



City of Lakewood

2024 Consolidated Annual Action Plan - Draft

July 1, 2024 – June 30, 2025

Tacoma-Lakewood

HOME Consortium

March 12, 2024

Executive Summary

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

1. Introduction

The FY 2024 Consolidated Plans for the Tacoma-Lakewood Consortium provide a framework for addressing housing and community development needs in these cities. The Plans are developed for the U.S. Department of Housing and Urban Development to define how funding is to be allocated for the following federal programs: Community Development Block Grant Program (CDBG), HOME Investment Partnership Act (HOME), and for the City of Tacoma, Emergency Shelter Grants (ESG).

The FY 2024 Annual Action Plan (July 1, 2024 – June 30, 2025), Lakewood's fifth and final under the 5-YR Consolidated Plan (2020-2024), is a one-year plan that addresses local community and economic development needs and the resources necessary to meet the needs of low- and moderate-income households. The Plan identifies unique needs and assets in Lakewood and Tacoma, as well as on a regional basis. Goals and priorities of the Annual Action Plan are to be consistent with national objectives and priorities established by HUD and shall be consistent with the goals and strategies identified in the 5-YR Consolidated Plan.

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

2. Summarize the objectives and outcomes identified in the Plan.

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

The 2024 Annual Action Plan will focus on the following priority needs identified in the 5-YR Consolidated Plan:

- Housing instability among residents, including homelessness – Programs continue to prioritize housing affordability through rehabilitation of owner-occupied housing units, neighborhood revitalization through the removal of blighted properties, and relocation assistance for low-income households displaced through no fault of their own.
- Limited supply of diverse rental and homeownership opportunities – FY 2024 looks to bring online eight new homes for low-income homebuyers currently being constructed in the Tillicum neighborhood. Additionally, FY 2024-25 will see Living Access Support Alliance (LASA) begin construction of 25 new units of affordable rental housing units in the downtown core.
- Need for accessible, culturally competent services – Services include the provision of emergency assistance payments for basic services such as food, clothing, or housing-related expenses to low-income households, especially for those elderly, disabled, and minority populations. Fair housing counseling services will be provided through previous year’s allocations and current program administration funding.

Recommended funding allocations for FY 2024 include:

• *Housing Improvements* – Funding totaling \$354,000 (2024 CDBG allocation of \$254,000 and \$100,000 in program income) is recommended in support of Major Home Repair; \$10,000 in support of CDBG Administration of HOME housing; \$60,000 in support of Tacoma/Pierce County Habitat for Humanity’s aging-in-place housing rehabilitation program; and \$24,000 in support of Emergency Assistance for Displaced Residents. A total of \$392,000 in anticipated program income is to be reallocated as part of this Plan - \$100,000 in revolving loan funds in support of Major Home Repair, and \$292,000 in Neighborhood Stabilization Program 1 (NSP1) revolving loan funds for similar activities.

A total of \$329,754.91 (2024 HOME allocation of \$261,000, plus reallocation of \$68,754.91 in program income) in HOME funding is recommended in support of increasing the supply of affordable homeownership and rental opportunities for low-income Lakewood residents. In 2023-24, Council approved an allocation of \$1 million in ARPA funding, \$1 million in HOME funding, and \$1.175 million in HOME-ARP funding in support of LASA’s construction of new affordable rental housing in the downtown core. HOME funding allocations for Lakewood may be found in Tacoma's 2024 Joint Consolidated Annual Action Plan.

- *Public Services* – \$80,000 is recommended in support of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, especially for cost-burdened, elderly, disabled, and minority populations disproportionately affected by lower household incomes and rising housing costs. Fair housing counseling services will be funded through prior year funding and program administration. Funding in support of public and human services programs is provided as part of the City's 1% General Fund allocation totaling \$425,150 in 2024.

- *Physical/Infrastructure Improvements* – No funding recommended.

- *Administrative Activities* – Funding totaling \$107,000 in support of general administrative activities for CDBG.

Note: Funding allocations noted above are projections as CDBG and HOME funding allocations have not yet been officially announced. Should awarded funding differ from the above projections, funding allocations will be adjusted on a pro rata basis.

3. Evaluation of past performance.

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

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

As the Consolidated Plan moves into its fifth and final year, the City is on track to meet five-year benchmarks identified in the Plan, with the exception of its goal to serve 25,775 persons through public infrastructure improvements. To date, the City has served 5,345 persons through infrastructure improvements as potential public infrastructure projects have been cancelled or postponed due to community input and construction delays. Instead, the City has refocused its efforts towards the provision and expansion of affordable housing for low-income households. Access to safe, decent, affordable housing remains the primary objective of the planning process moving forward as the City seeks to complete its remaining housing goals and objectives identified in the 5-YR Consolidated Plan.

With additional funding streams becoming available in recent years, both at the State and federal levels, the City has positioned itself to take advantage of these

opportunities, refocusing priorities in the wake of the coronavirus pandemic towards the development of affordable rental opportunities and the construction of new affordable housing options for low- and moderate-income households. In 2024, the City looks forward to LASA breaking ground on its development of 25-units of new rental housing for low-income families. The project will culminate a long-time effort to secure \$10.5 million in local, state, and federal funding partnerships to bring this project to fruition.

As Lakewood area rents continue to rise and housing prices continue to remain out of reach for many of Lakewood's low- and moderate-income households, the urgency to develop long-term strategies to increase the supply of affordable housing options for low- and moderate-income households remains strong. This becomes especially apparent when looking to address housing issues for Lakewood's most impacted households – those living in poverty in the last 12 months (12.7% of Lakewood's population) and those cost-burdened families or those households who pay more than 30 percent of their income for housing expenses (54% for renter households and 24.1% for owner-occupied households).

A complete evaluation of the performance measures, including program expenditures and accomplishments, will be provided as part of the Consolidated Annual Performance Evaluation Report (CAPER) for FY 2023.

4. Summary of Citizen Participation Process and consultation process.

Summary from citizen participation section of plan.

The FY 2024 Annual Action Plan was developed in coordination with the City of Tacoma and local organizations, agencies, and stakeholders. The Plan was developed in accordance with requirements established by the U.S. Department of Housing and Urban Development and the Citizen Participation Plan as adopted by the City of Lakewood. Citizen activities included notification in the Tacoma News Tribune on January 31, 2024, of a February 21, 2024 public hearing before the Community Services Advisory Board, concerning the FY 2024 Plan (July 1, 2024 – June 30, 2025) for Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) program funding. Additional public input was solicited by posting notices on the City's website, other social media sites, and by email solicitation of housing and services providers throughout Lakewood and Pierce County.

Notification of the Draft FY 2024 Annual Action Plan will be published in the Tacoma News Tribune indicating where the document will be available for review during the 30-day citizen comment period (March 29, 2024 – April 29, 2024). A public

hearing will be held by the Lakewood City Council on April 15, 2024 to solicit comments from citizens, local for-profit and non-profit agencies, neighborhood associations, the State of Washington, Pierce County, City of Tacoma, local public housing authorities, and other interested parties on the draft document. Copies of the Plan will be posted on the City's website and available to those requesting copies. Records on the proposed housing and community development projects will be made accessible to the general public. Comments received at these public hearings will be summarized later in this report.

5. Summary of public comments.

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

The following comments were received as part of the FY 2024 citizen participation process. They include testimony provided at the February 21, 2024 public hearing, written comments received, and the Lakewood City Council public hearing on April 15, 2024:

2024 Annual Action Plan Public Hearing – Community Services Advisory Board – February 21, 2024

No comments were received.

City's website, other social media sites, and by email solicitation:

(Insert comments here)

30-Day Public Comment Period (March 29, 2024 – April 29, 2024) and City Council Public Hearing on Approval of the FY 2024 Annual Action Plan (April 15, 2024)

(Insert comments here)

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

2024 Annual Action Plan Public Hearing – Community Services Advisory Board – February 21, 2024

No comments received.

City's website, other social media sites, and by email solicitation:

(Insert comments here)

30-Day Public Comment Period (March 29, 2024 – April 29, 2024) and City Council Public Hearing on Approval of the FY 2024 Annual Action Plan (April 15, 2024)

(Insert comments here)

7. Summary

Section 108 – Principal repayment for 2024 includes \$35,000 in principal repayment by Curbside Motors and \$18,000 in principal for repayment by LASA for the Client Service Center project. The table below summarizes the City's Section 108 outstanding balances and scheduled principal repayments:

PROJECT	SECTION 108 BALANCE	ANTICIPATED INCOME - 2024	PRINCIPAL REPAYMENT - 2024
Curbside Motors	\$444,000	\$51,476.24	\$35,000
LASA Client Service Center	\$245,000	\$27,171.50	\$18,000

Table 1 - Section 108 Loan Program - 2024

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

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

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

Agency Role	Name	Department/Agency
Lead Agency	Lakewood, WA	Community Development
CDBG Administrator	Lakewood, WA	Community Development

Table 1 – Responsible Agencies

Narrative

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

Consolidated Plan Public Contact Information

City of Lakewood
Community Development Department
Attn: Mr. Jeff Gumm, Program Manager
6000 Main Street SW.
Lakewood, WA 98499
(253) 589-2489
jgumm@cityoflakewood.us

AP-10 Consultation - 91.100, 91.200(b), 91.215(I)

1. Introduction

The FY 2024 Annual Action Plan was developed to provide a general framework for addressing housing and community development needs in the City of Lakewood. In a larger sense, the plan involves a regional element to coordinate and address economic development, transportation, public services, special needs, housing, and homelessness throughout Pierce County. Coordination included consultation with the City of Tacoma, Pierce County, Pierce County Continuum of Care, Pierce County Housing Authority, Living Access Support Alliance (LASA), Tacoma/Pierce County Habitat for Humanity, Rebuilding Together South Sound, South Sound Housing Affordability Partners, Tacoma/Pierce County Affordable Housing Consortium, and other stakeholders as provided in the Plan.

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

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

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

As part of the City's human services funding process, monthly coalition meetings are held at the City to bring together non-profits, service providers and governmental agencies to help determine and better understand the need for housing and human

services in Lakewood and throughout Pierce County. Coordination through the South Sound Military and Communities Partnership (SSMCP) continues an ongoing partnership with Joint Base Lewis McChord to better understand what level of assistance military personnel and veterans are experiencing in terms of housing need, health and human services, and mental health care assistance.

Lakewood sought comment internally from City departments on housing and community development needs and services to low-income and special needs populations. On a regional level, the consolidated planning process involved consultation with Pierce County Community Connections, the City of Tacoma, United Way of Pierce County, Pierce County Housing Authority, Tacoma-Pierce County Habitat for Humanity, the Homeownership Center of Tacoma, Living Access Support Alliance (LASA), South Sound Housing Affordability Partners, Tacoma/Pierce County Affordable Housing Consortium, Lakewood Community Services Advisory Board, Tacoma/Lakewood/Pierce County Continuum of Care, local school districts, police and fire departments, and the State of Washington, to better understand the needs of at risk populations such as homeless families with children, single parent households, victims of domestic violence, individuals with disabilities, ethnic minorities, and the elderly.

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

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

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

In recent years, the Continuum has moved from a single point of access, or centralized intake, to that of a coordinated entry system providing many points of entry. This system, when coupled with an active diversion program, known as

Housing Solutions Conversations, aims at keeping those in housing crisis from entering the system by supporting their own identification of a solution and prioritizes them for a specific housing referral based on their vulnerabilities and the severity of their barriers to secure housing. Through this partnership and implementation of the Five-Year Plan to Address Homelessness, stands a countywide commitment to ensure all persons facing homelessness have access to shelter and support, no matter their social or economic circumstances or where they live within Pierce County.

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

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS.

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

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	City of Tacoma
	Agency/Group/Organization Type	Other government - Local

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

	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Pierce County Community Connections is a partner agency in a regional effort to end homelessness, encourage community and economic development efforts benefitting low-income individuals, to expand safe, decent, affordable housing, and in the provision of public and human services to individuals in need. As a recipient of CDBG, HOME, and ESG funding, the County is a natural partner with the cities of Lakewood and Tacoma in determining a regional approach to housing and community development activities. Pierce County is actively engaged in a funding partnership with Lakewood to fund the development of 25 units of new affordable rental housing in the Lakewood downtown core.</p>
3	<p>Agency/Group/Organization</p>	<p>Pierce County Continuum of Care</p>
	<p>Agency/Group/Organization Type</p>	<p>Regional organization Regional Continuum of Care</p>

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

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Pierce County Housing Authority (PCHA) is a vital partner to the City of Lakewood in its efforts to increase and preserve affordable housing options for low-income households. PCHA manages a number of programs such as scattered site public housing, Section 8 vouchers, and enterprise fund apartments to provide housing stability to many low-income Lakewood households. As an operator and developer of affordable housing serving in excess of 5,000 individuals, the housing authority was consulted to provide information on the need for public housing in Lakewood and in greater-Pierce County. As recently as FY 2022, Lakewood partnered with PCHA and fund the rehabilitation of two low-income public housing complexes within the City of Lakewood - Village Square and Oakleaf Apartments, serving 64 total households. Once developed, PCHA will provide housing vouchers to LASA for two low-income households at LASA's new 25-unit rental development in Lakewood.</p>
5	<p>Agency/Group/Organization</p>	<p>Tacoma/Pierce County Habitat for Humanity</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis Anti-poverty Strategy</p>

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Tacoma/Pierce County Habitat for Humanity remains an integral part of Lakewood's approach to providing safe, decent, affordable housing to low-income households in Lakewood and Tacoma. Lakewood recognizes the crucial link between wealth building and homeownership, especially for minority and low-income households. Consultation with the agency focused on housing need, market analysis, anti-poverty strategy, veteran housing opportunities, and special needs housing. Lakewood looks forward to ongoing and continued coordination with Habitat as it seeks to expand affordable housing options for low-income families and make much needed improvements to distressed communities through redevelopment activities focused on replacing older blighted homes with newly constructed affordable single-family homes. As housing and land prices continue to spiral, the City and Habitat have begun to explore land trust models to ensure investments in affordable housing continue for generations to come. In 2024-25, Habitat will bring online eight newly constructed homes in the Tillicum neighborhood for low-income homeownership opportunities.</p>
6	<p>Agency/Group/Organization</p>	<p>LASA</p>
	<p>Agency/Group/Organization Type</p>	<p>Housing Services - Housing Services-homeless</p>

	<p>What section of the Plan was addressed by Consultation?</p>	<p>Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>LASA was consulted as part of the planning process to better define and understand the scope and type of homeless need in Pierce County. LASA continues to be an integral provider in the fabric of homeless services and housing assistance to the homeless and those at risk of homelessness. With LASA's ongoing partnerships with the Pierce County and Tacoma Housing Authorities, and operation of housing and services facilities for the homeless, LASA is uniquely positioned to understand and assist the homeless population in Lakewood and Pierce County. Partnership and coordination with LASA allows Lakewood a better understanding of the needs of those living at or below the poverty rate, as well as what seems to be an ever-increasing demand for homeless services. Partnerships include the recent expansion of the client services facility to include showers, laundry and bathroom facilities at LASA's downtown headquarters. In 2024-25, LASA will begin construction of 25 new affordable rental units located in the downtown core.</p>
7	<p>Agency/Group/Organization</p>	<p>South Sound Housing Affordability Partners</p>
	<p>Agency/Group/Organization Type</p>	<p>Regional organization Housing</p>

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	South Sound Housing Affordability Partners (SSHA ³ P) is an intergovernmental collaboration between the Cities and Towns of Auburn, DuPont, Edgewood, Fife, Fircrest, Gig Harbor, Lakewood, Milton, Puyallup, Sumner, Steilacoom, Tacoma, and University Place, Pierce County and the Puyallup Tribe of Indians, working together to create and preserve affordable, attainable, and accessible housing throughout the participating communities. Consultation focused on market trends, analysis of housing affordability, and means of advocacy to generate dedicated revenue streams in support of affordable housing development throughout Pierce County.
8.	Agency/Group/Organization	Tacoma/Pierce County Affordable Housing Consortium
	Agency/Group/Organization Type	Regional organization Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Anti-poverty Strategy

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>Tacoma/Pierce County Affordable Housing Consortium is a non-profit organization designed to bring together various groups, organizations, business, and governmental agencies and jurisdictions with a focus on developing and preserving access to decent, safe, and high-quality affordable housing. Consultation is typically ongoing with advocacy efforts to fund and develop affordable housing, as well as current and ongoing market trends that may be causing inequities in the housing market.</p>
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Identify any Agency Types not consulted and provide rationale for not consulting.

N/A

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

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

Table 3 - Other local / regional / federal planning efforts

Narrative

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

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

Citizen input for the FY 2024 Annual Action Plan was conducted in accordance with the requirements established by the U.S. Department of Housing and Urban Development and the City of Lakewood Citizen Participation Plan. Citizen participation was encouraged throughout the process culminating in the development of this FY 2024 Annual Action Plan.

The process included:

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

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

- February 21, 2024 – Public hearing before CSAB on housing and community development needs
- March 29 - April 29, 2024 – Public Comment Period
- April 15, 2024 – Public hearing on FY 2024 Annual Action Plan
- Public outreach through City's website, other social media sites, and by email solicitation

A draft of the FY 2024 Annual Action Plan will be made available to the public for review beginning March 29, 2024. Comments received through the citizen participation process will be incorporated into the Plan. Formal approval of the final Plan will be made by City Council on May 6, 2024.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	Non-targeted/broad community	Notification of February 21, 2024 public hearing on housing and community development needs for CDBG and HOME funding.	Comments detailing the public hearing are summarized in item #2 below.	N/A	
2	Public Meeting	Non-targeted/broad community	February 21, 2024 public meeting on FY 2024 Annual Action Plan funding priorities for CDBG and HOME programs – CSAB public hearing.	No comments received.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
3	Newspaper Ad	Non-targeted community	Notification of April 15, 2024 public hearing and March 29 - April 29, 2024 public comment period.	Comments detailing the public hearing will be summarized in item #7 below.		
4	Internet Outreach	Non-targeted/broad community; Housing and services providers, local organizations, agencies, and stakeholders	General comment notification to housing and services providers, as well as local organizations, agencies, and stakeholders.	Comments detailing general notification and outreach will be summarized in item #5 below.		
5	Internet Outreach	Non-targeted/broad community; Housing and services providers, local organizations, agencies, and stakeholders	General comments received	Insert comments here		

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
6	Internet Outreach	Non-targeted/broad community	Notification of April 15, 2024 public hearing, March 29 – April 29, 2024 public comment period, and provision of Annual Action Plan.	Comments detailing general notification and the public hearing will be summarized in items #7 and #8 below.		
7	Public Hearing	Non-targeted/broad community	April 15, 2024 public hearing held by the Lakewood City Council.	Insert comments here		
8	30-Day Public Comment Period	Non-targeted/broad community	March 29 - April 29, 2024 30-day public comment period.	Insert comments here		

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

Funding for FY 2024 is provided by the U.S. Department of Housing and Urban Development through the Community Development Block Grant (CDBG) Program. Additional programmatic funding is being generated through program income received through revolving loan fund activities. All funds received, and otherwise reprogrammed, will be allocated to activities in support of the goals and objectives identified in the 5-YR Consolidated Plan. Additional funding for public service activities will be supported with General Fund in accordance with a City Council-adopted strategic plan for human services. Local funds in support of affordable housing will be made available through the implementation of SHB-1406 affordable housing sales tax credit to assist households with income at or below 60% of the area median income.

CDBG funding in FY 2024 will focus on housing instability among residents, including homelessness; the expansion of affordable rental and homeownership opportunities; and the need for accessible, culturally competent services. Specifically, investments will include the rehabilitation of owner-occupied housing units; neighborhood revitalization through the removal of blighted properties; relocation assistance for low-income households displaced through no fault of their own; provision of emergency assistance payments to low-income households; and fair housing counseling services.

Additional activities will include ongoing assistance and programs funded through previous Annual Action Plans, including Habitat for Humanity's construction of eight new affordable housing units in the Tillicum neighborhood, and LASA's construction of 25 units of affordable rental housing in the downtown core. Program income generated in FY 2024 will continue to support housing affordability efforts through the City's Major Home Repair Revolving Loan Fund. Finally, activities seeking the stabilization of existing residents through the creation of safe, accessible homes and facilities will focus on the redevelopment of slum and blight conditions in communities adversely impacted by disproportionate foreclosure and vacancy rates through the City's Neighborhood Stabilization Program 1 (NSP1) Dangerous and Nuisance Abatement Revolving Loan Fund.

Additional HOME-funded activities in support of the expansion of affordable rental and homeownership opportunities will include the funding of the HOME Affordable

Housing Fund, intended to support the development of new rental housing and homeownership opportunities for low-income households. Program income will support affordable housing development. HOME funding activities are detailed in Tacoma's Annual Action Plan as lead agency in the Tacoma-Lakewood HOME Consortium.

The City of Lakewood continues to employ a conservative approach for estimating CDBG and HOME allocations and program income for FY 2024. Differences in actual funding allocations will be addressed on a pro rata basis.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	535,000	100,000	0	635,000	0	Anticipated program income of \$100,000 is composed of RLF activities for Major Home Repair. Section 108 income of \$78,647.74 is not included in this total.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Economic Development Housing Public Improvements Other	0	292,000	0	292,000	0	NSPI funds were awarded to Lakewood in 2009 through the Washington State Department of Commerce to address issues of slums and blight through the demolition of homes that have been foreclosed, abandoned or have been left vacant. Funds may also be used to acquire and redevelop foreclosed and abandoned properties for the purpose of constructing safe, decent, affordable housing for low-income individuals. Anticipated program income of \$292,000 for NSPI Abatement Fund RLF activities.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Admin and Planning Housing	190,000	0		190,000	0	The City's SHB 1406 Home Repair Program is intended to utilize state tax revenues raised pursuant to RCW 82.14.540 in support of affordable housing. The goal of the program is to foster and maintain affordable housing for the citizens of Lakewood by providing affordable housing opportunities, eliminating slum and blight, and conditions which are detrimental to the health and safety of the public welfare. Housing and services may be provided only to persons whose income is at or below 60% of area median income. Annual tax revenue of approximately \$190,000.

Table 5 - Expected Resources – Priority Table

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

Leveraging for 2024 CDBG projects will continue to be generated through the matching of goods and services provided through homeowner rehabilitation activities performed by Tacoma/Pierce County Habitat for Humanity and through Rebuilding Together South Sound (RTSS). Lakewood funds for program staffing for Habitat and RTSS (RTSS activities were funded as part of FY 2023 AAP) are expected to return leverage funding ratios between 4:1 and 5:1 for program activities. Additional leveraging will come in the way of conventional financing, secured by low-income homebuyers through private-sector banking and lending institutions, as part of the City's efforts to construct new homeownership opportunities through partnership with Habitat for Humanity. The City anticipates leverage ratios of between 3:1 and 4:1 for homebuyer activities. Lakewood's largest leveraging funding will come in the way of \$5 million in State funding allocated to LASA for their development of 25 units of affordable rental housing in the downtown core (total project cost of \$10.5 million). All other CDBG activities, including homeowner rehabilitation, emergency payments, and relocation assistance typically see little to no leveraging of funds as these programs are designed as emergency safety nets, providing assistance where none would otherwise exist, and low- or no-interest loans to assist clients who would otherwise be unable to pursue commercial loans to repair their home were it not for this type of assistance. Many clients have credit issues restricting their access to funding, limited incomes, and are often occupied by the elderly or minority populations dealing with certain systemic housing-related inequities limiting their access to safe, decent, and affordable housing.

HOME funds match requirements and leverage is provided as part of the Tacoma-Lakewood HOME Consortium and is reported in Tacoma's portion of the Plan.

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

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

Discussion

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Stabilize existing residents	2020	2024	Affordable Housing Homeless Non-Housing Community Development		Housing instability, including homelessness Need for safe, accessible homes and facilities	CDBG: \$418,000 NSPI: \$292,000 SHB-1406: \$190,000	Homeowner Housing Rehabilitated: 16 Household Housing Unit Buildings Demolished: 3 Buildings
2	Increase rental and homeownership opportunities	2020	2024	Affordable Housing Public Housing		Affordable rental and homeowner opportunities	CDBG: \$10,000	Homeowner Housing Added: 8 Household Housing Unit
3	Prevent and reduce homelessness	2020	2024	Affordable Housing Homeless Non-Homeless Special Needs		Housing instability, including homelessness Need for accessible, culturally competent services	CDBG: \$104,000	Public service activities other than Low/Moderate Income Housing Benefit: 40 Persons Assisted Homelessness Prevention: 22 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Need of accessible, culturally competent services	2020	2024	Homeless Non-Housing Community Development		Housing instability, including homelessness Need for accessible, culturally competent services		Public service activities other than Low/Moderate Income Housing Benefit: 30 Persons Assisted

Table 6 – Goals Summary

Goal Description

1	Goal Name	Stabilize existing residents
	Goal Description	Funding provides support of the stabilization of residents experiencing homelessness or displacement pressure. Activities include the creation of new or maintenance of existing affordable housing stock for low- and moderate-income homeowners and the elimination of slums and blight through the demolition and redevelopment of blighted properties. Programs include Major Home Repair, Tacoma/Pierce County Habitat for Humanity Aging-in-Place Homeowner Rehabilitation, NSPI Abatement Program, and SHB-1406 Housing Rehabilitation.
2	Goal Name	Increase rental and homeownership opportunities
	Goal Description	Projects in support of rental and homeownership opportunities include activities to create new homeownership opportunities for low- and moderate-income households through the construction of new, affordable single-family housing units. Funding includes CDBG Administration of HOME Housing services.

3	Goal Name	Prevent and reduce homelessness
	Goal Description	Funding provides for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations, and through relocation assistance for households displaced through no fault of their own. Programs include CDBG Emergency Assistance Payments and Emergency Assistance for Displaced Residents.
4	Goal Name	Need of accessible, culturally competent services
	Goal Description	Provides for increased access to culturally competent services for low- and moderate-income individuals with emphasis on extremely low-income individuals, persons of color, immigrants, and the elderly. Activities include fair housing counseling aimed at those households disproportionately impacted by the lingering effects of the coronavirus pandemic. Assistance is anticipated to be provided through CDBG Administrative activities focusing on fair housing education/outreach, and landlord tenant education, and as such, will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER). Additional fair housing education and outreach assistance will be provided through prior year (FY 2021) CDBG programmatic funding; activities will be reported under activity #231.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City of Lakewood will aim to implement its federal funds in 2024 to accomplish the following goals and corresponding activities:

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

The projects listed and described in this plan represent the proposed use of funds for the FY 2024 CDBG program.

#	Project Name
1	Administration
2	CDBG Administration of HOME Housing Services
3	Major Home Repair Program
4	Habitat for Humanity Aging-in-Place Homeowner Rehabilitation
5	CDBG Emergency Assistance Payments
6	Emergency Assistance for Displaced Residents
7	NSPI Abatement Program

Table 7 – Project Information

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

Funding in FY 2024 will focus primarily upon the following goals: 1) the need to

stabilize existing residents; 2) the need to increase rental and homeownership opportunities; and 3) the need to prevent and reduce homelessness. The City will secondarily address the need of accessible, culturally competent services to low- and moderate-income households through the provision of fair housing education and outreach training activities in FY 2024. Funding priorities were established as part of the City's 5-YR 2020-2024 Consolidated Plan and continue to be evaluated with each subsequent Annual Action Plan to ensure established goals and benchmarks are met. Allocation priorities identified in this plan are identified through input from community partners and neighboring entitlement communities, elected leaders, Community Services Advisory Board members, and public input. When allocating CDBG and HOME funds, the City evaluates community need, the ability of a project to leverage partnerships and other non-federal funding streams, project impact, and the ability to complete a project within the requirements of the 5-YR Consolidated Plan goals, objectives, and timelines.

With Lakewood's average year-over-year home sales price increasing 16.8% to a reported \$505,000 (Redfin, January 31, 2024) and year-over-year median rent increasing 2.7% to \$1,534 (Zillow, January 31, 2024), many low- and moderate-income families continue struggling to keep up. This is of special significance when looking at Lakewood's median household income of \$65,531 (27.4% less than WA State average of \$90,325) and the fact that 12.7% of Lakewood's population is living at or below the poverty line (nearly 1.3 times the rate of WA State rate of 9.9%). With housing and rent prices continuing to increase, 40.6% of total Lakewood households are considered cost-burdened (paying 30 percent or more of income for housing expenses) and 16.2% of total households being considered extremely cost-burdened (paying 50 percent or more of income for housing expenses). A deeper look into these numbers reveals that more than half (54%) of renter households are cost-burdened and nearly a quarter (23%) are extremely cost-burdened. With housing costs continuing to outpace income growth, especially for those who are retired or on fixed incomes, affordable housing development and alternative programs in support of housing affordability remain a priority for many jurisdictions.

Activities to be carried out in FY 2024 will continue the funding of housing rehabilitation programs aimed at assisting low- and moderate-income households with housing repairs and renovations they may not otherwise be able to afford through conventional financing options; renovation activities focused on accessibility improvements and upgrades, ensuring elderly householders can safely age in place; providing housing stability and homelessness prevention through the provision of emergency assistance payments to low- and moderate-income households, with a focus on cost-burdened, elderly, disabled, and minority populations, and through relocation assistance for families displaced through no fault of their own; the reduction of slums and blight in low-income neighborhoods

with the demolition and redevelopment of dangerous buildings; fair housing activities focusing on housing inequities often borne by minority and low-income households; and finally, a continuation of funding in support of the development of new homeownership and rental housing opportunities for low-income households.

AP-38 Project Summary

Project Summary Information

1	Project Name	Administration
	Target Area	
	Goals Supported	Need of accessible, culturally competent services
	Needs Addressed	Need for accessible, culturally competent services
	Funding	CDBG: \$107,000
	Description	Administration to implement and manage the Consolidated Plan funds. Activities include providing fair housing and landlord tenant outreach and education.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Administration funds are anticipated to be expended in support of general administration activities to administer the 2024 Annual Action Plan, including funding for fair housing activities in support of 30 low- and moderate-income individuals. Fair housing activities will not be able to be reported as clients served in IDIS due to CDBG Administration reporting requirements. Lakewood will report clients served for this goal in text only in annual Consolidated Annual Performance Evaluation Reports (CAPER).
	Location Description	
	Planned Activities	Administration funds are anticipated to be expended in support of general administration activities to administer the 2024 Annual Action Plan, including funding for fair housing activities in support of 30 low- and moderate-income individuals.
2	Project Name	CDBG Administration of HOME Housing Services
	Target Area	
	Goals Supported	Increase rental and homeownership opportunities
	Needs Addressed	Affordable rental and homeowner opportunities
	Funding	CDBG: \$10,000
	Description	Program administration and housing services in support of HOME Program.

	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	A total of 8 low- and moderate-income households will be assisted with HOME-funded activities, through the construction of eight new housing units constructed in the Tillicum neighborhood for low-income homebuyers.
	Location Description	
	Planned Activities	Program administration and housing services in support of HOME Program.
3	Project Name	Major Home Repair Program
	Target Area	
	Goals Supported	Stabilize existing residents
	Needs Addressed	Housing instability, including homelessness Need for safe, accessible homes and facilities
	Funding	CDBG: \$354,000 Other - SHB-1406: \$190,000
	Description	Program provides home repair and/or sewer connection loans to eligible low-income homeowners. Funding for program provided through FY 2024 entitlement funding and revolving loan funds.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	A total of 8-10 low- and moderate-income households will be assisted with owner-occupied, housing rehabilitation activities.
	Location Description	City-wide
	Planned Activities	The project will provide major home repair loans which include connection of side-sewer to sewer main, decommissioning of septic systems, roofing, removal of architectural barriers, plumbing, electrical, weatherization, major systems replacement/upgrade, and general home repairs for eligible low- and moderate-income homeowners. Program funding includes \$100,000 in anticipated program income.

4	Project Name	Tacoma/Pierce County Habitat for Humanity Aging-in-Place Homeowner Rehabilitation
	Target Area	
	Goals Supported	Stabilize existing residents
	Needs Addressed	Housing instability, including homelessness Need for safe, accessible homes and facilities
	Funding	CDBG: \$60,000
	Description	Project will provide funding for small-scale accessibility improvements and repairs to existing owner-occupied housing units occupied by elderly or disabled homeowners.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	A total of 8 low- and moderate-income households will be assisted through accessibility improvements and related repairs.
	Location Description	City-wide
	Planned Activities	The project will provide funding for accessibility improvements of owner-occupied affordable housing units.
5	Project Name	CDBG Emergency Assistance Payments
	Target Area	
	Goals Supported	Stabilize existing residents Prevent and reduce homelessness
	Needs Addressed	Housing instability, including homelessness Need for accessible, culturally competent services
	Funding	CDBG: \$80,000
	Description	Program provides for the provision of emergency assistance payments for basic services such as food, clothing or housing-related expenses to low-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations.
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	A total of 50 low- and moderate-income individuals will be assisted through the provision of emergency assistance payments to low-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations.
	Location Description	City-wide
	Planned Activities	Program provides funding for services engaged in the reduction and prevention of homelessness through the provision of emergency assistance payments to low- and moderate-income households, with focus on cost burdened households, elderly, disabled, and minority populations continuing to be disproportionately impacted.
6	Project Name	Emergency Assistance for Displaced Residents
	Target Area	
	Goals Supported	Stabilize existing residents Prevent and reduce homelessness
	Needs Addressed	Housing instability, including homelessness Need for safe, accessible homes and facilities
	Funding	CDBG: \$24,000
	Description	Program provides emergency relocation assistance to eligible low-income households displaced through no fault of their own during building and code enforcement closures, fires, redevelopment, and other incidences resulting in homelessness.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	12 individuals will be assisted with emergency relocation assistance for persons displaced due to no fault of their own.
	Location Description	City-wide
	Planned Activities	Activities include emergency relocation assistance to low-income individuals displaced due to no fault of their own. Assistance to include rental assistance, deposits, and other related relocation expenses.
7	Project Name	NSPI Abatement Program

Target Area	
Goals Supported	Stabilize existing residents
Needs Addressed	Housing instability, including homelessness Need for safe, accessible homes and facilities
Funding	NSPI: \$292,000
Description	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Activities funded with revolving loan fund.
Target Date	6/30/2025
Estimate the number and type of families that will benefit from the proposed activities	The City of Lakewood anticipates it will demolish a total of 3 dangerous buildings located in low-income block groups in FY 2024 with the NSPI Abatement Fund.
Location Description	City-wide
Planned Activities	Provides funding for the abatement of dangerous buildings that have been foreclosed, abandoned or are vacant. Funding for the program is provided through revolving loan funds generated from previous NSPI abatement activities. Program funding includes a total of \$292,000 in anticipated program income to be used for similar RLF activities.

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

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

This being the fifth and final year of the City's 5-YR Consolidated Plan, the City will continue targeting CDBG and HOME funds expenditures in block groups with at least 51% low- and moderate-income populations, as many of Lakewood's minority and ethnic populations continue to be concentrated in these areas. Many of these block groups tend to have large concentrations of aging housing stock suffering from a lack of routine maintenance and infrastructure that is either inadequate or are outdated in accordance with current development standards.

In 2024, CDBG funding prioritization will focus on increasing and preserving affordable housing stock through owner-occupied housing rehabilitation; the prevention and reduction of homelessness through emergency assistance payments to low- and moderate-income households, with a focus on cost-burdened households, elderly, disabled, and minority populations; through relocation assistance for households displaced through no fault of their own; neighborhood revitalization through the removal of blighted properties; and improved access to fair housing counseling services. HOME funding in FY 2024 will continue to support ongoing homeownership activities being developed by Habitat for Humanity and through LASA's construction of new affordable rental housing in the downtown core.

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

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

Geographic Distribution

Target Area	Percentage of Funds

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically.

N/A

Discussion

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

Introduction

As identified in the 5-YR Consolidated Plan (2020-2024), low- and fixed-incomes, high housing costs, overcrowding, homelessness, and aging all present challenges to Lakewood residents, posing negative impacts upon quality of life. Most common among these housing problems for Lakewood residents is housing affordability, as measured through cost burdens. Renters in particular, continue to face more acute cost burdens than do homeowners, with 54% of Lakewood's rental households considered cost-burdened compared to 24.1% of owner households. Those households facing extreme cost burden, or where at least 50 percent of total household income is used for housing expenses, again show renters disproportionately impacted with 23% considered extremely cost-burdened compared to just 7.7% of owner households. Renter-occupied households in Lakewood are more than twice as likely to be cost-burdened and nearly three times more likely to be extremely cost burdened than owner-occupied households. In all, 40.6% of Lakewood households are considered cost-burdened and 16.2% are considered extremely cost- burdened (2018-22 American Community Survey).

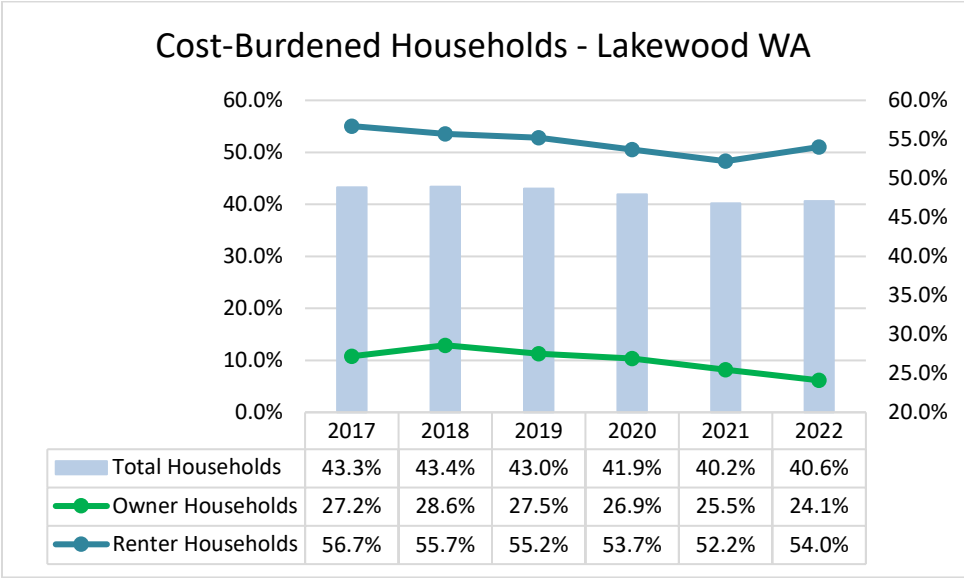


Table 9 – Cost-Burdened Households- Lakewood WA

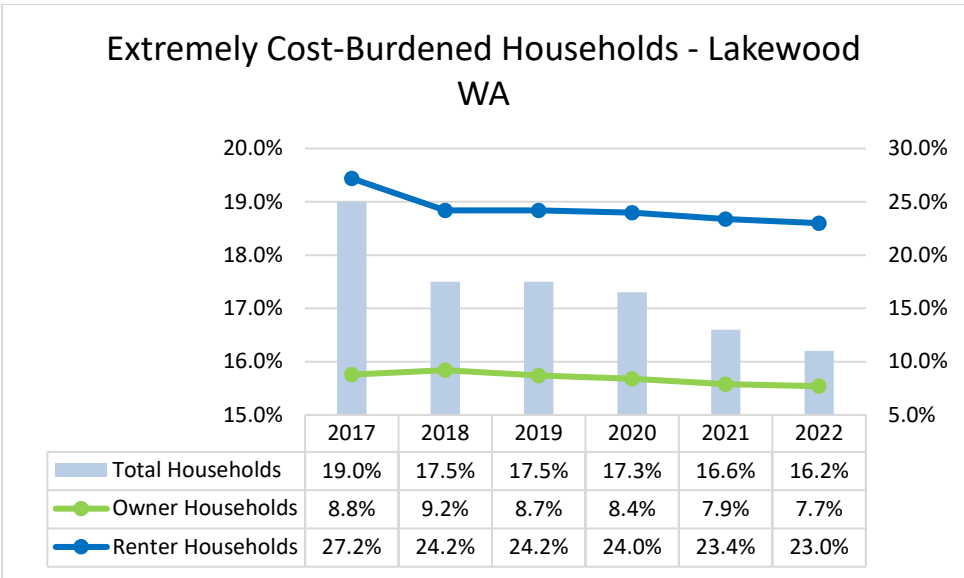


Table 10 – Extremely Cost-Burdened Households- Lakewood WA

Although household incomes have seen increases in recent years, Lakewood's median income of \$65,531 continues a trend of lagging behind that of the county (\$91,486), Washington (\$90,325), and the United States (\$75,149). Of additional concern is Lakewood's apparent concentration of households living at or below the poverty rate, currently 12.7% of households, much higher than that of the county at 8.7%, Washington at 9.9%, and on par with the United States at 12.5% (2018-22 American Community Survey). The disparate impacts of households living in poverty comes into focus when looking at Black, Indigenous, and People of Color (BIPOC). In Lakewood Black or African American households experience poverty at a rate of 15.7%, Hispanic or Latino households 10.6%, and Asian households 10.5%, compared to 13.6% for White households.

While Lakewood's median income saw a rise in 2022 to \$65,531, a 30.6% increase over the most recent five-year period, at the same time, median house values rose 63.8% to \$406,500 and median rents increased 35.7% over the same period to \$1,318. Even though median incomes continue to see improvement in Lakewood, they are being outstripped by escalating housing-related expenses, leaving little relief for already cost-burdened households. This is of special concern when looking at households experiencing poverty who have children under the age of eighteen- 13.6% of all families with related children under 18 years old live in poverty, and 29.4% of single-female households with related children under 18 years old live in poverty. This number increases to an alarming 39.5% of single-female households with multiple related children under 5 years old and between 5 and 17 years old. In addition to single-female household, disabled households appear to be disproportionately impacted and experience poverty at an elevated rate of 22.4%. Elderly households and those on fixed incomes also remain a concern as 11.3% of households 60 and older and 9.4% of households 65 and older are considered to be living in poverty. Additionally, 10.7% of veterans have been identified as living in poverty in the last 12 months (2018-22 American Community Survey).

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

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

housing. Recent legislation at the State level will see additional incentives incorporated into Lakewood's Comprehensive Plan update in 2024, providing for higher density through middle housing and accessory dwelling unit initiatives.

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

Discussion

Lakewood's housing demographics have remained constant over the recent ten years with a trend favoring renter-occupied (56.4%) to owner-occupied (43.6%) (2018-22 American Community Survey). These numbers are reflected in the inverse when looking at Pierce County with a 64.6% owner-occupied rate, Washington at 63.8% owner-occupied, and the United States at 64.8% owner-occupied rate.

As a majority of Lakewood's population live in rental households, the steady increase in the cost of rents year-over-year remains of concern, especially for those low- and moderate-income Lakewood households who are already cost-burdened. With the current median monthly rent now standing at \$1,534 (Zillow, January 31, 2024), housing cost is easily outstripping income growth, especially for low- and moderate-income households. These issues of rising housing costs relative to household incomes become strikingly apparent when looking at the percentages of Lakewood households where monthly housing cost exceeds 35 percent of household income- 17.6% for households with a mortgage and 41.8% for households who rent (2018-22 American Community Survey).

While Lakewood has seen continued improvement in median income over the recent five-year period (increase of 30.6% to \$65,531), these improvements continue to be stripped away by the ever-increasing cost of housing. During this same period, median house value increased 63.8% to \$406,500 and median rents increased 35.7% to \$1,318 (American Community Survey 2018 - 2022). Housing costs continue to be the largest expense for both owner and renter households. For homeowners, median monthly housing costs as a percentage of household income makes up 19.5% of a homeowner's gross income. Median gross rent as a percentage of household income makes up 31.6% of a renter's gross income; over 1.6 times the percentage of a Lakewood homeowner.

These same market trends pushing property and housing valuations higher are also driving housing investment towards market rate housing, away from affordable housing. Additionally, as house valuations have risen, single-family homes once dedicated to rental uses are seeing increased pressure to sell and realize profits, ultimately turning them from rental to owner-occupied. As investment shifts toward higher return market-rate housing and more and more housing units are converted from rental to homeowner use, the pressure to develop and maintain affordable housing grows.

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

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

Introduction

For the majority of households, economic opportunity and familial wealth are tied directly to homeownership. Through homeownership a household maintains an asset that most typically increases in valuation over generations causing the accumulation of wealth, provides various access points to economic leverage, serves as a hedge against rising housing costs, provides various tax benefits, and realizes a lower taxation rate than other forms of investments. It is through this historical wealth building opportunity that most households have grown and passed along wealth. Unfortunately, many black and minority populations have been shut out of this system through various institutional and de facto discriminatory practices: from slavery, segregation, and disenfranchisement of Black Americans, to expropriation of land, forced relocation, and anti-immigration policies against Native American and Hispanic populations. Historically, the benefits of homeownership have not been shared equally across the race spectrum.

While homeownership rates for Lakewood remain well below the state and national averages, the disparity in homeownership between Black and minority households and that of White households continues to remain relatively unchanged since 1970. In Lakewood, homeownership rates for White households stands at 53.2 percent, compared to 23.8 percent for Black households, 28.2 percent for Hispanic households, and just 16.5 percent for Native Hawaiians and Pacific Islanders (2018-2022 American Community Survey). Homeownership and home equity remain key drivers to wealth and continue to remain the largest percentage of wealth for all households in the United States today. A recent study by Pew Research Center (*Wealth Surged in the Pandemic, but Debt endures for Poorer Black and Hispanic Families*, December 4, 2023) found that in December 2021, after the effects of the pandemic, average median household wealth stood at \$166,900, of which \$109,000 was homeowner equity; White households were found to have an average median wealth of \$250,400, of which \$146,000 was homeowner equity. The study also found that during the same period, Black and Hispanic households' median wealth was substantially lower than the national average. For the Black household, average median net worth was \$27,100, of which \$18,800 was homeowner equity. Hispanic households saw only slightly improved numbers with an average median net worth of \$48,700, of which \$30,400 was homeowner equity. These numbers reflect the average White household has a median net worth of over 9 times greater than its Black counterpart, and over 5 times greater than a Hispanic household. When looking at median homeowner equity, White household equity was over 12.5 times that of Black households and nearly 6 times that of Hispanic households. Although homeowner equity remains a clear driver of overall household wealth, racial

inequities remain, especially for those minority households attempting to build the American dream.

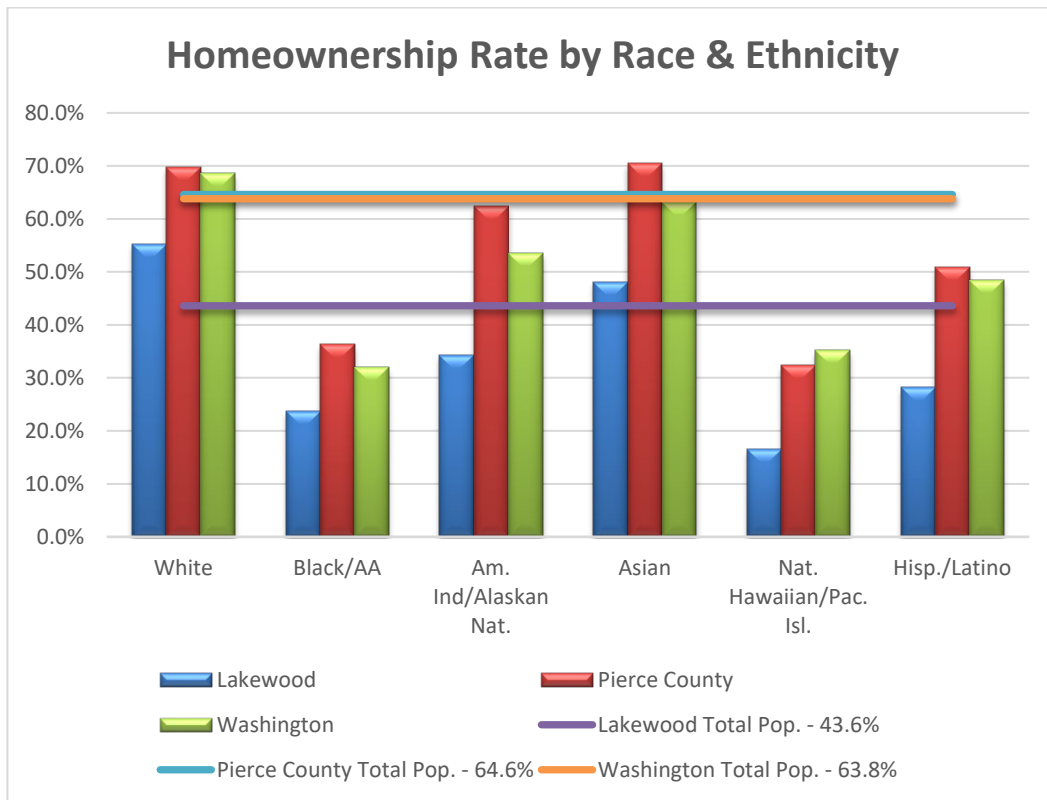


Table 11 – Homeownership Rate by Race & Ethnicity

Actions planned to address obstacles to meeting underserved needs.

In 2024, Lakewood will continue its efforts to stabilize existing homeowners through various rehabilitation programs and through the revitalization of neighborhoods by removal and remediation of blighted properties. Additional programs will support low- and moderate-income households struggling with housing affordability to ensure those households do not end up experiencing homelessness resulting from discriminatory practices, fires, building enforcement, redevelopment activities, and other lingering effects of the coronavirus pandemic. Fair housing counseling services will focus on ameliorating housing inequities often borne by minority and low-income households.

Efforts to support affordable rental and homeownership opportunities will continue in 2024 with LASA's development of 25-units of affordable rental housing and Habitat for Humanity's construction of eight new single-family homes in the Tillicum neighborhood. As housing and rental prices have continued to see significant increases over the recent five-year period, the need to maintain existing affordable housing, and the need to develop new, remain a priority for Lakewood.

Additional actions to address the needs of Lakewood's underserved population are addressed through the ongoing 1% allocation from the City's general fund; strategic priorities include emotional supports and youth programs, housing assistance and homelessness services, crisis stabilization and advocacy, access to health & behavioral health, and access to food. For 2024, the City has allocated \$425,150 in general fund dollars in support of these programs.

In March 2021, the City received \$13,766,236 in American Rescue Plan Act (ARPA) funding to aid in the recovery from the budgetary, public health, economic, and financial impacts of the COVID-19 pandemic. To date, the City allocated in excess of \$1.2 million for various youth programs, \$3 million in support of local food banks, in excess of \$4.1 million for housing and homelessness programs, \$1.9 million for public health and safety, nearly \$600,000 for workforce development, in excess of \$1.2 million for Lakewood park improvements, and \$1.8 million in administration and city hall upgrades.

Actions planned to foster and maintain affordable housing.

Lakewood recognizes the importance affordable housing and homeownership play in building vibrant communities and the direct connection they afford low-income households in wealth-building opportunities. In 2024, the City continues its partnership with LASA and Habitat for Humanity in developing new affordable housing. Habitat is nearing completion of the construction of eight new single-family homes in the Tillicum neighborhood and LASA anticipates it will begin construction of 25-units of affordable rental housing in late-2024.

Support for existing affordable owner-occupied housing will continue through Major Home Repair and HOME Housing Rehabilitation, while single-family and multifamily housing development is supported and encouraged through Lakewood's HOME Affordable Housing Fund and zoning density bonuses offered to developers of affordable housing.

Additional efforts in support of housing stability come from an annual 0.0073% sales and use tax (SHB-1406) to be used to provide financing for the development and maintenance of affordable housing for households at or below 60% of area median

income. The fund has a current balance in excess of \$200,000 with additional revenue of approximately \$95,000 to be received annually to support affordable housing development and rental assistance programs.

Rental habitability and affordability remain a priority for the City. With approximately 56.4 percent of Lakewood's housing stock being rental, and 43 percent of Lakewood's housing stock constructed prior to 1960, the importance of maintaining these units as viable affordable housing options remains a top priority.

In 2017, the City began its Rental Housing Safety Program (RHSP) requiring all residential rental properties (apartments, single-family homes, duplexes, etc.) within the city limits be registered on an annual basis and maintain specific life and safety standards for those properties. Since substandard housing disproportionately affects the poor, minorities, working class families, seniors, the disabled, and persons who suffer from chronic illness, it is the aim of the RHSP to eliminate all substandard rental housing in Lakewood and improve the quality of life for all Lakewood residents. Since the program's inception, the City has inspected all rental properties and has seen substantial improvements in both the quality and condition of many of the City's substandard rental properties.

Actions planned to reduce lead-based paint hazards.

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

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

With approximately 75% of Lakewood's 27,370 housing units being built prior to 1980, there exists the potential for some 20,000 housing units to contain lead-based paint hazards. To inform the community of the hazards of lead-based paint, the City offers copies of the EPA's "Protect Your Family from Lead in Your Home" and HUD's "Renovate Right" pamphlets at City Hall and provides copies of these pamphlets to all housing repair program applicants. As part of the City's single and multifamily housing programs, XRF paint inspections and Risk Assessments are conducted,

lead-safe work is conducted by Washington State certified RRP renovation contractors, abatement work is conducted by certified abatement contractors, and clearance testing of all disturbed surfaces is performed by certified Risk Assessors.

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

Actions planned to reduce the number of poverty-level families.

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

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

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

To address the need for accessible, culturally competent services, programs will focus on various systemic inequities being faced by many minority and low-income households. Funding in 2024 will provide for fair housing counseling services and landlord-tenant trainings to targeted communities. An additional \$100,000 in funding will be allocated in support of homelessness prevention through emergency

assistance payments to low- and moderate-income households, with a focus on the elderly, disabled, and minority populations, and through relocation assistance for households displaced through no fault of their own.

Additional effort to reduce the number of poverty-level families include funding through the 1% human services allocation which provides a broad spectrum of services including, supportive and emergency services, human services programs targeting basic human needs, homelessness intervention and prevention, fair housing assistance, crisis stabilization and advocacy, youth programs, access to health and behavioral services, access to food, and activities to increase self-sufficiency (e.g., workforce training, employment readiness, and education). For 2024, the City has allocated \$425,150 in general fund dollars in support of these programs.

Actions planned to develop institutional structure.

Lakewood, Tacoma, and Pierce County have a long history of working closely together to coordinate funding activities and ensure funding strategies don't overlap or conflict. This is especially true today, as all three jurisdictions have been working towards regional coordination on anti-poverty strategies, affordable housing strategies, and homelessness initiatives. These initiatives aim to increase the supply of affordable housing (both rental and homeownership), lower the overall cost of housing for residents, create access to financial assistance and services, increase the earning potential of low-income households, reduce or eliminate the time a family is homeless, and create pathways to build wealth and assets. Funding allocations and recommendations for many local projects are reviewed and approved jointly.

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

On a local level, Lakewood continues to coordinate federal funding opportunities and general fund expenditures through the Community Services Advisory Board (CSAB). The CSAB is tasked with policymaking and general funding recommendation authority as they relate to community development and human

services activities citywide. Board responsibilities include facilitating the cooperation and coordination of human services and Consolidated Plan activities, holding public hearings to receive input on community development and human service's needs, developing policy guidance and program evaluation criteria, and making funding recommendations.

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

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

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

City of Lakewood staff routinely coordinate with City of Tacoma, as part of the HOME Consortium, and participate in regional efforts coordinating planning efforts and service delivery. The Cities participate in the Tacoma/Lakewood/Pierce County Continuum of Care and are active in the Tacoma Pierce County Affordable Housing Consortium, the Economic Development Board for Tacoma-Pierce County, the Pierce County Human Services Coalition and other public entities and associations that set priorities for use of resources in the region, set goals, and measure progress in meeting those goals. Lakewood staff participate in monthly meetings with service providers and coordinate the development of plans and strategies.

Coordination with public and assisted housing providers along with governmental agencies for health, mental health, and other services focuses on economic development, transportation, public services, special needs, homelessness, and housing. As the need for affordable housing and services continues to increase, the Cities of Tacoma and Lakewood, Pierce County, and the Puget Sound Regional Council continue to collaborate on long-term priorities to leverage limited funding to meet the needs of the community. Current coordination includes partnership with the City, Pierce County, WA State, and the federal government, bringing together approximately \$11 million dollars in support of LASA's construction of 25-units of affordable rental housing in Lakewood's downtown core.

Additional coordination efforts with housing and social service agencies involve funding through the City's 1% human services allocation. This fund targets programs that provide low-income housing and homelessness assistance, crisis stabilization and advocacy, emotional supports & youth programs, access to health and behavioral services, and access to food. Through the City's annual allocation process, relationships have been maintained with providers of services such as, the Rescue Mission, Emergency Food Network, Community Healthcare, Rebuilding Hope, YWCA, Communities in Schools, Children's Therapy Center, Making a Difference Foundation, Linqvist Dental, Your Money Matters, LASA, Rebuilding Together South Sound, Asian Pacific Cultural Center, Oasis Youth Center, Multicultural Child and Family Hope Center, Nourish Pierce County, St. Leo's Food Connection, Pierce County AIDS Foundation, Pierce County Project Access, and Lakewood's Promise, offering programs to low- and moderate-income households throughout the County. Collaboration continues with both the Pierce County Housing Authority and the Tacoma Housing Authority on the expansion of safe, decent, affordable housing options for low-income citizens.

Discussion

Program Specific Requirements

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

Introduction

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

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	100,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	100,000

Other CDBG Requirements

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

Discussion

The City of Lakewood anticipates it will receive \$100,000 in CDBG program income and \$292,000 in NSP1 program income. Presently, the IDIS system allows a grantee to enter CDBG program income into the system; however, NSP program income is

not accounted for in the same manner. The program income amount entered in line 1 of AP-90 is therefore understated by \$292,000.

Attachments – SF-424 & Certifications

(To be attached upon submittal to HUD)