



H: Housing



Introduction

This section contains background information supporting the goals and policies in the Housing Element of the Comprehensive Plan, including:

- **Planning Context**—summary of state and regional framework for housing,
- **Who We Are**—demographic characteristics and trends,
- **Where We Live**—what kind, how much, and where is our housing,
- **Where We Work**—commuting trends and jobs in Lake Forest Park.

Planning Context

State & Regional Framework

The Housing Element requirements of the Growth Management Act were substantially amended in 2021 by HB 1220, requiring a much more detailed analysis of future housing needs by income level as well as considerations of racially disparate impacts, exclusion, and displacement in housing. As outlined in the Department of Commerce's *Guidance for Updating Your Housing Element*, the updated requirements for a housing element include the following:

- **Housing needs assessment (HNA):** An inventory and analysis of existing and projected housing needs by income level as provided by the Department of Commerce that identifies the number of housing units necessary to manage projected growth.
- **Goals, policies and objectives:** A statement of goals, policies, objectives and mandatory provisions for the preservation, improvement and development of housing, including policies for moderate density housing options in urban growth areas.
- **Residential land capacity analysis:** Analysis to identify sufficient land to accommodate projected housing needs by income level.
- **Provisions for all economic segments:** Adequate provisions to address existing and projected needs of households at all income levels, including documenting programs and actions needed to achieve housing availability, consideration of housing locations in relation to employment locations and consideration of the role of accessory dwelling units (ADUs) in meeting housing needs.
- **Address racially disparate impacts, exclusion, displacement and displacement risk:** Identify policies and regulations that result in racially disparate impacts, displacement and exclusion, and implement policies and regulations that begin to undo these impacts. Also, identify areas that may be at higher risk of displacement and establish anti-displacement policies.



PSRC VISION 2050 and King County Countywide Planning Policies

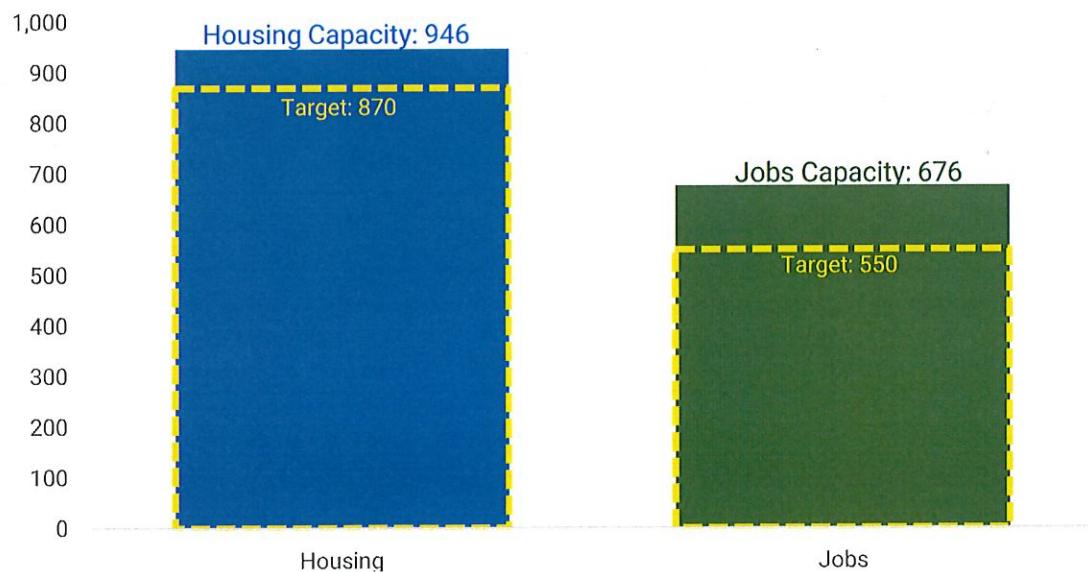
The housing element must also be consistent with PSRC VISION 2050 and King County's Countywide Planning Policies. Some key themes incorporated in the new goals and policies to better align with PSRC and King County policies include:

- Specifics of planning for future housing unit targets by income band.
- Additions of specific middle housing types and ADUs, and policies to allow more housing types in neighborhoods.
- Discussion of racially disparate impacts in past housing policy and future policies to address these historic inequities and mitigate future displacement risk.
- Adjustments of language to acknowledge the need for some changes in housing types and locations, such as near future high-capacity transit.

Growth Targets & Land Capacity

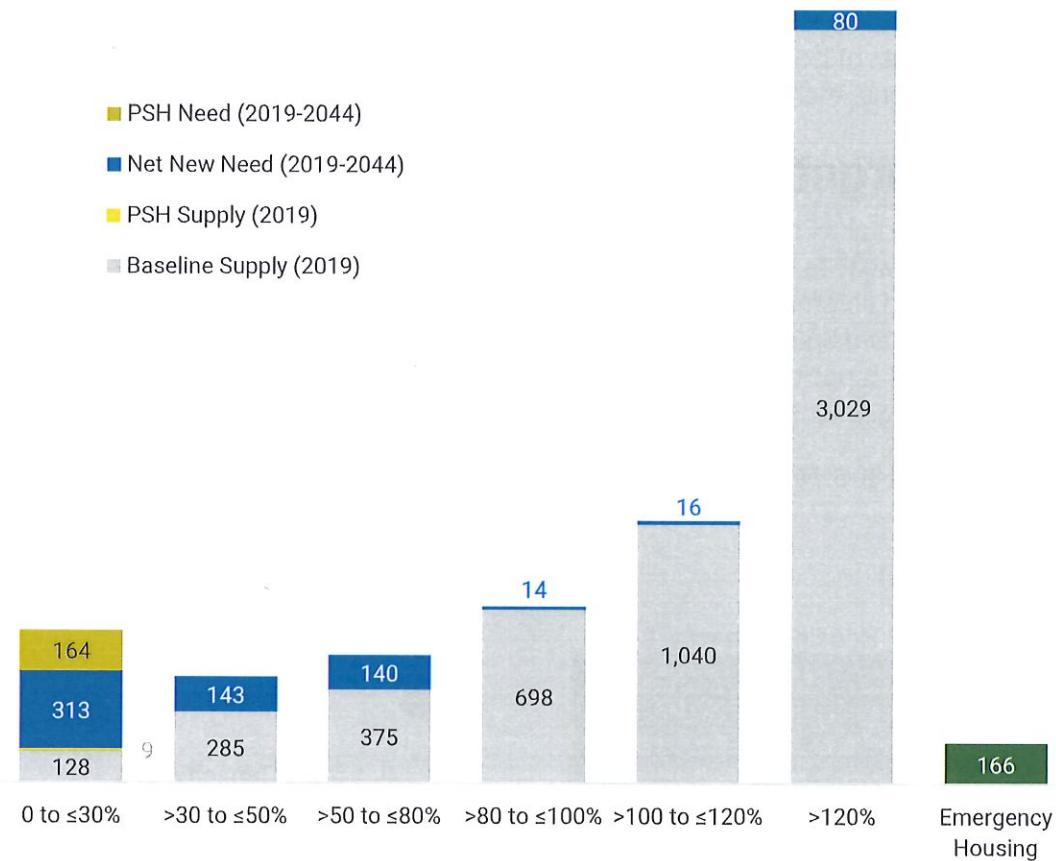
An overview of the Lake Forest Park growth targets for the 2044 Comprehensive Plan update, and the City's land capacity to meet these targets is described in the HB 1220 Methodology and Results Report and summarized below in Figure II-5. As shown, the City's 2044 growth target is 870 housing units and 550 jobs. This is based on a 2044 population projection of 14,385. The City has adequate land capacity to meet these targets without making any changes to its current land use or zoning designations.

Figure II-5: Net New Housing and Jobs Targets and Capacity in Lake Forest Park, 2019-2044



The city also has targets for housing units by income band set by King County. These targets are set based on the city's allocation of countywide need for housing that can serve all economic segments of the population, as determined by the Department of Commerce. Lake Forest Park's targets by income band, as a percentage of Area Median Income, as well as the target for emergency housing capacity are shown below.

Figure II-6: Lake Forest Park Existing and Target Housing Units by Income Band, 2019-2044



Source: King County 2021 Countywide Planning Policies (as amended in 2023).
NOTE: PSH means "permanent supportive housing."

As detailed further in the *HB 1220 Methodology and Results Report* (Appendix B), Lake Forest Park has sufficient zoned capacity to meet those targets. A summary table of the results of this analysis is shown below.



Table II-2: Lake Forest Park Housing Targets and Capacity by Income Band, 2019-2044

| Income Band (% of AMI) | Zone Category | Housing Needs | Aggregated Housing Needs | Total Capacity | Surplus/ Deficit |
|------------------------|----------------------|---------------|--------------------------|----------------|------------------|
| 0-30 PSH | Mid-Rise, Low-Rise | 164 | 760 | 761 | 1 |
| 0-30 Non PSH | | 313 | | | |
| 30-50 | | 143 | | | |
| 50-80 | | 140 | | | |
| 80-100 | ADUs, Middle Housing | 14 | 30 | 68 | 12 |
| 100-120 | | 16 | | | |
| 120+ | Low Density | 80 | 80 | 117 | 37 |
| TOTAL | | 870 | 870 | 946 | 76 |

Source: Leland Consulting Group.

Who We Are

The demographics described below provide a description of population and household characteristics in Lake Forest Park and neighboring communities.

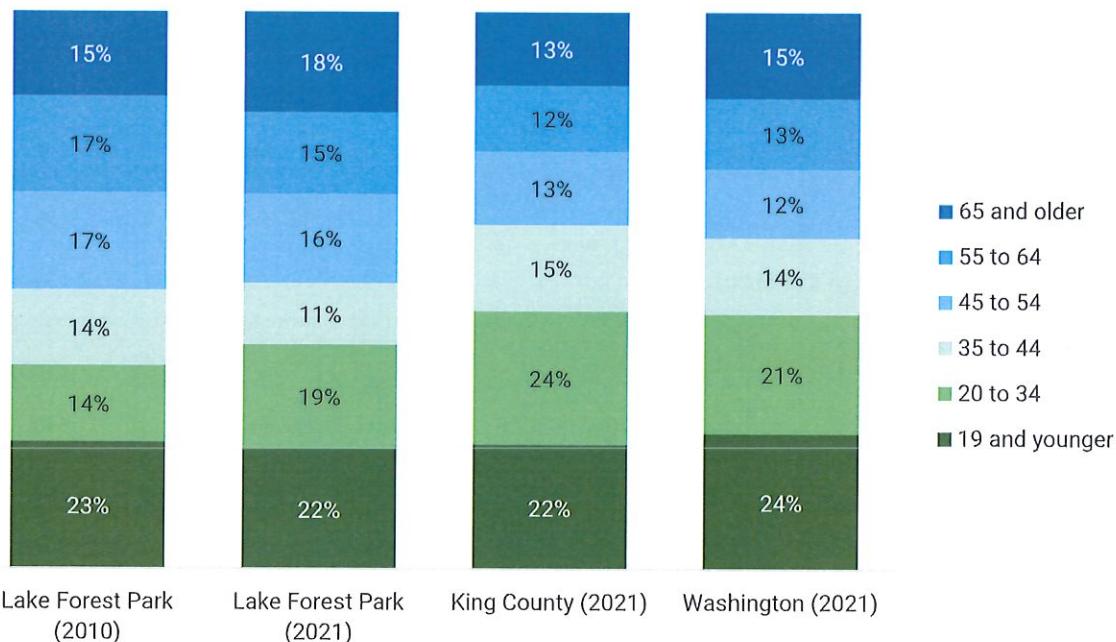
Age Characteristics

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.

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.



Figure II-7: 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.

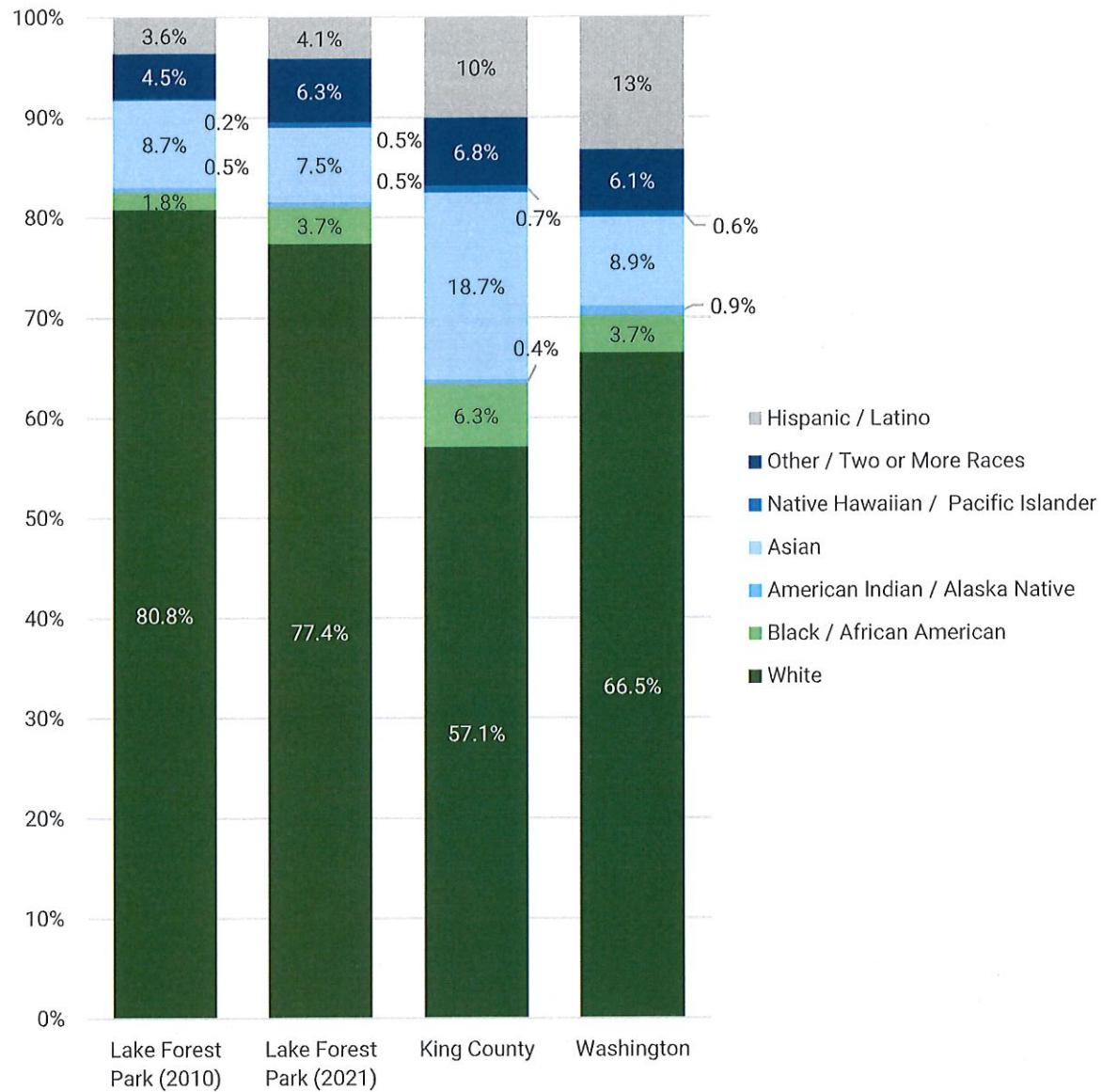
Race & Ethnicity

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 six to seven percent each, with smaller shares of Hispanic/Latino and Black residents (three to four percent) and Native American / Hawaiian residents (less than one percent). The city has become more diverse since 2010, 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 types of reinforcing housing challenges are important to consider when planning for the housing needs of all residents in the city.



Figure II-8: Race/Ethnicity in Lake Forest Park with Comparisons, 2010-2021

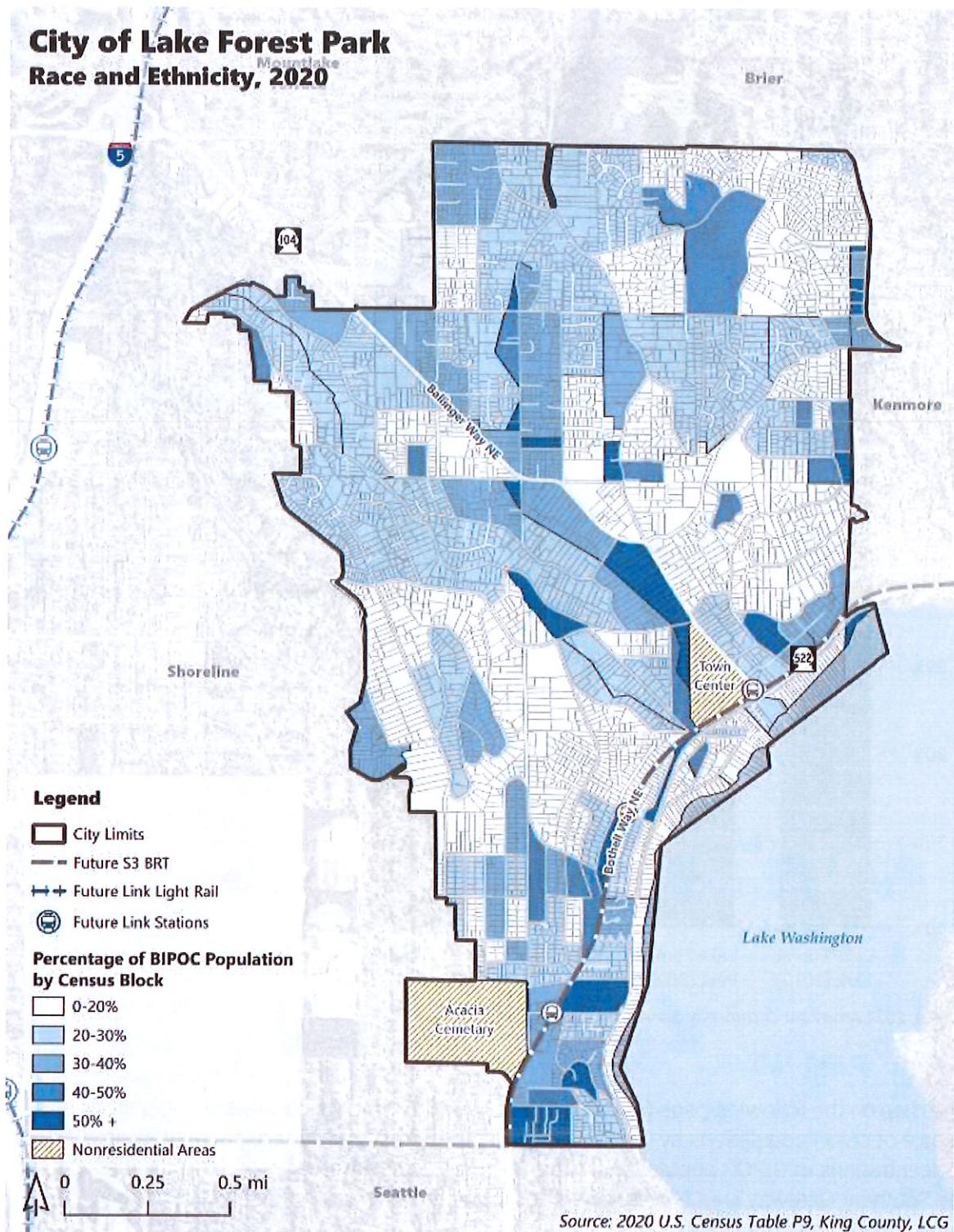


Source: 2021 American Community Survey 5-Year Estimates, Table DP05.

The map on the following page (Figure II-9) 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 multi-unit housing than other parts of the city.

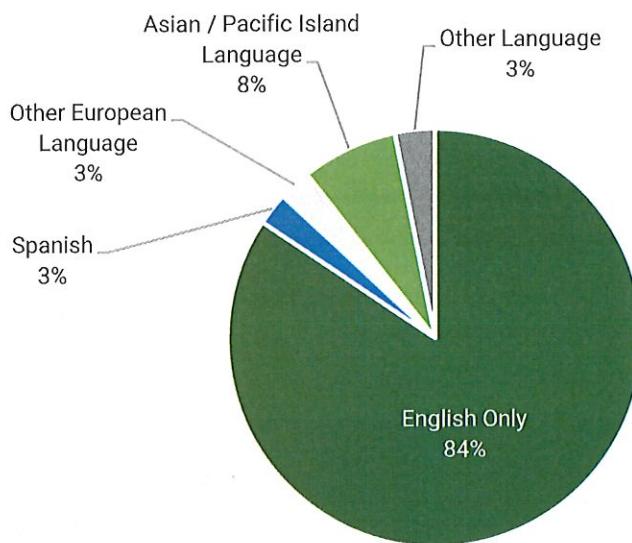


Figure II-9: Race and Ethnicity by Census Block in Lake Forest Park, 2020



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.

Figure II-10: Language Spoken at Home in Lake Forest Park, 2021



Source: 2021 American Community Survey, 5-Year Estimates, Table S1601.

Disparate impacts in housing needs exist amongst BIPOC populations in Lake Forest Park, including:

- Lake Forest Park is less diverse than King County.
- Census block groups in Lake Forest Park where racial covenants were prevalent are still largely less diverse than other areas of the city.
- Households of color, particularly Hispanic/Latino and Asian households are more likely to be cost burdened than white households. In addition, renting is more common among non-white households and the cost burden for renter households is significantly higher than for owner households. Hispanic/Latino and Black/African American households are significantly more likely to rent than own their homes.
- There is a shortage of housing available for those making less than 30% of the Area Median Income (AMI) and those making between 80% and 100% AMI.
- One third of Black/African American households in Lake Forest Park are classified as extremely low-income, making less than 30% of AMI. Just 14% of Hispanic/Latino households earn more than 100% AMI.

For more information on racially disparate impacts in Lake Forest Park's housing needs, refer to Appendix A.



Household Characteristics

As of 2023, there are 5,589 housing units in Lake Forest Park, up from around 5,100 in 2012 (an increase of just under 10% over that time). The majority of households in Lake Forest Park (69 percent) are family households. Of these, 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.



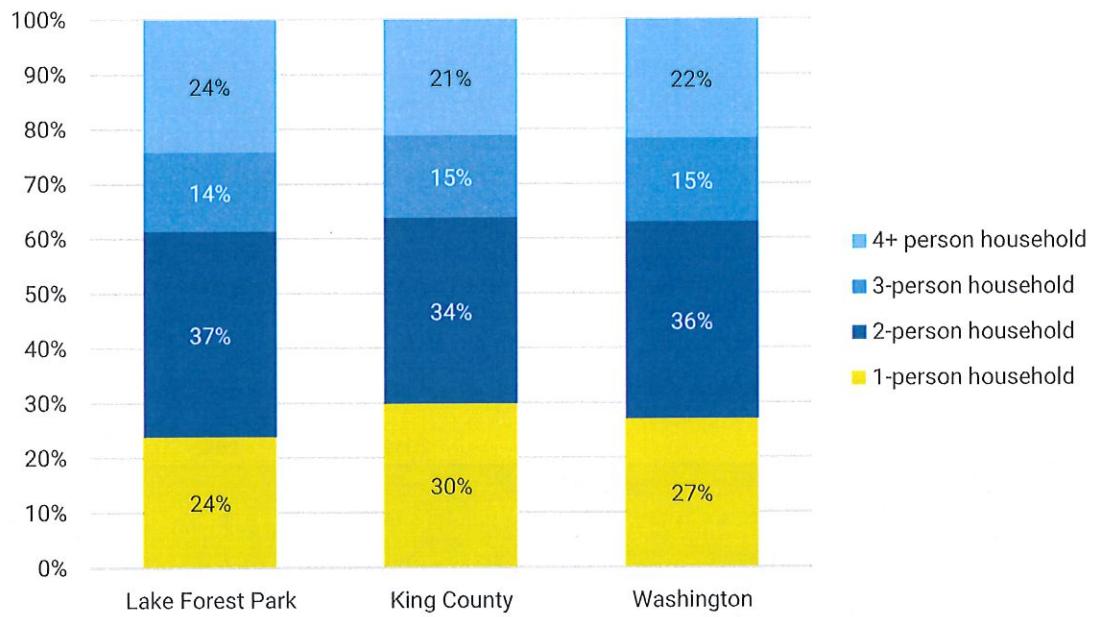
Table II-3: Household Type in Lake Forest Park, 2021

| | 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% |
| Married-couple family | 3,242 | 61% | 427,498 | 47% | 1,503,723 | 50% |
| Other family | 438 | 8% | 108,934 | 12% | 433,358 | 14% |
| With own children of householder under 18 years | 1,521 | 29% | 238,894 | 26% | 809,198 | 27% |
| Nonfamily households | 1,628 | 31% | 365,876 | 41% | 1,085,174 | 36% |
| Householder living alone | 1,268 | 24% | 269,580 | 30% | 819,693 | 27% |
| Householder 65 years and over | 387 | 7% | 77,899 | 9% | 304,599 | 10% |

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

Lake Forest Park's households are similar in size to county and statewide averages. 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.

Figure II-11: Lake Forest Park Household Size, 2021

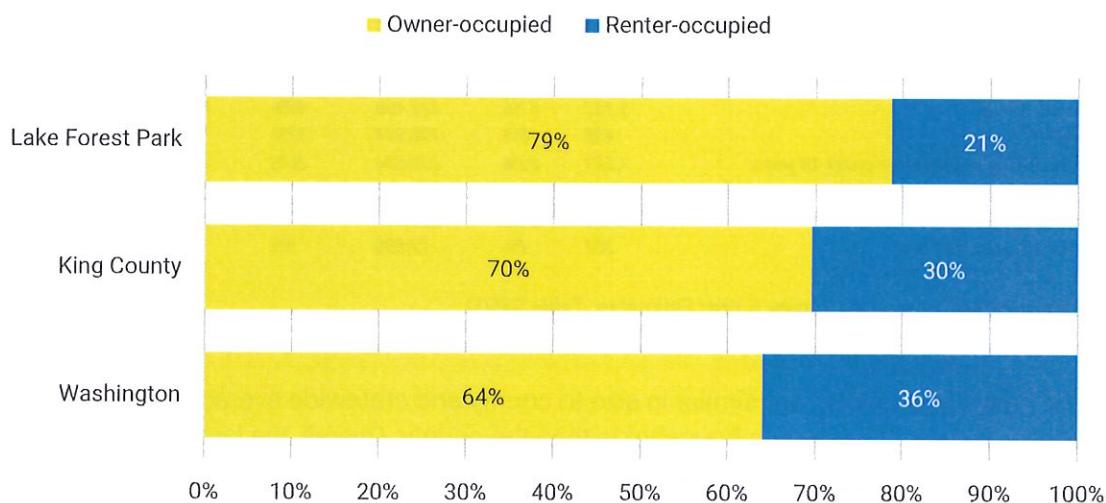


Source: 2021 American Community Survey 5-Year Estimates, Table DP04.

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.



Figure II-12: Tenure in Lake Forest Park, 2021



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

Table II-4 below shows selected changes over the past two decades in Lake Forest Park's households. Household size has been relatively constant for homeowners, but renter households have increased in size, a trend seen nationally as increasing housing prices have caused more people to share housing. There is a smaller share of households with children and a larger share of older households in the city, which reflects the age trends discussed earlier in this report. Additionally, the share of single-person households has also risen over time, also reflective of the aging of Lake Forest Park's population as well as implying the future need for smaller housing units in the city.

Table II-4: Selected Household Trends in Lake Forest Park, 2000-2021

| | 2000 | 2012 | 2021 |
|--|-------|-------|-------|
| Total Households | 5,029 | 5,087 | 5,308 |
| Average Household Size: Owner-Occupied Units | 2.64 | 2.55 | 2.65 |
| Average Household Size: Renter-Occupied Units | 1.99 | 2.01 | 2.12 |
| Family Households with One or More Persons Under 18 | 32% | 28% | 29% |
| Households with One or More Persons 65 or Older | 23% | 26% | 30% |
| Family Households | 72% | 66% | 69% |
| Non-Family Households | 28% | 34% | 31% |
| Single Person Households | 21% | 27% | 24% |
| Single Person Households, Age 65 or Over | 6% | 9% | 7% |

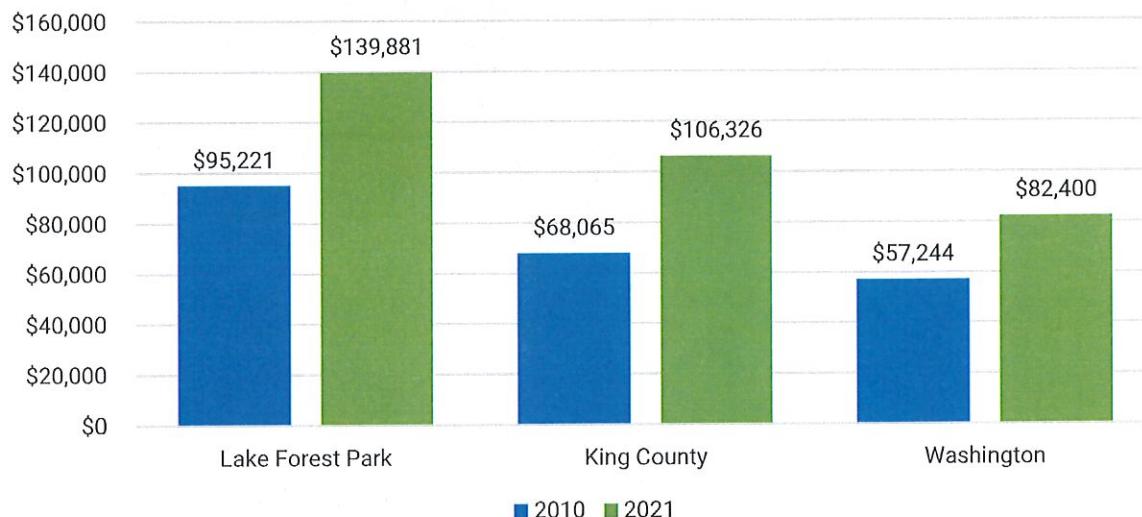
Source: 2021 American Community Survey 5-Year Estimates, Tables DP04, S2501, and S1101.



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, the median income increased 56 percent between 2010 and 2021.

Figure II-13: Lake Forest Park Median Household Income, 2010-2021

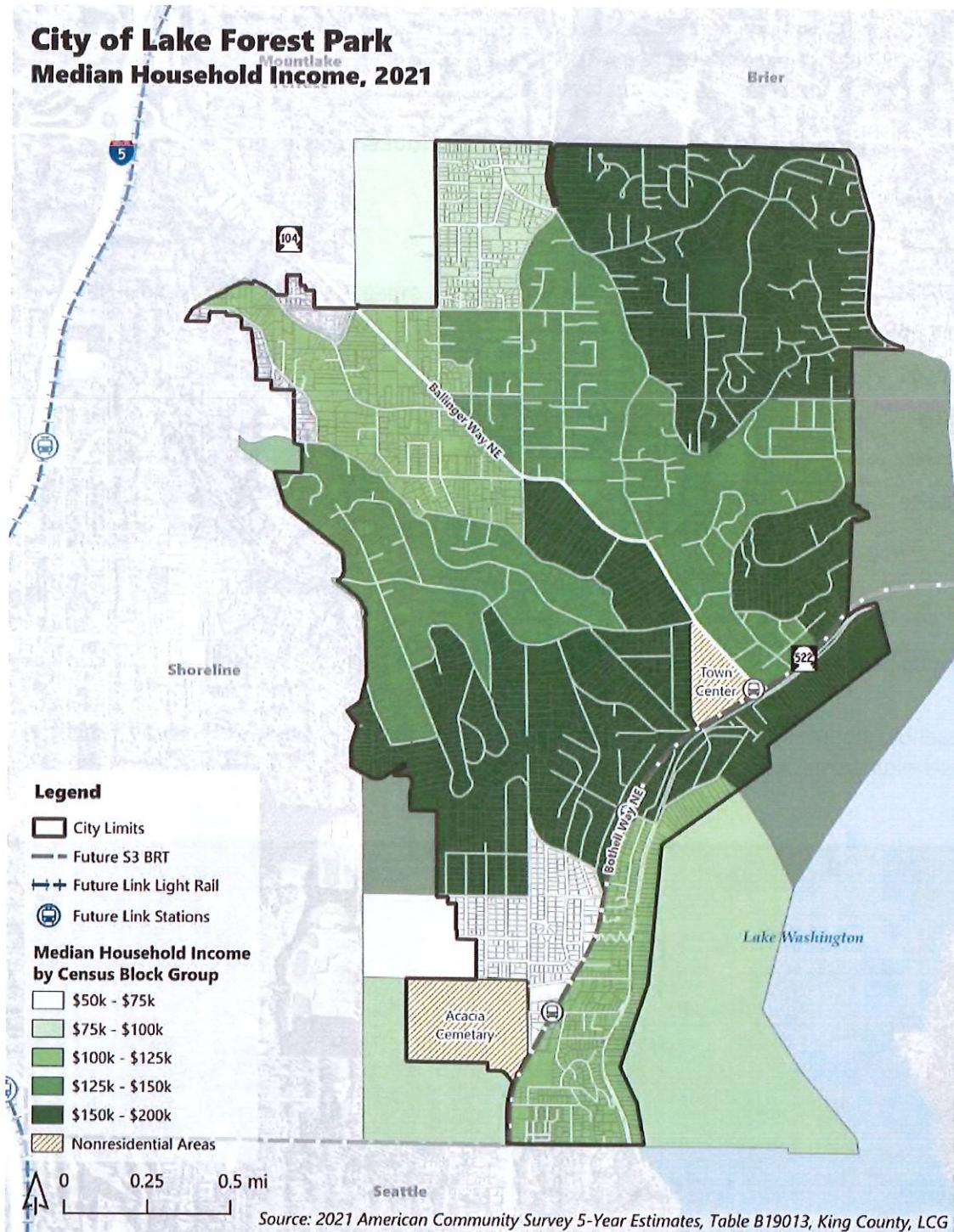


Source: US Census Bureau, 5-Year American Community Survey, Table S1501.

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



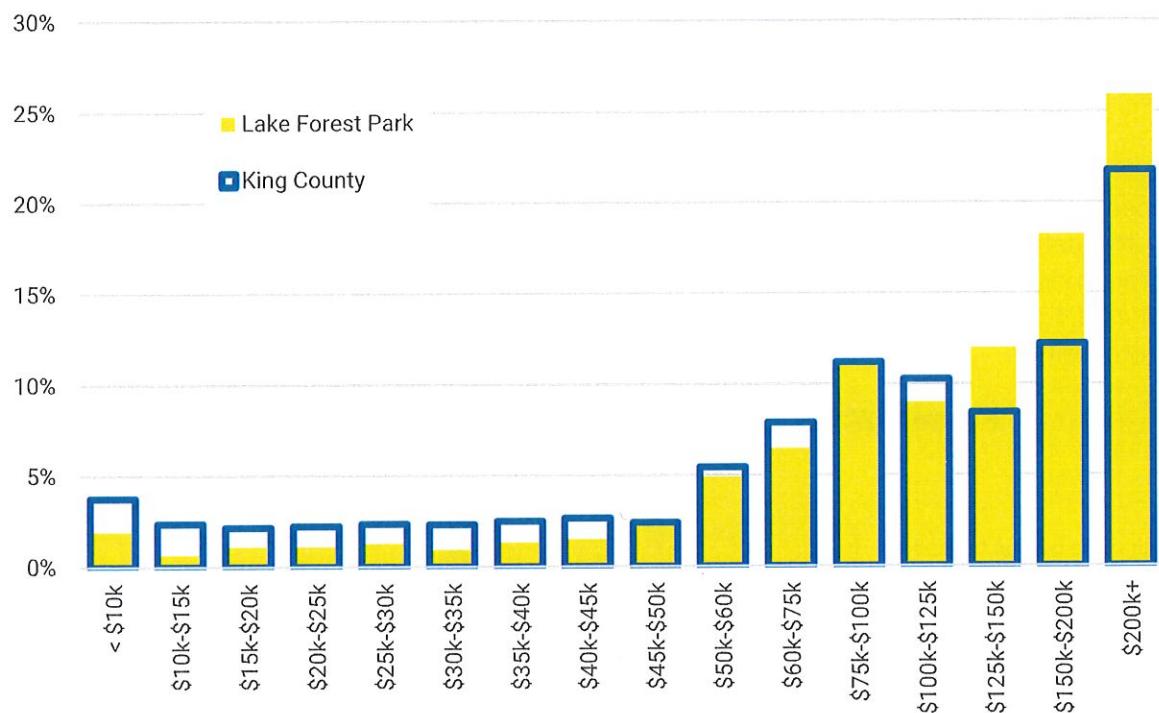
Figure II-14: Household Incomes by Census Block Group in Lake Forest Park, 2021



The chart below in Figure II-15 shows the breakdown of household incomes in Lake Forest Park by income bands, compared with King County. There is 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."

Figure II-15: Household Income Bands in Lake Forest Park and King County, 2021

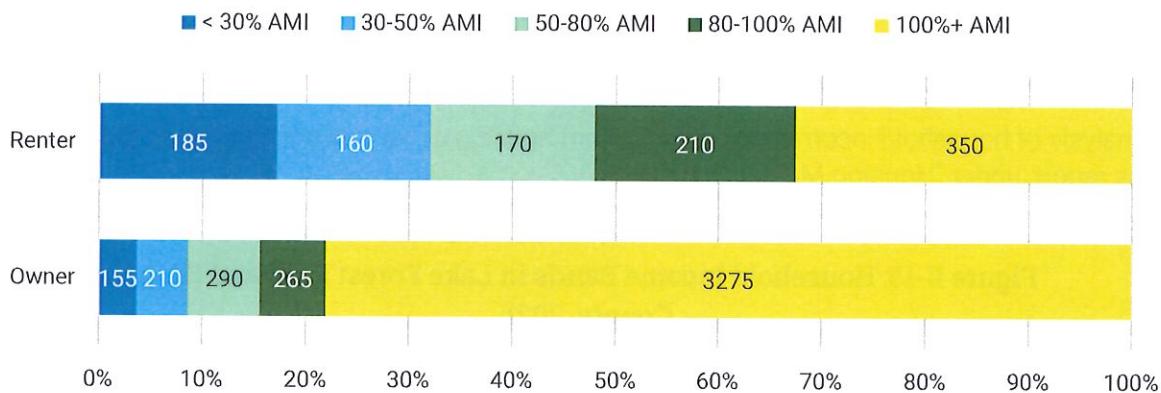


Source: 2021 American Community Survey 5-Year Estimates, Table B19001.

As shown previously in Figure II-12, about 20 percent of Lake Forest Park households are renters. 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. Roughly 30 percent of Lake Forest Park rental households earn 100 of the Area Median Income or higher, compared to three-quarters of homeowner households, as shown on the following page in Figure II-16.



Figure II-16: Income by Tenure in Lake Forest Park, 2020



Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS).

Renters also tend to have smaller household sizes in the city, as shown in Figure II-17. 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."

Figure II-17: Lake Forest Park Household Size by Tenure, 2021

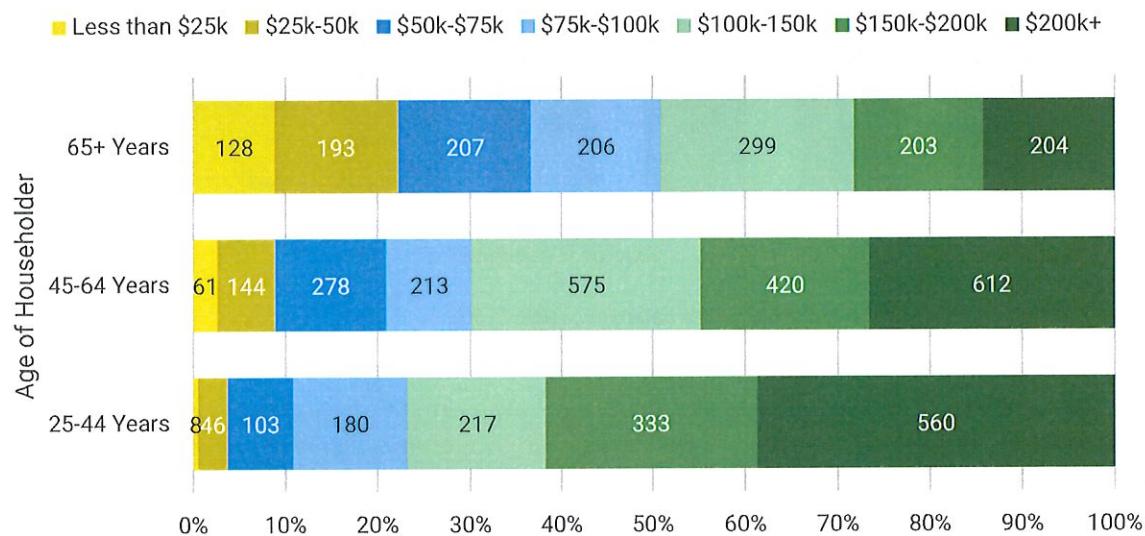


Source: 2021 American Community Survey 5-Year Estimates, Table DP04.



As noted previously, Lake Forest Park residents are older than regional and statewide averages. This can introduce compounding challenges to housing affordability. As shown in Figure II-18, older households earn considerably less than younger households in Lake Forest Park. Nonetheless, most older households are homeowners, as shown in Figure II-19 on the following page. 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.

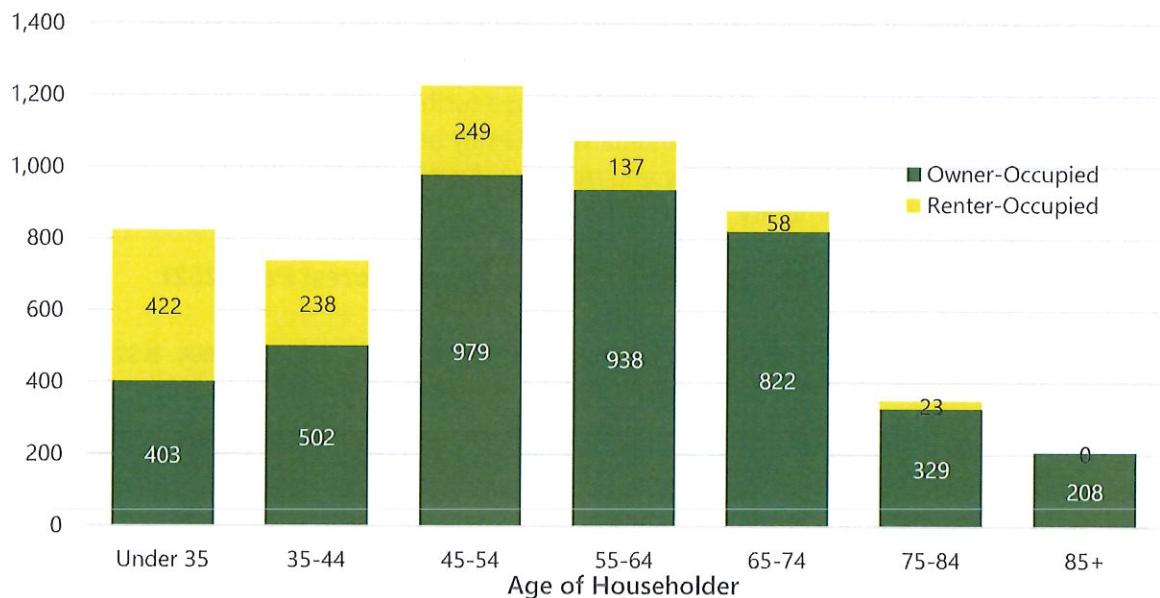
Figure II-18: Age and Household Income in Lake Forest Park, 2021



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



Figure II-19: Age and Tenure of Households in Lake Forest Park, 2021



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

The chart below summarizes household income in Lake Forest Park and surrounding communities. The median income in Lake Forest Park is higher and poverty rate lower compared to nearby cities. This has remained consistent since the previous Comprehensive Plan in 2012, though as of 2021 the poverty rate is slightly lower in Woodinville than in Lake Forest Park.

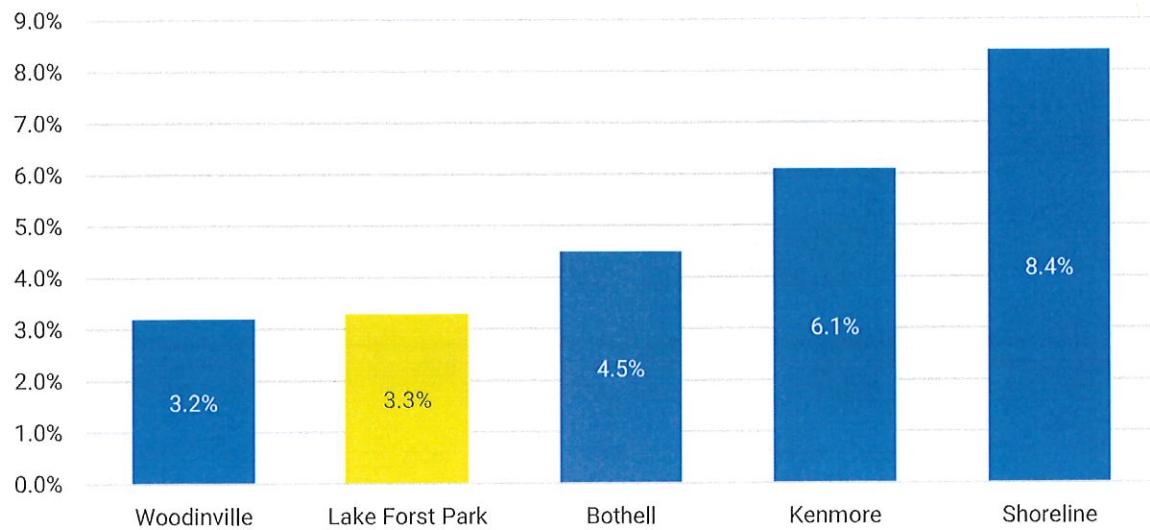
Figure II-20: Median Household Income in Lake Forest Park and Comparison Communities, 2021



Source: US Census Bureau, 2021 5-Year American Community Survey (Table S1901)



Figure II-21: Percent of Households Below Poverty Level in Lake Forest Park and Comparison Communities, 2021



Source: US Census Bureau, 2021 5-Year American Community Survey (Table S1701)

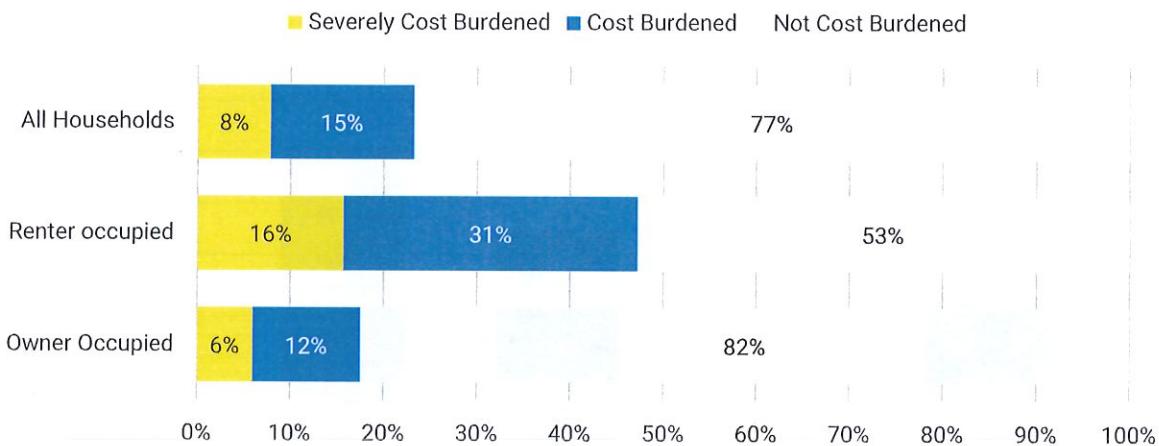
Cost Burden

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. When housing costs exceed this threshold of affordability, households may be forced to trade-off the cost of housing with other nondiscretionary needs, such as health care, childcare, and others.

The most recent available data on cost burden is from HUD's 2020 Comprehensive Housing Affordability Strategy (CHAS) dataset. 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, as shown in Figure II-22 on the following page.



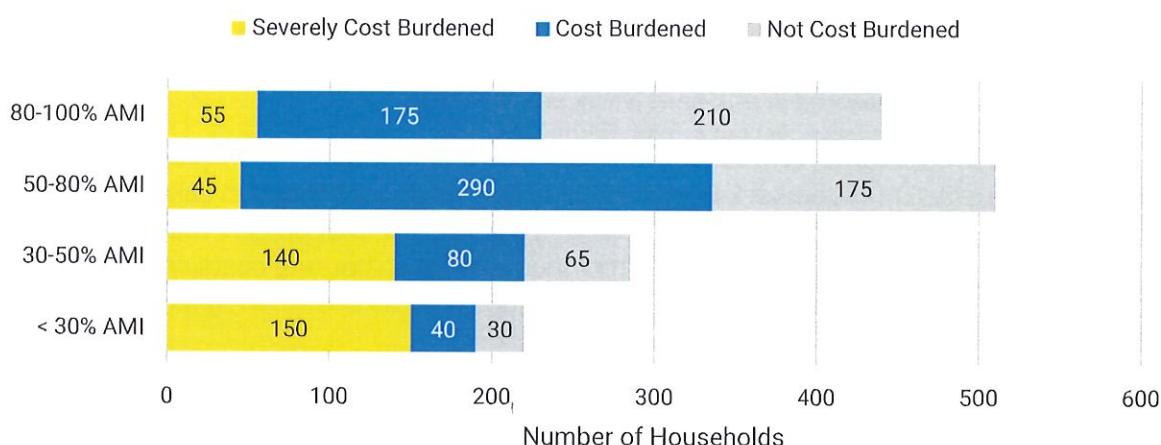
Figure II-22: Cost-Burdened Households by Tenure in Lake Forest Park, 2020



Source: 2020 HUD Comprehensive Housing Affordability Strategy (CHAS).

Figure II-23, below, 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.

Figure II-23: Cost-Burdened Households by Income in Lake Forest Park, 2020

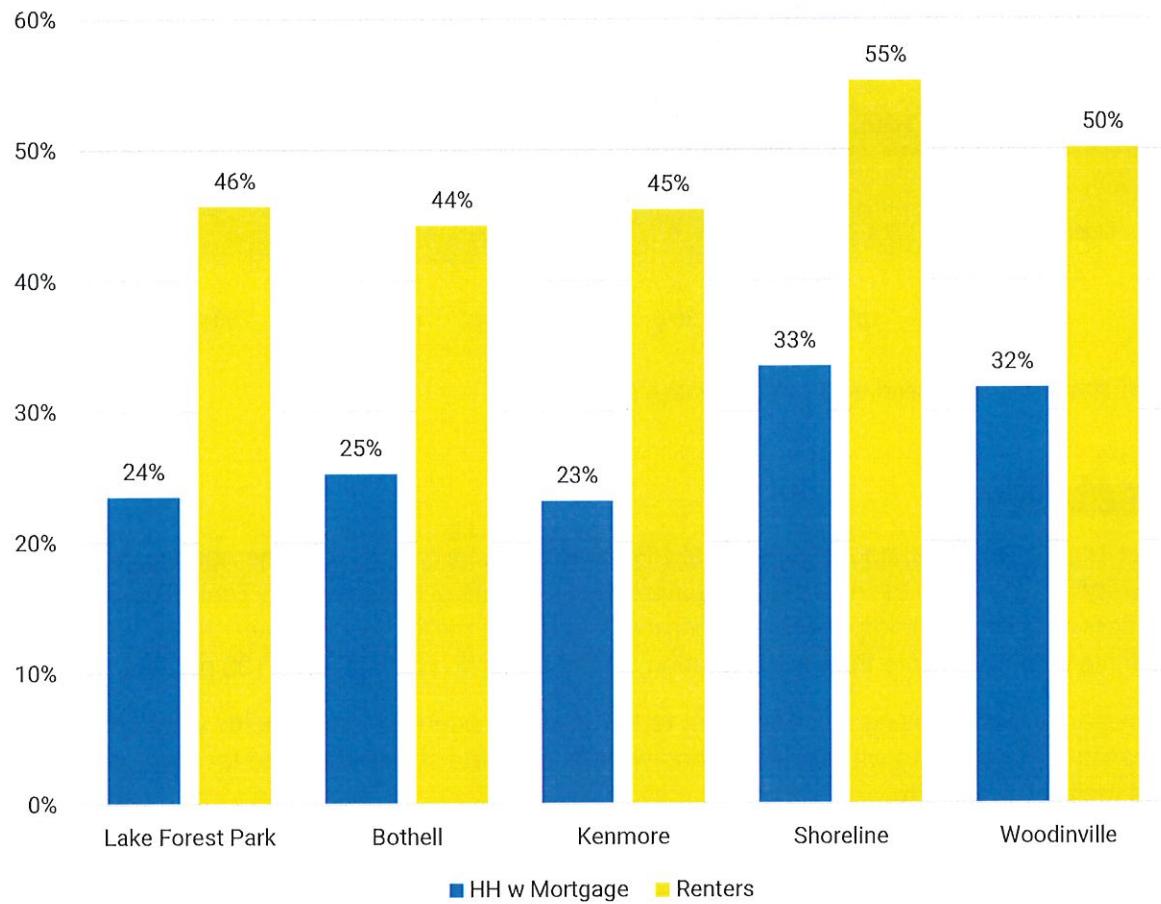


Source: 2020 HUD Comprehensive Affordability Strategy (CHAS).



Compared with neighboring cities, Lake Forest Park has similar rates of cost burden as Bothell and Kenmore. Among owned households with a mortgage, 24 percent spend more than 30 percent of their gross annual income on rent. Among renters, 46 percent are cost burdened.

Figure II-24: Rent Burden for Renters and Owner-Occupied Households with Mortgages, 2021

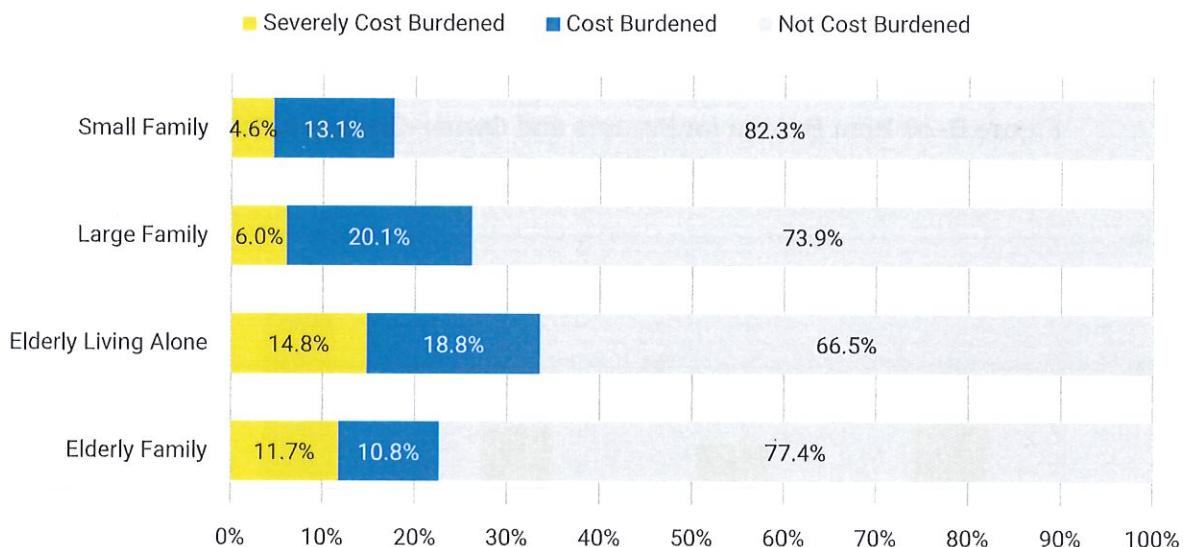


Source: US Census 2021 American Community Survey 5 Year Estimates, Tables S2503, B25074.

HUD also breaks down cost burden by a variety of other metrics, including household type in several categories, as shown on the following page in Figure II-25. 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.



Figure II-25: Cost Burden by Household Type in Lake Forest Park, 2020



Source: 2020 HUD Comprehensive 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 below in Table II-5. 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.

Table II- 5: Disability in Lake Forest Park, 2020

| Disability Status | Number of Households | Share of Households |
|---|----------------------|---------------------|
| 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: 2020 HUD Comprehensive Affordability Strategy (CHAS).



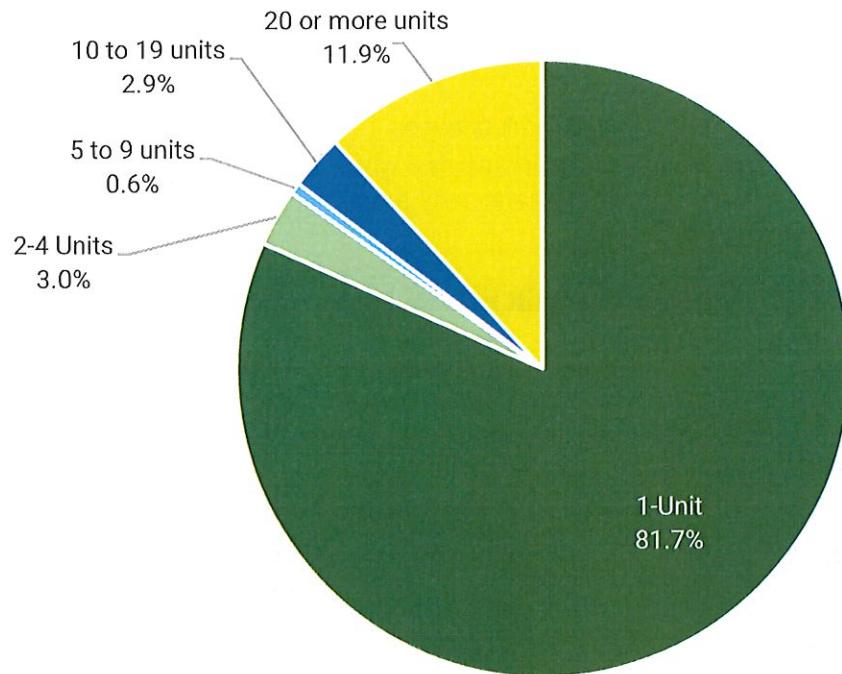
Where We Live

The following provides a brief overview of housing characteristics in Lake Forest Park, including inventory, market trends, affordability, and special needs housing.

Inventory

Lake Forest Park's housing inventory reflects the City's history as a low-density residential community. Most of Lake Forest Park's housing units are single-unit 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.

Figure II-26: Housing Unit Type in Lake Forest Park, 2021

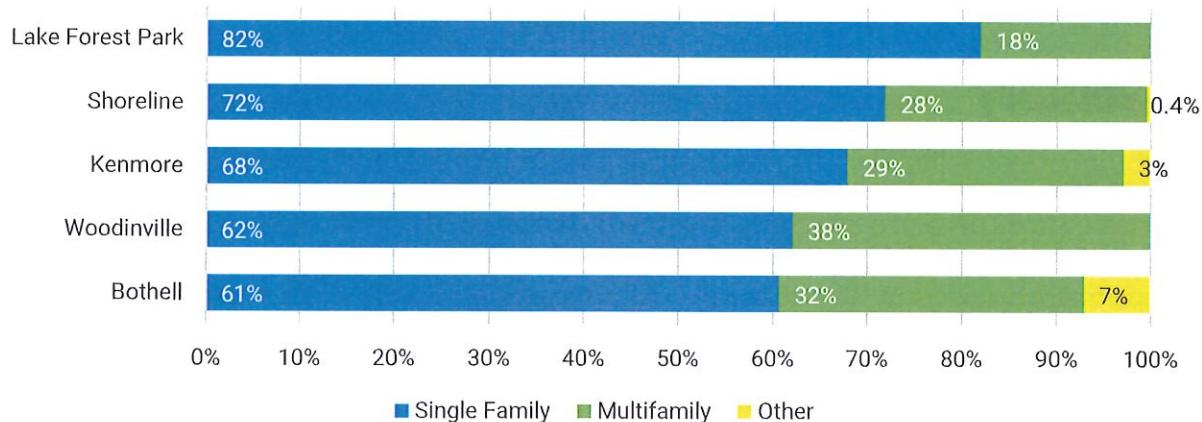


Source: 2021 American Community Survey 5 Year Estimates, Table DP04.

When compared with neighboring communities, Lake Forest Park has the highest share of single-unit homes, at 82 percent, as shown on the following page in Figure II-27. Although this is higher than other cities, the regional market is dominated by single family homes.



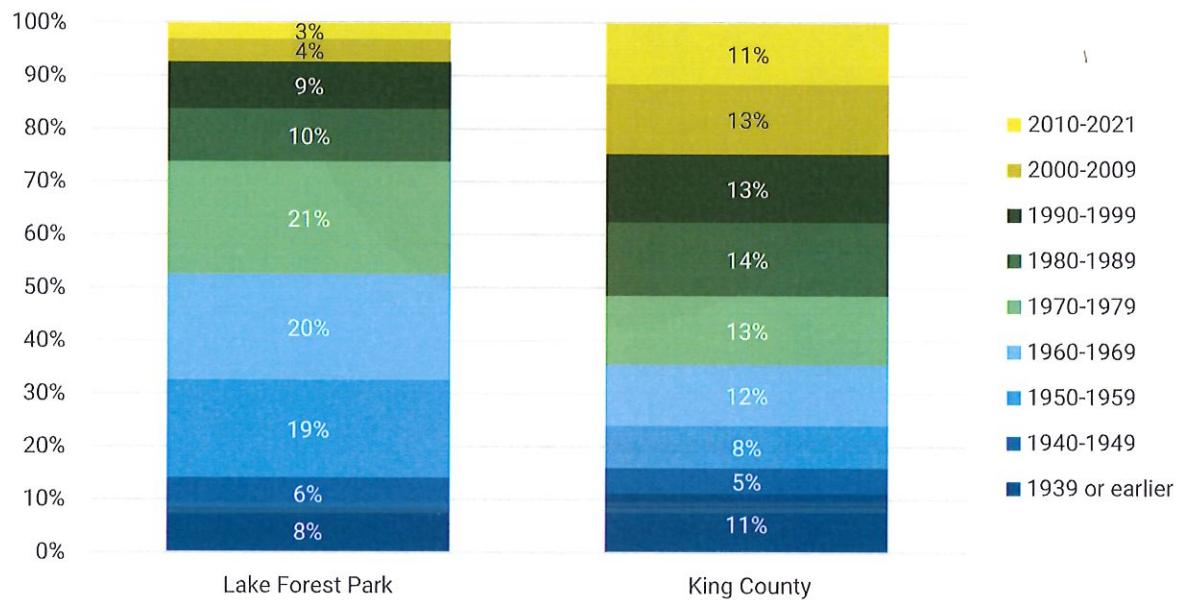
Figure II-27: Occupied Housing Types in Lake Forest Park with Comparison Communities, 2021



Source: 2021 American Community Survey 5 Year Estimates, Table S2504.

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.

Figure II-28: Year Housing Built in Lake Forest Park, 2021



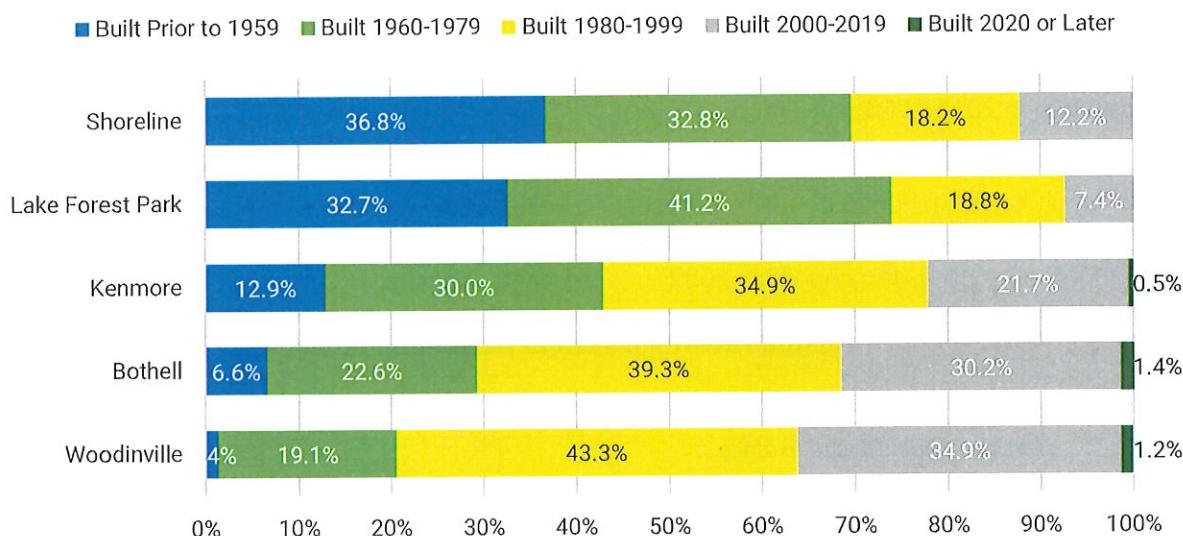
Source: 2021 American Community Survey 5 Year Estimates, Table DP04.



As in 2012, the age of Lake Forest Park's housing stock is more similar to the city of Shoreline's compared with other neighboring jurisdictions. Just under one third of Lake Forest Park's housing was built before 1960 and an additional 41 percent was built between 1960 and 1979. In Woodinville, over three quarters of housing units were built in 1980 or later.

In some communities, the presence of a relatively large inventory of older housing may be associated with lower prices and increased affordability. However, in the case of Lake Forest Park, housing values have remained high. This is likely due to a number of factors, including the unique natural setting, proximity to employment centers, construction quality, school district reputation, and others. Over time, the demand for housing in Lake Forest Park has remained strong while supply has failed to keep up with the increase in regional population.

Figure II-29: Age of Housing in Lake Forest Park and Comparison Communities, 2021



Source: 2021 American Community Survey 5 Year Estimates (Table DP04).

Housing Value

As was the case in 2012, as of 2021 Lake Forest Park has a high proportion of property owners to renters compared to surrounding communities. The city also has comparatively high home values. Although the city has significantly fewer rental units compared to surrounding communities, rental rates are comparable with the surrounding communities.



Table II-6: Tenure and Housing Value in Lake Forest Park with Comparison Communities, 2021

| | Lake Forest Park | Bothell | Kenmore | Shoreline | Woodinville |
|-------------------------|------------------|-----------|-----------|-----------|-------------|
| Median Home Value | \$746,400 | \$638,000 | \$656,200 | \$627,500 | \$770,800 |
| Total Occupied Units | 5,308 | 18,371 | 9,266 | 22,510 | 5,527 |
| Percent Owner Occupied | 78.8% | 64.8% | 69.6% | 67.1% | 61.4% |
| Percent Renter Occupied | 21.2% | 35.2% | 30.4% | 32.9% | 38.6% |
| Median Rent | \$1,839 | \$1,956 | \$1,704 | \$1,730 | \$2,097 |

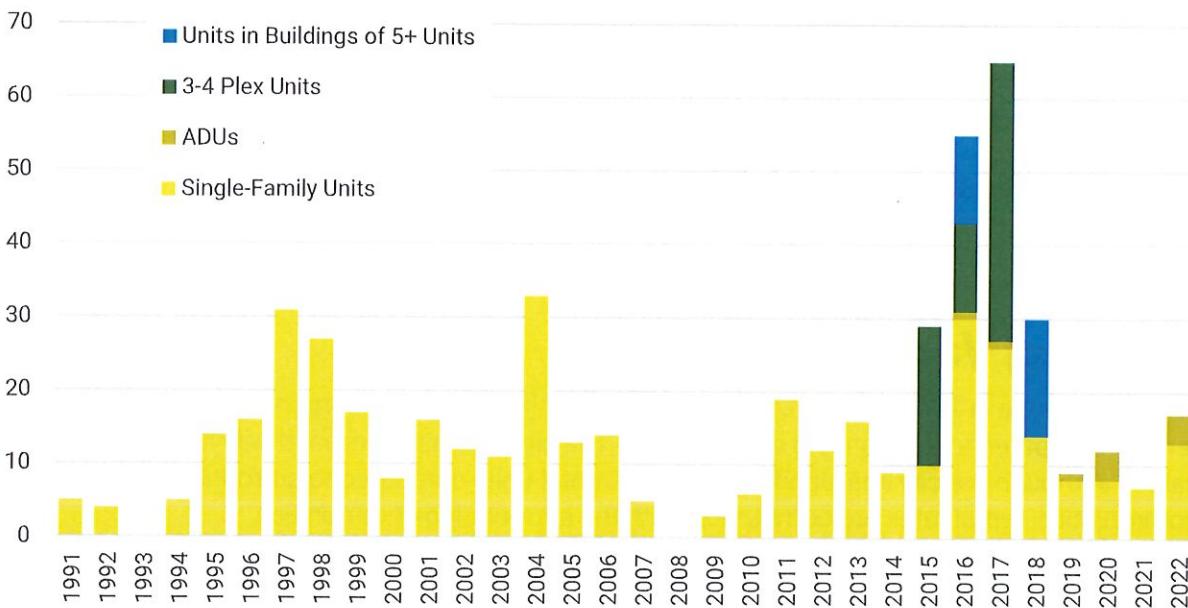
Source: 2021 American Community Survey 5 Year Estimates, Table DP04.

Housing Development Trends

Single-unit housing production in Lake Forest Park has followed prevailing economic trends over the past few decades, as shown below in Figure II-30. 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.

Figure II-30: Housing Permits Issued in Lake Forest Park, 1992-2022



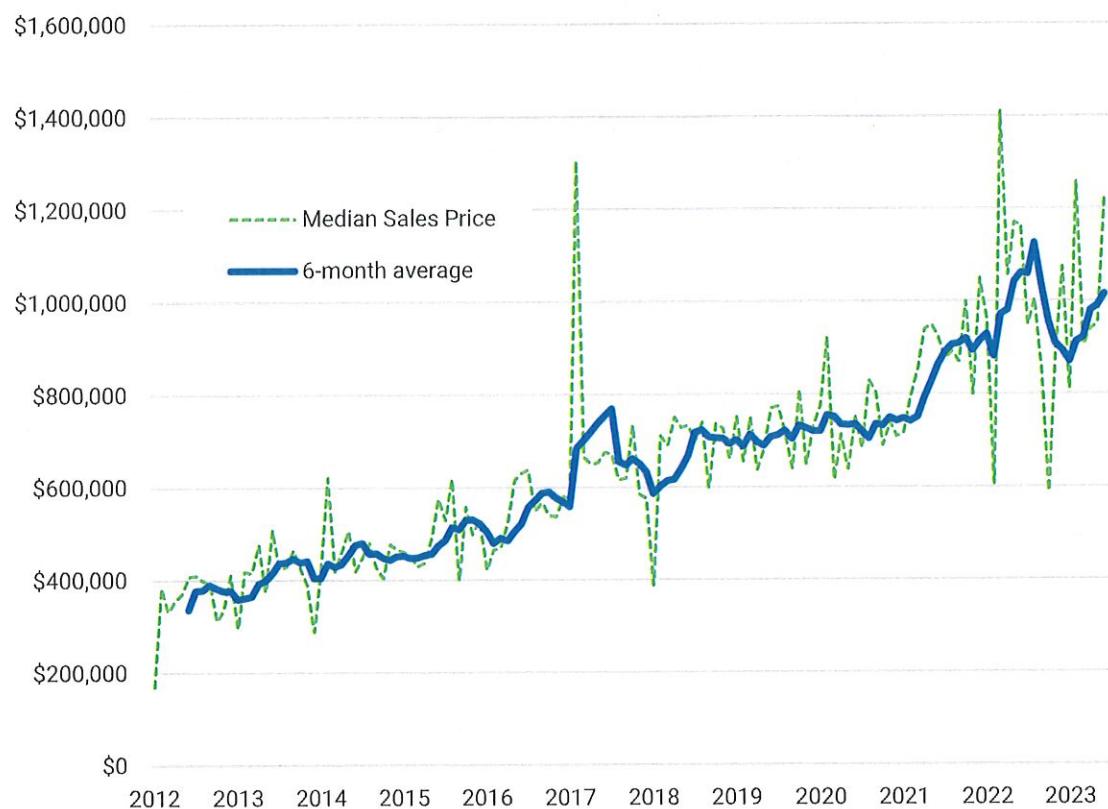
Source: US Census Building Permits Survey.



Home Sales

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 Figure II-31. 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.

Figure II-31: Lake Forest Park Median Home Sales Prices, 2012-2023

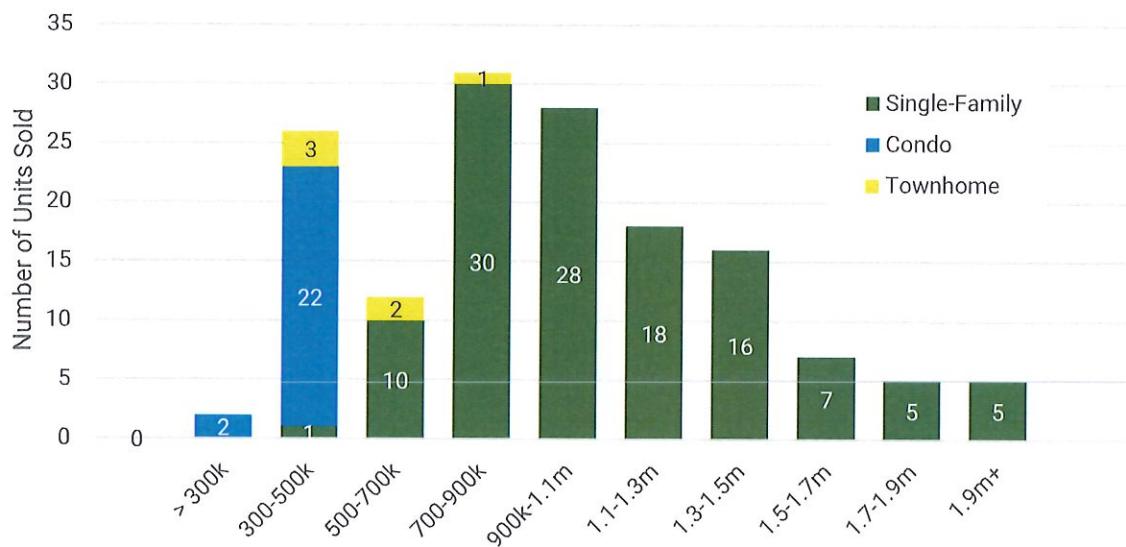


Source: Redfin.

The chart below shows the breakdown of sales prices for homes sold in Lake Forest Park between 2022 and 2023. 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.



Figure II-32: Lake Forest Park Home Sales by Price and Type, July 2022-July 2023



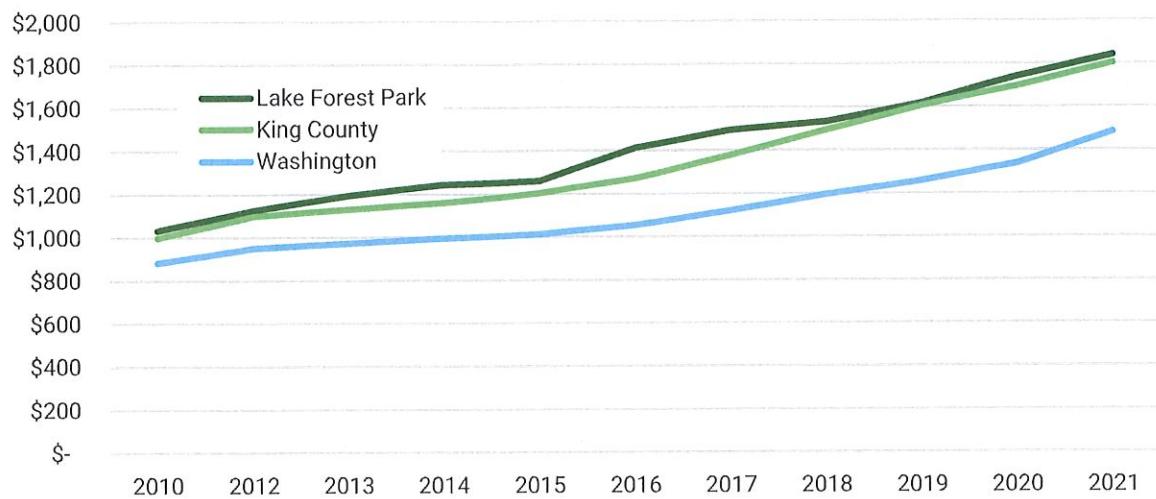
Source: Redfin.

Rental Market Trends

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.



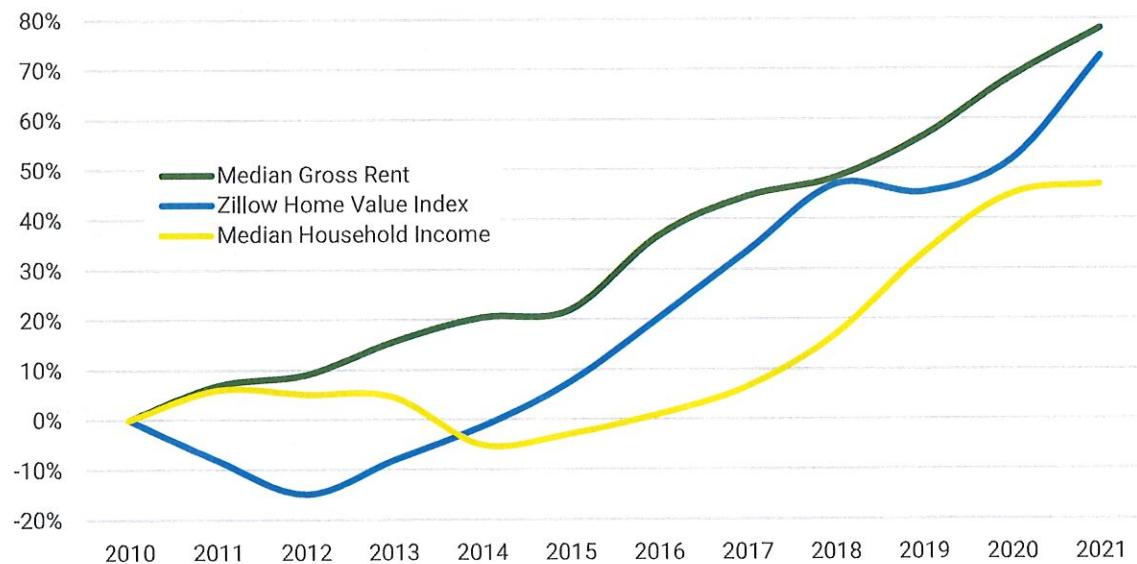
Figure II-33: Median Gross Rent in Lake Forest Park, 2011-2021



Source: US Census 2021 American Community Survey 5 Year Estimates, Table DP03.

The chart below 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.

Figure II-34: Change in Rent, Home Value, and Income in Lake Forest Park, 2010-2021



Source: US Census 2021 American Community Survey 5 Year Estimates, Tables S2503, DP03, Zillow.

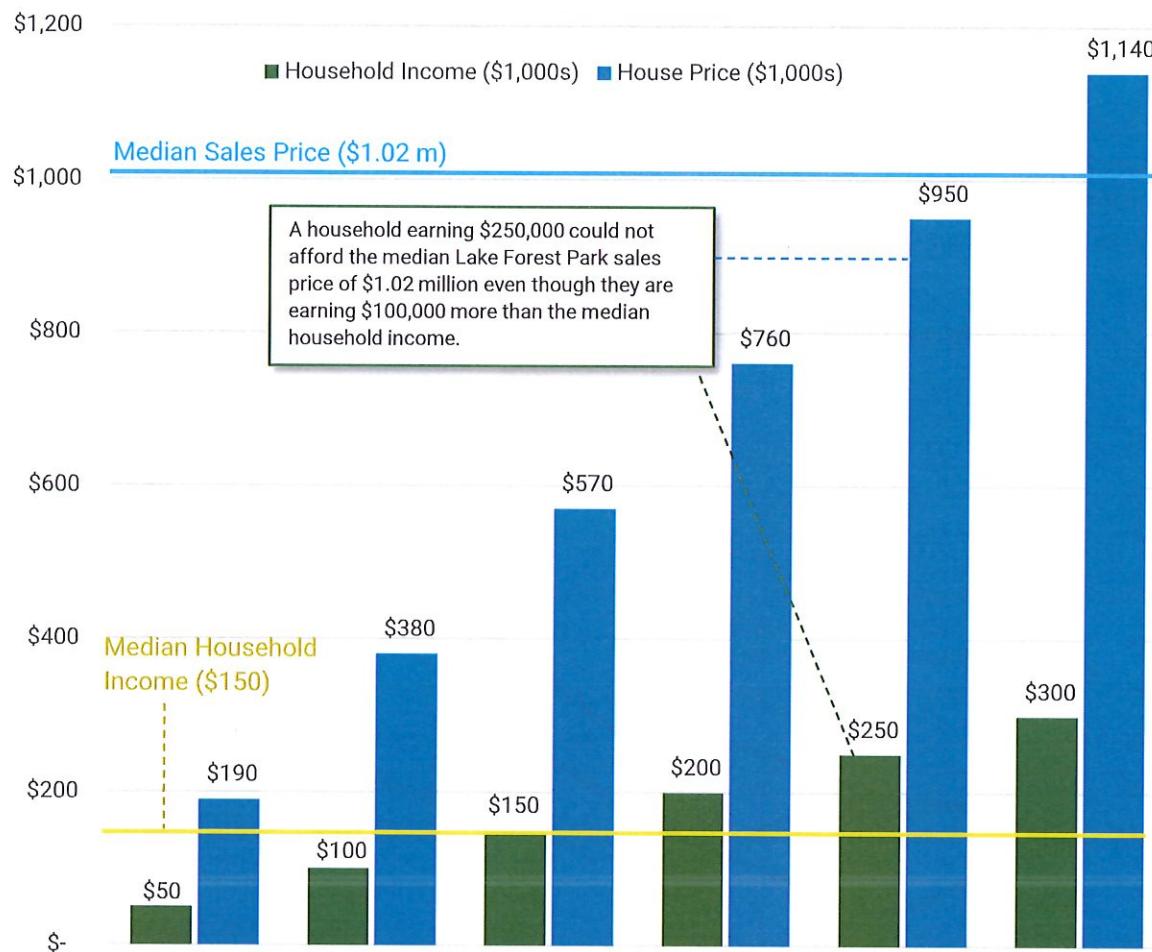


Housing Affordability

The chart below 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.

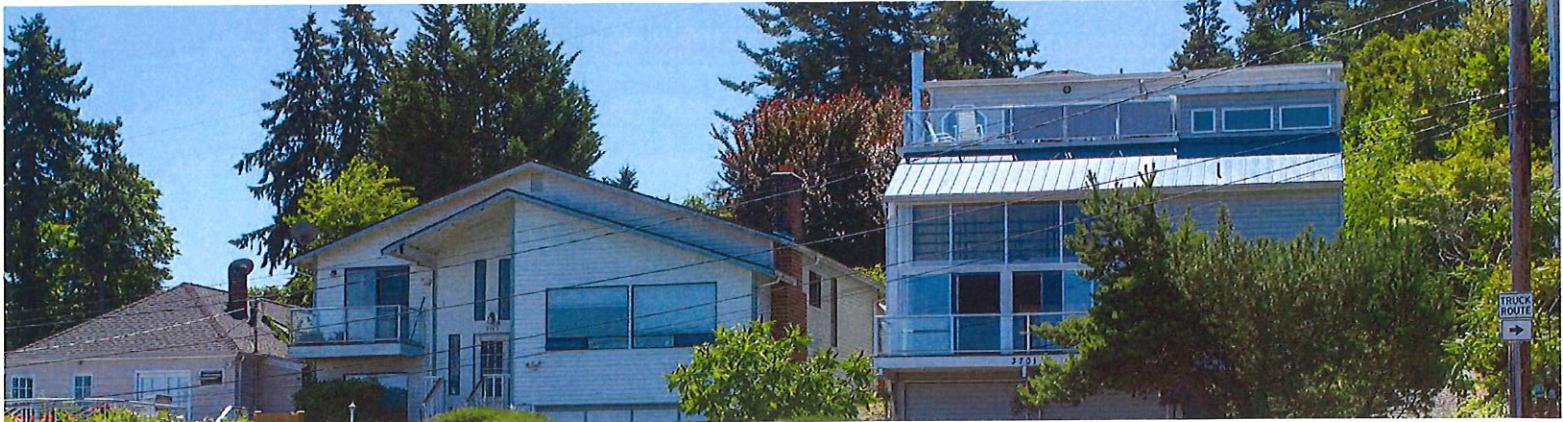
A household earning the median income of \$150,000 could afford a home priced at about \$570,000, whereas the median home sales price in the city is \$445,000 higher, at \$1.02 million. Or, to put it another way, the median household would need to earn \$117,000 more in order to afford the median home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

Figure II-35: Housing Affordability in Lake Forest Park, 2023



Source: Esri; Redfin; Freddie Mac; Leland Consulting Group.





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.

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.

Where We Work

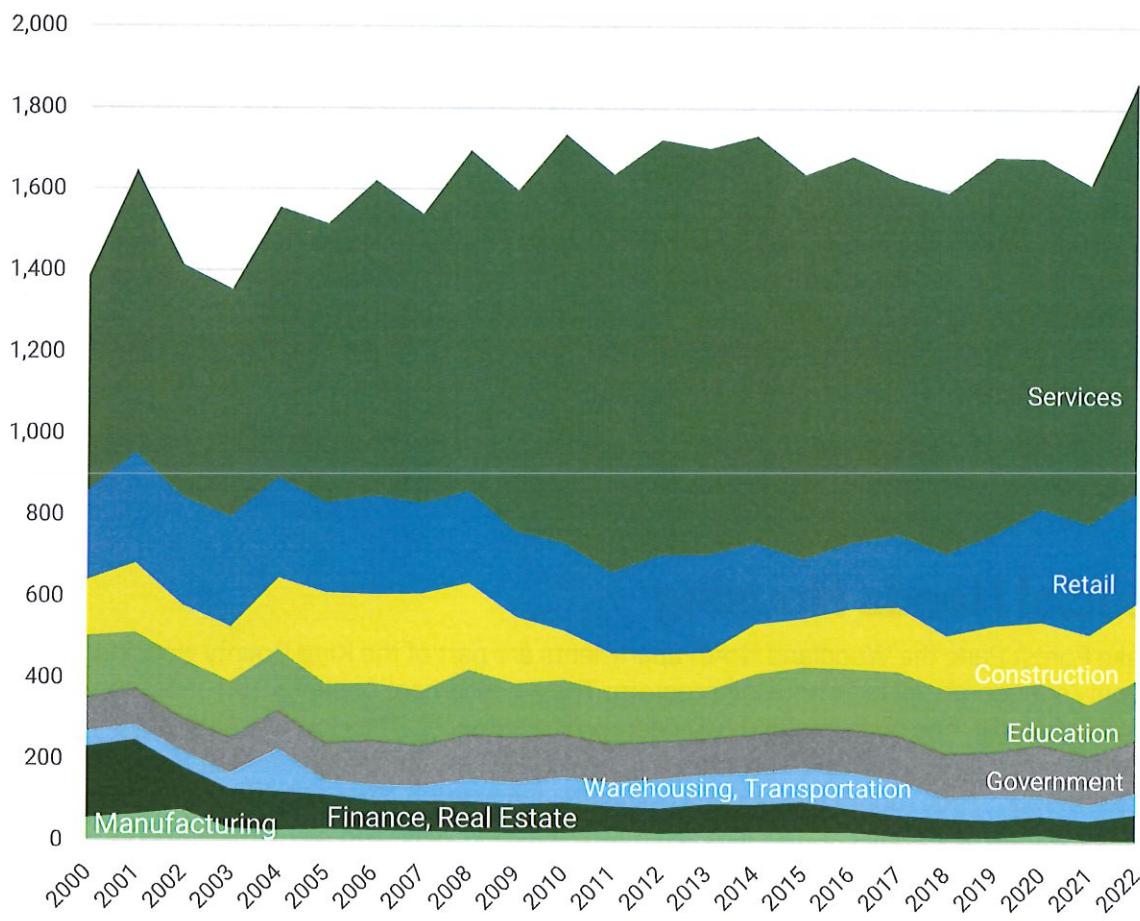
Employment

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.



Figure II-36: Employment by Sector in Lake Forest Park, 2000-2022



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

Workforce Housing Affordability

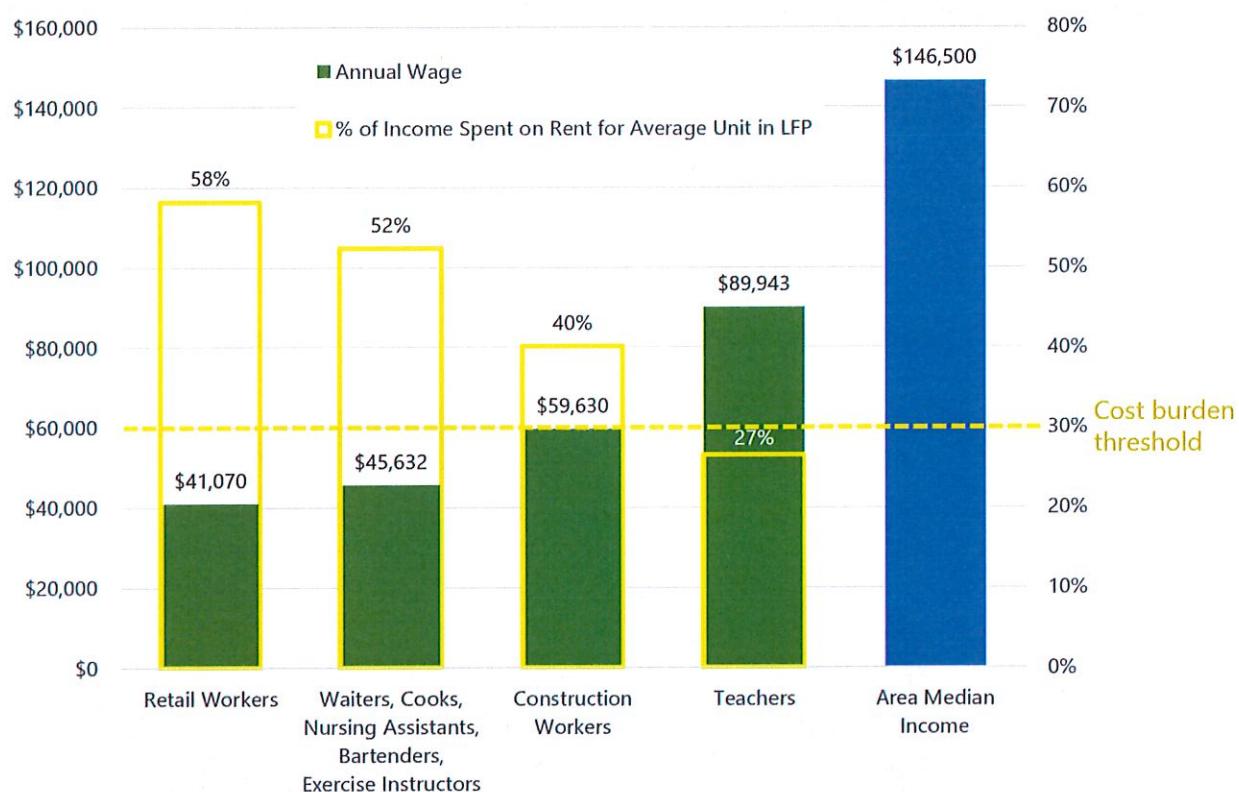
Lake Forest Park's top job sectors shown previously are generally sectors with relatively low wages. This chart shows the latest wages for retail workers, construction workers, teachers, and an average of a variety of service industry jobs in the Seattle Metro region as of 2023. All of these jobs, but 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.



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, particularly in a single-income household. 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.

Figure II-37: Wages and Housing Costs for Top Employment Sectors in Lake Forest Park, 2023



Source: Washington Employment Security Department; CoStar; LCG.

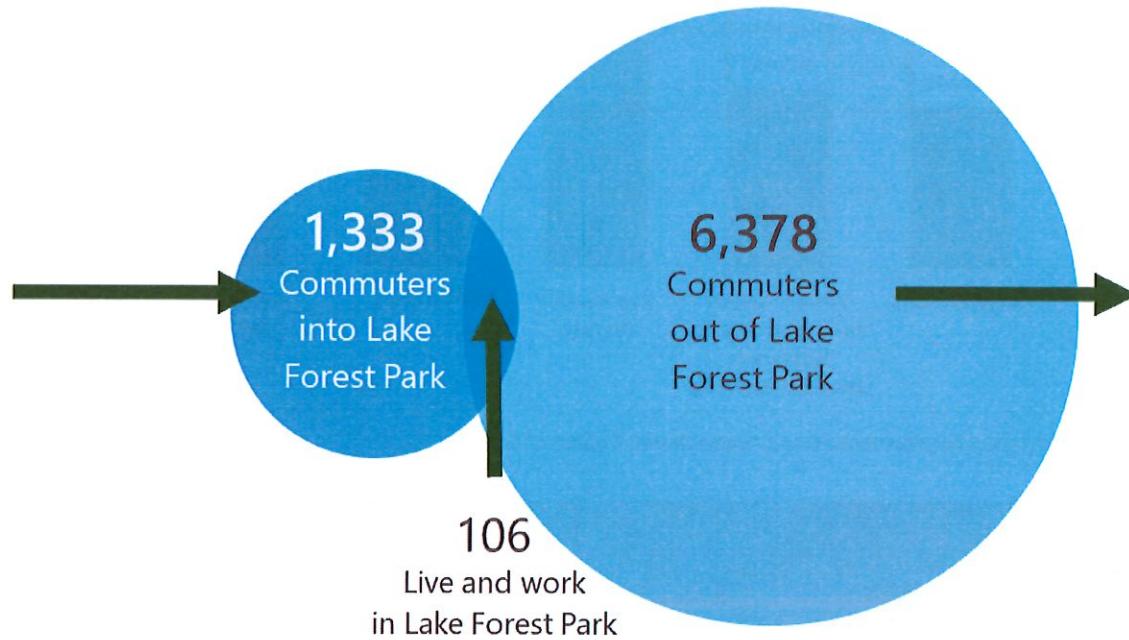




Commuting Patterns

Most Lake Forest Park residents commute out to work, as shown in Figure II-38, from the most recently available Census commuting data. The heatmap in Figure II-39 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.

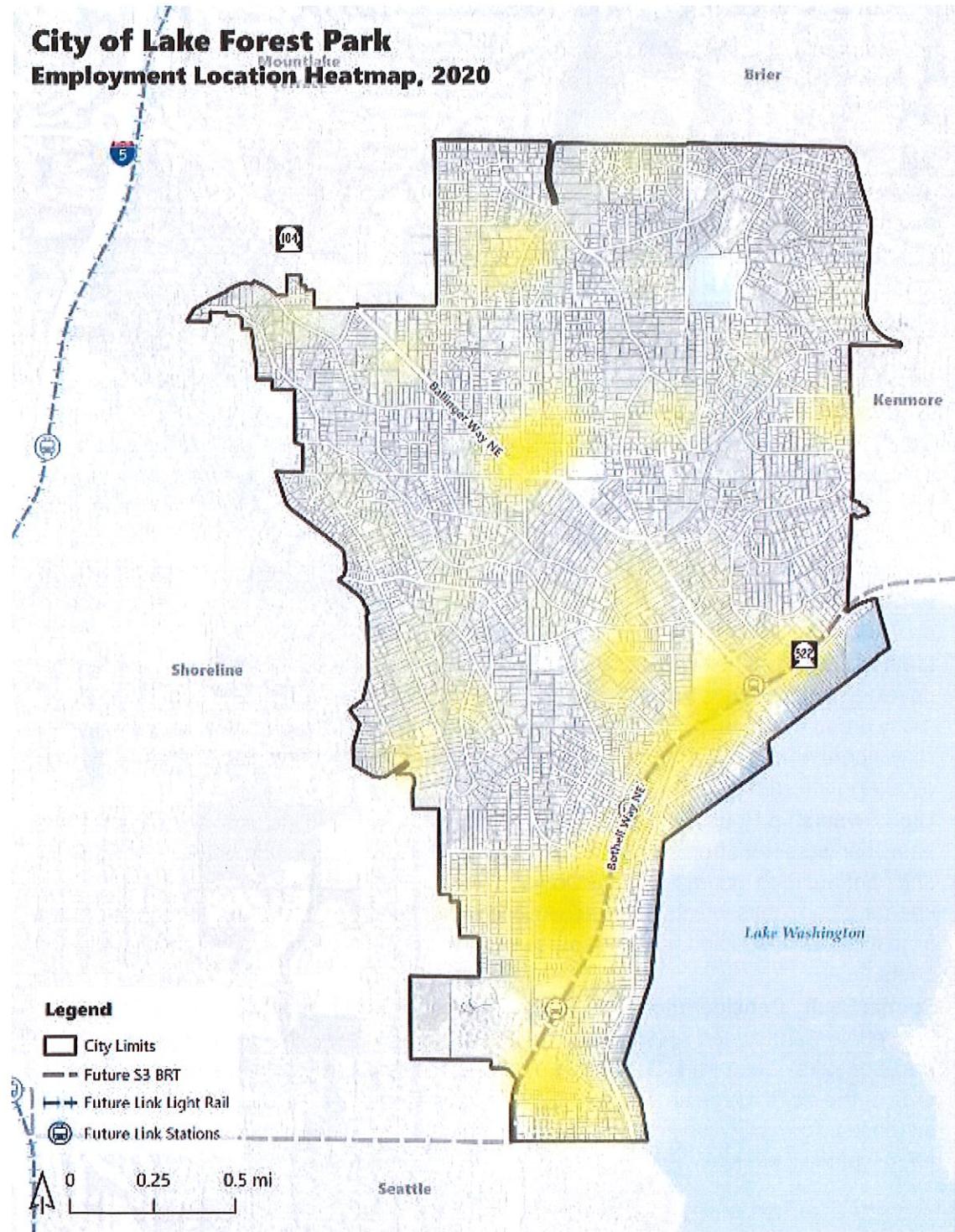
Figure II-38: Commuting Patterns in Lake Forest Park, 2020



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



Figure II-39: Lake Forest Park Employment Location Heatmap, 2020



Conclusions and Considerations

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. Construction of such units could be incentivized through density bonuses or other tools.
- **Challenges for Renter Households:** Lake Forest Park's renter households have significantly lower incomes 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.



To address these needs and noted shortfalls in housing production, Lake Forest Park must make adequate provisions to remove potential barriers to existing and projected housing needs for all economic segments of the community across four categories:

- Development regulations
- Process obstacles
- Limited land availability and environmental constraints
- Funding gaps

Potential actions are documented below. For more background on these potential actions, please refer to Appendices B and C.

- **Regulate density via units per acre rather than minimum lot area per unit.** Ensure that the density is high enough to allow for multifamily housing on a typical lot, and that feasible multifamily types are allowed.
- **Increase building heights** to allow for four to five stories, particularly in zones that allow for higher densities, like RM-900.
- **Consider reducing front and rear setbacks in multifamily zones.** Limit side setbacks to no more than 10 feet.
- Developers will typically build parking whether or not it is required - **lower minimum parking requirements ensure that developers have the flexibility to meet market demand.** Lake Forest Park should consider eliminating parking requirements, or at least reducing the minimum to no more than 1 per unit.
- **Increase maximum lot coverage requirements to no less than 50%.** Consider increasing further for zones targeted for higher density, like RM-900.
- **Allow for lot division that would free up additional land for development.**
- **Allow multifamily housing in more areas of the city.** Increase the number of lots that are zoned for multifamily development, especially in areas with fewer environmental constraints.
- **Either reduce parking requirements to conform with rooming house requirements (0.5 spaces per unit) or eliminate parking minimums for PSH/emergency housing.**



