024.
8
- 9 35. The HAPT is an inaccurate method of determining total housing need for Pierce
10 County that should not be used to determine total housing need due to the
11 following:
12 • The HAPT significantly overestimates the housing unit need based on
13 population. While some differences are expected between different
14 methodologies of calculating housing units from population, a 50 percent
15 increase over the local methodology signals a significant methodological error.
16 • The HAPT does not allow for local control in determining the assumptions that
17 are input into the tool; for example, in determining vacancy rates, household
18 size, migrant farmworker housing, vacation homes or short-term rentals,
19 seasonal, recreational or occasional use, or other factors.
20 • The HAPT does not display the assumptions used to determine the amount of
21 migrant farmworker housing, vacation homes or short-term rentals, or seasonal,
22 recreational or occasional use.
23 • The HAPT does not allow for local control to refine assumptions based on
24 place-based specifics and local characteristics. A one-size-fits-all approach to
25 determining housing needs ignores the differences in housing needs between
26 small towns that depends on tourism or agriculture, a bustling metropolis
27 already served by high-capacity transit, and a mid-sized city growing through
28 infill.
29
- 30 36. Commerce and the PSRC need to reconcile their approaches to housing targets
31 due to the following:
32 • The HAPT and Commerce Adequate Provisions guidance are designed to
33 generate a minimum number of housing unit capacity that jurisdictions should
34 plan for to accommodate housing for people of all incomes. VISION 2050
35 regards housing unit targets as a set planning goal based on population growth
36 and in designated regional geographies that are not served by high-capacity
37 transit, the targets are considered upper limits.
38 • VISION 2050 does not plan for housing unit growth to accommodate migrant
39 farmworker housing, vacation homes or short-term rentals, seasonal,
40 recreational or occasional use. Housing unit targets in Vision 2050 are linked to
41 population growth and local residency. Prior to the HAPT, housing unit targets
42 under the GMA did not include planning for these non-resident units.
43 • Comparing the housing unit allocations under Pierce County's growth targets
44 adopted in Ordinance No. 2022-46s and the HAPT shows that the HAPT
45 distributed more housing units to unincorporated Pierce County and small
46 towns than the local methodology that was calibrated for consistency with
47 VISION 2050. Unincorporated Pierce County received an allocation of an

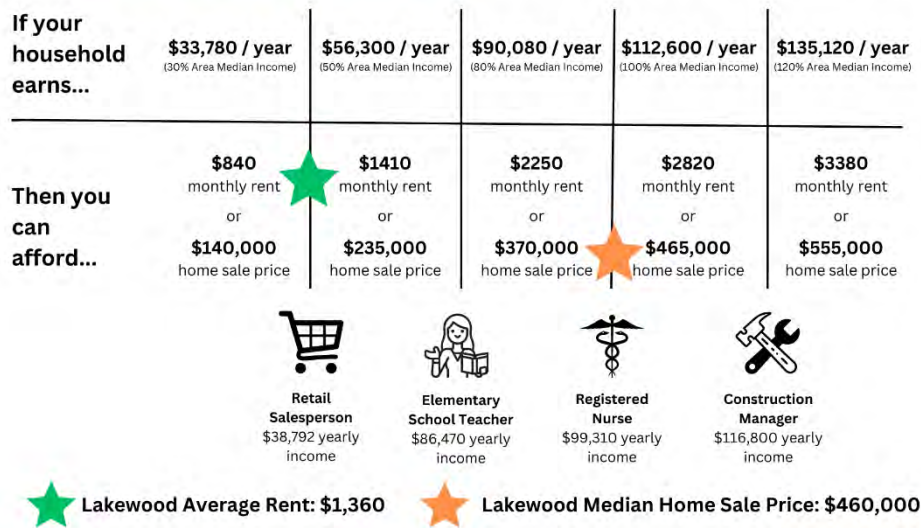


- 1 additional 5,597 housing units in the HAPT, which represents more than a 20
2 percent increase over the housing units identified in Ordinance No. 2022-46s.
3
- 4 37. Pierce County consulted with local jurisdictions as required by the GMA through
5 the Growth Management Coordinating Committee (GMCC) and the Pierce County
6 Regional Council (PCRC).
7
- 8 38. The draft housing unit targets and draft allocation of housing unit needs by
9 moderate, low, very low, and extremely low-income households and emergency
10 housing, emergency shelters, and permanent supportive housing were presented
11 to the PCRC for discussion at its April 20, 2023, meeting.
12
- 13 39. On May 10, 2023, the GMCC recommended the proposed revision of the 2044
14 housing unit targets and proposed allocation of housing unit needs by moderate,
15 low, very low, and extremely low-income households and emergency housing,
16 emergency shelters, and permanent supportive housing to the PCRC at their May
17 18, 2023, meeting.
18
- 19 40. The PCRC, based upon the recommendation from the GMCC and its own
20 discussions, recommended the proposed revision of the 2044 housing unit targets
21 and proposed allocation of housing unit needs by moderate, low, very low, and
22 extremely low-income households and emergency housing, emergency shelters,
23 and permanent supportive housing at its May 18, 2023, meeting.
24
- 25 41. An environmental review of the proposal was conducted pursuant to Chapter
26 43.21C RCW and an Addendum to the VISION 2050 Environmental Impact
27 Statement was issued on May 24, 2023.
28
- 29 42. The Pierce County Council Community Development Committee held a study
30 session on May 15, 2023, and was briefed on the proposed revision of the 2044
31 housing unit targets and proposed allocation of housing unit needs by income
32 band.
33
- 34 43. After a properly noticed public hearing, the Community Development Committee of
35 the Council considered oral and written testimony at its June 5, 2023, meeting and
36 forwarded its recommendation to the full Council.
37
- 38 44. The County Council held a public hearing on June 20, 2023, where oral and written
39 testimony were considered.
40



ATTACHMENT G SSHA³P Lakewood Attainable Housing Graphics

How financially attainable is the housing in Lakewood?



To afford the median home sale price of **\$460,000**, a household needs to earn **\$110,040** per year.

Sources: In this graphic, affordability means that a household spends no more than 30% of its income on rent or a mortgage and property taxes. Area Median Income data are for the Tacoma, WA HUD Metro FMR Area for FY2023. Average rent and median home sale price are for Q1 of 2023 from the University of Washington Center for Real Estate Research's Housing Market Data Toolkit. Average rent is for all units with any number of bedrooms. Affordable home sale prices were calculated using the mortgage calculator at bankrate.com assuming a 20% down payment, 30 year loan, 7% interest rate, 740+ credit score, and including property tax in monthly housing costs. Yearly income data are from the State of Washington Employment Security Department's 2022 occupational employment and wage estimates for the Seattle-Tacoma-Bellevue MSA.

SSHAP

How financially attainable is the housing in Lakewood?

40%

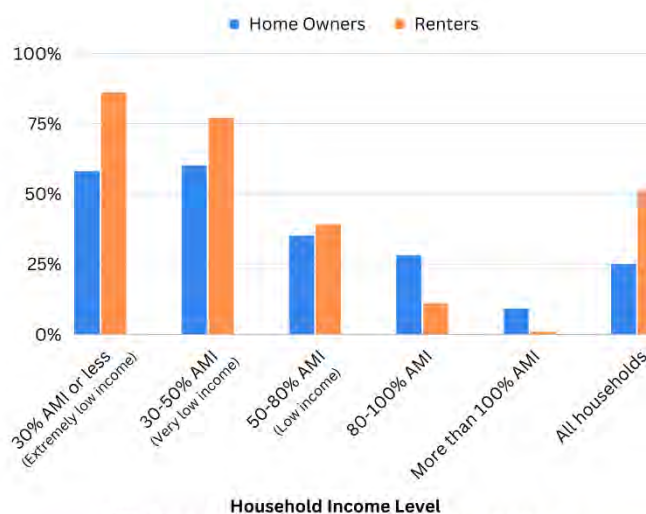
of households are **cost-burdened**, which means they spend more than 30% of their income on housing-related expenses.

17%

of households are **severely cost-burdened**, which means they spend more than 50% of their income on housing-related expenses.

Renters and households with lower incomes are more likely to be cost-burdened.

Percentage of households that are cost-burdened by income level



*AMI = Area median income for households in the Tacoma metro area

Sources: HUD CHAS, 2018-2019

SSHAP

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+ Lakewood, WA



Lakewood Police Dept.



City of Lakewood
Motor Vehicle Thefts
are up 45% in our
month-to-month
statistics and up 22%
YTD.

Motor Vehicle Theft

Lakewood 1st Quarter

2021 – 129

2022 – 307

2023 - 345

Motor Vehicle Theft is the one crime that has an impact on almost all areas of crime.

- Robbery / Fraud
- Burglary / Theft
- Homicide / Weapons
- Everyone needs a getaway car

What we want to do about it

- Create a Technological Web.
- Understand movement, patterns and behavior.
- Recover stolen vehicles quickly to help prevent future crimes.

Why Flock Safety?

flock safety



flock safety

What we observe: the current reality

- Limited Police Resources
- Crime is on the rise
- Trust is needed more than ever

What we believe: the opportunity

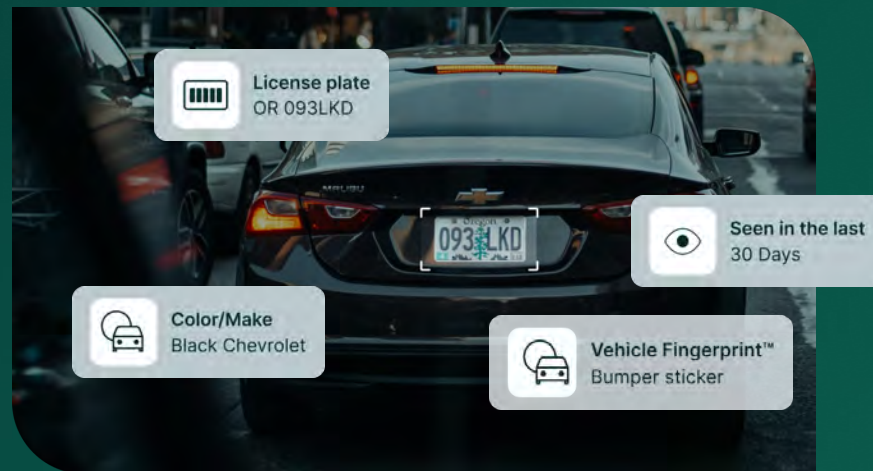
- Technology multiplies the force
- Capture and distribute objective evidence to the right user
- Engage community to support and grow

How does the technology work?

flock safety

When you get Flock you get:

Flock Safety provides your police department with indiscriminate evidence from fixed locations. We provide all of the maintenance so that your police department and city staff can focus on keeping your city safe and prosperous.



INFRASTRUCTURE-FREE

Reduce time to value and utility costs with full -service deployment.



24/7 COVERAGE

Capture objective vehicle data around the clock to multiply your force.



REAL-TIME ALERTS

- NCIC
- NCMEC (Amber Alert)
- Custom Hot Lists



Ethically Made

- No people
- No facial recognition
- No traffic enforcement
- Indiscriminate evidence

What this IS

- Detects and alerts police to *specific* audio events (not voice activated)
- Enables law enforcement to respond quickly to potentially serious situation
- Stores very short clips, just of the event
- Pairs with license plate evidence

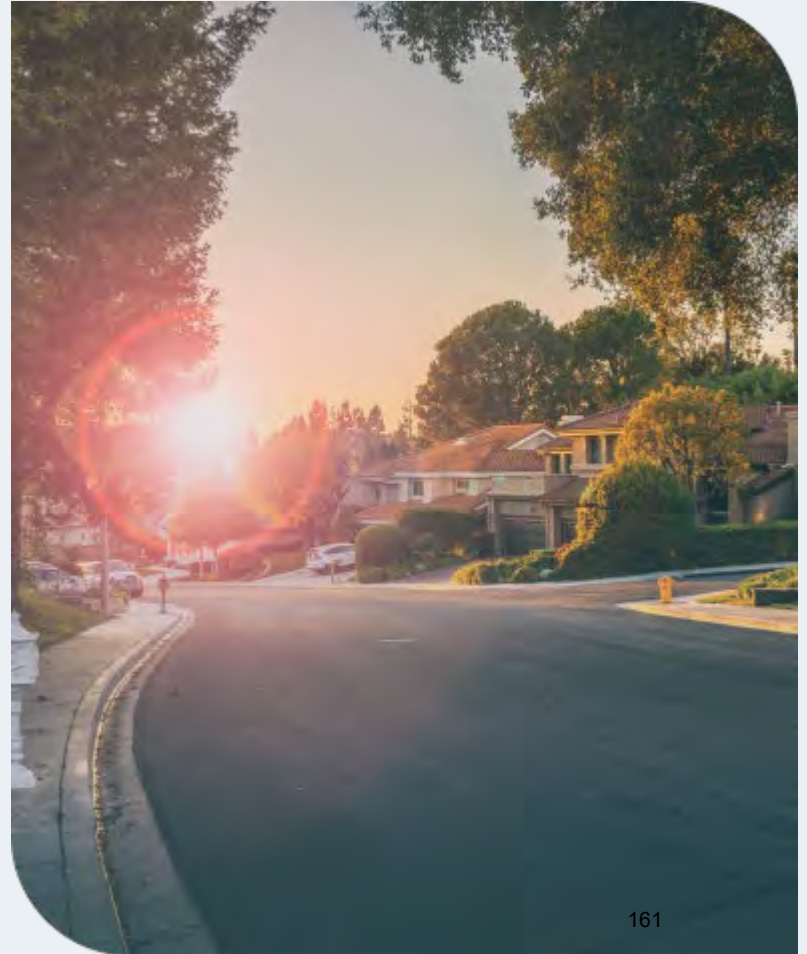
What this is NOT

- Not detecting people or voices
- Not tied to Personal Identifiable Information
- Not storing long audio clips

How does this technology prevent and eliminate crime?

- **Proactive:** Real time Alerts when stolen or wanted vehicles enter your city
- **Investigative:** As clearance Rates increase, crime rates decrease
- Flock cameras serve as a **deterrent**

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Protecting Privacy

- Footage owned by Agency/City and will never be sold or shared by Flock
- 30 day data retention, then deleted
- Short retention period ensures that all data not associated with a crime is automatically deleted & unrecoverable
- Takes human bias out of crime solving by detecting objective data, and detecting events that are objectively illegal (ex. Stolen vehicles)

- All data is stored securely in the AWS Cloud, and end to end encryption of all data
- Search reason is required for audit trail
- NOT facial recognition software
- NOT predictive policing
- NO PII is contained in Flock
- NOT used for traffic enforcement
- Not connected to registration data or 3rd party databases (Carfax, DMV)
- Transparency Portal (optional)

flock safety

Transparency + Insights

Measure ROI and promote the ethical use of public safety technology

Transparency Portal

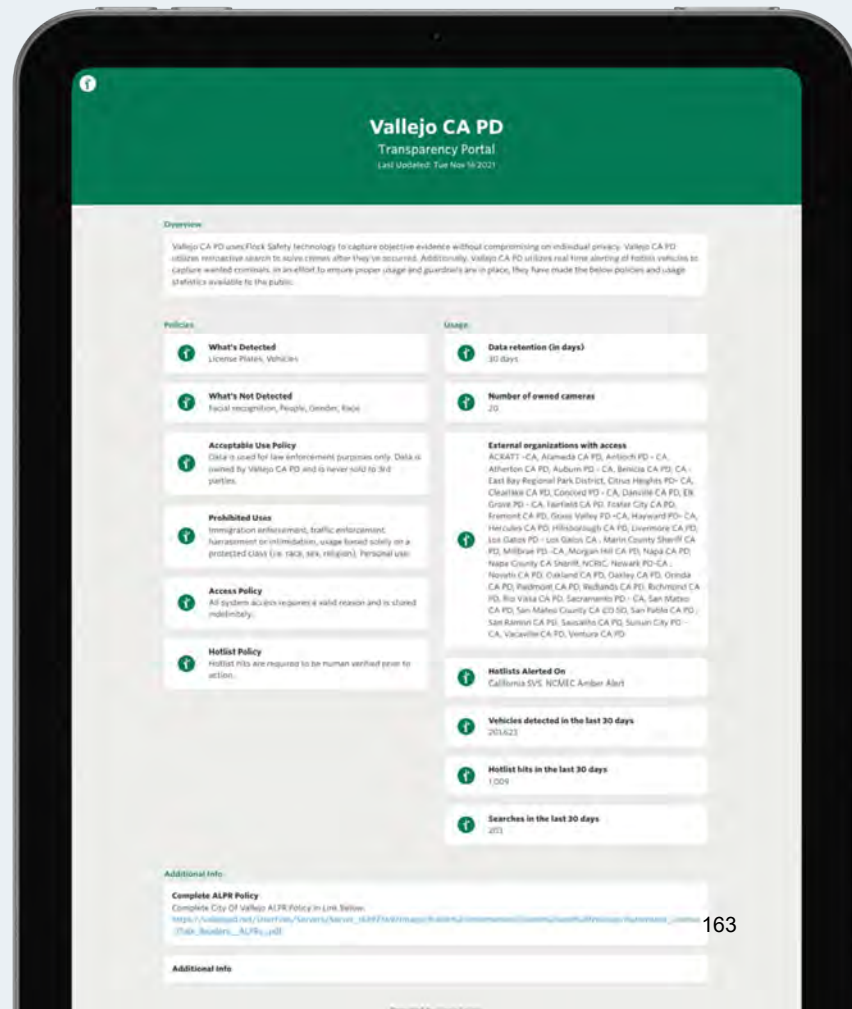
- Customizable for each agency
- Display technology policies
- Publish usage metrics
- Share downloadable Search audits

Insights Dashboard

- Measure crime patterns and ROI
- Audit Search history

Examples

- Click here for [Morgan Hill PD](#)
- Click here for [Vallejo PD](#)



Already solving and preventing crime

flock safety

flock safety

Case Study: Smash and Grab Robbery



San Bruno, PD



San Bruno, CA

- January 2022 - Five suspects attempt a Smash & Grab at a Jewelry store but are chased off by the owner
- But here's what didn't make the news...
- Suspect vehicle identified using Flock
- SBPD thought the suspects would try again, potentially more violently
- Vehicle placed on a custom hotlist
- SBPD receives a real time alert that the suspects are returning
- Officers locate the vehicle within seconds preventing another attempt

[San Bruno jewelry store owner stops attempted smash-and-grab robbery](#)

- ABC 7 News - Bay Area



flock safety

Case Study: Auto Theft



Chamblee PD



Chamblee, GA



Stranger on Stranger Abduction August, 28
2020

When every second matters, Flock Safety's Machine Vision is Critical

- 12:33 PM ● Amber Alert Issued
- 1:01 PM ● Search Conducted with Flock Safety
- 2:30 PM ● Suspect Vehicle Located
- 5:03 PM ● Felony Stop + Arrest
- 6:00 PM ● Baby Reunited with Mother

flock safety

Case Study: Auto Theft



Yakima, PD



Yakima, WA

- Avg # of Recovered Vehicles is 58.5 per year (past 4 years)
- Since Flock went live (69 days ago) it has gone up to **89 recovered stolen vehicles**
- Average rate of recovered stolen vehicles over past 4 years is 55.6% since Flock went live it has gone up to 78.76%
- Flock led to 8 arrests in 69 days



Yakima Police Department

Flock Monthly Report: May 2022



22 Cameras went live **69** days ago

Flock has assisted in **8** Arrests!

Flock Hits:

- 68 Stolen Vehicles
- 28 Stolen Plates
- 06 Violent Persons
- 03 Missing Persons
- 07 Gang Hits
- 02 Wanted Suspects

*Note: This data relates to the license plates reported as belonging to/associated with the above categories

- Average number of recovered stolen vehicles over the past 4 years is 58.5
- Number of recovered stolen vehicles since Flock went live is 89

(52.94% increase in the number of recovered stolen vehicles since Flock went live)

Analysis based on data from the past 30 days (May 16th, 2022 - June 14th, 2022)

Flock Assists:

May 6th, 2022- Weapons Offense- Brandishing Firearm/Death Threats- located suspects vehicle.

May 29th, 2022- Kidnapping/Auto theft- located stolen vehicle

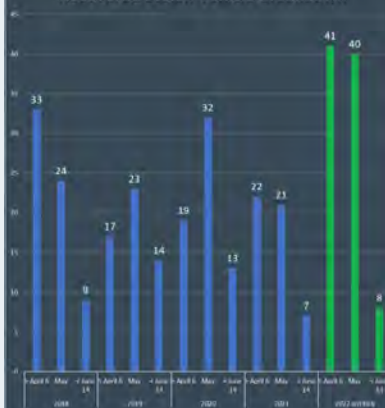
May 30th, 2022- Weapons Offense- located stolen car, suspect fled when approached by officers, suspect fired at officers

The average rate of recovery of stolen vehicles over the previous 4 years, looking at recovery rates, is 55.6%

Since YPD started using Flock Cameras, the 2022 vehicle recovery rate went up to 78.76%

(31.9% increase in the number of recovered reported stolen vehicles since Flock went live)

Recovered Stolen Vehicle Breakdown



Stolen vs Recovered Comparison by Year



flock safety

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Yakima PD has added 9 Additional Cameras since launching with Flock in April 2022 .

“Flock Cameras have also become our number one intelligence sharing tool. We have assisted nine other Yakima county agencies with their cases. Perhaps the most interesting was when we received a call from an investigator in California who saw a Flock hit in Yakima for a vehicle they were watching. Through a combined effort (led by the Department of Homeland Security), a warrant was served, resulting in the recovery of thirty -eight guns, narcotics, and cash . Suspects from this investigation were later arrested for a Yakima homicide as well.” Chief Murray

Results in Numbers

- 596 Stolen Vehicle Alerts
- 276 Stolen License Plates
- 190 Violent Persons Alerts
- 133 Wanted People
- 78 Sex Offenders
- 33 Missing Persons





"This is the single greatest change since DNA
– what this system does is a game-changer."

MATT MURRAY

Chief of Police | Yakima, WA

Flock Summary

- Stand alone infrastructure
- Will increase stolen vehicle recoveries
- Provide a new investigative tool that integrates with other local agencies
- Will become a crime deterrent
- Has strong safeguards for citizen privacy

Lakewood Plan

- 36 Flock Safety Cameras
- \$117,000 First Year
- \$108,000 Annual Cost