

### Meeting Agenda **Lakewood Planning Commission**

### Wednesday, January 15, 2025 @ 6:30 PM

#### **HOW TO ATTEND**

• In-person: Council Chambers, Lakewood City Hall, 6000 Main St SW.

• Virtually: Online or by phone.

Online: <a href="https://cityoflakewood-us.zoom.us/j/88030740190">https://cityoflakewood-us.zoom.us/j/88030740190</a>
Phone: (253) 215-8782 and enter meeting ID: 880 3074 0190

• Livestream: <a href="https://YouTube.com/CityofLakewoodWA">https://YouTube.com/CityofLakewoodWA</a>

Persons requesting special accommodation or language interpreters should call 253-983-7767 as soon as possible in advance of the meeting so that an attempt to provide special accommodation can be made.

#### **PUBLIC COMMENT**

Public comments or testimony on public hearings are accepted by mail, email, or by in-person or virtual attendance. Mail comments to Karen Devereaux, Planning Commission Clerk, 6000 Main Street SW Lakewood, WA, 98499 or email <a href="mailto:kdevereaux@cityoflakewood.us">kdevereaux@cityoflakewood.us</a>. Comments received by noon the day of the meeting will be provided to the commission electronically.

#### **IN-PERSON/VIRTUAL COMMENTS**

Those attending in person will be called on by the Chair. Those attending via Zoom should use the "raise hand" function to indicate they wish to speak. Once the Chair calls your name, you will be unmuted. First state your name and city of residence. Each person has 3 minutes. Attendees are allowed to speak during public comment or public hearings only.

#### WELCOME/CALL TO ORDER

**ROLL CALL** 

**Election of 2025 Chair, Vice Chair** 

APPROVAL OF MEETING MINUTES dated December 4, 2024

**AGENDA UPDATES** 

**PUBLIC COMMENT** 

**PUBLIC HEARINGS** None

**UNFINISHED BUSINESS** None

#### **NEW BUSINESS**

- Review of Planning Commission 2025 Work Plan
- Multifamily Tax Exemption (MFTE) Residential Target Area (RTA) Boundary Review Intro

#### **NEXT STEPS**

- REPORTS FROM CITY COUNCIL LIAISON, CITY STAFF, PLANNING COMMISSION MEMBERS
- NEXT MEETINGS: FEBRUARY 5, FEBRUARY 19, MARCH 5, MARCH 19

#### **Attachments**

- Staff Report: Planning Commission 2025 Work Plan
- <u>Staff Report</u>: Multifamily Tax Exemption (MFTE) Residential Target Area (RTA) Boundary Review



**TO:** Lakewood Planning Commission

**FROM:** Tiffany Speir, Long Range & Strategic Planning Manager

**DATE:** January 15, 2025

**SUBJECT:** Election of Chair and Vice-Chair

#### I. Background

The Planning Commission Bylaws, Section 1, states that the Chair and Vice-Chair shall be elected each year for a one-year term at the first regular meeting of each calendar year.

#### **II. Process for Making Nominations**

- 1. The presiding officer opens the floor for nominations.
- 2. A Commissioner makes a nomination for a specific office.
- 3. Nominations do not require a second (and it is not out of order for members to second a nomination to signal their endorsement).
- 4. A Commissioner can nominate himself/herself.
- 5. A Commissioner should not offer more than one nomination until all other Commissioners have had the opportunity to make nominations.
- 6. The presiding officer can continue presiding, even if he/she is one of the nominees for the office.
- 7. A Commissioner can decline the nomination during the nomination process.
- 8. After each nomination, the presiding officer repeats the name of the nominee to the Commission and public.
- 9. Nominations are taken for successive offices in the order they are listed in the bylaws (Chair and Vice-Chair).
- 10. Motions to close nominations are unnecessary because the nomination process simply continues until no one wishes to make further nominations.



#### Lakewood Planning Commission December 4, 2024 Meeting Minutes

#### WELCOME/CALL TO ORDER

Robert Estrada, Chair, called the meeting to order at 6:30 p.m.

#### **ROLL CALL**

<u>Planning Commission Members Present</u> Robert Estrada, Chair; Phillip Combs, Vice Chair, Mark Herr, Sharon Wallace, Philip Lindholm, and Ellen Talbo

#### Planning Commission Members Absent Linn Larsen

**Staff** Tiffany Speir, Planning Division Manager, PPW Department; Jeff Gumm, Housing Division Program Manager, PPW; and Karen Devereaux, Administrative Assistant, PPW

Council Liaison Councilmember Paul Bocchi

#### **APPROVAL OF MINUTES**

**MOTION:** Approval of November 6, 2024, meeting minutes as written. **SECONDED. PASSED 6-0.** 

**AGENDA UPDATES** None

**PUBLIC COMMENT None** 

**PUBLIC HEARINGS** None

**UNFINISHED BUSINESS None** 

#### **NEW BUSINESS**

2025 – 2029 CDBG/HOME Consolidated Plan Discussion

Mr. Jeff Gumm explained that the City of Lakewood is seeking public input as to how the community would like to see the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds received on an annual basis through the U.S. Department of Housing and Urban Development.

It was explained the city typically receives approximately \$550,000 in CDBG funding and \$300,000 in HOME funding per year. Funding can be used for a wide array of activities under CDBG but can only be used for housing-related activities under HOME.

The process begins with public input used to develop the 5-year Consolidated Plan and determine long-term goals and objectives. The Annual Plan developed for each year inside the overarching 5-Year Consolidated Plan that allocates funds on an annual basis to meet 5-year goals and objectives. CAPER reports annually on goals and objectives attained, funds expended, and clients served.

The following is a list of eligible activities to use CDBG funds:

#### Affordable Housing

Homeowner rehabilitation Lead paint activities

New construction, if carried out by Down payment assistance

Rental rehabilitation CBDO

Acquisition and demolition

#### **Public Services**

Employment and education services Services for seniors Childcare Fair housing counseling Services for homeless

Health care and substance abuse

services

#### **Public Facilities/Infrastructure**

Acquisition, construction, rehab, or installation of public or community facilities Infrastructure installation or improvements (e.g., roads, sidewalks, sewers, street lighting, etc.)

#### **Economic Development**

Microenterprise assistance

Commercial rehabilitation

Job training and technical assistance

Special economic development- acquisition, construction, rehab, installation of property or equipment

The following is a list of eligible activities to use HOME funds:

#### Must support affordable housing activities

Homeowner rehabilitation On-site improvements

Down payment assistance Demolition Construction, acquisition, or Relocation costs

rehabilitation of affordable housing Refinancing

Capitalization of project reserves (rental/homeownership)

Tenant-based rental assistance (opening deficit reserve for initial rent-

up period) (monthly rental assistance or

Project-related soft costs security/utility deposit assistance (architectural, engineering, program)

Conversion of an existing structure environmental review,

from another use to affordable tenant/homebuyer counseling,

affirmative marketing, and fair housing

Acquisition of property or vacant land housing services, etc.)

#### The following list is a 5 Year 2025-2029 Consolidated Plan Timeline:

October - December 2024 City holds public outreach meetings

January 6, 2025 Presentation before City Council

March 24, 2025 Presentation of draft Plan before City Council

April 1 - April 30, 2025 30-day public comment period on draft Consolidated Plan

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April 21, 2025 Public hearing on draft Plan May 5, 2025 Council adoption of Plan May 15, 2025 Submittal of Plan to HUD

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Mr. Gumm closed the presentation stating the city will develop a model Ordinance with staff feedback by the end of December 2024 and continue to work through the draft ordinance development to present to the Planning Commission and City Council.

#### Updating Development Regulations for Middle Housing

Ms. Casey Bradfield and Ms. Michelle Ellsworth of BERK Consulting presented their recommendations to the commission regarding the HB 1110 requiring Lakewood to allow multiple dwelling units per lot through identified middle housing typologies. Lakewood is considered a Tier 2 city with a population between 25,000 and 75,000 and must allow a minimum of 6 of the 9 typologies.

Missing Middle Housing is a range of house-scale buildings with multiple units – compatible in scale and form with detached single-family homes – located in a walkable neighborhood. The nine typology types are: Duplex, Triplex, Fourplex, Fiveplex, Sixplex, Courtyard Apartments, Cottage Housing, Townhouse, and Stacked Flats.

The following is a list of benefits around allowing middle housing:

- Address historic and racial exclusion.
- Provide housing that is relatively more attainable than single family housing.
- Address climate change impacts through increasing residential densities around social, economic, and multi-modal opportunities.
- Utilize residential land to efficiently meet housing needs; provide more housing choice and diversity.
- Meet Growth Management Act and legislative requirements.

Recommended changes were presented regarding topics of density, dimensional standards, design standards, parking regulations and standards, and infrastructure standards.

The City would have a draft ordinance with staff feedback by the end of December 2024 and continue to work through the draft ordinance development to present to the Planning Commission and City Council as part of the 2025 Comprehensive Plan amendment cycle.

#### **REPORTS**

#### **Council Liaison Comments**

Councilmember Paul Bocchi updated commissioners on the following topics: 12/5/2024 Fallen Officer Food Drive at Lakewood Police Station 12/7/2024 Holiday Parade of Lights and Tree Lighting at Lakewood City Hall

Noting that increased costs have tightened a little and the revenues have flattened, however, the City Council has a balanced budget for next year. Councilmember Bocchi also thanked Commissioners for their hard work on complex projects they completed this last year.

#### **City Staff Comments**

Ms. Tiffany Speir reminded the Commissioners of the vote for Chair and Vice Chair scheduled during the first meeting of 2025.

<b>NEXT MEETING</b> January 15, 2025. (No meeting and Vice Chair on 1/15/2025)	ing on January 1, 2025; vote for '25 Chair			
ADJOURNMENT Meeting adjourned at 8:05 p.m.				
Robert Estrada, Chair	Karen Devereaux, Clerk			

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### PLANNING COMMISSION 2025 ANNUAL WORK PLAN AND MEETING SCHEDULE

#### Members (Chair TBD 1/15/25):

Phillip Combs Robert Estrada Mark Herr Linn Larsen Philip Lindholm Ellen Talbo Sharon Wallace

City Council Liaison: TBD

### **City Staff Support:**

Tiffany Speir, Planning Division Manager Karen Devereaux, Administrative Assistant

#### **Meeting Schedule:**

First and third Wednesdays at 6:30 PM; occasional special meetings

2025 Planning Commission Work Plan:

Work Plan Topic	<b>]</b> st	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
	Qtr	Qtr	Qtr	Qtr
Election of 2025 Chair and Vice-Chair	Х			
Review of 2025 Planning Commission Work Plan	X			
Review of City Council 2025-2026 Goals	Х			
Review of 2025 Annual Housing Action Plan	Х			
Shoreline Restoration Activities and Plan Review	Х			
Multi Family Tax Exemption (MFTE) Residential Target Area (RTA) Updates	Х			
Review and track implementation of Natural Environment & Climate Change Implementation Plan and Work Plan	Х	Х	Х	Х
Review 9 amendments for 2025 Comprehensive Plan Amendment Cycle	Х	Х		
Review 2025-2030 6-Year Transportation Improvement Program (TIP)		X		
Review of Climate Change Annual Report			Х	Χ
Review amendments for HB 1181 Climate Change & Resiliency Part II (add Greenhouse Gas (GHG) and climate resiliency sub-elements to Energy & Climate Change Element. Update Land Use Element to: include green spaces, urban & community forests; give special consideration to achieving environmental justice in goals and policies; and reduce and mitigate the risk to lives and property posed by wildfires by using land use planning tools.)			X	X
2025 development regulation amendment package			X	X

#### **Role of the Planning Commission:**

The role of the Planning Commission is to assist the City Council in the following areas:

#### **General Planning Issues:**

- Review and provide recommendation to the City Council on the Draft CDBG 5-Year Consolidated Plan and Annual Action Plan;
- Receipt of Annual Housing Report;
- Assists City personnel in preparing and updating a Comprehensive Plan for the City in accordance with state law to be submitted to the City Council for consideration of adoption;
- Recommends new and amended land use and zoning regulations and other development regulations as deemed necessary and/or appropriate;
- Act as the research and fact finding agency of the City in regard to land uses, housing, capital facilities, utilities, transportation, and in regard to classification of lands as agriculture, forest, mineral lands, critical areas, wetlands and geologically hazardous areas;
- Undertakes surveys, analyses, research and reports as may be generally authorized or requested by the City Council;
- Cooperates with planning agencies of other cities and counties, to include regional planning agencies, in furtherance of such research and planning; and
- Annually provides to the City Council a report on progress made in implementing the goals and requirements of State law and on the status of land use policies and procedures within the city.

#### **Redevelopment:**

- Facilitate cooperation and coordination between various business groups and impacted neighborhoods on business issues;
- Facilitate the formation of specific neighborhood commercial business groups to assist in the enhancement of various existing commercial areas, aid in stabilizing and retaining commercial enterprises within these areas to maintain viability as a commercial area, and help in identifying specific needs of businesses within various commercial areas;
- Make recommendations to the City Council and to City staff for programs in which the City could or should participate to enhance commercial development opportunities in the City, which programs may be in cooperation with any appropriate private, public, civic or community agency, group or association of or in the City, county, state or federal government;
- Recommend ways and means of obtaining private, local, county, state or federal funds and other participation for the promotion of business development projects within the City, especially those of an incubator type;
- Work with City of Lakewood staff, City Council, task forces and other City/community based groups, as directed by the City Council, on relevant issues and projects; and
- Assist in data base development for the creation and maintenance of a community profile.

#### **Transportation:**

- Facilitate cooperation and coordination with the Planning & Public Works
  Department of the City on street, public works and transportation and
  infrastructure related projects and plans;
- Identify, evaluate and recommend to the City Council, City Manager and/or City staff policies and projects for the City, annual update of its Six-Year Transportation Plan, and for other transportation and infrastructure planning purpose of the City;
- Recommend ways and means of obtaining private, local county, state or federal funds for promotion of transportation and infrastructure facilities of the City;
- Advise the City Council on acquisition, replacement and maintenance of transportation and infrastructure facilities of the City;
- Advise the City as to the manner that public information on street related projects can best be disseminated, given the nature and/or scope of the projects;
   and
- Advise the City Council regarding transportation related facilities, needs and programs of the City, as may be referred by the City Council.



**TO:** Lakewood Planning Commission

FROM: Jeff Rimack, Director, Planning and Public Works, and

Becky Newton, Economic Development Manager

**DATE:** January 15, 2025

**SUBJECT:** Multifamily Tax Exemption (MFTE) Program

Residential Target Area (RTA) Review and Code

Amendments

#### **Summary:**

City Council reviewed the Multifamily Tax Exemption (MFTE) Program Residential Target Areas (RTAs) for potential expansion on October 14, 2024. On October 21, 2024 a motion was approved directing the consideration of Residential Target Area (RTA) expansion in the Central Business District/Downtown Subarea and Springbrook, as well as the consideration to add RTAs in the Oakbrook and Tillicum areas.

City Council express interest in amending LMC 3.64.020(G) to allow for a 12-year MFTE property tax exemption extension in the Central Business District outside of the Tax Increment Finance (TIF) area.

Staff was directed to review these items with the Planning Commission, to include a Public Hearing. Planning Commission is to then provide their recommendations to City Council for review beginning on March 17, 2025. Staff is presenting one additional code amendment for process improvement.

A discussion of the MFTE program, RTA expansion potential, and code amendments will be reviewed at the meeting.

**Attached:** PowerPoint

# Multifamily Tax Exemption Economic Development



### Planning Commission

**January 15, 2025** 

# Multifamily Tax Exemption Review

City Council Recommendations to Planning Commission

- 1. Review of the follow areas where zoning allows for the incentive: Central Business District, Oakbrook, Springbrook, and Tillicum;
- 2. Amend LMC 3.64.020(G) to allow for a 12-year MFTE property tax exemption extension within the Central Business District RTA for properties outside of the Tax Increment Finance area; and
- 3. Review of the MFTE RTAs to include a Public Hearing and provide their recommendation.



# MFTE's Purpose, Intent, and Incentives

### **Purpose and Intent**

- A significant economic development tool to promote investment, recovery, and create family-wage jobs.
- Achieve development densities that are more conducive to transit use.
- Encourage additional housing of all types, including permanently affordable housing and market-rate housing.
- Stimulate new construction or rehabilitation of vacant and underutilized buildings for multifamily housing.

### **Incentives**

While MFTE provides an exemption for market rate new or rehabilitated housing it provides additional incentives for Affordability.

Exemption from Property tax (new or rehabilitated housing only)

- 8 years market rate
- 12 years if 20% affordable



# Lakewood's Program

### What are the minimum requirements?

- Location: Must be located within a residential target area;
- Size: The project must include a minimum of 15 units of multifamily housing;
- Permanent Residential Occupancy: At least 50 percent of the space designated for multifamily housing must be provided for permanent residential occupancy;
- Proposed Completion Date: New construction multifamily housing and rehabilitation improvements must be scheduled to be completed within three years from the date of approval of the application;
- **Compliance:** The project must comply with the City's comprehensive plan, building, housing, and zoning codes.



# Residential Target Areas (RTAs)

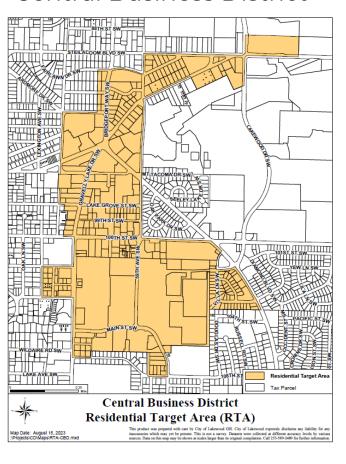
Following a public hearing, the City Council may, in its sole discretion, designate one or more residential target areas (RTAs). Each designated RTA must meet the following criteria, as determined by the City Council:

- 1. The target area lacks sufficient available, desirable, and convenient residential housing to meet the needs of the public who would likely live in the residential target area, if desirable, attractive, and livable places were available; and
- 2. The providing of additional housing opportunity in the target area will assist in achieving the following purposes:
  - a. Encourage increased residential opportunities within the target area; or
  - b. Stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

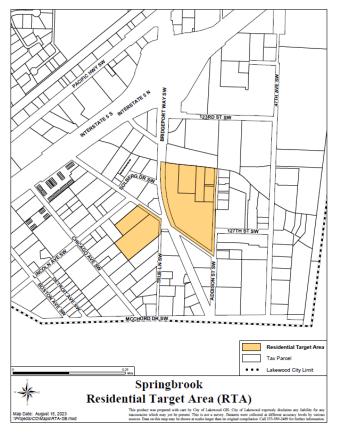


# Residential Target Areas (RTAs)

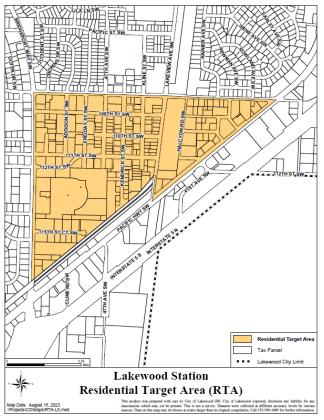
### Central Business District



### Springbrook



### Lakewood Station District





### What does "affordable" mean?

MFTE Program Income Eligibility			
Family Size	Extremely-low Income (30 % income limit)	Low-Income (50% income limit)	Moderate-Income (80% income limit)
1	\$24,350	\$40,550	\$64,900
2	\$27,800	\$46,350	\$74,150
3	\$31,300	\$52,150	\$83,400
4	\$34,750	\$57,900	\$92,650
5	\$37,550	\$62,550	\$100,100
6	\$41,960	\$67,200	\$107,500
7	\$47,340	\$71,800	\$114,900
8	\$52,720	\$76,450	\$122,300

Under state law, MFTE does not require the construction of extremely-low income housing units, only low-income and moderate-income. Extremely-low income data is shown for comparative purposes only.

Income limits effective June 15, 2024.



# **Lakewood Projects**

Approved ApproveDapped Approved ApproveDapped ApproveDapped ApproveDapped ApproveDapped Appro				
Project Name	Location	Exemption, no. of years	CC approval year	Units
Oak Grove Village	4724 Steilacoom	10	2006	254
Gravelly Townhomes	8911 & 8919 Gravelly	10	2006	28
Springbrook Apartments*	12632 Bridgeport Way SW	8	2016	219
Rainier Terrace*	4108 and 4110 108th St SW	8	2016	11
Town View Apartments*	5915, 5909 & 5903 Lake Grove	8	2017	30
Lake Grove Apartments (60-units)	5944 Lake Grove St SW	12	Not approved	0
Toto Townhomes	4606 108th St SW (not built yet)	12	2021	50
112th Street Townhouses*	4812 112th Street SW	8	2021	15
Bristol Apartments	9615 Bristol Ave SW (under construction)	8	2022	7
Subtotal		Pending		614
Alliance Residential	5731 Main St SW	Unknown	TBD	390
Springbrook II	12527 Bridgeport	8	TBD	67
Subtotal Grand total		18 of 30		457 1,072



# **Application Process**

File with the Planning and Public Works Department the required application to include:

- 1. Preliminary floor and site plans;
- 2. A statement acknowledging the potential tax liability when the project ceases to be eligible;
- 3. For rehabilitation projects, an affidavit stating was sent a 120 calendar day notice and that each household was provided housing of comparable size, quality, and price; Also, secure from the City verification of the property's noncompliance with Chapter 15.05 LMC;
- 4. Verification by oath or affirmation of the information submitted.



### **Approval Process**

The application must be reviewed and either approved or denied by the Planning and Public Works Director within 90 days. If the project is denied, the Director shall provide in writing the reasons for the denial.

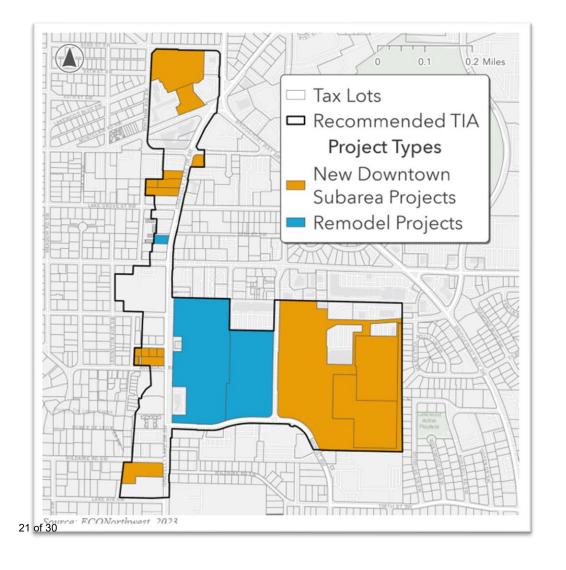
If approved, a Conditional Certificate and Agreement are signed by the City and applicant. A Final Certificate is issued upon Certificate of Occupancy, and compliance with the Agreement.

The City then provides required documentation, along with a check for the fee to Pierce County. Property tax exemption begin the following year.



### **Proposed Code Amendment**

3.64.020(G) Extension for Projects Receiving an Initial Eight-Year or 12-Year Exemption. Any project in the Central Business District outside of the Tax Increment Area, Lakewood Station District and Springbrook Residential Target Areas receiving an eight- or 12-year extension may apply for a subsequent 12-year extension in exchange for continued or increased income restrictions on affordable units.





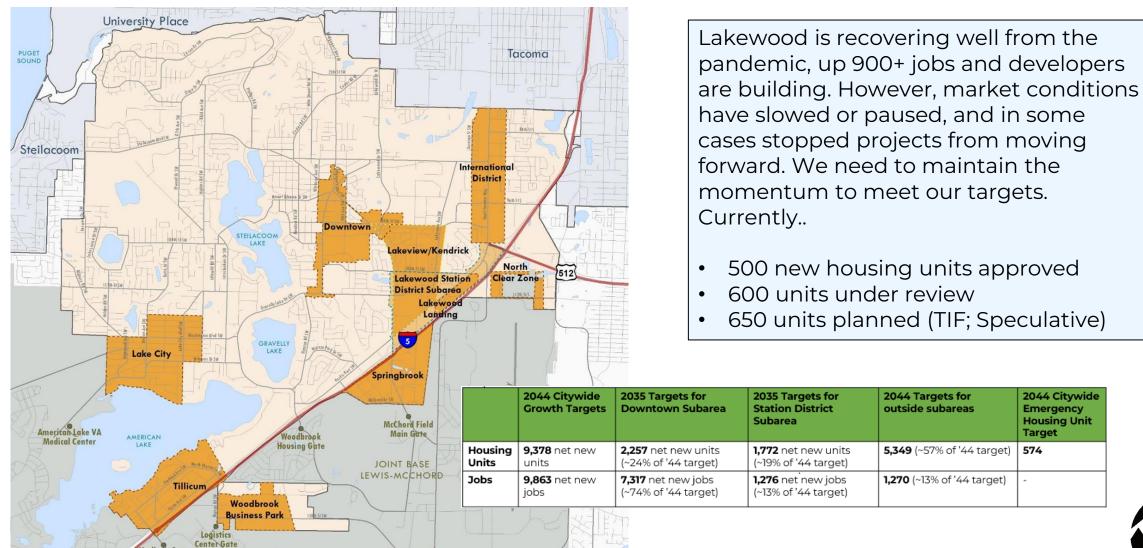
### **Proposed Code Amendment**

### Staff recommended:

- H. *Application Procedure*. A property owner who wishes to propose a project for a tax exemption shall complete the following procedures:
- 1. File with the Department of Planning and Public Works (PPW) the required application along with the required fees as set in the Lakewood Master Fee Schedule (adopted annually by resolution). The application shall be filed after land use permitting is complete or prior to building permit issuance if no land use action is required. Conditional agreements shall be fully executed prior to issuance of building final certificate of occupancy. If the application shall result in a denial by the City, the City will retain that portion of the fee attributable to its own administrative costs and refund the balance to the applicant.

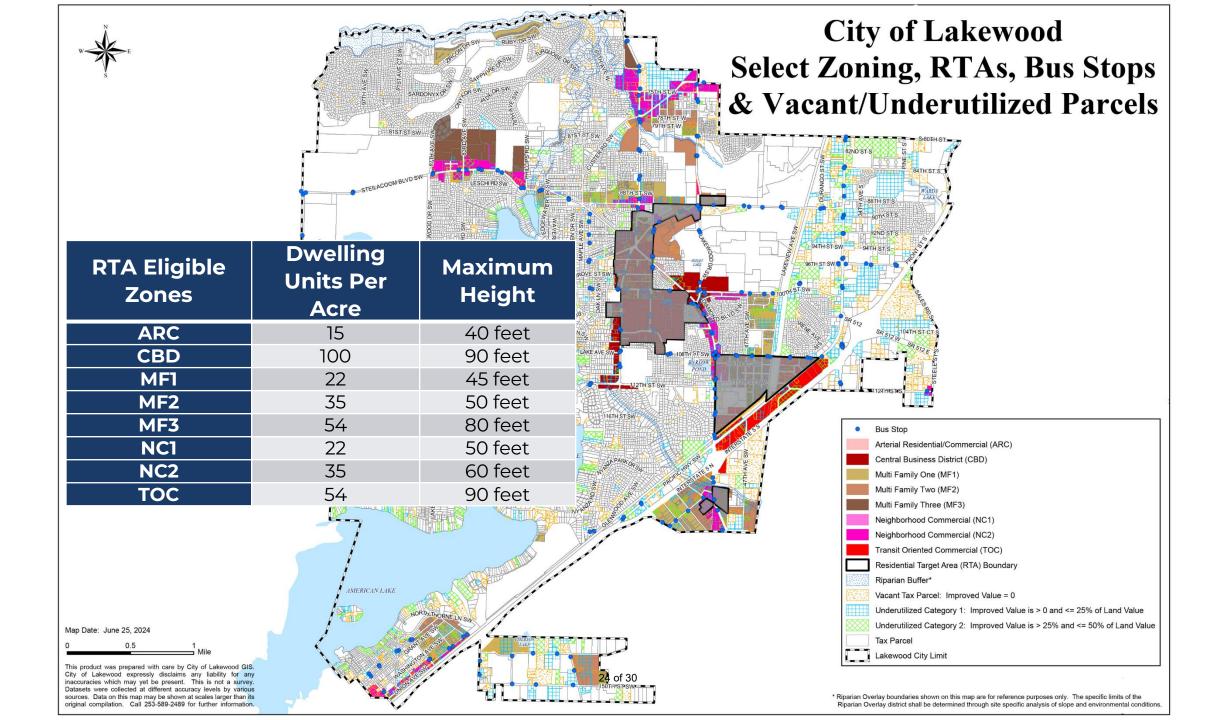


# **Target Area Development**

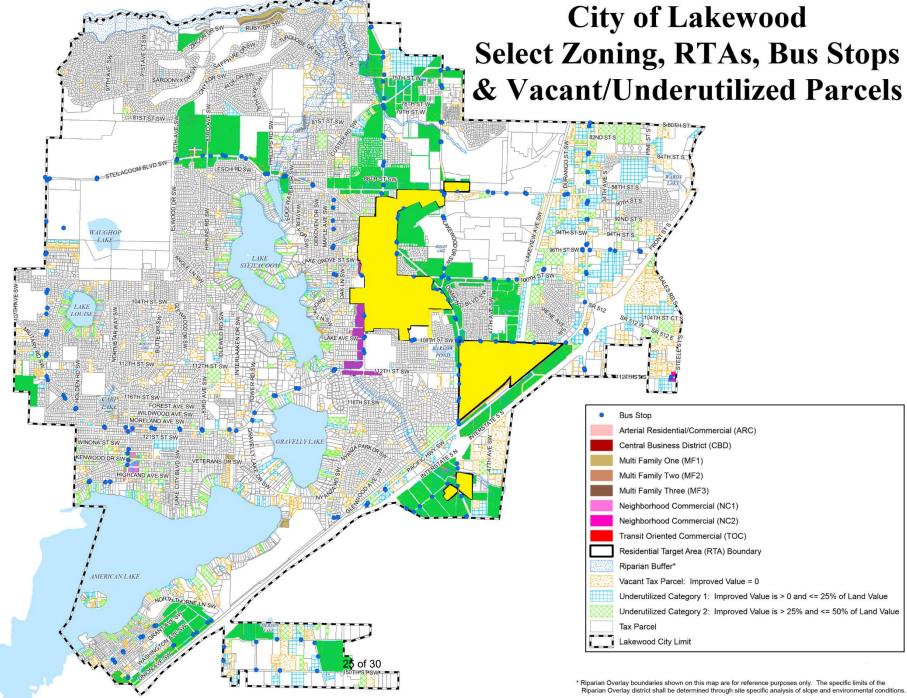


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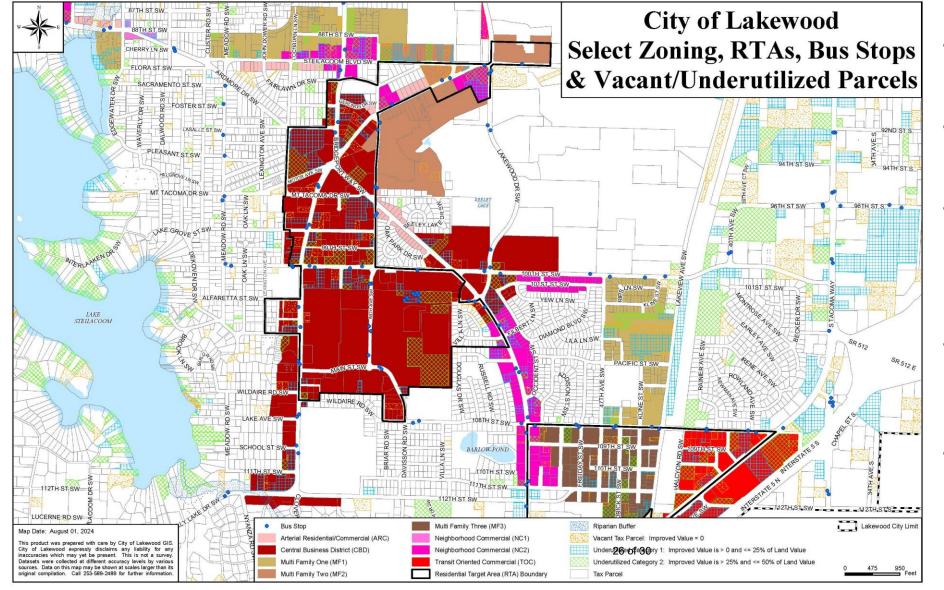


Map Date: June 25, 2024

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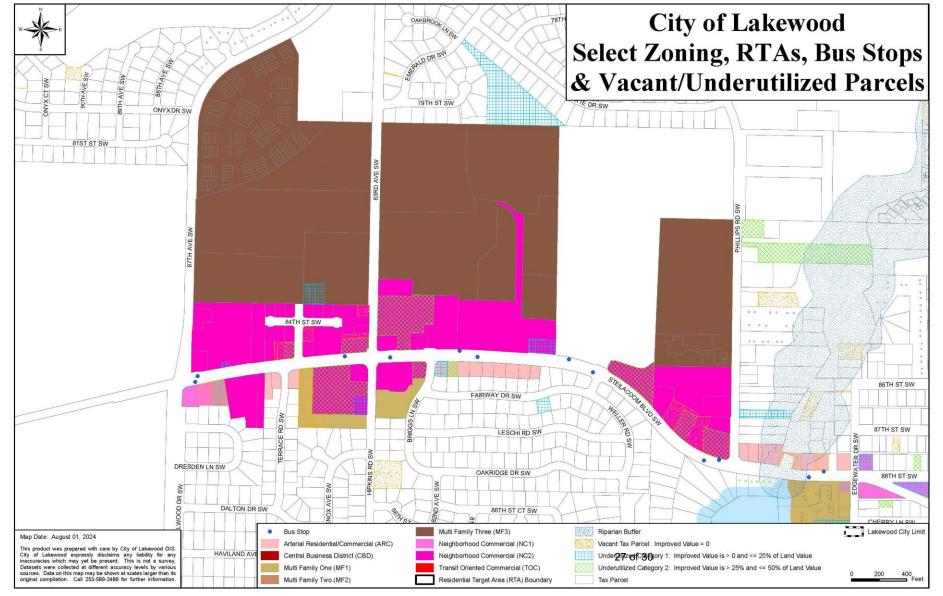
This product was prepared with care by City of Lakewood GIS. City of Lakewood expressly disclaims any liability for any inaccuracies which may yet be present. This is not a survey. Datasets were collected at different accuracy levels by various sources. Data on this map may be shown at scales larger than its original compilation. Call 253-589-2489 for further information.

## Consideration by Area, CBD & Surrounding



- CBD Primary
   Density Target Area
- Under-Utilized (UU) along Steilacoom
- UU NC2, MF1, MF3, and along GLD (originally proposed expansion area)
- Lacks sufficient housing to meet growth targets
- Meets Intent and Standard

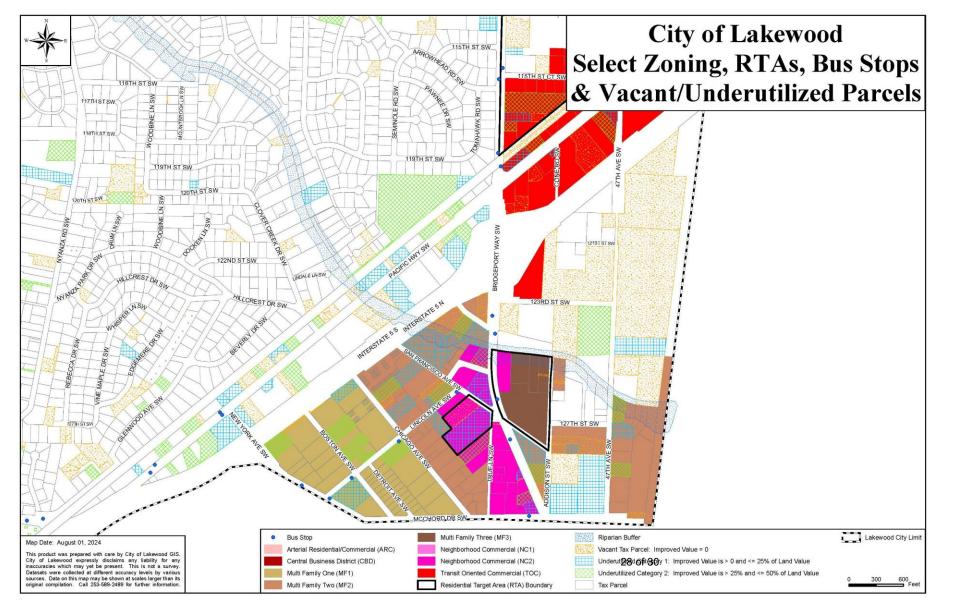
# Consideration by Area – Oakbrook



- Older shopping center ripe for redevelopment
- UU NC2
- Large Multifamily Fully Utilized
- Meets Intent and Standards



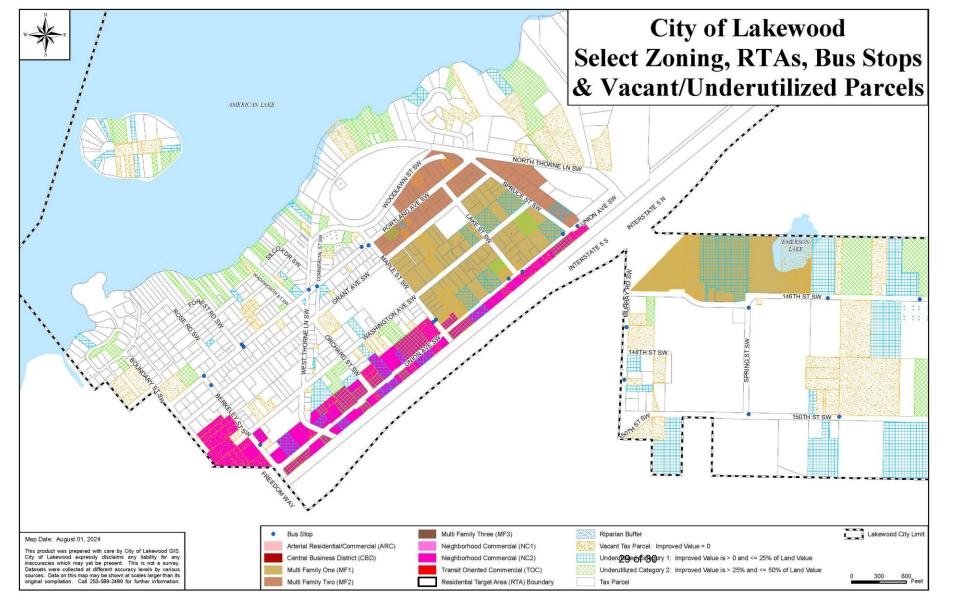
# Consideration by Area – Springbrook



- Flood Zone
- UU NC2, MF1, MF2
- Low Median Income Area
- Consideration of displacement
- Meets Intent for Standards



# **Consideration by Area – Tillicum**



- Unique mix of residents, services, and high potential for creating a vibrant village
- Opportunity to address other goods and services needs (i.e. grocery)
- UU NC2, MF1, MF2
- Low Median Income Area
- Meets Intent for Standards

### **RTA Potential Recommendations**

Area	Positive	Neutral	Caution	Recommended Consideration
CBD	-Primary Density Area -Regional Growth Center -Comp Plan Priority		Resident concern regarding development along Gravelly Lake Drive	RECOMMEND: Expand along Gravelly Lake Drive;  CONSIDER: NC2 & MF2 expansion along Steilacoom and NC2 along Bridgeport
Oakbrook	-Ripe for Redevelopment -UU NC2 Potential		Potential commercial displacement	CONSIDER: NC2 RTA
Springbrook	Small NC2 expansion area possible	Walkshed	-Displacement -Flood Plain	CONSIDER: NC2 RTA Expansion between Bridgeport & San Francisco & West of True Ln
Tillicum	High potential for vibrant village	Sewer extension will be required w/in MF area	-Displacement/MHP -40% poverty/low HH income	CONSIDER: RTA NC2 NW of Union and MF areas

