

City of Lakewood

Analysis of Impediments to Fair Housing Choice 2015 Update



December 2015

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SUMMARY OF APPROACH, CONCLUSIONS AND RECOMMENDATIONS

Introduction

Lakewood was fairly recently incorporated (1996), having grown around numerous lakes which have historically been a draw for recreation as well as residential development for military personnel and retirees and people commuting to jobs elsewhere in Puget Sound. The City has focused on transformation from its start as a bedroom community to a city that is diversified and self-contained economically. Essential infrastructure to encourage both commercial and residential development includes basic and expensive elements – extending sewers and building roads into areas not previously serviced. Major investments have been made in Tillicum and Woodbrook, and along transportation corridors. Essential to both economic development and increasing opportunities for residents is removal or redevelopment of blighted or underutilized properties. Revitalization and redevelopment in the near future will focus on the Central Business District, the South Tacoma Way and Pacific Highway Corridors; Springbrook; Tillicum/Woodbrook; Lakeview (Lakewood Station District); and, Lake City.

Update Methodology

This report is an update of the Analysis of Impediments to Fair Housing conducted in 2010, incorporating more recent information on known impediments as well as current demographic, economic and housing data. The City of Lakewood, as part of the HOME Consortium with the City of Tacoma, recently completed a Consolidated Plan for Housing and Community Development covering the 5-year period from 2015 through 2019. The Consolidated Plan was prepared in the new HUD-required format and successfully submitted electronically in the Integrated Disbursement and Information System (IDIS).

Consolidated Plan development included outreach, interviews and data collection pertinent to fair housing as well issues in other areas required by the Consolidated Plan. That information is incorporated in this 2015 update of the Analysis of Impediments. Outreach included that to housing providers and advocates, human services providers and consumers, City staff, meetings with neighborhood organizations, discussions with housing authorities, and outreach to advocates for persons in classes protected by Fair Housing laws.

Requirements of the Analysis of Impediments

Jurisdictions receiving grant funds from the U.S. Department of Housing and Urban Development (HUD) are required to certify to the federal government that they are affirmatively furthering fair housing. The jurisdiction must:

- Conduct an Analysis of Impediments to Fair Housing
- Take appropriate action to overcome the effects of impediments identified through that analysis
- Maintain records reflecting the analysis and actions

Under the Consolidated Plan, HUD-funded recipients are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons

- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities
- Comply with non-discrimination requirements of the Fair Housing Act

HUD defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice, or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

Affordable Housing and Fair Housing Overlapping Sectors

The availability of affordable, good quality, appropriate housing in all neighborhoods, for all residents is a critical underlayment in any community. Absence of appropriate affordable housing choices puts the most vulnerable populations – many of whom are among the classes protected by fair housing laws – at risk. They face reduced housing choice and reduced access to opportunities.

Housing policies, including those contained in zoning and land use plans, impact the availability and location of housing and, therefore, equal access to opportunities, including quality schools, employment, services, recreation, shopping, cultural outlets, safety and stability, transportation, walkable neighborhoods – all the things valued in communities. Increasing affordable housing choices and access to opportunities in all neighborhoods and eliminating discrimination in housing go hand in hand.

Affirmatively Furthering Fair Housing (AFFH)

The connection between housing and opportunities will be reflected in the new HUD requirement for fair housing analyses and planning. The City of Lakewood recognizes that significant changes will take place with the next Consolidated Plan (2020-2024) at which time the new requirements under Affirmatively Furthering Fair Housing will be in place. Notable in the new approach is an increased emphasis on furthering fair housing and related benefits, including:

- Reducing segregation (racial, geographic and economic)
- Eliminating racially and ethnically concentrated areas of poverty
- Increasing equal access to community assets
- Reducing factors that contribute to disproportionate housing problems for protected classes, including persons with disabilities

The AFFH process will rely on HUD-supplied standard data and be integrated with the process for developing Consolidated Plans. As with the current Analysis of Impediments to Fair Housing (AI), the AFFH will include analyses of discrimination findings, but, importantly, will also require jurisdictions to consider the range and location of housing in their communities and opportunities available to

residents. The new approach is further strengthened by an emphasis on regional plans and regional strategies. This reduces duplication of effort and maximizes resources to achieve common goals.

Summary of Conclusions and Recommendations 2015 Update of Analysis of Impediments

Two areas of impediments to fair housing were identified in this update, with recommendations for actions the City can take toward reducing impediments and increasing opportunities. This also recognizes that the new approach to Affirmatively Furthering Fair Housing will provide new tools and encourage regional analyses and strategies for greater benefit and impact than can be achieved by individual jurisdictions acting alone.

The current update of the Analysis of Impediments to Fair Housing for the City of Lakewood recommends continuing with the policies and strategies in earlier plans.

Impediment area 1: Lack of awareness of rights and responsibilities concerning fair housing may contribute to unfair or unequal treatment.

Recommendation 1: The City should continue to take a strong position on bringing the discussion of fair housing forward on many fronts, making the expectation of fair housing the rule on the part of all partners – the public, housing providers, realtors, lenders, government departments and policy makers. The City should continue to work with regional partners to strengthen the system of support for vulnerable populations, including persons with disabilities, and other protected classes. The City should participate in regional efforts to publicize investigations and enforcement activities that promote and advance fair housing knowledge and compliance.

Impediment area 2: There is insufficient choice of suitably located safe, affordable, quality housing for Lakewood residents.

Recommendation 2: The City should continue to expand the supply of safe, affordable housing suitably located throughout neighborhoods. Actions that would contribute to meeting this need include working alone and with partners to improve existing housing, to provide additional housing choices, to increase access to housing, and to improve accessibility for persons with disabilities. Actions may also include removal of blight, provision of infrastructure, and increasing access to transportation. Most of the actions that would relieve unmet demand for affordable, quality housing are necessarily part of a long-term, coordinated approach.

FAIR HOUSING LAWS

Federal Laws

Title VIII of the Civil Rights Act of 1968, as amended (Fair Housing Act), prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on:

- Race or color
- National origin
- Religion
- Sex
- Familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under age 18)
- Handicap (disability)

The Fair Housing Act covers most housing.¹ In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

In the **sale and rental of housing**: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In **mortgage lending**: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or handicap (disability):

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

In addition, it is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory

¹ This discussion is taken directly from the HUD publication in 2002, *Fair Housing: Equal Opportunity for All*. (www.hud.gov/fairhousing)

advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional protections for **persons with disabilities**: The landlord may not refuse to allow:

- Reasonable modifications to the dwelling or common use areas, at the tenant's expense and where the unit can be restored to the original condition, or
- Reasonable accommodations in rules, policies, practices or services, if necessary for the disabled person to use the property.

Buildings constructed after March 1991 are subject to accommodation requirements, depending on the number of units and presence of an elevator.

Familial status is protected unless the building or community qualifies as housing for older persons, that is:

- It is specifically designed for and occupied by elderly persons under a federal, state or local government program
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

The U.S. Department of Housing and Urban Development (HUD) has been given the authority and responsibility for administering this law. This authority includes handling of complaints, engaging in conciliation, monitoring conciliation, protecting individual's rights regarding public disclosure of information, authorizing prompt judicial action when necessary, and referring to the State or local proceedings whenever a complaint alleges a discriminatory housing practice.

State Law

Washington State has adopted a fair housing law, which is substantially equivalent to federal law and extends protection to the same populations. In addition it extends protection on the basis of marital status, sexual orientation (2006 addition), and military or veteran status (honorable discharge) (2007 addition).

Chapter 49.60 RCW is a state law that prohibits discriminatory practices in the areas of employment, places of public resort, accommodation, or amusement, in real estate transactions, and credit and insurance transactions on the basis of race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability; and prohibits retaliation against persons who oppose a discriminatory practice, and those who file health care and state employee whistleblower complaints. (www.hum.wa.gov)

The Washington State Human Rights Commission has a cooperative agreement with the Department of Housing and Urban Development to process and investigate dual-filed housing complaints for which the Commission receives funding under the Fair Housing Assistance Program (FHAP). Most of the Commission’s housing cases are dual-filed with HUD – the exceptions are cases covered under State but not covered under federal law.

In addition to the Washington State Human Rights Commission, other jurisdictions in King and Pierce County have protections in law mirroring federal protections and some, going beyond, including the Tacoma Human Right Commission. Table 1 draws on information presented in the *Fair Housing Equity Assessment for the Central Puget Sound Region* prepared by the Fair Housing Center of Washington for the Puget Sound Regional Council under a federal grant to promote Sustainable Communities. This represents a coming together of federal agencies (HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency) to integrate planning policies and actions to increase opportunities (economic, transportation, and housing) and sustain and improve communities.

Table 1: Protected Classes in the Puget Sound Region by Jurisdiction/Enforcement Agency

Basis	Federal HUD	State WSHRC	Tacoma THRC	King County KCOCR	Seattle SOCR
Race	✓	✓	✓	✓	✓
Color	✓	✓	✓	✓	✓
Religion	✓	✓	✓	✓	✓
National Origin	✓	✓	✓	✓	✓
Sex	✓	✓	✓	✓	✓
Gender identity	✓	✓	✓	✓	✓
Sexual orientation	✓	✓	✓	✓	✓
Familial status/parental status	✓	✓	✓	✓	✓
Handicap/disability	✓	✓	✓	✓	✓
Creed		✓			✓
Marital status		✓	✓	✓	✓
Veteran or military status		✓	✓		✓
Age			✓	✓	✓
Section 8 recipient				✓	✓
Ancestry			✓	✓	
Political ideology					✓

Notes: Sexual orientation and gender identity are not specifically stated in federal law, but are included in HUD policy as of 2010. Agencies referenced are Housing and Urban Development (HUD), Washington State Human Rights Commission (WSHRC), Tacoma Human Rights Commission (THRC), King County Office of Civil Rights (KCOCR), and the Seattle Office of Civil Rights (SOCR).

Source: *Fair Housing Equity Assessment for the Central Puget Sound Region* prepared by the Fair Housing Center of Washington for the Puget Sound Regional Council (PSRC).

COMMUNITY PROFILE

Population

The population in Lakewood was steady between 2000 and 2010. Most of the growth in Pierce County was outside the cities of Tacoma and Lakewood.

Table 2: Population 1990-2014

Location	Year			Change 2000-2010	2014 Estimate
	1990	2000	2010		
Lakewood	58,412	58,211	58,163	0%	58,360
Tacoma	176,664	193,556	198,397	3%	200,900
Pierce County	586,203	700,820	795,225	13%	821,300
Washington	4,866,659	5,894,121	6,724,540	14%	6,968,170

Source: US Census; OFM population estimates

The median age of the population in the United States is increasing, a trend mirrored in Washington and in Pierce County. The observed increase in age over the last two decades is in part due to the aging of the baby boomers (those born between 1946 and 1964) and a longer life expectancy now generally enjoyed. The median age in Lakewood was slightly lower than in Washington –36.6 in Lakewood compared to 37.2 in Washington.

Table 3: Median Age 2000-2010

Location	Year		
	1990	2000	2010
Lakewood		35.0	36.6
Tacoma	31.8	33.9	35.1
Pierce County	31.3	34.1	35.9
Washington	33.1	35.3	37.2
United States	32.9	35.3	37.2

Source: US Census

As of the 2010 census, 14% of Lakewood’s population was age 65 or older, which is not unexpected given that Lakewood has been a retirement location choice for many, including military retirees. By 2040, Washington OFM forecasts place the percentage of people age 65 and older in both Pierce County and Washington at 21% of the population.

A growing elderly population requires planning for housing, transportation and services. Older residents are more likely to be isolated or homebound and in need of additional support to live safely in their homes whether in homes they own or rent. Planning for the needs of an aging population is consistent with planning benefitting the whole community – diverse housing types and locations, transportation alternatives, and ready availability of goods and services. A 2006 national study framed the question about preparedness for aging and their caregivers as “whether cities and counties can ensure their communities are ‘livable; for all ages – not only good places to grow up, but good places to grow old.”²

Life expectancy has not historically been equal for men and women. Looking at 2010 census data, the median age for males was lower (35.5 years) than for women (37.8 years). Of the population between

² 2010-2011 Update to the Area Plan (Draft), Pierce County Human Services, Aging and Long Term Care.

the age of 65 and 69 in 2010, 52% was female. Reflecting an unequal survival by gender, 63% of the population age 85 and above was female.

The elderly are vulnerable on several fronts. Many have reduced income with retirement – surviving spouses even more so. Isolation is a concern and often undetected. Access to amenities and services is more difficult and made more so because many seniors should not or cannot drive. There is an increased burden on the system of services, on family and on friends for caregiving. Many seniors live alone – 10% of all households in both Tacoma and Lakewood were single individuals 65 or older (2010 census) and more than twice as many women than men.

Race and Ethnicity

Lakewood and Tacoma are diverse cities, substantially more so than Pierce County and Washington. The largest racial minority (single race) in the 2010 census was Black or African American in both cities, followed by Asian. In terms of ethnicity, 15% of the population in Lakewood identified themselves as Hispanic. Combining race and ethnicity so that “racial and ethnic minority” is defined as Hispanic and/or a race other than white alone (single race), 46% of the population in Lakewood (as of the 2010 census) was minority. This definition was used in determining disproportionate concentrations of minority populations.

Table 4: Race and Ethnicity 2010

Race/Ethnicity Classification	Lakewood	Tacoma	County	Washington
Race*				
White	59%	65%	74%	77%
Black/African American	12%	11%	7%	4%
AK Native/American Indian	1%	2%	1%	2%
Asian	9%	8%	6%	7%
Other race alone**	10%	6%	5%	6%
Two or more races	9%	8%	7%	5%
Ethnicity***				
Hispanic	15%	11%	9%	11%
Non-Hispanic	85%	89%	91%	89%
Race/ethnicity combined				
Minority****	46%	40%	30%	27%
Non-Hispanic white alone	54%	60%	70%	73%

*Race alone; may be Hispanic, **Includes Native Hawaiian and other Pacific Islander,

***May be of any race

****Hispanic and/or race other than white alone

Source: 2010 US Census

Disproportionate Concentrations of Minority Populations (NA30)

Defining “minority” as Hispanic and/or race other than white alone, 46% of the population in Lakewood and 40% of the population in Tacoma in 2010 was minority. Areas of disproportionate concentration are those in which there is a greater than 10% difference than the jurisdiction as a whole. Block groups in Lakewood in which 57% or more of the population was minority were considered to have disproportionate concentrations. That was the case in ten block groups. Most block groups with

disproportionate concentrations of minority populations in Lakewood were found along the Pacific Highway. This included most of the Pacific Neighborhood, a portion of the Lakeview Neighborhood between Lakeview Avenue and Bridgeport Way SW, and sections of the Northeast Lakewood Neighborhood. In relation to the total population of Lakewood, 21% live in block groups that have a disproportionate share of minority population.

Households

There are fewer family households and more nonfamily (relative to total households) in Lakewood compared to all of Pierce County and Washington. Almost one-third of households in Lakewood are people living alone, and 10% of all households are single persons aged 65 and older.

Table 5: Households 2010

Type of Household	Lakewood		Tacoma		County		Washington	
	Number	%	Number	%	Number	%	Number	%
Total households	24,069		78,541		299,918		2,620,076	
Family households	14,412	60%	45,716	58%	202,174	67%	1,687,455	64%
With own children <18	6,396	27%	21,417	27%	95,397	32%	762,444	29%
Male householder*	1,330	6%	4,421	6%	16,255	5%	124,402	5%
With own children <18	675	3%	2,239	3%	8,834	3%	65,903	3%
Female householder*	3,626	15%	11,587	15%	39,034	13%	274,204	10%
With own children <18	2,281	9%	6,848	9%	23,905	8%	162,000	6%
Nonfamily households	9,657	40%	32,825	42%	97,744	33%	932,621	36%
Householder living alone	7,784	32%	25,354	32%	75,177	25%	711,619	27%
Male	3,677	15%	11,582	15%	34,710	12%	331,357	13%
65 and over	628	3%	2,187	3%	6,868	2%	68,342	3%
Female	4,107	17%	13,772	18%	40,467	13%	380,262	15%
65 and older	1,666	7%	5,314	7%	16,718	6%	159,455	6%
Average household size	2.36		2.44		2.59		2.51	

Notes: All percentages shown are of total households. Same sex couples without related children or other related family members are included in non-family households.

*No spouse present

Source: 2010 US Census

The number of children living with a single parent (without a spouse present) is not insignificant. The 2009-2013 American Community Survey estimated that in Lakewood 42% of children in households with their parents were living with a single parent, the majority of these with a single female parent (no spouse present). There were also children living with custodial grandparents, some single, not included in the estimates.

Populations with Special Needs

Persons with Mental or Physical Disabilities

The 2009-2013 ACS estimated that 16% of Lakewood's population between the ages of 18 and 64 had a disability, as did 5% of those under the age of 18.

Table 6: Populations with Disabilities

Age Group	Lakewood	Tacoma	County	Washington
Under 18	5%	5%	4%	4%
18 to 64	16%	12%	12%	10%
65 or older	40%	43%	38%	37%

Source: 2009-2013 American Community Survey

The Washington Department of Social and Health Services (DSHS) served 533 clients with developmental disabilities in Lakewood July 2012 and June 2013.³ While needs of persons with intellectual or developmental disabilities (I/DD) depend on the nature and extent of the disability, needs tend to be ongoing, met largely within the family (87% were living with parents or relatives⁴) and usually with inadequate additional public support. Family caregivers need support as well, including respite. That many caregivers are aging raises new concerns for the future. All of the challenges faced by other populations with special needs are more challenging, but not unsurmountable, for people with intellectual or developmental disabilities.

Steps must be taken to overcome underemployment (70% persons with I/DD unemployed and/or working for insufficient compensation), lack of income (SSI alone is meager as is the \$2,000 ceiling on savings), poor accessibility (to transportation, services, medical and dental care), and lack of appropriate affordable housing (a primary need for most). TACID (Tacoma Area Coalition of Individuals with Disabilities) has a strong focus on developing peer supports. The agency reports significant challenges in transportation, finding suitable and affordable housing, and employment with sufficient accommodations.

In a 2015 study by Mental Health America, Washington State was rated among the highest in prevalence of mental illness and the lowest access to care (these are related measures).⁵ Washington achieved an overall ranking of 48 (out of 51). Contributors to the development of the 2015-2019 Consolidated Plan consistently mentioned the need for crisis intervention, housing, and supportive services for persons with mental illness. Mental illness is a primary factor in homelessness, including homeless veterans. The Pierce County Health Department identified mental health as the number one priority.⁶ Among goals is increasing use of best practices for all ages, starting with youth, increasing behavioral health support particularly for those who are underserved, and increasing collaboration among partners.

In meetings with first responders, including police, emergency responders, fire, and code enforcement in Lakewood, unmet needs of persons with mental health problems were a priority. There is increased ability to evaluate mental problems for people on the street because of initiatives such as the mental health PATH teams working with homeless individuals and increased embedding mental health professionals with first responders.

³ (clientdata.rda.dshs.wa.gov)

⁴ Developmental Disabilities Administration, *2015 Advocate's Notebook – The Arc of Washington State*. (2014)

⁵ Mental Health America. (2015) *Parity or Disparity: The State of Mental Health in America*.

⁶ Tacoma-Pierce County Health Department. 2014 Pierce County Community Health Improvement Plan. (2014)

Domestic Violence

Data on the actual occurrence of domestic violence are remarkably limited. Certainly violence in the home and in relationships cuts across societal measures – income, occupation, race, and ethnicity. Statistics are limited to some extent by the sources of data. National crime databases show reported incidences, those to which police respond – both men and women can be charged in a single incidence.

The National Network to End Domestic Violence reports on violence from another perspective – those seeking help from agencies. This is a snapshot of the more vulnerable – those who experience barriers in escaping violence such as lack of income, lack of personal esteem, immigrant status, absence of family or peer support. In *2013 Domestic Violence Counts* that reports on the 24-hour count, the Network reported that 2,082 victims were served in Washington State in a single day. The Crystal Judson Center provided services to 2,255 unique clients in 2014 and answered another 3,800 calls to the hotline. YWCA Pierce County turned away 237 calls per month in 2014, although many were duplicated calls. The Point-in-Time count of homelessness in 2014 in Pierce County found 177 victims, all sheltered.

According to data compiled by the Washington State Coalition Against Domestic Violence, having limited options for economic stability can keep victims in relationships with violent abusers.⁷ Lack of affordable housing is key among the barriers to escaping abuse. Washington State tracks domestic violence-related deaths. In the 10-year period between 2004 and 2013, there were 87 such homicides in Pierce County and 26 abuser suicides.

The *City of Tacoma Domestic Violence Needs and Gaps Assessment*⁸ reported that domestic violence-related offenses for Pierce County and Tacoma were among the highest in Washington (over a 5-year period from 2004 and 2008). Results from a survey of providers showed that 22% of clients were undocumented and that a large number (estimate of 32%) had limited English. Most, but not all, were female (about 87% were). There were a disproportionate share of minority persons, according survey results – 61% were persons of color including African American and Hispanic.

Gaps in services interfere with victims making successful safe transitions from violence. That successful transition is met with multiple barriers – lack of affordable housing, lack of legal representation (including with family law), finding suitable employment, and recovering from abuse. While victims of domestic violence are protected from discrimination, the presence of protective orders alone can persuade landlords against renting. Many victims have mental health and/or substance abuse problems, lack basic training for jobs, cannot find childcare, and cannot afford transportation. Some victims who are immigrants are further victimized because documentation is tied to the abuser. LGBT victims are better served, but not perfectly. The system is designed for the mainstream population and transgender clients may have problems.

⁷ (wscadv2.org)

⁸ Marc Bolan Consulting, *City of Tacoma Domestic Violence Needs and Gaps Assessment*, prepared for the City of Tacoma Human Rights and Human Services Department. (2011)

Economy and Employment

Over the past two decades, the economic base in Pierce County has shifted along with that in the Puget Sound region. Manufacturing jobs, once the mainstay of good paying positions, have declined and are in line to be replaced with a stronger service and retail economy. Lakewood is looking for opportunities to expand economic opportunities. Industries employing the most civilians include education, services, and health care, followed by retail trade.

Joint Base Lewis-McChord is the single largest employer in Pierce County. Many of the jobs on base, however, are occupied by military dependents and not held by persons without a military attachment. There is concern about reduction in troops and, if that should occur, the effect on local employment is as yet unknown. Education, government and health care are clearly major employers in the County.

Commuting to Work

Puget Sound is a regional economy. People make choices about where to live and work based on several factors including jobs, the cost of housing, and the reasonableness of commuting. The average worker in Washington commutes about a half hour between home and work, which is true in Lakewood. Most of Lakewood residents who work commute to jobs outside of Lakewood – 73% work outside of the City. This is not surprising given Lakewood’s history as a largely residential community.

Table 7: Work Location

Travel Time	Lakewood	Tacoma	County	Washington
Work in place of residence*	27%	47%	22%	31%
Work outside place of residence	73%	53%	73%	53%
Not living in a place			5%	16%

*Place refers to an incorporated city or town or otherwise census-designated place.

Source: 2009-2013 American Community Survey

The cost of commuting to and from work has received increased attention in relation to housing cost. Money saved in housing is offset by the cost of commuting. One study⁹ determined that when housing and commute costs are combined, the combination of the two is considerably greater than 30% of income for working families. The study drew information from 28 metropolitan areas across the country. A typical household budget (for the combined 28 metropolitan areas sampled for the study) included 27% for housing and 20% for transportation – 47% combined. However, working families with incomes between \$20,000 and \$50,000 spent 58% of their earnings for the combination of transportation and housing, split about evenly between housing (28%) and transportation (30%).

Measures of Income

Median household and median family income in Lakewood were lower than in Pierce County and Washington. Median earnings for males working full-time, year-around was about 23% higher than that for female workers working full-time, year-around in Lakewood. This may be the result of occupations selected by or available to women based on training or preference. Median income from earnings for all

⁹ Lipman, Barbara. (2006). *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. Center for Housing Policy.

workers in Lakewood was \$27,588 – well below the median for full-time workers. This suggests that a substantial share of workers were employed part-time or for part of the year.

Table 8: Measures of Income Past 12 Months

Income Measures*	Lakewood	Tacoma	County	Washington
Median household	\$43,362	\$50,503	\$59,204	\$59,478
Median family	\$59,248	\$60,528	\$70,077	\$72,168
Median earnings male**	\$44,038	\$49,003	\$52,322	\$54,791
Median earnings female**	\$35,828	\$40,848	\$41,250	\$42,164
Median earnings workers	\$27,588	\$31,377	\$34,006	\$32,900
Per capita	\$26,117	\$26,147	\$28,223	\$30,742

*Income in the last 12 months; 2013 inflation-adjusted dollars
Source: 2009-2013 American Community Survey

Median household income was not the same for all households. Considering household income by race and ethnicity of the head of household, there are clear differences, even allowing for margins of error associated with sampling for the American Community Survey.

Table 9: Median Household Income by Race/Ethnicity of Householder*

Race/Ethnicity	Lakewood	Tacoma	County	Washington
White, non-Hispanic	\$49,511	\$54,113	\$62,457	\$62,101
Black/African American	\$37,538	\$38,298	\$43,206	\$41,325
Hispanic	\$35,270	\$41,718	\$45,763	\$42,320

*Income in the last 12 months; 2013 inflation-adjusted dollars; race is a single race; Hispanic may be of any race.
Source: 2009-2013 American Community Survey

Table 10: Range of Household Income Past 12 Months

Range*	Lakewood	Tacoma	County	Washington
Less than \$15,000	16%	13%	10%	10%
\$15,000 to \$24,999	13%	11%	9%	9%
\$25,000 to \$49,999	26%	25%	24%	23%
\$50,000 to \$74,999	18%	20%	20%	19%
\$75,000 to \$99,999	11%	12%	14%	14%
\$100,000 or more	15%	19%	24%	26%

*Income in the last 12 months; 2013 inflation-adjusted dollars
Source: 2009-2013 American Community Survey

Low-Moderate Income Areas

Low-moderate income block groups are those in which 51% or more of the population lives in households with incomes below 80% of Area Median Income (AMI). The latest HUD tabulations (2014 using 2006-2010 ACS data) showed 27 qualifying block groups in Lakewood. In Lakewood the qualifying areas are found primarily in Tillicum/Woodbrook, and north and south along I-5 in East Lakewood.

Poverty

Poverty is a measure of extremely low income and does not mean that people living above poverty have enough money to meet their needs. According to the U.S. Census Bureau, the poverty threshold in 2013 for a family of three with two related children under the age of 18 was \$18,769. For a single person under 65 years of age the threshold was \$12,119 and for a single person 65 and older \$11,173.

In Lakewood, 20% of the population lived in poverty. A greater share of children under the age of 18 lived in poverty than was true of the general population – 31% in Lakewood. Female householders (with no husband present) with children were often living in poverty (41% in Lakewood were) and those with very young children more so (63% in Lakewood were living in poverty). United Way of Pierce County conducted a number of “community conversations” in the summer of 2014.¹⁰ Overall results showed that people felt that poverty was the number one barrier for families.

Table 11: Percent of Population Living in Poverty in Past 12 Months

Population/Household	Lakewood	Tacoma	County	Washington
Individuals (all)	20%	18%	12%	13%
Under 18	31%	26%	17%	18%
18 and older	17%	16%	11%	12%
65 and older	10%	10%	7%	8%
Families	14%	13%	9%	9%
With related children <18	26%	21%	14%	15%
Female householder (family)*	33%	33%	26%	28%
With related children <18	41%	42%	32%	37%
With related children <5	63%	55%	44%	46%

*No husband present

Source: 2009-2013 American Community Survey

Housing

Number and Types of Housing Units

In Lakewood, 46% of housing consisted of single family detached units. Small multifamily units (from two to 19 units) accounted for about 33% of housing as of the 2009-2013 ACS. In terms of land use in Lakewood, areas of highest population density are located along I-5 and in north Lakewood in areas containing multifamily housing. Least populated areas are residential areas around the lakes in central Lakewood, which also correspond to the more affluent neighborhoods. Lakewood is the 18th most populated city in Washington (2014 OFM estimates) and is ranked 18th in terms of density (2,918 persons per square mile).

According to American Community Survey estimates (2009-2013), about 6% of housing in Lakewood was mobile homes. Mobile homes can be an affordable housing option for low income households; however, older poorly maintained units remain a problem. The deteriorating condition of mobile homes in Lakewood is a concern. Several of the parks are in areas zoned commercial, such as those along Pacific

¹⁰ United Way of Pierce County, *A Community Conversation*. (2014)

Highway Southwest. As property values increase, there will be corresponding pressure to consolidate properties and redevelop. The antiquated condition of many mobile homes will prevent relocation.

Table 12: Residential Properties

Property Type	Lakewood	Tacoma	County	Washington
Total units	26,627	87,107	331,861	
1-unit detached structure	46%	63%	65%	63%
1-unit attached structure	6%	3%	4%	4%
2-4 units	11%	8%	7%	6%
5-19 units	22%	13%	10%	10%
20 or more units	9%	13%	7%	9%
Mobile home, boat, RV, etc.*	6%	<1%	6%	7%

Source: OFM estimated total units (April 2014); 2009-2013 ACS (types of units)

As of May 2014, there were 323 units of multifamily housing and 109 single family units of planned development in Lakewood. The City is working with developers and builders to take advantage of land in Lakewood to provide infill throughout the City as well as developing in new areas where zoning allows. Toward this end, the City has identified unused or underutilized land in all neighborhoods. Not only does this provide needed housing but it is consistent with the policy of raising housing quality. There are several areas in Lakewood with rundown properties and with vacant or abandoned units. Where they exist, these conditions make the neighborhood unsafe and depress property values. Encouraging new development, including higher end development, can revitalize neighborhoods and contribute to the tax base and the overall economy as well as increasing opportunities.

Development is more than applications for building permits, to be sure. Consistent with the Washington State Growth Management Act policies, there must be a balance of residential concentrations and employment opportunities. The Pierce County Building Lands Report¹¹ indicates that the City of Tacoma is on target for projections on both residential and employment growth, but Lakewood lags in employment. The balance between jobs and housing and all that entails is an important consideration for both Cities as they strive to attract business and industry by providing infrastructure, develop the skills of the workforce, and bring residential densities close to opportunities.

Tenure

More than half (55%) of housing units in Lakewood were occupied by renters, which is high compared to Washington and Pierce County. While the majority of single family units were owner-occupied and the majority of multifamily units were renter-occupied, a large share of single family units were renter occupied. That was true of 26% of single family houses in Lakewood. The majority of mobile homes were owner-occupied, although ownership did not necessarily extend to the land or the lot.

¹¹ Pierce County Planning and Land Services, *Buildable Lands Report*. (2014)

Tenure in Lakewood varies considerably by race and ethnicity. While margins of error are high with American Community Survey estimates, data suggest that ownership among white householders may be twice the rate as ownership by Hispanic or black householders.

Table 13: Type of Occupied Units by Tenure

Property Type	Lakewood		Tacoma		County		Washington	
	Owners	Renters	Owners	Renters	Owners	Renters	Owners	Renters
All units	45%	55%	51%	49%	62%	38%	63%	37%
Single family*	74%	26%	74%	26%	79%	21%	81%	19%
2-4 units	5%	95%	9%	91%	9%	91%	12%	88%
5 or more units	4%	96%	5%	95%	5%	95%	11%	89%
Mobile homes, other	65%	35%	59%	41%	74%	26%	75%	25%

*Detached and attached

Source: 2009-2013 American Community Survey

Another factor that has a direct bearing on housing type and cost in Lakewood is the presence of the neighboring military base. While regional housing market fluctuations impact housing rent levels and sales prices in Lakewood, the large adjacent military base plays an important role in defining the City's unique housing market. Some housing stock is oriented to accommodate the relatively transient needs of military families. The private sector has responded to the significant demand for off-base housing by building numerous apartments.

Housing Costs and Affordability

Table 14: Cost of Housing

Owner/Renter	Lakewood	Tacoma	County	Washington
Median home value*	\$223,500	\$216,700	\$240,400	\$262,100
Median monthly owner cost with mortgage	\$1,697	\$1,724	\$1,820	\$1,795
Median monthly owner cost without mortgage	\$554	\$534	\$545	\$504
Median gross rent	\$820	\$925	\$997	\$973

*Owner estimates

Source: 2009-2013 American Community Survey

Table 15 shows several measures of housing cost, Fair Market Rents in particular, alongside measures of income, particularly at the lower-end of the earnings spectrum. The individual SSI income is shown at the bottom of the table. If a person with a disability had SSI income as the sole source of assistance, housing would be affordable if the cost were no more than \$216 a month, which is less than half of the Fair Market Rent for a studio apartment.

Housing costs are out of reach for many households in Pierce County (and Lakewood). For example, a household with a single wage earner at \$15 an hour would not be able to afford a unit priced at \$820 (the median rent in Lakewood) – housing would be affordable to that individual at \$780. Without (and even with) a subsidy, many households with lowest incomes must compete for housing in their price range, settle for units in poor condition, live in overcrowded circumstances, or live in areas with less access to opportunities (employment, education and amenities). Stakeholders interviewed for this

Consolidated Plan reported that people are living precariously for lack of affordable housing – in garages and crowded in single rooms. Persons with special needs, disabilities, mental health problems, substance abuse issues, those released from institutions, seniors wanting to downsize or move to more accommodating housing, young people starting out are examples of many in Tacoma and Lakewood who may not find suitable housing within their means.

Table 15: Income by Occupation/Source and Affordable Housing Costs Pierce County

Job/Income Type (Wage/Earnings*)	Housing: Affordable/ Actual Cost	Housing Type/Allowance Housing Cost Measure
Civil engineers (\$85,551/year)	\$2,139	
Police/sheriff's patrol officers (\$74,657/year)	\$1,866	
Income to afford = \$70,760/year	\$1,769	FMR 2014 (4-bedroom)
Sheet metal worker (\$67,941/year)	\$1,700	
HUD AMI (\$67,00/year)***	\$1,675	
Elementary school teachers (\$61,998)	\$1,550	
Aircraft mechanic (\$59,307/year)	\$1,483	
Income to afford = \$58,880	\$1,472	FMR 2014 (3-bedroom)
Correctional officers/jailers (\$56,086/year)	\$1,402	
HUD AMI top of range at 80% (\$53,600/year)***	\$1,340	
Postal service mail carriers (\$52,706/year)	\$1,320	
Roofers (\$51,174/year)	\$1,279	
Practical/vocational nurses (\$46,731/year)	\$1,168	
Carpenters (\$46,084/year)	\$1,152	
Construction laborers (\$41,924/year)	\$1,048	
Income to afford = \$39,960/year	\$999	FMR 2014 (2-bedroom)
Income to afford = \$37,000/year	\$925	Median rent Tacoma**
School bus drivers (\$36,656/year)	\$916	
HUD AMI top of range at 50% (\$33,500/year)***	\$837	
Customer service representative	\$831	
Income to afford = \$32,800/year	\$820	Median rent Lakewood**
Office clerks (\$32,331/year)	\$808	
Teacher assistants (\$31,980/year)	\$800	
Security guards (\$31,469/year)	\$787	
Income to afford = \$30,680/year	\$767	FMR 2014 (1-bedroom)
Nursing assistants (\$29,736/year)	\$743	
Retail salespersons (\$27,686/year)	\$692	
Income to afford = \$25,200	\$630	FMR 2014 (0-bedroom)
Personal care aides (\$22,783/year)	\$570	
Fast food cooks (\$20,324/year)	\$508	
HUD AMI top of range at 30% (\$20,100/year)***	\$503	
Minimum wage full-time job 2014 (\$9.32/hour)	\$484	
SSI income (\$721/month 2014 single person)	\$216	

*Except where otherwise noted wages are from the Washington State Employment Security Department's Occupational Employment and Wage Estimates (2014); **2009-2013 American Community Survey; ***2014 4-person households Tacoma HMFA (Pierce County)

Sources: 2009-2013 American Community Survey; HUD; WA Employment Security Department

The 2015 *State of Washington Housing Needs Assessment* points to rising costs of housing in Washington between 2000 and 2012 (in constant dollars).¹² The median gross rent between 2000 and 2012 rose from \$663 to \$951. The increase, if due to inflation alone, would have resulted in a median gross rent of \$884 in 2012. Rent increases were highest in the Puget Sound region. Not only have rents increased overall, the percent of units in lower ranges have dropped in proportion to higher costing units. For example, in 2000 about 15% of units had a gross rent of \$1,000 or more and by 2012 45% of units had a gross rent of \$1,000 or more.

Similarly the median owner-estimated values of owner-occupied units in Washington rose from \$168,300 in 2000 to \$272,900 which was an inflation adjusted increase of about 22%. While housing prices are increasing, renter income is decreasing. Comparing 2000 and 2012 median income for renter households found about a 2% decline after adjusting for inflation. Median household income for owner households increased slightly (by about 1% during that same period after adjusting for inflation).

The gap in affordability is particularly severe among lowest income households. The gap is determined by comparing levels of household income with available housing affordable at that income range, which includes vacant units and housing actually occupied by households with incomes in the matching range. Housing is not allocated by need, unless housing is held specifically for qualifying households (both in terms of ability to pay and household composition), such as most subsidized housing. Instead, many lower cost units (owned or rented) are occupied by households with higher incomes, better credit, and fewer needs. Many of the lowest income households have barriers that limit choices, such as poor credit histories and criminal histories.

In Pierce County for every 100 households with incomes at or below 30% of median family income, there were only ten units available, leaving a gap of 90 units per 100 households (2012 data). For every 100 households with incomes at or below 50% of median family income, just 29 units were available, leaving a gap of 71 units per 100 households. The estimates in Tacoma are not much different. For every 100 households with incomes at or below 30% of median family income, there were only 12 units available, leaving a gap of 88 units per 100 households. For every 100 households with incomes at or below 50% of median family income, 32 units were available, leaving a gap of 68 units.

Barriers to Affordable Housing

The Growth Management Act in Washington requires making affordable housing available to all residents. Regional policies included in Vision 2040 call for provision and preservation of a range of housing options, including both rental and purchase; a particular focus on lower-income households and households with special needs; and, equitable and rational distribution of housing throughout the community. Policies recognize that there is jobs-housing balance so workers have opportunities to live in proximity to work. Planning around regional growth centers promotes increased density and coordinated support for multimodal transportation, infrastructure and services.

¹² Mullin & Lonergan Associates. (2015). *State of Washington Housing Needs Assessment, January 2015*. Affordable Housing Advisory Board.

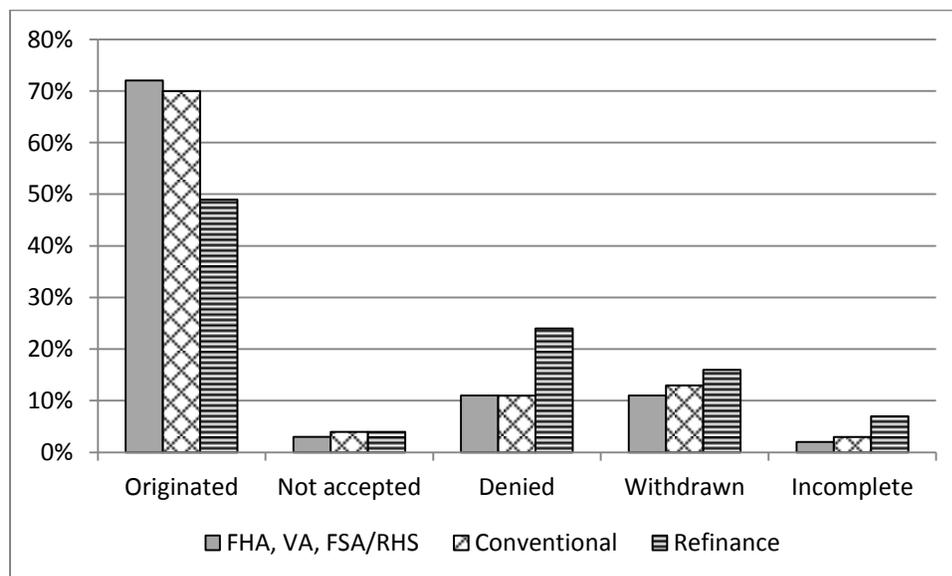
Lack of affordable housing is a pressing problem in Lakewood. The barriers to providing new affordable housing and retaining existing units in Lakewood, as in other substantially developed cities, are the results of a combination of factors: low household income relative to rising housing costs (particularly for homeownership); housing demand fluctuating with the economy in the Puget Sound region including changes in troop levels at nearby JBLM; lack of sufficient stable, living wage jobs in Tacoma and Lakewood; lack of vacant land with infrastructure in place for development; high cost of labor and materials; and, lack of economic incentives for private market investment in redevelopment or new development.

Market perception also prevents development in some neighborhoods because potential investors and even residents perceive a neighborhood as dangerous due to crime, poor investment for short-term profit, and/or continued deterioration. Lakewood has focused on crime-free neighborhoods, code enforcement and removal of blight in troubled neighborhoods. Lakewood is committed to investing in infrastructure and public facilities to invigorate neighborhoods and create incentives for housing and other development. The City is also committed to creating vibrant and healthy neighborhoods with housing choices for all residents. Lakewood has recently updated the Housing Element of the Comprehensive Plans (2014) and integrated policies for developing affordable housing. In addition to policies and strategies to increase affordable housing and maintaining/improving neighborhood quality, Lakewood is providing for increased density along transportation corridors, urban centers, and mixed-use centers.

HOUSING SALES AND FINANCING

Home Mortgage Disclosure Act (HMDA)

Figure 1: Disposition of Applications 2014, Tacoma Lakewood MSA/MD

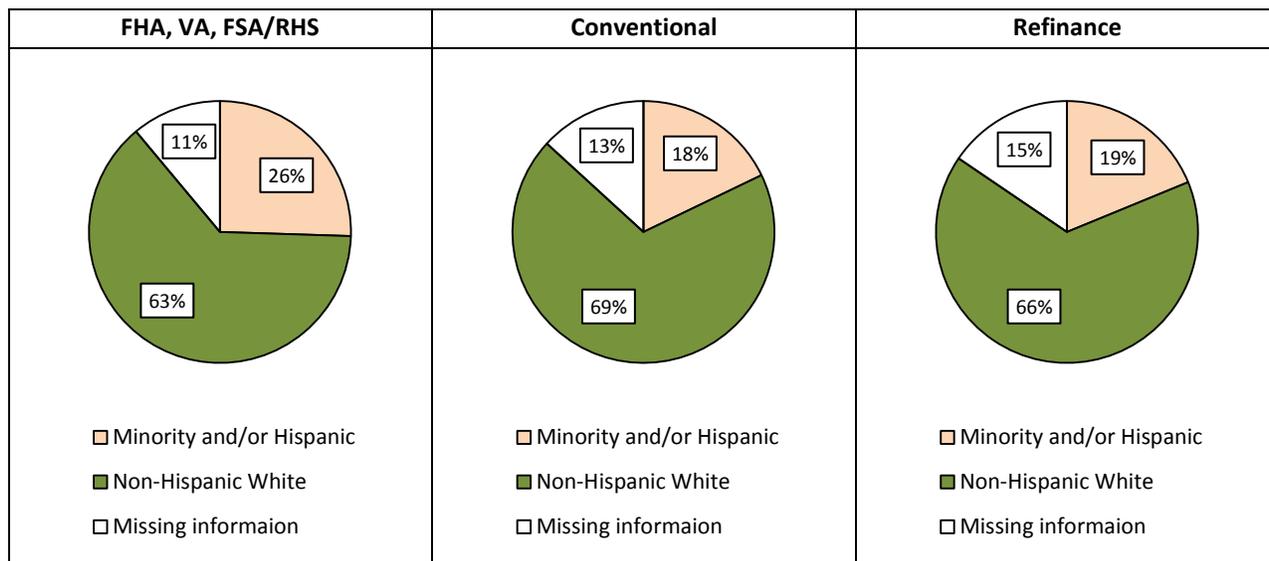


Source: FFIEC. 2014 Home Mortgage Disclosure Report, Aggregate Report. (www.ffiec.gov)

The Federal Financial Institutions Examination Council (FFIEC) prepares and distributes aggregate reports on behalf of the Federal Deposit Insurance Corporation, Federal Reserve Board, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision, and the Department of Housing and Urban Development. Home Mortgage Disclosure Act (HMDA) data cover home purchases and home improvement loans, including information on race, ethnicity, gender and income of applicants, which allows an analysis of lending nationally and at the local level. Disposition of loan applications is shown in Figure 1. In addition to applications resulting in a loan origination or denial, they can be refused or withdrawn by the applicant, or left uncompleted.

Figure 2 shows applications by loan type by minority status. Note that missing information is significant in the data. Keeping in mind that limitation, however, it is useful to examine applications by minority status. Applications from minority and/or Hispanic applicants were not proportionate to the share of racial minorities and/or Hispanics found in the population (2010 census). There are more applications from minority and/or Hispanic applicants for FHA, VA, FSA/RHS loans than for conventional and refinance loans which suggests more support in these avenues for home financing with lower down-payment and closing requirements, along with guarantees with government-backed loans.

Figure 2: Loan Applications by Minority Status 2014, Tacoma Lakewood MSA/MD



Source: FFIEC. 2014 Home Mortgage Disclosure Report, Aggregate Report. (www.ffiec.gov)

Table 16 shows applications that resulted in loan originations and the percent denied by type of institution and race, ethnicity, gender and income of applicants. These were aggregated for the Tacoma Metropolitan Statistical Areas (MSA) (including Lakewood) by FFIEC and include data from 203 financial institutions with a home or branch office in the Tacoma MSA and 252 financial institutions that do not have a home or branch office in the Tacoma MSA.

**Table 16: 2014 Home Mortgage Disclosure Act (HMDA) Aggregate Report
Disposition of Applications by Race/Ethnicity, Income and Gender of Applicant, Tacoma-Lakewood MSA/MD**

Applicant Race, Ethnicity, Income and Gender	FHA, VA, FSA/RHS			Conventional			Refinance		
	N	Orig.*	Denied	N	Orig.	Denied	N	Orig.	Denied
By Race									
White (Hispanic & non-Hispanic)	5,303	74%	10%	5,874	72%	9%	10,397	51%	23%
Black/African American	432	67%	15%	183	65%	20%	683	43%	29%
Asian	307	70%	12%	570	63%	20%	635	43%	31%
Other/joint/two or more	617	73%	9%	382	70%	11%	858	49%	25%
<i>Missing Information</i>	822			982			2,237		
By Ethnicity									
Hispanic/Latino	6,014	73%	10%	350	63%	15%	709	50%	29%
Non-Hispanic/Latino	656	71%	13%	6,610	72%	10%	11,971	50%	24%
<i>Missing Information</i>	811			1,031			2,130		
By Minority Status									
White, non-Hispanic	4,745	74%	10%	5,509	73%	9%	9,731	52%	23%
Minority and/or Hispanic	1,908	71%	12%	1,427	65%	17%	2,783	46%	28%
<i>Missing Information</i>	828			1,055			2,296		
By Gender									
Male	2,590	71%	12%	2,152	68%	13%	4,246	46%	25%
Female	1,250	70%	12%	1,724	70%	11%	2,551	47%	27%
Joint (male/female)	3,261	76%	9%	3,560	73%	8%	6,569	54%	22%
<i>Missing Information</i>	380			555			1,444		
By Income of Applicants									
Under 50% of MSA/MD Median	345	53%	25%	475	55%	22%	1,013	40%	37%
50%-79% of MSA/MD Median	1,921	69%	13%	1,436	69%	13%	2,098	42%	31%
80%-99% of MSA/MD Median	1,411	76%	9%	1,060	72%	10%	1,705	44%	30%
100%-119% of MSA/MD Median	1,186	76%	10%	983	74%	8%	1,595	48%	24%
120% plus of MSA/MD Median	2,400	74%	9%	3,946	71%	9%	5,947	52%	23%
<i>Missing Information</i>	218			91			2,452		
Total Applications	7,481	72%	11%	7,991	70%	11%	14,810	49%	24%

Notes: Applications for home-purchase loans 1-4 family and manufactured homes.

*Applications accepted and resulting in origination of a loan. There were also applications that were approved but not accepted by the applicant or withdrawn.

Source: FFIEC. 2014 Home Mortgage Disclosure Report, Aggregate Report. (www.ffiec.gov)

According to data collected in the 2010 census, as discussed previously, the population in the City of Lakewood is very diverse in terms of race and ethnicity. Forty one percent of the population identified their race as other than white alone (as a single race). Black or African American was the largest non-white alone component (12%), followed by Asian alone (9%). In terms of ethnicity, 15% identified themselves as Hispanic. Combining race and ethnicity, 46% of the population in Lakewood was Hispanic and/or a race other than white alone.

The HMDA information on loan originations and denials in the table did not capture the information on race or ethnicity with the same exactness the census strives to achieve, so there is reason to be cautious using the data. In fact, data on race was missing altogether on about 13% of the 30,282 loan applications included in these tables. Data on ethnicity was missing on 13% of the applications. Data on income was

absent in 9% of the applications and data on gender was missing on 8% of the applications. While there have been improvements, drawing conclusions one way or another with substantial missing data is not recommended.

By far the largest type of loan application in 2014 was for refinancing (1 to 4 unit dwellings) – roughly twice the number of applications as those for conventional home purchase loans and FHA, VA, FSA/RHS loan applications. In most cases, a lower percentage of applications submitted by Black/African American, Asian, and Hispanic applicants resulted in loan originations than was true for white applicants. There were also correspondingly higher rates of denial for Black/African Americans, Asian and Hispanic applicants than for white applicants.

By gender, a higher percentage of applications submitted by joint male/female applicants resulted in loan originations than applications submitted by male or female alone applicants. By income, not surprisingly, applicants with incomes below 80% of median income were not as likely to obtain a loan as applicants with higher income. The variables in the table are correlated – median income for minority and single person households is lower than for family and non-minority households.

The HMDA data are useful in identifying possible discrepancies in loans. Review of 2014 Home Mortgage Disclosure Act (HMDA) aggregate reports for the Tacoma MSA does demonstrate that Black/African American, Hispanic and other minority applicants are relatively less successful than white applicants in obtaining certain types of mortgage financing. The information did not provide enough data to determine if this was due to a consistent pattern of discrimination or if there are other factors affecting decisions. Lenders consider many factors in rating loans, such as debt to income ratio, employment history, credit history, collateral and cash on hand. Additional research is required to determine the real cause of differences observed in these tables.

These factors are not taken into account in the table. However, these data suggest that there is continued opportunity to work with lenders, consumers, and consumer advocates about discrimination in lending and about reducing disparities that might be found. There are programs and advocates in Lakewood and Tacoma working with households to repair poor credit history and to supplement funds for down payments.

Predatory Lending

Access to loans is not the only consideration in a review of lending practices. Unscrupulous practices by predatory lenders, appraisers, mortgage brokers and home improvement contractors can be very damaging. Low-income households and those with limited previous access to loans are particularly at risk.

Examples of predatory lending include:¹³

- Falsification of appraisals to sell properties for more than they are worth.

¹³ Taken from HUD publication “Don’t Be A Victim of Loan Fraud: Protect Yourself from Predatory Lenders.”

- Encouraging borrowers to lie about income or assets to get a loan.
- Knowingly lending more money than borrowers can pay.
- Charging higher interest than is warranted by credit history.
- Charging unnecessary fees.
- Pressuring borrowers to accept higher-risk loans such as balloon loans, interest-only payments and steep pre-payment penalties.
- Targeting vulnerable people for cash-out refinancing.
- Convincing people to refinance over and over again when there is no benefit to the borrower.

As the HMDA tables show, the number of refinance loans outnumbered the issuance of new loans. Predatory lending is more frequently associated with loans to refinance. People come with a strong equity position looking for a lower interest rate or to use of a portion of the equity for other purposes.

One of the areas particularly vulnerable to predatory lending practices is sale of mobile homes. People, who cannot afford other housing, might be able to scrape together the money to buy a mobile home from owners who carry the paper. There have been examples of overcharging for dilapidated and unsafe units, extremely high interest rates, requirement for balloon payments, which might result in default, and other practices. Buyers may be unaware of being taken advantage of, or aware but still reluctant to seek help because of concern about loss of housing and loss of remaining resources.

Community Reinvestment Act

The Community Reinvestment Act (CRA) was enacted by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low and moderate income neighborhoods.¹⁴ The CRA requires supervisory agencies to assess performance periodically. The four federal bank supervisory agencies are: the Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (FRB), Office of Thrift Supervision (OTS), and Federal Deposit Insurance Corporation (FDIC). Performance is evaluated in terms of the institution (capacity, constraints and business strategies), the community (demographic and economic data, lending, investment, and service opportunities), and competitors and peers. Ratings assigned are: outstanding, satisfactory, needs to improve, and substantial noncompliance.

Table 17: FFIEC Interagency Community Reinvestment Act Recent Ratings (as of 2014)

Bank Name	City	Date	Agency	Rating	Assets (x1,000)	Exam Method
Northwest Commercial	Lakewood	2010	FDIC	Satisfactory	\$83,047	Small bank

*Not reported.

Source: Interagency CRA ratings, www.ffiec.gov.

Table 16 shows banks rated between 1993 and 2014 in Lakewood. The Northwest Commercial Bank received a satisfactory rating in 2010. To the extent that the City of Lakewood requires competition for

¹⁴ This discussion and ratings were taken from the Federal Financial Institutions Examination Council web site (www.ffiec.gov).

the deposit of public funds, CRA performance merits consideration as a variable in which banks are selected for the deposit of municipal funds.

FAIR HOUSING COMPLAINTS

The Department of Housing and Urban Development has the responsibility to enforce the Fair Housing Act. Complaints that are filed may be investigated directly by HUD or may be investigated and processed by the Washington State Human Rights Commission, which receives reimbursement from HUD under the Fair Housing Assistance Program (FHAP). The Washington State Human Rights Commission has separate jurisdiction over claims of discrimination covered under State law, but not covered under federal law.

The Fair Housing Center of Washington is a private fair housing agency that receives funding under the Fair Housing Initiatives Program (FHIP) to provide education at the local level to the housing industry and potential victims of housing discrimination. Private fair housing organizations, including the Fair Housing Center of Washington, may also assist complainants in preparing and filing complaints.

After a complaint is filed, it is normally investigated to determine whether there is reasonable cause to believe the Fair Housing Act has been violated. HUD will also try to help conciliate the complaint and resolve the issue before taking it further. If conciliation is not reached and there is reasonable cause, the complaint goes before an Administrative Law Judge to be heard. The Administrative Law Judge can order relief, and award damages, attorney's fees, and costs. Either the respondent or complainant may choose to have the case decided in Federal District Court.

National Trends

In the annual report on fair housing (*Where You Live Matters: 2015 Fair Housing Trends Report*) prepared by the National Fair Housing Alliance (NFHA), there is a focus on the link between housing choice and access to opportunities. This is consistent with HUD's new direction in fair housing planning discussed at the beginning of this report (*Affirmatively Furthering Fair Housing*). The 2015 report points to persistent discrimination in housing at the national level and persistent inequality in income and access to quality neighborhoods, education, employment, transportation, and community amenities.

Most discrimination goes unreported. It is thought that over four million instances occur each year, but only a fraction is reported. In 2014, there were 27,528 complaints of housing discrimination in the United States with disability as the most frequent basis (52% of complaints), followed by race (22% of complaints). The report notes that disability is the most easily detected basis of discrimination and, therefore, most often reported. Other forms may be harder to detect. Complicating detection is reluctance on the part of many to risk disclosure fearing retaliation or other consequences.

Lakewood Complaints Filed with HUD

Between January 1, 2008 and December 31, 2014, there were 34 complaints filed with the Department of Housing and Urban Development pertaining to Lakewood. One quarter of the complaints filed had more than one basis. The most frequent basis (named in 21 of 34 cases) was disability, followed by race (named as a basis in 15 of 34 complaints filed). Retaliation was included as a basis in seven of 34 cases.

Most complaints filed in this period had more than one issue or violation involved and included the following (in order of frequency):

- Discriminatory refusal to rent (in 14 cases)
- Discriminatory terms, conditions, privileges, or services and facilities (in 12 cases)
- Failure to make reasonable accommodations (in 9 cases)
- Discrimination in terms, conditions, privileges relating to rental (in 7 cases)
- Discriminatory acts under Section 818 (coercion, etc.) (in 7 cases)

Other issues included discriminatory advertising, statements and notices; steering; failure to make reasonable modification; discriminatory refusal to negotiate for rental; and, discrimination in services and facilities relating to rental.

Of the 34 complaints file with HUD between January 1, 2008 and December 31, 2014, 33 were closed, one remains open. Among the 33 closed complaints, 15 were closed because of a no cause determination, nine were closed after successful conciliation and settlement, 8 were closed administratively, and one was charged.

In the 2010 Analysis of Impediments, it was noted that 33 complaints pertaining to Lakewood had been filed with HUD in the 5-year period from January 1, 2005 through December 31, 2009. Of these complaints, there was a mix of types of closure, including conciliation and findings of discrimination. This indicates a persistent pattern of fair housing violations in Lakewood, as in other communities. Repeating national findings, most cases of discrimination in housing go unreported. The same is likely true in Lakewood.

Complaints Filed with the Washington State Human Rights Commission

As noted in the previous Analysis of Impediments (2010) there were seven complaints filed with the Washington State Human Rights Commission between 2005 and 2009 pertaining to Pierce County and none pertaining to Lakewood. The Commission reported that there were no complaints filed between 2009 and the end of 2014 pertaining to Lakewood. These would have been complaints about violations of Washington law for bases not covered under federal law.

HOUSING RENTALS

Reported incidents of discrimination most frequently occur in housing rentals. Lack of awareness on the part of renters, along with reluctance to report problems, adds to problems. As noted in the Tacoma-Lakewood Consortium Consolidated Plan 2015-2019, households with lowest incomes, without subsidy or other support, have fewer choices in housing, may live in over-crowded or substandard conditions, and are likely cost-burdened. Many households are paying more than half of their income for housing.

Noted in the previous Analysis of Impediments, and repeated in outreach for the recent Consolidated Plan, there are vulnerabilities in addition to income. Persons with barriers resulting from poor rental histories, poor credit, past involvement with the criminal justice system, disabilities such as mental health problems, and past substance use or abuse may be at a disadvantage in securing housing. To the extent that any of these individuals are members of protected classes, they may be more likely to experience discrimination and less likely to raise the issue. Several stakeholders contributing to the 2015-2019 Consolidated Plan noted that minority tenants were vulnerable to rental discrimination. This was especially the case with illegal immigrants and legal immigrants with limited English. Housing uncertainty (not wanting to be evicted and having little available funding to secure another unit) can be a disincentive to filing a complaint or even raising an issue about health and safety concerns in a rental unit. Some renters may be reluctant to speak up for fear of retaliation, including retaliatory eviction, or because of fear of legal recriminations (particularly true of people without proper immigration or citizenship documents).

Rising housing costs and lower average incomes associated with job expansion in the service sector in recent years can increase the burden on low-income renters, who are disproportionately minority households. Loss of federal support for housing assistance, including Housing Choice Vouchers, adds to this pressure and can potentially silence complaints.

Testing

Evidence of discrimination and impediments can be obtained from testing results. The Fair Housing Center of Washington conducts both audit and complaint-based testing. Although current testing information for Lakewood was not available, the Center reported 231 complaint and audit tests in Washington between October 1, 2013 and September 20, 2014 (in Kitsap County and in Seattle). During the previous year, with funding from HUD, the Center conducted 135 tests, most of which were along regional transit lines in Snohomish, King and Pierce Counties under contract with the Washington State Human Rights Commission.¹⁵

The Fair Housing Center of Washington completed 33 tests in Lakewood from 2005 through 2009.¹⁶ Most of the testing is performed in response to complaints and often involves repeat testing at the same location. The 33 tests during this period were performed at 16 apartment addresses (complex or mobile

¹⁵ Fair Housing Center of Washington Annual Report, 2013 Fiscal Year.

¹⁶ Information provided by the Fair Housing Center of Washington.

home). Twenty-two of the 33 tests indicated evident of discrimination: nine because of race, seven because of disability, four because of national origin and two because of family status.

Generally a test consists of two people visiting the same location, one a member of a legally protected class and the other a non-protected class. Examples of the types of behavior that might indicate discrimination include:

- Presenting different information to two prospective tenants, one representing a protected class. For example, telling the protected class tester that the rent or deposit was higher than the information provided to the non-protected class tester.
- Providing differential treatment, such as offering more services or help to the non-protected class tester.
- Showing different units, including showing a disabled tester an inaccessible unit and offering the non-disabled tester more than one unit, including an accessible unit.
- Imposing different fees and background checks, including criminal history check on the protected class tester and not imposing the requirement on the non-protected class tester.

National studies indicate that most cases of discrimination are not reported. Testing in the case of suspected discriminatory practices is one way to examine the extent of discrimination in a community. The Fair Housing Center of Washington has limited funding for testing in the case of enforcement (investigating complaints); funding for audit testing is infrequently available. However, Center staff has the expertise to conduct training in communities so that those communities are able to perform testing on their own.

PUBLIC POLICIES AND ADMINISTRATIVE ACTIONS

Lakewood was not incorporated until 1996. As a new city, Lakewood inherited very general land-use designations and zoning rules from Pierce County. The City prepared a Comprehensive Plan in 2000, which included new land use designations and plans and has completed a recent update of the Comprehensive Plan. The updated Housing Element (2014) includes policies for developing affordable housing and maintaining and improving neighborhoods. The City is providing for increased density along transportation corridors, urban centers and mixed-use centers. The City of Lakewood continues to support and administer the Crime-Free Rental Housing Program. The City has undertaken the process of adopting a rental housing inspection program which will go a long way toward improving housing quality and safety in all neighborhoods, including those with most deficiencies.

The City Council in Lakewood recently prioritized projects to provide infrastructure and improvements in support of neighborhoods and business to improve living conditions and stimulate economic development. The *Six-Year Comprehensive Transportation Program (2015-2020)* contains projects totaling \$120 million over the next five years. Included are roads and sidewalks connecting neighborhoods and linking them to amenities and services, many of which are poorly or not at all

connected. Additionally, the City is reviewing land use plans and maps to identify developable parcels and lots that are appropriate for infill housing. The City has long supported projects that improve housing and allow residents to remain safely in their homes while supporting neighborhood revitalization.

CURRENT FAIR HOUSING ACTIONS

The City of Lakewood's goal is to achieve for Lakewood residents, regardless of their age, sex, national origin, race or color, religion, marital status, familial status or disability, the opportunity to live in safe, healthful and affordable housing within a suitable environment.

Recent and ongoing activities to promote fair housing include:

- Prospective low/moderate income homebuyers receive home ownership counseling when receiving down payment assistance through the City of Lakewood. Classes are offered by realtors, lenders and City staff who have been certified to deliver the training. The counseling includes education on fair housing.
- The down payment assistance program increases access to homeownership for minority and low-income households who may not have had the opportunity or encouragement to do so without the program.
- The City offers emergency relocation assistance for persons displaced through no fault of their own due to building and code enforcement closures, fires, drug closures, and other incidences that create homelessness.
- The City of Lakewood Police Department administers the Crime-Free Rental Housing Program. Education on fair housing and landlord/tenant rights are taught as part of the program curriculum. When property managers complete the training and correct security problems, the property is certified as "crime free" and is listed in a national database of properties for relocation.
- The City of Lakewood participates in the Fair Housing Conference. The purpose of the Fair Housing Conference is to promote fair housing and provide information to the general public, community members, grass-root organizations, housing advocates, realtors, property managers, landlords and other members of the housing industry.
- Information on fair housing and landlord/tenant rights, along with information on the down payment assistance program, is made available to Lakewood citizens and at libraries, Chamber of Commerce, the YMCA, community centers, senior centers, Laundromats, and public places.
- City staff participates at fair housing events and fairs as part of outreach and education efforts on fair housing.
- Education presentations on fair housing and landlord/tenant rights are taught at the City's Crime-Free Multi-Housing Program and presentations are made available to realtors, lenders, and neighborhood groups.

CONCLUSIONS AND RECOMMENDATIONS

The City of Lakewood continues to provide education for consumers, landlords, realtors and others to raise awareness about fair housing. The City has also taken actions to improve housing quality and safety (including crime elimination). Lakewood has worked with regional partners to provide information and to consider strategies to improve housing quality and reduce impediments to fair housing.

The current update of the Analysis of Impediments to Fair Housing for the City of Lakewood recommends continuing with the policies and strategies in earlier plans.

Impediment area 1: Lack of awareness of rights and responsibilities concerning fair housing may contribute to unfair or unequal treatment.

There were 34 fair housing complaints file with HUD between 2008 and the end of 2014. These were primarily complaints pertaining to rentals. There were 33 complaints filed with HUD during the preceding 5-year period which indicates that discrimination in housing persists, and is inevitably more frequent than complaints indicate. However, the number of complaints and inquiries, along with input received in preparation for the current Consolidated Plan (2015-2019) suggests that continued support for public education on fair housing is important. In addition, the turnover in many rental property areas in the City is very high. Rapid turnover of tenants requires continued efforts to educate consumer and advocates on fair housing.

Review of the Home Mortgage Disclosure Act reports indicated that there was potentially unequal lending on the basis of race/ethnicity in the Tacoma MSA in 2014. There were fewer loan applications filed by minority applicants (Hispanic and/or a race other than white alone) than would be expected on the basis of population. The population in Lakewood (2010 census) was 46% minority, as defined above. Forty percent of the population in Tacoma was minority as was 30% of the population in Pierce County. Loan applications by minorities accounted for just 26% of FHA, VA, and FSA/RHS loans in the MSA. While this in itself does not indicate unfair lending, it does point to the need for continued scrutiny and outreach to lenders, brokerage firms and consumers.

Recommendation 1: The City should continue to take a strong position on bringing the discussion of fair housing forward on many fronts, making the expectation of fair housing the rule on the part of all partners – the public, housing providers, realtors, lenders, government departments and policy makers. The City should continue to work with regional partners to strengthen the system of support for vulnerable populations, including persons with disabilities, and other protected classes. The City should participate in regional efforts to publicize investigations and enforcement activities that promote and advance fair housing knowledge and compliance.

Impediment area 2: There is insufficient choice of suitably located safe, affordable, quality housing for Lakewood residents.

According to the *2015 State of Washington Housing Needs Assessment*, housing costs are rising in Washington, particularly in the Puget Sound region. In Pierce County for every 100 households with incomes at or below 30% of median family income, there were only ten units available, leaving a gap of 90 units per 100 households (2012 data). According to HUD-provided CHAS data analyzed as part of the 2015-2019 Consolidated Plan, over 6,800 renter households over 1,900 owner households in Lakewood had housing problems, primarily cost burdens. Dilapidated and unsafe conditions in rental units remain a problem, according to stakeholder interviews. This is a concern voiced as well by City of Lakewood staff, including code enforcement and public safety personnel. The City has taken actions to improve the safety and habitability of housing in Lakewood through the Crime-Free Multi-Family Housing Program and business licensing for landlords.

Recommendation 2: The City should continue to expand the supply of safe, affordable housing suitably located throughout neighborhoods. Actions that would contribute to meeting this need include working alone and with partners to improve existing housing, to provide additional housing choices, to increase access to housing, and to improve accessibility for persons with disabilities. Actions may also include removal of blight, provision of infrastructure, and increasing access to transportation. Most of the actions that would relieve unmet demand for affordable, quality housing are necessarily part of a long-term, coordinated approach.