



Lake Forest Park 2024 Comprehensive Plan Update

Land Capacity & Housing Needs by Income **DRAFT 2023-11-08**

PREPARED FOR



NOVEMBER 2023

PREPARED BY



Housing Needs - Land Capacity Analysis

Housing Needs Assessment Packet 2

(For review at 11/14/23 Meeting)

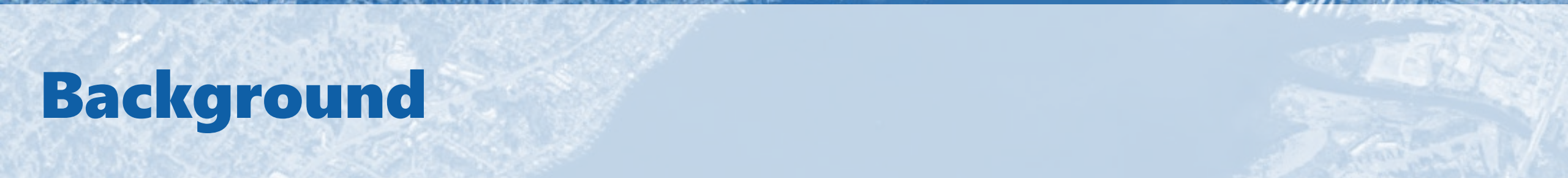
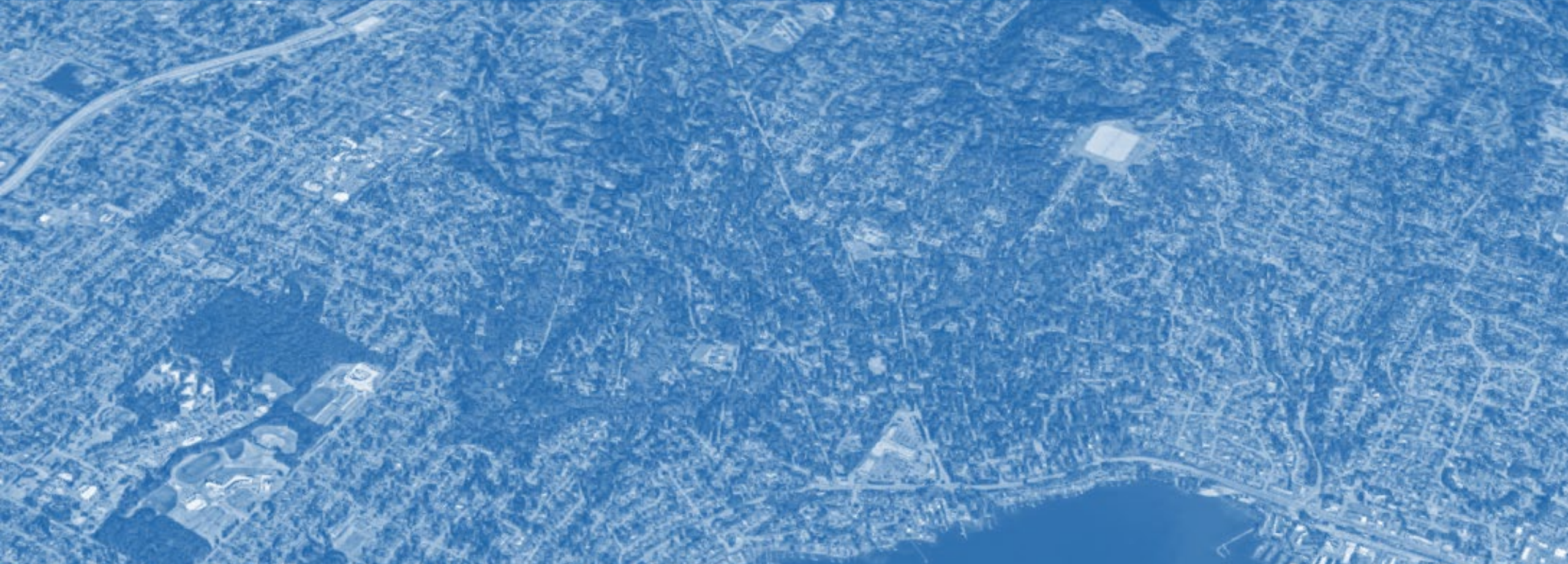
- Land Capacity Methods
- Unit Capacity by Zone
- Housing by Income Band Analysis
- Production Trends and Introduction to Adequate Provisions

Housing Needs Assessment Packet 1

(Updated from 9/12/23 Meeting and included as background below Packet 2)

- Community Profile
- Workforce Profile
- Housing Supply
- Gap analysis





Background



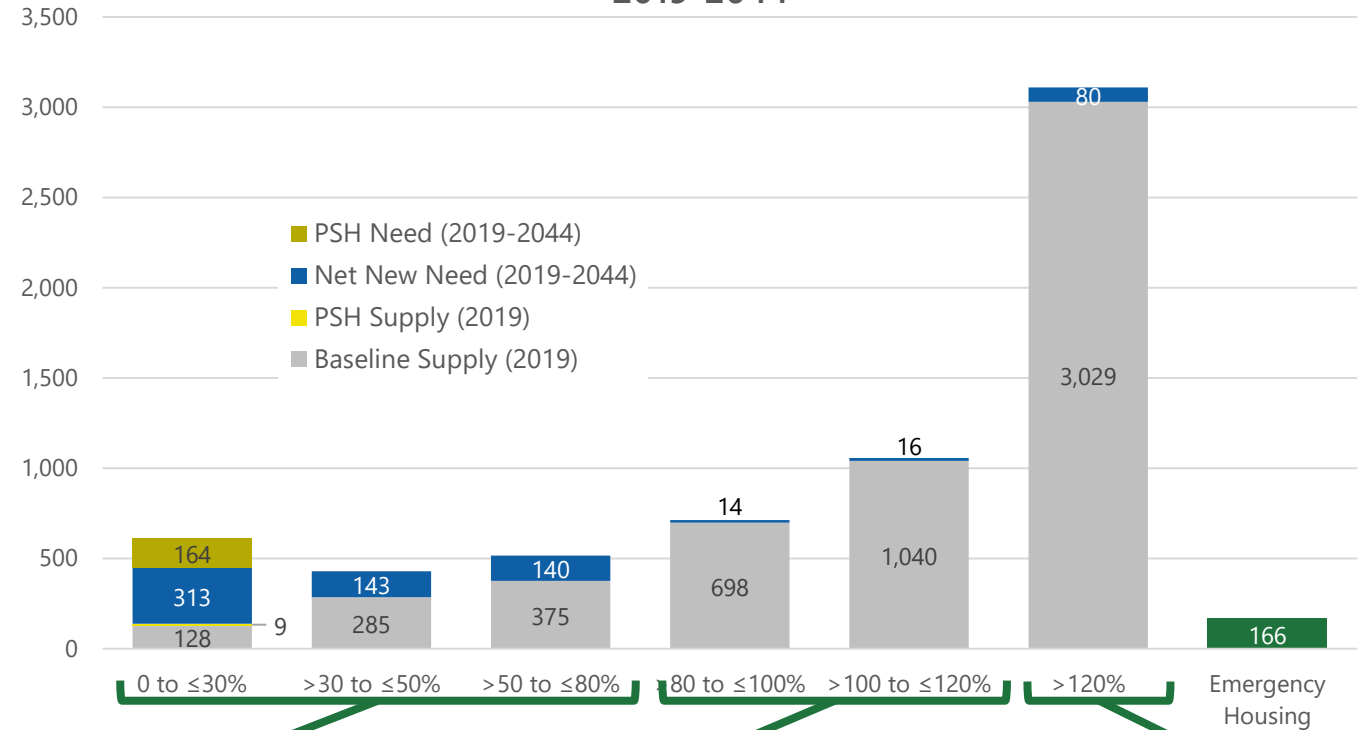
Housing Needs by Income

In 2021, the Washington State Legislature passed HB 1220, which requires that counties and cities plan for the housing needs of all income levels. Through a countywide process, existing housing units are classified by which income band they serve (based on percentage of the Area Median Income), and each city's target allocation of new units through 2044 is also broken down by which income level those units must serve **based on housing types** as shown at right. Then, cities are required to show that they have sufficient **land capacity** to accommodate units which will serve the required income levels and that there are not other **significant barriers** to production of those units.

This chart shows the final adopted King County breakdown of Lake Forest Park's existing housing units and the target of **870** net new housing units needed by 2044 by income band. Note that the lowest-income units (serving households earning under 30 percent of the AMI) are divided into two categories, units providing Permanent Supportive Housing (PSH), which combines housing, health care, and supportive services, and units simply providing deeply subsidized rents.

Lake Forest Park must also plan to accommodate **166 units of emergency housing**, such as shelter beds for those experiencing homelessness. These can be accommodated by allowing for hotels and emergency shelter by right in the same zone.

Lake Forest Park Baseline and Target Housing Units by Income, 2019-2044



Low Income (0-80% AMI)
Multifamily

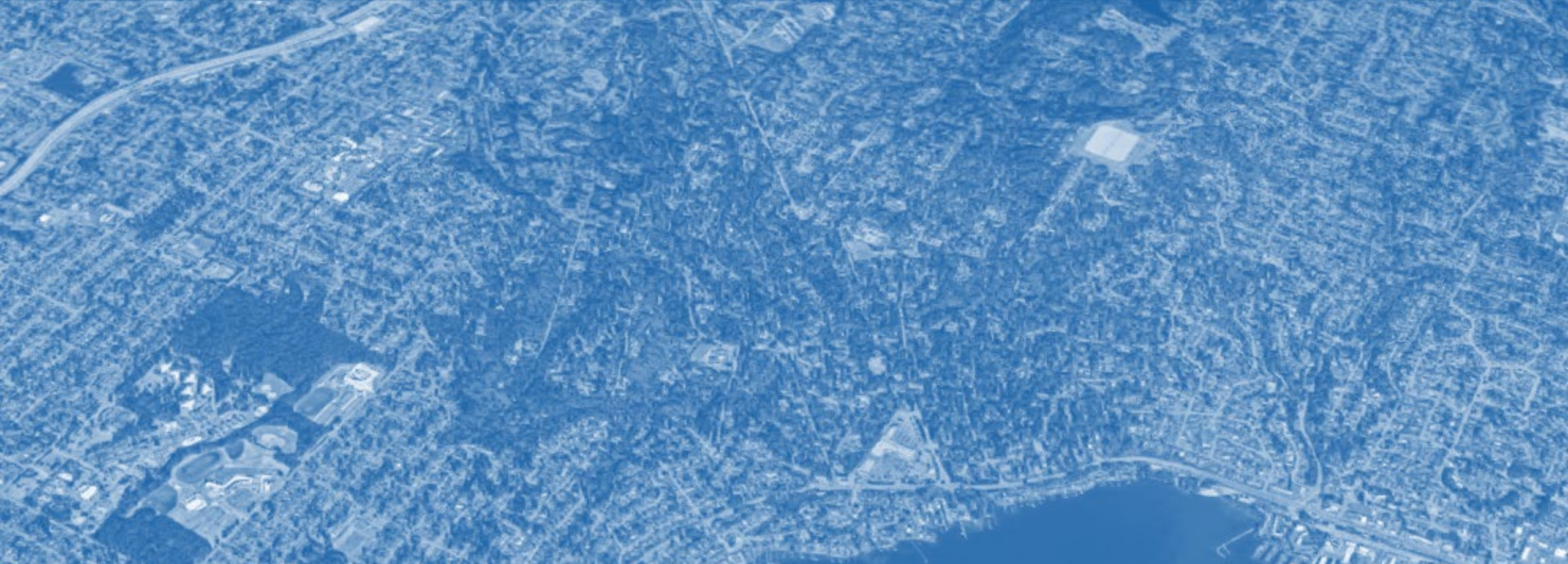


Moderate Income (80-120% AMI)
Moderate Density & Middle Housing



High Income (120% AMI +)
Single-Family Detached





Land Capacity Analysis & Income Bands



Land Capacity Analysis Steps

1. Developable Acreage by Zone

How much land is available for new housing?

2. Assumed Density by Zone

What density of housing will be built on the available land?

3. Additional Middle Housing Capacity

Is it financially feasible to build some duplexes given the new legislation?

4. Additional ADU Capacity

How many ADUs might get built in the next 20 years?

5. Unit Capacity by Zone

How many new units can be accommodated in Lake Forest Park?

6. Income Band Analysis

What income levels will those units serve?

Step 1: Developable Acreage by Zone

The first step in calculating potential land capacity is to determine the amount of available vacant and redevelopable acreage in the city.

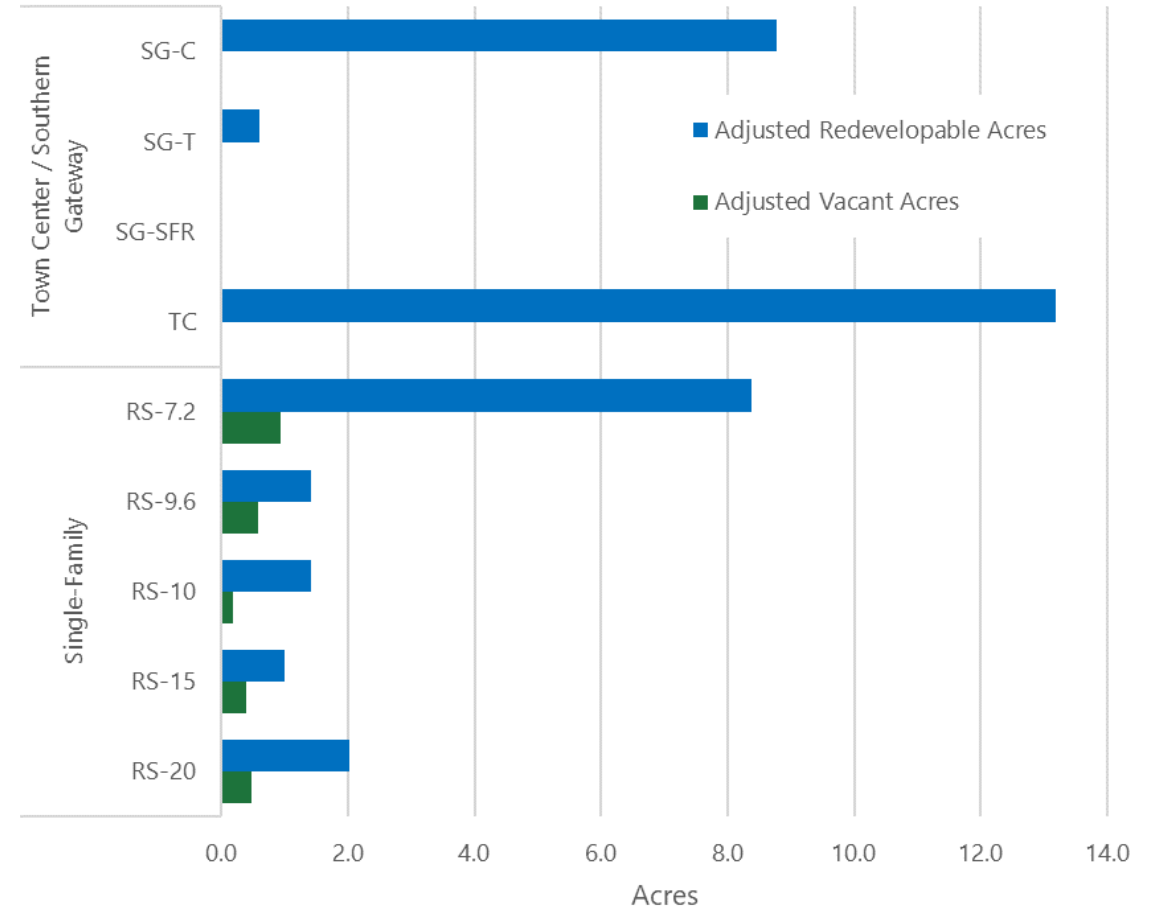
For **Single-Family zones**, (RS-20, 15, 10, 9.6, and 7.2) starting with the King County Buildable Lands Inventory set of vacant and redevelopable parcels, the parcel acreage within the city's **critical areas** was removed. The remaining acres of vacant and redevelopable land were adjusted assuming that the pace of single-family development would be **similar to that seen over the past decade**. This would result in development on about 15% of the land classified as vacant or redevelopable – about 17 acres of redevelopment in these zones.

There was no land classified as vacant or redevelopable in **Multifamily** zones (RM-3600, 2400, 1800, 900)

Larger-scale redevelopment has been envisioned through the long-term subarea planning processes in both the **Town Center and Southern Gateway** zones. Therefore, both areas were considered redevelopable and the total acreage was adjusted based on a Commerce-recommended market factor to account for future likelihood of redevelopment.

The chart at right shows the resulting acres of vacant and redevelopable land by zone used in this analysis.

Adjusted Vacant and Redevelopable Acreage by Zone



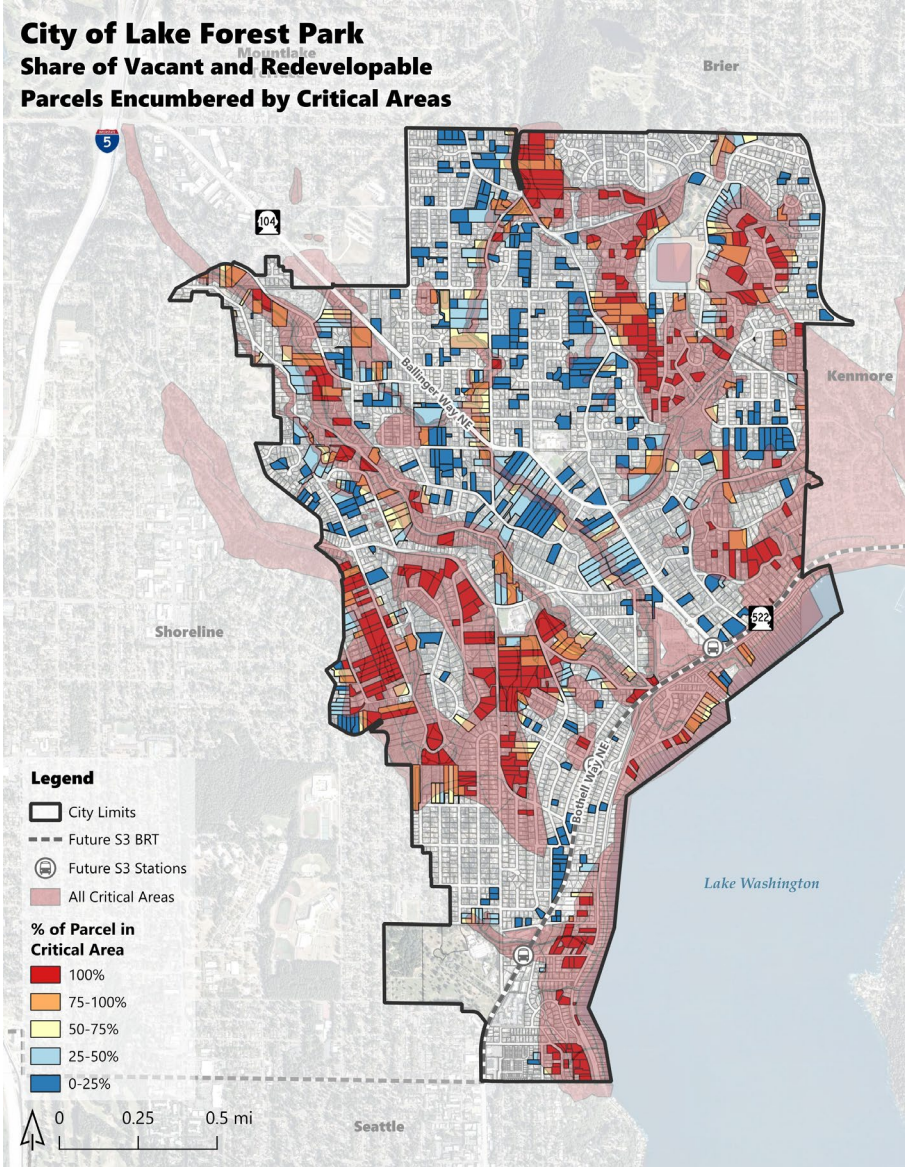
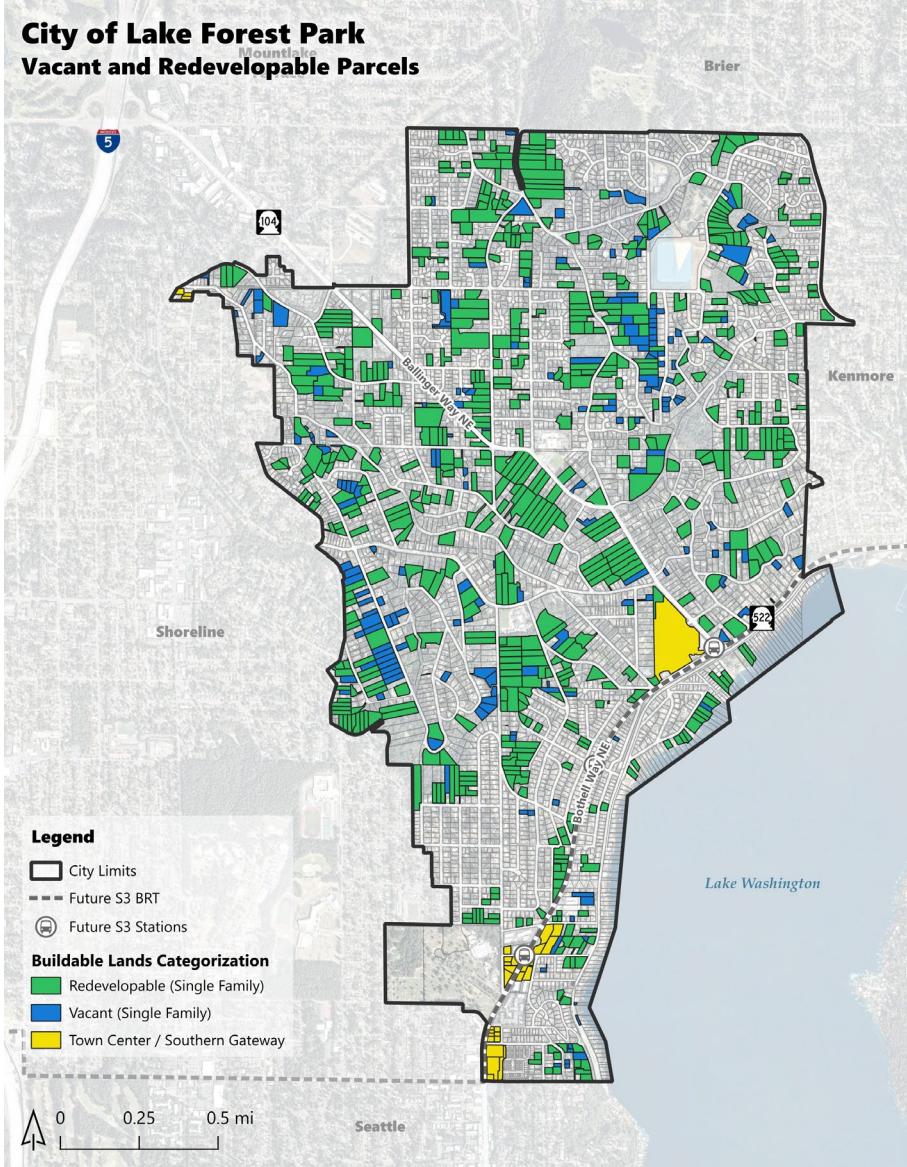
Source: King County Buildable Lands GIS Data, City of Lake Forest Park

Step 1: Developable Acreage by Zone

The map on the left shows all the **vacant and redevelopable parcels** in Lake Forest Park as classified by King County, as well as the Town Center and Southern Gateway areas.

The map at right shows the **percentage** of each vacant/redevelopable parcel which is constrained by critical areas. More constrained parcels are shown in red and less constrained in blue.

Citywide, **40% of the vacant or redevelopable acreage is constrained by critical areas.**



Step 2: Assumed Density by Zone

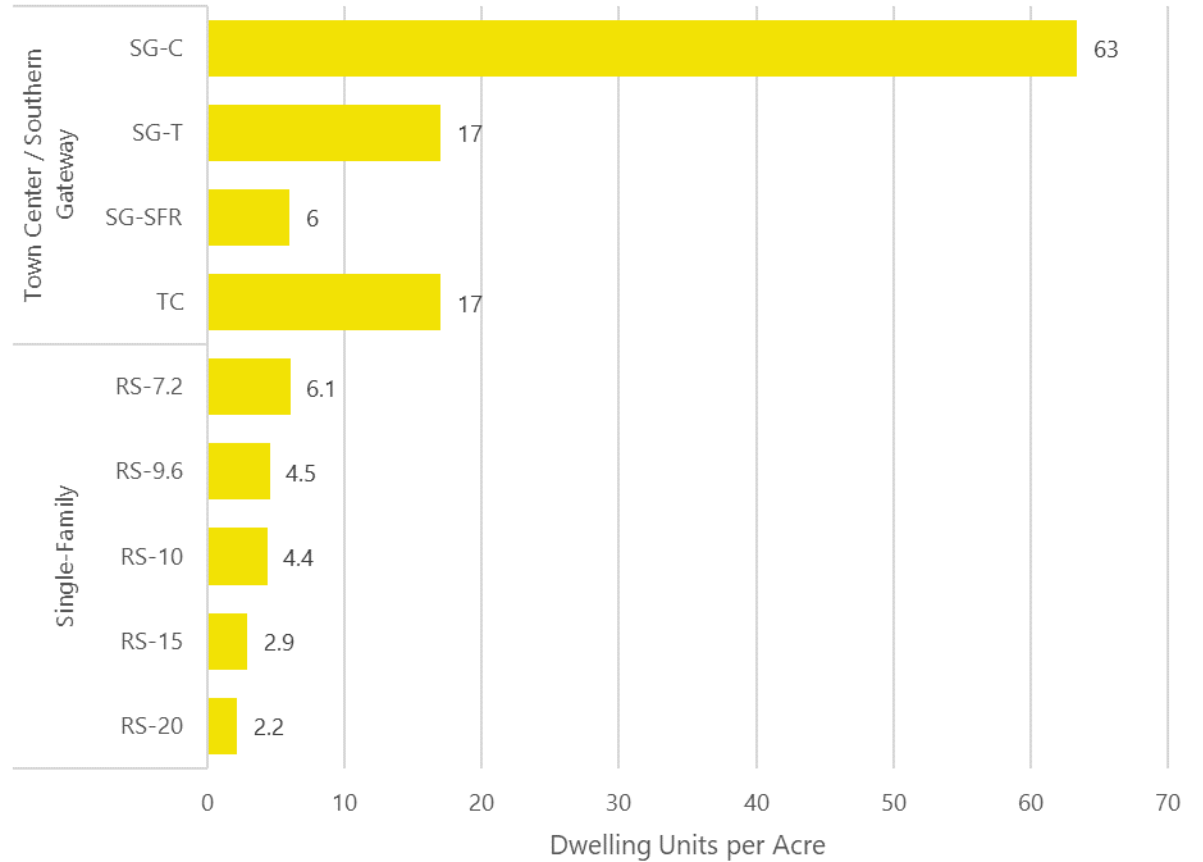
The next step is to determine what **density of development** may be seen on the previously calculated acreage of unconstrained vacant and redevelopable land likely to redevelop in the next 20 years.

Density of development in the Single-Family zones is determined by the **minimum lot size** in the zoning code. Density in the Town Center is capped at **17 units per acre** by ordinance. Density in the Southern Gateway Transition Zone is assumed to be similar in character to the Town Center.

In the Southern Gateway Corridor, density was calculated based on a **mix of townhomes at about 25 units/acre and podium development at about 100 units per acre**. Examples of these densities are shown below for illustration of scale of development (not for architectural or design elements)

The chart at right shows assumed densities used in all zones.

Assumed Density of Development by Zone



Source: City of Lake Forest Park Zoning Code, Urban Footprint, Leland Consulting Group



Step 3: Additional Middle Housing Capacity

Start with parcels in **single-family zones**



Calculate potential acreage based on **lot coverage ratio** by zone



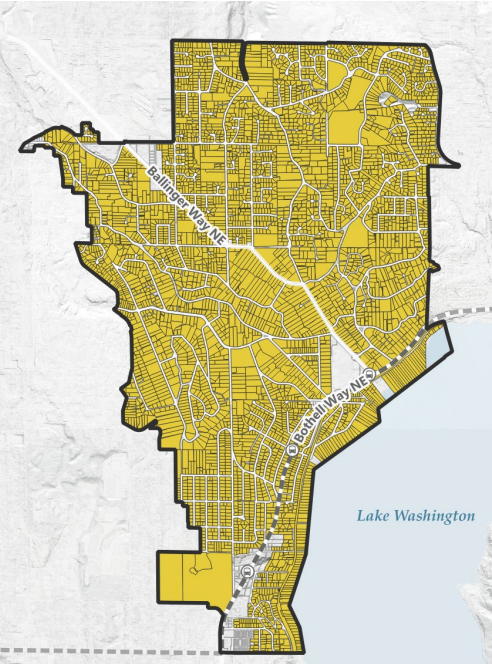
Calculate **environmentally constrained** acreage by parcel based on critical areas data



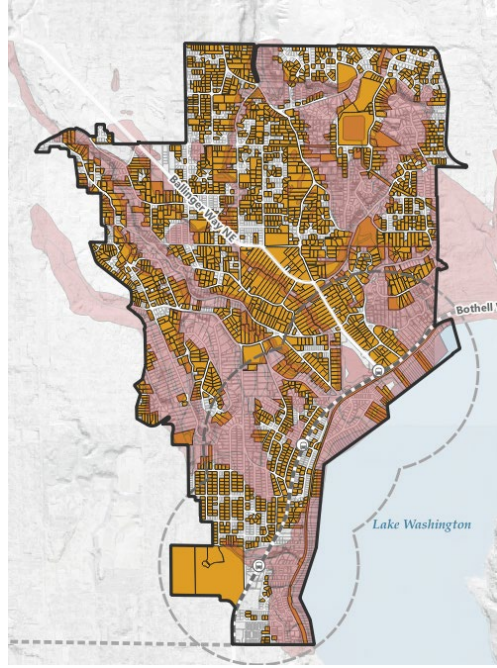
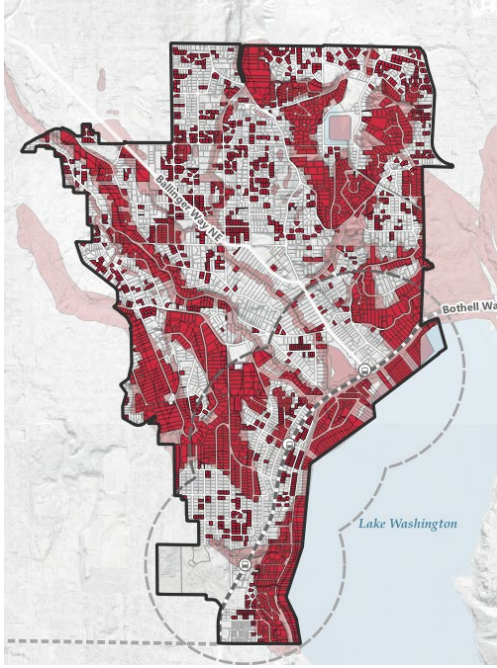
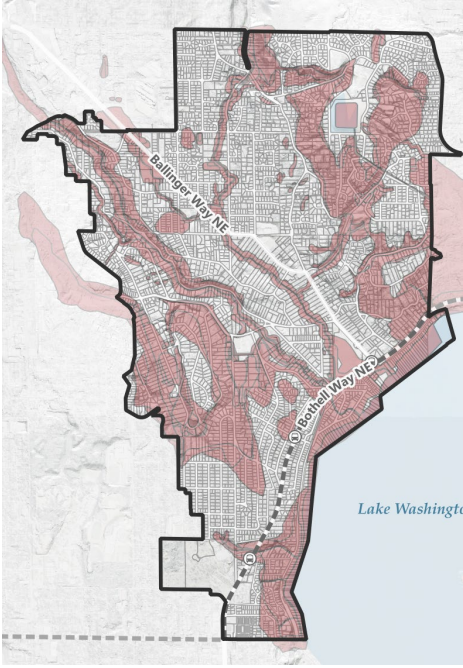
Remove parcels with less than **3,000 buildable square feet** from whichever is lesser



Analyze remaining parcels for **financial feasibility**



Zone	Lot Coverage Ratio
RS-20	25%
RS-15	27.5%
RS-10	30%
RS-9.6	30%
RS-7.2	35%



Step 3: Additional Middle Housing Capacity

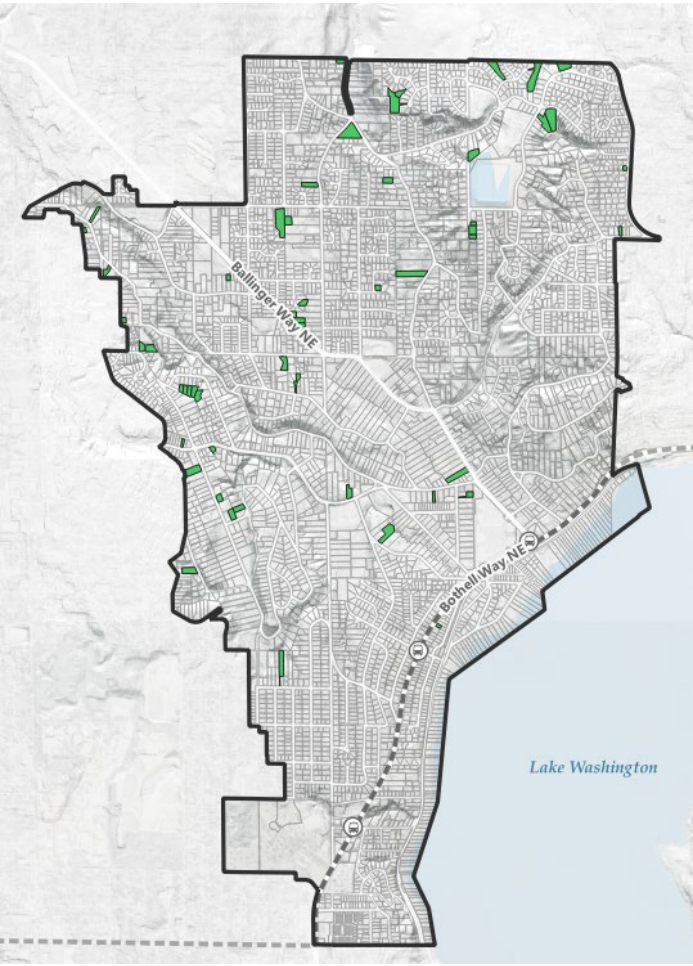
<u>Unit Type</u>	<u>Potential Sale Price</u>	<u>Cost per Unit</u>	<u>Rate of Return</u>	<u>Residual Land Value</u>
Duplex	\$700,000	\$425,000	15%	\$330,000

HB 1110 requires that cities **allow duplexes on all lots in formerly single-family zones** within 6 months of the adoption of their next periodic comprehensive plan update (for Lake Forest Park, this will be June of 2025).

In order to account for this potential increase in development, LCG undertook a **high-level feasibility analysis** after removing critical areas and parcels too small for middle housing development as shown previously. The chart above shows assumptions drawn from the Department of Commerce’s Middle Housing Pro Forma tool and Leland Consulting Group’s study of development costs in the Puget Sound region. The **Residual Land Value** represents the amount a developer could afford to pay for a site and still achieve a reasonable rate of return.

The map at right shows parcels where it would likely be feasible to build a duplex in Lake Forest Park, a total of 53 parcels. Nearly all of these parcels were classified as vacant or redevelopable in the King County Buildable Lands report.

An assumption that 50% of these parcel owners would choose to build a duplex over the next 20 years after the implementation of HB 1110, based on trends seen in other cities who have recently implemented such changes, results in an additional **26 units** of housing capacity in Lake Forest Park’s single family zones.



Step 4: Additional ADU Capacity

Start with parcels in **single-family zones**



Calculate potential acreage based on **lot coverage ratio** by zone



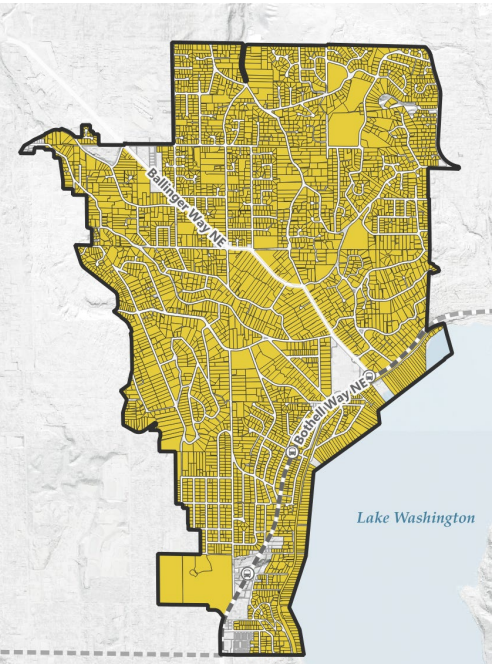
Calculate **environmentally constrained** acreage by parcel based on critical areas data



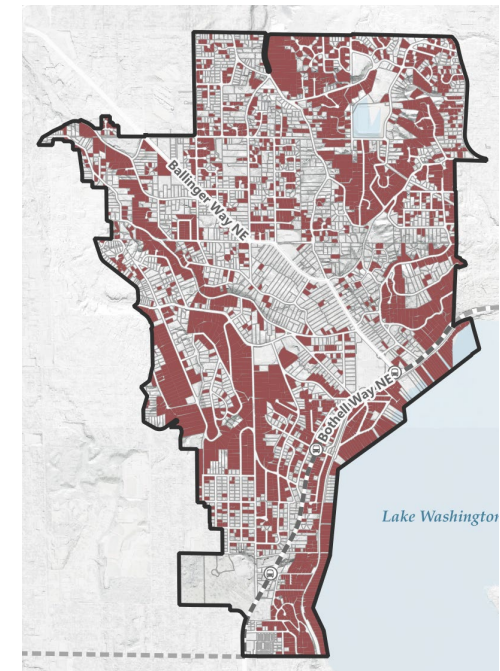
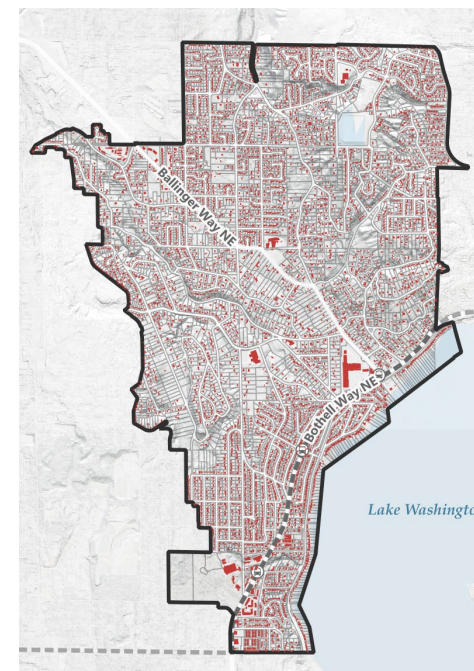
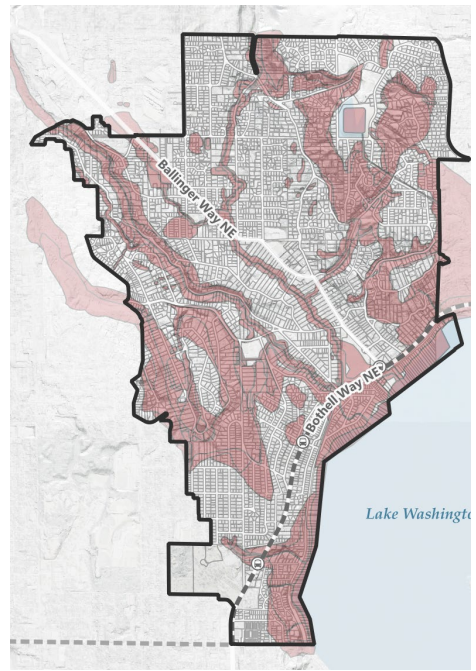
Remove built area of **existing buildings** from whichever is lesser



Remove parcels with less than **1,000 square feet** of developable area remaining



Zone	Lot Coverage Ratio
RS-20	25%
RS-15	27.5%
RS-10	30%
RS-9.6	30%
RS-7.2	35%



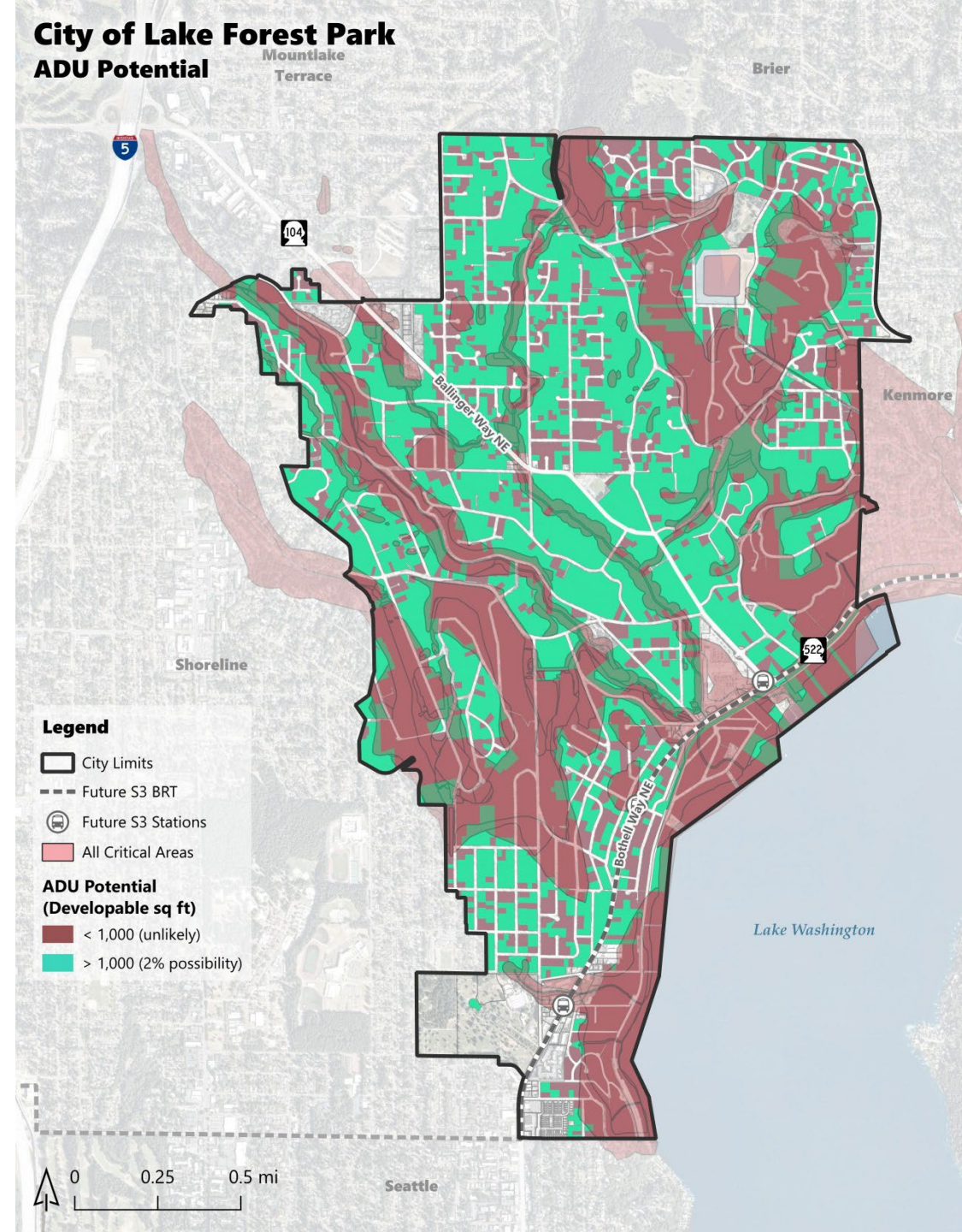
Step 4: ADU Capacity

The map at right shows single-family zoned parcels in Lake Forest Park based on the remaining square footage potentially available for ADU construction after critical areas and existing building area were removed, and accounting for maximum lot coverage ratio in the zoning code.

There are **2,104 parcels** which would likely have unconstrained space to develop an ADU in the city.

Commerce recommends analyzing current ADU production trends and using a reasonable “participation factor” to determine how many ADUs could be developed over the 20-year planning horizon. LCG has been estimating a 2% participation rate in nearby suburban King and Snohomish County jurisdictions based on a reasonable reduction of the ADU production rate seen in larger cities such as Seattle and Portland.

Assuming a 2% participation rate in Lake Forest Park would yield an ADU capacity of **42 units** over the next 20 years, or **2.1 ADUs per year** on average. Historically, Lake Forest Park has seen an average of **1.5 ADUs per year** permitted since 2016. Therefore, the potential capacity in this analysis represents a modest but reasonable increase in ADU production expected as a result of increased flexibility and housing demand in the city in the coming decades.

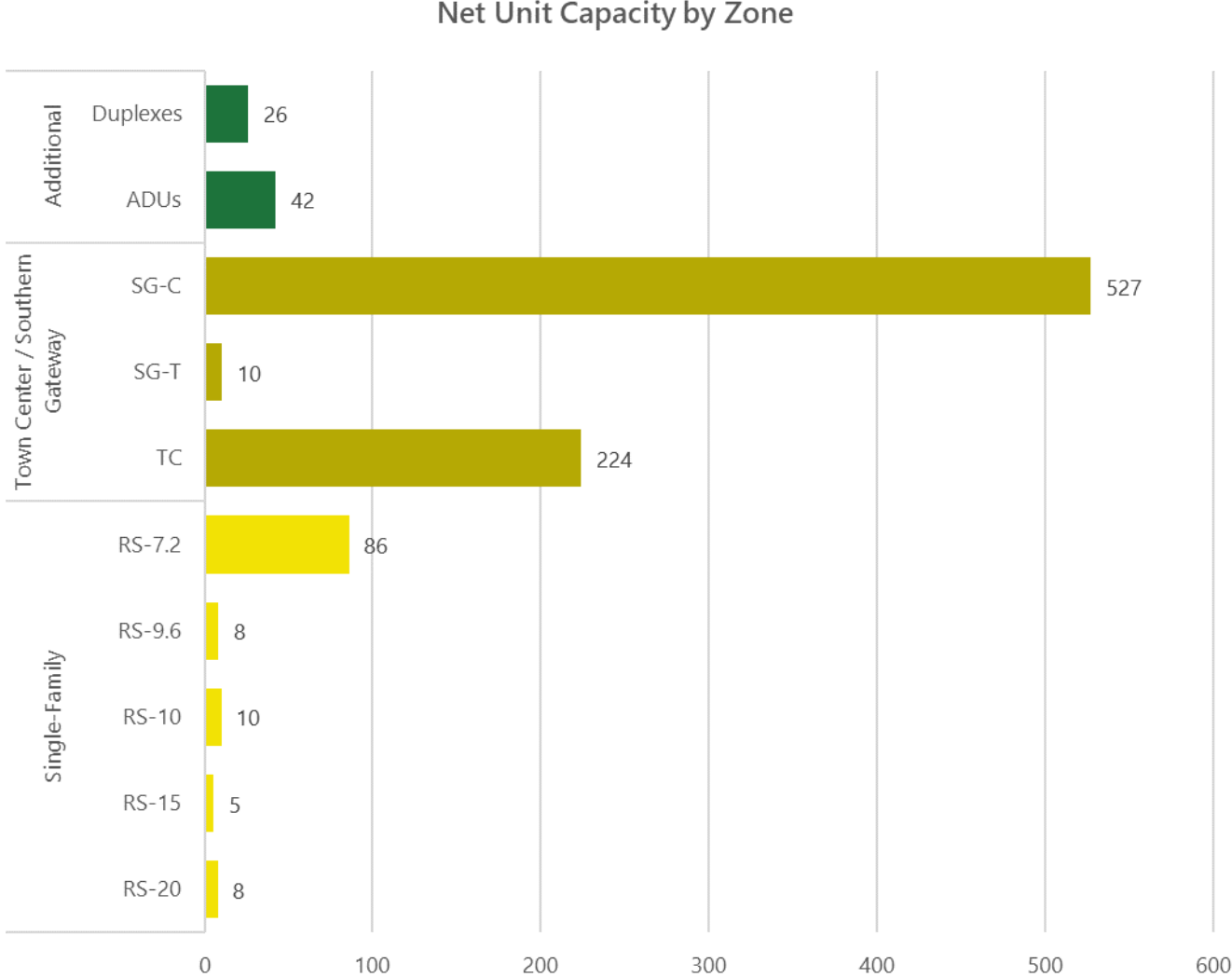


Step 5: Unit Capacity by Zone

Next, the assumed densities and adjusted vacant and redevelopable acres are multiplied together to determine the capacity for housing units in each zone. Then existing units on the redevelopable parcels are subtracted to account for housing lost to redevelopment.

The totals are shown in the chart at right. The majority of Lake Forest Park’s housing capacity is in the zones which allow for multifamily development, particularly the Southern Gateway, given the higher density assumptions in that area.

This analysis shows a capacity of **946** units in Lake Forest Park, broken down by zone and additional housing type as shown at right.



Source: Leland Consulting Group

Step 6: Income Band Analysis

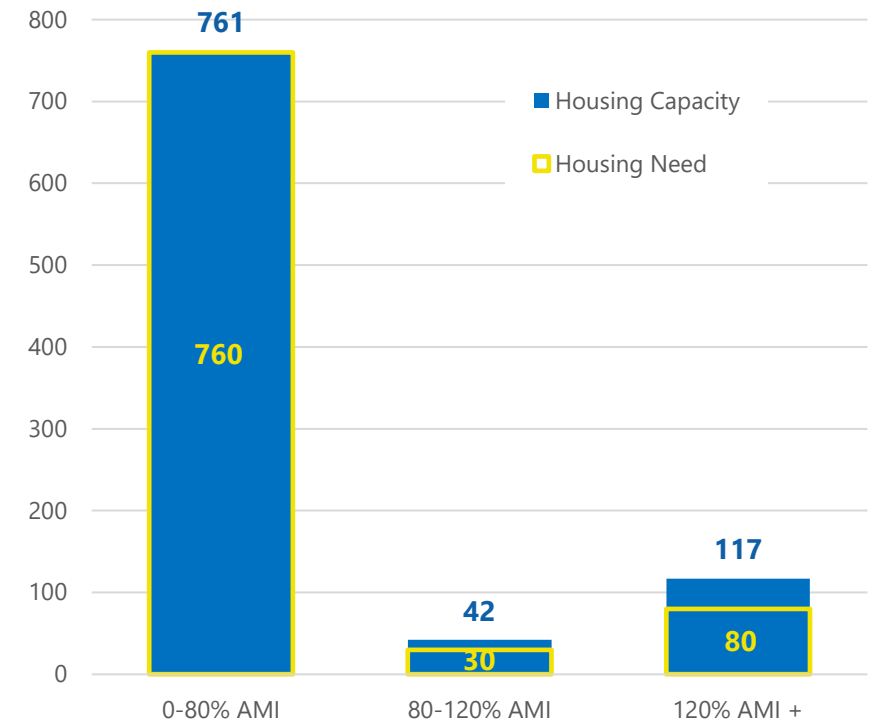
Finally, HB 1220 requires a consideration of which **income levels** these housing types will serve. The table below shows the housing types which could be served by each zone in the city. Note that other income levels may be served by some zones, but this shows the lowest potential income level served, including in subsidized projects, in order to show capacity for all income levels including those served by subsidized housing.

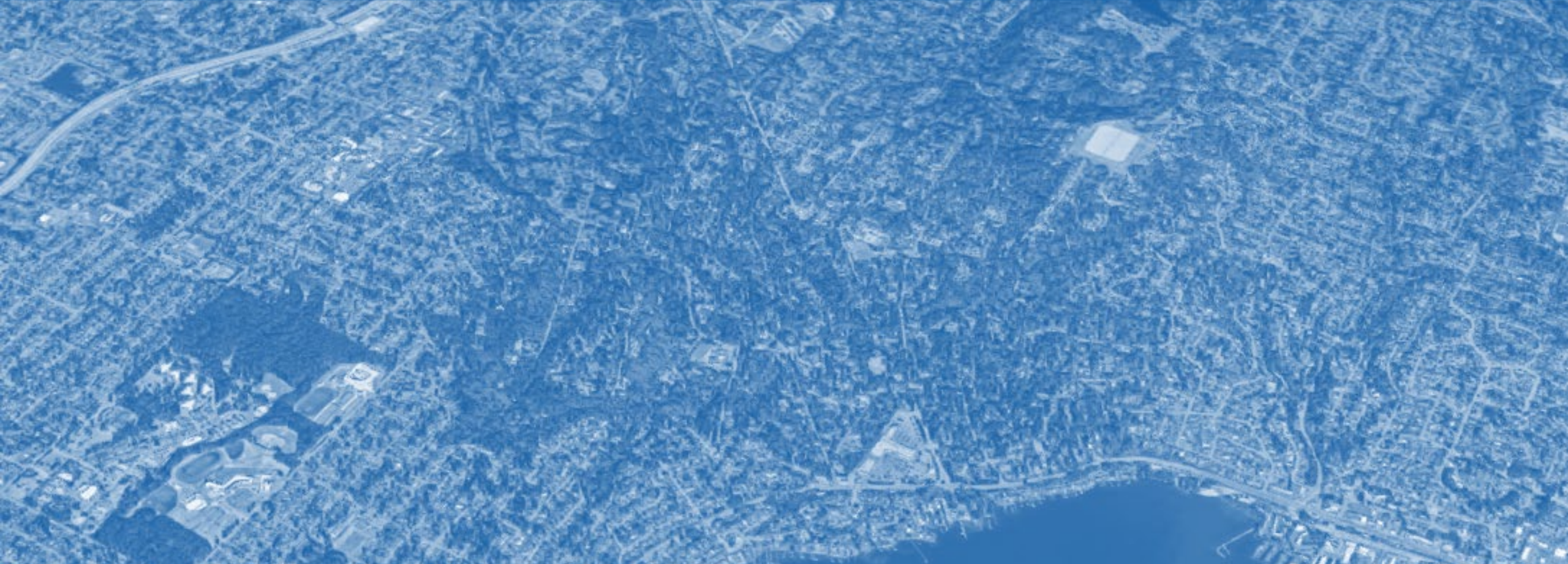
Applying these zone categorizations by income level yields the chart at right, which shows that Lake Forest Park **does have sufficient land capacity** within its current zoning to meet its housing targets by income band.

Zone	Housing Types Allowed	Income Level Served (by AMI)
Single-Family		
RS-20	Single-Family, Manufactured Home, ADU	120% +
RS-15	Single-Family, Manufactured Home, ADU	120% +
RS-10	Single-Family, Manufactured Home, ADU	120% +
RS-9.6	Single-Family, Manufactured Home, ADU	120% +
RS-7.2	Single-Family, Manufactured Home, ADU	120% +
Town Center / Southern Gateway		
TC	Multifamily	0-80%
SG-SFR	Single-Family, ADU	120% +
SG-T	Multifamily, Single-Family (with restrictions), Senior apartments, nursing homes	80-120%
SG-C	Multifamily, Senior apartments, nursing homes	0-80%
Additional Housing Types		
ADUs		80-120%
Duplexes		80-120%

Source: Washington Department of Commerce, Leland Consulting Group

Housing Capacity and Need by Income Band





Adequate Provisions



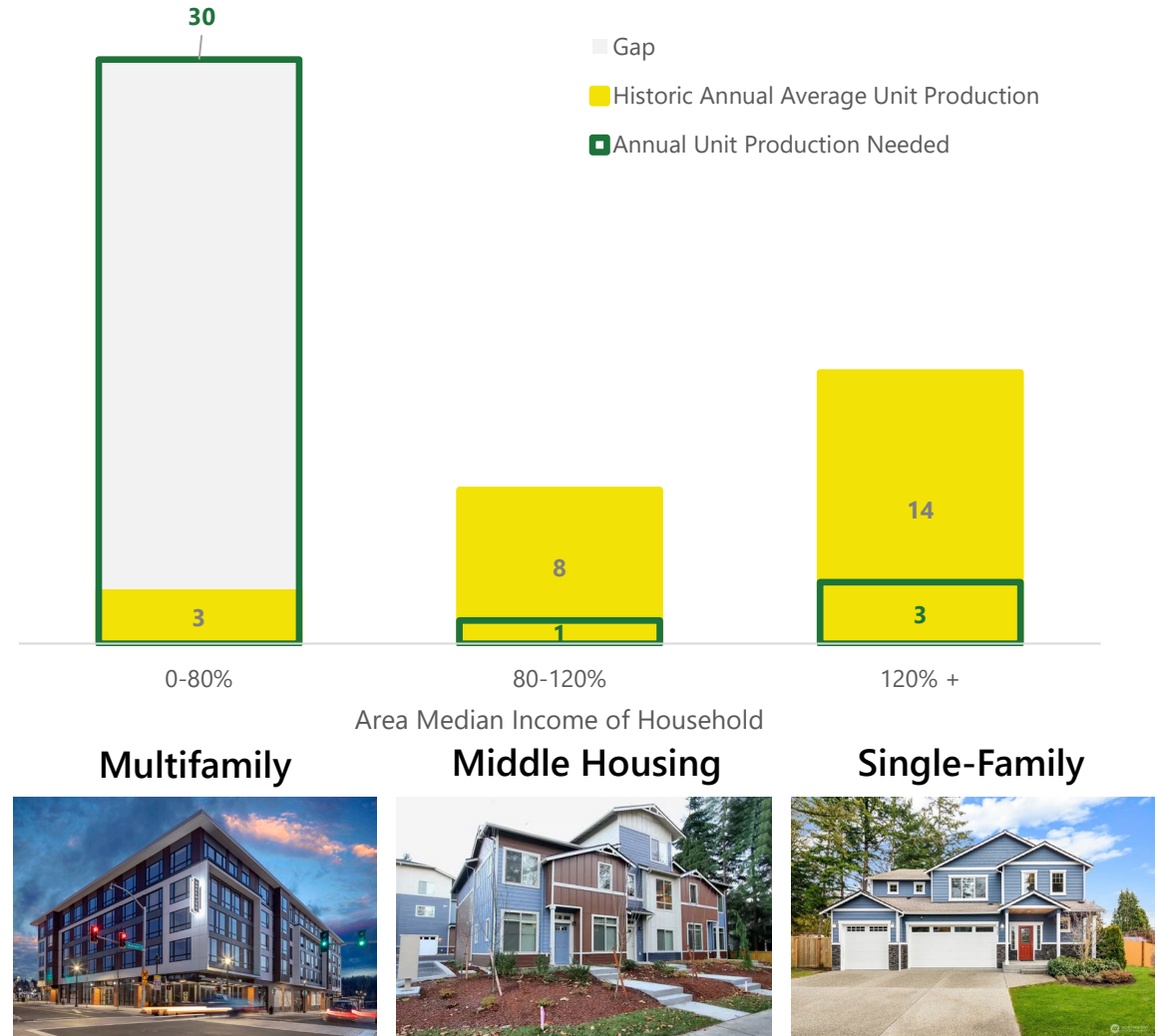
Production Trends

HB 1220 also requires a consideration of “**Adequate Provisions**” for accommodating housing at all income levels. This is a more qualitative analysis than the Land Capacity Analysis and requires that jurisdictions first compare the projected housing need discussed previously to the average annual production rate of different housing types in the community.

As shown at right, Lake Forest Park’s housing target would require the production of **30 units per year** on average through 2044 for low- and moderate-income households, in multifamily projects. However, in the past decade, the city has only seen an average of **3 units per year** produced in housing types which could meet the needs of households earning under 80% AMI.

On the other hand, the city is seeing **sufficient production** of single-family, duplexes, triplexes, and ADUs to meet the projected demand for households earning over 80% AMI.

Production Trends and Needs in Lake Forest Park, 2012-2023



Analysis of Barriers

Having identified a barrier to production of housing serving low- and moderate-income households in Lake Forest Park, HB 1220 requires an analysis of these barriers. Commerce recommends a combination of:

- data collection
- staff experience
- code review
- evaluation of existing permitting process and resource
- comparisons with neighboring jurisdictions
- developer interviews

Commerce’s recommended analysis of barriers to housing production fall into four main categories:

- **development regulations**
- **process obstacles**
- **limited land availability and environmental constraints**
- **funding gaps**

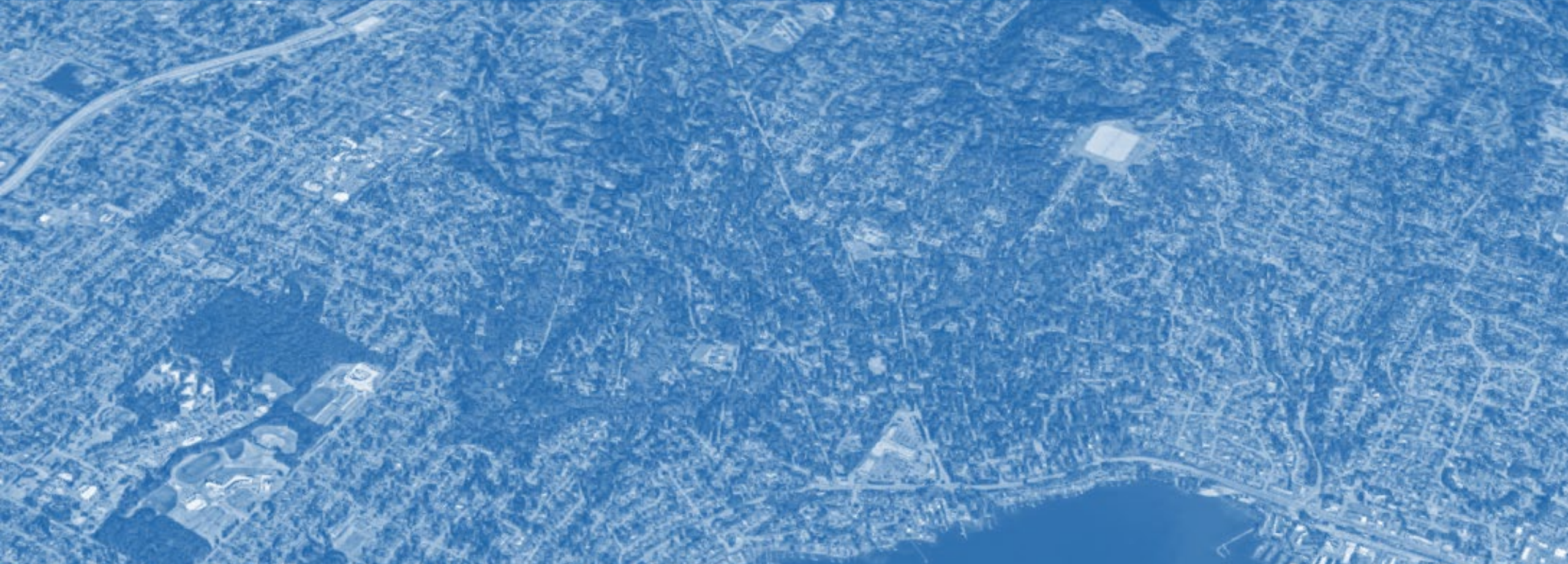
Completed checklist examples

Exhibit B647. Example Moderate Density barriers review

Barrier	Is this barrier likely to affect production? (yes or no)	Why or why not? Provide evidence.	Actions needed to address barriers.
DEVELOPMENT REGULATIONS			
Unclear development regulations	Yes	We reviewed our zoning code for inconsistencies and missing definitions and found several that relate to moderate density housing.	Updates to development regulations to add missing definitions and remove inconsistencies.
Prohibiting some moderate density housing types, such as: <ul style="list-style-type: none"> ○ Duplexes ○ Triplexes ○ Four/five/six-plexes ○ Townhomes ○ Cottage housing ○ Live-work units ○ Stacked flats ○ Manufactured home parks 	No	All of these housing types, except for manufactured home parks, are allowed outright in all residential zones. Mobile home parks are allowed in the Mobile Home Park zone. Developers indicated that [jurisdiction name] has much more flexible zoning than surrounding jurisdictions for moderate density housing.	N/A
High minimum lot sizes	No	This topic did not emerge in developer engagement.	N/A
Low maximum densities	No	This topic did not emerge in developer engagement.	N/A
Low maximum building heights	No	This topic did not emerge in developer engagement or discussions with development review staff.	N/A
Large setback requirements	Yes	Three out of four developers and all five individual property owners we spoke with indicated that required setbacks have presented a barrier for them, particularly for moderate density housing	New comprehensive plan policy H.2.B includes actions to add flexibility to development regulations, specifically setbacks for moderate density housing.

After identifying the barriers which may be affecting housing production, jurisdictions are required to identify **actions that can be taken** to overcome these barriers. These actions do not have to be adopted with the comprehensive plan but should inform future implementation efforts.

Commerce has provided checklists to aid in the process of this analysis, and which can be included in an appendix to the Housing Element. An example is shown above.



Next Steps & Additional Considerations



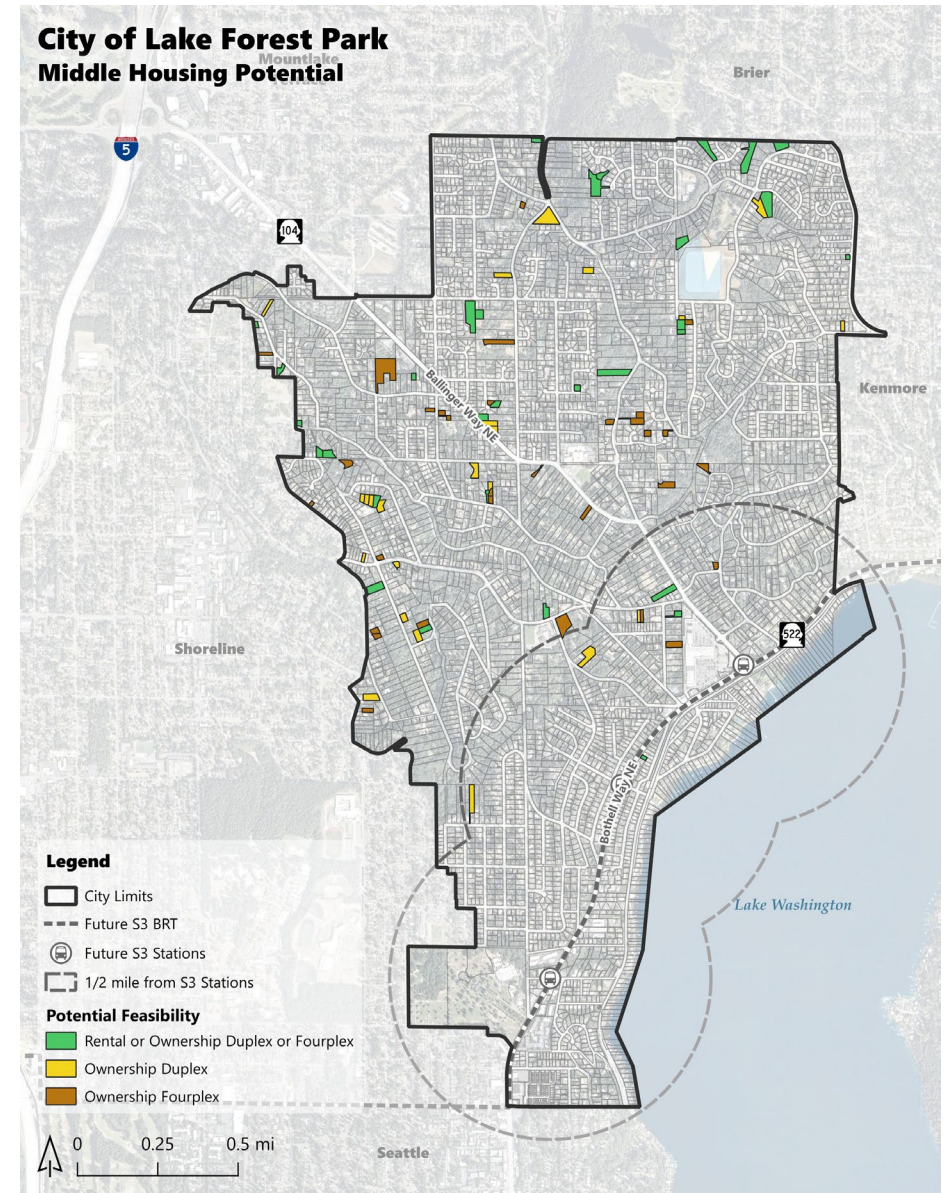
Additional Middle Housing Considerations

In addition to ownership duplexes, LCG analyzed the high-level feasibility of rental duplexes, rental fourplexes, and ownership fourplexes. The results are shown at right, with fourplexes being feasible on a number of additional parcels beyond where duplexes may be potentially developed. However, **the overall feasibility for these middle housing types in Lake Forest Park is still limited.**

According to HB 1110, jurisdictions will be required to allow **six of the nine middle housing types** shown below. Some of these may only be required to be allowed only within proximity to station areas, and there are remaining questions about this provision of the bill. Nonetheless, the city may wish to consider the potential to **serve a wider range of households throughout the city through allowing some additional housing types.** As this high-level feasibility analysis indicates, it is unlikely that Lake Forest Park would see rapid or significant redevelopment of middle housing, but over the 20-year horizon, as economics shift, middle housing may present an important opportunity to increase affordability for a wider range of residents.

The nine middle housing types as defined in HB1110 are:

- Duplexes
- Triplexes
- Four/five/six-plexes
- Townhomes
- Cottage housing
- Live-work units
- Manufactured home parks



Next Steps

- Goals & Policy Review
- Adequate Provisions Analysis & Policy Recommendations
- HB 1110 Middle Housing Alternative Path to Compliance – Analyze HB 1110 75%/25% Alternative Density Requirements
 - Draft Middle Housing Model Ordinance
- Racially Disparate Impacts Assessment





Lake Forest Park 2024 Comprehensive Plan Update Housing Needs Assessment **DRAFT 2023-11-08**

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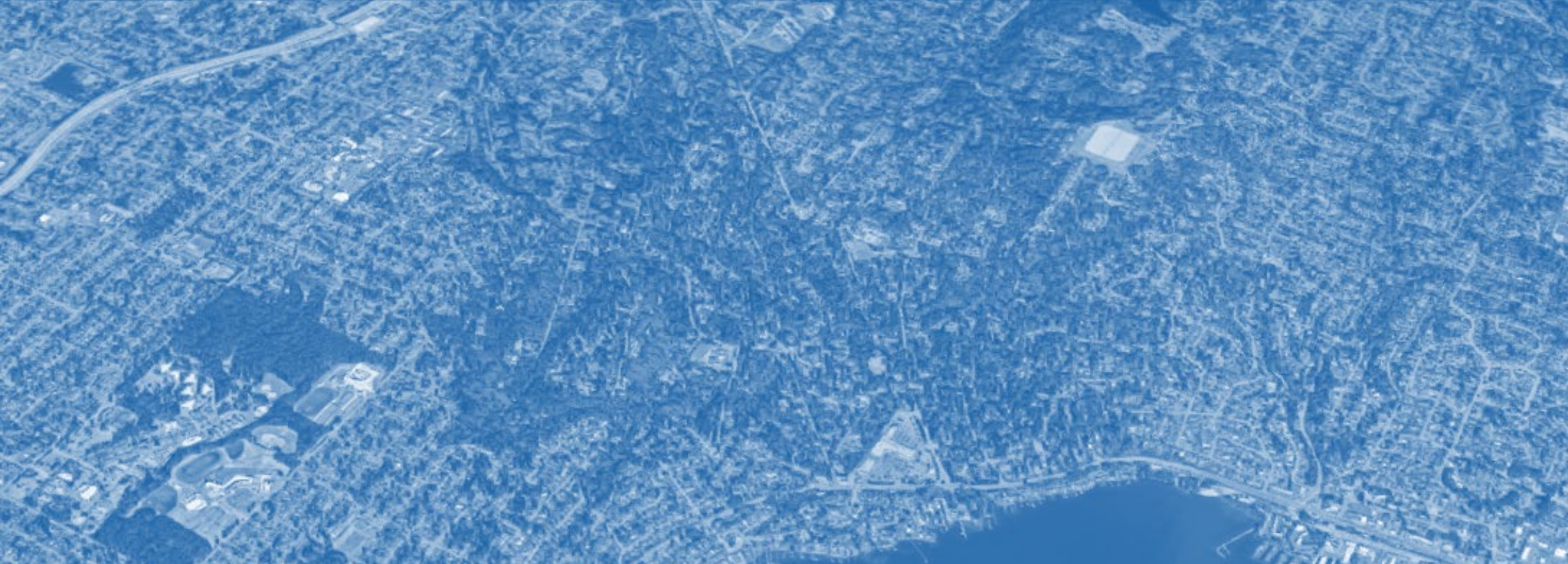


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Community Profile

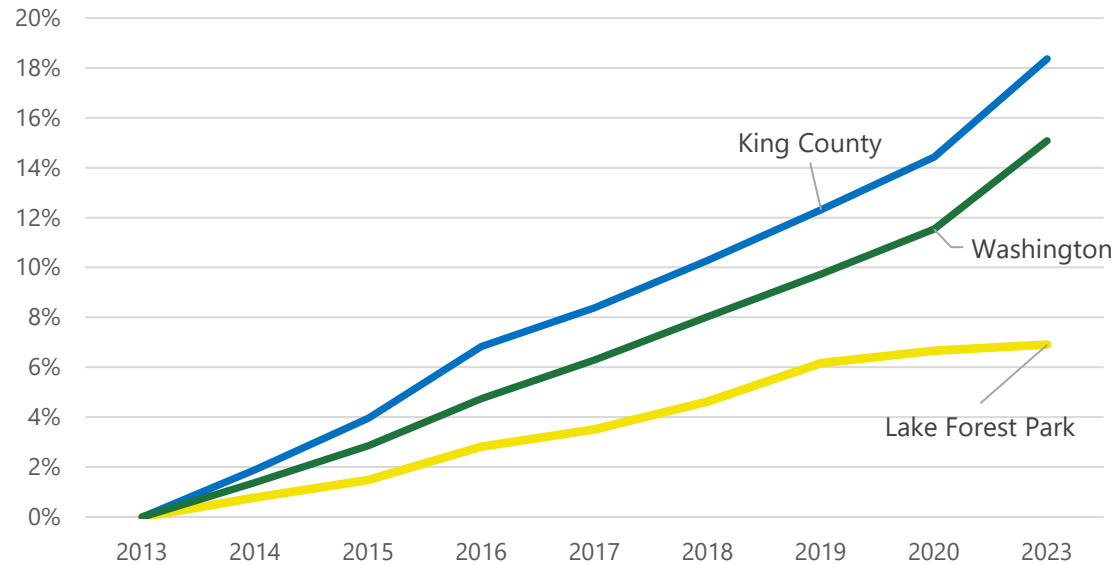


Population

Lake Forest Park was incorporated in 1961, and its population grew rapidly due to major annexations between 1994 and 1999. Since 2000, the population has been relatively consistent between 12,000 and 14,000 people, with very little change since the 2020 Census. Over the past decade, the population has grown less rapidly than the state and county, as shown below. The 2023 OFM Population estimate is **13,660**.

The population is forecast to grow to **15,066 by 2044**, according to the latest PSRC forecast model. This represents a yearly growth rate of 0.47 percent.

Lake Forest Park Population Change 2013-2023



Source: Washington Office of Financial Management (OFM)

Lake Forest Park Population and Growth Rate, 1970-2044 (projected)



Source: Washington Office of Financial Management (OFM), Puget Sound Regional Council (PSRC)

Population Characteristics

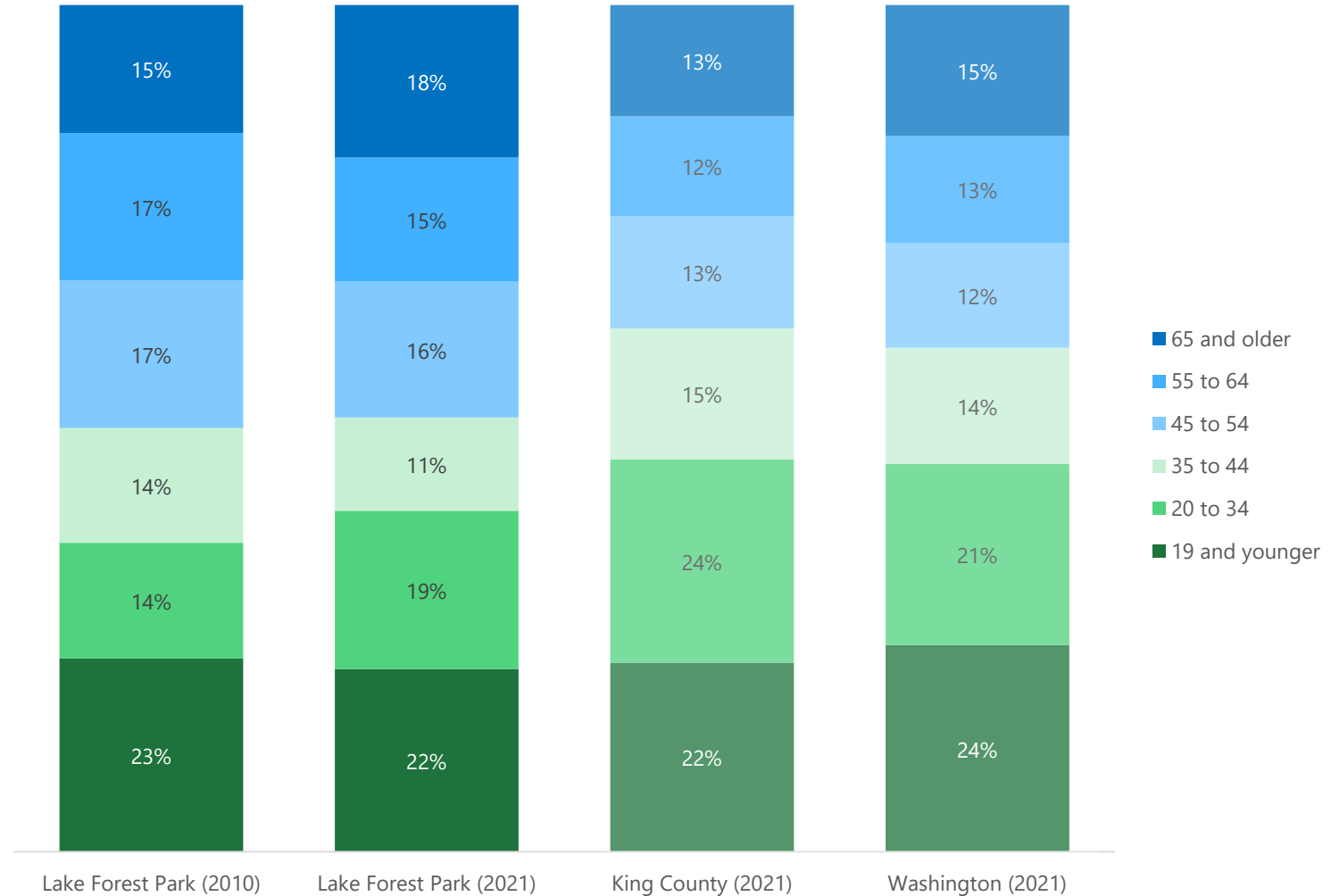
Age

Lake Forest Park’s population is substantially **older** than regional and statewide averages. Half of residents are over 45, compared to around 40 percent county and statewide. In addition, 18 percent of residents are over 65, compared to 13 percent countywide and 15 percent statewide.

Since 2010, **the share of residents over 65 has increased from 15 to 18 percent** of the city’s population, or an increase of 534 residents. At the same time, **the city has also seen a significant increase in residents aged 20 to 34**, as shown at right.

The age composition of Lake Forest Park’s residents has important implications for housing needs in the city. An increasing share of older residents who may be “downsizing” can often signal the need for smaller housing units. On the other hand, an increasing share of young adults may result in new families which need more bedrooms. Older residents may also have specific housing needs such as accessible units or assisted living.

Age Distribution in Lake Forest Park with Regional Comparisons, 2010-2021



Source: 2021 American Community Survey 5-Year Estimates, Table DP05, 2010 US Census, Table P12

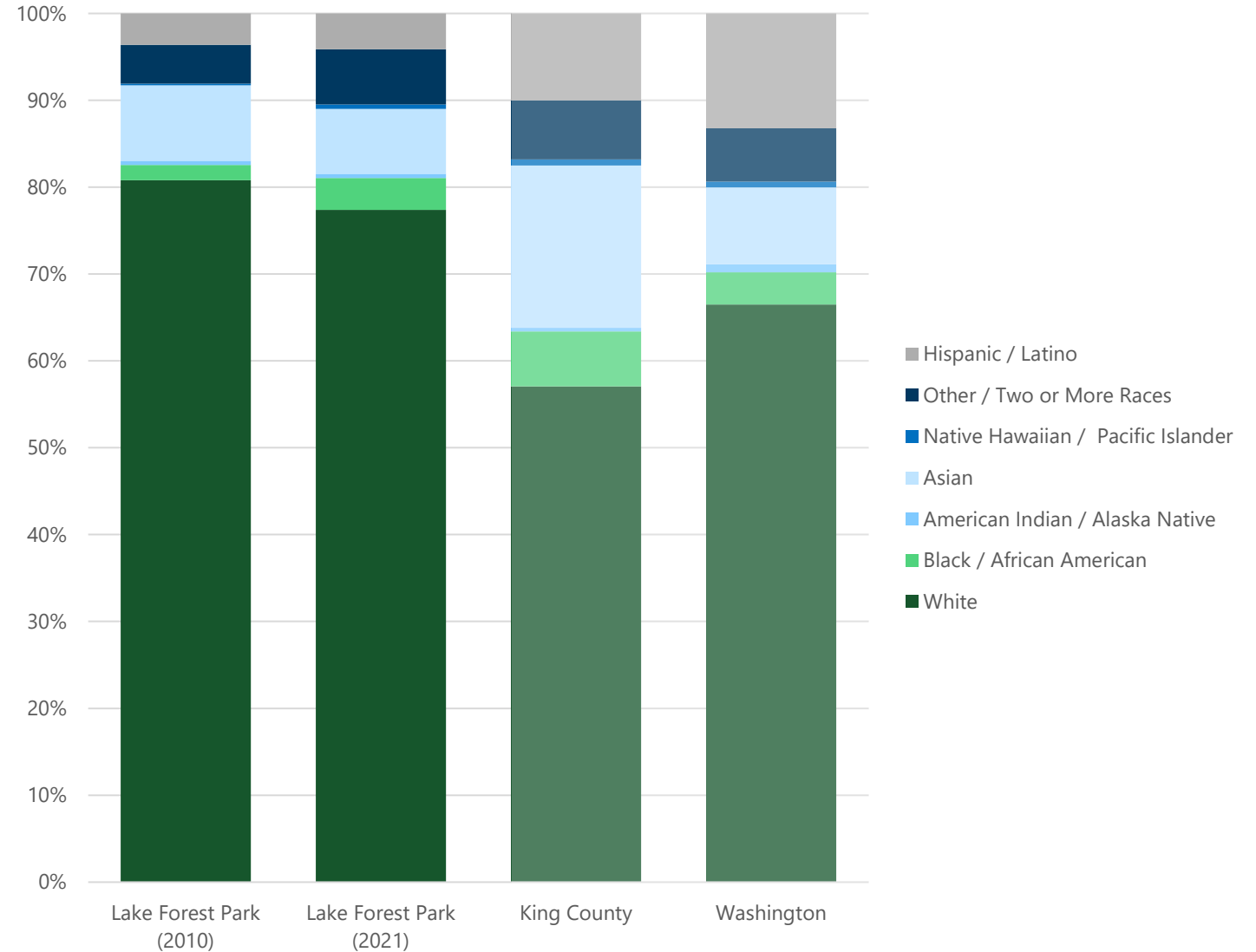
Race / Ethnicity

The population of Lake Forest Park is significantly **less ethnically and racially diverse than King County as a whole**, with 77 percent of residents identifying as White, compared with 57 percent countywide. Of the city's non-White population, there are similar shares of Mixed-Race, and Asian populations at 6-7 percent each, with smaller shares of Hispanic/Latino and Black residents (3-4 percent) and Native American / Hawaiian residents (less than 1 percent).

The city has become more diverse since 2010 as shown at right, with an overall increase in BIPOC residents, particularly mixed-race residents.

When considering housing needs, race and ethnicity can present compounding challenges to housing affordability and accessibility. For example, in Lake Forest Park, **88 percent of homeowners are White, compared to only 57 percent of renters**. Renters face greater housing instability than homeowners, and less opportunities for wealth-building. These type of reinforcing housing challenges are important to consider when planning for the housing needs of all residents in the city.

Race/Ethnicity in Lake Forest Park with Comparisons, 2010-2021



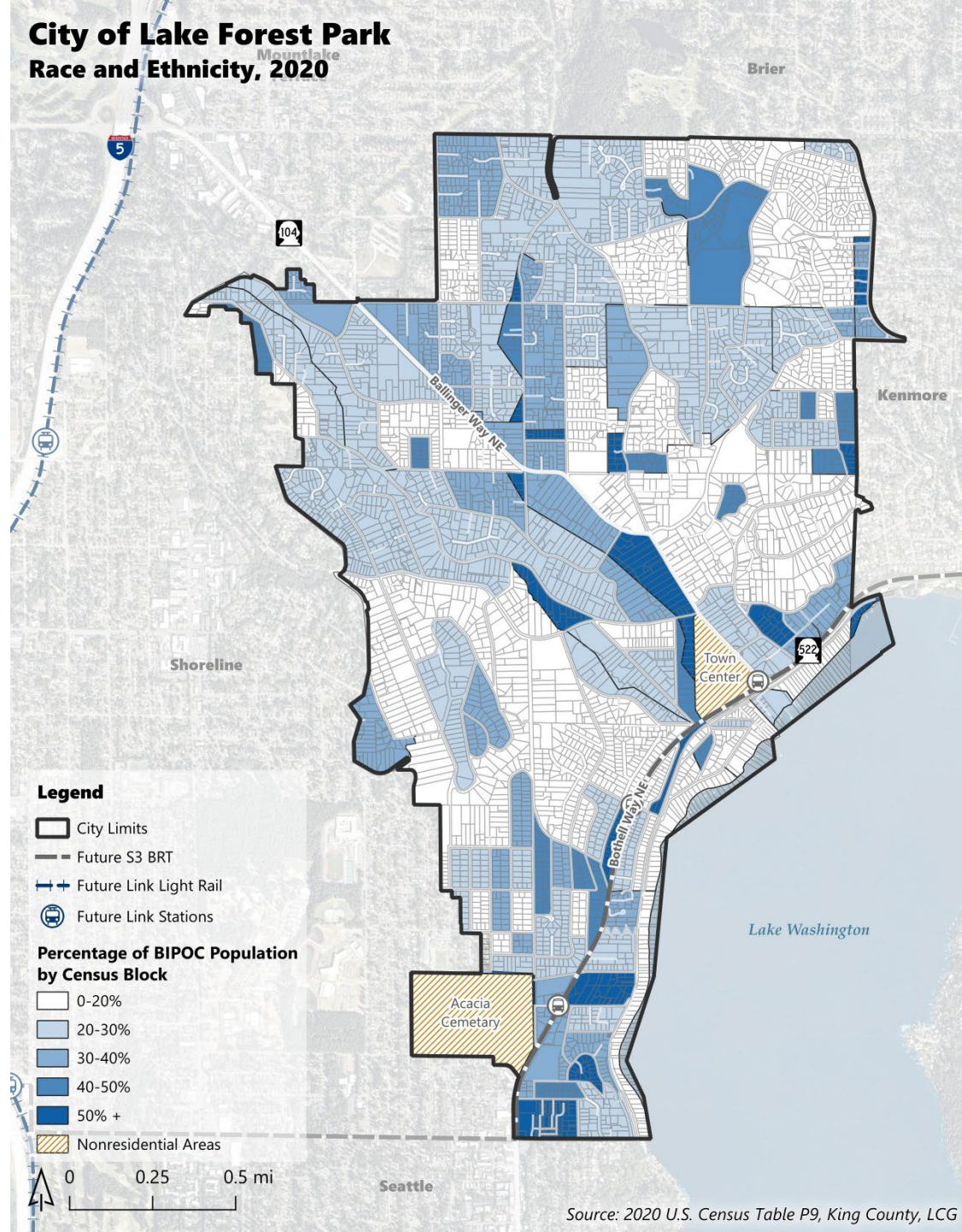
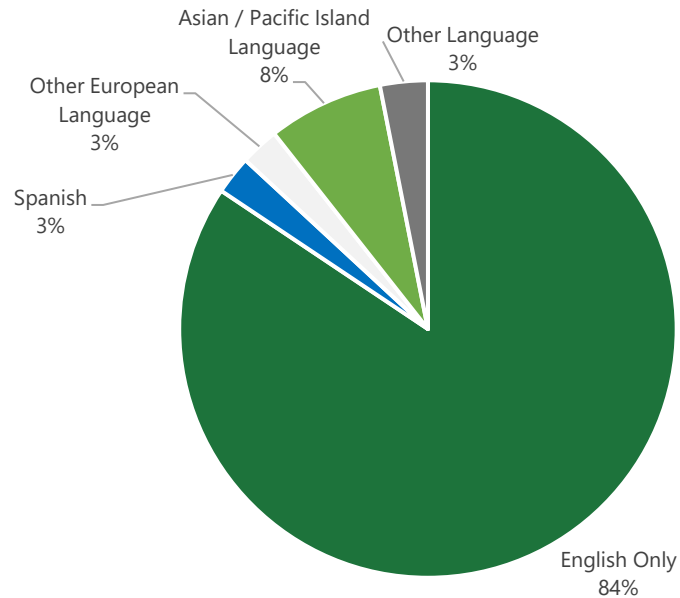
Source: 2021 American Community Survey 5-Year Estimates, Table DP05

Race / Ethnicity

This map shows the share of BIPOC (Black, Indigenous and people of color) populations by Census block in Lake Forest Park. There are noticeable concentrations of BIPOC populations in the **Southern Gateway and Town Center areas**. Notably, the Southern Gateway area allows denser multifamily housing than other parts of the city.

The majority of households in Lake Forest Park speak English at home, as shown below, but about 15 percent speak other languages. Most of these residents also speak English, according to the 2021 American Community Survey.

Language Spoken At Home in Lake Forest Park, 2021



Household Characteristics

Background on HUD Income Limits

HUD FY 2023 Income Limits for the Seattle-Bellevue Metro Area

FY 2023 Income Limit Category	Persons in Family							
	1	2	3	4	5	6	7	8
Extremely Low Income (< 30% AMI)	\$ 28,800	\$ 32,900	\$ 37,000	\$ 41,100	\$ 44,400	\$ 47,700	\$ 51,000	\$ 54,300
Very Low Income (30-50% AMI)	\$ 47,950	\$ 54,800	\$ 61,650	\$ 68,500	\$ 74,000	\$ 79,500	\$ 84,950	\$ 90,450
Low Income (50-80% AMI)	\$ 70,650	\$ 80,750	\$ 90,850	\$ 100,900	\$ 109,000	\$ 117,050	\$ 125,150	\$ 133,200

Source: HUD

The department of Housing and Urban Development (HUD) uses its own measure of income by metro area, called the Median Family Income. **For 2023, the MFI for the Seattle metro area, which includes all of King and Snohomish counties, is \$146,500.** This number is higher than the 2021 American Community Survey Median Household Income shown previously since it is updated by HUD from the 2021 ACS data to a 2023 estimate using inflation and other considerations.

In addition, HUD calculates **income limits** based on this MFI figure and on household size in order to determine eligibility for subsidized housing at various family sizes. The table above shows the 2023 income limits for Extremely Low, Very Low, and Low Income households in the Seattle metro area. A family of four in Lake Forest Park would be eligible for subsidized housing offered to residents earning 80 percent of the median income or lower if their household income were \$100,900 or less, or to housing available to residents earning 30 percent of the median income or lower if their household income were \$41,100 or less, for example.

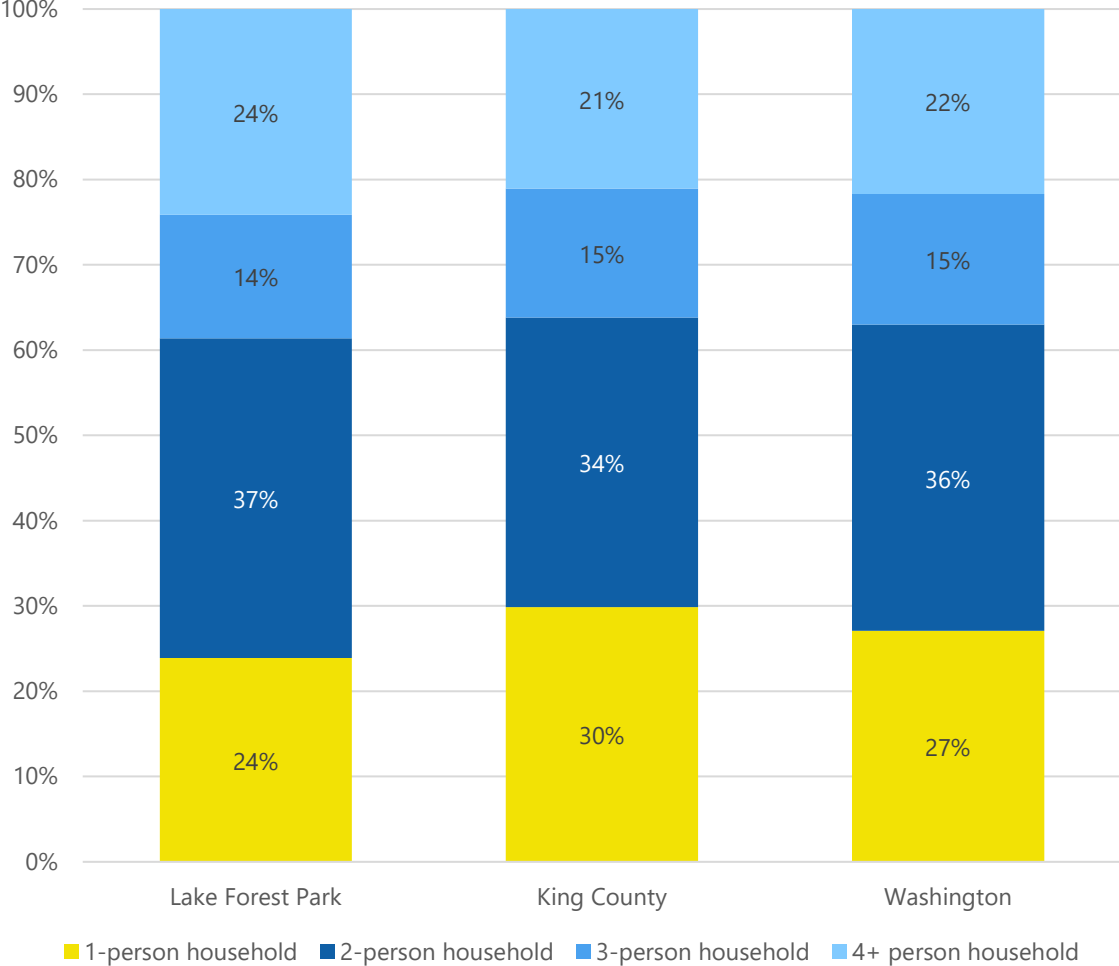
Household Size and Tenure

OFM’s official housing unit count for 2023 in Lake Forest Park is **5,589 units**. Each unit is occupied by one household, defined by the Census as one or more related or unrelated individuals.

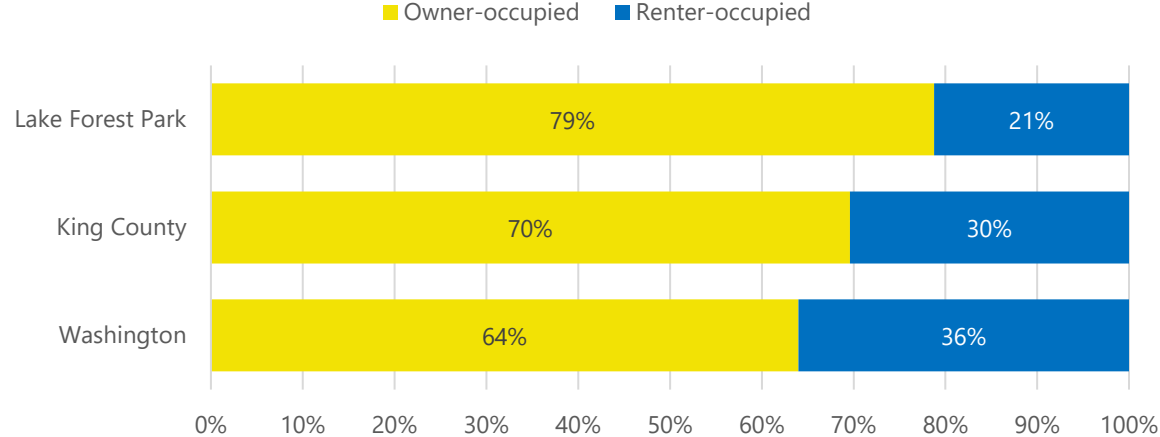
Lake Forest Park’s households are **similar in size to county and statewide averages** as shown to the right. There is a slightly smaller share of one-person households than the county. Overall, the largest number of households are two-person households, at 37 percent.

More than three-quarters of Lake Forest Park households are homeowners, a larger share than King County and the state overall, as shown below. This is consistent with current zoning in the city, in which 96 percent of the land is zoned for single-family residential development.

Lake Forest Park Household Size, 2021



Tenure in Lake Forest Park, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table DP04

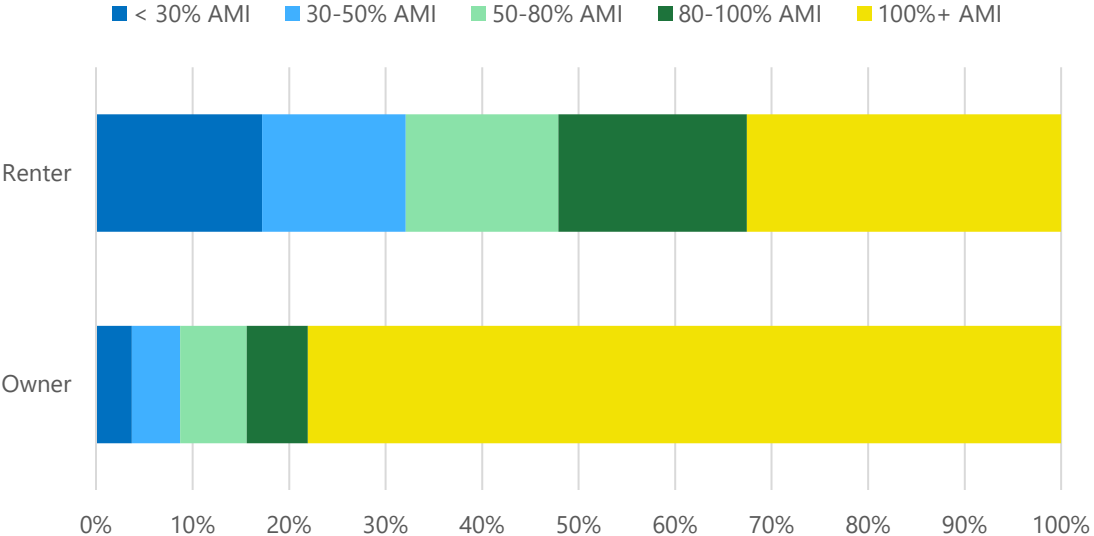
Source: 2021 American Community Survey 5-Year Estimates, Table DP04

Tenure and Income

Compared with homeowners, renters can face greater housing challenges from circumstances beyond their control such as rent increases and evictions. Both nationally and in Lake Forest Park, renters are more likely to be lower-income and more diverse. As shown below on the left, only about **30 percent of Lake Forest Park rental households earn 100 of the Area Median Income or higher, compared to three-quarters of homeowner households**. Renters also tend to have smaller household sizes in the city, as shown below on the right. About 40 percent of renter households are one-person households.

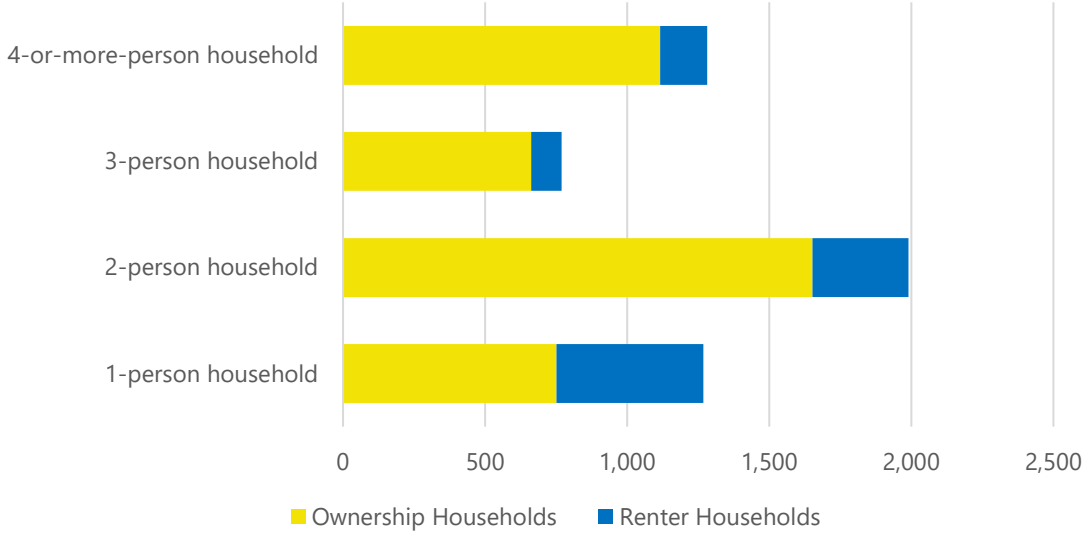
When planning for housing needs in the city, this data shows that renters in the city have a much more acute need for affordable rents and are more likely to need smaller units. It also shows the **challenges renters may face moving from renting to home ownership in the city**, which will be further discussed below under "Affordability."

Income by Tenure in Lake Forest Park, 2019



Source: 2019 HUD Comprehensive Housing Affordability Strategy (CHAS)

Lake Forest Park Household Size by Tenure, 2021

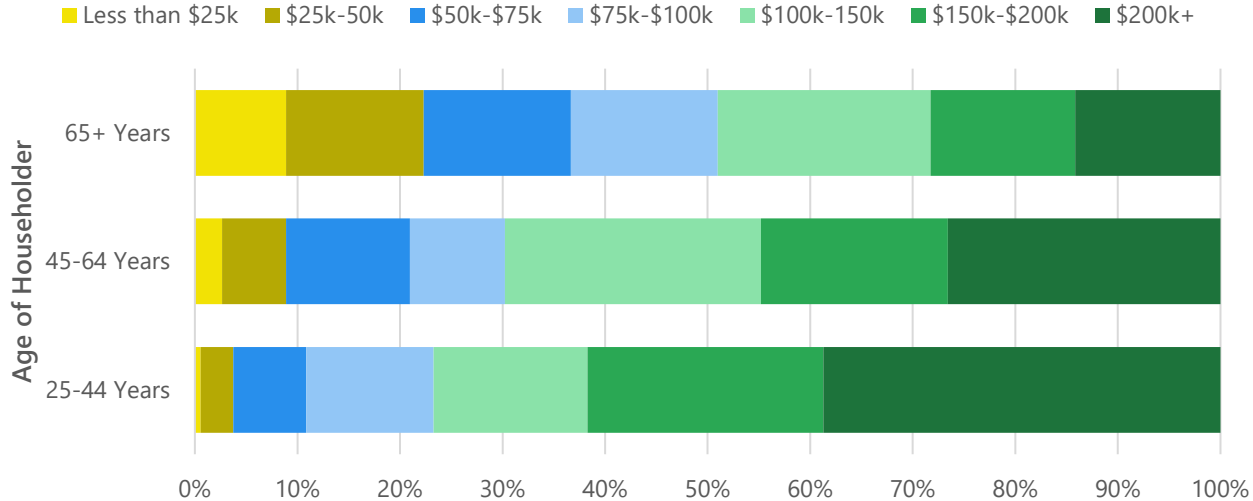


Source: 2021 American Community Survey 5-Year Estimates, Table DP04

Age, Tenure, and Income

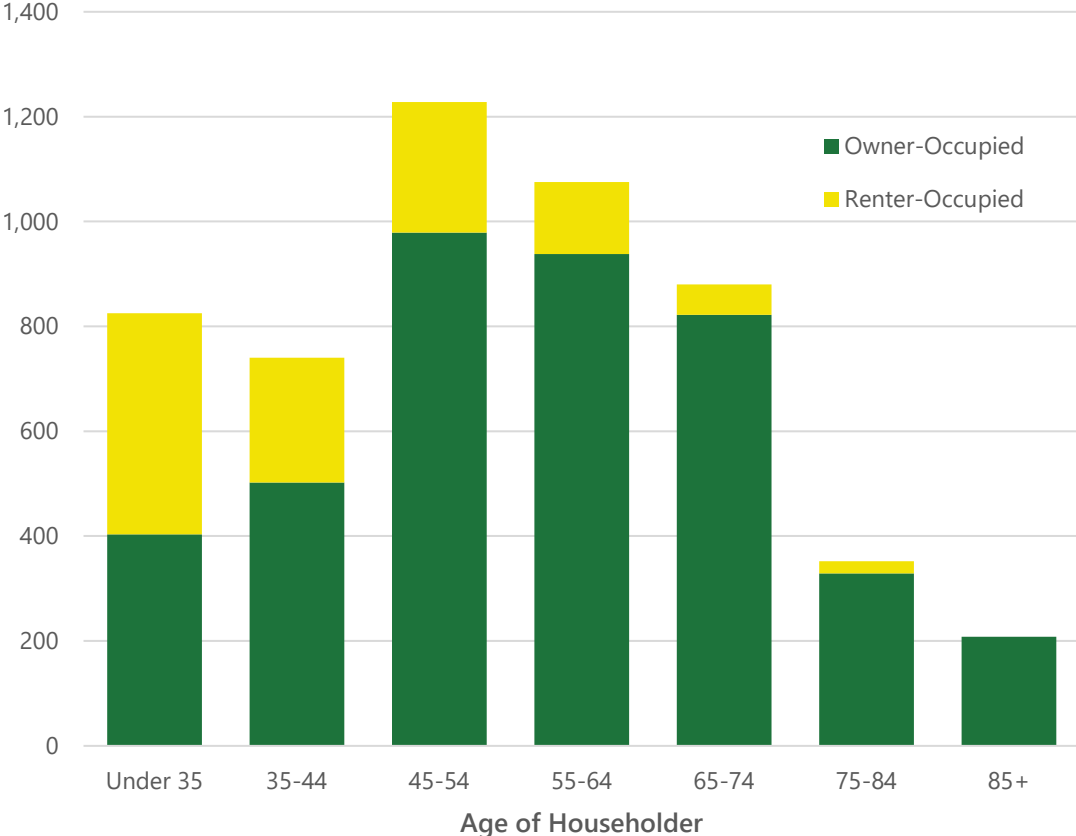
As noted previously, Lake Forest Park residents are older than regional and statewide averages. This can introduce compounding challenges to housing affordability. As shown below, **older households earn considerably less** than younger households in Lake Forest Park. Nonetheless, as shown at right, most older households are homeowners. Given the rising housing prices in the city discussed further under “Housing Market Conditions” later in this report, these households would likely be **unable to afford their current housing units if they had to buy them today**, and may also face challenges if they need or wish to move and stay within the community.

Age and Household Income in Lake Forest Park, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table B19037

Age and Tenure of Households in Lake Forest Park, 2021



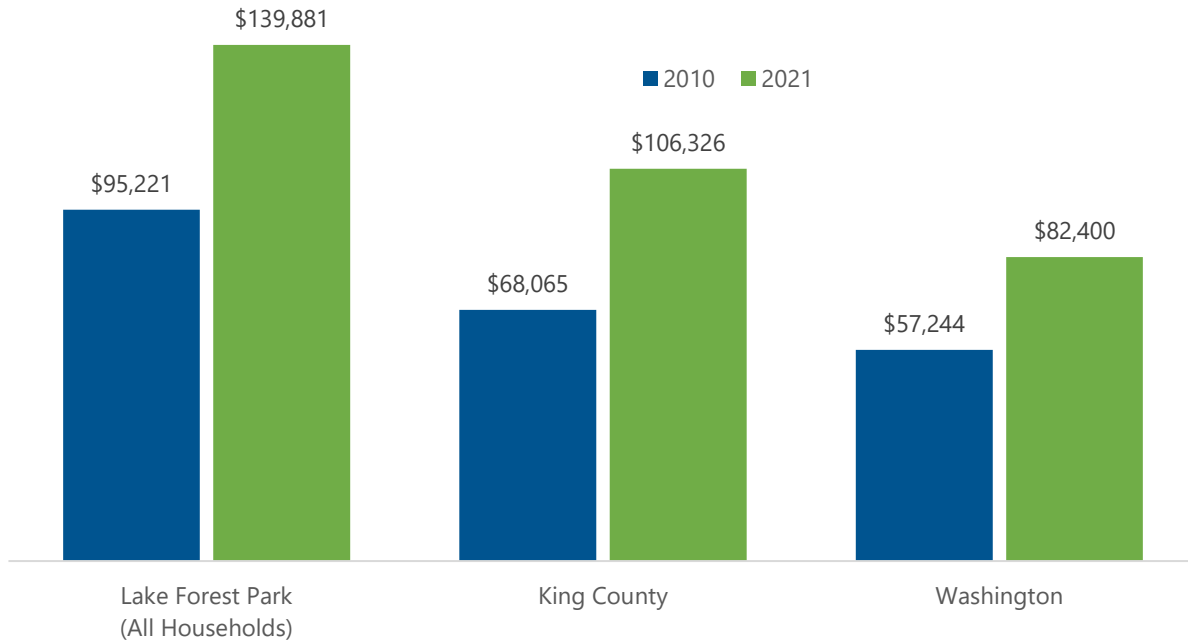
Source: 2021 American Community Survey 5-Year Estimates, Table S2503

Household Income

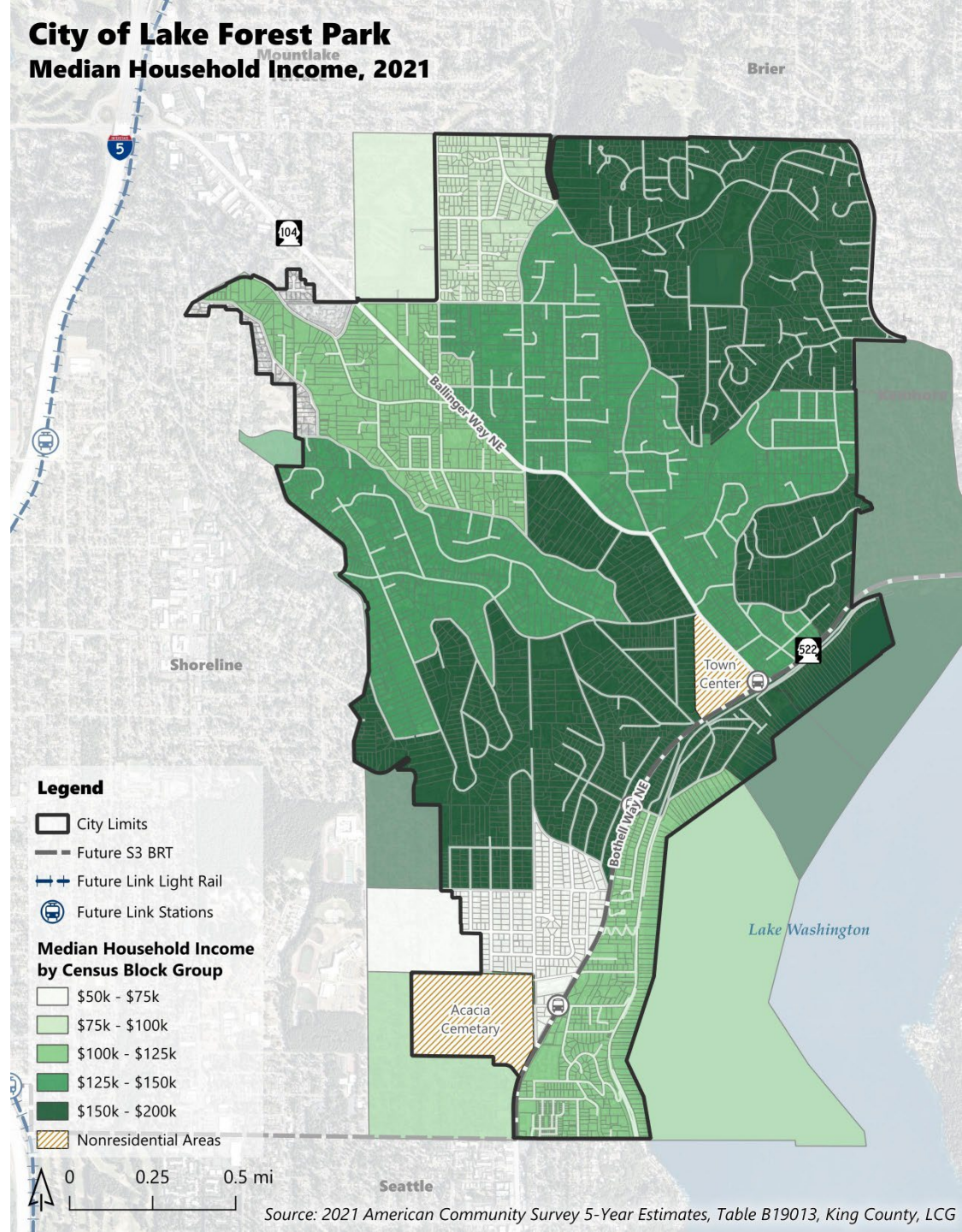
Household incomes in Lake Forest Park are higher than county and statewide averages, with the 2021 median household income as reported by the Census at **\$139,881, about 1.3 times higher than King County**. This represents a 47 percent increase since the 2010 Census. Countywide, incomes increased 56 percent between 2010 and 2021.

Household incomes in Lake Forest Park are not distributed evenly, as shown at right. Many of the lower-income households are in Census Block Groups near the Southern Gateway and in the NW of the city.

Median Household Income in Lake Forest Park, 2010-21



Source: 2021 American Community Survey 5-Year Estimates, Table S2503

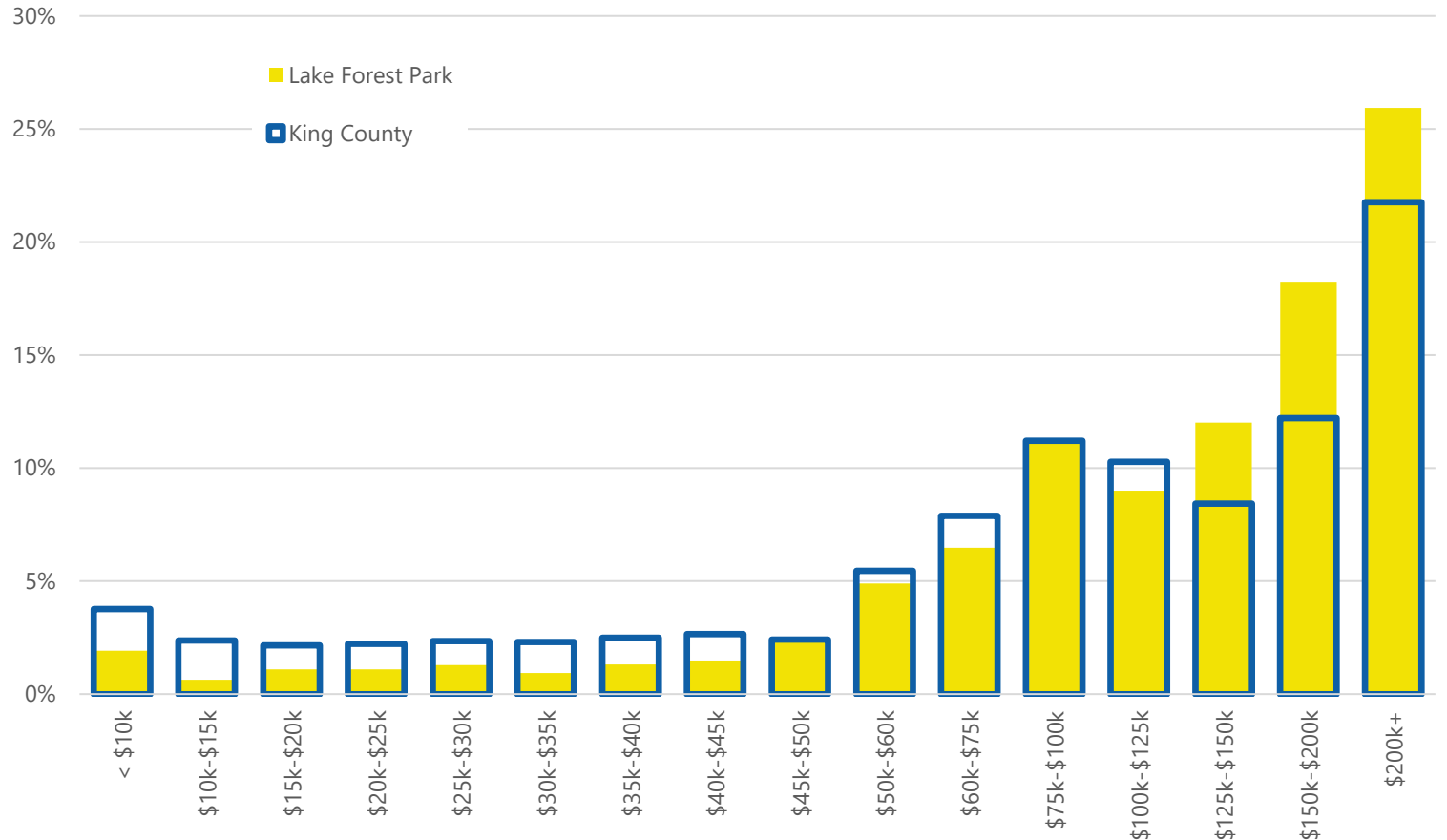


Household Income Distribution

This chart shows the breakdown of household incomes in Lake Forest Park by income bands, compared with King County. There are a **significantly larger share of households earning over \$125,000 in the city when compared with the county, and smaller shares earning under \$45,000**. In the \$50,000 - \$125,000 range, the share of households in the city is relatively similar to that seen countywide.

An analysis of household income required to afford housing at various price points is found later in this report, under "Housing Market Conditions."

Household Income Bands in Lake Forest Park and King County, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table B19001

Household Type

Household Type in Lake Forest Park, 2021

	Lake Forest Park		King County		Washington	
	Total	%	Total	%	Total	%
Total Households	5,308		902,308		3,022,255	
Family households	3,680	69%	536,432	59%	1,937,081	64%
<i>Married-couple family</i>	3,242	61%	427,498	47%	1,503,723	50%
<i>Other family</i>	438	8%	108,934	12%	433,358	14%
<i>With own children of householder under 18 years</i>	1,521	29%	238,894	26%	809,198	27%
Nonfamily households	1,628	31%	365,876	41%	1,085,174	36%
<i>Householder living alone</i>	1,268	24%	269,580	30%	819,693	27%
<i>Householder 65 years and over</i>	387	7%	77,899	9%	304,599	10%

Source: 2021 American Community Survey 5-Year Estimates, Table S2501

The majority of households in Lake Forest Park (**69 percent**) are **family households**, as shown above. Of the family households, most are married couples. About **30 percent of Lake Forest Park households have children under 18**. The city has a higher share of family households and of families with children than both King County and the state.

The other 31 percent of Lake Forest Park households are non-family households, which includes individuals living alone or any arrangement of unrelated residents. The majority of these households are residents living alone. Of these, **387 households are individuals over 65 living alone**. This is a smaller share of older householders living alone than the county and state. The **average household size in the city is 2.54**, higher than the King County average of 2.44 and an increase from Lake Forest Park’s 2010 average household size of 2.36.

This data shows a need in Lake Forest Park for both larger units to accommodate families and smaller units to accommodate residents living alone. A comparison between household size and housing unit size in the city can be found below under “General Housing Inventory”

Cost Burden

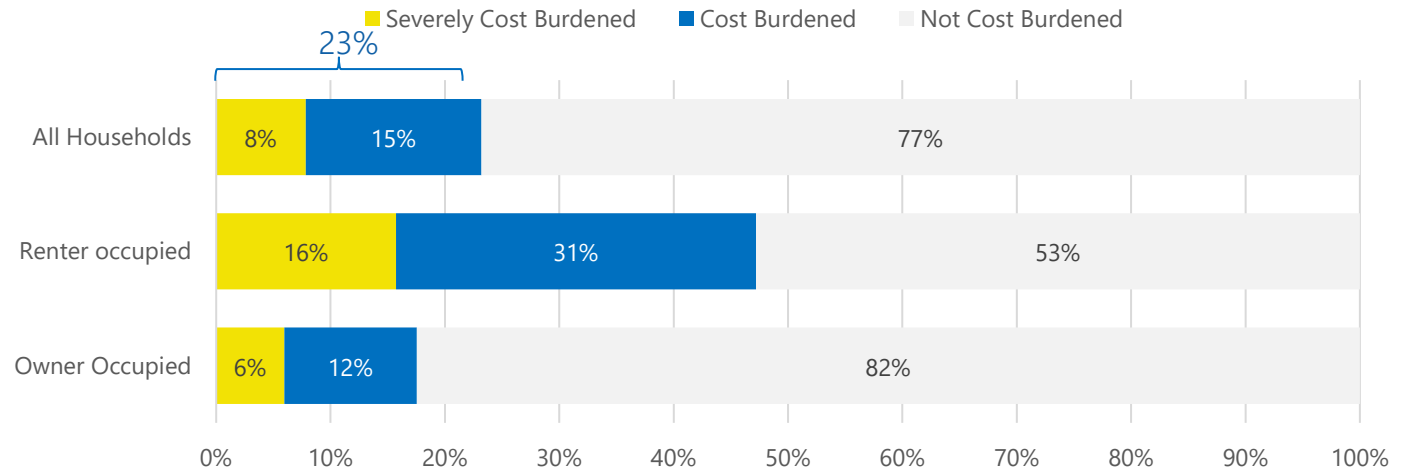
One metric used by HUD to determine housing challenges is “Cost Burden.” A household is considered cost burdened if they spend more than **30 percent of their income on housing costs** (including rent or mortgage and utilities). A severely cost-burdened household spends more than **50 percent of their income on housing costs**.

The most recent available data on cost burden is from HUD’s 2020 Comprehensive Housing Affordability Strategy (CHAS) dataset shown at right. Overall, **nearly a quarter of households in Lake Forest Park are cost burdened**. **Renters experience significantly higher rates of cost burden**, with 31 percent of renters spending between 30 and 50 percent of their income on housing costs and another 16 percent spending more than half their income on housing costs.

The lower chart shows cost burden by household income. **Two-thirds of Lake Forest Park’s extremely low-income households, or 150 households, are spending more than half their income on housing costs**. However, over half of lower- and middle-income households are also spending at least 30 percent of their income on housing.

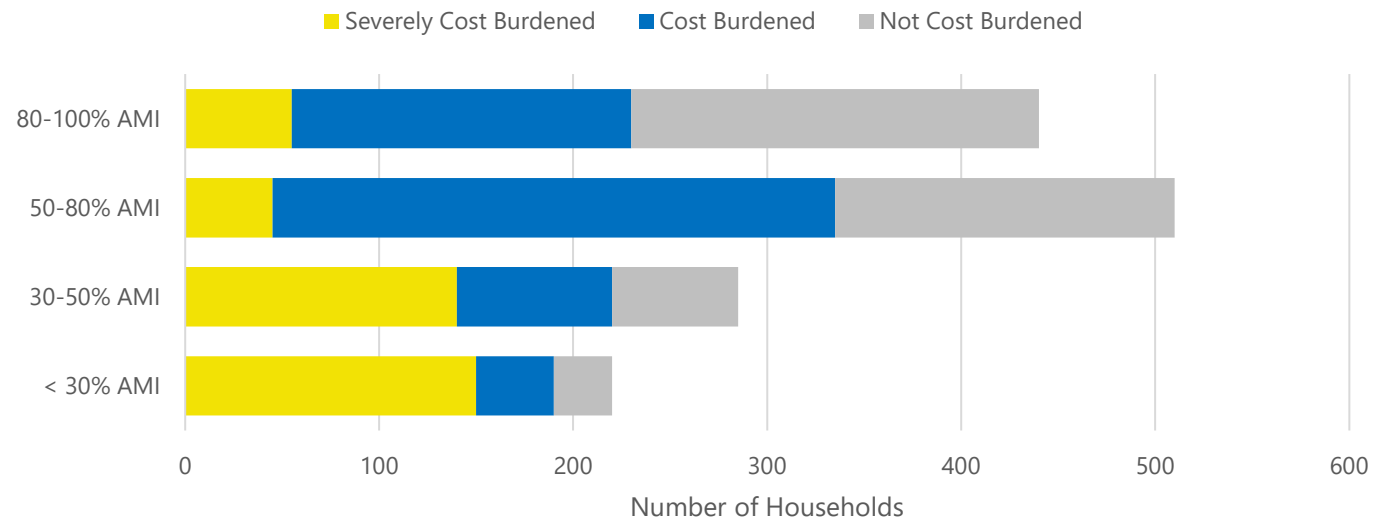
Overall, this data shows a need for more affordable units in the city, particularly for renters and lower-income households.

Cost-Burdened Households by Tenure in Lake Forest Park, 2020



Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

Cost-Burdened Households by Income in Lake Forest Park, 2020



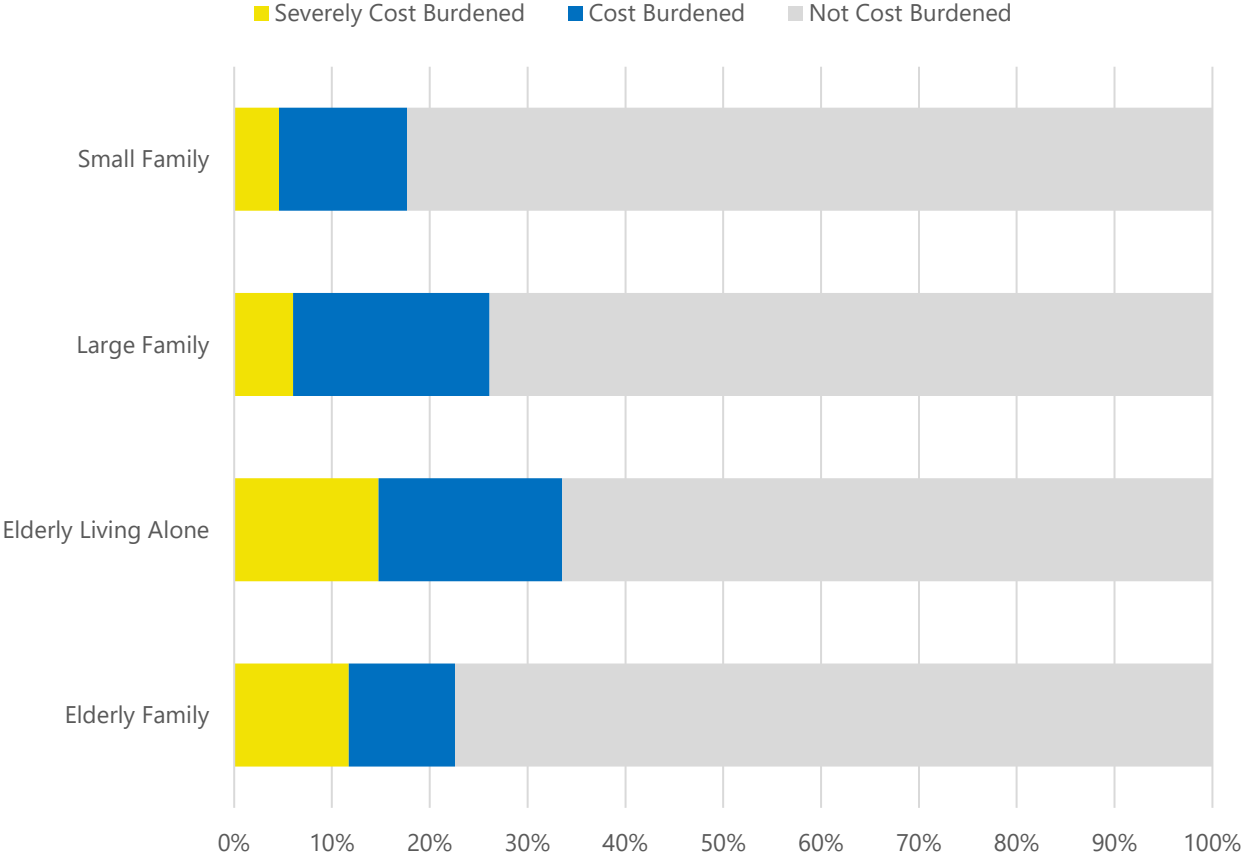
Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

Cost Burden and Age

HUD also breaks down cost burden by a variety of other metrics, including household type in several categories, as shown at right. This data reinforces some of the data on age and income discussed earlier in this report, since “Elderly Families” overall have higher rates of severe cost-burden than other family types. Furthermore, about **a third of older residents living alone are cost-burdened in Lake Forest Park.**

This data again shows the need for affordable, and potentially smaller units for the city’s older residents.

Cost Burden by Household Type in Lake Forest Park, 2020



Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS)

Disability

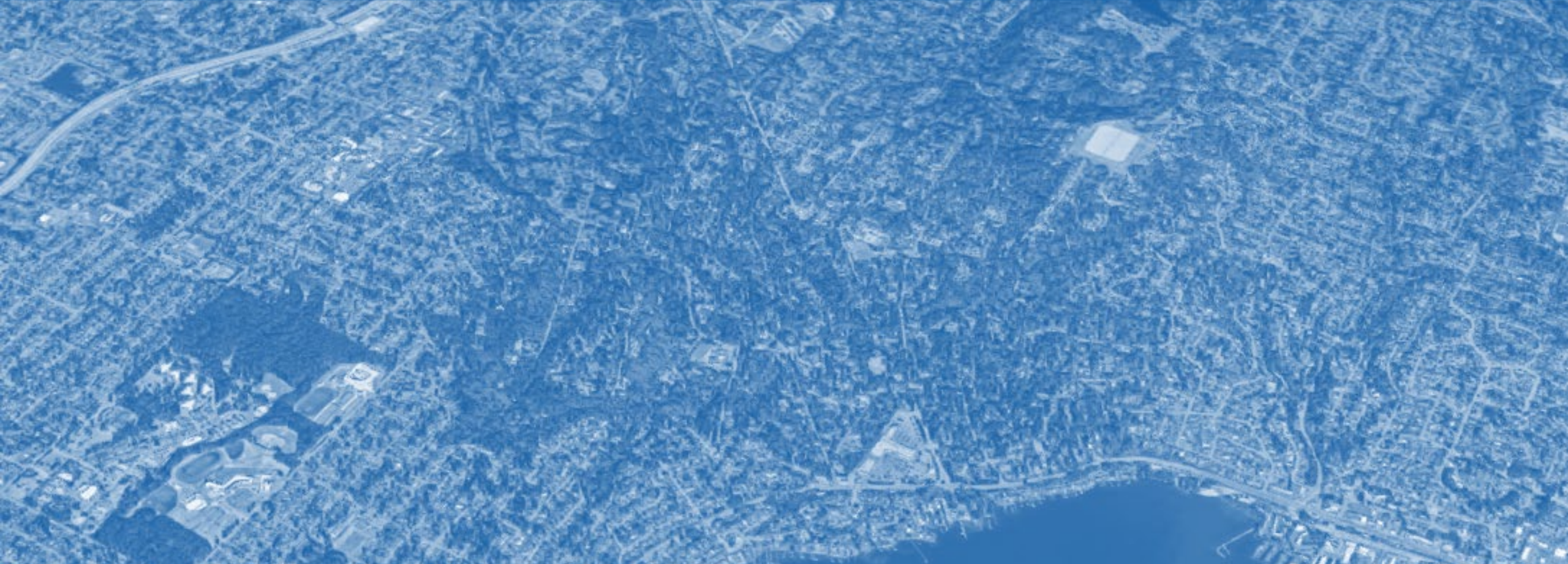
About **14 percent of the households in Lake Forest Park have one or more members with a disability**, according to the most recently available HUD data shown at right. These numbers show households where any member has one of the limitations listed. Note that some residents may have more than one limitation, so the totals do not add up to 100 percent.

When planning for housing, it is important to take into consideration households which may need accessible units or units without stairs. Additionally, this data shows the need for some assisted living facilities in the city.

Disability Status in Lake Forest Park, 2019

<u>Disability Status</u>	<u>Number of Households</u>	<u>Share of Households</u>
Household member has a cognitive limitation	285	5%
Household member has a hearing or vision impairment	260	5%
Household member has a self-care or independent living limitation	325	6%
Household member has an ambulatory limitation	300	6%
Household member has none of the above limitations	4,520	86%

Source: 2019 HUD Comprehensive Housing Affordability Strategy (CHAS)



Housing Supply



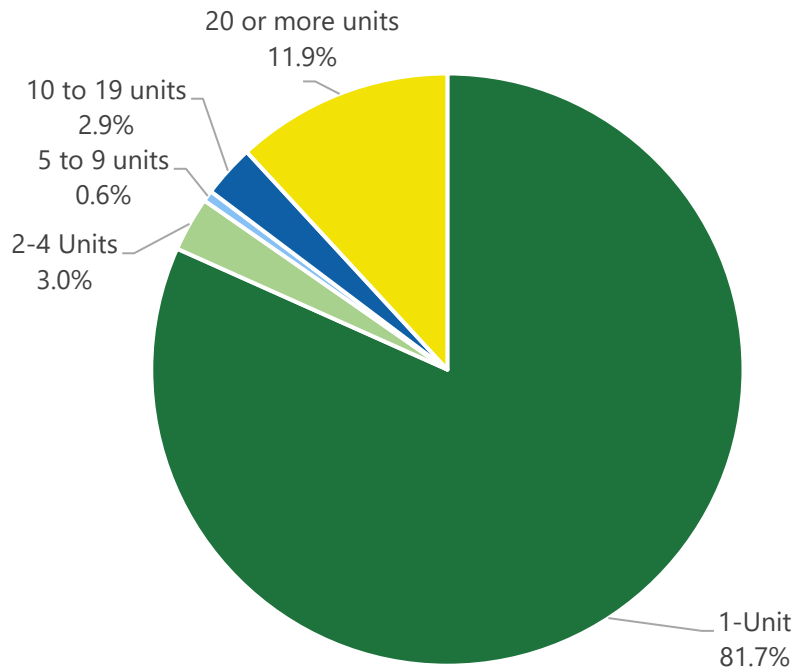
General Housing Inventory

Housing Type and Age

Most of Lake Forest Park’s housing units are **single-family homes, at 82 percent**, compared to 52 percent across King County and 63 percent statewide. About 4 percent of units in the city are “Middle Housing” units of between 2 and 9 units, and the remaining 15 percent are in apartment buildings of 10 units or more. As discussed previously, a lack of diversity of housing types can present barriers to housing for some segments of the population.

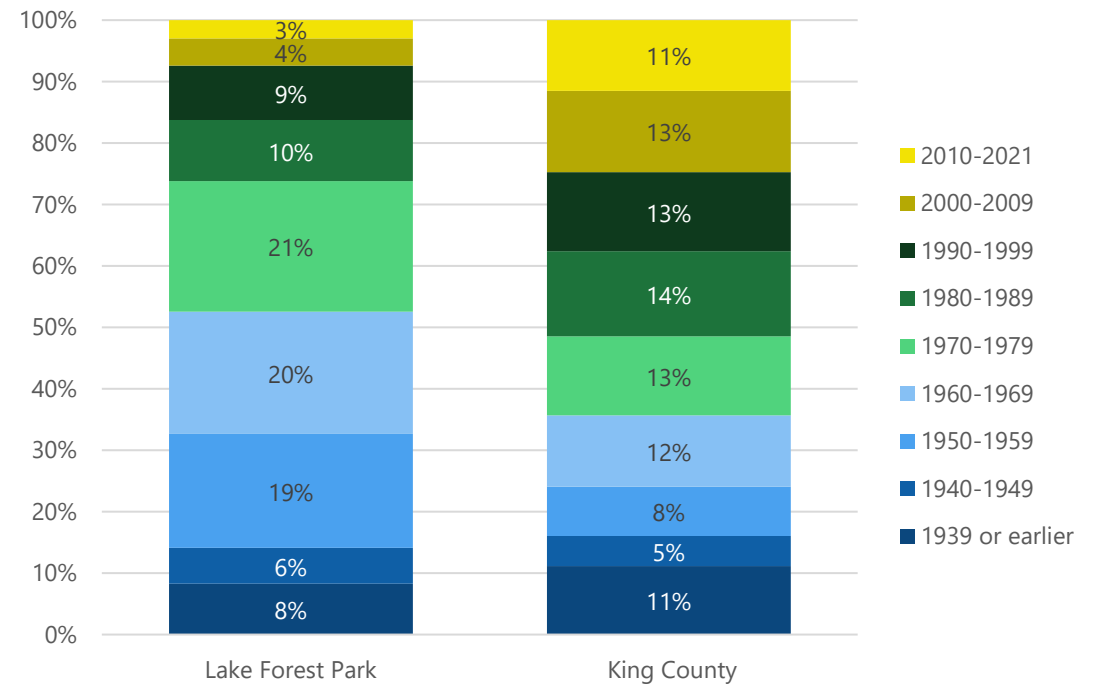
Housing in Lake Forest Park was predominantly built between **1950 and 1980, with very little production since the 1980s** compared with King County as a whole, as shown below. A lack of sufficient production to keep up with housing demand can hamper housing affordability, as discussed subsequently in this report.

Housing Unit Type in Lake Forest Park, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table DP04

Age of Housing in Lake Forest Park, 2021



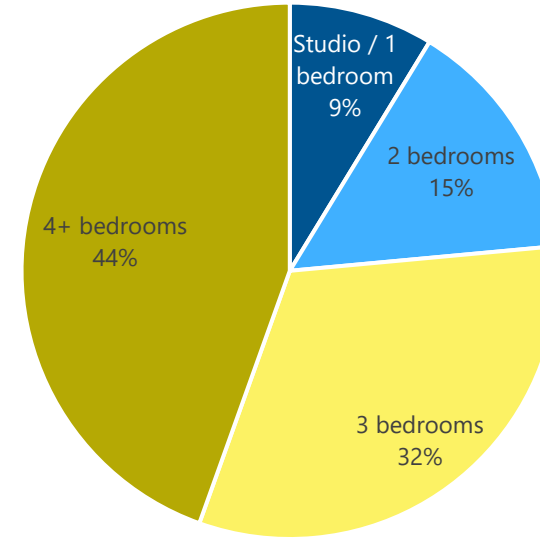
Source: 2021 American Community Survey 5-Year Estimates, Table DP04

Housing Unit Size

Over three-quarters of Lake Forest Park’s housing units have three or more bedrooms. About 15 percent are two-bedroom units, and the remaining 9 percent are one-bedroom or studio units. **This contrasts significantly with the city’s household size**, as shown at right. 61 percent of households are one- or two-person households, but only 25 percent of units have one or two bedrooms.

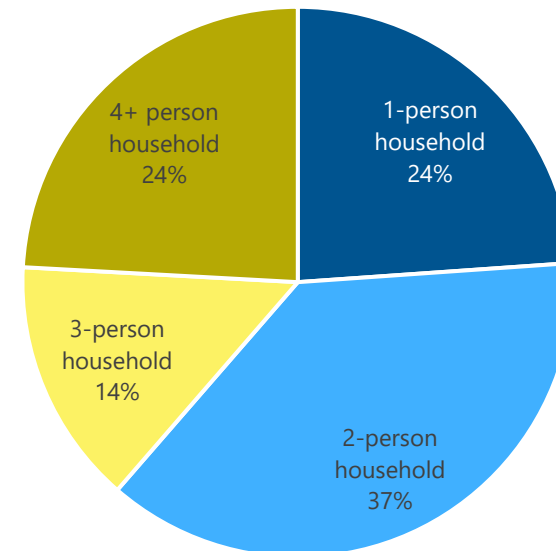
Although many households prefer to have more bedrooms than needed for the size of their household, **a lack of smaller units can present challenges to housing affordability**, and increasing housing costs in the city may represent potential demand for these units. If smaller households are only presented with large housing units to rent or purchase, they may have more difficulty affording those units. In addition, a sufficient supply of smaller housing units can cater to a variety of households including residents who may wish to downsize as they age or younger residents who cannot yet afford larger units.

Housing Unit Size in Lake Forest Park, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table DP04

Household Size in Lake Forest Park, 2021



Source: 2021 American Community Survey 5-Year Estimates, Table S2501

Housing Market Conditions

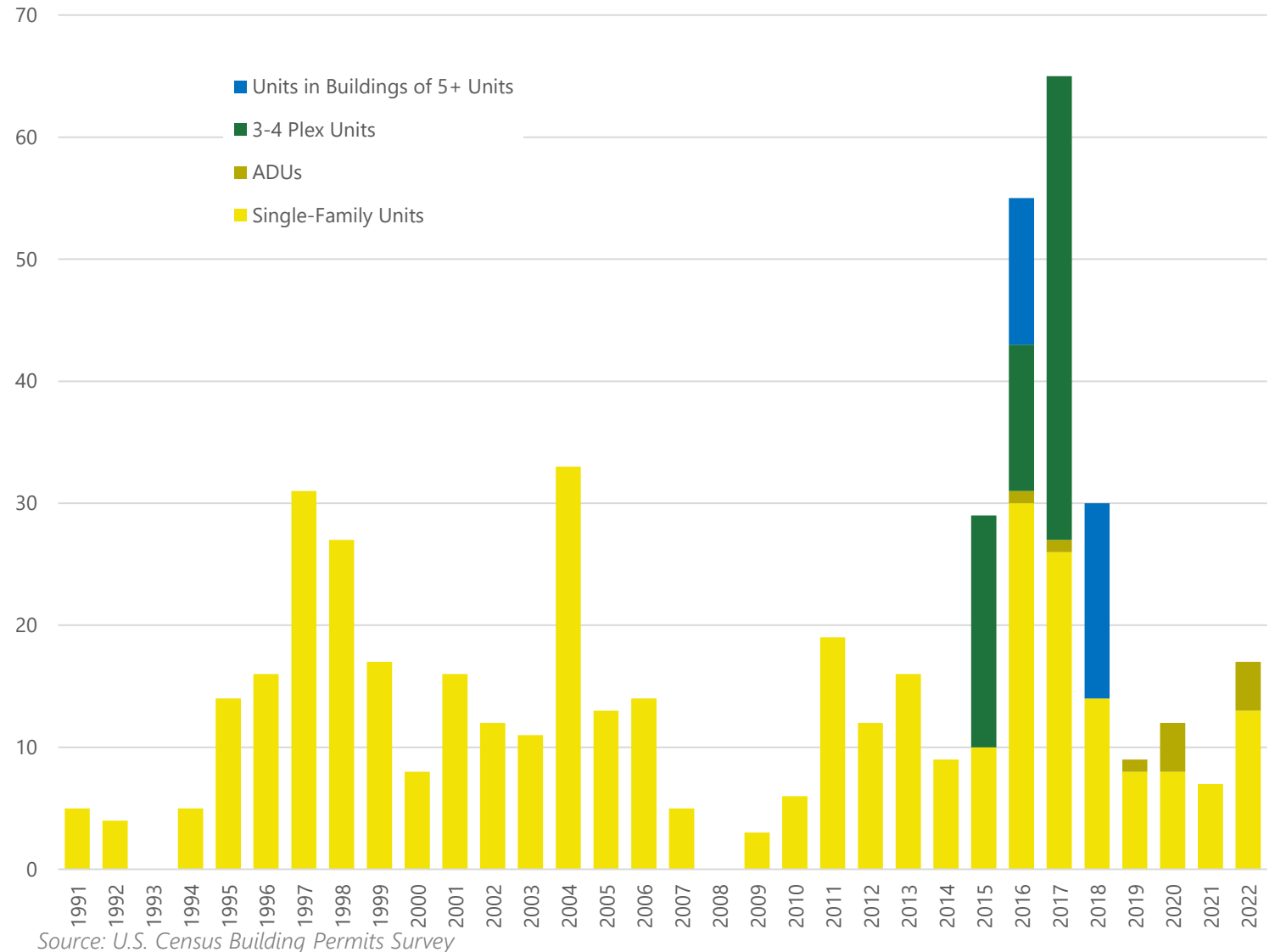
Housing Development Trends

Single-family housing production in Lake Forest Park has followed prevailing economic trends over the past few decades, as shown here. About 15-30 units per year were permitted in from the mid-1990s until the 2008 recession. After the economy recovered, single-family development resumed a similar pace with the addition of some multifamily, triplex and four-plex construction in 2015-2018.

The city has **not seen any new multifamily projects permitted since 2018** and a lower rate of single-family construction in the past five years as well.

There has been a slight **uptick in ADU permitting** in recent years, with several units permitted in 2020 and 2022, and additional ADU allowances adopted by the council in 2022 as well.

Housing Permits Issued in Lake Forest Park, 1992-2022



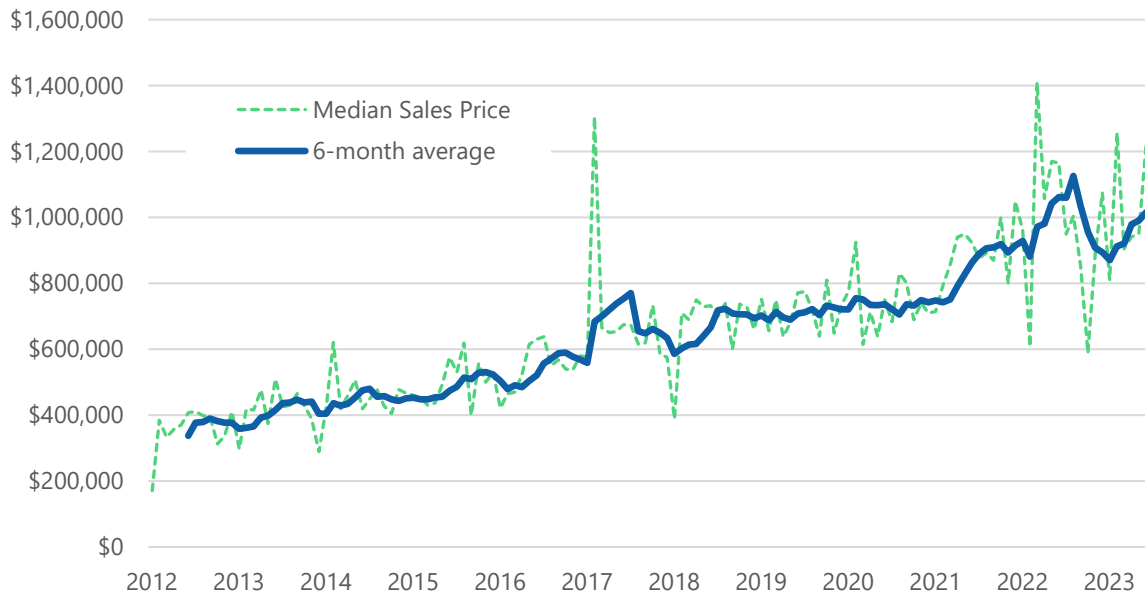
Source: U.S. Census Building Permits Survey

Sales Prices

Sales prices in Lake Forest Park have been rising steadily over the past decade from around **\$400,000 in 2012 to around \$1,000,000 in mid-2023, an increase of 150 percent**, as shown below at left. As with many suburban municipalities, housing prices rose rapidly immediately following the onset of the COVID-19 pandemic, though they subsided slightly as the housing market cooled in 2022. However, in 2023 prices have been slowly rising again.

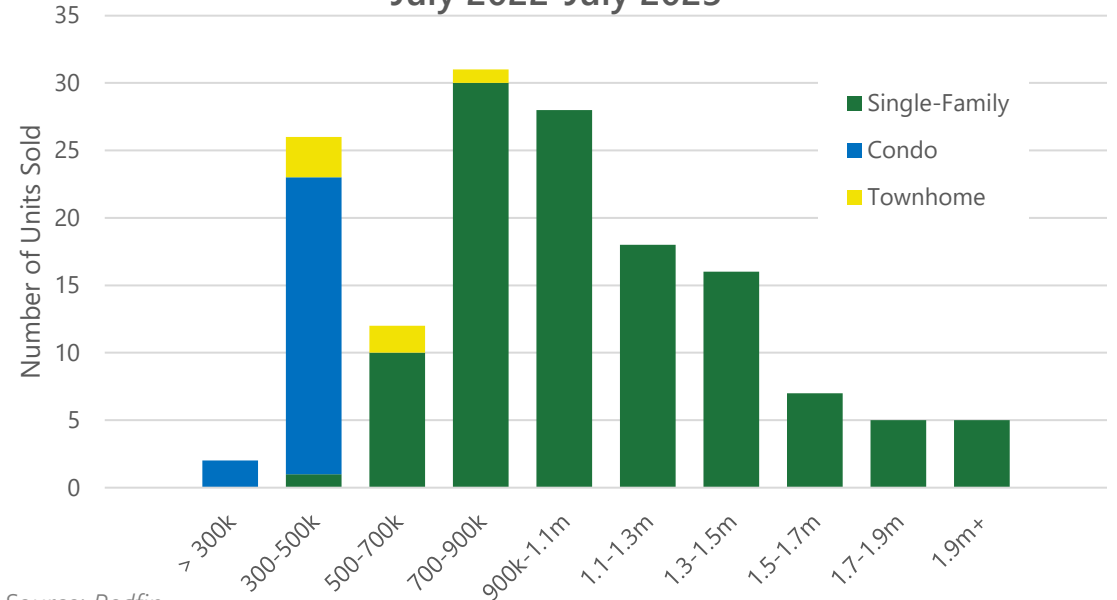
The chart at right below shows the breakdown of sales prices for homes sold in Lake Forest Park over the past year. **Most single-family homes sold were relatively close to the median sales price of \$1 million**, although there were several sales in excess of \$2 million and very few houses sold for under \$700,000. On the other hand, **condos and townhomes sold in the past year were considerably less expensive**, with most condos selling for between \$300,000 and \$500,000, and townhomes averaging slightly higher. This shows the value to potential homebuyers which can be achieved through increased density of development in ownership housing.

Lake Forest Park Home Sales Prices, 2012-23



Source: Redfin

Lake Forest Park Home Sales by Price and Type, July 2022-July 2023



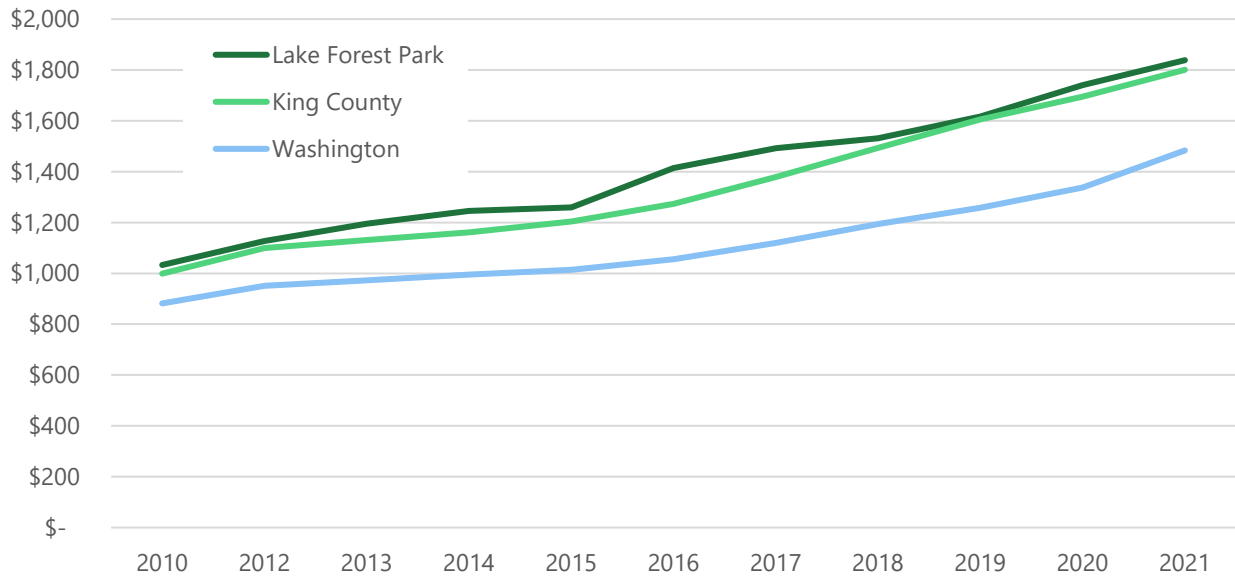
Source: Redfin

Rents, Housing Prices, and Incomes

Rents in Lake Forest Park have also been increasing over the past decade, as reported by the Census. The median rent in 2021 was \$1,839, just above the King County average of \$1,801. This is significantly higher than the statewide rent average. Rent prices are more difficult to track than housing sales prices and Census rent data often underestimates or lags behind the market reality. Costar, a national commercial real estate data provider, estimates current average rents in Lake Forest Park at **\$1,993 as of mid-2023**. Overall, the Census data does show a general picture of increasing rents in the city and region.

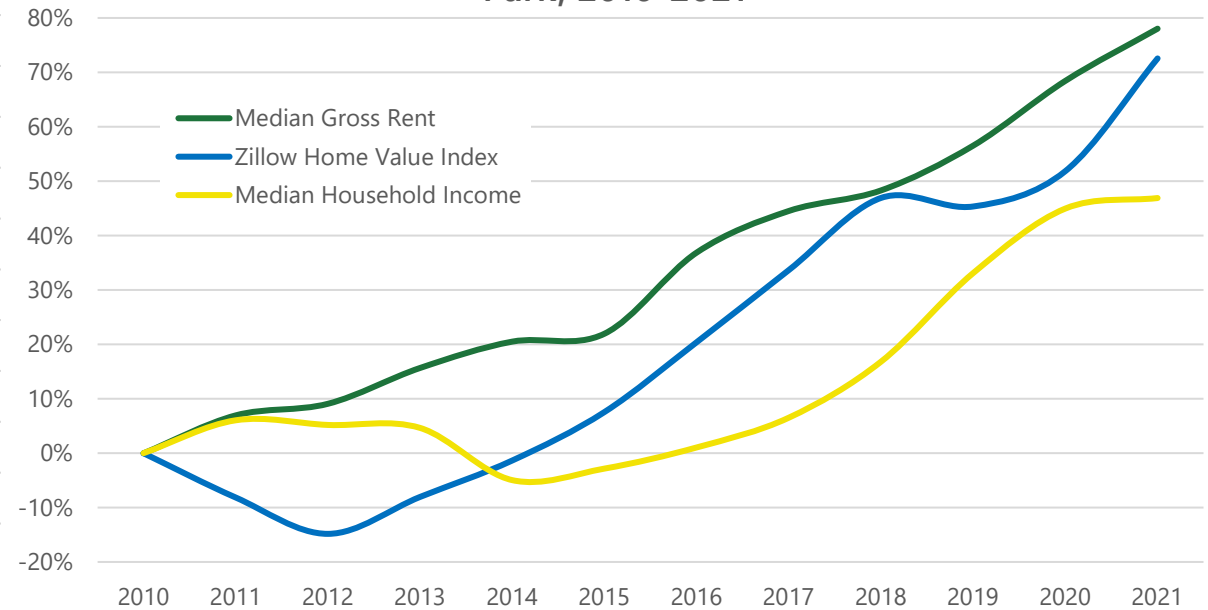
The chart at right shows the change in rent and home values compared with the change in household income in Lake Forest Park over the past decade. Although home prices and incomes were relatively stable in the first half of the 2010s, **both have increased significantly in recent years, with home prices and rental prices outpacing income growth overall.**

Median Gross Rent in Lake Forest Park, 2011-2021



Source: 2021 American Community Survey 5-Year Estimates, Table DP03

Change in Rent, Home Value, and Income in Lake Forest Park, 2010-2021



Source: 2021 American Community Survey 5-Year Estimates, Tables S2503, DP03, Zillow

Housing Affordability

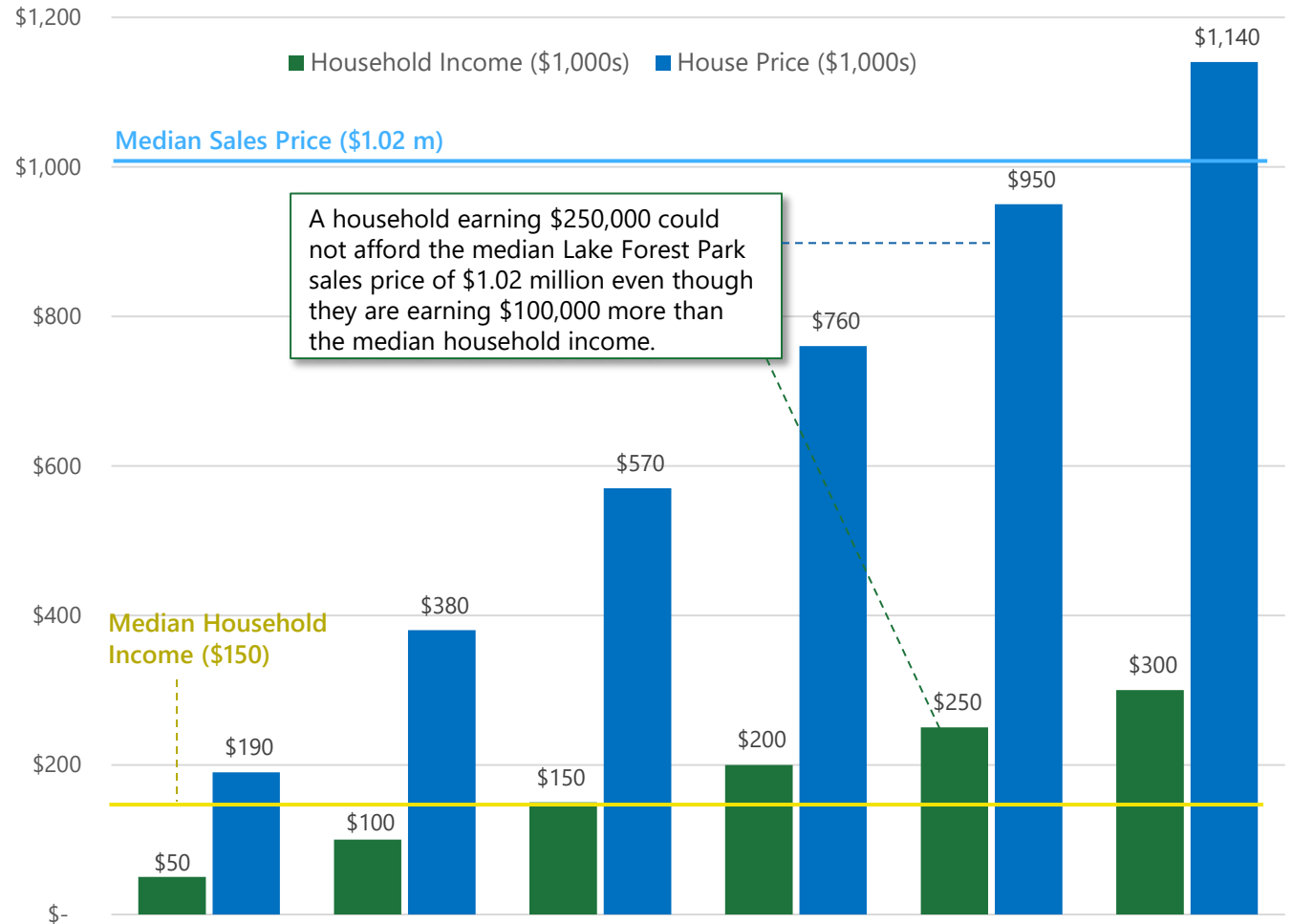
This chart shows the price of housing that would be affordable to various Lake Forest Park households based on their income, using the average 2023 year-to-date sales price from Redfin, Freddie Mac mortgage interest rates as of August 2023, and 2023 income estimates from ESRI, a global provider of Geographic Information Systems data.

A household earning the median income of \$150,000 could afford a home worth about \$570,000, whereas the median home sales price in the city is **\$445,000 higher**, at \$1.02 million. Or, to put it another way, **the median household would need to earn \$117,000 more in order to afford the median home price.**

Comparing this data with the breakdown of household incomes shown earlier in this report, **less than 25 percent of Lake Forest Park households would be able to afford the median home in the city as of this year.** On the other hand, the types of housing which would be affordable to households earning the median income – housing priced around the \$500,000 mark – is condominium or townhome units, based on sales prices from the past year in Lake Forest Park shown previously.

As the city plans for future housing needs, this gap between incomes and housing prices will need to be carefully considered to ensure the availability of housing to a wider range of current and future residents of Lake Forest Park.

Housing Affordability at Various Incomes and Home Prices in Lake Forest Park, 2023



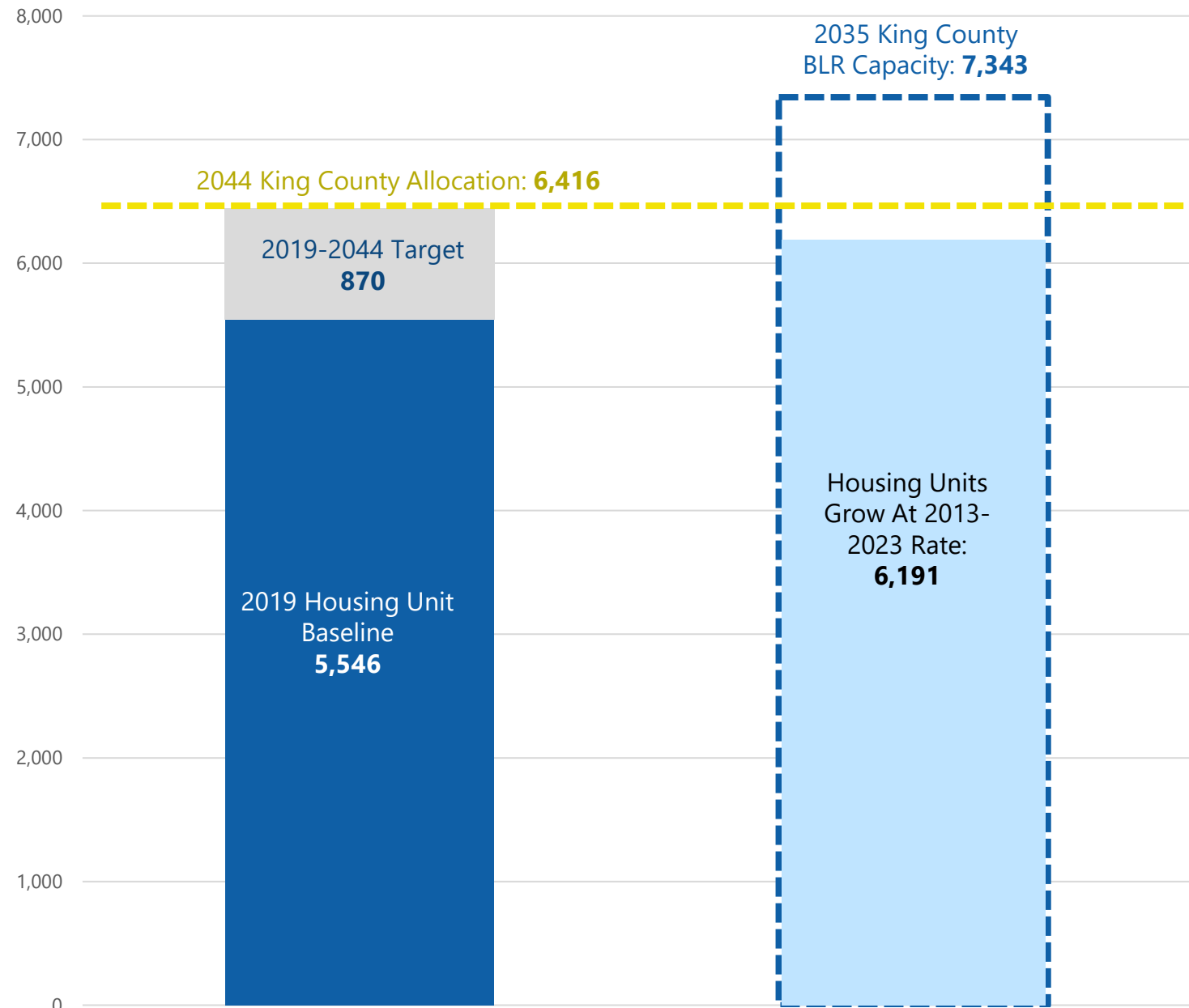
Source: ESRI, Redfin, Freddie Mac, Leland Consulting Group

Housing Allocations

In order to accommodate the city's forecast population growth, Lake Forest Park must plan to accommodate **870 new units between 2019 and 2044**, as outlined in the King County Countywide Planning Policies, for a total of 6,416 units by 2044.

The chart at right shows the 2019 housing unit baseline and 2044 allocation, along with the city's land capacity for new units as determined by the King County Urban Growth Capacity Report, which exceeds the allocation by nearly 1,000 units. Note that capacity was only calculated through 2035 in the county analysis.

The light blue bar also shows how many housing units Lake Forest Park could expect to see by 2044 if growth continues **at the same rate** as it has over the past decade. This number is close to the 2044 allocation and shows that **recent development trends in the city are in line with forecast population and housing unit growth**.



Source: Washington Office of Financial Management (OFM), King County Countywide Planning Policies, King County Urban Growth Capacity Report, Leland Consulting Group

Special Housing Inventory

Subsidized Housing Units

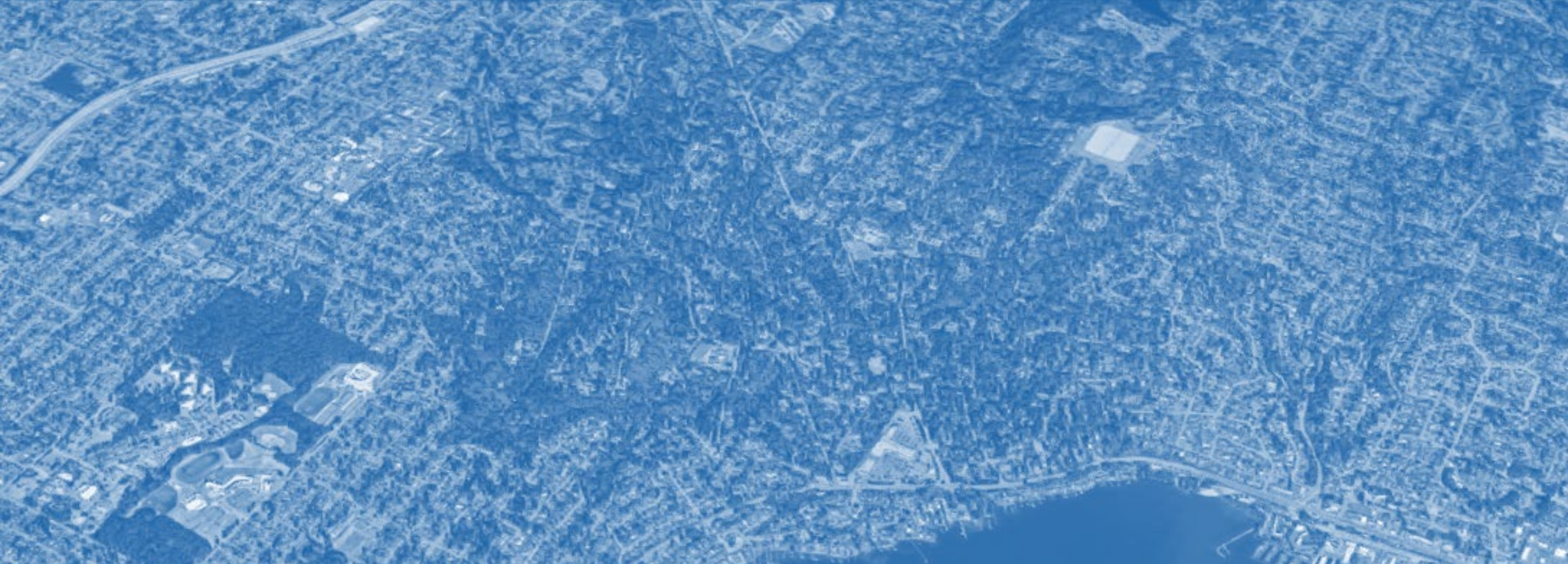
Group Homes/Care Facilities

Shelters

From previous comp plan:

Special Needs Housing. In Lake Forest Park, the Woodland North apartments are part of the King County Housing Authority’s moderate income housing program. The development contains 105 units, comprised of a mix of studio, one-bedroom and two-bedroom apartments. The Housing Authority’s moderate income program is for people who can pay rent closer to market rates. Tenants pay a flat rent amount each month instead of a percentage of income.

Three adult family homes, providing a total of 18 units and including a mix of assisted living and Alzheimer’s memory care services, are located in Lake Forest Park.



Workforce Profile

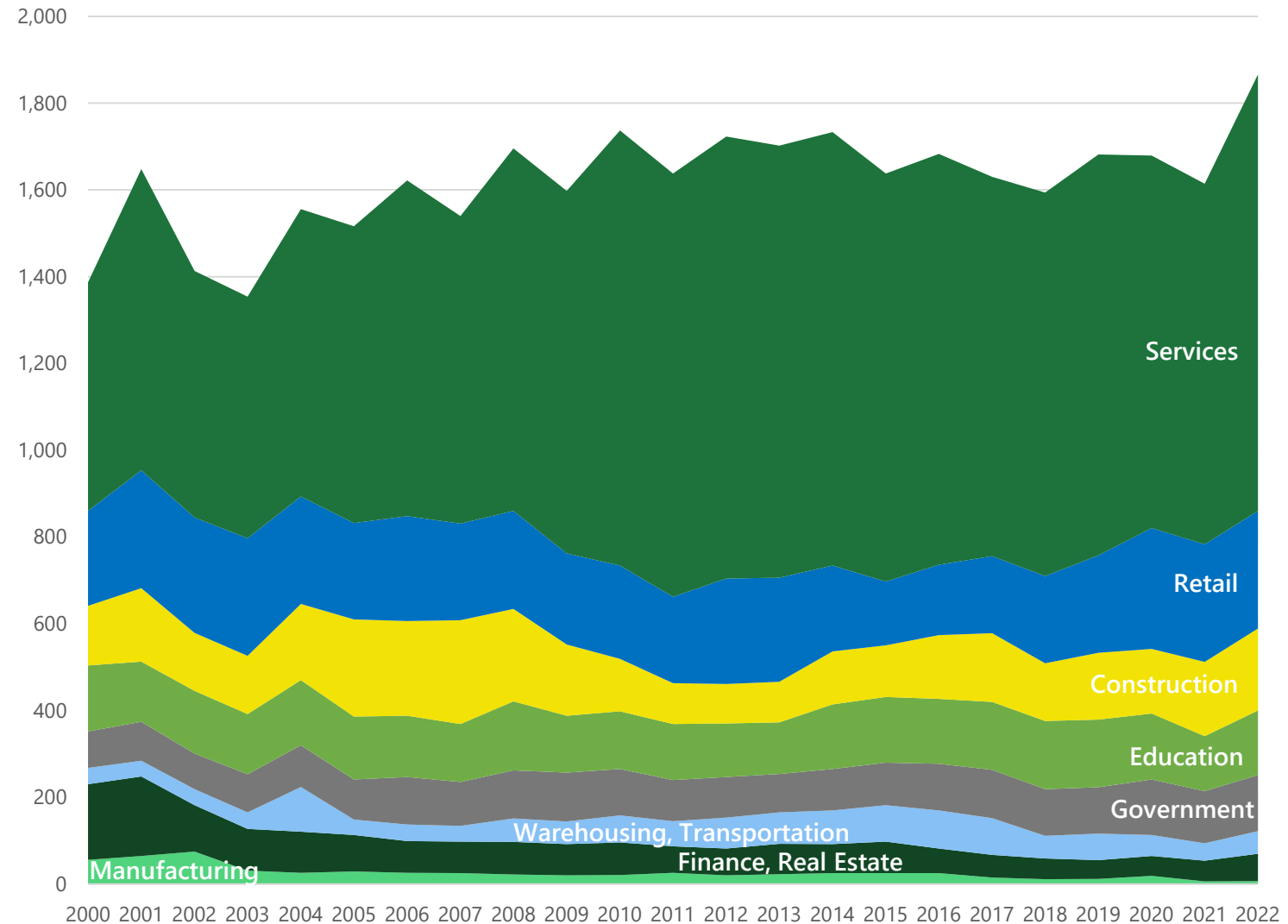


Employment

Lake Forest Park is primarily a **residential community** with little commercial development or activity outside of the Town Center and Southern Gateway. In 2022, the jobs-to-housing ratio was **0.34**, compared to the King County average of 1.34.

Overall, Lake Forest Park's **employment numbers have been steady over the past two decades** as shown here, and the breakdown by sector has also been consistent, particularly over the past decade. The **services sector** accounts for the largest share of jobs, and has seen a small spike post-pandemic, up to 1,006 jobs in 2022. The retail sector is the city's second largest, and construction, education, and government each employ around 150 people in the city. There are much smaller numbers of jobs in warehousing and transportation, finance, and manufacturing.

Employment by Sector in Lake Forest Park, 2000-2022



Source: Puget Sound Regional Council (PSRC) Covered Employment Estimates

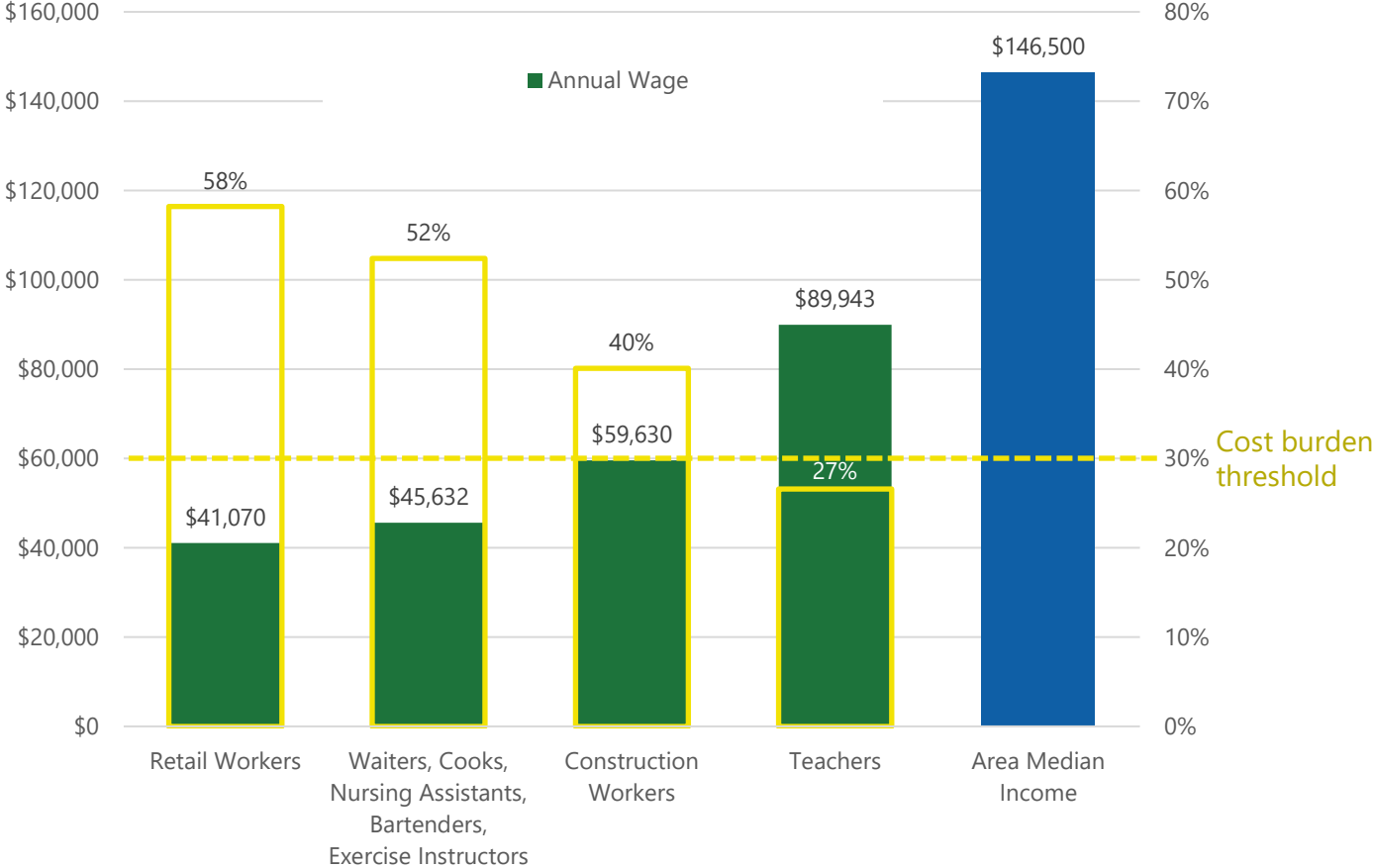
Workforce Housing Affordability

Lake Forest Park’s top job sectors shown previously are generally sectors with relatively low wages. This chart shows the latest wages for retail workers, construction workers, teachers, and an average of a variety of service industry jobs in the Seattle Metro region as of 2023. All of these jobs, but particularly those in services and retail, are paying **substantially lower wages than the Lake Forest Park median income**. When compared with the most recent rent data in the city from CoStar, **employees in all of these sectors (except teachers) would be cost-burdened**, spending more than 30, or in some cases, more than 50 percent of their income to afford the average rents in the city, as shown in the yellow boxes to the right.

From the perspective of ownership housing, only teachers would be able to afford any of the units which sold in the city over the past year, and then only at the price points of some condominium or townhome units, around \$350,000.

This shows that Lake Forest Park is essentially **unaffordable to the majority of employees in its main employment sectors**. If the city wishes to provide housing for its service and retail employees, reduce commuting, and provide more housing choice for workers in the city, more affordable units and smaller units will need to be developed in the city in the coming decades.

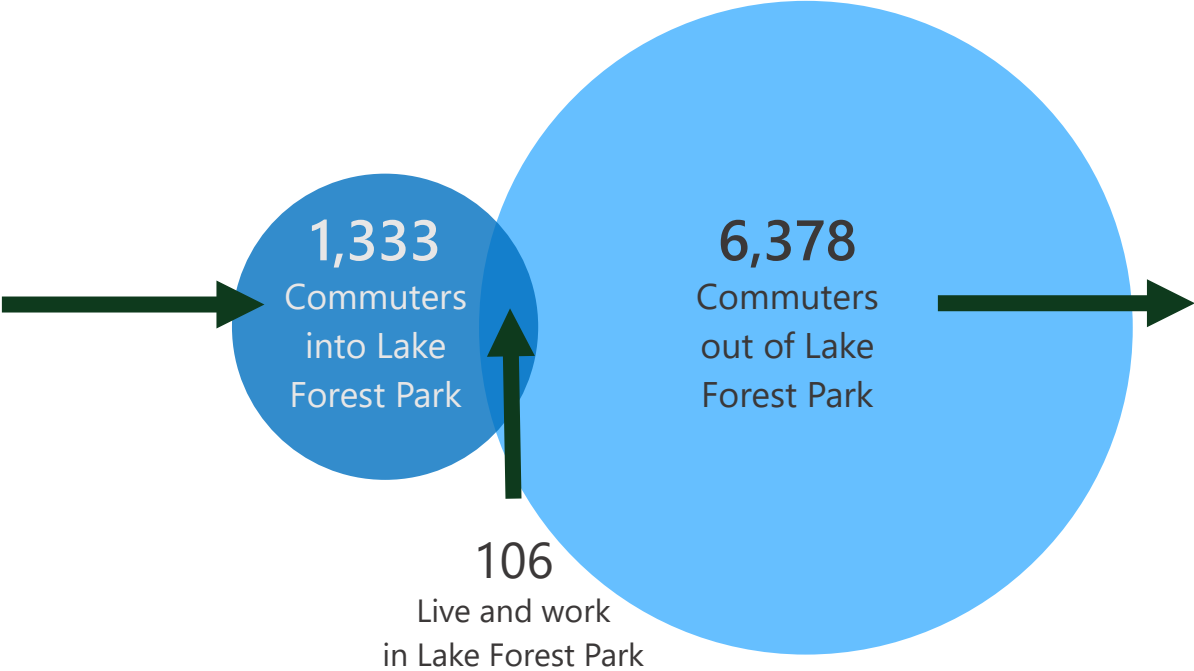
Wages and Housing Costs for Top Employment Sectors in Lake Forest Park, 2023



Source: Washington Employment Security Department, CoStar, LCG

Commuting

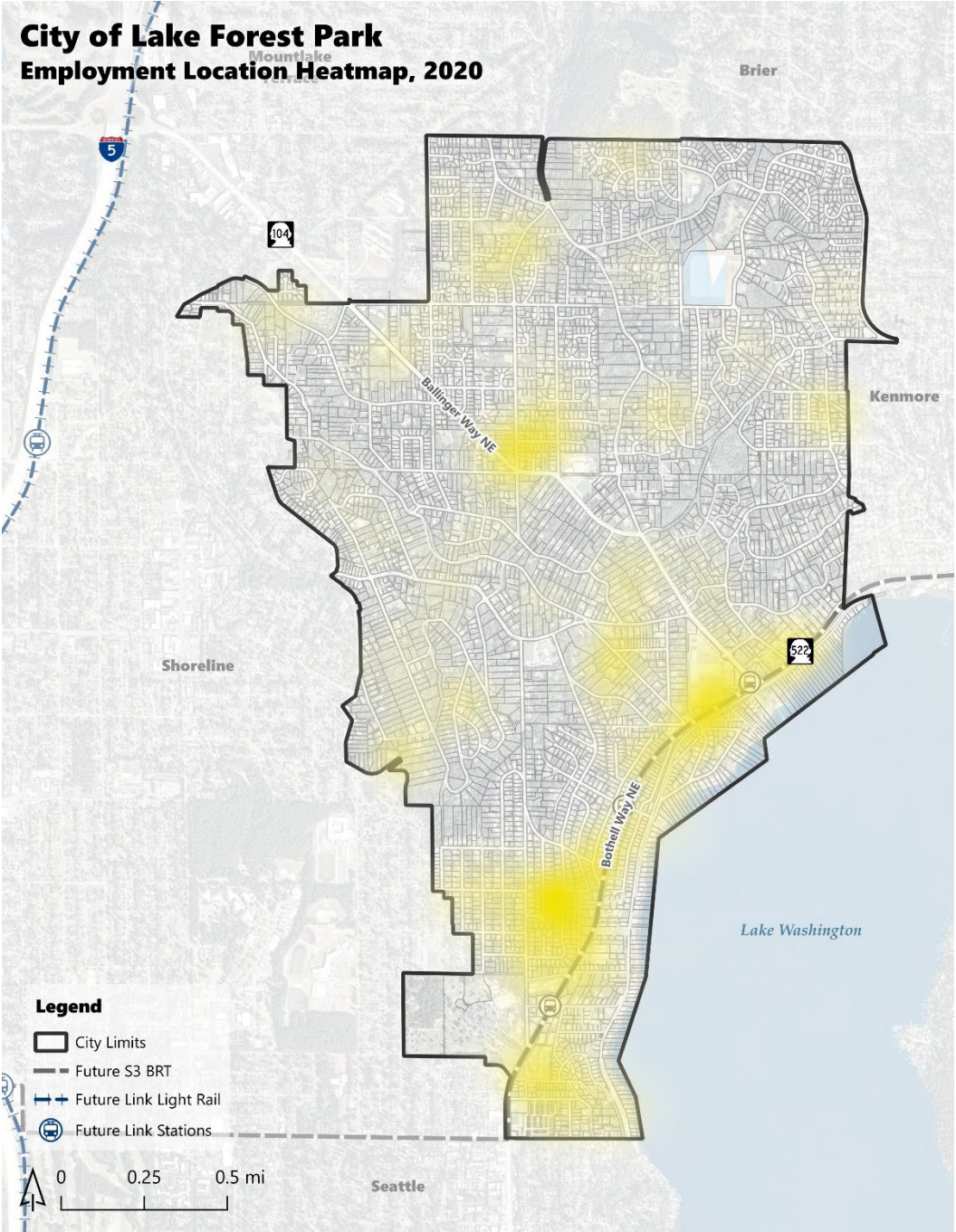
Commuting Patterns in Lake Forest Park, 2020



Source: U.S. Census Longitudinal Employer-Household Dynamics (LEHD) via Census OnTheMap

Most Lake Forest Park residents **commute out to work**, as shown above, from the most recently available Census commuting data. The heatmap at right shows employment density in the city, with **most jobs concentrated in the Town Center and Southern Gateway**, as well as some commercial activity at Ballinger and 35th.

City of Lake Forest Park Employment Location Heatmap, 2020

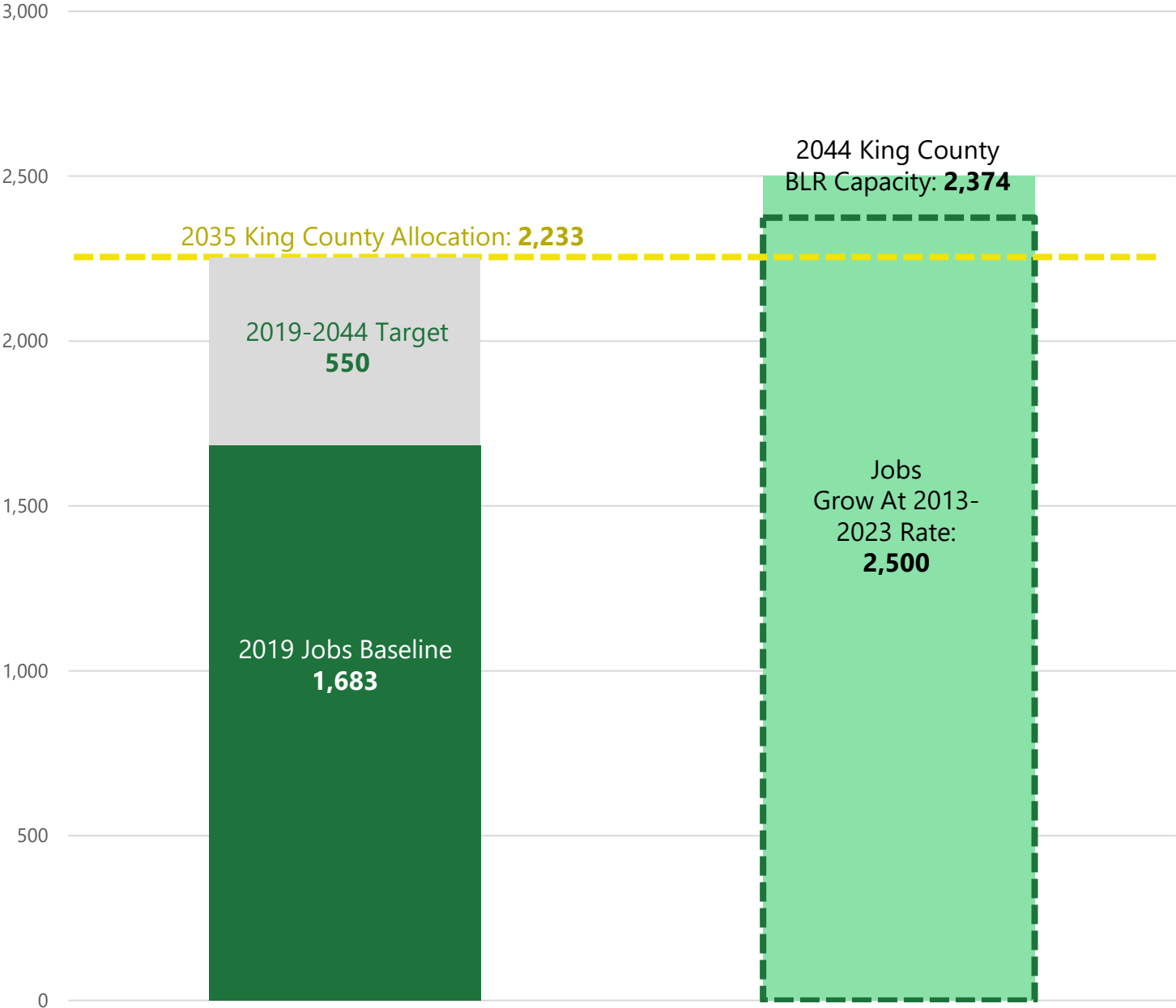


Job Allocations

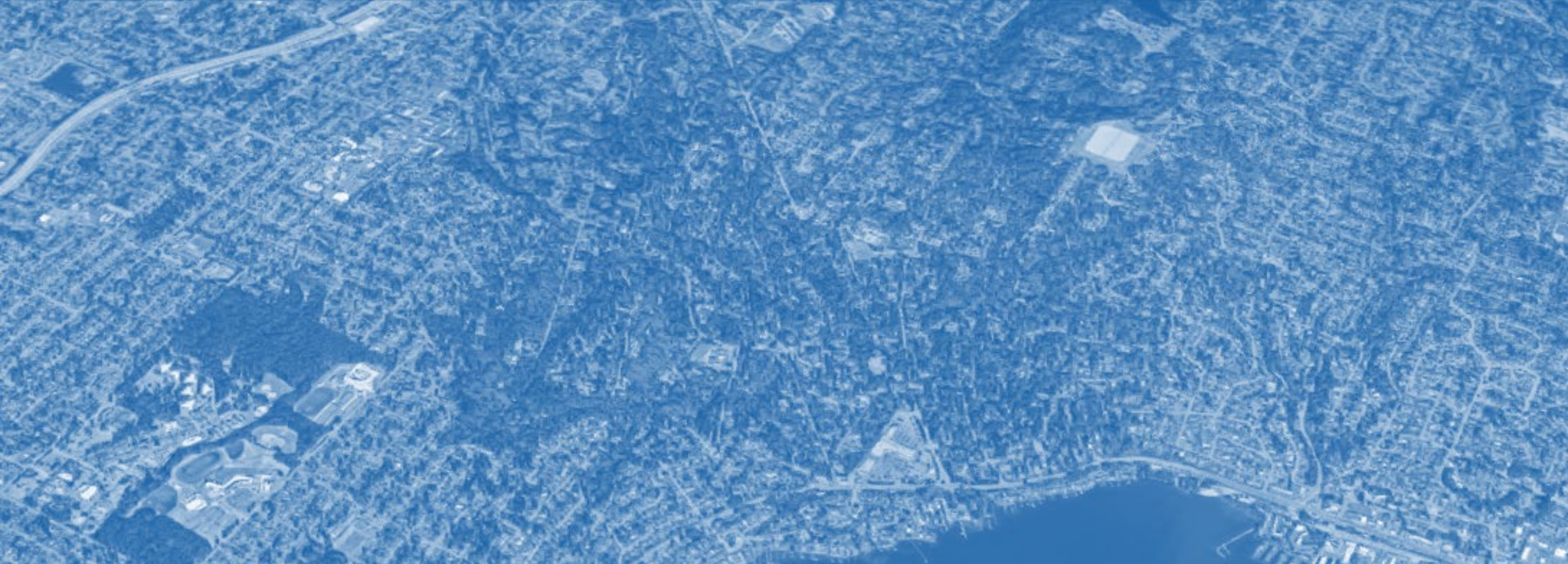
In order to accommodate the city’s forecast job growth, Lake Forest Park must plan to accommodate **550 new jobs between 2019 and 2044**, as outlined in the King County Countywide Planning Policies, for a total of 2,233 jobs by 2044.

The chart at right shows the 2019 employment baseline and 2044 allocation, along with the city’s land capacity for new jobs as determined by the King County Urban Growth Capacity Report, which exceeds the allocation by about 100 units. Note that capacity was only calculated through 2035 in the county analysis.

The light green bar also shows how many jobs Lake Forest Park could expect to see by 2044 if growth continues at the same rate as it has over the past decade. Past trends indicate that the city would exceed both its allocation and capacity, suggesting that **the quicker rate of job growth seen in recent years will likely slow down over the planning horizon due to limited commercial land availability.**



Source: Puget Sound Regional Council (PSRC), King County Countywide Planning Policies, King County Urban Growth Capacity Report, Leland Consulting Group



Conclusions



Conclusions

The data presented in this Housing Needs Assessment points to several important considerations for the potential needs of Lake Forest Park residents over the course of the planning horizon:

- **Aging Population**

- The city's older population is increasing, signaling a potential need for smaller and/or more easily accessible units.

- **Challenges for Renter Households**

- Lake Forest Park's renter households are significantly lower-income than homeowners, face higher rates of housing cost burden, are more racially and ethnically diverse, and are generally smaller households. More affordable units and a greater quantity and variety of rental units, ranging from apartments to ADUs, would better meet the needs of Lake Forest Park's renter households.

- **Challenges for Workers**

- The main job sectors in Lake Forest Park pay wages which are not sufficient for those employees to live comfortably in the city. Increasing housing choice would help employees have the opportunity to live in Lake Forest Park, reducing commuting time and resources and balancing jobs and housing.

- **Lack of Housing Size Options**

- The vast majority of housing in the city are larger single-family homes. This provides fewer options for smaller households or those who wish to downsize. Smaller units also tend to be more affordable.

- **Limited Land Availability**

- Lake Forest Park is zoned nearly exclusively for single-family development, and much of it is built out, with significant environmental constraints in many areas. There is limited land for denser housing development. Rezoning some areas may increase land capacity, but there are also concerns about displacement of naturally occurring affordable units.

- **High Ownership Housing Prices**

- The majority of houses sold in Lake Forest Park in the past year were not affordable to most residents of the city. Housing prices are very high and continuing to increase. Production of more units, particularly townhomes and condominium units which have been selling at prices affordable to a wider range of Lake Forest Park Households, is necessary to help mitigate the continued increase in housing costs.

- **Spatial Equity Considerations**

- Lower-income residents, a higher share of BIPOC households, and zones which allow multifamily housing are concentrated in several small areas of Lake Forest Park. Creating more opportunities for all residents to live in a larger area of the city through an increase in housing types such as ADUs and duplexes, which increase affordability while still maintaining neighborhood character, could help alleviate these spatial inequities.



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