

**LYNNWOOD
CITY COUNCIL
Work Session**

Date: Monday, September 21, 2020

Time: 6:00 PM

Place: This meeting will be held electronically via Zoom. See the City of Lynnwood website for details.

6:00 PM	A	Comments and Questions on Memo Items
6:00 PM	B	Interview: Diversity, Equity and Inclusion Commission Candidates Daniela Altamirano-Crosby, Marcia Smith and Joshua Binda
6:30 PM	C	Interview: Parks and Recreation Board Applicant Katie McKeown
6:40 PM	D	Interview: Arts Commission Applicant Teodora Popescu
6:50 PM	E	Appointment: Lynnwood Public Facilities District Board, Position #4: Rosario Reyes
7:00 PM	F	COVID-19 Update
7:30 PM	G	Refinance 2010 Utility Bonds
7:55 PM	H	Break
8:05 PM	I	Briefing: Lynnwood ADA Self-Evaluation and Transition Plan/Sidewalk Maintenance
8:50 PM	J	Update- Housing Action Plan
9:20 PM	K	LMC 2.92 Contract Threshold
9:40 PM	L	Mayor Comments and Questions
9:45 PM	M	Council President and Council Comments
9:50 PM	N	Executive Session, If Needed
		Adjourn

Memorandums for Future Agenda Items:

M-1 Contract 3094, Amendment #2, S Lynnwood Park Final Design

M-2 Public Hearing and Ordinance Adoption: Flood Hazard Area Regulations

Memorandums for Your Information:

Contact: Executive Office (425) 670-5001

CITY COUNCIL ITEM A

CITY OF LYNNWOOD Executive

TITLE: Comments and Questions on Memo Items

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM B

CITY OF LYNNWOOD Executive

TITLE: Interview: Diversity, Equity and Inclusion Commission Candidates Daniela Altamirano-Crosby, Marcia Smith and Joshua Binda

DEPARTMENT CONTACT: Evan Chinn, Human Resources Director

SUMMARY:

Position #3 on the Diversity, Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Daniela Altamirano-Crosby fill Position #3; term ending December 31, 2022.

Position #3 on the Diversity Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Joshua Binda to fill Position #3; term ending December 31, 2022.

Positions #7 on the Diversity, Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Marcia Smith to fill Position #7; term ending December 31, 2022.

ACTION:

Consider Daniela Altamirano-Crosby, Joshua Binda and Marcia Smith to fill Position #2 Position #3 and Position #7, respectively on the Diversity, Equity and Inclusion Commission.

DOCUMENT ATTACHMENTS

Description:	Type:
DEIC Candidate Application - D. Altamirano-Crosby	Backup Material
DEIC Candidate Application - J. Binda	Backup Material
DEIC Candidate Application - M. Smith	Backup Material

Board and Commission Application



Submission date: 8 July 2020, 1:49AM

Receipt number: 34

Related form version: 2

Question	Response
All Are Welcome	
Name	Daniela Altamirano Crosby
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	I am interested in serving this commission because I am passionate about equity and inclusion for all regardless of the person's race, sexual orientation, or even economic background. I want people of all diverse cultures to feel welcomed by the City of Lynnwood.
What do you perceive as the role of a board or commission member?	The main role that a board or commission member is to aid the Mayor and the City Council members in achieving the vision of making Lynnwood a truly welcoming city that is accepting, tolerant and a city that encourages its community members to speak up when there is an imperative problem that needs to be addressed. As a member of the commission, I would be tasked with suggesting strategies to engage the Lynnwood public to participate in City discussions. Furthermore, building relationships between the diverse communities that exist within the Lynnwood city limits.

<p>How would you represent the interests of the community?</p>	<p>I would represent the interests of the community by meeting with the community leaders of the multicultural groups in Lynnwood, which members of the community trust in order to discover the difficult issues that said members are going through. Doing this would allow me to bring said issues to the Mayor and the City Council members to shine light and acquire a coherent solution to the problems at hand. Additionally, I would be willing to create a Slack channel where community members would be able to post any questions regarding what the City and the City Council members are doing to aid the communities that are more in need. Furthermore, the resources that the City of Lynnwood is offering such as free face masks, financial aid and many more should and need to be translated into different languages so that the community as a whole is aware of the aid provided to them. I would be willing to meet with translators of the diverse communities such as the Latinx, Asian, and even the Hindu community to provide the translations that are key for the current situation that our population and the world is facing. If the City of Lynnwood truly envisions itself as a welcome community, the different cultures and languages that exist within the city limits need to be recognized and crucial documents, as well as resources, need to be within reach to all without the problem of a language barrier standing in the way; I do not doubt that I would aid in this effort wholeheartedly.</p>
<p>List any experiences that may assist you in serving in this role.</p>	<p>One experience that would assist me in serving this role is that I am an excellent communicator. Through my work with Northwest Earth and Space Sciences Pipeline, in collaboration with NASA I have been able support children from underserve communities to have the same possibilities as others and be able to learn about Science, Technology, Engineering and Mathematics (STEM) along with possible field-work opportunities in the future. I am relentlessly known to fight for what is right and create equal opportunities for all. Additionally, working with WA-GRO foundation has allowed me to meet important community leaders who would be able to open pathways and communication between me and the underserved communities through the city of Lynnwood.</p>
<p>List any other information you would like us to consider.</p>	<p>Being both bilingual and multicultural makes me an outstanding candidate for this position. I am a positive team player who is both reliable and professional. I also speak Spanish fluently and will be able to translate documents from Spanish into the English language and vice versa. B-3</p>
<p>Optional resume upload</p>	<div></div>

Date	07/07/2020
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Board and Commission Application



Submission date: 14 July 2020, 1:25PM

Receipt number: 38

Related form version: 2

Question	Response
All Are Welcome	
Name	Joshua Binda
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	Because I have a strong passion for bringing equality and diversity to the city of lynnwood and it has been an ambition of mine to do whatever I can to make lynnwood a more diverse and accepting community
What do you perceive as the role of a board or commission member?	What I perceive as a role in this commission is having a platform and being with like minded individuals so we can all work together towards the same goal and bring about this change.
How would you represent the interests of the community?	How I would represent interest is me being a young black man in the community will be able to bring a voice of the youth and the African American population in lynnwood and come up with ways to establish change.
List any experiences that may assist you in serving in this role.	I've personally throughout my life have dealt with racism and being treated unequally because I'm an african American so it is my goal to help the community so others don't have to go through this same express I did.
List any other information you would like us to consider.	
Optional resume upload	
Date	

Board and Commission Application



Submission date: 10 July 2020, 8:46PM

Receipt number: 35

Related form version: 2

Question	Response
All Are Welcome	
Name	Marcia Smith
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	I would like to become more involved in my community and the goals of the Diversity, Equity and Inclusion Commission resonate with me.
What do you perceive as the role of a board or commission member?	To be a liaison between community members and the city.
How would you represent the interests of the community?	I would make a point of listening to members of the community and would bring ideas to the commission and vice versa.
List any experiences that may assist you in serving in this role.	I have always volunteered in one way or another. From construction projects with Habitat for Humanity to school PTAs, MathCounts, Chess Club, etc. I have a diverse background. Most recently I lived and worked in Japan for two years. Of course, doing my job but also getting acquainted with the ways things are done there.
List any other information you would like us to consider.	I am a quiet, calm and methodical person. The issues that come up regarding the subject of this commission can be difficult to resolve especially when individuals are passionate about their points of view. I would like to help make a positive impact in our community.
Optional resume upload	
Date	07/10/2020

CITY COUNCIL ITEM C
CITY OF LYNNWOOD
Parks, Recreation, & Cultural Arts

TITLE: Interview: Parks and Recreation Board Applicant Katie McKeown

DEPARTMENT CONTACT: Lynn D. Sordel

SUMMARY:

Position 3 of the Parks and Recreation Board is currently vacant. The Mayor recommends Ms. Katie McKeown to fill the vacancy.

ACTION:

Interview Katie McKeown, applicant for the Parks and Recreation Board.

BACKGROUND:

Ms. McKeown submitted her application on March 10, 2020 was interviewed by Director Sordel on March 18, 2020. She attended board meetings on July 15 and August 5. She was interviewed by Mayor Smith on September 10. Ms. McKeown lives within the City's boundaries.

Members of the Parks and Recreation Board serve for three-year terms, per City ordinance.

The present status of the Parks and Recreation Board is as follows:

Position 1-Holly Hernandez-Term Expires December 31, 2021

Position 2-Mike Gladysz-Term Expires December 31, 2021

Position 3-VACANT-Term Expires December 31, 2022

Position 4-VACANT-Term Expires December 31, 2022

Position 5-VACANT-Term Expires December 31, 2022

Position 6-Nick Coelho-Term Expires December 31, 2020

Position 7-VACANT-Term Expires December 31, 2020

ADMINISTRATION RECOMMENDATION:

Interview Katie McKeown.

DOCUMENT ATTACHMENTS

Description:

[Katie McKeown Application](#)

Type:

Backup Material

Board and Commission Application



Submission date: 10 March 2020, 12:59PM

Receipt number: 16

Related form version: 2

Question	Response
All Are Welcome	
Name	Katie McKeown
Address	[REDACTED]
Phone	[REDACTED]
Alternate Phone	
Email Address	[REDACTED]
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Parks and Recreation Board
Why are you interested in serving on this board or commission?	My dog and I love getting out and using public spaces, and I would like to volunteer time to get engaged in helping develop our parks further.
What do you perceive as the role of a board or commission member?	Give input and feedback as an informed citizen.
How would you represent the interests of the community?	Talking to neighbors and friends about their interests and how they use parks.
List any experiences that may assist you in serving in this role.	I worked for Montana State Parks for 3 years.
List any other information you would like us to consider.	
Optional resume upload	[REDACTED]
Date	03/10/2020

CITY COUNCIL ITEM D
CITY OF LYNNWOOD
Parks, Recreation, & Cultural Arts

TITLE: Interview: Arts Commission Applicant Teodora Popescu

DEPARTMENT CONTACT: Fred Wong

SUMMARY:

Position 3 of the Arts Commission is currently vacant. The Mayor recommends Ms. Teodora Popescu to fill the vacancy.

ACTION:

Interview Teodora Popescu for position #3 of the Arts Commission for a term expiring December 31, 2022.

BACKGROUND:

Ms. Popescu submitted her application on July 10, 2020 and was interviewed by Community Programs Coordinator Fred Wong on July 30 and Mayor Smith on August 4. She attended a commission meeting on July 21. Ms. Popescu lives in Lynnwood's MUGA.

Members of the Arts Commission serve for three-year terms, per City ordinance.

The present status of the Arts Commission is as follows:

Position 1-Elizabeth Lunsford-Term Expires December 31, 2021

Position 2-Barry Miller-Term Expires December 31, 2021

Position 3-VACANT-Term Expires December 31, 2022

Position 4-Robert Gutcheck-Term Expires December 31, 2022

Position 5-VACANT-Term Expires December 31, 2022

Position 6-Lynn Hanson-Term Expires December 31, 2020

Position 7-Raniere-Term Expires December 31, 2020

ADMINISTRATION RECOMMENDATION:

Interview Teodora Popescu.

DOCUMENT ATTACHMENTS

Description:	Type:
Application	Backup Material

Board and Commission Application




Submission date: 8 July 2020, 1:36AM

Receipt number: 33

Related form version: 2

Question	Response
All Are Welcome	
Name	Teodora Popescu
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	No
Are you a registered voter somewhere else?	Yes
Please choose the Board or Commission for which you are applying	Arts Commission
Why are you interested in serving on this board or commission?	My family moved to Lynnwood from Seattle to set down roots and feel more connected to our community. Art is how I connect to my neighborhood and build a sense of place. As our city grows, it will be vitally important that we advocate for, and promote, diverse artists and creative projects so that Lynnwood can further cultivate a thriving creative hub and one-of-a-kind community. I would love to be part of that work.
What do you perceive as the role of a board or commission member?	Arts commission members serve the community by creating and running projects, programs and resources that support universal access to diverse arts in Lynnwood. For example: the traffic signal box project; the Discover Lynnwood map; art exhibits in city buildings; the EGG auction and; the future LOVE Lynnwood sculpture.
How would you represent the interests of the community?	As a professional designer whose been active in marginalized art circles for years and an immigrant, I inhabit many different community spaces at once. These communities all have different, complicated relationships with government entities like a commission, and different cultural connections to the arts. For that reason, I would use my voice to push for even more specialized arts outreach beyond the English-speaking community of Lynnwood and the housing-secure communities of Lynnwood.

List any experiences that may assist you in serving in this role.	I am the Graphic Design Lead at KUOW, Seattle's NPR station. Within my role, I am tasked with creating all visuals, artwork and video content for web and video stories, educational materials and live events/experiences. To do my job properly, I need to take into account all members of KUOW's community - and how best to serve them accurate and accessible information that is enriching. As a community funded non-profit, our mission is to create and serve a more informed public. That same approach can be applied to supporting universal access to diverse arts for our Lynnwood community.
List any other information you would like us to consider.	
Optional resume upload	
Date	07/07/2020

CITY COUNCIL ITEM E

CITY OF LYNNWOOD Economic Development

TITLE: Appointment: Lynnwood Public Facilities District Board, Position #4: Rosario Reyes

DEPARTMENT CONTACT: David Kleitsch

SUMMARY:

City Council appoints members to serve on the Lynnwood Public Facilities District Board of Directors. The current term for Boardmember Rosario Reyes, Position #4, expires in October 2020. Boardmember Reyes has expressed the desire to be reappointed, and the Lynnwood Public Facilities District supports the request. The term of the reappointment will be through October 2024.

Pursuant to Resolution No. 2010-07, City Council is required to decide whether to re-appoint the existing boardmember or initiate a formal recruitment process to fill the position.

ACTION:

Discuss and provide direction regarding the reappointment of Boardmember Reyes, Position #4, to the Lynnwood Public Facilities district Board of Directors

BACKGROUND:

The City Council appoints board members to the Lynnwood Public Facilities District (LPFD) Board of Directors pursuant to Resolution No. 2010-07. The process provides the City Council with the opportunity to discuss this matter, and subsequently schedule the appointment of action or proceed with a recruitment.

Pursuant to the process, the City contacted the LPFD regarding this matter and Ms. Reyes has expressed her desire to be reappointed. Attached to this memo is the letter from the LPFD requesting the reappointment of Ms. Reyes.

PREVIOUS COUNCIL ACTIONS:

This action supports previous Council action establishing the Lynnwood Public Facility District Board, and the PFD appointment process established by the City Council pursuant to Resolution No. 2010-07.

ADMINISTRATION RECOMMENDATION:

Discuss and provide direction regarding the reappointment of Ms. Reyes, Position #4, to the Lynnwood Public Facilities District Board of Directors.

DOCUMENT ATTACHMENTS

Description:	Type:
PFD Letter	Backup Material
PFD Board Resolution	Backup Material
Council Resolution PFD Appointment Process	Backup Material



July 17, 2020

David Kleitsch, Director
Economic Development / Interim Community Development
20816 44th Avenue West, Suite 230
Lynnwood, WA 98036

Dear David:

RE: Lynnwood Public Facilities District Board Appointment - Position #4

Thank you for your letter of June 2, 2020, in which you asked if Rosario Reyes wishes to be reappointed to the Board of Directors of the Lynnwood Public Facilities District (PFD). I am pleased to inform you that Ms. Reyes respectfully requests that she be reappointed to a four-year term, beginning October 19, 2020.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Wally Webster II".

Wally Webster II, Chair

Board of Directors

cc: Janet Pope, Executive Director

Lynnwood Public Facilities District

**LYNNWOOD PUBLIC FACILITIES DISTRICT
SNOHOMISH COUNTY, WASHINGTON**

RESOLUTION NO. 19-01

A RESOLUTION of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, amending and superseding Resolution 05-01, recommending to the City of Lynnwood certain criteria for the appointment of future members of the Board of Directors.

WHEREAS, the City of Lynnwood created the Public Facilities District (the “District”) on August 24, 1999 pursuant to Chapter 165, Laws of 1999, State of Washington; and

WHEREAS, the District is governed by a Board of Directors (the “Board”) consisting of five (5) members appointed by the Lynnwood City Council; and,

WHEREAS, the Lynnwood Lodging Tax Advisory Committee, as a part of its recommendation that the City of Lynnwood approve the Supplemental Agreement to Extend Hotel-Motel Tax (City-District Agreement #3), asked the City of Lynnwood to work with the District to prepare a composition plan for future District board membership; and,

WHEREAS, the Board of the District has determined it is appropriate and in the best interests of the District to recommend criteria for future Board appointments; and,

WHEREAS, the District desires to encourage the Lynnwood City County to consider local hotel representatives for appointment to the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LYNNWOOD PUBLIC FACILITIES DISTRICT, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Board recommends to the City of Lynnwood that Board members be appointed who can build on a culture that shall enable the Board to function effectively in the future. The chief positive characteristics of that culture include:

- goal orientation,
- a high degree of mutual respect,
- a high degree of collaboration with the Board and with various stakeholders,
- an “inquiring” attitude,
- the efficient conduct of business,
- mutual trust and confidence,
- open discussion, and
- a positive, solution-driven attitude.

Section 2. The Board recommends to the City of Lynnwood that candidates for Board member appointment should possess the following qualifications:

- a strong business background,
- no substantial business relationship with the LPFD to avoid conflicts of interest,
- diversity in business background,
- evidence of long term community commitment,
- strong commitment to the LPFD, and
- respect for and commitment to a cooperative culture.

Section 3. The Board recommends to the City of Lynnwood that Board members be appointed such that the Board is knowledgeable in the following areas:

- convention and meeting planning,
- real estate planning and development,
- construction management,
- financial planning, and,
- hotel/hospitality management and marketing.


Section 4. The Board recognizes that this Resolution is advisory in nature and not meant to be binding on the City of Lynnwood.

Section 5. Effective Date. This precatory Resolution shall be in full force and effect from and after its adoption.

ADOPTED, by a majority of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, on June 18, 2019.


George Sherwin, Chair

7/9/19
Date


Taylor Nordby, Secretary

7/9/19
Date

CITY OF LYNNWOOD

RESOLUTION NO. 2010-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, AMENDING THE RECRUITMENT AND APPOINTMENT PROCESS FOR NOMINATIONS TO THE LYNNWOOD PUBLIC FACILITIES DISTRICT BOARD

WHEREAS, it is the desire of the City Council to have the best possible candidates for all positions on the Lynnwood Public Facilities District (LPFD) Board, and

WHEREAS, the deepest pool of candidates offers the best possibility of finding individuals with the skills required, and

WHEREAS, on March 1, 2005 the LPFD adopted Resolution No. 05-21 recommending to the City certain criteria for the appointment of future members to the LPDF Board of Directors, and that this resolution is advisory in nature and not meant to be binding on the City, and

WHEREAS, on June 19, 2006, the City Council passed Resolution No. 2006-08 establishing a recruitment and appointment process for nominations to the LPDF Board, and

WHEREAS, the City Council desires to amend the process established by Resolution No. 2006-08 in order to clarify and simplify the recruitment and appointment process;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council adopts the following recruitment and nomination process for all LPFD Board Member positions.

Section 2. Starting the Process. On or before June 20, approximately 120 days prior to the expiration of a LPFD appointment, the City will send a letter to the LPFD Executive Director and it shall inquire as to whether the board member whose position appointment will expire that year wishes to be re-appointed. The board member shall have 30 days to indicate whether there is a desire to be re-appointed and to respond in writing to the City's letter.

Section 3. Starting the Recruitment Process. On or before July 20, approximately 90 days prior to the expiration of a LPFD appointment, the City Council shall decide whether to proceed to initiate a formal recruitment process or re-appoint the existing board member.

3. a. For the reappointment of LPDF board members pursuant to Section 2, upon receiving in writing the desires of the LPFD board member regarding reappointment, the City Council will discuss this matter at the earliest possible Work Session. The City

Council may then schedule the reappointment for action at the next Regular Meeting. If the City Council does not schedule the reappointment for action, staff will proceed with the recruitment process pursuant Section 3. b. or Section 3. c. of this resolution.

3. b. For LPFD board positions #1, #2, and #4, the City shall initiate the formal recruitment process pursuant to Section 4. In the event of a board member resignation or removal for any other reason, and upon notification by the LPFD of such occurrence, the formal recruitment process shall begin immediately upon such notification.

3. c. For LPFD board positions #3 and #5, the provisions of Section 5. B. shall constitute the recruitment process. Nominations shall be submitted within 30 days of starting the recruitment process. The City Council shall then review the nominations received, and schedule interviews with the nominees. Formal action on the appointment shall take place no later than the expiration of the position's current term. In the event of a board member resignation or removal for any other reason, and upon notification by the LPFD of such occurrence, this recruitment process shall begin upon such notification.

Section 4. Formal Recruitment. On or before August 20, approximately 60 days prior to the expiration of a LPFD appointment, the City administration shall prepare a recruiting announcement which shall describe the LPFD organization and operations, role of the board member, and which clearly describes the specific manner of submitting a qualified nomination by a person or organization pursuant to Section 5 below, and the deadline for submission of nominations. The City shall:

- A. Send out announcements to the type of organizations listed in RCW 35.57, to any organization that has requested to be notified, which shall include, but not be limited to the following:
 - South Snohomish County Chamber of Commerce
 - Snohomish County Labor Council
 - Snohomish County Economic Development Council (EDC)
 - Specific unions: Northwest Council of Carpenters' Union, SEIU (Service Employees International Union), Police Officers Guild, Firefighters (IAFF), Teamsters, AFSCME
 - Rotary, Kiwanis, Lions, and other civic/service organizations
- B. Send out announcements to the following newspapers:
 - The Herald
 - The Lynnwood Enterprise
- C. Prepare and place a display advertisement in the following newspapers:
 - The Herald (paper of record)
 - The Lynnwood Enterprise
- D. Display an announcement on the City of Lynnwood website(s)
- E. Publish an announcement in the *Inside Lynnwood* Newsletter (if it is available in a timely manner)

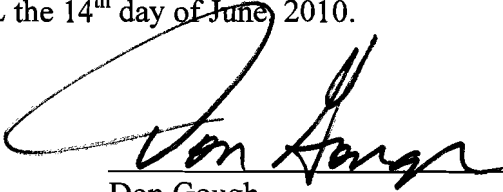
Section 5. Qualified Nomination Procedure. Qualified nominations for consideration by the Lynnwood City Council shall comply with the following:

- A. Recruitment for PFD board positions #1, #2, and #4 shall require the organization making the suggested nomination to submit a letter of nomination and support together with a letter of interest and résumé from the person being nominated.
- B. Recruitment for PFD board positions #3 and #5 shall require the City Councilmember making a nomination(s) to submit a letter of nomination and support together with a letter of interest and résumé from the person being nominated.

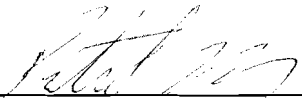
Section 6. Screening of Nominations and Interviews. The City Council on or before September 20, approximately 30 days prior to the expiration of a LPFD appointment, shall review the nominations received, and schedule both interviews with nominees and a date for taking formal action on the appointment.

Section 7. Effective Date. This resolution shall be effective immediately upon passage thereof.


PASSED BY THE CITY COUNCIL the 14th day of June 2010.


Don Gough
Mayor

ATTEST/AUTHENTICATE:


Pat Dugan
Interim Finance Director

APPROVED AS TO FORM:


Eric Frimodt
City Attorney

FILED WITH ADMINISTRATIVE SERVICES: _____
PASSED BY THE CITY COUNCIL: 6-14-10
RESOLUTION NUMBER: 2010-07

ORIGINAL

LYNNWOOD PUBLIC FACILITIES DISTRICT
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 05-01

A RESOLUTION of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, recommending to the City of Lynnwood certain criteria for the appointment of future members of the Board of Directors.

WHEREAS, the City of Lynnwood created the Public Facilities District (the "District") on August 24, 1999 pursuant to Chapter 165, Laws of 1999, State of Washington; and

WHEREAS, the District is governed by a Board of Directors (the "Board") consisting of five (5) members appointed by the Lynnwood City Council; and,

WHEREAS, the Lynnwood Lodging Tax Advisory Committee, as a part of its recommendation that the City of Lynnwood approve the Supplemental Agreement to Extend Hotel-Motel Tax (City-District Agreement #3), asked the City of Lynnwood to work with the District to prepare a composition plan for future District board membership; and,

WHEREAS, the Board of the District has determined it is appropriate and in the best interests of the District to recommend criteria for future Board appointments;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LYNNWOOD PUBLIC FACILITIES DISTRICT, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Board recommends to the City of Lynnwood that Board members be appointed who can build on a culture that shall enable the Board to function effectively in the future. The chief positive characteristics of that culture include:

- goal orientation,
- a high degree of mutual respect,
- a high degree of collaboration with the Board and with various stakeholders,
- an "inquiring" attitude,
- the efficient conduct of business,
- mutual trust and confidence,
- open discussion, and
- a positive, solution-driven attitude.

Section 2. The Board recommends to the City of Lynnwood that candidates for Board member appointment should possess the following qualifications:

- a strong business background,
- no substantial business relationship with the LPFD to avoid conflicts of interest,
- diversity in business background,
- evidence of long term community commitment,
- strong commitment to the LPFD, and
- respect for and commitment to a cooperative culture.

Section 3. The Board recommends to the City of Lynnwood that Board members be appointed such that the Board is knowledgeable in the following areas:

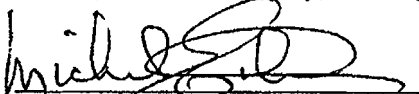
- convention and meeting planning,
- real estate planning and development,
- construction management,
- financial planning, and,
- hotel/hospitality management and marketing.

Section 4. The Board recommends to the City of Lynnwood that, in order to guard against a conflict of interest, no Board member should be affiliated with any specific hotel within the business area of the Lynnwood Convention Center.

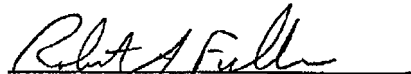
Section 5. The Board recognizes that this Resolution is advisory in nature and not meant to be binding on the City of Lynnwood.

Section 6. Effective Date. This precatory Resolution shall be in full force and effect from and after its adoption.

ADOPTED, by a majority of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, on March 1, 2005.


Michael Echelbarger, Chair

3/1/05
Date


Robert Fuller, Secretary

March 1, 2005
Date

CITY COUNCIL ITEM F

CITY OF LYNNWOOD City Council

TITLE: COVID-19 Update

DEPARTMENT CONTACT: Christine Frizzell, Council President

SUMMARY:

The City continues to monitor and respond to the COVID-19 emergency. The Council will receive an update from City staff.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM G

CITY OF LYNNWOOD Administrative Services

TITLE: Refinance 2010 Utility Bonds

DEPARTMENT CONTACT: Sonja Springer, Finance Director

SUMMARY:

Due to historically low interest rates, the City has the opportunity to save future interest costs by refunding or "refinancing" its 2010 Utility System Revenue Bonds. The net savings for the City's utilities after all bond issuance costs are paid are estimated to range from \$500,000 to \$700,000, depending upon the interest rate received from the bank for this refinancing.

ACTION:

No action is needed. A Utility System Revenue Refunding Bond 2020 is scheduled for adoption at the September 28 Council Business meeting.

BACKGROUND:

The original 2010 bond issue proceeds of \$7,720,000 were used to fund utility system improvements including the installation of a computerized monitoring and control system, watermain replacements, sewer plant upgrades and storm pipe replacements.

The current outstanding debt on the 2010 Utility Bond issue is \$5,905,000. The amount of the refunding bonds is expected to be approximately \$5,735,000 to refund all outstanding 2010 Utility Bonds including bond issuance costs.

The new 2020 Utility System Revenue Bond will mature on December 1, 2030, the same date as the final maturity of the original bond issuance.

Staff and the Mayor reviewed two options for refinancing this debt:

- 1) through a Public Bond Sale
- 2) through Direct Bank Placement

The Direct Bank Placement option was selected as it has lower bond issuance costs and it is much quicker to process. A public bond sale requires the preparation of a Preliminary Official Statement and presentations to Bond Rating agencies. The Direct Bank Placement involves issuing a Request for Financing Proposal (RFP) to banks and is typically used for smaller borrowing amounts. This was the same process the City used to secure financing for the Rodeo Inn project in 2019.

A copy of the RFP that was sent to 28 different banks on September 15 is included in this packet, as well as a list of the banks that the RFP was sent to.

PREVIOUS COUNCIL ACTIONS:

The 2010 Utility Bond Refunding was reviewed with the Finance Committee at their September 10 meeting.

FUNDING:

The bond issuance costs will be offset by the savings of the refinance. The net savings after all bond issuance costs will be approximately \$500,000 to \$700,000, depending upon the interest rate.

KEY FEATURES AND VISION ALIGNMENT:

The attached draft bond ordinance provides for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond and sets certain parameters for the bond. The actual amount of the bonds will not be known until the successful bidding bank is selected and all costs are accounted for. There is a minimum net present value savings of 3.0% of the Refunded Bonds included in the bond ordinance.

ADMINISTRATION RECOMMENDATION:

Approve the refunding of the 2010 Utility Bonds by approving the 2020 Utility Revenue Bond Ordinance at the September 28 Council Business meeting.

DOCUMENT ATTACHMENTS

Description:	Type:
2020 Utility Bonds - Refunding 2010 Summary	Backup Material
Request for Financing Proposals for Utility Revenue Refunding Bond, 2020	Backup Material
List of Banks Sent RFP	Backup Material
Draft Bond Ordinance - Utility System Revenue Refunding Bond 2020	Backup Material



City of Lynnwood, Washington

Finance Committee | Utility System Revenue Refunding Bond, 2020

September 10, 2020

PFM Financial
Advisors LLC

1200 Fifth Avenue
Suite 1220
Seattle, WA 98101

Thomas Toepfer
(206) 858-5630
Steven Amano
(206) 858-5366

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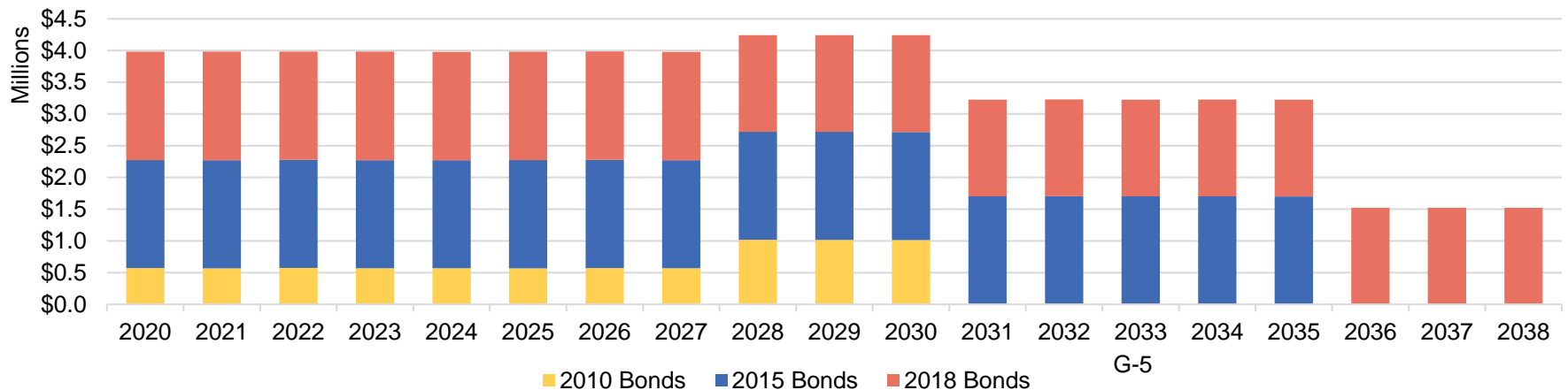
Utility System Revenue Bonds



Utility System Revenue Bonds Outstanding

Series	Purpose	Issue Size	Delivery Date	Final Maturity	Call Date	Outstanding Coupon(s)	Outstanding Par
2010	System improvements including the installation of a computerized monitoring and control system, meter, fire hydrant, and watermain replacements, sewer plant upgrades, and storm pipe replacements	\$7,720,000	11/9/2010	12/1/2030	12/1/2020	3.00% - 4.00%	\$5,905,000
2015	Additions and betterments and extensions of Utility System and to fund a deposit to the Reserve Account	24,075,000	10/28/2015	12/1/2035	12/1/2024	2.375% - 5.00%	20,815,000
2018	Current refund the Utility System Improvement and Refunding Bonds, 2008 and to finance system improvements	20,380,000	10/10/2018	12/1/2038	6/1/2028	3.00% - 5.00%	19,775,000
						Total	\$46,495,000

Utility System Revenue Bonds





Background

- On November 9, 2010, the City issued its Utility System Revenue Bonds, 2010 (the “2010 Bonds”)
 - Original issue amount: \$7,720,000
 - Final maturity: December 1, 2030
 - Call date: December 1, 2020 (callable par of \$5,565,000)
- The City is considering the issuance of tax-exempt debt to refinancing the 2010 Bonds for debt service savings
 - A refinancing may be completed through a public market bond sale or a bank placement transaction (pros and cons described below)

Public Bond Sale		Direct Bank Placement	
Pros	<ul style="list-style-type: none">✓ Currently lower interest rates in the public market due to strong investor demand✓ Transparent, based on a credit spread compared to benchmark index✓ Large and diverse investor base	✓	<ul style="list-style-type: none">Faster transaction with lower issuance costs because banks do not require a bond rating nor a preliminary official statementOften allows for more flexible prepayment terms
Cons	<ul style="list-style-type: none">✗ Longer process and higher costs of issuance (rating and POS required)	✗	<ul style="list-style-type: none">Bank market is not transparent with respect to interest cost and terms – need to use RFP or direct outreach to get proposals from banks✗ Banks are typically limited in the amount they are willing to lend to an individual institution

- ***Due to the lower issuance costs, limited use of staff resources, and expeditious transaction process, the City is prepared to move forward with a Direct Bank Placement transaction***

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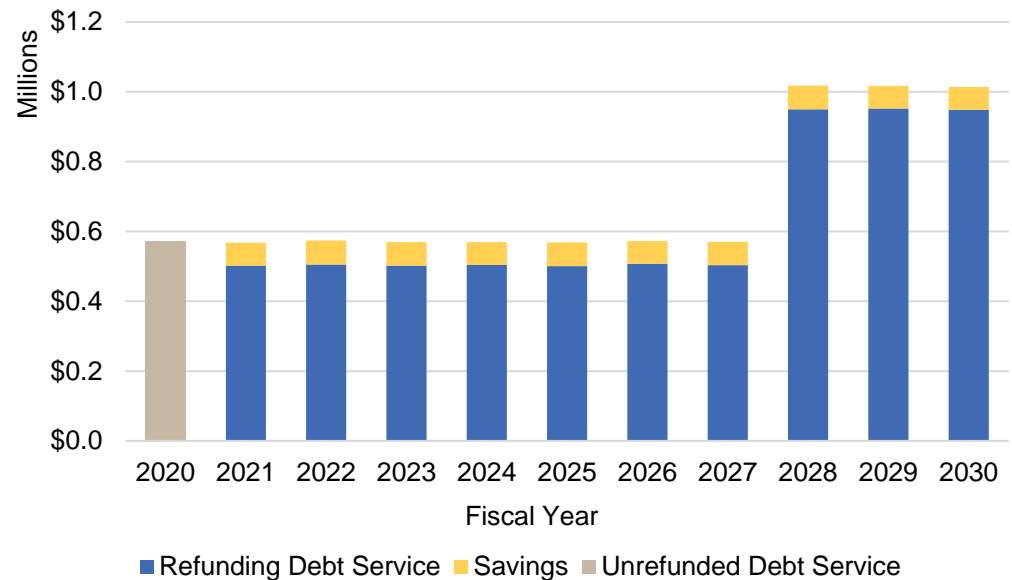


Current Refunding of Utility System Revenue Bonds, 2010

Refunding Statistics

Delivery Date	10/15/2020
NPV Savings	\$600,758
NPV Savings %	10.17%
Average Annual Savings	\$65,000
True Interest Cost	2.00%
Negative Arbitrage	\$14,670
Refunding Efficiency	97.62%
Refunded Par	\$5,905,000
Refunding Par	\$5,630,000

Estimated Savings



Tax Exempt Current Refunding - Interest Rate Sensitivity

Rates	TIC	NPV Savings (\$)	NPV Savings (%)	Negative Arbitrage
Current	2.00%	\$600,758	10.17%	\$14,670
+0.25%	2.25%	\$508,102	8.60%	\$16,568
-0.25%	1.75%	\$695,281	11.77%	\$12,769

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Timing: Key Milestones

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Updated

<u>Milestones:</u>	<u>Timing</u>
Request for Financing Proposals (RFP) distributed to prospective lenders	9/8 9/15
Finance Committee Meeting – Discuss Plan of Finance (3:00 p.m.)	9/10
City Council Meeting – Work Session (6:00 p.m.)	9/21
Proposals due from prospective lenders (3:00 p.m.)	9/28 10/6
City Council Meeting – Consideration of Bond Ordinance (6:00 p.m.)	9/28
Bond Closing – funds delivered	10/15 10/22
2010 Bonds Redeemed	12/1

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Market Update



Market Update

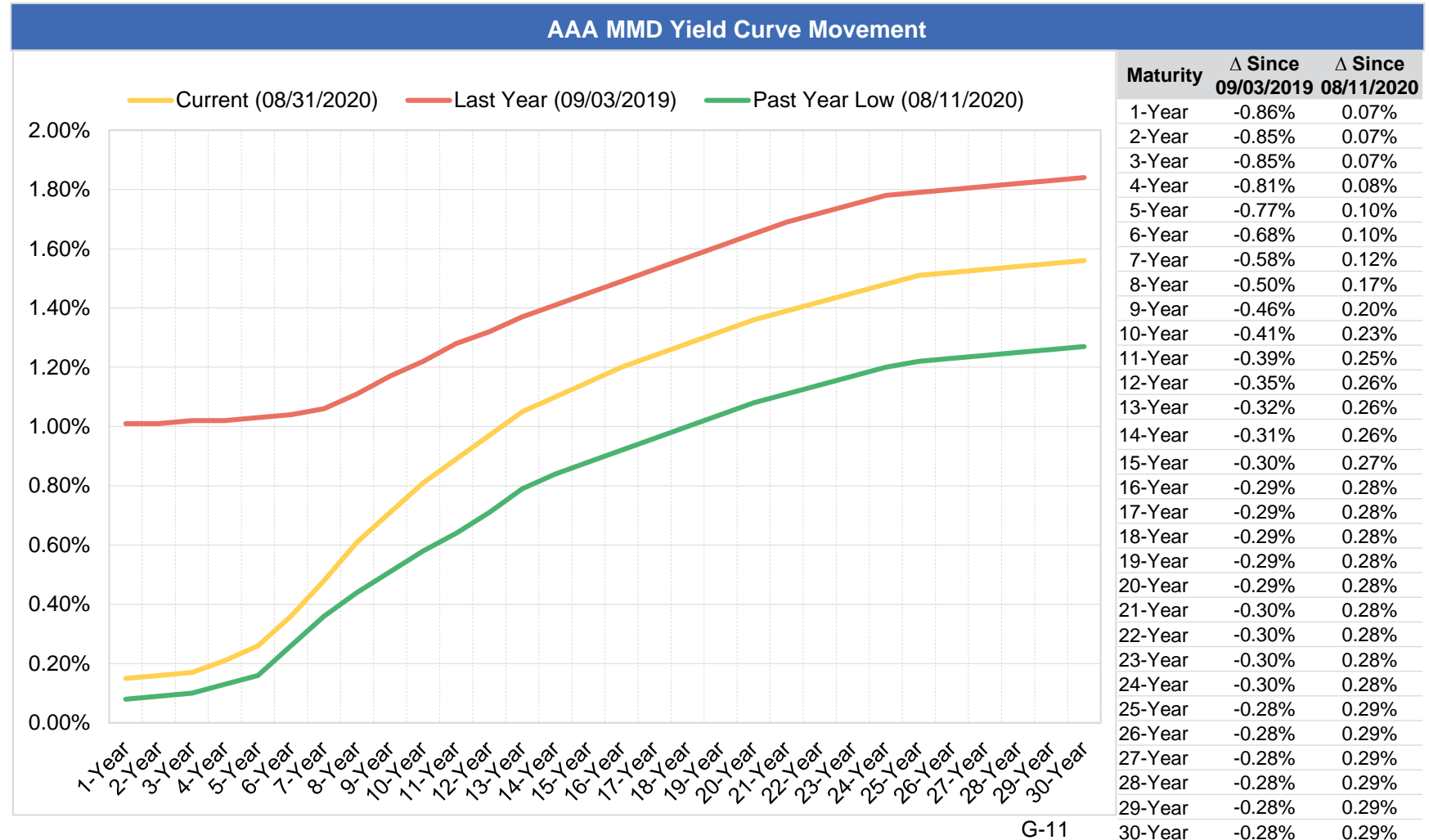
- **The U.S. economy continues to slowly recover in the face of a recent resurgence in COVID-19 cases in several states.** At the same time, sharp tensions between the U.S. and China have emerged from the pandemic's shadow.
- **The Federal Reserve (Fed) left its policies unchanged at the July Federal Open Market Committee meeting and reinforced its commitment to support economic recovery with an expansive monetary policy.** The Fed intends to keep rates near zero, continue its purchase of government securities and maintain its support of the credit markets. These efforts are likely to remain until the monetary policy body is confident that the economy has weathered the virus and is on track to achieve its goals of maximum employment and stable prices.
- **The U.S. economy suffered a record contraction in the second quarter as gross domestic product fell by an annual rate of 32.9%.** The decline was driven by a deep pullback in consumer spending, which accounts for about 70% of economic activity. Business investment and residential housing also suffered sharp declines, while federal government spending rose. U.S. economic activity is expected to rebound in the second half of the year.
- **The U.S. economy added 1.8 million jobs in July following a record 4.8 million jobs in June. Job gains in leisure and hospitality and the government sector accounted for more than half of the total gains.** The unemployment rate continued to improve, falling from 11.1% to 10.2% in July. A job gap remains compared to pre-pandemic numbers, and there are 15 million fewer employed workers in the U.S.

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Source: Bloomberg, PFM Research



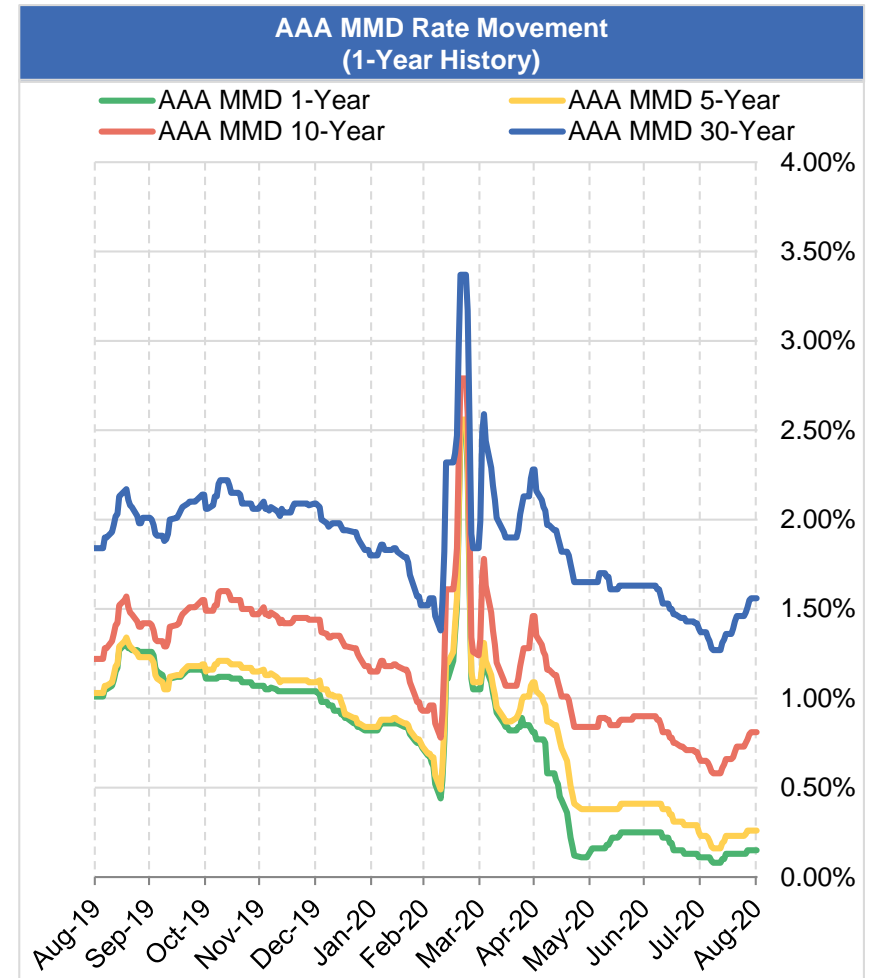
Recent AAA MMD Yield Curve Movement



Source: Thomson Reuters



U.S. Treasury & AAA MMD Rate Movement

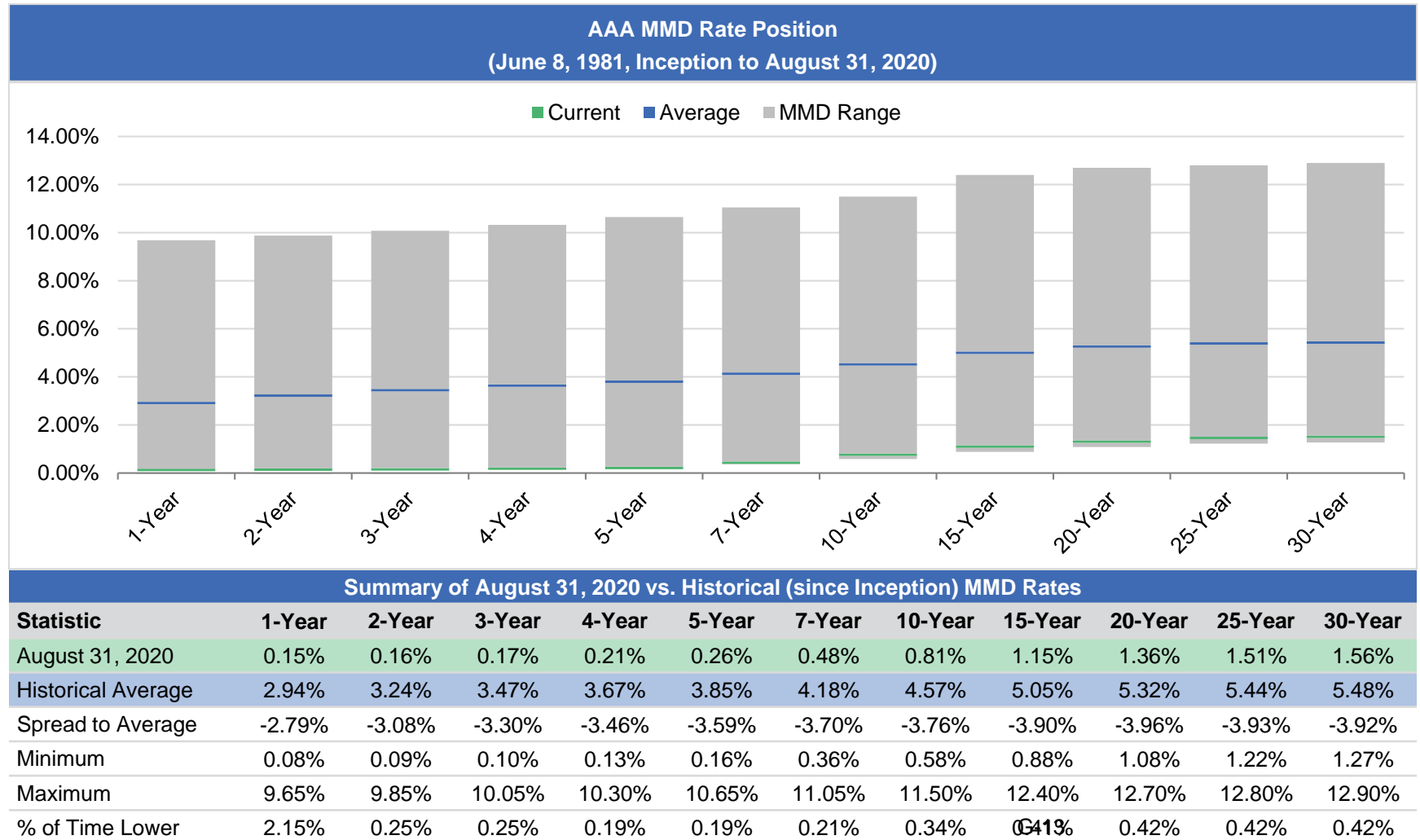


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Source: Thomson Reuters



AAA MMD Position Since Inception

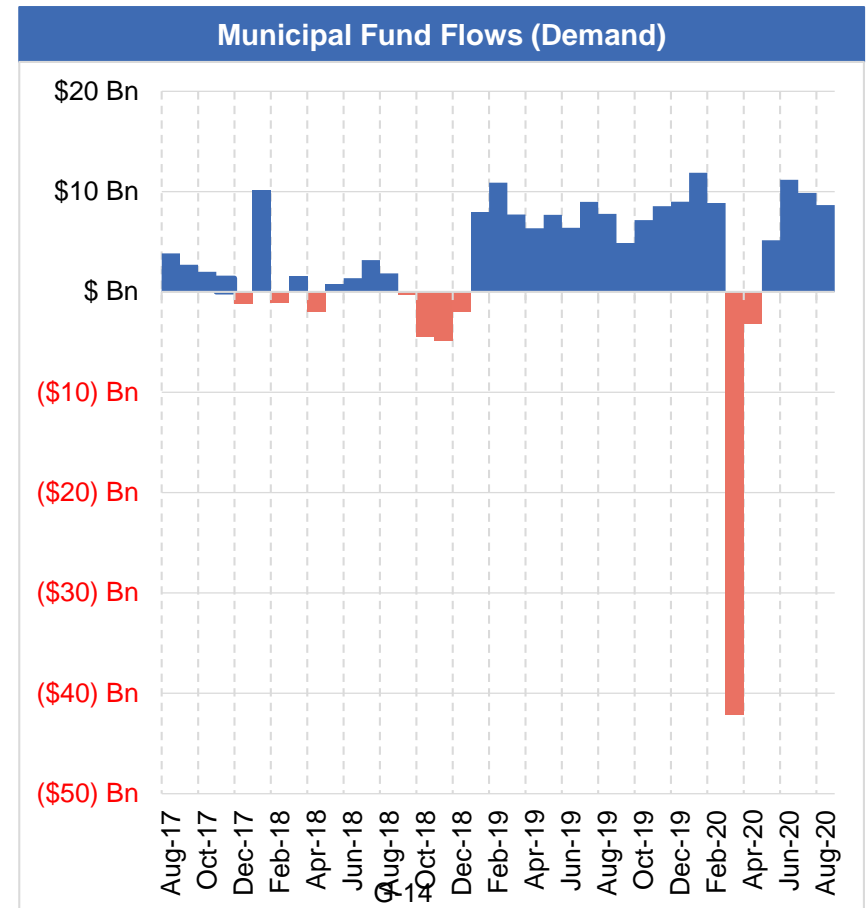
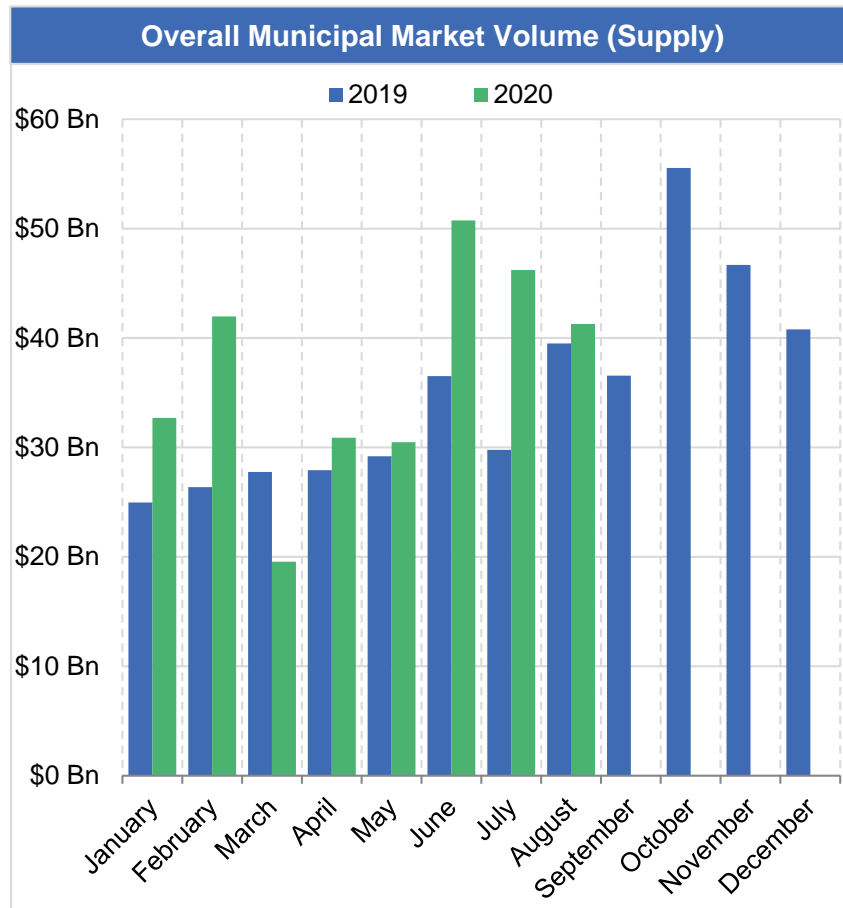


Source: Thomson Reuters



Municipal Market Supply & Demand

- New issuance volume was up by 4.52% year-over-year in August, while year-to-date new issuance volume was 21.43% higher than 2019 issuance through August.



Source: Bond Buyer, Investment Company Institute

PFM Financial Advisors LLC

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Thomas Toepfer, Director

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Steven Amano, Senior Analyst

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Request for Financing Proposals

Utility System Revenue Refunding Bond, 2020

September 15, 2020

Introduction

The City of Lynnwood, Washington (the "City") is requesting proposals for a Utility System Revenue Refunding Bond, 2020 (the "Bond") in accordance with the Proposed Financing Terms set forth below. If issued, proceeds of the Bond will be used to refund, on a current basis, the City's outstanding Utility System Revenue Bonds, 2010, which are callable on December 1, 2020 (outstanding par amount of \$5,905,000). A form of the authorizing ordinance is attached to this request for financing proposals.

The lender will be provided with an opinion from the City's bond counsel, Foster Garvey PC, relating to the City's authority to issue the Bond, enforceability of Bond, and its' tax-exempt status. The form of such opinion is attached to this request for financing proposals. The Bond will not be rated; however, the City's outstanding Utility System Revenue Bonds carry a rating of "AA"/stable rating from S&P Global Ratings.

By providing a rate proposal, each lender is agreeing to the Proposed Financing Terms herein, and is acknowledging the Schedule of Events set forth below. Each proposal must state an interest rate to be offered, and, if subject to adjustment prior to Bond closing, the methodology for such adjustment. Terms of each proposal should be firm through November 1, 2020.

Schedule of Events

The following sets forth the expected time schedule for events relating to the Bond:

Request for Proposal Distributed	September 15 th
City Council to consider Bond Ordinance.....	September 28th
Lender Proposals Due (3:00 p.m. Pacific Time).....	October 6th
Review of and acceptance of winning proposal by the City.....	By October 8 th
Finalize Financing Documents.....	By October 21 st
Closing Date	October 22nd

Proposed Financing Terms

Closing Date: October 22, 2020 (expected). Not later than November 1, 2020.

Principal Amount: \$5,735,000 (estimated); not-to-exceed \$6,500,000

Tax Status: Tax-exempt; bank-qualified

Final Maturity: December 1, 2030 (10 years). Principal payments are estimated as shown in the following table; however, principal payment amounts are subject to adjustment based on the final interest rate on the Bond.

Payment Date	Principal
12/1/2021	\$405,000
12/1/2022	420,000
12/1/2023	420,000
12/1/2024	425,000
12/1/2025	435,000
12/1/2026	445,000
12/1/2027	445,000
12/1/2028	900,000
12/1/2029	915,000
12/1/2030	925,000
Total:	\$5,735,000

Note: Preliminary; subject to change

Interest: Interest will be payable semi-annually with interest due on December 1 and June 1, commencing June 1, 2021. The City will only consider interest rates that are fixed and determinable on the issue date of the Bond.

Purpose: To refund, on a current basis, the City's outstanding Utility System Revenue Bonds, 2010, which were originally issued to finance general System improvements consisting of the installation of a computerized monitoring and control system, water improvements including meter, fire hydrant and watermain replacements; sewer improvements consisting of upgrades to the main plant drain station and treatment plant; and storm water improvements including storm basin studies and transportation and storm pipe replacement.

Security: Net Revenue of the System and all ULID Assessments are pledged for the payment of the City's Utility System Revenue Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever. The charge or lien upon the Net Revenue for the Bond shall be equal to the charge or lien upon the Net Revenue to pay and secure the payment of the principal of and interest on the City's outstanding Utility System Improvement and Refunding Revenue Bonds, prior and superior to any other charges of any kind or nature whatsoever. Parity Bonds are not subject to acceleration in the event of a default.

Financial and Other Information

To assist in the preparation of your proposal, links to the City's Comprehensive Annual Financial Report (CAFR) for the years 2015 through 2019 may be found below. In addition, the City has provided a discussion of COVID-19 Impact on Utility System in Exhibit A of this RFP.

1. 2019 CAFR:
<https://www.lynnwoodwa.gov/files/sharedassets/public/administrative-services/cafr/lynnwood2019cafrweblayout.pdf>
2. 2018 CAFR:
<https://www.lynnwoodwa.gov/files/sharedassets/public/administrative-services/cafr/2018-comprehensive-annual-financial-report.pdf>
3. 2017 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2017+Audited+Comprehensive+Annual+Financial+Report.pdf>
4. 2016 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2016+Audited+Comprehensive+Annual+Financial+Report.pdf>
5. 2015 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2015+Audited+Comprehensive+Annual+Financial+Report.pdf>

Disclosure

PFM Financial Advisors LLC ("PFM") is serving as financial advisor to the City with respect to the issuance of the Bond.

PFM is soliciting interest in the above-named transaction pursuant to Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) granting a temporary conditional exemption from the broker requirements of Section 15(a) of the Securities Exchange Act of 1934 for certain activities of registered municipal advisors. In connection with such solicitation please be advised of the following:

- I. PFM represents solely the interests of the City with respect to the above-referenced transaction and does not represent your interests.
- II. PFM has not conducted any due diligence on your behalf.
- III. Neither PFM nor the City have engaged a broker-dealer to act as a placement agent with respect to this transaction.
- IV. You may choose to engage the services of a broker-dealer to represent your interests.

We are required to obtain your acknowledgement that you received this disclosure. **Accordingly, please include acknowledgement of this disclosure via email and/or within your Proposal.**

In order to comply with the terms of the conditional exemption, at or prior to closing the Purchaser will be required to deliver a representation stating that it is a qualified provider (as defined under the temporary conditional exemption described above). A form of this representation is included as Exhibit B (Certificate of Qualified Provider) of this RFP. This representation is in addition to the Purchaser's certificate, the form of which is attached to this request for proposals.

Representation of Present Intent to Hold:

By submitting a proposal, each proposer represents that it has a present intent to hold the Bond subject to this transaction to maturity, earlier redemption, or for its loan portfolio, and has no present intention of

reselling or otherwise disposing of all or a part of such Bond. Each proposer acknowledges that PFM Financial Advisors LLC ("Financial Advisor" to the City) is relying on the foregoing representation and based on this representation this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and the Financial Advisor is excepted and released from the requirement to request a CUSIP assignment on behalf of the City pursuant to MSRB Rule G-34 for the Bond.

Proposals

If your firm is interested in providing a proposal to the City, please include the requested information to be submitted by the date shown in the Schedule of Events.

Proposals should clearly state: the proposed interest rate; other fees and costs charged by purchaser (if any); prepayment terms; conditions (if any); and concurrence with the Schedule of Events set forth above.

The City reserves the right to seek clarification or negotiate modifications with one or more proposing firms, if needed to meet the City's needs.

Proposals will be evaluated based on responses to the information requested herein. The City will consider all information provided in response to this request in making its selection. The City further reserves the right, in its sole discretion, to select the proposal that is in the best interest of the City or to reject all proposals.

All proposals will be considered firm proposals and may not be changed from the date and time of submission through the dates of closing and settlement as set forth in the schedule above.

Proposals are to be submitted by e-mail to the City's financial advisor, PFM, at sea-advisors@pfm.com. Please contact Thomas Toepfer (toepfert@pfm.com or 206-858-5360) or Steven Amano (amanos@pfm.com or 206-858-5366) with any questions or if you require additional information.

EXHIBIT A

Discussion of COVID-19 Impact on Utility System

The coronavirus pandemic ("COVID-19") is currently affecting local, state, national, and global economic activity and has resulted in significant public health emergency response costs borne by all levels of government. COVID-19 is expected to adversely impact the financial condition of the State and local governments due to increased costs and reductions in revenue. This Request for Proposal (RFP) presents historical data that may not accurately predict near-term trends because of the unprecedented nature of COVID-19. Investors should exercise caution when relying on such data.

Pursuant to State law, the Governor of the State of Washington (the "Governor"), after proclaiming a state of emergency, may issue orders prohibiting activities as he or she reasonably believes is necessary to help preserve and maintain life, health, property, or the public peace. On February 29, 2020, the Governor proclaimed a state of emergency for all counties throughout the State as a result of COVID-19. (As of the date of this Request for Proposal, the Governor has issued proclamations prohibiting until October 15, 2020: (1) disconnecting any residential customers from energy, telecommunications, or water service due to nonpayment on an active account, except at the request of the customer; (2) refusing to reconnect any residential customer who has been disconnected due to nonpayment; (3) charging fees for late payment or reconnection of energy, telecommunications, or water service; and (4) disconnecting service to any residential customer who has contacted the utility to request assistance from the utility's COVID-19 customer support program. These prohibitions do not relieve a utility customer from the obligation to pay for utility services.

As of the date of this Request for Proposal, the City has not extended the due date of System utility bills for any class of customer; however, the City has adopted a temporary policy to postpone all disconnections of water service and to suspend past-due penalties for the duration of the COVID-19 emergency. Under that policy, regular penalty and disconnection procedures will be reestablished the first day of the month following the termination of the Governor's proclamation declaring an emergency due to the results of COVID-19. The City cannot predict what additional actions the Governor may take, if any, regarding the authority of the City to disconnect or refuse to reconnect System customers for nonpayment or to assess late fees for delinquent charges or what effect, if any, such actions or subsequent events may have on the financial condition or operations of the System or on the repayment of the Bonds.

As of the date of this Request for Proposal, (i) the City offices are closed to public access, business with the public is being conducted by phone, email or appointment only, wearing a mask is required in the office and certain City employee work schedules have been impacted due to the State's Stay Home-Stay Healthy Proclamation; and (ii) the City Council is conducting meetings online only.

As of the date of this Request for Proposal, the adverse economic effects of the COVID-19 pandemic have affected the City utility collections. Although the City does not write off accounts because past due balances can be recovered when a property is sold, accounts over 90 days due have are estimated at \$835,741 as of August 31, 2020 compared \$298,076 as of August 31, 2019. This increase of \$537,665 is approximately 2.32% of the annual system operating revenue due to the suspension of disconnections resulting from COVID-19 related issues. The City has approved the waiver of late payment penalties and suspension of disconnections of service through at least October 15, 2020 and is offering long-term payment arrangement plans to customers.

The City anticipates that existing fund reserves and the continuing review and management of expenses will be adequate to manage the impacts of the COVID-19 pandemic. Any information relating to the impacts of the COVID-19 pandemic is preliminary and subject to change. The City continues to closely monitor and respond to the impacts of COVID-19 on City operations.

EXHIBIT B

CERTIFICATE OF QUALIFIED PROVIDER

[Date]

The undersigned, on behalf of [Name of Qualified Provider] (the "Purchaser"), in connection with the purchase of the City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 (the "Bond") hereby represents and warrants as follows:

1. The Purchaser is a "Qualified Provider" as required by Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) which is defined as (i) a bank as defined in Section 3(a)(6) of the Exchange Act of 1934; (ii) a wholly-owned subsidiary of a bank engaged in commercial lending and financing activities, such as an equipment lease financing corporation; or (iii) a federally- or state-chartered credit union.
2. The Purchaser is capable of independently evaluating the investment risks of the transaction.
3. The Purchaser is not purchasing the Bond with a view to distribute it.
4. The Purchaser will not transfer any portion of the Bond within one year of its issuance date, except to another purchaser that meets the definition of Qualified Provider in clause (1) above.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

[QUALIFIED PROVIDER NAME]

By: _____

Name: _____

Title: _____

Bank-Placement RFP Distribution List

Bank	Individual	Email	Phone
<i>Baker Boyer Bank</i>	Mark Hess	hessm@bakerboyer.com	509-526-1315
<i>Bank of America</i>	Julie Elliott	Julie.elliott@bofa.com	206-358-0806
<i>Banner Bank</i>	Darwin Parker	dparker@bannerbank.com	509-735-0889
	Roy Wallace	rwallace@bannerbank.com	206-770-7188
<i>Capital One Public Funding, LLC</i>	Jeff Sharp	jeffrey.sharp@capitalone.com	877-698-2018
	Brenda Barnes	Brenda.barnes@capitalone.com	860-422-3612
<i>Cashmere Valley Bank</i>	Tom Brown	TBrown@cashmerevalleybank.com	425-688-3936
<i>Columbia Bank</i>	Sharon Guisande	SGuisande@columbiabank.com	503-279-3906
	Luke Pingel	lpingel@columbiabank.com	206-223-4550
<i>Deutsche Bank</i>	Nick Attard	Nick.attard@db.com	
<i>First Interstate Bank</i>	Bill Kuhn	Bill.kuhn@fib.com	541-617-3559
	Michael Ralph	Michael.Ralph@fib.com	
	Mike Groza	mike.groza@fib.com	
	Greg Richichi	Greg.richichi@fib.com	541-334-4150
	Jen Barcus	jen.barcus@fib.com	541-330-7610
<i>First Security Bank</i>	Albert Suh	albert.suh@fsbwa.com	425-563-2061
<i>Hancock Whitney Bank</i>	Mark Stanley	mark.stanley@whitneybank.com	504-312-2286
<i>HomeStreet Bank</i>	Greg Gratz	Gregory.gratz@homestreet.com	206-442-5316
	Brad Williamson	bwilliamson@islandersbank.com	360-378-1246
<i>JP Morgan</i>	Belynda Walls	Belynda.walls@jpmorgan.com	206-500-1020
	Lindsay Sovde	Lindsay.a.sovde@jpmorgan.com	206-500-4019
<i>Key Bank</i>	Matt Zehnder	matt.a.zehnder@key.com	206-343-6960
	Caitlin Caldwell	Caitlin_caldwell@key.com	206-684-6040
	Kendall Hansen	Kendall.hansen@key.com	503-701-8476
	Danny Bild	Daniel.bild@key.com	720-904-4262
<i>Kitsap Bank</i>	Alan Crain	acrain@kitsapbank.com	360-876-7887
<i>North Cascades Bank</i>	Jim Tinker	jim.tinker@northcascadesbank.com	800-603-9342
<i>Pacific Premier</i>	Dmitry Semenov	dsemenov@opusbank.com	916-724-5470
<i>Peoples Bank</i>	Patrick Kennedy	Patrick.kennedy@peoplesbank-wa.com	206-619-4200
<i>Puget Sound Bank</i>	Sean Brennan	seanbrennan@pugetsoundbank.com	
<i>Riverview Bank</i>	Kim Capeloto	KimCapeloto@riverviewbank.com	360-693-6257
<i>Seattle Bank</i>	Bryan Petersen	bpetersen@seattlebank.com	
<i>Truist Bank</i>	William DaSilva	wdasilva@bbandt.com	704-954-1704
<i>Umpqua Bank</i>	William Weiand	William.weiand@umpquabank.com	206-749-7337
	Melody Stricklin	melodystricklin@umpquabank.com	916-774-3931
<i>Union Bank</i>	Anne Kupfer	anne.kupfer@unionbank.com	213-236-6434
<i>U.S. Bank</i>	David Olson	david.olson@usbank.com	206-344-4720
	Ashley Martin	ashley.martin1@usbank.com	213-615-6241
<i>Washington Federal</i>	Pete Sullivan	pete.sullivan@wafd.com	206-626-8111
<i>Washington Trust</i>	Phil von Buchwaldt	pvonbuchwaldt@watrust.com	509-353-3616
	John Pearson	jpearson@watrust.com	206-515-4761
<i>Wells Fargo</i>	Brennan Church	brennan.k.church@wellsfargo.com	206-833-4002
	Robbi Stedman	robbi.stedman@wellsfargo.com	206-751-2987
<i>Zions Bank</i>	Andrew Face	Andrew.Face@zionsbancorp.com	206-438-1264

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE relating to the utility system of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond to provide funds to refund all or a portion of the City's Utility System Revenue Bonds, 2010; fixing or setting parameters with respect to certain terms and covenants of the bond; appointing the City's designated representative to approve the final terms of the bond; and providing for other related matters.

Passed _____, 2020

This document prepared by:

*Foster Garvey P.C.
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Seattle, Washington 98101
(206) 447-4400*

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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE relating to the utility system of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond to provide funds to refund all or a portion of the City's Utility System Revenue Bonds, 2010; fixing or setting parameters with respect to certain terms and covenants of the bond; appointing the City's designated representative to approve the final terms of the bond; and providing for other related matters.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) "*2010 Bonds*" means the Utility System Revenue Bonds, 2010, of the City authorized by Ordinance No. 2856.

(b) "*2015 Bonds*" means the Utility System Revenue Bonds, 2015, of the City authorized by Ordinance No. 3141.

(c) "*2018 Bonds*" means the Utility System Revenue and Refunding Bonds, 2018, of the City authorized by Ordinance No. 3298.

(d) "*Acquired Obligations*" means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

(e) "*Annual Debt Service*" means, for any calendar year, with respect to all Parity Bonds outstanding or maturing in that year, all amounts required to be paid in that year in respect of principal of and interest on those Parity Bonds. In calculating the Annual Debt Service, with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding, the City may deduct the direct payment the City is expected to receive in respect of Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service. The registered owners of the 2018 Bonds have consented, and the Registered Owner of the Bond by taking and holding the same shall be deemed to have consented to this amendment. If the interest rate on any Parity Bonds is other than a fixed rate, the rate shall be 90% of the average Bond Buyer Revenue Bond Index or comparable index during the fiscal quarter preceding the quarter in which the calculation is made; except that, for purposes of determining actual compliance with the Coverage Requirement in any past fiscal year, the actual amount of interest paid on any issue of variable interest rate bonds shall be taken into account.

(f) “*Authorized Denomination*” means any denomination designated by the Designated Representative.

(g) “*Average Annual Debt Service*” means, as of its date of calculation, the sum of Annual Debt Service with respect to all Parity Bonds outstanding (including all Parity Bonds maturing in the calendar year of calculation) for all calendar years during which those Parity Bonds are scheduled to remain outstanding, divided by the number of those calendar years (without regard to bond years).

(h) “*Beneficial Owner*” means, with respect to the Bond, the owner of any beneficial interest in the Bond.

(i) “*Bond*” means the bond issued pursuant to and for the purposes provided in this ordinance.

(j) “*Bond Counsel*” means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(k) “*Bond Fund*” means the special fund, known as the “Utility System Bond Fund,” created in the office of the Finance Director for the purpose of paying and securing principal of and interest on the Parity Bonds.

(l) “*Bond Purchase Agreement*” means an offer or proposal to purchase the Bond, setting forth certain terms and conditions of the issuance, sale and delivery of the Bond, which offer or proposal is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance.

(m) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Parity Bond.

(n) “*Bond Registrar*” means the City’s Finance Director or any successor bond registrar.

(o) “*City*” means the City of Lynnwood, Washington, a municipal corporation duly organized and existing under the laws of the State.

(p) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(q) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(r) “*Coverage Requirement*” means that, for any calendar year, Net Revenue in that calendar year, plus all ULID Assessments collected in that year, shall be equal to at least 1.25 times the Average Annual Debt Service on all outstanding Parity Bonds.

(s) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(t) “*Final Terms*” means the terms and conditions for the sale of the Bond including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

(u) “*Future Parity Bonds*” means all revenue bonds and other obligations of the City for borrowed money (including, without limitation, financing leases) issued or incurred after the date of the issuance of the Bond, the payment of which constitutes a lien and charge on the Net Revenue and ULID Assessments equal in rank with the lien and charge upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Bond and the Outstanding Parity Bonds.

(v) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(w) “*Gross Revenue*” means all of the earnings and revenues received by the City from the maintenance and operation of the System from any source whatsoever, including but not limited to: revenues from the sale, lease or furnishing of commodities, services, properties or facilities; all earnings from the investment of money in the Bond Fund, which earnings are deposited into the Principal and Interest Account; earnings from the investment of money in any maintenance fund or similar fund; all connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the System; and withdrawals from the Rate Stabilization Fund. However, the Gross Revenue shall not include: (i) revenues from general ad valorem taxes; (ii) principal proceeds of Parity Bonds or any other borrowings, or earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund obligations relating to the System (until commingled with other earnings and revenues included in the Gross Revenue) or held in a special account for the purpose of paying a rebate to the United States Government under the Code; (iii) income and revenue which may not legally be pledged for revenue bond debt service; (iv) improvement district assessments; (v) federal or state grants, and gifts from any source, allocated to capital projects; (vi) payments under bond insurance or other credit enhancement policy or device; (vii) insurance or condemnation proceeds used for the replacement of capital projects or equipment; (viii) proceeds from the sale of System property; (ix) earnings in any construction fund or bond redemption fund; (x) deposits to the Rate Stabilization Fund; or (xi) revenue from any Separate System.

(x) “*Independent Utility Consultant*” means a professional consultant experienced with municipal utilities of comparable size and character to the System.

(y) “*Insurer*” means for any Future Parity Bonds, any provider of bond insurance.

(z) “*Issue Date*” means, with respect to the Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of the Bond.

(aa) “*Maximum Annual Debt Service*” means, as of the date of calculation, the maximum amount of Annual Debt Service that will mature or come due in the current calendar year or any future calendar year with respect to all outstanding Parity Bonds.

(bb) “*Net Revenue*” for any calendar year means the Gross Revenue for that calendar year less Operations and Maintenance Costs for that calendar year. In calculating Net Revenue, the City shall not take into account any non-cash gains or losses with respect to any real or personal property, investment or agreement that it may be required to recognize under generally accepted accounting principles, such as unrealized mark-to-market gains and losses.

(cc) “*Operations and Maintenance Costs*” means all reasonable expenses incurred by the City in causing the System to be operated and maintained in good repair, working order and condition, including without limitation payments of premiums for insurance on the System; costs incurred in connection with the acquisition of water or the securing of water rights; payments to any public or private entity for water service, sewage treatment and disposal service or other utility service in the event that the City combines such service into the combined utility system and enters into a contract for such service, including pro rata budget allocations or charges for the City’s administration expenses where those represent a reasonable distribution and share of actual costs; and any State-imposed taxes. Operations and Maintenance Costs shall exclude depreciation, taxes levied or imposed by the City, payments-in-lieu-of-taxes paid to the City, capital additions and capital replacements to the System.

(dd) “*Outstanding Parity Bonds*” means the 2010 Bonds, the 2015 Bonds and the 2018 Bonds.

(ee) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(ff) “*Parity Bonds*” means the Outstanding Parity Bonds, the Bond and any Future Parity Bonds.

(gg) “*Parity Conditions*” means the conditions for the issuance of Future Parity Bonds set forth in Section 16 of this ordinance.

(hh) “*Permitted Investments*” means investments that are legal investments for the City at the time of such investment.

(ii) “*Principal and Interest Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(jj) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a direct bank placement.

(kk) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on any of the Parity Bonds at the request of the City.

(ll) “*Refunded Bonds*” means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with proceeds of the Bond and included in the Refunding Plan.

(mm) “*Refunding Candidates*” means the outstanding 2010 Bonds, the refunding of which has been provided for by this ordinance.

(nn) “*Refunding Plan*” means:

(i) the placement of sufficient proceeds of the Bond which, with other money of the City, if necessary, may be used to acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee;

(ii) the payment of the interest on the Refunded Bonds when due up to and including such date as designated by the Designated Representative, and the call, payment, and redemption on such date, of all of the then-outstanding Refunded Bonds at a price of par; and

(iii) may include the payment of the costs of issuing the Bond and the costs of carrying out the foregoing elements of the Refunding Plan.

(oo) “*Refunding Trust Agreement*” means a Refunding Trust Agreement between the City and the Refunding Trustee.

(pp) “*Refunding Trustee*” means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

(qq) “*Registered Owner*” means, with respect to a Parity Bond, the person in whose name that Parity Bond is registered on the Bond Register. For so long as the City utilizes the book-entry only system for the Parity Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(rr) “*Reserve Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(ss) “*Reserve Requirement*” means, except as may be reduced under Section 8(b), as of any date of calculation, the lesser of Maximum Annual Debt Service on the outstanding Parity Bonds secured by the Reserve Account or 125% of Average Annual Debt Service on the outstanding Parity Bonds secured by the Reserve Account, but at no time shall the Reserve Requirement exceed 10% of the original proceeds of the Parity Bonds secured by the Reserve Account.

(tt) “*Reserve Security*” means any bond insurance, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on the Parity Bonds secured by the Reserve Account, issued by an institution which has been assigned a credit rating at the time of issuance of the device in one of the two highest rating categories of each of at least two Rating Agencies (without regard to any gradations within a rating category), or in one of the three highest rating categories with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding. The

Registered Owners of the 2018 Bonds have consented and the Registered Owner of the Bond by taking and holding the same shall be deemed to have consented to this amendment.

(uu) “*Separate System*” means any water supply, sewage collection or treatment, stormwater or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 17 of this ordinance.

(vv) “*Significant Wholesale Customer*” means any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, the revenue from which contract comprises 10% or more of the overall Gross Revenue of the System.

(ww) “*State*” means the State of Washington.

(xx) “*System*” means, for so long as any of the Parity Bonds are outstanding: (a) the combined waterworks system, system of sewerage and surface water system and all additions thereto and betterments and extensions thereof at any time made; and (b) any other system or utility that may lawfully be combined with the foregoing. The System shall not include any Separate System of the City.

(yy) “*Term Bond*” means the Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement, and those Parity Bonds designated as Term Bonds in the ordinances or bond purchase agreements authorizing the issuance of those bonds.

(zz) “*ULID*” means utility local improvement district.

(aaa) “*ULID Assessments*” means all ULID assessments and installments thereof, plus interest and penalties thereon, in any ULID created to finance improvements to the System and to secure the payment of any Parity Bonds.

(bbb) “*Utility Construction Fund*” means the fund or account of that name created and established in the Water Fund.

(ccc) “*Variable Interest Rate Bonds*” means those Future Parity Bonds bearing interest at a variable rate.

Section 2. Findings.

(a) The City, pursuant to Ordinance No. 537, passed December 22, 1969, combined the waterworks system and system of sewerage of the City into a waterworks utility of the City, and such combined systems are maintained and operated jointly, which from time to time requires various additions, betterments and extensions. The City, pursuant to Ordinance No. 2114, passed November 25, 1996, combined the surface water system established by Ordinance No. 1813 of the City into the waterworks utility.

(b) Pursuant to Ordinance No. 2856, passed October 25, 2010, the City previously issued the 2010 Bonds, in the original principal amount of \$7,720,000, for the purpose of providing

funds to pay the cost of carrying out a plan of additions to the System and to fund the Reserve Account.

(c) Ordinance No. 2856 provides that certain of the 2010 Bonds may be redeemed prior to their stated maturities.

(d) Pursuant to Ordinance No. 3141, passed June 22, 2015, the City previously issued the 2015 Bonds, in the original principal amount of \$24,075,000, for the purpose of providing funds to pay the cost of carrying out a plan of additions to the System, to repay a utility system revenue bond anticipation note and to fund the Reserve Account.

(e) Pursuant to Ordinance No. 3298, passed May 14, 2018, the City previously issued the 2018 Bonds, in the original principal amount of \$20,380,000, for the purpose of providing funds to pay the cost of carrying out a plan of additions to the System, to refund certain outstanding utility system revenue bonds and to purchase a Reserve Surety to meet the Reserve Requirement.

(f) The City, in Section 19 of Ordinance No. 2856, Section 16 of Ordinance No. 3141 and Section 16 of Ordinance No. 3298, reserved the right to issue utility system revenue bonds having a lien and charge on the Net Revenue of the System and ULID Assessments on a parity of lien and charge upon such Net Revenue and ULID Assessments of the 2010 Bonds, the 2015 Bonds and the 2018 Bonds, respectively, for the payment of the principal thereof and interest thereon if the conditions set forth therein were met and complied with.

(g) The City Council deems it to be in the best interest of the City that the City issue the Bond, which Bond will be issued on a parity of lien with the Outstanding Parity Bonds, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the City's Designated Representative consistent with this ordinance.

Section 3. Purpose and Authorization of Bonds. For the purpose of (i) refunding all or a portion of the 2010 Bonds; (ii) funding or providing a Reserve Security to meet the Reserve Requirement for the Bond, if necessary; and (iii) paying the costs of issuance and sale of the Bond, the City is authorized to issue the Bond in the amount of not to exceed \$6,100,000.

Section 4. Description of the Bond; Appointment of Designated Representative. The Finance Director, or the Mayor in the absence of the Finance Director, is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bond in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of the Bond, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of the Bond. Pursuant to RCW 39.46.030(4), the Finance Director of the City will serve as initial fiscal agent for the City (the "Bond Registrar") with respect to the Bond and is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance. The Bond shall be issued only in registered form as to both principal and interest and shall be

recorded on books or records maintained by the Bond Registrar (the “Bond Register”). The Bond Register shall contain the name and mailing address of the Registered Owner of the Bond.

Upon a determination by the City that maintenance of the duties of the Bond Registrar is no longer convenient, the fiscal agent of the State of Washington shall act as Bond Registrar.

The Bond Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration, assignment or transfer of the Bond, which books shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of the Bond and this ordinance, to serve as the City’s paying agent for the Bond and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on the Bond.

The Purchaser may assign or transfer the Bond to any successor to substantially all of the business and assets of the Purchaser, or may assign or transfer the Bond in whole to a single investor that is a financial institution or an entity that is a qualified institutional buyer within the meaning of the applicable federal securities laws and who signs a purchaser certificate substantially in the form signed by the Purchaser.

Section 6. Form and Execution of the Bond.

(a) *Form of the Bond; Signatures and Seal.* The Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. The Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on the Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate of Authentication. This Bond is the fully registered City of Lynnwood, Washington, Utility System Revenue Refunding Bond, 2020, described in the Bond Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of the Bond. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the Bond is payable by electronic transfer on the payment date, or by check or draft of the Bond Registrar mailed on

the payment date to the Registered Owner at the address appearing on the Bond Register. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the payment date and at the sole expense of the Registered Owner. In addition, principal of the Bond is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bond is not subject to acceleration under any circumstances.

Section 8. Payments into Bond Fund. The Bond Fund has previously been created and established in the office of the Finance Director as a special fund of the City, which fund is divided into two accounts, a Principal and Interest Account and a Reserve Account.

(a) So long as any Parity Bonds are outstanding against the Bond Fund, the City obligates and binds itself to set aside and pay into the Bond Fund all ULID Assessments and, out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely:

(1) Into the Principal and Interest Account on or before each debt service payment date an amount which, together with ULID Assessments and other money on deposit therein, will be sufficient to pay the debt service coming due and payable on that next debt service payment date, including mandatory redemption amounts due on that date with respect to any Term Bonds; and

(2) Into the Reserve Account, either:

- (i) on the date of issue, and thereafter annually in regular installments an amount which, together with other money and Reserve Securities on deposit therein, will equal the Reserve Requirement for the outstanding Parity Bonds secured by such Reserve Account, which additional amount shall be accumulated by no later than five years from the date of issue; or
- (ii) one or more Reserve Securities the value of which, together with any amount deposited under subsection (i) above, are equal to the Reserve Requirement for the outstanding Parity Bonds secured by such Reserve Account.

(b) The City covenants and agrees that it will at all times maintain in the Reserve Account an amount (including the value of all Reserve Securities deposited therein) equal to the Reserve Requirement, except for withdrawals as authorized in this subsection, until there is a sufficient amount in the Principal and Interest Account and Reserve Account to pay the principal of and interest on all outstanding Parity Bonds secured by such account, at which time the money in the Reserve Account may be used to pay any such principal and interest so long as the money remaining on deposit in the Reserve Account is not less than the Reserve Requirement calculated based on the remaining outstanding Parity Bonds. If there are sufficient funds in the Bond Fund to pay all outstanding Parity Bonds secured by such Reserve Account and the Reserve Requirement as to those outstanding Parity Bonds is met, excess money in the Bond Fund may be used for any System purpose.

In the event that the amounts in the Bond Fund are insufficient to make any debt service payment on any outstanding Parity Bonds secured by the Reserve Account, amounts shall be withdrawn from the Reserve Account to make up that deficiency. Any deficiency created in the Reserve Account by reason of such a withdrawal shall then be made up from Net Revenue and from ULID Assessment payments, but only after necessary provision has been made for Operations and Maintenance Costs and for the required payments into the Principal and Interest Account.

With the consent of the owners of not less than 50% in aggregate principal amount of the Outstanding Parity Bonds, as provided in Section 24, the ordinance authorizing any Future Parity Bonds may establish a separate debt service reserve account for any such Future Parity Bonds and set forth the reserve account requirement for such bonds, which may be zero, or provide that some or all of such Future Parity Bonds be secured by the Reserve Account. The owners of the 2018 Bonds have consented and the Owner of the Bond by taking and holding the same shall be deemed to have consented to the adoption by the City of such supplemental ordinance. In addition, when the 2010 Bonds and 2015 Bonds are no longer outstanding, the Reserve Requirement for the 2018 Bonds and the Bond may be reduced.

If the Designated Representative determines that such consent requirements will be met on the Issue Date of the Bond, this ordinance and the ordinances authorizing the Outstanding Parity Bonds are deemed supplemented by the City Council for the purpose of allowing the Designated Representative to elect to create a separate reserve account for the Bond or any Future Parity Bonds, and establish a reserve requirement for such account, which may be zero, in which case the Reserve Account shall not secure the Bond or such Future Parity Bonds.

(c) All money in the Bond Fund may be kept in cash; deposited with an institution (as permitted by law) in an amount in each institution not greater than the amount insured by any department or agency of the United States Government; or invested in Permitted Investments or other legal investments permitted to the City maturing not later than the date when needed (for investments in the Principal and Interest Account) or the last maturity of any outstanding Parity Bonds (for investments in the Reserve Account). Income from investments in the Principal and Interest Account shall be deposited in that account. Income from investments in the Reserve Account shall be deposited in that account until the amount therein is equal to the Reserve Requirements of all Parity Bonds, and thereafter shall be deposited in the Principal and Interest Account.

(d) The City may create sinking fund accounts or other accounts in the Bond Fund for the payment or securing the payment of Parity Bonds as long as the maintenance of such accounts does not conflict with the rights of the owners of Parity Bonds.

(e) It is declared that in creating the Bond Fund and in fixing the amounts to be paid into it as aforesaid, the City Council has had due regard for Operations and Maintenance Costs and the debt service requirements of the outstanding Parity Bonds, and declares that it is not setting aside into the Bond Fund a greater amount than in its judgment will be available over and above such Operations and Maintenance Costs and the debt service requirements of the outstanding Parity Bonds.

If the City fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds (or, for bonds insured by an Insurer, only the Insurer acting alone) may bring action against the City and compel the setting aside and payment.

Section 9. Rate Stabilization Fund. The Rate Stabilization Fund has previously been created and established in the office of the Finance Director. The City may at any time, as determined by the Finance Director and consistent with Section 14 of this ordinance, deposit into the Rate Stabilization Fund amounts from Gross Revenue and any other money received by the System and available to be used for that purpose, excluding principal proceeds of any Future Parity Bonds. The Finance Director may at any time withdraw money from the Rate Stabilization Fund for inclusion in the Net Revenue for the current fiscal year of the System, except that the total amount withdrawn from the Rate Stabilization Fund in any calendar year may not exceed the total debt service of the System in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the calendar year for which the deposit or withdrawal will be included as Net Revenue.

Earnings from investments in the Rate Stabilization Fund shall be deposited in that fund and shall not be included as Net Revenue unless and until withdrawn from that fund as provided in this section. The Finance Director may also deposit earnings from investments in the Rate Stabilization Fund into any System fund as authorized by ordinance, and such deposits shall be included as Net Revenue in the year of deposit.

No deposit shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant calendar year.

Section 10. Finding as to Sufficiency of Revenue, Pledge of Revenue and Lien Position. The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the System at the rates to be charged for service from the System will be more than sufficient to meet all Operations and Maintenance Costs and to permit the setting aside into the Bond Fund of the amounts of Net Revenue that, together with ULID Assessments, will be sufficient to pay the principal of and interest on the Parity Bonds when due. The Net Revenue and all ULID Assessments are pledged for the payment of the Outstanding Parity Bonds, the Bond and all Future Parity Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever.

Section 11. Deposit of Bond Proceeds. Proceeds of the Bond in an amount required to fully fund the Reserve Requirement shall be deposited in the Reserve Account, if necessary. Alternatively, proceeds of the Bond can be used to provide a Reserve Security to meet the Reserve Requirement for the Bond. Proceeds of the Bond needed to refund the Refunded Bonds, if any are refunded, will be deposited with the Refunding Trustee to carry out the Refunding Plan.

Section 12. Prepayment. The City may prepay the Bond upon such terms as is acceptable to the Designated Representative.

Section 13. Failure to Pay the Bond. If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or

date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 14. Covenants. The City covenants and agrees with the Owner of the Bond as follows:

(a) It will establish, maintain, revise as necessary, and collect such rates and charges for the services furnished by the System (including those furnished under contract with wholesale customers) that will at least equal the Coverage Requirement.

(b) It will at all times maintain and keep the System in good repair, working order and condition, and also will at all times operate such utility and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) It will collect promptly all ULID Assessments. Such assessments may be used to pay the principal or interest on any Parity Bonds without those assessments being particularly allocated to the payment of principal of or interest on any particular series of Parity Bonds.

(d) It will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the System unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all outstanding Parity Bonds. Furthermore, it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of the System (or any portion of the System in excess of 5% of the value of the assets of the System with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding) that is used, useful and material to its operation, unless provision is made (i) for the replacement of that portion of the System, or (ii) for the payment into the Bond Fund of an amount bearing the same ratio to the par amount of outstanding Parity Bonds as the amount of Net Revenue available for debt service derived during the preceding 12 month period from that portion of the System bears to the total Net Revenue available for debt service for such bonds for the same period. Any such money so paid into the Bond Fund shall be used to retire outstanding Parity Bonds at the earliest possible date and may be invested to the same extent and in the same manner as provided for the investment of money in the Reserve Account until so used.

(e) While any of the Parity Bonds remain outstanding it will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System, and it will furnish the owner or owners of the Parity Bonds or any subsequent owner or owners thereof, at the written request of such owner or owners, complete operating and income statements of the System in reasonable detail covering any calendar year not more than ninety days after the close of such calendar year. It will grant any owner or owners of at least 25 percent of the outstanding Parity Bonds the right at all reasonable times to inspect the entire System and all records, accounts and data relating thereto, and upon request of any owner of any of the Parity Bonds a copy of the most recently completed audit of the System accounts by the State Auditor of Washington.

(f) Except as permitted by law, it will not furnish any service of the System free of charge to any customer whatsoever.

(g) It will at all times carry fire and such other forms of insurance on such of the buildings, equipment, facilities and properties of the System as are ordinarily carried on such buildings, equipment, facilities, and properties by utilities engaged in the operation of similar utility systems to the full insurable value thereof, and also will carry adequate public liability insurance at all times. The premiums on such insurance policies are declared to be a normal part of Operations and Maintenance Costs.

(h) It will pay all Operations and Maintenance Costs and otherwise meet the obligations of the City as herein set forth.

(i) It will not change any rate or charge for services of the System as is now established by the existing rate resolution or resolutions of the City, or any contract with a Significant Wholesale Customer, if such change would substantially reduce the annual Net Revenue below that which would have been obtained before such change unless the City has on file a certificate from an Independent Utility Consultant, stating that after such change, the Net Revenue will remain sufficient to comply with all the covenants and requirements of this ordinance, including the Coverage Requirement.

(j) Except as provided in Section 16, the City will not create any special fund or funds for the payment of the principal of and interest on any other revenue obligations which will have any priority over or which will rank on a parity with the payments required by this ordinance to be made out of the Net Revenue and ULID Assessments.

Section 15. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on the Bond.* The City covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the City treated as proceeds of the Bond that will cause interest on the Bond to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond.

(b) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bond from being included in gross income for federal tax purposes.

(c) *Designation of the Bond as "Qualified Tax-Exempt Obligations."* The Bond may be designated as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Bond does not constitute a “private activity bond” within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bond is issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Bond, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bond is issued does not exceed \$10,000,000.

Section 16. Parity Provisions.

(a) The City may issue Future Parity Bonds only for lawful System purposes and only if the following conditions are met and complied with at the time of the issuance of those Future Parity Bonds:

- (1) There must be no deficiency in the Bond Fund;
- (2) The ordinance providing for the issuance of such Future Parity Bonds must provide that all ULID Assessments (including interest on those assessments) imposed in any ULID created for the purpose of paying in whole or in part the principal of and interest on such Future Parity Bonds is to be paid directly into the Bond Fund;
- (3) The ordinance authorizing those Future Parity Bonds must provide for the payment of the principal of and interest thereon out of the Bond Fund;
- (4) Except in the case of Future Parity Bonds being issued for the sole purpose of providing for the refunding of Parity Bonds (for which no coverage certification under this subsection is required), no event of default, nor any event or condition that with notice and the passage of time would constitute an event of default shall have occurred and be continuing, nor shall the issuance of those Future Parity Bonds in and of itself cause an event of default or an event or condition which with notice and the passage of time would constitute an event of default;
- (5) The applicable ordinance authorizing those Future Parity Bonds must provide for the deposit into the Reserve Account or such other reserve account of any combination of Future Parity Bond proceeds, Reserve Security or other money legally available, in the amount necessary (if any) to make the amount on deposit in the Reserve Account or such other reserve account equal to the Reserve Requirement upon the issuance of those Future Parity Bonds; and
- (6) There shall be on file with the City a certificate (which may take into account the adjustments described in subsection 16(b)) of the City Finance Director, demonstrating that the Coverage Requirement was satisfied during any twelve consecutive calendar months out

of the immediately preceding 24 calendar months (assuming that (A) those Future Parity Bonds were outstanding and that the debt service payable on those Future Parity Bonds in that 12 month period was equal to the Average Annual Debt Service on those Future Parity Bonds, and (B) any Parity Bonds to be refunded by those Future Parity Bonds are not outstanding).

(b) In determining whether the City is able to comply with the terms of the parity conditions, the certificate required under subsection 16(a)(6) above, may take into account the following adjustments to the historical Net Revenue for the relevant 12 month period:

(1) Any rate change that has taken place or been adopted by ordinance or contract may be reflected, including any changes in the rates charged to any Significant Wholesale Customer in effect and being charged, or expected to be charged in accordance with a program of specific levels or increase (or decreases) in overall revenue.

(2) Revenue from customers added or projected to be added to the System after the relevant 12-month period, including revenue from new Significant Wholesale Customers, may be adjusted to reflect one year's Net Revenue allocable to those new customers.

(3) A full year's revenue may be included on a pro forma basis from any customer being served but who has not been receiving service for the full period of operation used as a basis for the certificate.

(4) Actual or reasonably anticipated changes in the Operations and Maintenance Costs subsequent to the relevant 12-month period shall be added or deducted, as is applicable.

(5) Net Revenue allocable to any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, which revenue was not included in the historical Net Revenue, may be included in Net Revenue.

(6) Transfers into or out of the Rate Stabilization Fund pursuant to Section 9 may be taken into account, and those amounts may be added to or deducted from Net Revenues, as applicable.

(c) If Future Parity Bonds are being issued for the sole purpose of refunding Parity Bonds (including costs of issuance and providing for the Reserve Requirement), no coverage certification is required under this Section 16 if, as result of the issuance of those Future Parity Bonds, the Annual Debt Service on the Future Parity Bonds to be issued is not increased by more than \$5,000 over the Annual Debt Service for that year of the bonds being refunded.

Nothing contained in this Section 16 shall prevent the City from issuing revenue bonds having a junior lien on the Net Revenue or from pledging the payment of assessments in any ULID into a bond redemption fund or account created to pay and secure the payment of the principal of and interest on such junior lien bonds as long as such assessments are levied to pay part or all of the cost of improvements being constructed out of the proceeds of the sale of such junior lien bonds.

Section 17. Separate Utility Systems. The City may create, acquire, construct, finance, own and operate one or more additional systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or utility service. The revenue of that Separate System, and any ULID Assessments payable solely with respect to improvements to a Separate System, shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand the Separate System. Neither the Gross Revenue nor the Net Revenue may be pledged to the payment of any obligations of a Separate System except that the Net Revenue may be pledged on a basis subordinate to the lien of the Parity Bonds.

Section 18. Flow of Funds. The Net Revenue shall be used for the following purposes only and shall be applied in the following order of priority:

(a) To make when due the required payments into the Principal and Interest Account in respect of interest on the Parity Bonds.

(b) To make when due the required payments into the Principal and Interest Account in respect of principal of and premium, if any, on the Parity Bonds, whether at maturity or pursuant to redemption prior to maturity, and to make payments due under any reimbursement agreement with an Insurer that requires those payments to be made on a parity with the Parity Bonds.

(c) To make when due all payments required to be made into the Reserve Account or any reserve account created, all payments required to be made under any agreement relating to the provision of Reserve Security, and all payments required to be made under any reimbursement agreement with a Reserve Security provider that requires those payments to be made on a parity with the payments required to be made into the Reserve Account or any other reserve account.

(d) To make when due all payments required to be made under any reimbursement agreement with an Insurer other than payments to be made on a parity with the Parity Bonds, and all payments required to be made under any reimbursement agreement with a Reserve Security provider other than payments to be made on a parity with the payments to be made into the Reserve Account or any other reserve account, in any priority not inconsistent with this ordinance that the City may hereafter establish by ordinance.

(e) To make when due the required payments to be made into any revenue bond, note warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay and secure the payment of any revenue bonds, warrants, notes or other obligations of the System having a charge upon the Net Revenue junior and inferior to the charge thereon for the payment of the principal of and premium (if any), and interest on the Parity Bonds, and all payments required to be made into the Reserve Account or any other reserve account under any ordinance authorizing an issue of Parity Bonds, in any priority not inconsistent with this ordinance, that the City may hereafter establish by ordinance.

(f) For any other lawful System purposes, in any priority not inconsistent with this ordinance that the City may hereafter establish by ordinance.

Section 19. Refunding or Defeasance of the Bond. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding

or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bond (the “defeased Bond”); (b) redeeming the defeased Bond prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bond in accordance with their terms, then all right and interest of the Owner of the defeased Bond in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bond shall cease and become void. Thereafter, the Owner of defeased Bond shall have the right to receive payment of the principal of and interest on the defeased Bond solely from the trust account and the defeased Bond shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bond to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of the Bond for any partial prepayment or defeasance shall be conducted, in the manner prescribed in this ordinance for the prepayment of the Bond.

Section 20. Refunding of the Refunded Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint a Refunding Trustee in connection with the Bond.

(b) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* The proceeds of the sale of the Bond used to refund the Refunded Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded Bonds under Ordinance No. 2856 by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations may be discharged fully with the Bond proceeds or by the Refunding Trustee’s simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the City and the Refunding Trustee, but are subject to substitution as set forth below. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bond shall be returned to the City at the time of delivery of the Bond to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Bond on the first interest payment date.

If payment of the costs of issuance of the Bond is not included in the Refunding Plan, the Bond proceeds that are not deposited with the Refunding Trustee will be deposited with the City to be used to pay the costs of issuance of the Bond.

(c) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute other direct,

noncallable obligations of the United States of America (“Substitute Obligations”) for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations, if any, by the Refunding Trustee, the City reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bond or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bond and the Refunded Bonds, as applicable, and that the City obtain, at its expense a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

(d) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of Ordinance No. 2856, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the Bond and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Bond, including bond printing, Bond Counsel’s fees, and other related expenses, shall be paid out of the proceeds of the Bond.

(e) *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan provided for by this ordinance, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it.

Section 21. Call for Redemption of the Refunded Bonds. The City calls for redemption on the date determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bond to the initial purchaser thereof. The date on which the Refunded Bonds are herein called for redemption is the first date on which those bonds may be called.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required by Ordinance No. 2856, in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 22. Findings with Respect to Refunding. The City Council authorizes the Designated Representative to issue the Bond to refund the Refunded Bonds, if such bonds will effect a savings to the City, if applicable, and is in the best interest of the City and its ratepayers. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of the Bond and the Refunded Bonds, the costs of issuance of the Bond and the known earned income from the investment of the proceeds of the issuance and sale of the Bond and other money of the City used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the City under Ordinance No. 2856 with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinance immediately upon the deposit of such money with the Refunding Trustee.

Section 23. Sale and Delivery of the Bond.

(a) *Manner of Sale of the Bond; Delivery of the Bond.* The Designated Representative is authorized to sell the Bond by direct bank placement based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of the Bond and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Direct Bank Placement.* If the Designated Representative determines that the Bond is to be sold by direct bank placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for the Bond shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Preparation, Execution and Delivery of the Bond.* The Bond will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bond.

Section 24. Supplemental and Amendatory Ordinances.

(a) This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bond, except as provided in and in accordance with and subject to the provisions of this section.

(b) The City may from time to time and at any time, without the consent of or notice to the Registered Owners of the Parity Bonds, pass supplemental ordinances as follows:

(1) to cure any formal defect, omission, inconsistency or ambiguity in this ordinance;

(2) to impose upon the Bond Registrar (with its consent) for the benefit of the Registered Owners of the Bond any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as previously in effect;

(3) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this ordinance as previously in effect;

(4) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this ordinance of any other money, securities or funds;

(5) to authorize a different denomination of the Bond and to make correlative amendments and modifications to this ordinance regarding exchangeability of the Bond of different authorized denominations, redemptions or prepayment of portions of the Bond of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) to modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Bond and which does not involve a change described in subsection 24(c) of this section.

Before any supplemental ordinance pursuant to this Section 24(b) shall become effective, there be delivered to the City and the Bond Registrar an opinion of Foster Garvey P.C., or other nationally recognized bond counsel, stating that such supplemental ordinance is authorized or permitted by this ordinance and will, upon its effective date, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bond.

(c) Except for any supplemental ordinance passed pursuant to subsection 24(b) of this section, subject to the terms and provisions contained in this subsection 24(c) and not otherwise, Registered Owners of not less than a majority of the aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to and approve the passage by the City Council of the City of any supplemental ordinance deemed necessary or desirable by

the City for the purposes modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this ordinance.

However, unless approved in writing by each Registered Owners of each Parity Bond then outstanding, nothing contained in this section shall permit, or be construed at permitting:

(1) a change in the times, amounts or currency of payment of the principal of or interest on the Bond, or a reduction in the principal amount or redemption price of the Bond, or a change in the method or redemption price of the Bond, or a change in the method of determining the rate of interest thereon;

(2) a preference or priority of the Bond over any other Parity Bonds; or

(3) a reduction in the aggregate principal amount of the Bond the consent of the registered owners of the Bond of which is required for any such supplemental ordinance.

If at any time the City shall pass any supplemental ordinance for any of the purposes of this subsection 24(c), the Bond Registrar shall cause notice of the proposed supplemental ordinance to be given by first class United States mail to all registered owners of the then-outstanding Bond, to each Rating Agency that has provided a rating on an issue of the Parity Bonds, and to any Insurer. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Bond Registrar for inspection by all Registered Owners.

Within two years after the date of the mailing of such notice, the City may pass such supplemental ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Bond Registrar: (1) the required consents, in writing, of the Registered Owners, and (2) an opinion of Foster Garvey P.C., or other nationally recognized bond counsel, stating that such supplemental ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from federal income taxation of interest on the Bond.

Upon the execution and delivery of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City, the Bond Registrar and all Registered Owners shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such modifications and amendments.

Section 25. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bond to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bond. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 26. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 27. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Lynnwood, Washington, at a regular open public meeting thereof on the ____ day of _____, 2020, and signed in authentication of its passage this ____ day of _____, 2020.

Mayor

ATTEST:

Finance Director

APPROVED AS TO FORM:

Foster Garvey P.C., Bond Counsel

EXHIBIT A
DESCRIPTION OF THE BOND

- | | | |
|-----|-----------------------------|---|
| (a) | Principal Amount. | The Bond shall not exceed the aggregate principal amount of \$6,100,000. |
| (b) | Date or Dates. | The Bond shall be dated its Issue Date, which date may not be later than June 30, 2021. |
| (c) | Denominations, Name, etc. | The Bond shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. |
| (d) | Interest Rate(s). | The Bond shall bear interest at a fixed or variable rate as determined by the Designated Representative. |
| (e) | Payment Dates. | Interest must be payable on such dates as are determined by the Designated Representative. Principal payments shall commence on a payment date determined by the Designated Representative and shall be payable at maturity or in installments on such dates as determined by the Designated Representative. |
| (f) | Final Maturity. | The Bond shall mature no later than December 1, 2030. |
| (g) | Prepayment Rights. | The Designated Representative may approve in the Bond Purchase Agreement provisions for the prepayment of the Bond. |
| (h) | Price. | The purchase price for the Bond shall be in an amount determined by the Designated Representative. |
| (i) | Savings. | There is a minimum net present value savings of 3.00% of the Refunded Bonds. |
| (j) | Other Terms and Conditions. | (1) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as she or he may determine are in the best interests of the City, consistent with this ordinance. |

- (2) The Designated Representative must have determined that the Parity Conditions have been met and satisfied as of the Issue Date of the Bond.
- (3) The Designated Representative shall determine whether the consent requirements will be met on the Issue Date of the Bond, and if so, this ordinance and the ordinances authorizing the Outstanding Parity Bond are deemed supplemented by the City Council for the purpose of allowing the Designated Representative to elect to create a separate reserve account for the Bond or any Future Parity Bonds, and establish a reserve requirement for such account, which may be zero, in which case the Reserve Account shall not secure the Bond or such Future Parity Bonds.

CERTIFICATION

I, the undersigned, City Clerk of the City of Lynnwood, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on _____, 2020, as that ordinance appears on the minute book of the City.

2. That said meeting was duly convened and held in all respects in accordance with law (including Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington) and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the members of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

3. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be _____, 2020.

Dated: _____, 2020.

CITY OF LYNNWOOD, WASHINGTON

City Clerk

CITY COUNCIL ITEM H

CITY OF LYNNWOOD City Council

TITLE: Break

DEPARTMENT CONTACT: Christine Frizzell, Council President

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM I

CITY OF LYNNWOOD Public Works

TITLE: Briefing: Lynnwood ADA Self-Evaluation and Transition Plan/Sidewalk Maintenance

DEPARTMENT CONTACT: Amie Hanson, Les Rubstello and David Mach

SUMMARY:

The purpose of this briefing is to describe two major challenges with sidewalk management and maintenance affecting the City in the near future. The first part of this briefing will introduce the City's ongoing Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Project. Completion of the evaluation and plan is a federal requirement. The evaluation completed for this plan included inspection of all the city's parks, facilities, sidewalks and policies to determine where they do not meet current federal standards. A draft Transition Plan has been developed to identify how to bring the City into compliance. This briefing will include a discussion of what implementing the Transition Plan in our rights of way will look like for the City.

Additionally, staff plans to discuss who is legally responsible for repairing existing cracked/heaved sidewalks and various maintenance options moving forward.

ACTION:

Briefing. No action needed.

BACKGROUND:

ADA Self-Evaluation and Transition Plan

The City is developing the ADA Self-Evaluation and Transition Plan as part of fulfilling the requirements of Title II of the ADA. The ADA requires public entities to reasonably modify policies, practices, or procedures to avoid discrimination against people with disabilities. Completing the process of developing this Plan will assist the City in identifying policies, programs, and physical barriers to accessibility and will guide the City in developing barrier removal solutions.

In 2017, the City conducted a comprehensive self-evaluation of policies, programs, and services. This evaluation was based on responses to a program accessibility questionnaire completed by City staff and a review of City documents and policies. Staff from Administrative Services, Community Development, Executive, IT, Municipal Court, Office of Economic Development, Parks and Recreation, the Police Department, and Public Works responded to the questionnaire.

During 2017 and 2018, the City conducted an evaluation of physical barriers in the built environment at City facilities where programs, activities, and services are available to the public. This included reviewing City buildings, parks, trails, and public right of way including curb ramps, sidewalks, and driveways. Additionally, the City worked with a Focus Group to discuss barrier removal and priorities.

The City is currently conducting an internal review of the Draft ADA Self-Evaluation and Transition Plan and developing strategies to implement the Plan. This includes looking at budgeting, staffing, roles, and responsibilities for implementing the ADA Transition Plan. The City plans to complete the Plan in early 2021. Plan completion will include a review by the Focus Group and larger public. The City is currently recruiting focus group members.

The Public Works Department, similar to departments throughout the City, has considered what resources will be needed to implement the Transition Plan specific to the right-of-way (excluding city buildings, parks, facilities...). As part of this consideration, the Department reviewed costs associated with removing right of way barriers, timelines for barrier removal, and risks associated with balancing them.

The self assessment identified the following non-compliant facilities:

- 2,800 Curb ramps (city responsibility)
- 137 Miles of sidewalk (adjacent property responsibility)
- 5,528 Driveways (adjacent property responsibility)

Curb ramps are the responsibility of the city, however, per state and city law, the sidewalk and driveways are the responsibility of the adjacent property owner. The cost to bring the total right of way facilities into full compliance is estimated to total \$200 to \$300 million, of which, \$60 million is for the curb ramps alone.

Staff recommends the following transition plan for barriers within the right-of-way:

- Update ramps with paving and street projects. Allocate \$240K/year. Require new development to update their frontages.
- Allocate \$500-600K/year on ramp upgrades. Staff would likely implement this through annual capital projects using a contractor to construct approximately 20 to 25 ramp per year. The first project currently under design is planned for construction in 2021 and includes:

- Repair sidewalk in front of Veteran's Park on Veterans Way
- Repair several panels on Veterans Way between 40th and 44th and install new ADA ramp at 40th
- Replace driveways along 176th between Hwy 99 and 44th
- The cost of this project is almost \$600K

- When notified of a problem, prioritize and act quickly

Lynnwood Sidewalk Maintenance

Responsibility for sidewalk maintenance in the City continues to be an unresolved issue. Both Lynnwood Municipal Code (LMC) and State law require homeowners to maintain sidewalk abutting their property. The City, however, has never exercised this authority to require adjacent property owners to make expensive repairs and prior City Councils have been hesitant to direct the administration to do so. The alternative would be for the City to accept the full responsibility of sidewalk maintenance. This would require a much greater level of funding that doesn't exist. Nonetheless, and under current codes the City has responsibility with respect to sidewalk trip hazards and meeting the requirements involved in providing accessible pedestrian walkways. The City is faced with navigating aging sidewalks (and our oldest sidewalks are now well over 50 years old) that require maintenance, the need to provide accessible routes, and determining how to implement maintenance.

With Lynnwood's oldest sidewalks now past 50 years old, the number of deficient sidewalks is increasing along with the risk to the City of lawsuit or other legal action. It is imperative that we decide how we will proceed in addressing this issue, either by enforcing private responsibility, or by the City accepting the responsibility and funding the necessary maintenance. Without a decision the condition of our sidewalks will continue to degrade and put the City at greater and greater risk.

Summary of Current LMC:

- LMC states that repair of sidewalks is the responsibility of the abutting property owner (after 10 years).
- Washington State RCW agrees with property owner being responsible.
- The only exception is where the City is responsible for the damage. This has been interpreted lately to include damage caused by City required street trees.

- RCW requires delivery of a notice to the property owner, then a Council hearing to allow an appeal. After that, if no action is taken, the City can have the work done and lien the property.

A review of other city sidewalk codes provided by AWC shows that most tend to mimic the state law. While LMC and RCW say the property owner is responsible, City attorneys tend to say that the City shares the responsibility for damages from trip/fall injuries.

Current Lynnwood practices:

- When notified by the public, trip hazards are ground or ramped. Some area-wide grinding has been done.
- Neighborhoods with crumbling sidewalks have been told that it is their problem.
- Informal cost sharing programs (resident removes tree and sidewalk, City pours new sidewalk) have been offered to several homeowners. Maybe two have accepted.
- Dealing with the culprit tree is often the most difficult issue. Its easier when the tree is in the right of way, but more difficult if its on private property.
- It is not known if Code Enforcement has ever required a property owner to fix a sidewalk.
- Public Works has never had "Sidewalk Money" to do large repair projects.
- \$50K/year of Transportation Benefit District funds are currently allocated for the street crew to do some minor ADA/sidewalk work.

Sidewalk Policy Proposal under current codes requiring property owners to fix

Note: City is always under the threat of a Department of Justice lawsuit which could require the city to spend everything it can afford on sidewalks and ramps.

Revise LMC:

- Keep it short
- Place the responsibility for repair and maintenance on the property owner
- Simply reference the RCW

Proposed Public Works Policy:

- Budget \$50,000/year (TBD) for Street Operations for grinding trip hazards, both systematically and by notice
- Pursue property owner repairs where necessary for safe pedestrian travel, bringing a list of properties to Council for a hearing, then pursuing property liens when the City had to perform the work
- Following City of Portland: When the city is notified of a trip hazard, staff will investigate the sidewalk for one block, corner to corner. All trip hazards 1" and under will be ground by the City. All larger repairs will be the responsibility of the property owner. If repairs are not accomplished within 180 days, the City will perform the work and lien the property.
- Any property owner performing repair work will have all permit costs waived

Options for City funded Sidewalk Repair Program if the City prefers to take the full responsibility:

The City of Ann Arbor, Michigan, has a voter-approved sidewalk mileage tax that generates \$560,000 or more per year for sidewalk repair and replacement. Prior to its approval, sidewalk maintenance responsibility fell to abutting property owners per the city's code requirements. The special property tax was seen as a more equitable and effective means to address sidewalk maintenance needs and was approved by over 60% of voters. As a result, the average household pays an additional \$13 per year in local taxes.

- Corvallis, Oregon, includes a "sidewalk maintenance fee" as part of residents' typical monthly utility bills. The \$0.80 monthly fee was determined by the average yearly cost to repair defective sidewalks (\$150,000). Prior to the imposition of the utility fee, property owners were billed directly for repairs to abutting sidewalks.

- Cheney, Washington, uses a voter-approved tax on electrical and natural gas services to fund maintenance sidewalks (as well as residential streets). The four percent tax generates roughly \$380,000 annually and this dedicated funding paid for the repair of nearly 18 miles of existing residential streets and nearly six miles of existing residential sidewalks over 14 years.

Possible Revisions to Community Development Policy:

- Require the inspection and repair of sidewalks as a condition of the sale for any property fronting on a sidewalk.
- Building Official will require any broken/disjointed sidewalk to be repaired when a tenant improvement permit is obtained.

PREVIOUS COUNCIL ACTIONS:

Business Meeting, March 13, 2017, 90.1-D, Consultant Contract authorization, Lynnwood ADA Self-Evaluation and Transition Plan

FUNDING:

Transportation Benefit District Fund 150

KEY FEATURES AND VISION ALIGNMENT:

The Lynnwood Community Vision states that the City is to "be a welcoming city that builds a healthy and sustainable environment."

The Lynnwood ADA Self-Evaluation and Transition Plan project supports that vision and results in an important improvement to the City's infrastructure that links City of Lynnwood programs, policies, comprehensive plans, mission, and ultimately the Community Vision. The project provides a Plan for welcoming community members needing accommodation to participate in the City's programs.

DOCUMENT ATTACHMENTS

Description:	Type:
Power Point	Backup Material

COMPONENTS OF TRANSPORTATION

Operations and Maintenance

Traffic Signal Maintenance

- Traffic operations center
- Signal timing
- Routine maintenance

Street Maintenance

- Potholes/Crack sealing
- Striping/Signs
- Vegetation Control 9/8/20

Pavement Program

- Chip seal
- Overlays

ADA Program/Sidewalks

- ADA Transition Plan 9/21/20
- Sidewalk maintenance/repair 9/21/20

Traffic Signal Rebuild Program

- signal poles
- cabinets
- wiring
- push buttons

New Capital Projects

Nonmotorized

- New sidewalks/trails
- Bike lanes

Transportation Capital Projects

- Capacity
- Safety
- Economic

Funding

- Traffic Impact Fees
- Transportation Benefit District
- Grants
- Real-Estate Excise Tax
- Economic Development Investment Fund
- City general funds

Traffic Planning/Policy

- Growth forecasting/modeling
- Level of Service
- Traffic Safety Plan
- Complete Streets Policy
- Active Transportation Plan
- Park Access Study
- School Safety Study 9/16/20

1-5

Red dates represent dates discussed with Council

THE AMERICANS WITH DISABILITIES ACT (ADA):

is a civil rights law that mandates equal opportunity for individuals with disabilities.

- Title I – Employment
- **Title II – Public transportation, state and local government services**
- Title III – Places of public accommodations
- Title IV – Telecommunications
- Title V - Miscellaneous



AS A PUBLIC AGENCY THE CITY OF LYNNWOOD IS REQUIRED TO:

- Produce an ADA self-evaluation and transition plan
- Identify a person to oversee title II implementation
- Publish a notice and grievance procedure for accessibility complaints
- Continue to remove accessibility barriers and document progress
- Include people with disabilities in the preparation of the plan



ADA SELF-EVALUATION AND TRANSITION PLAN REQUIREMENTS

§ 35.105 Self-Evaluation

- Evaluate services, policies, and practices
- Identify modifications

§ 35.150 (d) Transition Plan

- List barriers and identify solutions
- Establish a timeline for removing barriers
- Identify the person responsible for title II compliance

Engaging the Public § 35.105 and § 35.150 (d)

- Involve people with disabilities to participate in the self-evaluation process and preparation of the transition plan.



ADA SELF-EVALUATION AND TRANSITION PLAN PROJECT PROCESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-9



PROJECT PROCESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-10



ENGAGE THE PUBLIC



I-11

EVALUATE



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-12



EVALUATE CITY PROGRAMS, POLICIES, AND ACTIVITIES

Lynnwood Municipal Code

Search Code

Go

+ Advanced Search

- Contents

Click the **plus (+)** or **minus (-)** symbols to expand or collapse the entries. Click the **checkboxes** to select sections for saving or printing.

Amended marks sections affected by interim ordinances.

Print/Save Selections

Clear all

+ ☐ Title 1 GENERAL PROVISIONS

+ ☐ Title 2 ADMINISTRATION AND PERSONNEL

+ ☐ Title 3 FINANCE

- ☐ Title 4 (Reserved)

+ ☐ Title 5 BUSINESS REGULATIONS AND LICENSES

- ☐ Title 6 ANIMALS

Title 21 ZONING
Ch. 21.18 OFF-STREET PARKING

2016, Ord. 2730 § 1, 2008, Ord. 2020 § 3, 1994, Ord. 478 § 1, 1989, Ord. 190 Art. XI § 11.4, 1984)

21.18.700 Parking lot development standards.

A. Fire Access.

1. All parking lots shall be designed with fire access and fire lanes in accordance with Chapter [9.06](#) LMC.

2. It is at all times the responsibility of the property owner to maintain fire lanes in accordance with Chapter [9.06](#) LM

B. Stall and Aisle Specifications.

1. All parking stalls and aisles shall be designed according to the "Minimum Standards for Off-Street Parking" tables angles other than those shown is permitted, provided the width of stalls and aisles is adjusted by interpolation betw

2. Parking shall be designed so vehicles need not back onto public streets.

3. Where tandem parking is allowed by this chapter, the "D" figure in the stall and aisle specifications for single stall

C. Compact Car Parking (also see LMC [21.18.820](#)).

1. In sites with 10 or more stalls, up to 20 percent of the number of stalls required by this chapter may be designed

2. Compact stalls shall be restricted to, and signed or marked for, employee, student or resident use only. Parking s Pavement markings, if used, must be maintained in a clear and readable condition.

3. Stalls provided in excess of the minimum number required by this chapter may be compact stalls.

4. Compact stalls shall be clearly designated for compact use only with signs and pavement markings

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EVALUATE CITY PROGRAMS, POLICIES, AND ACTIVITIES

3. ACCESSIBLE/ADAPTIVE EQUIPMENT

7. Do you allow members of the public to use electronic equipment such as cell phones, etc.?

- ☐ Yes
- ☐ No
- ☐ Don't know
- ☐ Not applicable

If yes, please describe the electronic equipment the public is allowed to use.



Americans with Disabilities Act Title II Regulations

Nondiscrimination on the Basis of Disability
in State and Local Government Services

Prev

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Department of Justice
September 15, 2010

0



SELF-EVALUATION REPORT

- Accessible/adaptive equipment
- Customer service
- Notice requirements
- Printed information
- Televised and audiovisual information
- Website
- Telephones and communication devices
- Training and staffing
- Program participation
- Public meetings
- Transportation services
- Tours and trips
- Contracting, licensing, or other arrangements
- Emergency evacuation procedures
- Facilities
- Special events and private events on public properties



ASSESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

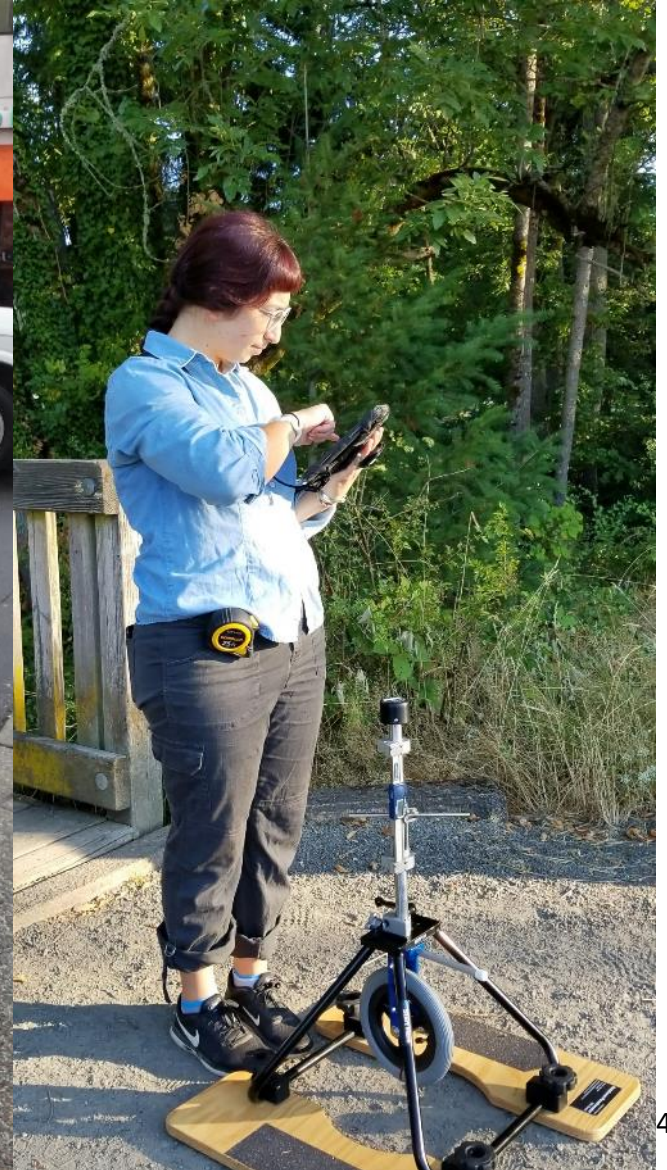
I-17



ASSESS CITY FACILITIES



1-18



ASSESS CITY BUILDINGS, PARKS, AND TRAILS



4 - 6 Walk

Regrade surface

Notes: Running slope of asphalt is up to 10.3% (5.0% max) for 96 linear feet.

ADA: 403.3

Other: -

4 - 7 Walk

Regrade surface

Notes: Cross slope of asphalt is up to 5.5% for 42-'

ADA: 403.3

Other: -

7 - 1 Hazard

Reduce or eliminate opening

Notes: A storm drain is located in parking space with

ADA: 302.3

Other: -

29 - 1 Game and Sports Area

Provide an accessible path of travel

Notes: An accessible route to the basketball court is provided. The basketball court is 21 linear feet over grass.

ASSESS CITY BUILDINGS, PARKS, AND TRAILS

Table 1. ADA Accessibility Barrier Types at City Parks

Location Name	Assembly Areas	Doors/Gates	Drinking Fountains	Hazards	Outdoor Constructed Features	Parking/Passenger Loading	Paths of Travel*	Picnic/Eating Areas	Play Equipment/ Game/Sports Areas	Restrooms	Signs	Other
Daleway Park		●	●		●	●	●	●	●	●		
Gold Park					●	●	●	●				
Heritage Park		●	●	●	●	●	●	●		●	●	●
Lynndale Park and Off-leash Dog Area	●	●	●	●	●	●	●	●	●	●		●
Maple Mini Park					●		●	●	●			
Meadowdale Park		●	●		●	●	●	●	●	●		
Meadowdale Playfields				●	●	●	●	●	●			●
Municipal Golf Course		●	●			●	●			●		
North Lynnwood Park		●	●		●	●	●	●	●	●		
Pioneer Park			●		●	●	●	●	●			●
Scriber Creek Park					●	●	●	●				●
Scriber Lake Park		●	●	●	●	●	●	●		●		●
South Lynnwood Park		●	●		●		●	●	●	●		
Sprague's Pond Mini Park				●	●	●	●	●	●			
Spruce Park		●	●	●	●	●	●	●	●	●		

I-20



ASSESS CITY RIGHT-OF-WAY FACILITIES

Table 3.4: Curb Ramp Priority Matrix

		ADA 35.150(d) Geospatial Proximity Priorities*				
		A	B	C	D	E
Priorities (Category)	Priority Description	Location of Citizen ADA Complaint and/or Request	Location Serving Government Offices & Public Facilities	Location Serving Transportation	Location Serving Commercial Districts, Employers	Location Serving Other Areas
1	See Category 1 Description	High Priority A1	B1	C1	D1	E1
2	See Category 2 Description	A2	B2	C2	Medium Priority D2	E2
3	See Category 3 Description	A3	B3	C3	D3	E3
4	See Category 4 Description	A4	B4	C4	Low Priority D4	E4
5	No deficiencies identified	A5	B5	C5 I-21	D5	E5

*The priorities listed under columns B, C, D, and E are specified under title II 28 CFR § 35.150 (d)

PRIORITIZE AND SCHEDULE



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-22





PRIORITIZE AND SCHEDULE



Focus Group Prioritization



Facility Prioritization Work Session



ROW Prioritization Work Session



ADA Implementation Data



PRODUCE PLAN



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan^{I-24}





PRODUCE PLAN



Prepare Draft
ADA Self-Evaluation and Transition Plan



Meet with City Staff to Review Plan



Create Public Review Draft



Collect Public Comment



Prepare Final Plan

RIGHT-OF-WAY FINDINGS

The self assessment identified the following non-compliant facilities:

- **2,800 Curb ramps (city responsibility)**
- **137 Miles of sidewalk (adjacent property responsibility)**
- **5,528 Driveways (adjacent property responsibility)**

Cost for full compliance (estimated):

\$60 Million for curb ramps alone (city responsibility)

\$200-300 Million total



RISK TO THE CITY

Since 2015:

- The City has received 13 claims alleging that injuries were caused by substandard **ADA** facilities
- Three claims were settled for payments
- One claim is pending
- The other claims did not result in any monetary payment

Other cities and agencies:

- Have had lawsuits filed against them to enforce the **ADA's** requirements
- Some have entered into settlements that require them to replace approximately 1200 to 1500 curb ramps per year for 12 to 18 years (larger agencies)

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RIGHT-OF-WAY RECOMMENDATIONS

Progress is key!

- **Update ramps with paving and street projects. This is ~\$240K/year.**
- **Require new development to update their frontage**
- **Spend ~\$500K/year on ramp upgrades**
- **When notified of a problem, prioritize and act quickly**





SIDEWALK REPAIR DRIVERS

- ADA requires the City to have all sidewalks and ramps meet current standards
- A disabled sidewalk user could sue the City for failing to provide accessible right of way improvements
- While LMC states that sidewalk repair is the responsibility of the adjacent property owner, Washington courts have included cities as responsible parties



CURRENT SIDEWALK POLICY

- LMC and RCW state that adjacent property owner is responsible for sidewalk
- City grinds trip hazards when notified
- City has done minor amounts of pre-emptive grinding
- Trees often are the cause of sidewalk failure and have to be dealt with as a part of panel replacement
- City has an informal policy of sharing costs for replacement, but few have participated



SIDEWALK POLICY PROPOSAL UNDER CURRENT CODES

- Spend ~\$50K/yr on grinding trip hazards
- When notified of a problem, assess repair to property owners, and lien property if they fail to effect the repair



CITY FUNDED SIDEWALK REPAIR POSSIBILITIES

- Special property tax
- Create “sidewalk utility” and bill monthly
- Designate a portion of utility tax
- Require homeowners to repair any damaged sidewalk upon sale of home

THANK YOU!

ADA Self-Evaluation and Transition Team Workgroups

RIGHT-OF-WAY WORKGROUP:

- Les Rubstello, Deputy Directory, Public Works
- David Mach, City Engineer, Public Works
- Amie Hansin, Civil Engineer, Public Works

PARKS & TRAILS WORKGROUP:

- Sarah Olson, Deputy Director, Parks and Recreation
- Eric Peterson, Parks Maintenance Superintendent, Parks and Recreation
- Monica Thompson, Senior Park Planner, Parks and Recreation

BUILDINGS WORKGROUP:

- Marcie MacQuarrie, Public Works Manager, Public Works
- Johnie Dunn, Buildings O&M Superintendent, Public Works
- Joel Faber, Recreation Superintendent, Parks and Recreation

POLICIES & PROGRAMS WORKGROUP:

- Julie Moore, Public Affairs Officer, Executive
- Curt Russell, ADA Coordinator/Safety Officer, Human Resources
- Evan Chinn, Human Resources Director, Human Resources
- Karen Fitzthum, Assistant Director Treasury, Administrative Services
- Marcie MacQuarrie, Public Works Manager, Public Works



CITY COUNCIL ITEM J

CITY OF LYNNWOOD Community Development

TITLE: Update- Housing Action Plan

DEPARTMENT CONTACT: Kristen Holdsworth, AICP

SUMMARY:

The City received a \$100,000 grant to develop a Housing Action Plan. The following work session is to update City Council on activities to date. At this meeting staff will present the Housing Needs Assessment, which is a report that identifies existing and future housing needs. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. The Housing Needs Assessment will serve as a foundation for policy recommendations in the Housing Action Plan.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

There are no immediate policy questions right now. Future policy questions and actions may be needed as this plan progresses.

ACTION:

To review the Housing Needs Assessment report and provide an opportunity for Council input regarding the Housing Action Plan.

BACKGROUND:

In Fall 2019, the City of Lynnwood applied for and received a \$100,000 grant from the Department of Commerce (under ES2HB 1923) to develop a Housing Action Plan. The Housing Action Plan will be a strategy and implementation document to comprehensively ensure that a variety of housing is available and affordable for people of all income levels in Lynnwood. The Plan will address current housing needs as well as those of the projected future population.

The project scope is summarized as follows:

- Deliverable 1: Project Purpose Statement (Complete). This task included a project kick-off meeting with the consultants and the establishment of a common understanding of the project.
- Deliverable 2: Existing Conditions and Needs Analysis Reports (Ongoing). This task includes a Housing Needs Assessment (HNA) to identify future housing needs to serve all segments of the community. It will also include a review of the City's existing policies and programs to identify what is working and where gaps exist.
- Deliverable 3a: Public Engagement Plan (Complete). This task includes the creation of a Public Engagement Plan to identify robust opportunities for feedback from Lynnwood's diverse community members. The Public Engagement Plan will be utilized throughout the duration of the project.
- Deliverable 3b – Project Goals and Objectives (Expected September 2020). This task will combine feedback from the Existing Conditions and Needs Analysis Reports (Deliverable 2) to identify the draft Housing Action Plan's goals and objectives.
- Deliverable 4 – Draft Housing Action Plan (Expected January 2021). This task will develop strategies to increase housing supply and preserve naturally occurring affordable housing. Strategies will increase affordability, stabilize or reduce housing costs, and minimize displacement.
- Deliverable 5 – Final Housing Action Plan (Adopted June 2021). This task will include revisions to the draft Housing Action Plan.

Staff will continue to schedule periodic briefings with Planning Commission and Council throughout the project to provide updates and seek input. The final Housing Action Plan will be presented to Council for adoption in 2021.

PREVIOUS COUNCIL ACTIONS:

Council reviewed the Lynnwood Housing White Paper in July 2019. In late 2019 Council established the Council Housing Policy Committee. Council has received updates at the 2020 Council Retreat, through an FYI memo on June 1, 2020, a presentation on August 3, 2020, and via participation on the Council's Housing Policy Committee.

FUNDING:

Funding for this project is provided through a Department of Commerce \$100,000 grant. The grant funding began in February 2020 and ends June 2021. As a condition of the grant, if the City does not adopt a Housing Action Plan by June 2021 it will forfeit \$30,000 dollars in reimbursement of consultant work.

KEY FEATURES AND VISION ALIGNMENT:

- To be a welcoming city that builds a healthy and sustainable environment.
- To be a cohesive community that respects all citizens.
- To be a city that is responsive to the wants and needs of our citizens.

ADMINISTRATION RECOMMENDATION:

No administrative recommendation is needed at this time.

DOCUMENT ATTACHMENTS

Description:	Type:
Staff Memo	Memo
Presentation	Presentation
Draft Housing Needs Assessment	Report

Topic: Update - Housing Action Plan**Staff Memo**

- ☐ Public Hearing
- ☒ Work Session
- ☐ Other Business
- ☐ Information
- ☐ Miscellaneous

Staff Contact: Kristen Holdsworth, AICP, Senior Planner, Community Development

This memo provides an update on efforts for Lynnwood's Housing Action Plan that have occurred since staff last presented to Council at the August 3, 2020 Work Session. At the upcoming September 21, 2020 Council meeting staff will present the draft Housing Needs Assessment report and provide updates on public outreach and engagement efforts.

Housing Action Plan Background

In Fall 2019, the City of Lynnwood applied for and received a \$100,000 grant from the Department of Commerce (under ES2HB 1923) to develop a Housing Action Plan. The Housing Action Plan will recommend a series of policies that ensure a variety of housing is available and affordable for people of all income levels in Lynnwood. The Plan will address current housing needs as well as those of the projected future population.

The Department of Commerce grant funding began in February 2020 and ends June 2021. As a condition of the grant, if the City does not adopt a Housing Action Plan by June 2021 it will forfeit \$30,000 dollars in reimbursement of consultant work.

Housing Needs Assessment

A Housing Needs Assessment is a report that identifies existing and future housing needs to serve all economic segments of the community. The report includes summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. The Housing Needs Assessment (in addition to community engagement and other research) serves as a foundation for identifying strategies and solutions in the Housing Action Plan.

Our project consultants (BERK) have provided a draft Housing Needs Assessment, which is available for community review and feedback through our Open House.

The Housing Needs Assessment reveals Lynnwood's declining housing affordability and a lack of choice for housing types within the local housing stock. At the upcoming Council work session staff will present a summary of the Housing Needs Assessment, including key findings and gaps in Lynnwood's housing stock.

Key findings are summarized below:

1. **Almost 40% of households in Lynnwood are cost-burdened.** In comparison, 33% of households in Snohomish County are cost-burdened. HUD defines cost-burdened households using a percentage of income spent on housing or those "who pay more than 30 percent of their income for housing." Cost-burdened households often find it harder to afford necessities such as food, clothing, transportation, and medical care. In Lynnwood, rates of cost burden are uneven, with the highest cost burdens among households with lower incomes, renters, and adults over 62.
2. **Housing costs are rising much faster than incomes.** With limited supply and increasing demand, home values have dramatically risen over the past eight years (2010-2018). Since 2010 Lynnwood home values have increased by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation. Today, less than 30% of current renters and homeowners can afford the purchase of an averaged priced home in Lynnwood without cost burden.
3. **Many renter households qualify for housing assistance but lack access to subsidized housing.** Overall, 61% of Lynnwood households are considered low-, very low-, or extremely low-income by regional income thresholds. These designations determine eligibility for income-restricted affordable housing units and rental assistance vouchers. Despite efforts by local housing authorities, many qualified households still cannot receive benefits. While Lynnwood has a high number of subsidized housing units, the need for this housing continues to be higher than available units.
4. **Homeownership is out of reach for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.** Homeownership is a key source of wealth creation and housing stability for households in the United States. The rates of homeownership among Whites and BIPOC vary widely in Lynnwood, with the largest disparities between White and Black residents. This reflects a legacy of structural policy issues and has significant implications for life outcomes and economic advancement.

5. **Residential patterns reveal that White and Black, Indigenous, and People of Color (BIPOC) residents live in largely separate communities.** The neighborhoods where a higher proportion of BIPOC residents live are more likely to be at risk of economic and cultural displacement.
6. **Lynnwood's current housing stock lacks housing type variety.** Single family homes comprise 49% of Lynnwood's housing stock and 84% of the residential land area. The majority of recent development was for 3,000+ square foot single family homes or larger multifamily (100+ unit) apartments. "Missing middle" housing refers to a diversity of residential housing options that transition between single family homes and high-rise apartments, such as cottage homes, duplexes, and townhomes.
7. **The pace of housing unit construction needs to accelerate to meet expected future demand.** The rate of housing unit production has increased in recent years but falls short of the needed rate to meet growth projections. The average annual production of housing units in Lynnwood from 2013 through mid-2020 was 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. A total of 9,826 additional housing units are needed between 2019 to 2044 to meet population growth.

Public Engagement and Outreach

The Housing Action Plan project consists of five main strategies for public engagement: 1) Outreach and Communications; 2) Community Stakeholder Engagement; 3) Boards and Commissions; 4) City Council; and 5) Coordination with Other Jurisdictions. (Previous staff reports to Council include additional details about each of these strategies).

On August 24, 2020, the City launched the Housing Needs Assessment Open House, which is the first official open house for this project. The Open House consists of two components: a website and meetings.

The Open House website includes project information, the Housing Needs Assessment report, a survey, and an interactive ideas wall where community members can share their ideas. The website can be accessed from the main project website (www.lynnwoodwa.gov/housingactionplan) or directly at (<https://makers.mysocialpinpoint.com/lynnwoodhap/ideas#/>).

On August 25 and 26, Community Development staff hosted two meetings in English to introduce the project, discuss the Housing Needs Assessment, and gather community input. The meetings were hosted via Zoom and also live

streamed to Facebook. Recordings of the meetings are available on the Open House website.

On September 22 and 23, Community Development staff will be hosting two additional meetings. The meetings will be conducted in Spanish (September 22) and Korean (September 23).

The Open House will continue through October 2, 2020.

Next Steps

- Open House #1 (Housing Needs Assessment) continues through October 2, 2020
- Council updates will continue throughout the plan's development (next Council update is scheduled for October 19, 2020)
- Open House #2 (Housing Strategies): late October – mid November
- The final Housing Action Plan will be presented to Council for adoption in 2021

Attachments

- Presentation
- Draft Housing Needs Assessment report



LYNNWOOD HOUSING ACTION PLAN

City Council Update

September 21, 2020




PROJECT OVERVIEW

J-8

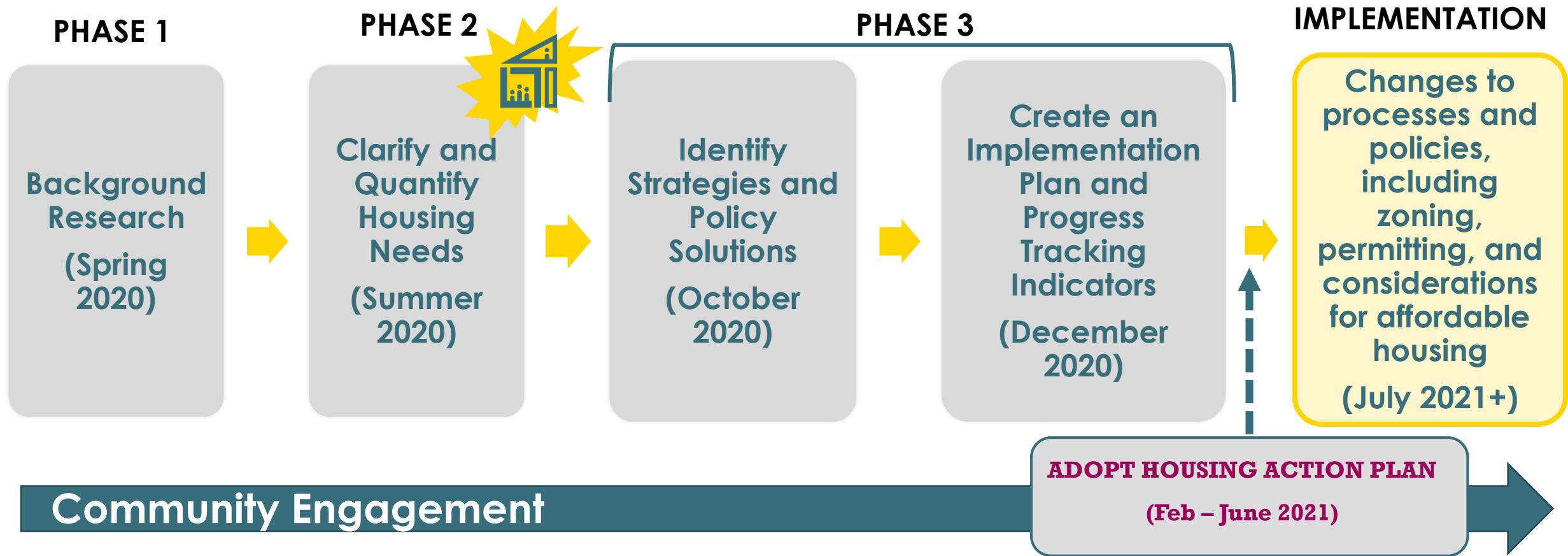
LYNNWOOD'S HOUSING ACTION PLAN IS :

- An actionable policy document that outlines how to meet Lynnwood's diverse housing needs.
- Based on data and analysis and vetted and informed through an inclusive and robust public process.
- A comprehensive approach to leverage resources and implement cohesive, effective, and feasible housing policies, programs, and strategies.
- Tailored to the housing needs of the Lynnwood community to ensure decent, safe, and affordable housing for all.




**Housing Action
Plan =
Strategic
Document**

Developing a Housing Action Plan



J-10



PHASE 2: HOUSING NEEDS ASSESSMENT

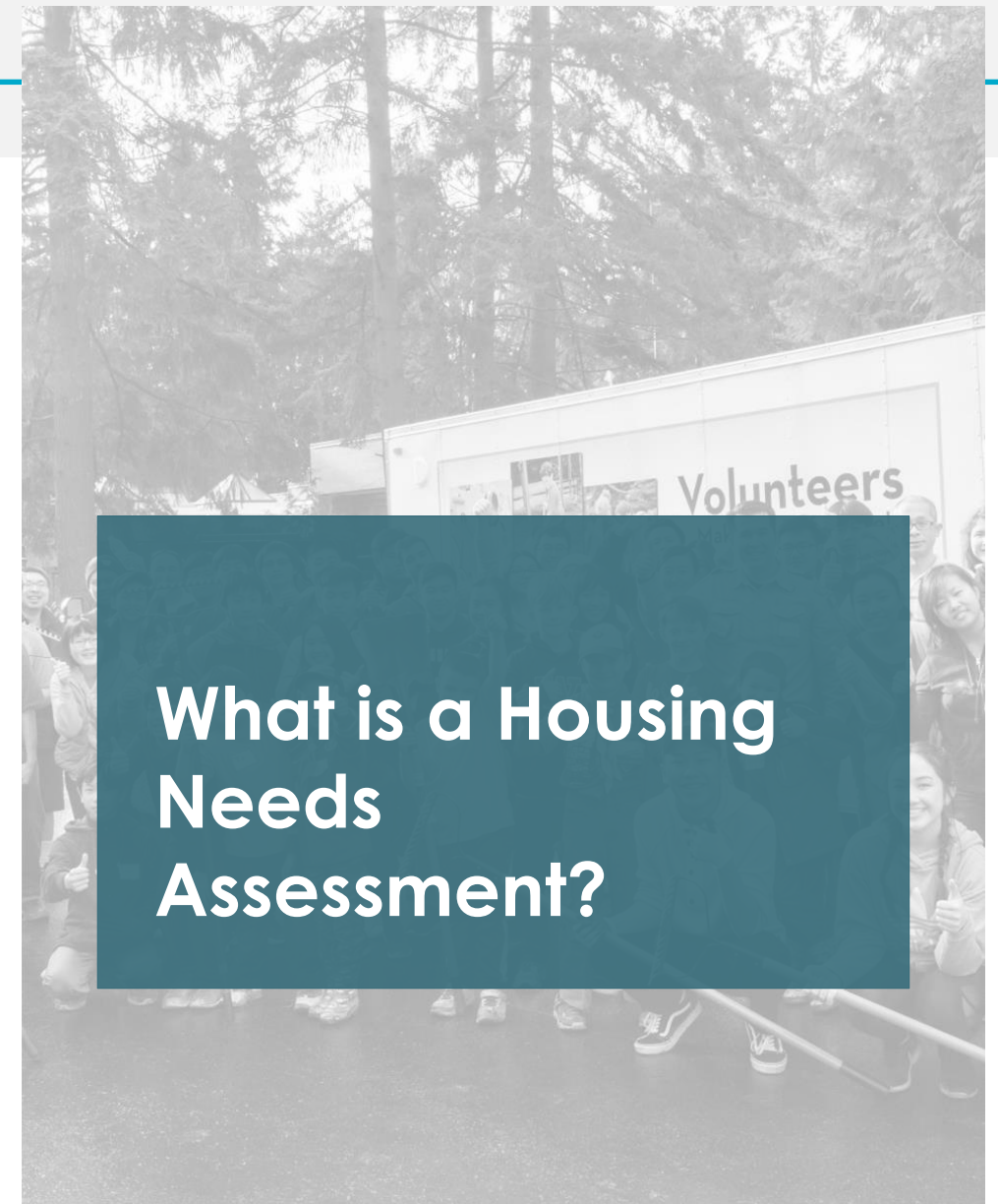
J-11

A housing needs assessment is a report to identify existing and future housing needs to **serve all economic segments** of the community.

Contains the following components:

1. Population characteristics
2. Housing Inventory
3. Workforce Profile
4. Gaps

J-12



Housing Affordability

Housing costs
no more than
30%
of a household's income



*Housing affordability
does not necessarily mean
subsidized or public housing*

Image Sources: Brighter Images Photography

HOUSING AFFORDABILITY EXAMPLE

Household Income: \$3,000/month (\$36,000/year)

Potential Housing Costs (Rent or Mortgage + Utilities):



\$600/month



Less than 30%, Affordable Housing



\$1,000/month



More than 30%, **Cost Burdened**



\$1,800/month



More than 50%, **Severely Cost Burdened**

J-14

As of 2016, 2 in every 5 households in Lynnwood are cost burdened*



**Severely
Cost Burdened**



Cost Burdened



**This number is likely higher now due to increased housing costs and the impacts of Coronavirus*

Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates), BERK, 2020.

Why Does Housing Affordability Matter?



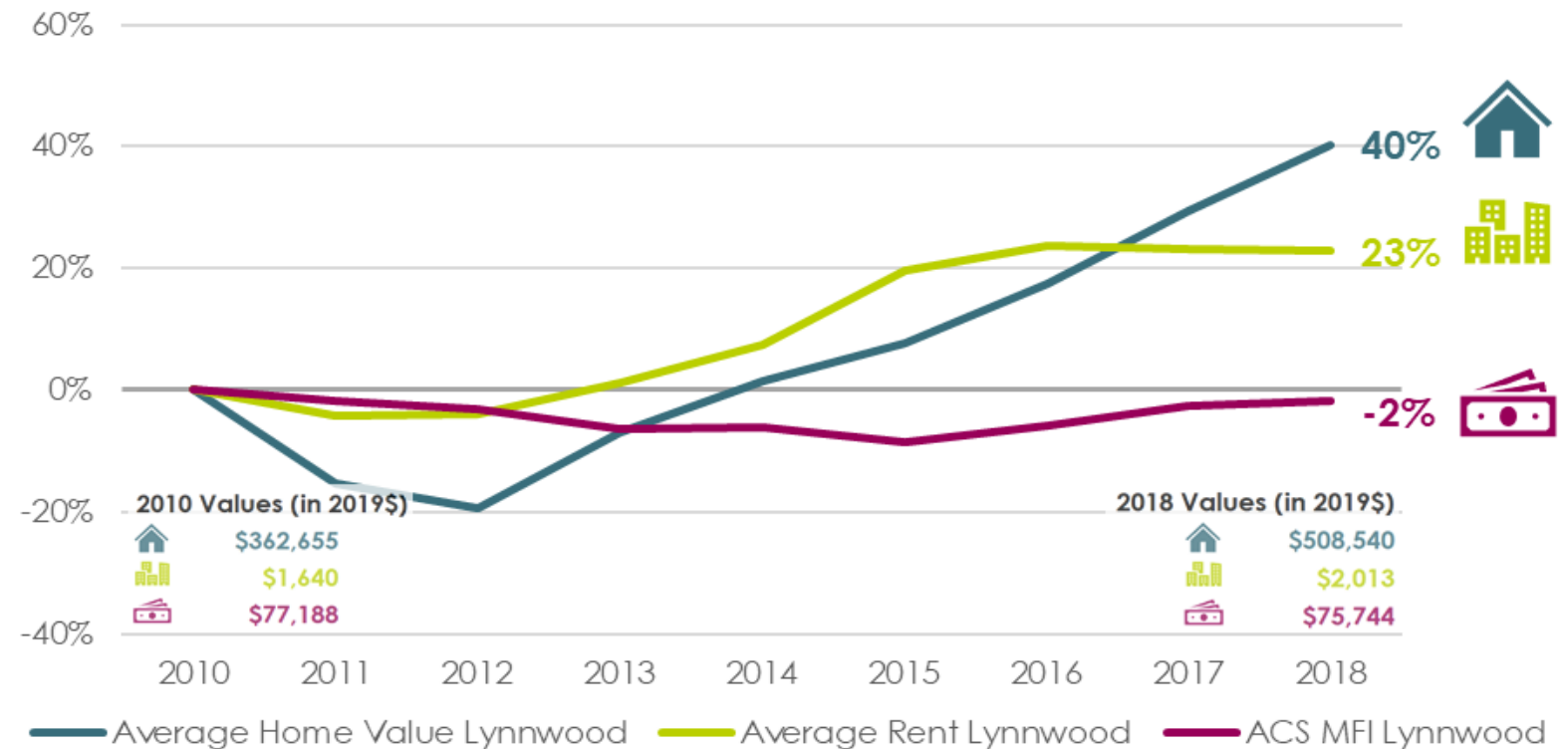
Image Sources: Brighter Images Photography

J-16

Housing Costs are Rising Faster than Incomes

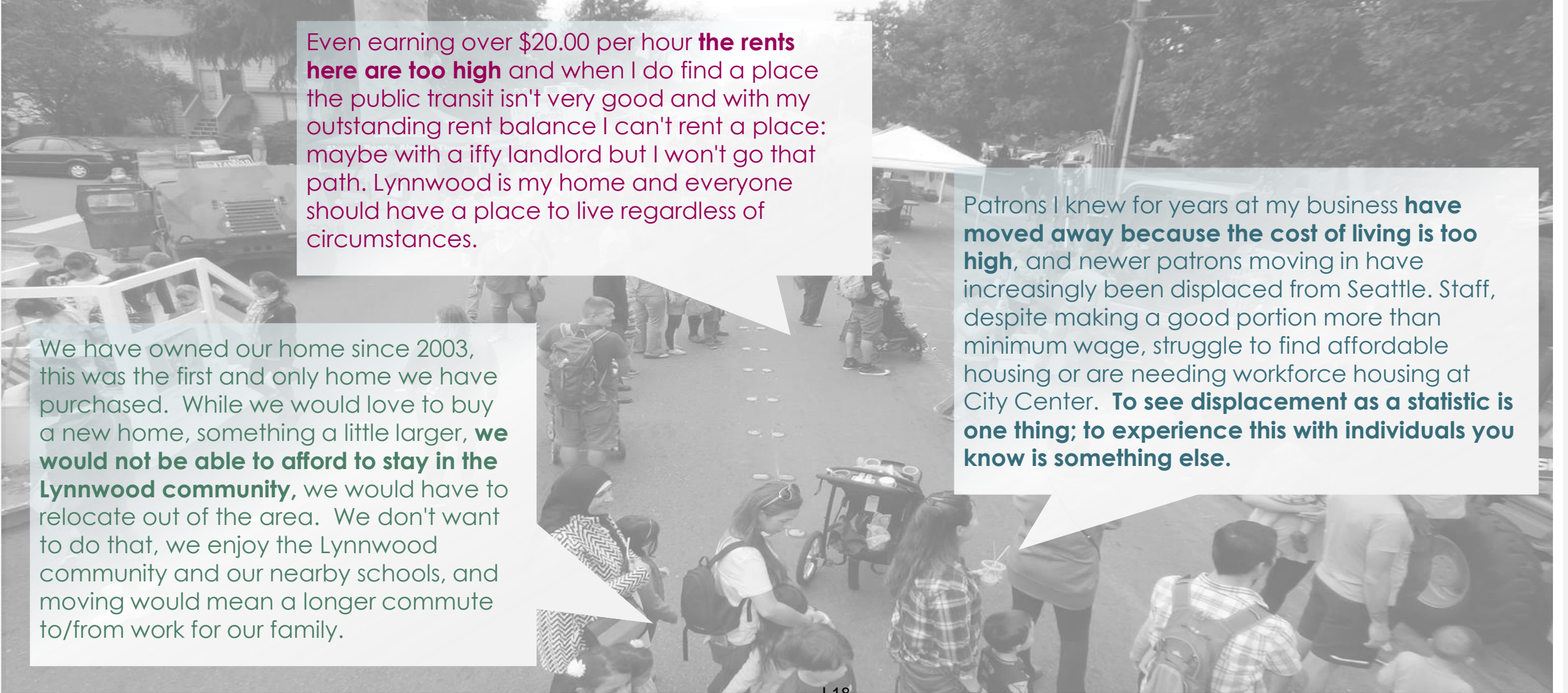
In the past decade, the central Puget Sound region has grown in jobs and population and continues to experience a housing affordability crisis.

Since 2010 Lynnwood home values have increase by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.



Sources: Zillow, 2020; ACS Income 5-year estimates (Table S1901) 2010 - 2018; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 - 2019; BERK, 2020.

J-17



Even earning over \$20.00 per hour **the rents here are too high** and when I do find a place the public transit isn't very good and with my outstanding rent balance I can't rent a place: maybe with a iffy landlord but I won't go that path. Lynnwood is my home and everyone should have a place to live regardless of circumstances.

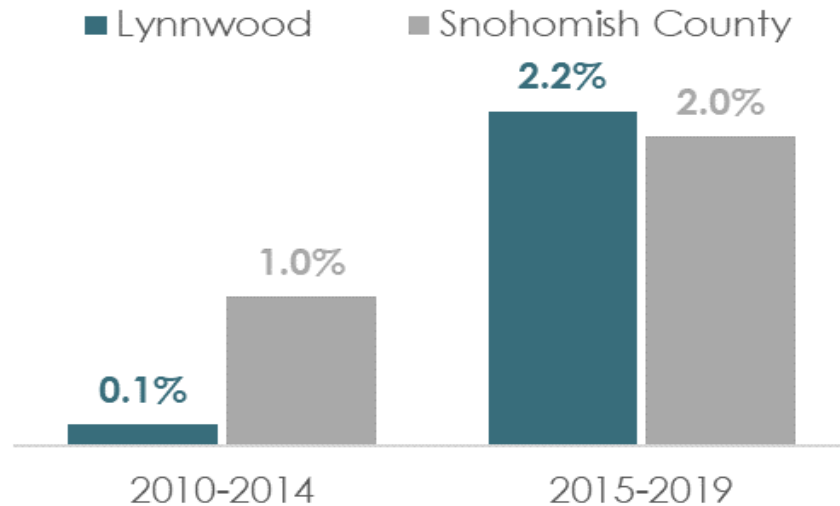
We have owned our home since 2003, this was the first and only home we have purchased. While we would love to buy a new home, something a little larger, **we would not be able to afford to stay in the Lynnwood community**, we would have to relocate out of the area. We don't want to do that, we enjoy the Lynnwood community and our nearby schools, and moving would mean a longer commute to/from work for our family.

Patrons I knew for years at my business **have moved away because the cost of living is too high**, and newer patrons moving in have increasingly been displaced from Seattle. Staff, despite making a good portion more than minimum wage, struggle to find affordable housing or are needing workforce housing at City Center. **To see displacement as a statistic is one thing; to experience this with individuals you know is something else.**

J-18

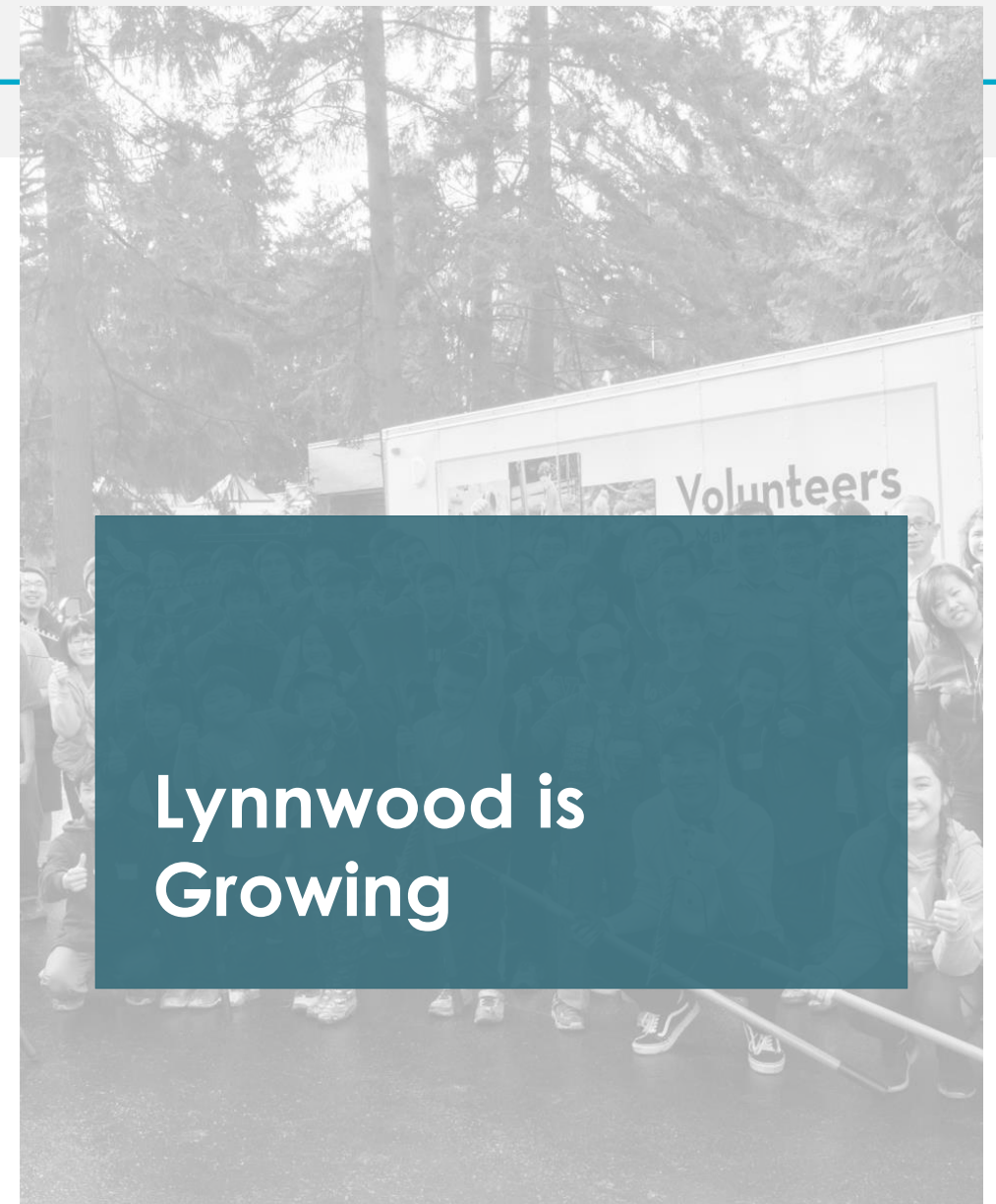
Lynnwood's population growth rate accelerated in the 2015-2019 period. **Housing policy action today will help Lynnwood continue to grow and adapt to community needs in the coming decades.**

Average Annual Population Growth Rates, 2010-2019.

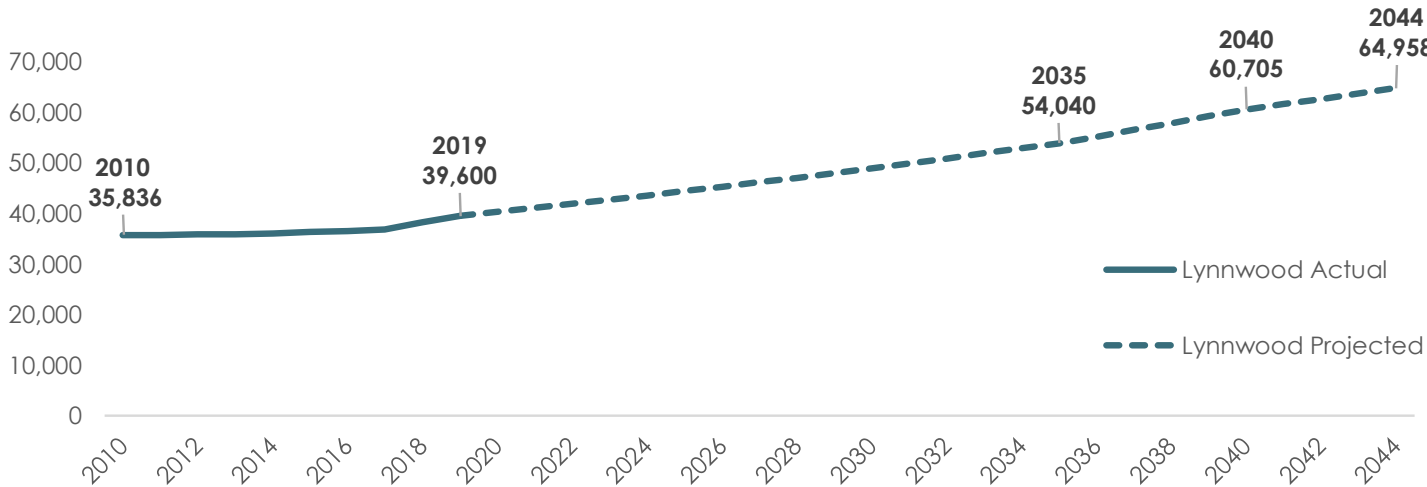


Sources: WA Office of Financial Management, 2019; BERK, 2020.

J-19



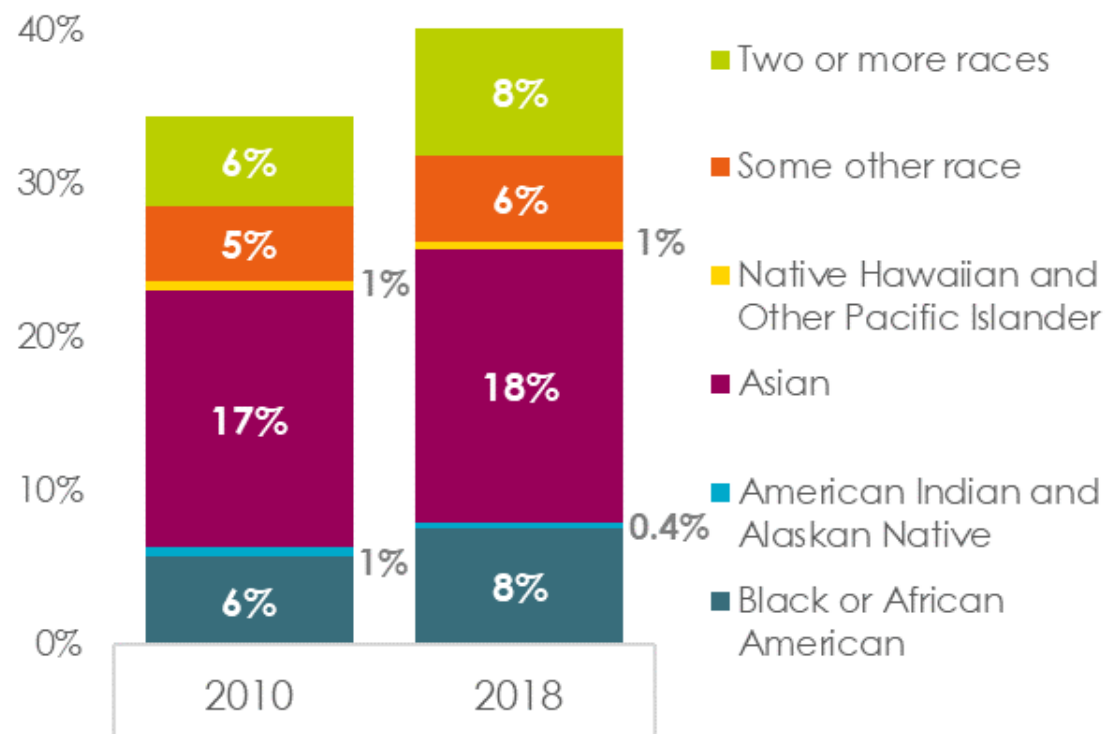
In 2019, Lynnwood had a population of 39,600 people living in roughly 16,350 households. In addition to surrounding regional growth, **Lynnwood is estimated to grow to a population of nearly 65,000—roughly 26,178 households—by 2044.**



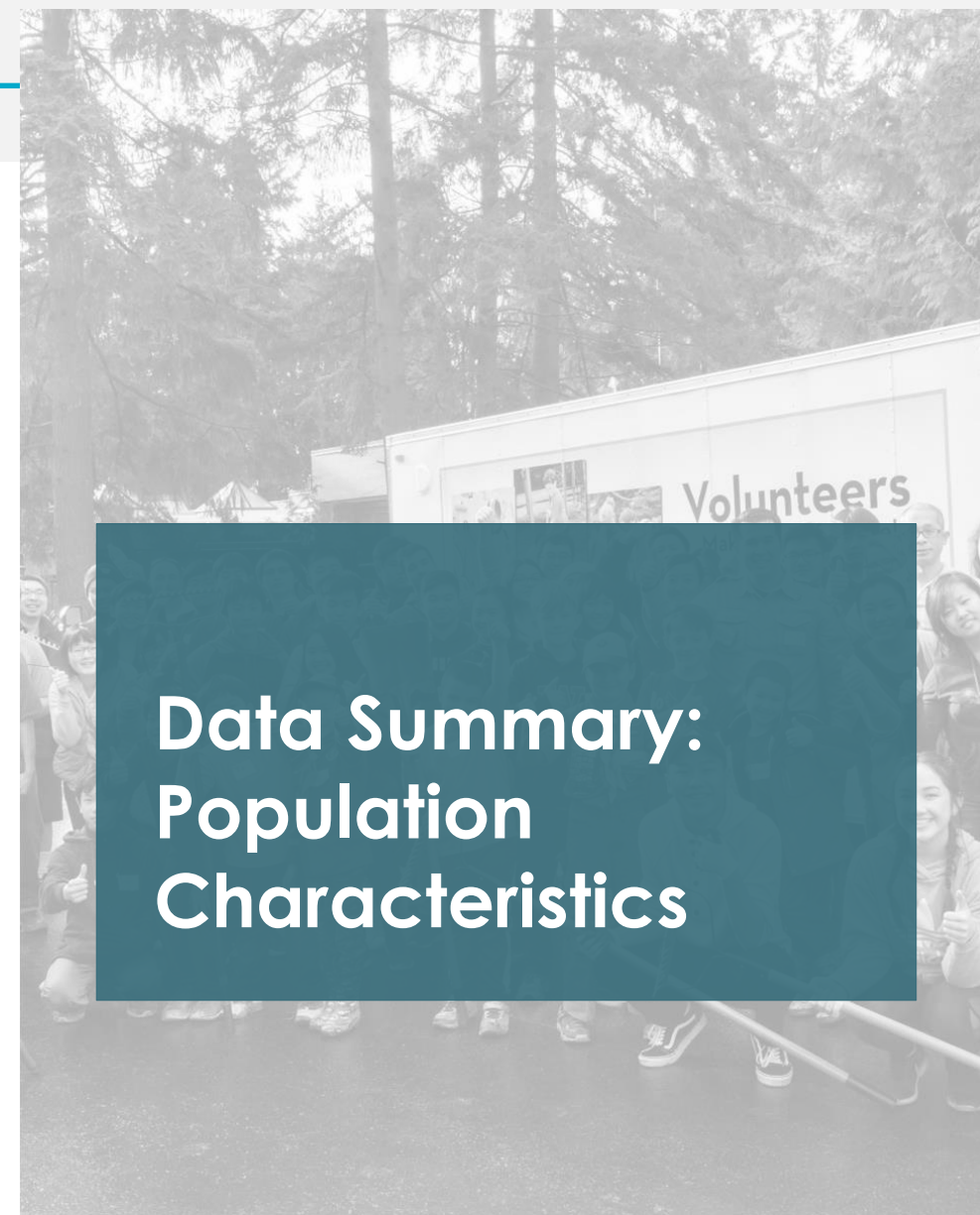
Sources: WA Office of Financial Management, 2019; City of Lynnwood Comprehensive Plan, 2015; PSCR Land Use Vision version 2, 2017; PSCR Draft VISION 2050 Plan (December 2019); Multicounty Planning Policies - Regional Growth Strategy, 2019; BERK, 2020

HOUSING FOR ALL.

Lynnwood is becoming more racially and ethnically diverse. This chart shows Lynnwood's population by race, reflecting an overall 6% increase in the non-White Alone population since 2010. The increase is proportionally highest among residents identifying as Black or African American and Two or more races.



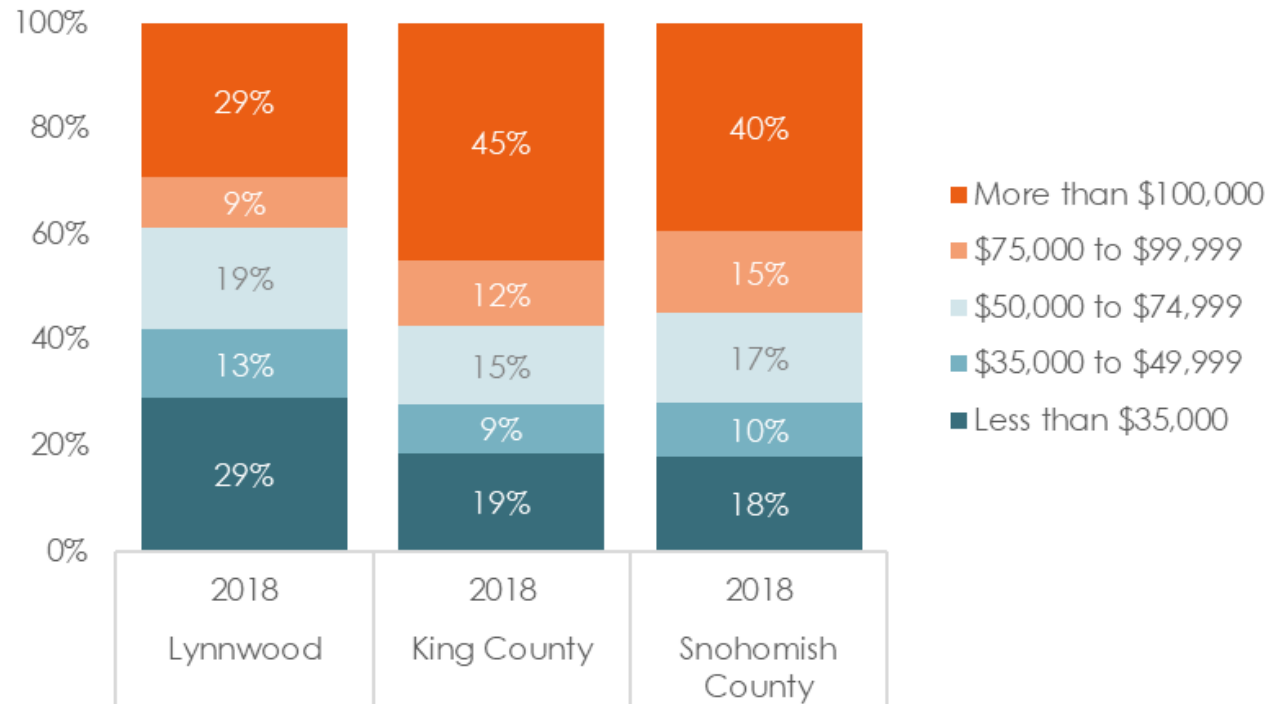
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Data Summary: Population Characteristics

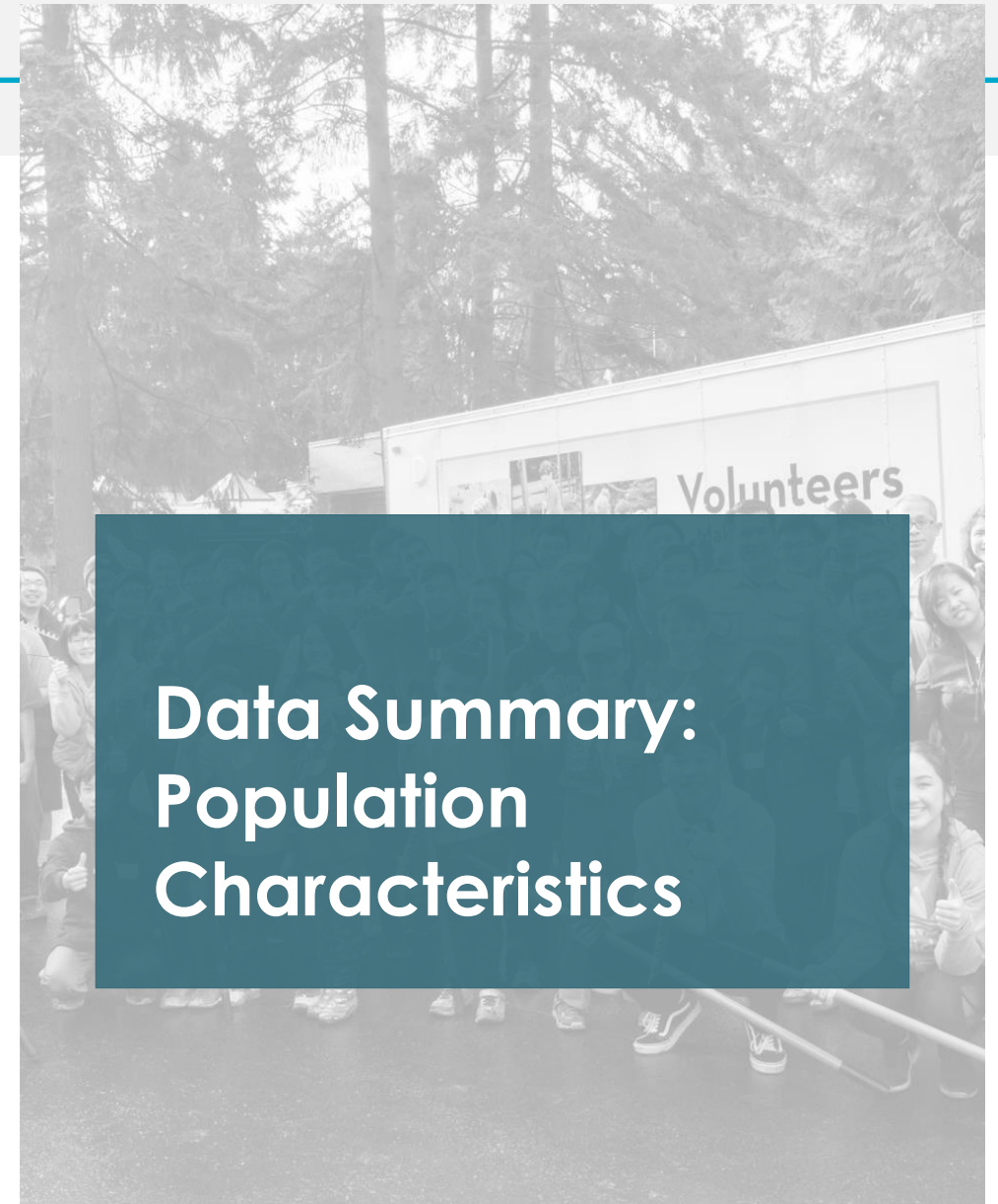
Sources: American Community Survey B02001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Relative to Snohomish and King counties, **Lynnwood has a higher proportion of residents with incomes lower than \$35,000 and a lower proportion of residents with incomes over \$100,000.**



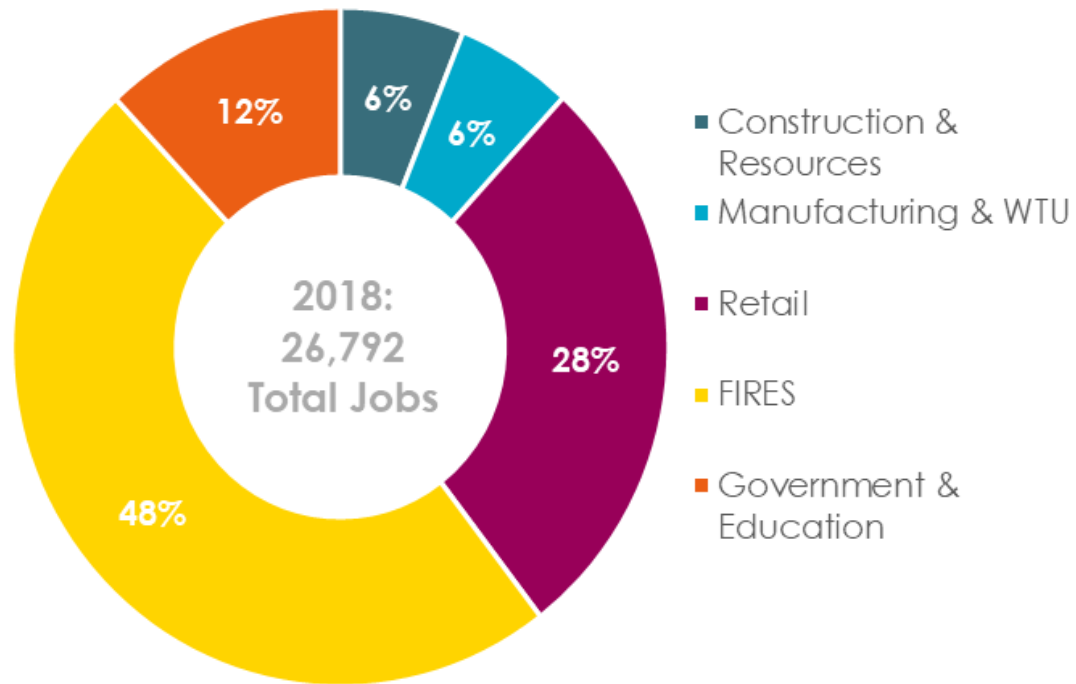
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Sources: American Community Survey B19001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

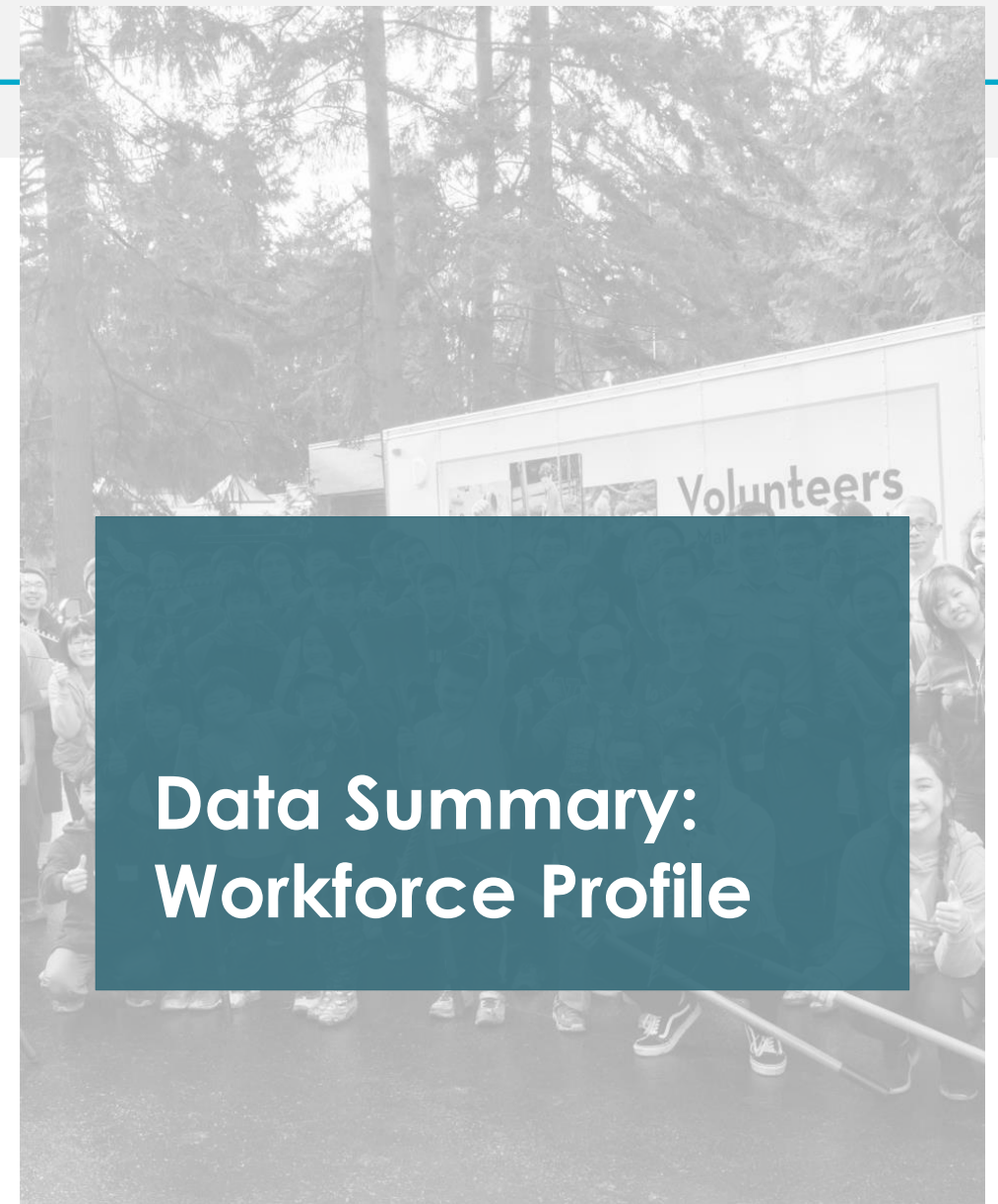


Data Summary: Population Characteristics

Employment in Lynnwood is highest in the Finance, Insurance, Real Estate, and Services (FIRES) sectors, followed by Retail employment.



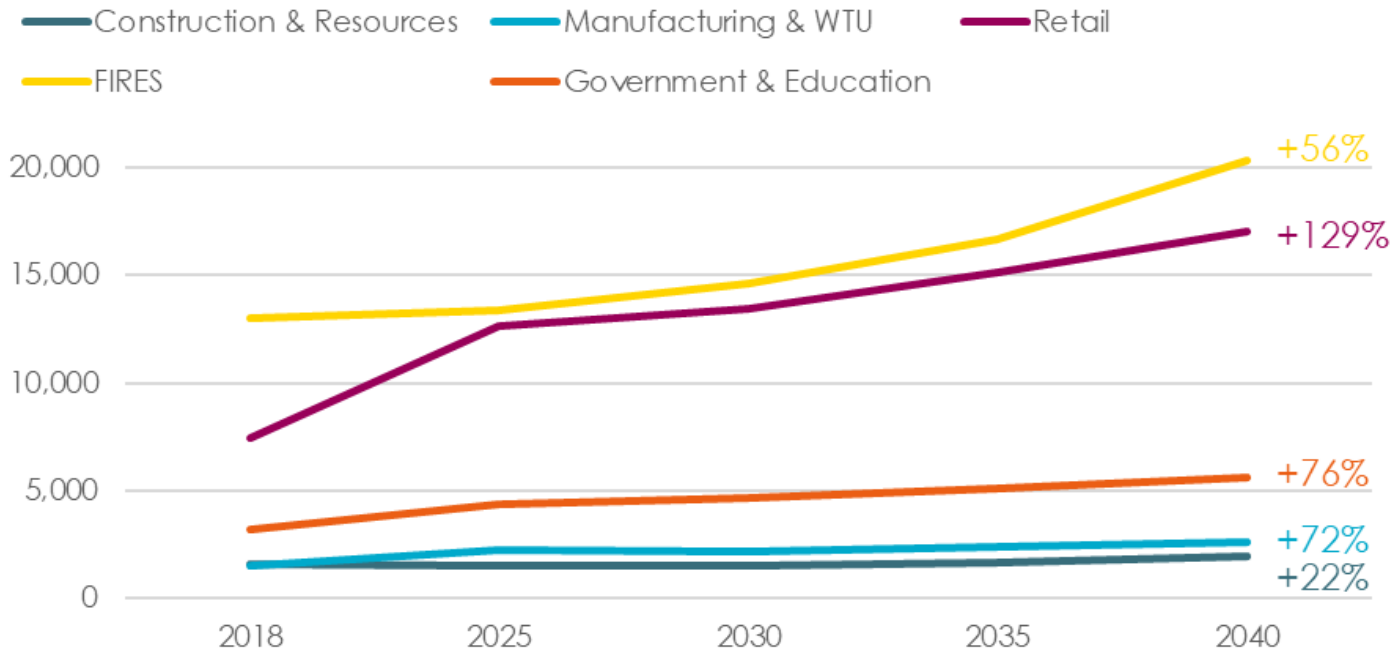
J-23



Data Summary: Workforce Profile

Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020

PSRC forecasts for 2040 anticipate a 78% increase in total Lynnwood jobs compared to 2018 figures. Growth in the retail sector is anticipated, with an estimated 36% share of employment by 2040.

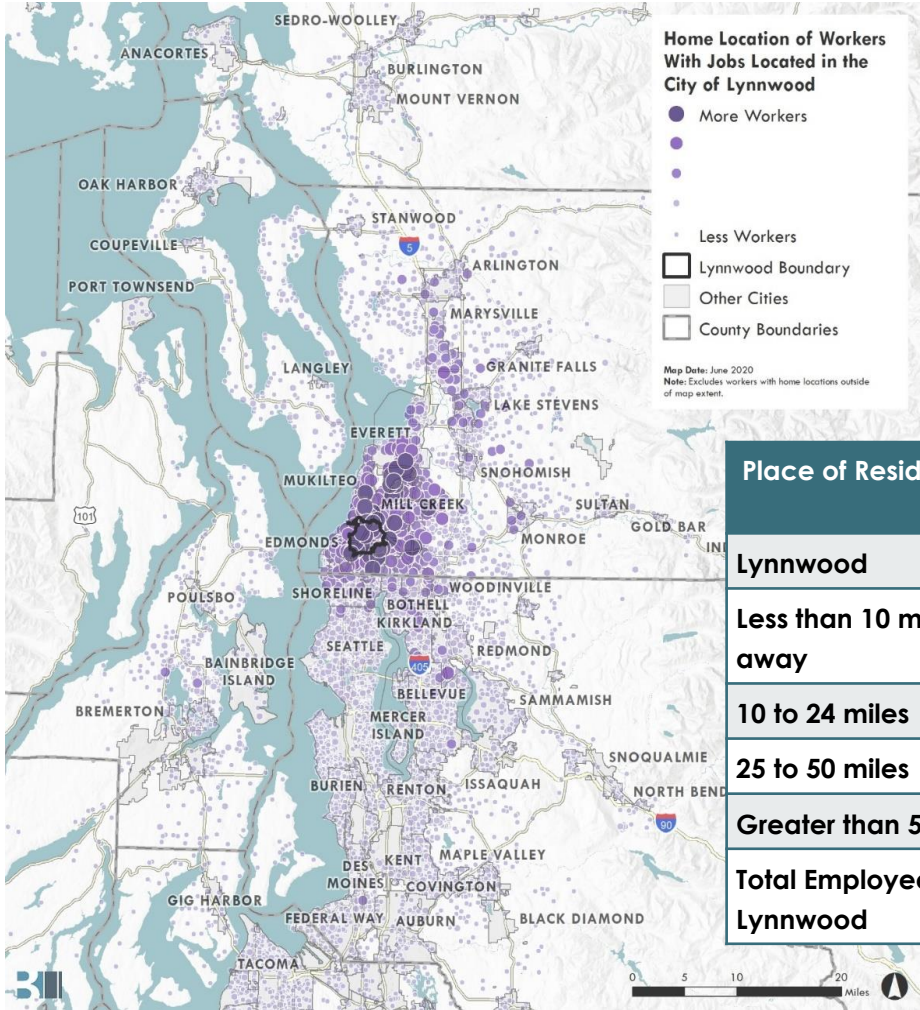


J-24

Job loss related to COVID-19 may impact outcomes for Lynnwood's economy, but long-term forecasting often remains reliable despite market shocks during periods of recession.

Data Summary: Workforce Profile

Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020

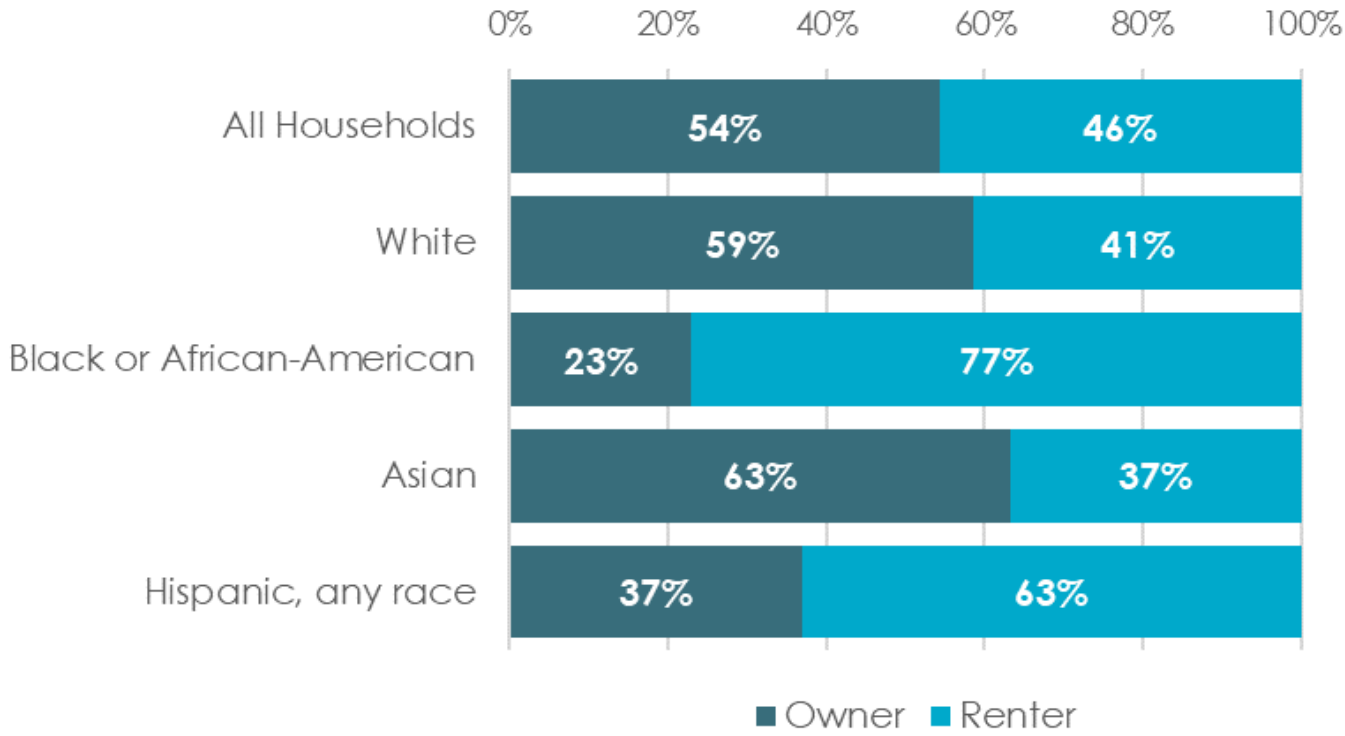


Place of Residence	Employee Count	% Total
Lynnwood	1,940	6%
Less than 10 miles away	13,622	45%
10 to 24 miles	7,918	26%
25 to 50 miles	3,691	12%
Greater than 50 miles	2,891	10%
Total Employees in Lynnwood	30,062	



Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020

More than half (54%) of Lynnwood's households own their housing while 46% rent. This is lower than King and Snohomish County rates.

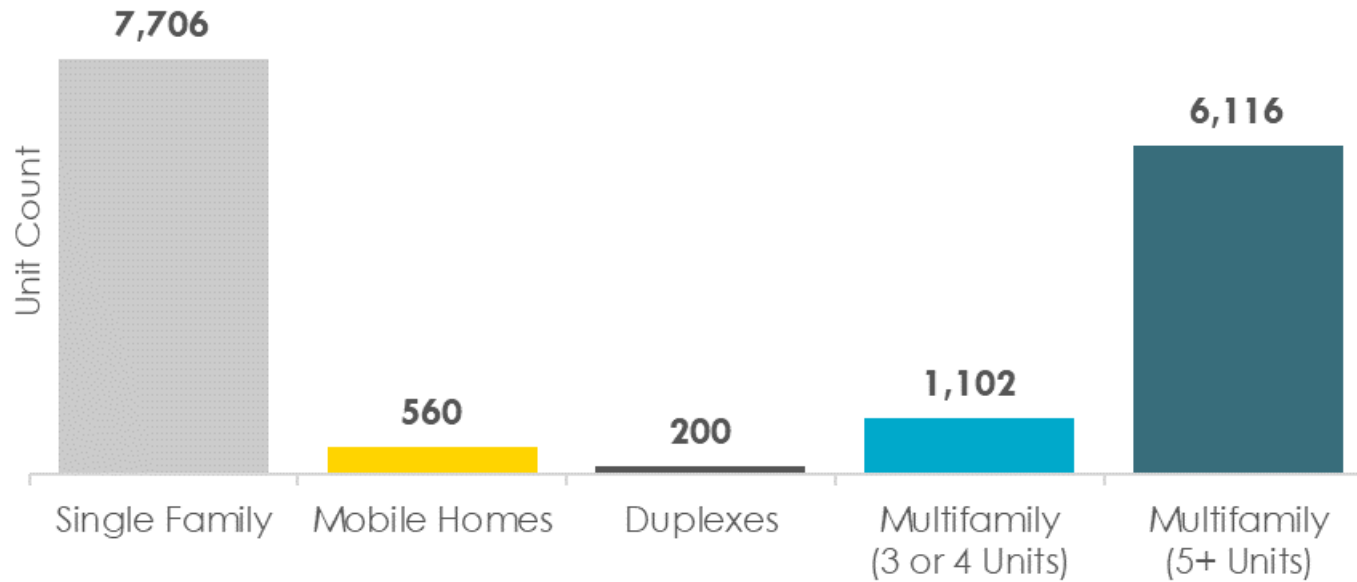


Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity. Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.



**Data Summary:
Housing Inventory**

Single family homes comprise 49% of Lynnwood's housing stock and 84% of Lynnwood's residential land area. The other half is a blend of mobile homes, 2- to 4-plexes, and larger multifamily buildings.



Sources: OFM, 2018; BERK Consulting, 2020.

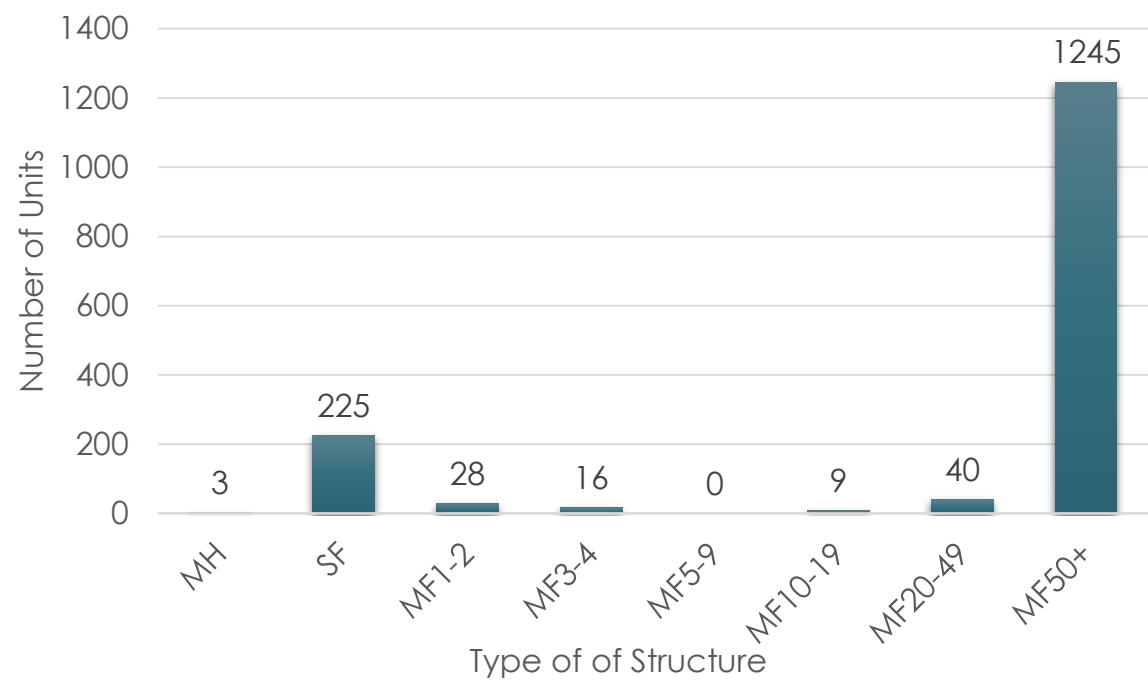
J-27



**Data Summary:
Housing Inventory**

On average over the last 13 years (2006 – 2018), permits issued for units in Lynnwood have been for units in multifamily buildings with more than 50 units and single-family homes.

Total Housing Units Produced (2006 - 2018)



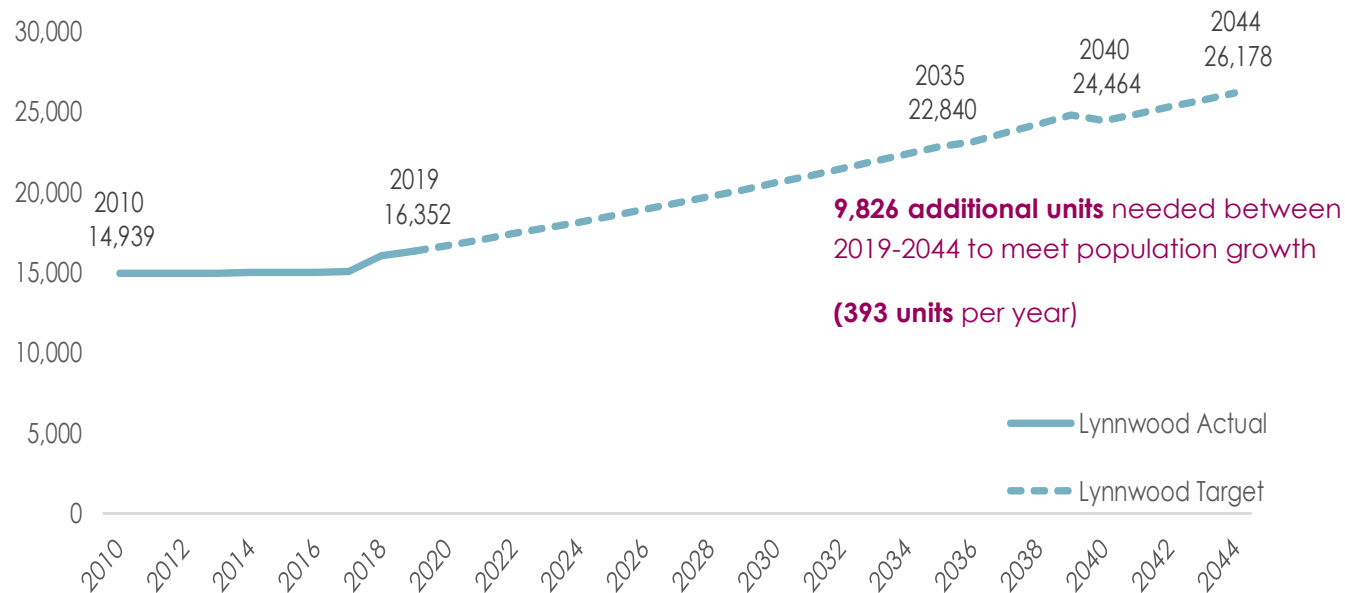
Note: PSRC Residential Building Permit Unit Counts are based on permit issue date.
Source: PSRC Residential Permit Summaries 2006 – 2018; BERK 2020.



Sources: PSRC, 2020; BERK, 2020.

The need for housing units is reinforced by low vacancy rates: **4.4% for rental units** and **1.2% for owner-occupied** (2018 ACS)

Housing Units Needed by 2044



J-29



Data Summary: Housing Inventory

Sources: Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; BERK, 2020.

- Annual production of housing units from 2013-2020 averaged **291 units**—Lynnwood needs annual average of **393 units** to meet estimated growth by 2044.
- In 2010, **half of households** could afford an average-priced apartment without cost burden—by 2018 only **38% of households** could afford the same apartment without cost burden.
- Estimated costs to buy a home based on 2019 values indicate that **less than 20% of Lynnwood households can afford to purchase an average priced home** without assistance.
- **Workers in Lynnwood face difficulties obtaining affordable housing in the private market.** In 2019, the average monthly rent for an apartment was \$2,001. To avoid cost burden, a household would need to earn \$80,040 annually to afford this rent.

J-30



Data Summary: Gap Analysis

1. Almost 40% of Lynnwood's households are **cost-burdened**.
2. Housing **costs are rising faster than incomes**.
3. Many renters qualify for housing assistance but **lack access to subsidized housing**.
4. **Homeownership is out of reach** for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.
5. White and Black, Indigenous, and People of Color (BIPOC) residents typically live in **separate communities**.
6. Lynnwood's current housing **stock lacks housing type variety**.
7. The pace of housing unit **construction needs to accelerate** to meet expected future demand.



7 Key Findings from Housing Needs Assessment



ENGAGEMENT & OUTREACH

J-32

1. Outreach & Communications

- Project webpage
- Print and social media
- Official notices
- Interested parties list
- Graphic Materials
- Project Kiosk

2. Community & Stakeholders

- Stakeholder Interviews
- Meetings in a Box
- Pop-up Community Events
- Community Meetings
- Small Group Discussions
- Advisory Group Meetings

3. Boards & Commissions

- Joint Boards and Commission Annual Meeting
- Planning Commission
- Diversity Equity and Inclusion Commission
- Human Services Commission³.

4. City Council

- Council Updates
- Council Housing Policy Committee
- Council Interviews

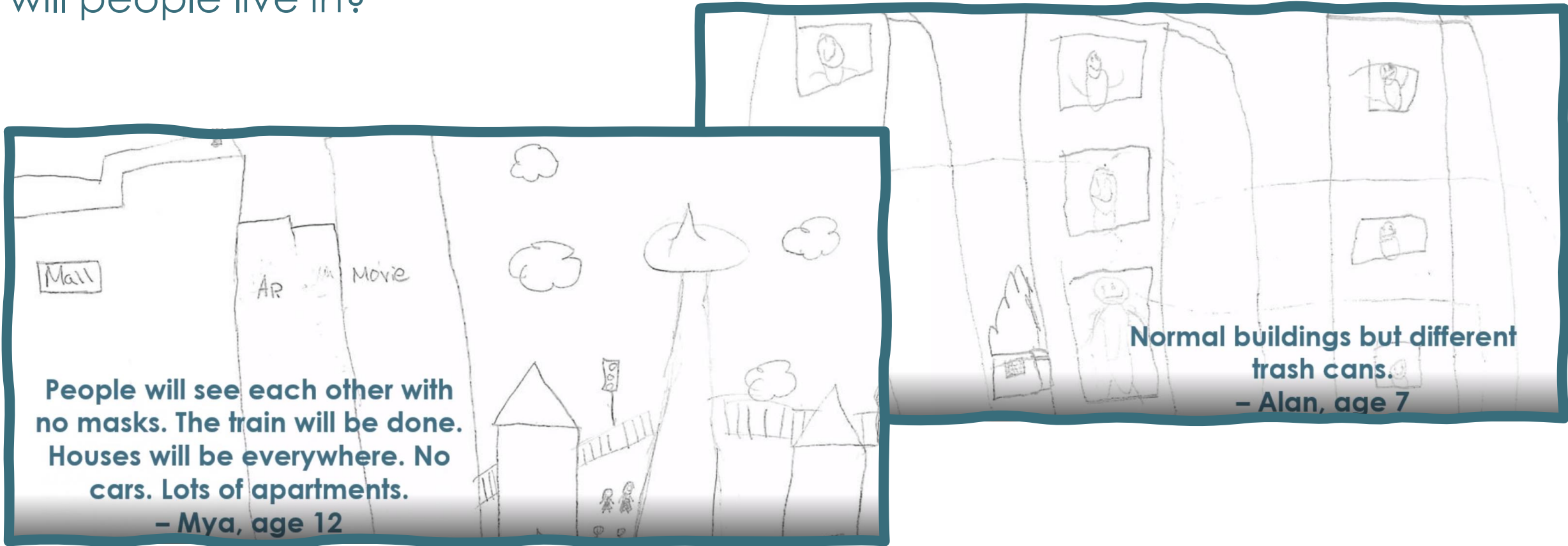
5. Regional Entities

- Snohomish County Housing Affordability Regional Task Force (HART)
- Alliance for Housing Affordability (AHA)
- Puget Sound Regional Council (PSRC)
- American Planning Association (APA)



Engagement Strategies

We asked kids at Kamp Kookamunga “In 2044, what kinds of building will people live in?”



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Online Open House Website

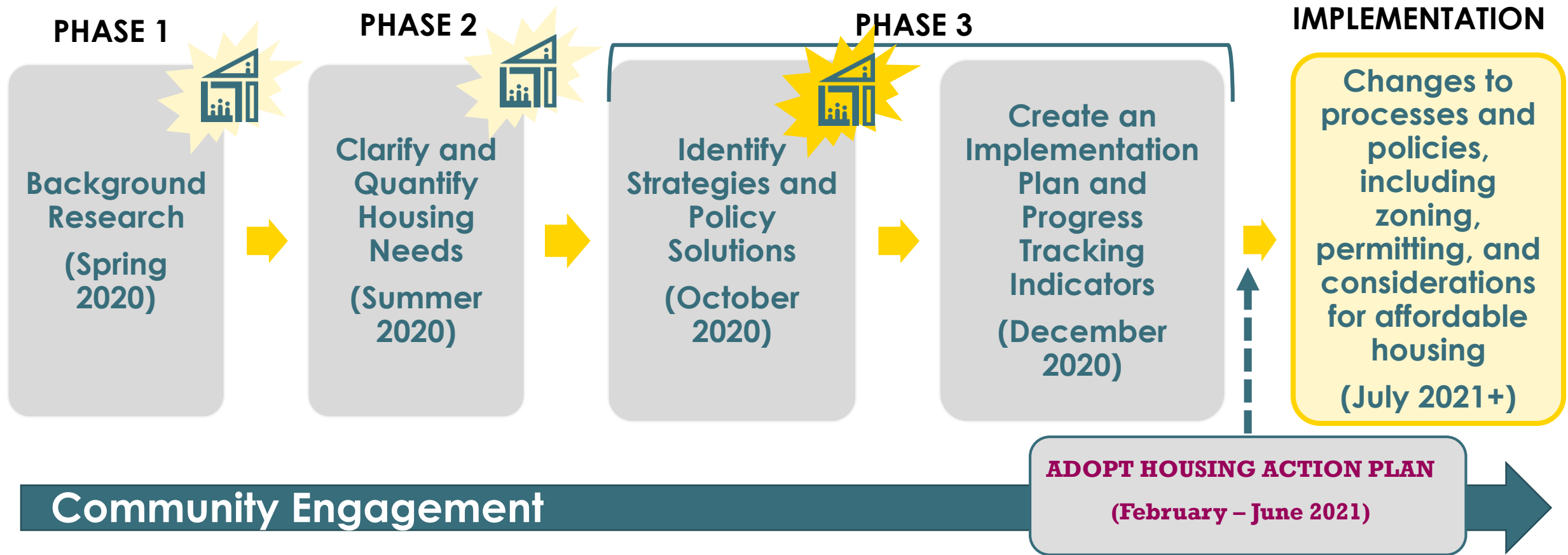
The screenshot displays the 'Online Open House Website' for the Lynnwood Housing Action Plan. The interface features a blue header with the Lynnwood Washington logo and a navigation sidebar on the left. The main content area is titled 'Share Your Thoughts and Ideas!' and includes five interactive buttons: 'Housing Challenges' (exclamation mark), 'What Did We Miss?' (speech bubble), 'What Did You Learn?' (lightbulb), 'What Do You Want To See?' (heart), and 'What's Important?' (handshake). Below these buttons, there are three comment threads, each with a 'View the discussion' button and 'Like/Dislike' options. The comments are as follows:

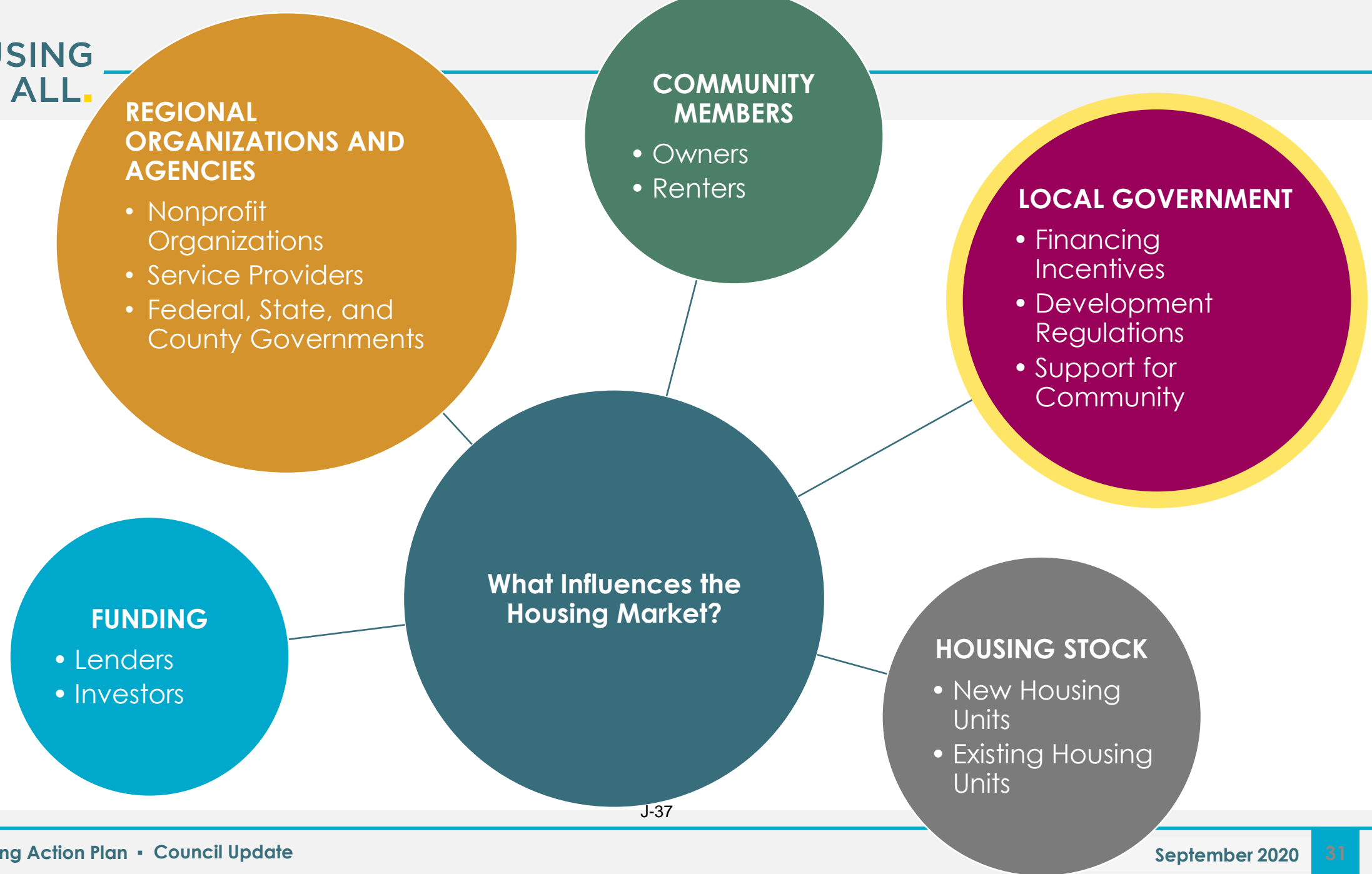
- Comment 1 (Green background):** "After years of shared housing and apartment living I was able to purchase a single family home with a safe back yard, on a quiet street, and good parking. I have now been in this house 32 years and have enjoyed watching several generations of children ride their little bicycles up and down our street. Please understand that single family housing is a legitimate aspirational goal in life and work to protect this valuable community (urban) resource." - Lynnwood Housing Stories
- Comment 2 (Purple background):** "We have owned our home since 2003, this was the first and only home e have purchased. While we would love to buy a new home, something a little larger, we would not be able to afford to stay in the Lynnwood community, we would have to relocate out of the area." - Lynnwood Housing Stories
- Comment 3 (Green background):** "No up zoning of single family areas. No tax increases to support your density increase plan - let the private developers pay for the increased costs they cause."
- Comment 4 (Green background):** "We are small ramblers, very friendly neighbors, we know each other, and I have helped with others kids and watched them grow up. It is a family-oriented street I live on. There have been years that I have been without a car and I have been able to walk to everything I need; thank the Lord. It is a quiet, homey and lovely street. I am beyond grateful." - Lynnwood Housing Stories
- Comment 5 (Green background):** "I moved to Lynnwood when my husband opened a business in town. We rent a house together. I love

The sidebar on the left contains links to 'PROJECT INFORMATION', 'HOW TO USE THIS PAGE', 'HOUSING NEEDS ASSESSMENT', 'SURVEY', and 'HOUSING GLOSSARY'. The top right of the interface shows a 'Sort Comments' dropdown menu with options for 'Recent' and 'Pop'.

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Next Steps





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NEXT STEPS

Help us Spread the Word About the Housing Action Plan + Open House

www.lynnwoodwa.gov/housingactionplan

- **August 24 - October 21** – Online Open House #1
- **September 22 (Spanish) and 23 (Korean)** – Live Open House Presentations with Q&A Session
- **October 19, 2020** – Next Council Update



Share the Online Open House Website!

www.lynnwoodwa.gov/housingactionplan



Contact Info

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✉ kholdsworth@lynnwoodwa.gov

🌐 <https://www.lynnwoodwa.gov/HousingActionPlan>

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 **LYNNWOOD**
WASHINGTON

HOUSING ACTION PLAN

August 2020 • **DRAFT**

Prepared by:
BERK Consulting
MAKERS

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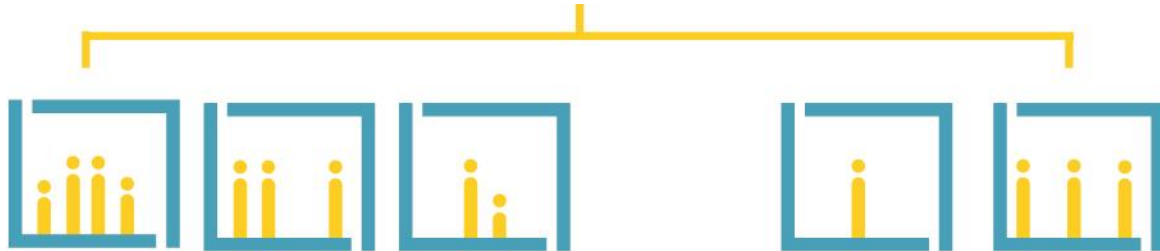
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Glossary

- **ACS: American Community Survey.** An ongoing survey distributed by the Census Bureau to collect important social, economic, housing, and demographic characteristics of the American people. Each year, over 3.5 million households are contacted to respond to the ACS, contrasted with the Census which attempts a comprehensive population count once a decade.
- **BIPOC: Black, Indigenous, and People of Color.** This term is used to refer to non-White populations, with emphasis on Black and Indigenous communities.
- **Ethnicity:** Refers to groups of people who share common ancestry, language, or dialect. There is a wide range of ethnic identities, which may or may not tie to nationality.
- **Housing Affordability:** Broadly speaking, housing affordability speaks to the relationship between housing costs and income. HUD considers housing to be affordable if the household is spending no more than 30% of its income on housing costs, including utilities. Income-restricted affordable housing is one method of achieving housing affordability that involves either publicly owned or publicly subsidized housing.
 - **Cost-Burdened Household:** Households which pay more than 30% of their gross income on housing. This includes utilities. The 30% threshold is set by HUD. Rate of cost burden among households is a metric that gauges the intensity of housing affordability challenges within a community. Cost burden is most threatening for households at lower income levels who will have less money available for other essentials such as food, clothing, transportation, and medical care.
 - **Severely Cost-Burdened Household:** Households which pay more than 50% of their gross income on housing. This includes utilities. This 50% threshold is set by HUD.

- **Household:** The U.S. Census Bureau defines a household as a group of people living within the same housing unit. This can be a person living alone, a family, or a group of unrelated people sharing a housing unit. Those living in group quarters, such as a college dormitory, military barrack, or nursing home, are not considered to be living in households. Households are further broken down as either family or nonfamily.



Family Households: A family household is maintained by a householder who is in a family, defined as any two or more people residing together and related by birth, marriage, or adoption. The count of family household members includes all people living in the household.

Non-family Households: Non-family households are people living alone or living with unrelated persons.

*Distance represents related individuals (clustered people are related; spaced people are not)

- **HUD: The US Department of Housing and Urban Development (HUD)** is responsible for federal housing assistance programs such as [Section 8 vouchers](#) for rental assistance. HUD sets income limits for metropolitan areas and counties across the country which determine eligibility for income-restricted housing units. HUD also sets thresholds to define terms such as “affordable” and “cost burden”.
- **LIHTC: Low-Income Housing Tax Credit.** This is a federal program, administered by HUD, to expand the income-restricted affordable housing stock. Private or non-profit housing developers apply for these tax credits, which are used to help finance multifamily developments that set aside a minimum threshold of units as income restricted for a defined period of time, often 20 years. See [the program website](#) for more details.
- **Lower Market Homes:** This report uses Zillow data to evaluate home prices in Lynnwood. Zillow shows monthly average home values for all homes in a given market, and then also shows average values for what they deem ‘upper tier’ and ‘lower tier’ homes. Lower tier homes are defined by Zillow as those falling within the 5th to 35th percentile range of home values for a given geography. This report looks at these homes as a way to evaluate the affordability of less expensive homes for median incomes in the area.
- **Median Income:** The income level at which half of the group is above and half of the group is below. This calculation is often used instead of an average income to avoid skew by extremely high or extremely low values in the dataset.

- **AMI: Area Median Income.** Most broadly used term for median income calculations. Often, this refers to MFI or HAMFI, but it might also be used to reference city-wide calculations based on ACS household income data.
- **MFI: Median Family Income.** Calculation of the median income for family households. The most widely used MFI calculation is the HUD-area MFI (HAMFI). It is important to note that family households typically have higher incomes than non-family households, so MFI will be higher than median household income in most communities. **In this report, unless otherwise noted, MFI refers to HAMFI.**
- **HAMFI: HUD-Area Median Family Income.** Calculates the median family income for metropolitan areas and counties across the country. These income levels are used to determine household eligibility for income-restricted housing units. Lynnwood, for example, is part of the metropolitan area including King and Snohomish counties. See Exhibit 21 for a summary of income estimates by profession in Lynnwood and their relation to current HUD MFI thresholds.
- **Missing Middle Housing:** Housing options that transition between single family homes and mid- or high-rise multifamily buildings. This includes a diversity of residential housing options, such as cottage homes and stacked or side-by-side multiplexes.
- **Race:** A social identity, with history rooted in oppression and exploitation of non-White populations.
- **Vacancy Rate:** The vacancy rate is the percentage of all housing units that are vacant or unoccupied at a particular time.

**Lynnwood's
2018 ACS MFI
is \$73,865.**

**The 2020
Seattle
Metropolitan
Region's MFI
is \$113,300.**

Executive Summary

This housing needs assessment identifies existing and future housing needs to serve as a foundation for policy recommendations to meet the city's housing needs across the income spectrum. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps.

Lynnwood's population is estimated to grow over the next 20 years. In 2019, Lynnwood had a population of 39,600 people living in 16,352 households. Lynnwood is estimated to grow to a population of nearly 65,000 or 26,178 households by 2044. These demographic shifts impact the type and quantity of housing stock needed for the future. As Lynnwood grows, it is also becoming more racially and ethnically diverse. From 2010 to 2019, there is an overall 6% increase in the non-White population, particularly within the Black or African American and multi-racial populations.

This housing needs assessment reveals Lynnwood's declining housing affordability and a lack of choice for housing types within the local housing stock. Many residents face housing challenges – some have declining social and economic mobility because they cannot afford to move within the city or to a different housing type. Some face housing insecurity while others make tradeoffs to live in housing that does not meet their needs. This needs assessment finds areas of highest need and patterns of racial disparity for Black, Indigenous, and People of Color (BIPOC) residents of Lynnwood. Key findings include:

1. **Almost 40% of households in Lynnwood are cost-burdened.** In comparison, 33% of households in Snohomish County are cost-burdened. HUD defines cost-burdened households using a percentage of income spent on housing or those “who pay more than 30 percent of their income for housing.” Cost-burdened households often find it harder to afford necessities such as food, clothing, transportation, and medical care. In Lynnwood, rates of cost burden are uneven, with the highest cost burdens among households with lower incomes, renters, and adults over 62.
2. **Housing costs are rising much faster than incomes.** With limited supply and increasing demand, home values have dramatically risen over the past eight years (2010-2018). Since 2010 Lynnwood home values have increased by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation. Today, less than 30% of current renters and homeowners can afford the purchase of an averaged priced home in Lynnwood without cost burden.
3. **Many renter households qualify for housing assistance but lack access to subsidized housing.** Overall, 61% of Lynnwood households are considered low-, very low-, or extremely low-income by regional income thresholds. These designations determine eligibility for income-restricted affordable housing units and rental assistance vouchers. Despite efforts by local

housing authorities, many qualified households still cannot receive benefits. While Lynnwood has a high number of subsidized housing units, the need for this housing continues to be higher than available units.

4. **Homeownership is out of reach for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.** Homeownership is a key source of wealth creation and housing stability for households in the United States. The rates of homeownership among Whites and BIPOC vary widely in Lynnwood, with the largest disparities between White and Black residents. This reflects a legacy of structural policy issues and has significant implications for life outcomes and economic advancement.
5. **Residential patterns reveal that White and Black, Indigenous, and People of Color (BIPOC) residents live in largely separate communities.** The neighborhoods where a higher proportion of BIPOC residents live are more likely to be at risk of economic and cultural displacement.
6. **Lynnwood's current housing stock lacks housing type variety.** Single family homes comprise 49% of Lynnwood's housing stock and 84% of the residential land area. The majority of recent development was for 3,000+ square foot single family homes or larger multifamily (100+ unit) apartments. "Missing middle" housing refers to a diversity of residential housing options that transition between single family homes and high-rise apartments, such as cottage homes, duplexes, and townhomes.
7. **The pace of housing unit construction needs to accelerate to meet expected future demand.** The rate of housing unit production has increased in recent years but falls short of the needed rate to meet growth projections. The average annual production of housing units in Lynnwood from 2013 through mid-2020 was 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. A total of 9,826 additional housing units are needed between 2019 to 2044 to meet population growth.

Introduction

Growth in the region has contributed to increased housing costs and an affordability crisis. Reflecting this regional pattern, over the last decade, rents and house prices in Lynnwood have risen much faster than incomes. Housing is increasingly out of reach for a large portion of the Lynnwood community. Lynnwood needs a shared understanding of the community's diverse needs and opportunities, actionable strategies, and an inclusive, robust public conversation to

create housing options to meet the community's needs.

Lynnwood received a grant from the Washington State Department of Commerce to create a Housing Action Plan by June 2021. The Housing Action Plan will build on and complement city efforts around planning, placemaking and economic development.

The Housing Action Plan will answer these important questions:

- What are the housing needs of Lynnwood's community?
- How much and what types of additional housing will be necessary to meet the diverse needs of all Lynnwood residents?
- How effective are the city's current policies at ensuring adequate and equitable housing options?
- How can the city, residents, and businesses work together to improve Lynnwood's housing options?
- What are Lynnwood residents' preferred strategies for increasing affordable housing?
- How can Lynnwood work with its neighboring communities to meet the need for housing?

This Housing Needs Assessment will address the first two questions and will provide a foundation as the City strategizes to address the remaining questions. A Housing Needs assessment identifies existing and future housing needs to serve as a foundation for policy recommendations to meet the city's housing needs across a variety of income levels. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. A housing needs assessment is required by the Growth Management Act (GMA) for Comprehensive Plan Amendments and the City intends to use this HNA to fulfill these requirements.

The Housing Needs Assessment will inform the development of the Housing Action Plan. The Action Plan will identify appropriate strategies to address Lynnwood's specific set of needs and provide guidance on how to implement these strategies. Housing access and affordability are key areas for regional planning and strategies as well that will impact the success of local strategy efforts.

Systemic racism has established patterns of discrimination across social and economic life in the workplace, housing market, education system, and healthcare structure of Washington State. These interconnected systems affect community needs around housing. Given this, equity, especially racial equity, is a key focus of the Housing Action Plan (HAP). This needs assessment was developed in the summer of 2020, as society faced demands for social justice inspired by Black Lives Matter, and the public health challenges of the Coronavirus pandemic. Both of these incidents have spurred community conversations of the systemic racism that permeates our society, including but not limited to housing. The challenge in public policy has always been to

translate this acknowledgement and sense of urgency around action into policy recommendations. In keeping with the goal of the HAP to utilize an equity lens, and to address the challenge of connecting public awareness of racial injustice to public policy, this report highlights inequities, especially by race, across various aspects of Lynnwood's local housing system. The report disaggregates data where possible, by race and other factors, to draw attention to some of the persistent disparities within housing that affect life outcomes, such as residential segregation, uneven homeownership attainment, rental cost burden and housing stability.

Lynnwood Context

Brief Historic Overview

The first people to inhabit Lynnwood were the Snohomish Tribes. The Snohomish used the area that became Lynnwood seasonally to hunt, fish, and gather food. In the Treaty of Point Elliott in 1854, the Snohomish and other tribes of the area ceded their rights to the land to the United States in exchange for a reservation (Tulalip reservation) and for the right to fish and hunt at their accustomed places. This opened the area to European settlers.

Growth in Everett, especially its lumber and shingle mills, drove housing production in the area. The city of Lynnwood incorporated in 1959, primarily to regulate housing construction. Transportation corridors influenced the growth of Lynnwood and its neighborhoods starting with the Interurban rail system, then Highway 99, and finally Interstate 5. The intersection of transportation and housing continues to shape Lynnwood's growth today as the city plans for light rail expansion and future growth.

Similar to cities across the nation, structural racism in housing also impacted the growth and development of Lynnwood. For decades, structural racism in the local housing market contributed to stark and persistent disparities.

American public policies over the years have displaced and encouraged Native Americans to relocate, first from traditional lands to reservations, and then from reservations to urban centers, causing economic hardships and housing instability that persists today. Other communities, especially Black communities, have also experienced and continue to experience the effects of racist public policies.

As noted in the sidebar, redlining was one example of these policies, but several policies overlapped to create and sustain housing disparities for communities of color. While the government promoted suburbanization, BIPOC communities were not allowed to access suburban home ownership. Starting in the 1930s, and until 1968, the Federal Housing Administration (FHA) guaranteed bank loans to builders on condition that no homes be sold to African Americans. The Housing Acts of 1949 and 1954 contributed to the use of urban renewal by cities to create racially separate neighborhoods. Through the Federal Highways Act of 1964, the US government constructed new highway systems, often through BIPOC communities, to ensure access to job opportunities in urban cores for predominantly White commuters from outlying suburbs.

Redlining

Nationally and locally, a long history of housing market discrimination and public policies, both implicit and explicit, have created a high degree of residential segregation by race and ethnicity.

For more than thirty years, starting in 1934, the Federal Housing Authority steered banks away from issuing mortgages to prospective buyers in majority black neighborhoods. The FHA refused to insure mortgages in and near black neighborhoods, a policy known as "redlining," that takes its name from the red color on the maps of the areas in and around black neighborhoods that the FHA deemed too "risky."

During this time, the FHA also subsidized builders who produced large subdivisions, with the requirement that none of the homes be sold to Black buyers.

These policies increased and segregated housing.

Population Characteristics

Current and Future Population

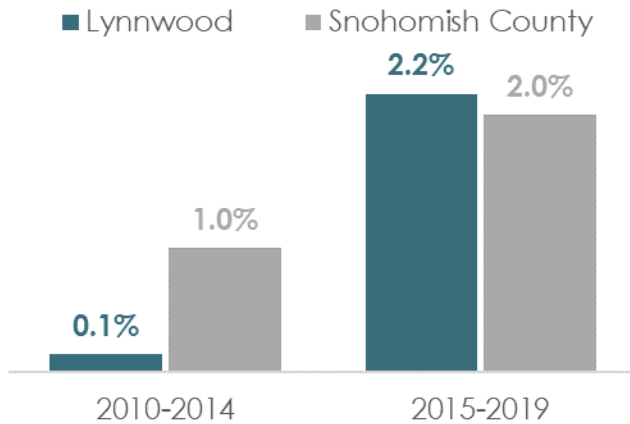
In 2019, Lynnwood had a population of 39,600 people living in 16,352 households. Lynnwood is estimated to grow to a population of nearly 65,000, or roughly 26,178 households, by 2044¹. See Exhibit 2. As Lynnwood's population grows, it is changing. **Lynnwood now has more family households and larger family sizes:** households with children have increased from 29% to 33% of households. This can be attributed in part to the large millennial generation aging into marriage and parenthood.

The large baby boomer generation is also aging, reflected by an increase in the number of households with older adults (65+). In particular, there is an increase in older adults living alone. See Appendix A for tables summarizing household and family types in Lynnwood.

The growth rate in Lynnwood dramatically increased over the past 5 years (2015-2019), as shown in Exhibit 1 **Error! Reference source not found.** From 2010-2014, Lynnwood's growth was far below the average countywide growth rate. It has surpassed average countywide growth rates for 2015-2019. According to PSRC estimates, growth is anticipated to remain at this elevated pace through 2044. Rapid growth will create the need for additional housing units and a range of services.

¹ This assumes that the relationship between households and total population stays the same in 2044 as it is in PSRC LUV2 data for 2040.

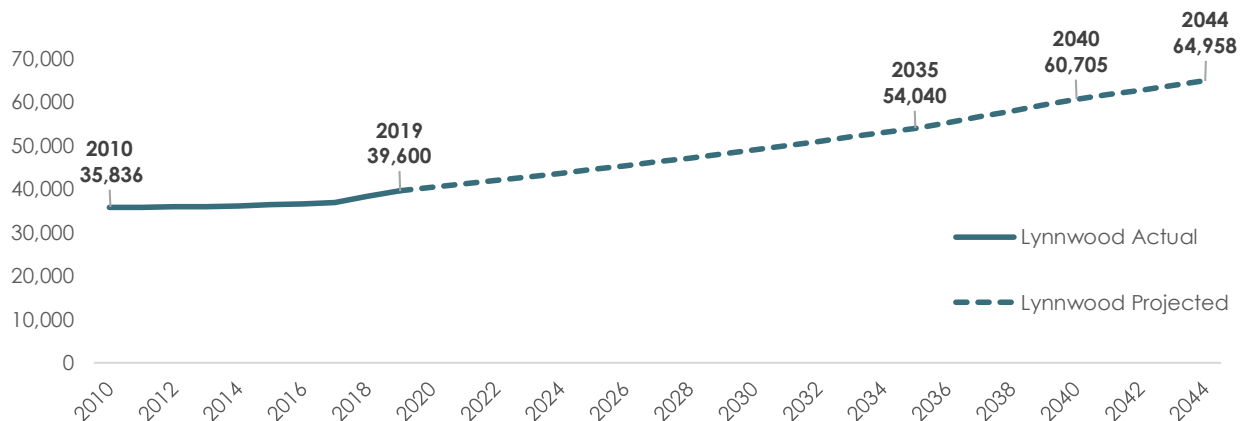
Exhibit 1: Average Annual Population Growth Rates, 2010-2019.



Sources: WA Office of Financial Management, 2019; BERK, 2020.

Lynnwood's population growth rate accelerated in the 2015-2019 period. Planning and visioning efforts, especially around planning for the City Center and future light rail in the early 2000's laid a policy foundation for accommodating growth and attracting development to the city. Housing policy action today will help Lynnwood continue to grow and adapt to community needs in the coming decades.

Exhibit 2: Historical and Projected Population in Lynnwood, 2000-2035.



Note: The 2035 projection is based on the adopted growth target in Lynnwood's Comprehensive Plan. The 2040 projection is based on PSRC's LUV2. The 2050 projection is based on PSRC 2050 Vision population for Snohomish County Core Cities (Bothell and Lynnwood and apportioned to Lynnwood based on existing population share). The 2044 projection is based on a linear projection from PSRC LUV 2 projection to PSRC 2050 Vision.

Sources: WA Office of Financial Management, 2019; City of Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; PSRC Draft VISION 2050 Plan (December 2019); Multicounty Planning Policies - Regional Growth Strategy, 2019; BERK, 2020.

By 2032, Lynnwood's population is anticipated to cross the 50,000-person threshold which marks eligibility for Community Development Block Grant (CDBG) funds. The CDBG program works to

ensure decent affordable housing, provide services to vulnerable individuals, and create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. CDBG funding and grants can implement policies and programs related to housing.

Age

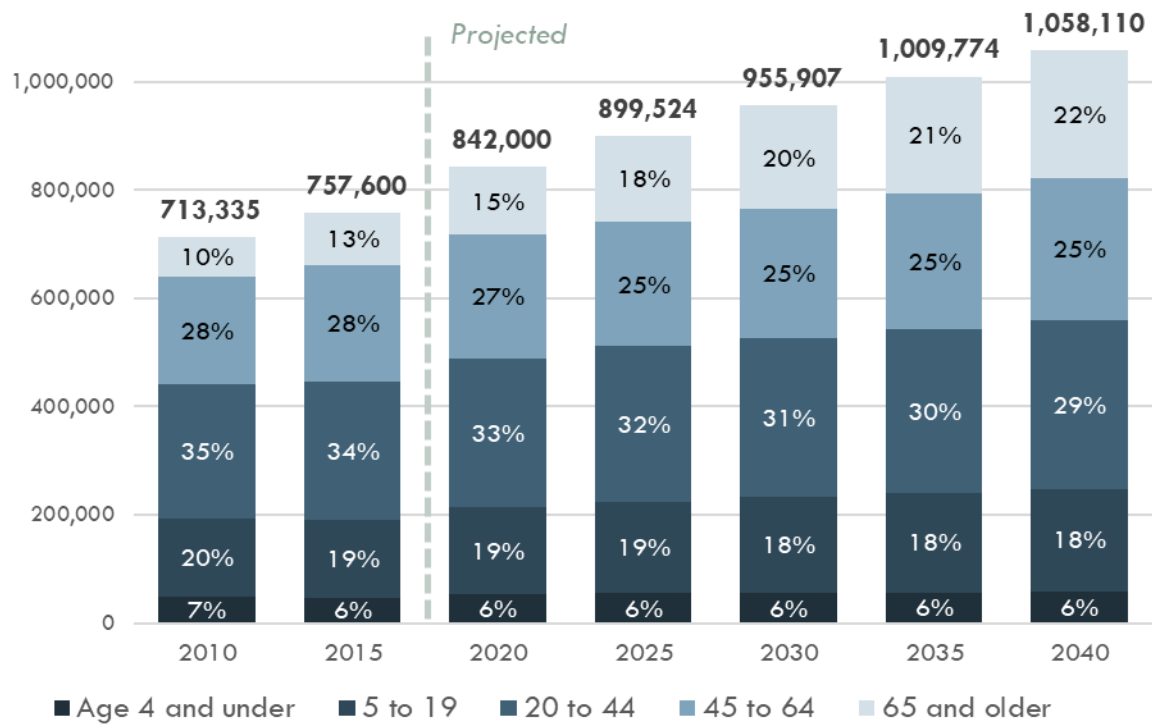
As Lynnwood grows, demographic shifts are likely to impact the housing types needed. **Error! Reference source not found.** summarizes growth estimates by age cohort for Snohomish County. Lynnwood currently has a similar proportion of age cohorts as the county with small variations. Lynnwood has a higher proportion of adults over the age of 70 (12% in the city compared to 9% in the county for 2018) a higher proportion of residents aged 40 – 49 (15% compared to 12%) and a lower proportion of residents aged 30 – 39 (12% compared to 14%). See Exhibit 3

These forecasts emphasize future demand for housing units suitable for older adults and a continuing need to attract young adults and families to Lynnwood. The following changes are expected for the 2015-2040 timeframe:

- School-aged children (19 and under) are expected to maintain a relatively consistent proportion of the population, at 24%.
- The working aged population (20-64) will decrease from 62% to 54%. This reflects the large Baby Boomer generation aging out of the workforce and into retirement.
- Older adults (65+) will increase from 13% to 22% of the population.

These demographic trends indicate consistent demand for family-sized housing and housing for older adults. While the housing needs of older adults include a diverse range of preferences, the proportion of older adults who live alone increases with age. Many also have lower, fixed incomes and higher disability rates compared to younger adults or those who live in larger households. Affordable, accessible housing with supportive services will likely be a growing need for this demographic.

Exhibit 3: Population Projections by Age Bracket, Snohomish County.



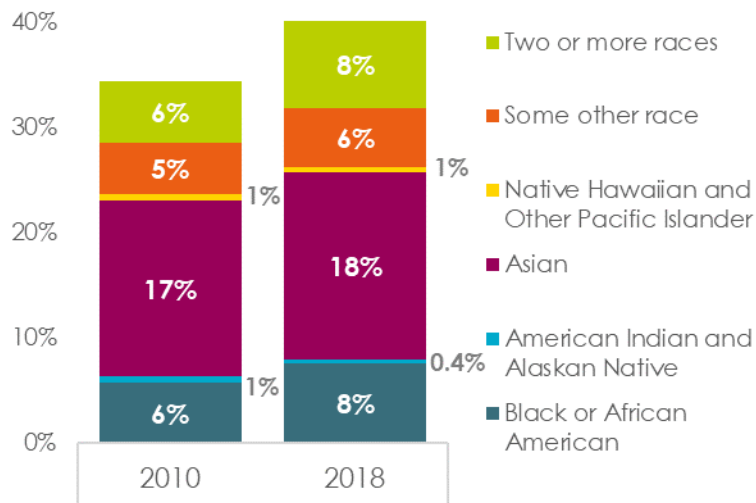
Sources: WA Office of Financial Management, 2019; BERK, 2020.

Race and Ethnicity

Lynnwood's population is becoming more racially and ethnically diverse. Exhibit 4 shows that nearly 40% of Lynnwood's population is non-White alone, reflecting an overall 6% increase since 2010. The increase is proportionally highest among residents who identify as Black or African American and two or more races. Exhibit 5 highlights ethnicity and the sizable Hispanic population in Lynnwood (15% in 2018).

Lynnwood is also home to a diverse foreign-born population (29% of total population in 2018). These residents are most commonly from Asia, Latin America, and Europe.² The most commonly spoken non-English languages include Spanish, Korean, Vietnamese, Chinese, and Tagalog (See Exhibit 7).

Exhibit 4: Race for Non-White Alone Populations in Lynnwood, 2010 & 2018.



Sources: American Community Survey B02001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Race and Ethnicity

Race and ethnicity are distinct concepts. The Census asks individuals to select an identity for each.

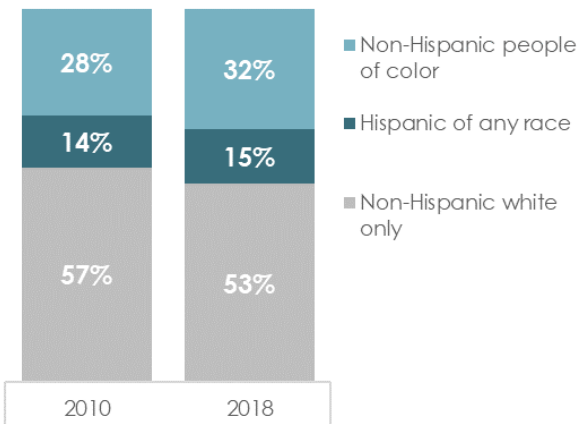
Race is a social identity, with history rooted in oppression and exploitation of non-White populations. The Census offers six racial identities, and people can choose one or more: White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Other.

Ethnicity refers to groups of people who share common ancestry, language, or dialect. There is a wide range of ethnic identities, which may or may not tie to nationality. The Census asks respondents to identify as Hispanic or non-Hispanic, referring to people with ties to Central or South America.

-Sources: [Census Bureau](#), [Encyclopedia Britannica](#)

² American Community Survey DP02 5-year estimates, 2014-2018

Exhibit 5: Race and Ethnicity in Lynnwood, 2010 & 2018.



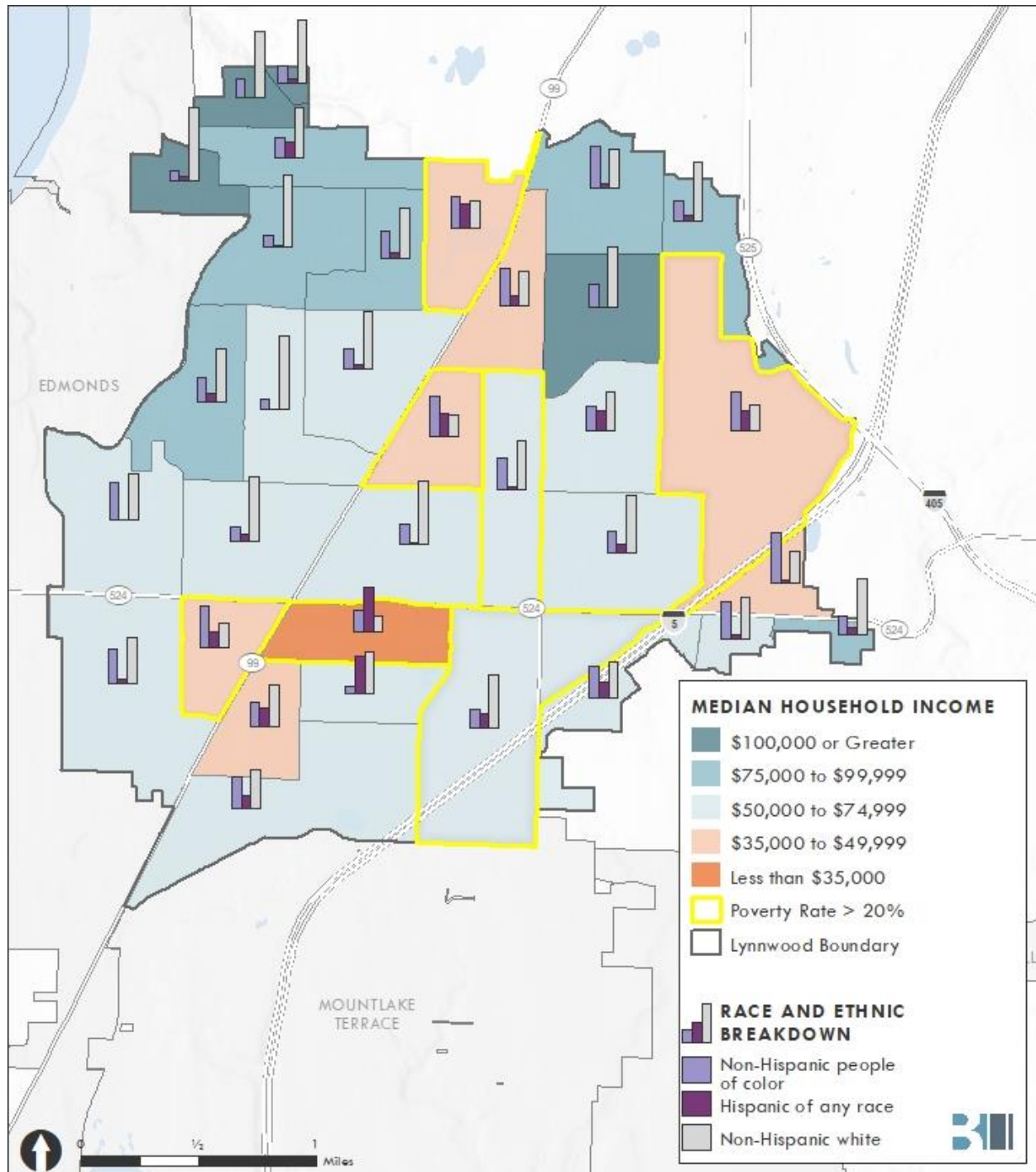
Sources: American Community Survey B03002 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Racial segregation in housing has a long and established history across the United States. Highway corridors cut through BIPOC-majority neighborhoods. Denser clusters of multifamily housing – both separated from single family residential neighborhoods and located closer to environmental hazards – is a common residential pattern. Pockets within cities with wealthier White residents speak to the legacy of exclusionary policies and practices.

Lynnwood residential patterns reflect geographic separation by economic status and race/ethnicity. Exhibit 6 illustrates the geographic distribution of Lynnwood residents by income, race, and ethnicity. Lower income block groups, indicated in orange, are located along the Highway 99 and I-5 corridors. These areas are also more diverse, with 73% of residents identifying as BIPOC. The highest income block groups, indicated with darker blue shading, are 78% White. Whiter, wealthier communities are most common in the north and west.

Lynnwood's population density varies widely across the city. Appendix B summarizes demographic information for the five most populous block groups (out of 33 total), which account for 30% of Lynnwood's population. Four of the five block groups are BIPOC-majority areas, indicating that people of color are more likely to live in denser areas than White residents.

Exhibit 6: Race, Ethnicity, and Income by Census Block Group in Lynnwood, 2018.



Notes: Block group boundaries do not align perfectly with city boundaries. Data from areas outside of Lynnwood within shown block groups are included with this dataset. Poverty rate as determined by the [Census Bureau](#), calculated by comparing annual income, family size, and the Consumer Price Index.

Sources: American Community Survey 2014-2018 5-year Estimates; BERK, 2020.

Language Spoken at Home

The US Census asks respondents to identify the language spoken within their home and to rate their level of English proficiency. The table below shows the top languages residents speak with their families at home and, for speakers of those languages, the percentage who report speaking English less than “very well”. Residents who have difficulty speaking English may face barriers in the local housing market that affect their ability to find and maintain housing. See Exhibit 7.

Exhibit 7: Top Non-English Languages Spoken at Home and Proportion Speaking English Less Than “Very Well”

Rank	Language	Non-English home language population	Speaks English less than “very well” population
TOTAL COUNT		12,420	5,780
1	Spanish	26%	25%
2	Korean	11%	17%
3	Vietnamese	8%	11%
4	Chinese (incl. Mandarin, Cantonese)	8%	10%
5	Tagalog (incl. Filipino)	8%	6%

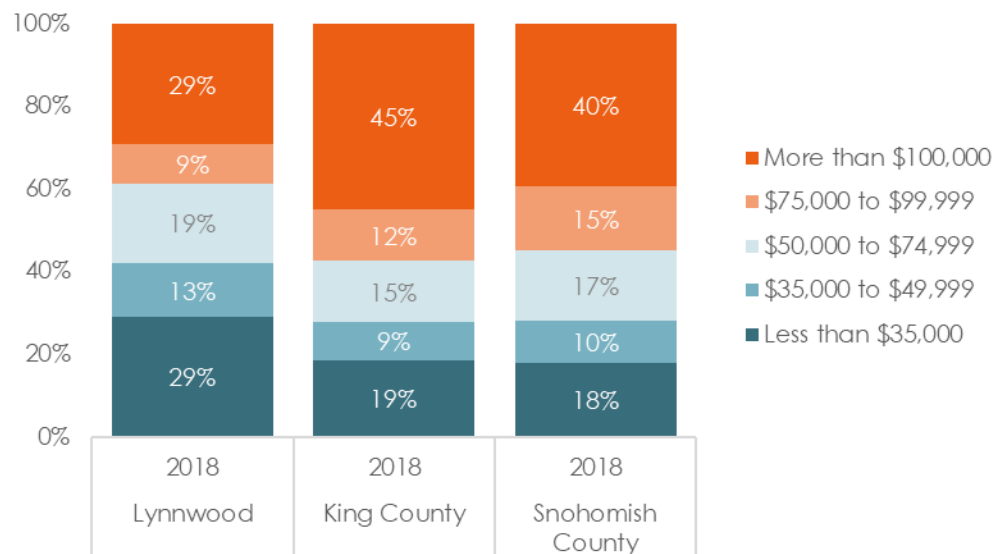
Sources: American Community Survey 5-year estimates (2014-2018), 2020; BERK, 2020.

Households

Household Income

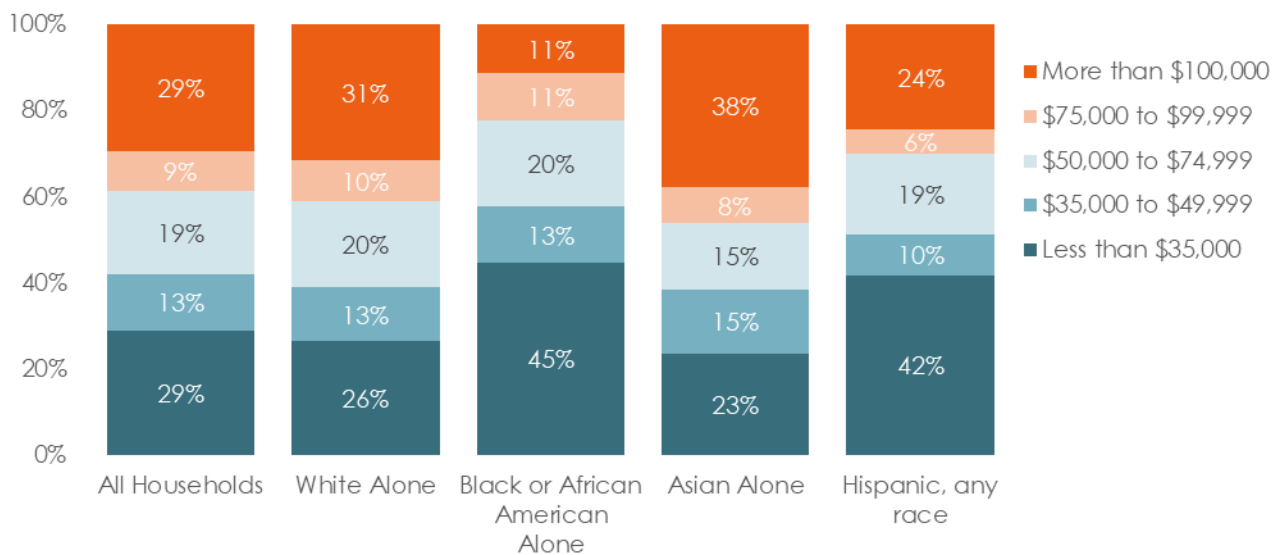
Relative to Snohomish and King counties, Lynnwood has a higher proportion of residents with incomes less than \$35,000 and a lower proportion of residents with incomes above \$100,000. Median household incomes vary by ethnicity, as shown in Exhibit 8. A larger proportion of Hispanic and Black households have income less than \$35,000. A smaller proportion of Hispanic and Black households have income higher than \$100,000.

Exhibit 8: Household Income Levels for Lynnwood, King County, and Snohomish County, 2018.



Sources: American Community Survey S1901 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Exhibit 9: Lynnwood Household Income Levels by Race and Ethnicity, 2018.



Sources: American Community Survey B19001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

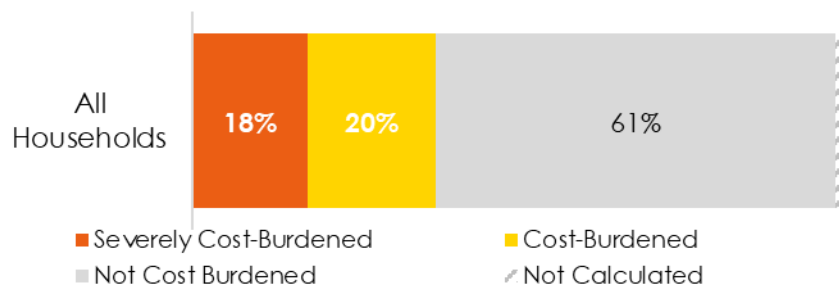
Cost Burdened Households

Cost Burden by Income Level

The combination of lower household incomes and dramatically rising housing costs results in cost burden for many Lynnwood households. Cost-burdened households spend more than 30% of their monthly income toward housing costs, and severely cost-burdened households spend more than 50%. High rates of cost burden signal a lack of affordability in the housing market. These households must make difficult choices in prioritizing purchases for other necessities such as food, healthcare, and childcare to make ends meet. Cost burdened households are at higher risk of displacement and housing instability with rising rents, property tax increases, or other life circumstance changes.

Given the lag in data collection, HUD's cost burden estimates are based on 2016 ACS surveys. **It is likely that experienced rates today are higher than shown here**, given the widening gap between incomes and housing prices in recent years (see Exhibit 10).

Exhibit 10: Rates of Cost Burden in Lynnwood, 2016



Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates), BERK, 2020. Note: 'Not Calculated' represents households with no or negative income.

Measuring Cost Burden

This report uses HUD's methodology for gauging housing cost burden among Lynnwood households. This is a widely used but imperfect metric based on the 30% threshold negotiated in Congress in 1969. The metric does not account for differing needs by household type – whether that includes medical bills, childcare, or transportation costs—or the variation in cost of living across geographies. The cost burden metric also sets a flat rate across income brackets, while proportional increases in housing costs affect lower income households dramatically and may simply represent amenity preferences for higher income households. Low-income households who are not “cost burdened” may be settling for substandard housing conditions to afford other necessities.

-Source: [HUD Office of Policy Development & Research](#)

Effects of cost burden are most concerning for low-income households, where there simply is not enough money to meet basic family needs after housing costs.

Three quarters of extremely low-income households and 60% of very low-income households are cost-burdened, compared to 5% for households above the median income. These households are also much more likely to be severely cost-burdened, as shown in Exhibit 11. Housing cost burden has serious consequences for health and well-being, particularly for young children or older adults, with higher needs for adequate nutrition and medical care. A household earning \$50,000 per year and living in an average priced apartment in Lynnwood has just over \$2,000 per month to cover food, healthcare, transportation, education, childcare, and any discretionary spending.

Exhibit 11: Snohomish County Income Levels, 2020

Income Level	2020 Income
Extremely Low-Income ($\leq 30\%$ MFI)	\$33,990 or less
Very Low-Income (31-50% MFI)	\$33,991 - \$56,650
Low-Income (51-80% MFI)	\$56,651 - \$90,640

Sources: WSHFC, 2020; BERK, 2020.

Cost Burden by Race and Ethnicity

Housing cost burden estimates disaggregated by race and ethnicity result in high margins of error at the city level for Lynnwood. However, income brackets identified in Exhibit 9 reveal that the percentage of Black or African-American and Hispanic households who fall into lower income groups is substantially higher than rates for White and Asian households (45% and 42% compared to 26% and 23%, respectively).

Housing Discrimination

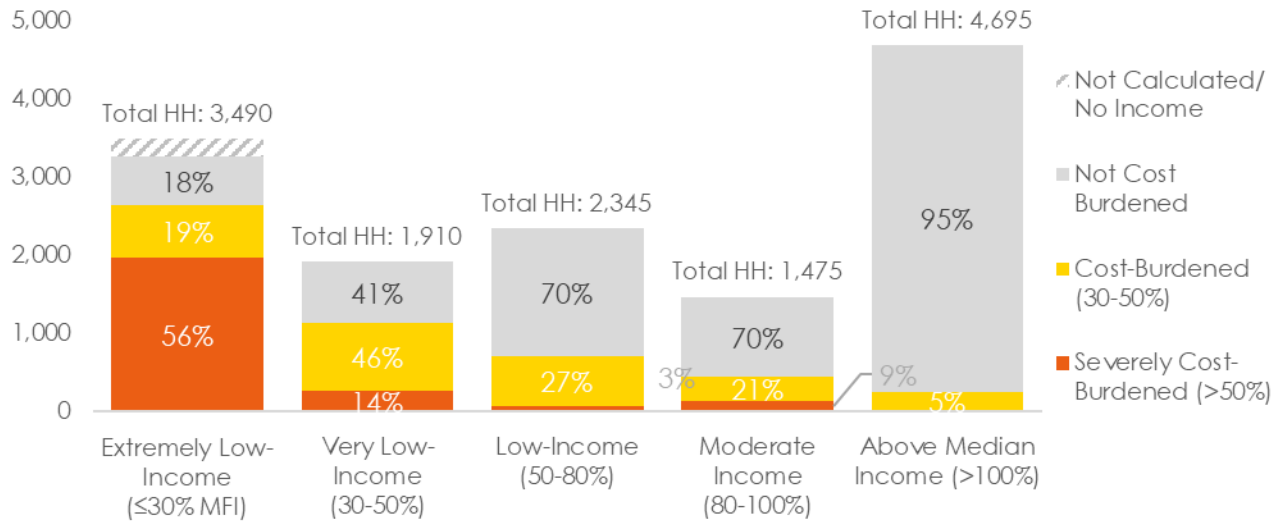
Through engagement for the HAP, stakeholders revealed that many Lynnwood residents report experiencing discrimination in the housing market, but few know what to do. This finding is supported in the data gathered by the 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium.

One-third of residents who responded to the resident survey conducted for the study reported experiencing housing discrimination in the past. These residents largely had low incomes, and they reported race or ethnicity, familial status and disability as common reasons for discrimination.

Findings from engagement for the HAP align with findings from focus groups conducted for the 2012 study: Hispanic and African American residents described rental situations they experienced that appear to be discriminatory. These included landlords falsely claiming vacant units are not available, being told by landlords that they won't rent to families with children, landlords terminating leases before they are up, and landlords refusing to address maintenance issues such as mold.

Source: 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium

Exhibit 12: Cost Burden Status by Income Level, Lynnwood Households, 2016.

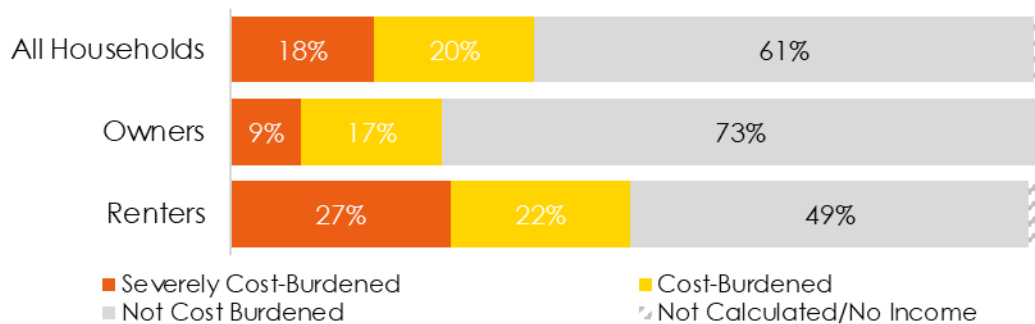


Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Cost Burden by Occupancy

Renters are more likely than homeowners to experience cost burden. Half of Lynnwood renter households experience moderate or severe cost burden, compared to 26% of homeowners.

Exhibit 13: Household Occupancies by Cost Burden in Lynnwood, 2016.



Sources: HUD CHAS Table 8 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Households with Special Needs

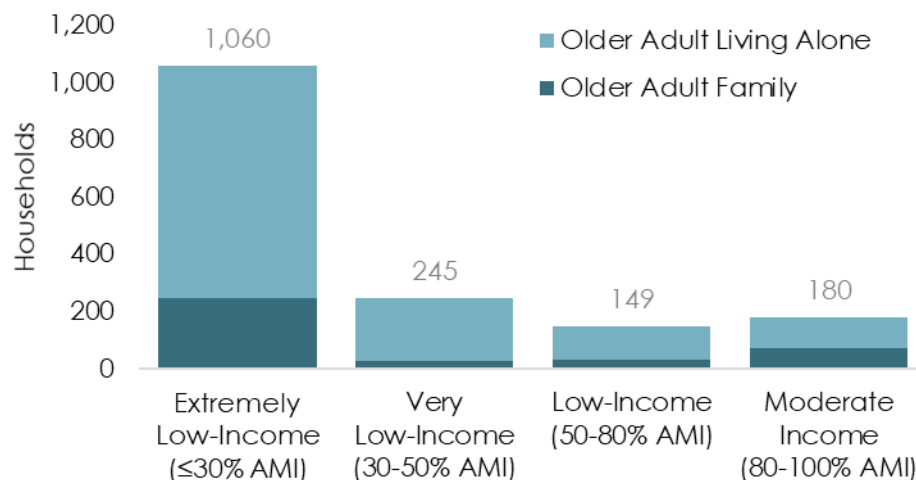
Older Adults

Older adult (62+) households account for 30% of all extremely low-income households in

Lynnwood. Rates of cost burden are particularly high among adults over 62 who live alone, 54% compared to 38% for the household population overall. **Over 1,400 older adult households in Lynnwood are both cost-burdened and low-income.**

Many older adult households represent individuals who are retired and rely on social security checks, retirement income, and accumulated wealth that must be budgeted over an undetermined length of time. These resources will vary widely from one household to the next and are not easily captured by Census data. These individuals may also require costly medical care or household assistance, which can further strain finances. Those who live alone are particularly vulnerable to financial shocks, as they may not have the community and family support networks of others. As older adults become a larger demographic in Snohomish County, and likely in Lynnwood, public support for housing, transportation, and healthcare needs become increasingly important.

Exhibit 14: Cost-Burdened Older Adult (62+) Households in Lynnwood, 2016.



Sources: HUD CHAS Table 7 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

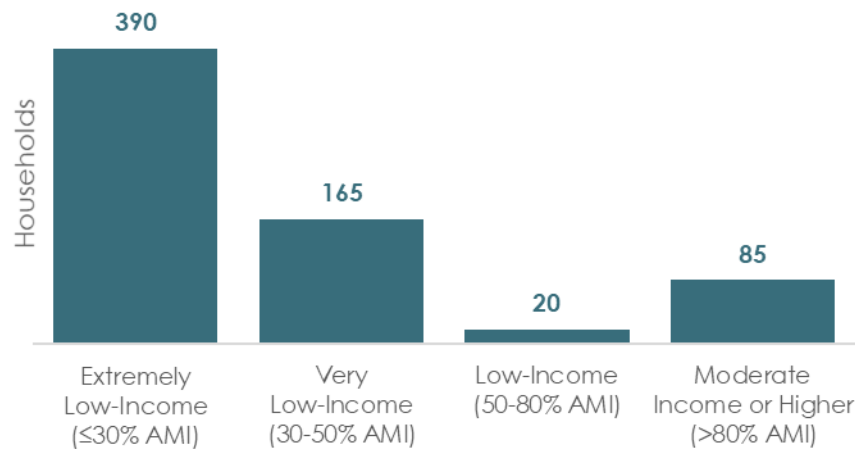
The share of older adults living alone increases with age, with a large proportion of those over 75 living alone. This is important to note since many individuals who live alone at this age also develop disabilities and have lower incomes. This is a countywide issue, and studies have shown that shortages of accessible housing and limited access to transit combine to create housing challenges for older and disabled adults.³

³ Source: Housing America's Older Adults, Joint Center for Housing Studies of Harvard University, https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Housing_Americas_Older_Adults_2019.pdf

Disabled Adults

Income-restricted subsidized housing is often a good fit for low-income older and/or disabled households, and many older residents meet the income thresholds for this housing. However, the existing stock of subsidized housing for older adults and/or individuals with disabilities does not meet current needs. When one factors in the need for accessible units, the shortage widens. Quantitative data on this topic is not extensive but does show that extremely low-income households with a member with a cognitive limitation face more housing unit problems, including cost burden. See Exhibit 15.

Exhibit 15: Households with One or More Housing Unit Problems* and a Member that has a Cognitive Limitation, 2016.



*Housing unit problems include lacking complete plumbing facilities, lacking complete kitchen facilities, overcrowding, or cost burden more than 30%.

Sources: HUD CHAS Table 6 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Subsidized Housing

Households that spend more than 30 percent of their income on rent, utilities, and other housing expenses qualify for federal housing assistance through the Section 8 Housing Choice Voucher (HCV) program. The Housing Choice Vouchers (HCV) program provides tenant-based and project-based assistance that housing authorities administer to qualifying households. Subsidized housing is also created and preserved through the Low-Income Housing Tax Credit (LIHTC) program. These tax credits are used for the acquisition, rehabilitation, or construction of rental housing targeted to lower-income households. The HUD Section 202 program provides funds to finance the development of affordable housing with supportive services for older adults. Rental assistance is also provided as part of this program.

HUD evaluates household income eligibility for housing assistance programs at the regional level (for more information about regional income metrics, refer to the HUD-area MFI definition in the glossary). Since Lynnwood has more households at lower income levels, high rates of its population are classified as low-income by HUD metrics. Overall, more than half of Lynnwood households (61%) are designated as low-, very low-, or extremely low-income by HUD standards. This figure increases to 76% when looking specifically at renter households. Despite efforts by local housing authorities, many qualified households still cannot receive benefits.

Based on regional thresholds, 5,120 low-income renter households in Lynnwood qualify for income-subsidized housing, either through income-restricted affordable units or market-rate rental housing vouchers.

Currently, Lynnwood has 2,222 units of income-restricted housing and 1,330 vouchers for subsidized units. See Exhibit 16. Vouchers can be used in subsidized units or in market rate housing, so estimating the total number of subsidized units in Lynnwood is challenging. **These numbers suggest that somewhere between 1,750 and 3,000 qualified renter households are not receiving housing subsidies, making these residents particularly vulnerable to cost burden.**

Exhibit 16. Summary of Subsidized Housing in Lynnwood, by Program Type.

Program	Unit Count	Description
Section 8 Vouchers	1,330	Housing Choice Vouchers (1,225) can be used in market-rate or income-subsidized units
HUD 202 Rental Assistance	115	Qualified recipients are very low-income and aged 62+
Income-Restricted Housing Units	78	Units owned by public housing authorities
LIHTC Units	2,144	Affordability covenants on these units will have an expiration date

Source: Housing Authority of Snohomish County (HASCO); 2020

Exhibit 17 shows a summary of housing vouchers used and income restricted LIHTC units in cities across Snohomish County. This shows that Everett and Lynnwood see a much larger use of the voucher program and include more LIHTC income-restricted units than other cities. Since the voucher program is designed to allow qualifying households to find housing in the private market, the increased use of the voucher program in Everett and Lynnwood reflect the relative availability of rental housing and lower market rents in these two cities and the lack of rental housing, especially affordable rental housing, in other cities. Lynnwood and Everett also have a

much larger numbers of income restricted housing through the LIHTC program than other cities in the county, for many reasons. First, the proximity to transit access makes LIHTC project applications in these cities more competitive than those with less access. While Lynnwood has a high number of vouchers and income-restricted units on a per-capita basis compared to other cities, the need continues to be higher than available units. Countywide efforts that follow and exceed Lynnwood's example will be necessary to match the scale of housing need.

Exhibit 17. Summary of HASCO Housing Vouchers by City, August 1, 2020 and LIHTC Income Restricted Units by City, 2017.

City	Number of Housing Vouchers	Number of LIHTC Income Restricted Units
Everett	1,158	4,400
Lynnwood	966	2,802
Marysville	486	1,251
Edmonds	199	178
Arlington	172	256
Mountlake Terrace	156	35
Lake Stevens	127	82
Monroe	111	65
Snohomish	97	62
Mill Creek	81	523
Stanwood	78	29
Mukilteo	31	61

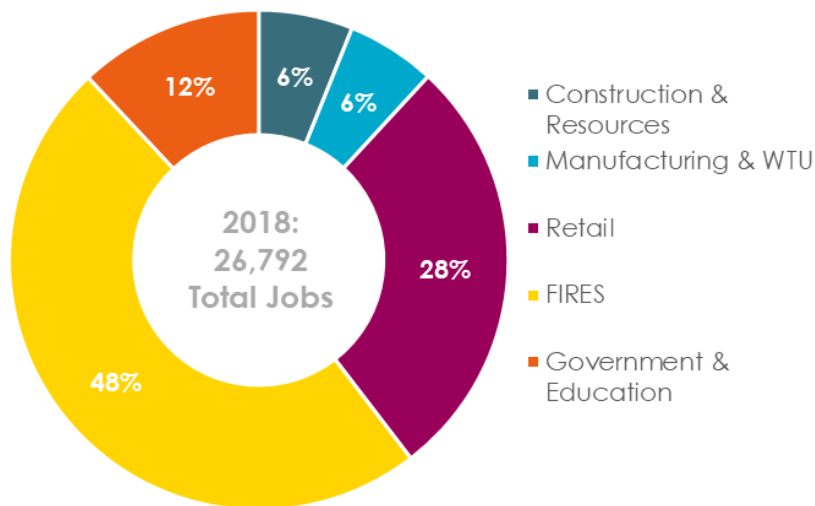
Note: This list includes VASH (VA Supportive Housing) and other program vouchers. Source: Housing Authority of Snohomish County (HASCO); 2020

Workforce Profile

Currently, employment in Lynnwood is highest in the Finance, Insurance, Real Estate, and Services (FIRES) sectors. This is followed by Retail employment, which the Puget Sound Regional Council (PSRC) anticipates as a major sector for growth by 2040. See Exhibit 18. PSRC forecasts

for 2040 anticipate a 78% increase in total Lynnwood jobs compared to 2018 figures. Strong growth in the retail sector is anticipated, with an estimated share of employment increasing from 28% to 36% by 2040. Job loss related to COVID-19 may impact future outcomes for Lynnwood's economy, but long-term forecasting often remains reliable despite market shocks during periods of recession.⁴ Increasing access to economic opportunity and higher wage employment sectors are important factors to address housing affordability.

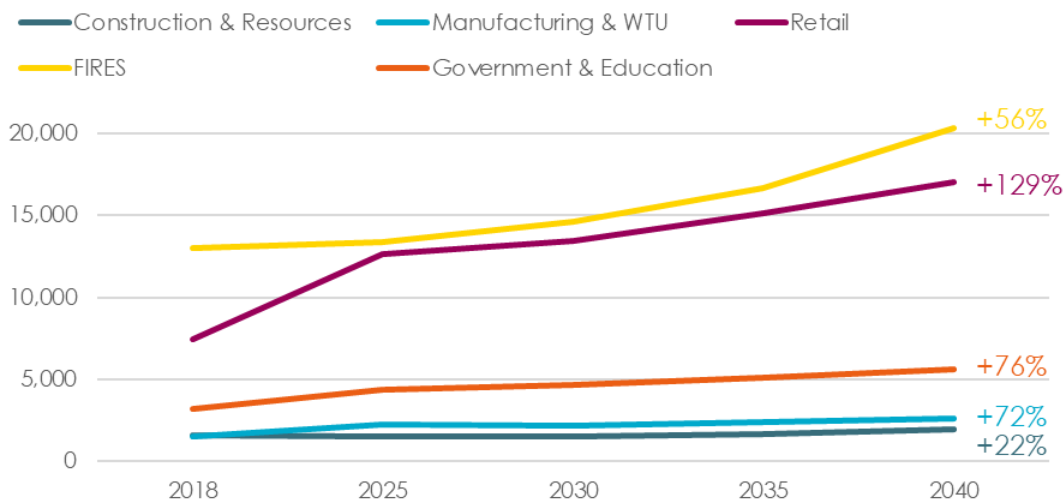
Exhibit 18 Jobs by Sector in Lynnwood, 2018.



Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020.

⁴ [PSRC, April 2020 "Looking Beyond COVID-19"](#)

Exhibit 19: Jobs by Sector, Projected Change 2018-2040



Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020.

American Community Survey estimates, summarized by the Census Bureau and LEHD Origin-Destination Employment Statistics, estimate a total of 30,062 jobs within Lynnwood. These positions are overwhelmingly filled by residents from other communities. Over half (57.5%) of Lynnwood workers earn \$40,000 or less annually, while 47% of Lynnwood residents earn similar wages.⁵ Mapping the residence of Lynnwood workers (see Appendix C) shows wide regional dispersion, with significant pockets of workers living as far as Arlington to the north or Monroe to the east.

Exhibit 20: Income Estimates for Lynnwood Residents and Lynnwood, 2017

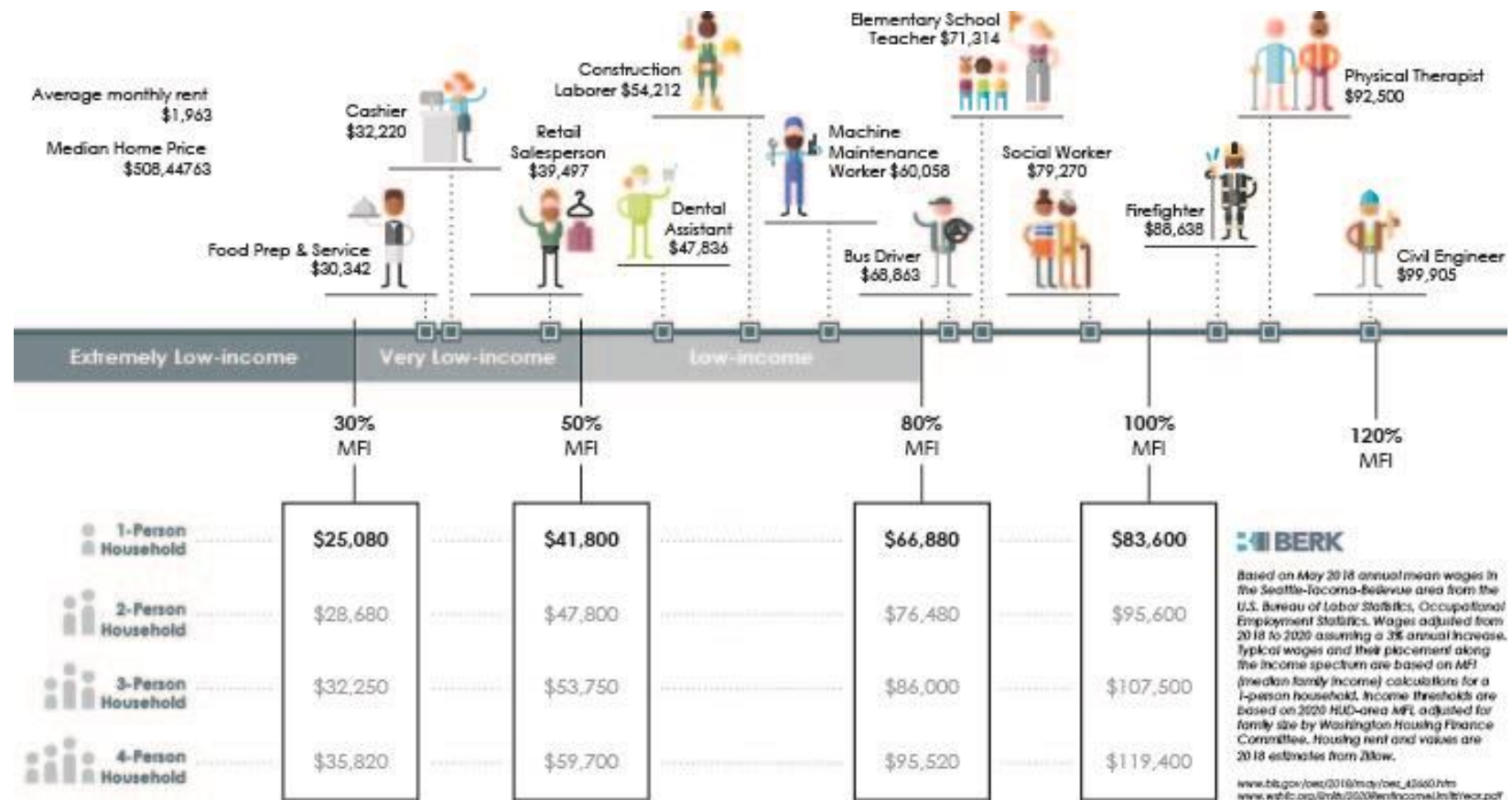
Income Estimate	Lynnwood Residents	Lynnwood Employees
Less than \$1,250 per month	3,111 (17.3%)	6,595 (23.5%)
\$1,251 to \$3,333 per month	5,441 (30.2%)	8,999 (32.0%)
More than \$3,333 per month	9,442 (52.5%)	12,528 (44.5%)

Sources: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics; BERK, 2020.

⁵ 2013-2017 ACS estimates

Lynnwood's employment sectors include a range of occupations with varied wages. Wage information for a selection of professions across these sectors from the Bureau of Labor Statistics are summarized below in Exhibit 21.

Exhibit 21: Income by Profession and HUD-area MFI Calculations for Lynnwood, 2019.



To balance household budgets, many lower-wage workers may move to areas farther away with lower costs of living. Exhibit 22 summarizes the distance workers travel to Lynnwood for employment. Only 6% of the 30,000+ employees that work in Lynnwood also live within the city, which is significantly lower than neighboring cities like Edmonds or Everett where 12% and 14% of the population, respectively, both live and work within the community. Lynnwood workers, overall, earn lower wages than Lynnwood residents. See Appendix B for an analysis of the housing needs of Lynnwood's workforce.

Exhibit 22: Place of Residence for Lynnwood Employees, 2017.

Place of Residence	Employee Count	% Total
Lynnwood	1,940	6%
Less than 10 miles away	13,622	45%
10 to 24 miles	7,918	26%
25 to 50 miles	3,691	12%
Greater than 50 miles	2,891	10%
Total Employees in Lynnwood	30,062	

Sources: U.S. Census Bureau, OnTheMap and LEHD Employment Statistics, 2017; BERK, 2020.

Housing Inventory

Housing Supply Characteristics

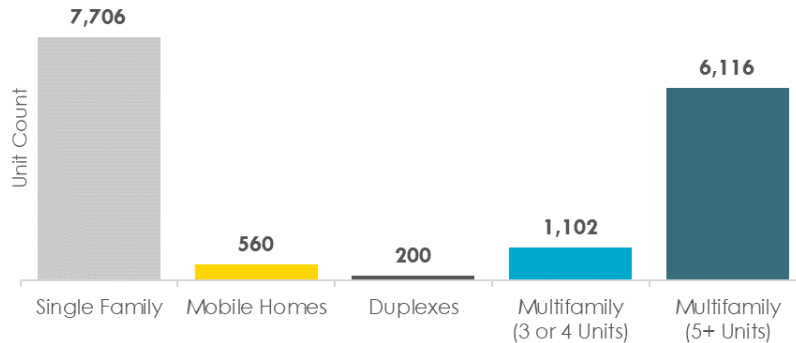
Housing Units by Type

Single family homes comprise 49% of Lynnwood's housing stock and 84% of Lynnwood's residential land area. The other half of the housing stock is a blend of mobile homes, 2 to 4-plexes, and larger multifamily buildings. See Exhibit 23. ACS estimates suggest that 44% of multifamily units are in buildings with 20+ units and recent development trends favor buildings of 100 or more units.⁶ "Missing middle" housing refers to a diversity of housing types that transition between single family and high-rise multifamily apartments, such as cottage homes and stacked or side-by-side multiplexes. Many of these styles are not permitted in Lynnwood's single-family residential zones and have development standards in other residential zones which limit the likelihood they will be developed. This is further discussed in a separate Policy and Code Review document (which will be completed in September 2020).

Within the Snohomish County's southern urban growth area there have been several additional housing unit types developed, such as cottage housing, duplexes, small multiplexes, townhomes, and other single-family detached units. Within Lynnwood, these housing unit types are either not permitted or, in some cases, the locations where they are permitted is limited.

⁶ ACS DP04 5-year estimates, 2014-2018; Lynnwood Permit Data, 2020

Exhibit 23: Housing Inventory by Type in Lynnwood, 2018.

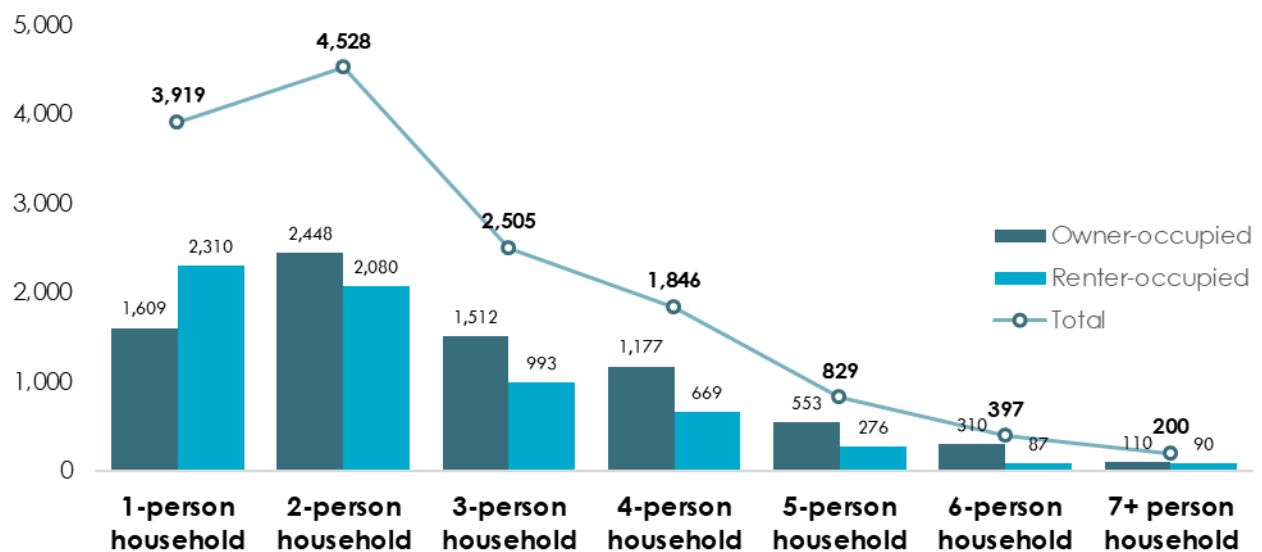


Sources: OFM, 2018; BERK Consulting, 2020.

Housing Unit Size

Exhibit 24 shows that 60% of Lynnwood households are 1- and 2-person, which impacts the size and type of desired home. Smaller households may desire less square footage or smaller lot sizes to reduce maintenance responsibilities. Housing types such as townhomes, multiplexes, small lot single family, or cottages can appeal as potential opportunities for these households.⁷

Exhibit 24: Household Size by Occupant Type in Lynnwood, 2018.



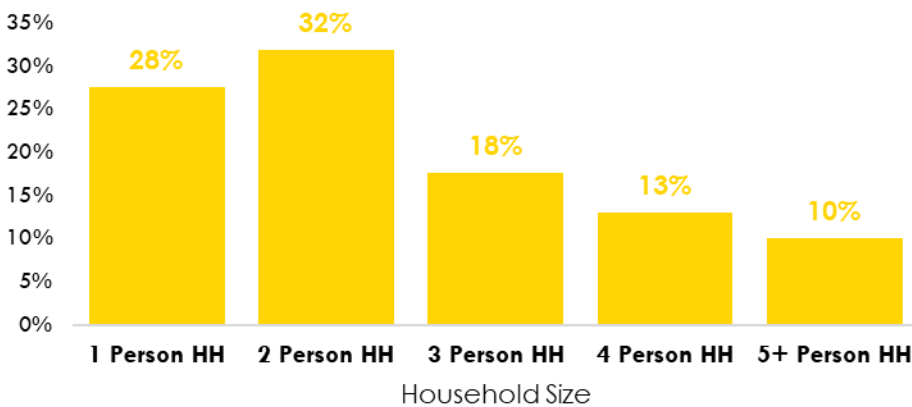
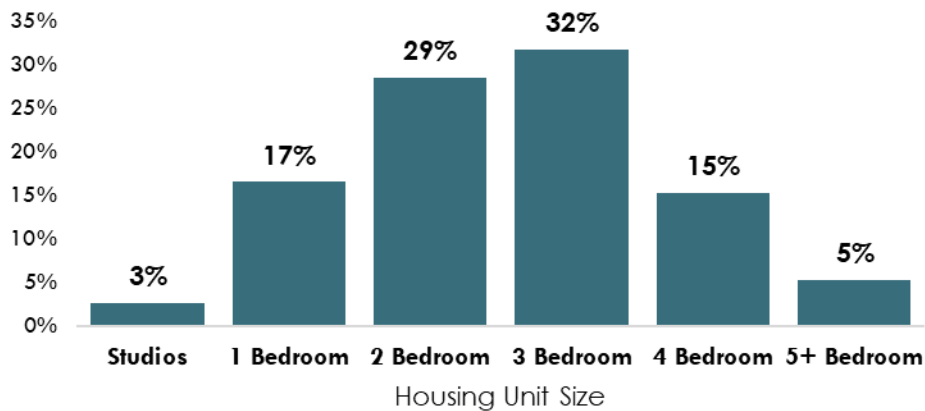
Sources: American Community Survey B25009, 2014-2018; BERK, 2020.

⁷ ["Bring Back Missing Middle Housing" -AARP, 2018](#)

Exhibit 25 shows the housing stock by number of bedrooms and households by household size. It indicates a potential undersupply of smaller units. While 60% of Lynnwood's households are one and two-person, only 49% of the housing stock consists of studio, 1-bedroom units, or 2-bedroom units.

This reflects the production trends within Lynnwood. The average size of single-family homes permitted within the past seven years (2013-2020) in Lynnwood is 3,153 square feet on an average lot size of 0.27 acres (11,761 square feet). By contrast, the limited number of townhome units permitted over the same time period average 1,479 square feet of living space averaging 0.05 acres (2,178 square feet) of lot area per unit.⁸

Exhibit 25: Housing Unit Sizes Compared to Household Sizes in Lynnwood, 2018.

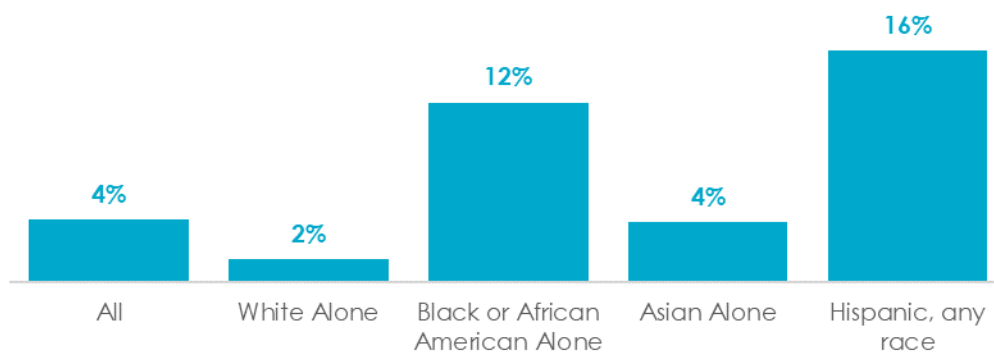


Sources: American Community Survey DP04 & B25009, 2014-2018; BERK Consulting, 2020.

⁸ City of Lynnwood Permit Data, 2020.

As households face affordability challenges, some may make tradeoffs around the size or other aspects of housing. Data shows that BIPOC and low income households experience other housing issues at higher rates than the population overall, such as crowding, as shown in Exhibit 26. The US Census defines crowding as having more household members than total rooms (not just bedrooms) in the house.⁹ For example, a couple living in a one-bedroom apartment would not be considered “crowding”, as this unit classification assumes a living room separate from the bedroom. By contrast, a couple living together in a studio apartment would be considered crowding, since the sleeping and living areas are combined into a single space. Residential crowding can demonstrate housing affordability challenges, link to public health concerns for the spread of communicable disease, and signal vulnerability to homelessness.¹⁰

Exhibit 26: Crowding in Lynnwood Households, by Race/Ethnicity



Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity.
Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.

⁹ [Census Bureau](#)

¹⁰ [California Health and Human Services](#).

Home Ownership

More than half (54%) of Lynnwood's households own their housing while 46% rent. The homeownership rate in Lynnwood is less than both Snohomish County overall (68%) and King County overall (56%). Single person households are more likely to rent, while larger households have higher rates of home ownership.

Net worth is an important indicator of economic well-being. Historically, homeownership is a main source of wealth creation and housing stability for households in the United States. A 2015 Census report found that homeowner's median net worth is 80 times larger than renter's median net worth¹¹.

Despite the lower household incomes in Lynnwood when compared to Snohomish County as a whole (Exhibit 8), home prices in Lynnwood are higher. If this trend continues, it increases the likelihood that Lynnwood residents who are struggling with local costs of living will move elsewhere.

Estimated costs to purchase a home based on 2019 home values indicate that less than 20% of Lynnwood households can afford to purchase an average priced home without assistance. See Exhibit 28 for details. This represents a 12% decrease from 2010, when 30% of households met this affordability threshold. Using the same loan qualifications but looking at homes in a lower price point, approximately 30% of Lynnwood households can afford "lower market" homes.¹² Lower market homes are defined by Zillow as those which fall within the 5th to 35th percentile range of home values. This is a 10% decrease from 2010 when 40% of households could afford homes within this range.

Renting vs. Buying

Home ownership is one of the most common strategies for wealth building in the United States, although it comes with financial risk as well. Advantages to home ownership include locking in stable monthly housing costs over time and favorable tax policy, such as the mortgage interest deduction. It also offers geographic consistency, which can promote stronger social networks.

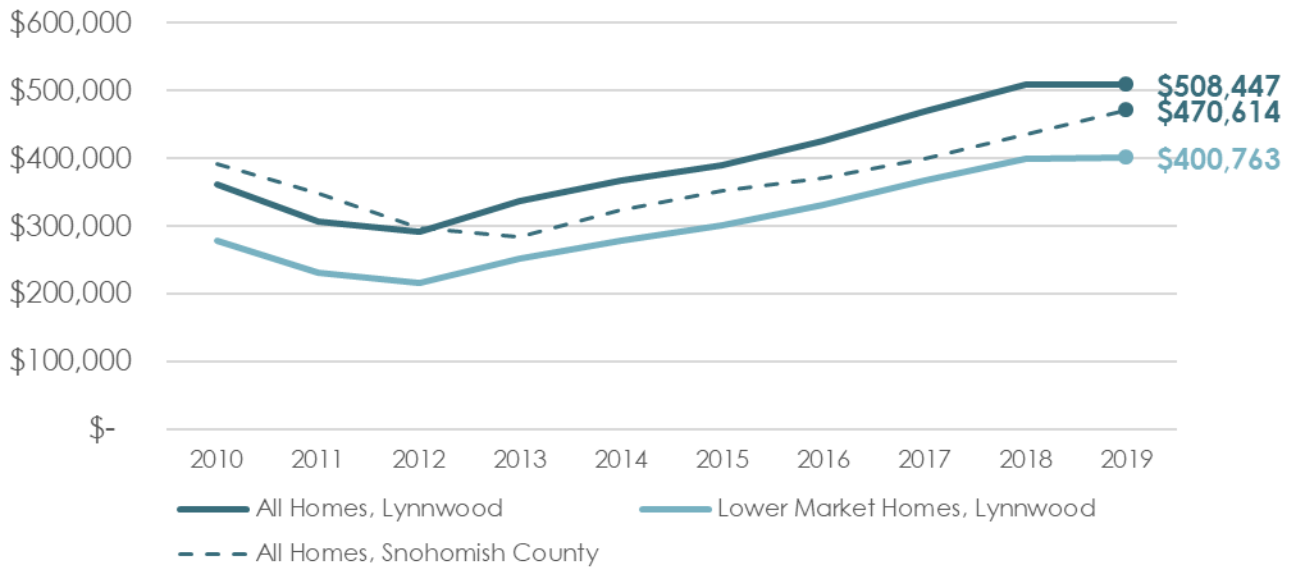
Some renting families prefer the flexibility of rental housing and the freedom from large, unexpected maintenance expenses. Other renters would like to own their home and simply cannot afford it. Ownership requires substantial savings for a down payment along with a credit history that lenders find acceptable. Due to historic and ongoing systemic discrimination, low-income and BIPOC households frequently struggle with either or both of these criteria.

Sources: [Brookings, 2019](#); [Urban Institute, 2018](#); [Harvard Joint Studies for Housing Research, 2013](#); [Center for Investigative Reporting, 2018](#)

¹¹ Sources: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/P70BR-164.pdf>
<https://www.census.gov/library/publications/2019/demo/p70br-164.html>

¹² Based on Zillow data. The range of values that fall within this percentile is not published.

Exhibit 27: Average Home Values in Lynnwood, 2010-2019 (shown in 2019 dollars)



Sources: Zillow, 2020 ; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 – 2019; BERK, 2020.

Home ownership affordability incorporates two primary components: the ability to save for a down payment and the ratio of monthly mortgage payments to monthly income. Some households may pay rent similar to or exceeding a mortgage payment rate, but struggle to save enough cash for a down payment, which typically ranges from 6% - 16% of the home cost for individual buyers.¹³ In Lynnwood, the monthly payments for an average priced home are only considered affordable for households earning \$133,147 or more annually. **Less than 20% of Lynnwood residents can afford to purchase the median-priced home in today's market. However, 54% of Lynnwood households are homeowners.**

¹³ Based on 2019 trends in home buying, as summarized by [National Association of Realtors](#)

Exhibit 28: Home Ownership Affordability in Lynnwood, 2019.

	Average home value	10% down payment	Annual income needed to afford*	Households at or above this income threshold**
All Homes	\$508,447	\$50,845	\$133,147 (123% MFI)	~18%
Lower Market Homes	\$400,763	\$40,076	\$104,947 (97% MFI)	~30%

*Assumes access to a 10% down payment

**Assumes a 3% annual income increase from 2018 5-year ACS estimates.

Sources: Zillow, 2020; ACS 5-year Estimates S1901 2014-2018; BERK, 2020.

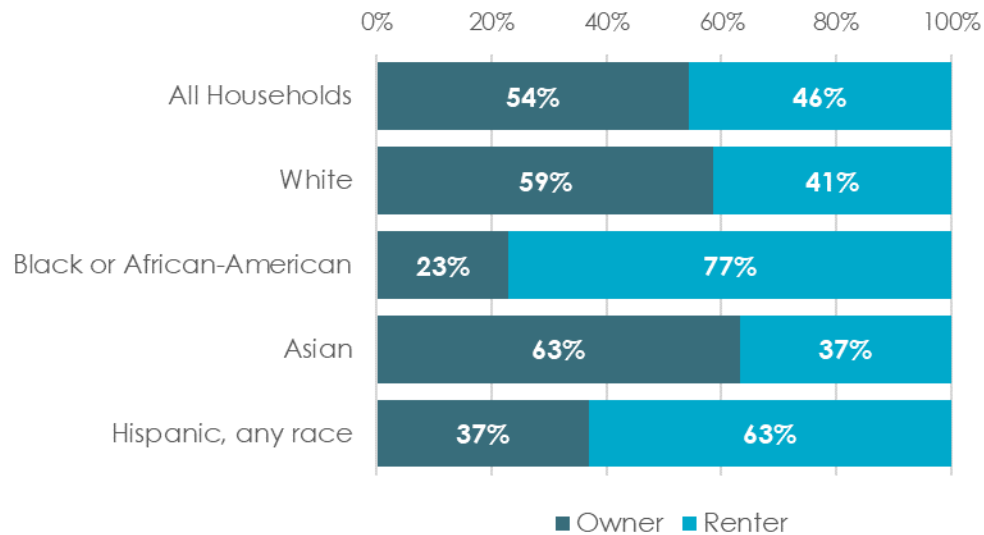
Home ownership rates in Lynnwood show disparities by race. Home ownership rates are highest among larger households and White or Asian households, as shown in Exhibit 29. Data indicates lower home ownership rates among Black or African American households as well as Hispanic households. These disparities are consistent with historic policies and systemic barriers which negatively impact housing security for BIPOC residents.

Lending Disparities by Race

A 2012 Fair Housing Study looked at lending disparities by race in Snohomish County, and found the highest disparities in Brier, Lynnwood, Marysville, and Mountlake Terrace. BIPOC communities have the lowest success rate obtaining home loans in these cities. These communities are also some of the most racially diverse in Snohomish County, potentially signaling that the high rates of denials may be closely related to the larger pool of potential non-White borrowers.

Source: 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium

Exhibit 29: Household Ownership by Race and Ethnicity, 2018.

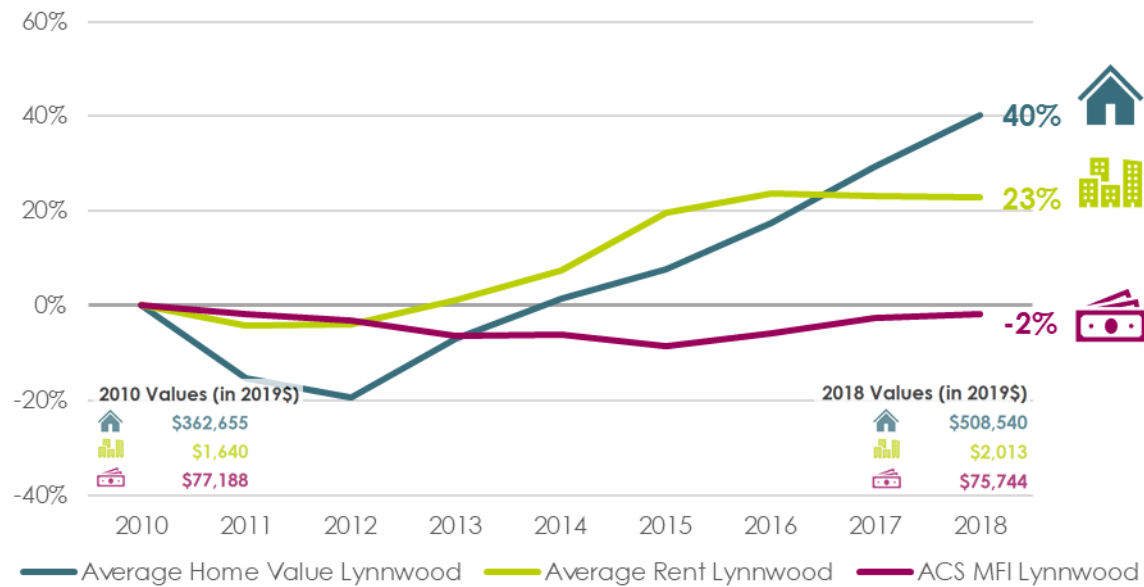


Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity.
Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.

Home Values

In the past decade, the central Puget Sound region has grown in both jobs and population and continues to experience a housing affordability crisis. Since 2010 Lynnwood home values have increase by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.

Exhibit 30: Percent change since 2010 in Average Home Values, Rents, and HUD MFI in Lynnwood After Adjustment for Inflation



Sources: Zillow, 2020); ACS Income 5-year estimates (Table S1901) 2010 - 2018; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 - 2019; BERK, 2020.

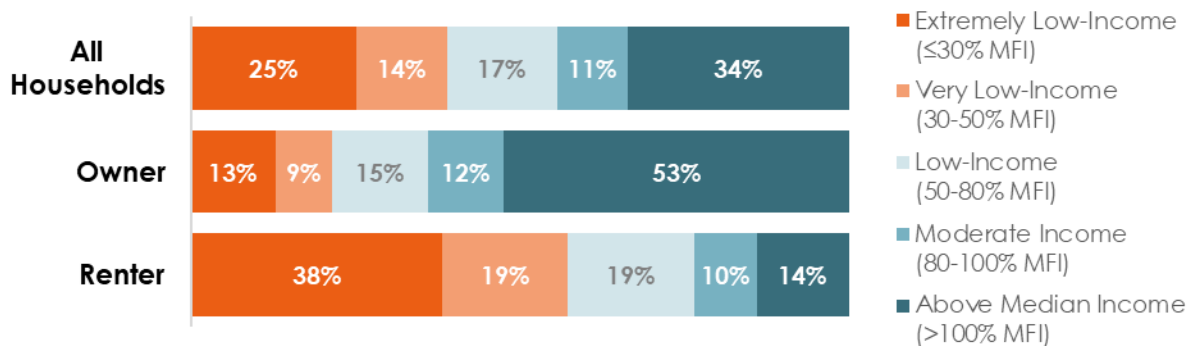
Relative to Snohomish and King counties, a larger proportion of Lynnwood households fall into lower income groups and fewer households are in high income groups, as shown in Exhibit 8. This means that housing affordability problems are further amplified in Lynnwood.

Rental Housing

There are a total of 6,740 rental housing units in Lynnwood. Exhibit 29 breaks down renter- and owner-occupied households in the City of Lynnwood by income level relative to MFI. It shows a significant difference between owner-occupied and renter-occupied households, with owner households much more likely to have incomes above 100% MFI.¹⁴ Close to 38% of renter households have extremely low incomes, compared to 13% of owner households.

¹⁴ Note that when grouping households by income level, HUD adjusts income thresholds based on household size to reflect the fact that the living expenses for a 1-person household are significantly less than those of a family of four. These adjustments are based on HUD's published household [Income Limits](#) needed to qualify for income-restricted affordable housing that is set aside for households at a specified income level or below. [Washington State Housing Finance Commission](#) publishes an expanded version of these income limits for each county in Washington State.

Exhibit 31: Percentage of Households by Income Level and Housing Ownership Types, 2016.



Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Black and Hispanic residents are more likely to be low-income and/or renter households, both groups with high rates of cost burden. The average cost of renting in Lynnwood has increased by 50% from 2010 to 2020. This shift highlights one of the major benefits of home ownership: the ability to lock in a consistent rate for monthly payments over a long period of time. An average-priced home purchased in 2010 will have a mortgage close to \$1,600, almost 20% less than the rent for an average apartment in 2018.¹⁵ While property tax increases will fluctuate with market factors, monthly mortgage payments can remain steady. **In 2010, half of Lynnwood households (49%) could afford an average-priced apartment without cost burden. By 2018 only 38% of households could afford the same level of apartment without cost burden.** Some of these renter households will find units below the average price, keeping within affordability limits, but this is not an option for all households.

¹⁵ Zillow data for average home values and rents. See BERK calculations for mortgage estimation in Appendix C.

Exhibit 32: Rental Affordability in Lynnwood, 2010 & 2018.

	2010	2018
Average Rent	\$1,337	\$1,963
Income needed to not be cost-burdened	\$53,490	\$78,530
Income needed, as a % of MFI	62%	76%
% of Lynnwood households that can afford without cost burden	49%	38%

Note: 2010 numbers not adjusted for inflation.

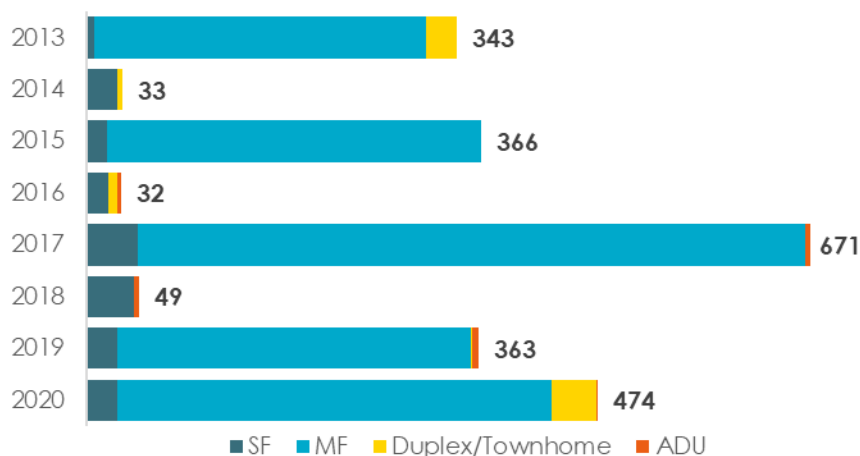
Sources: Zillow, 2020 (average rent); HUD, 2020 (MFI); ACS 5-year Estimates S1901 2014-2018 (hh income); BERK, 2020.

One likely reason for the continued increase in rent is extremely low vacancy rates. According to 2018 ACS current vacancy rates are 4.4% for rental units and 1.2% for owner-occupied units, whereas a healthy housing market has a vacancy rate of around 5%. When vacancy rates sink below 5% there are fewer options on the market for households seeking to move. This increases competition for the limited supply of available units and results in upward pressure on housing costs.

Housing Production

Lynnwood's housing stock is diversifying to better match household sizes. While half of existing housing stock is single-family units, recent construction trends include a higher proportion of townhomes and many multifamily units. From 2013-2018, 86% of new units in Lynnwood were in multifamily buildings, although this is found in a small number of large buildings. Four major projects incorporate over 1,200 units: SHAG senior housing, now named Destinations (308 units) first applied for a permit in 2013, followed by the City Center Apartments in 2015 (347 units), and applications in 2017 for Reserve at Lynnwood (295 units) and Triton Court student housing (323 units). See Exhibit 33. Lynnwood's City Council approved accessory dwelling units (ADUs) for residential neighborhoods in 2008 and in 2016 updated this policy to include detached ADUs (DADUs) in RS-8 zones. Use has been limited so far.

Exhibit 33: Permitted Units in Lynnwood, January 2013-March 2020.



Sources: City of Lynnwood permit data (by date of application), 2020; BERK, 2020.

This shift in housing production from single family to multifamily responds to the mismatch of housing unit size to household size, as shown in Exhibit 24. The single-family homes being produced, however, are large (average interior square footage of 3,153 SF) and unlikely to be affordable for moderate income households.

On average over the last 13 years (2006 – 2018), permits issued for units in Lynnwood have been for units in multifamily buildings with more than 50 units and single-family homes. Historically, building types ranging from townhomes to smaller scale multifamily (up to 49 units) have seen very little production. See Exhibit 34 (high unit counts highlighted in darker blue).

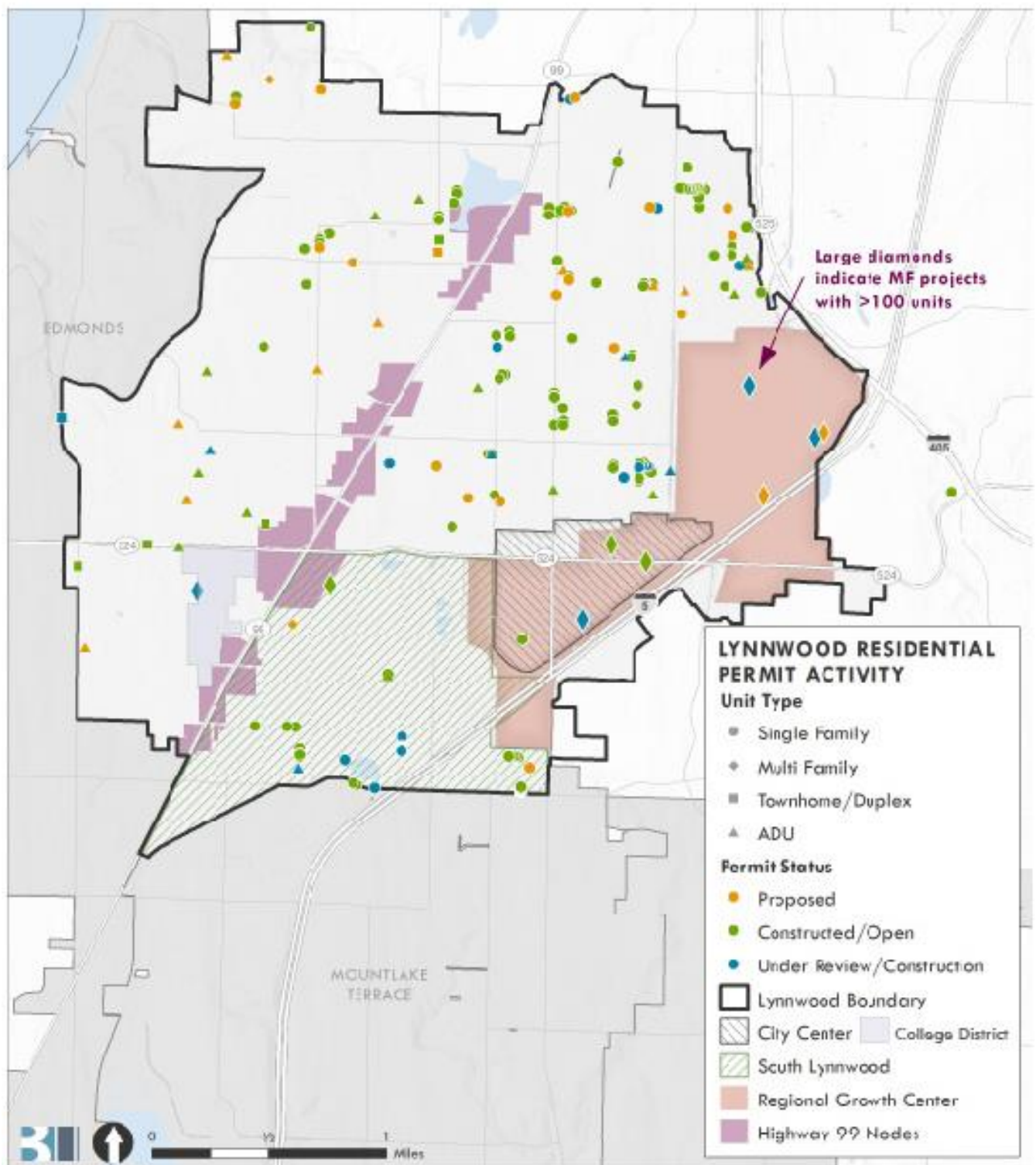
Exhibit 34. Net Permitted Units in Lynnwood by Housing Type 2006 – 2018

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MH	1	0	-3	0	0	0	0	0	0	1	1	0	3
SF	42	30	11	5	9	7	-2	5	19	11	4	24	60
MF1-2	16	0	0	0	0	5	0	1	0	1	0	0	5
MF3-4	0	0	0	0	0	8	-4	0	0	12	0	0	0
MF5-9	0	0	0	0	0	0	0	-5	0	8	0	5	-8
MF10-19	0	0	0	0	0	0	0	0	0	0	0	9	0
MF20-49	0	0	0	40	0	0	0	0	0	0	0	0	0
MF50+	0	0	0	0	0	0	0	0	0	950	0	0	295
NEWUNITS	70	36	13	48	10	30	5	11	32	983	12	45	372
LOSTUNITS	-11	-6	-5	-3	-1	-10	-11	-10	-13	0	-7	-7	-17
NETUNITS	59	30	8	45	9	20	-6	1	19	983	5	38	355

Note: PSRC Residential Building Permit Unit Counts are based on permit issue date. Some counts are negative because demolitions are included in the data. Highlighted cells show higher units.

Source: PSRC Residential Permit Summaries 2006 – 2018; BERK 2020.

Exhibit 35: Residential Development in Lynnwood, January 2013- March 2020.



Sources: City of Lynnwood, 2020; BERK Consulting, 2020.

Displacement and Housing Insecurity

Displacement refers to instances when a household is forced or pressured to move from their home against their will. Direct, physical displacement occurs in cases of eviction, the termination of a tenant's lease, or public land claims through eminent domain. Physical displacement can also occur when a property owner decides to renovate units to appeal to higher-income tenants or when buildings are sold for redevelopment. Another cause might be the expiration of an affordability covenant and resulting conversion of the unit to market rate housing. Economic displacement occurs when a household relocates due to the financial pressure of rising housing costs. Renters are more vulnerable to economic displacement, particularly those who are low-income, although some homeowners can experience this as well with significant increases to property tax bills. Cultural displacement is the result of fractured social fabrics. When physical and/or economic displacement affects community businesses and a concentration of racial or ethnic minority households, other households who affiliate with the affected cultural group may begin to feel increased pressure or desire to relocate.

This analysis evaluates displacement from two perspectives:

1. **Monitoring the count and rate of evictions** paints a picture of where physical displacement has happened in Lynnwood. Available datasets do not tell the entire story, as they only capture court-filed evictions and will not include residents who are priced out of units or who are asked to vacate a unit outside of the court system. Despite these limitations, data can highlight areas of the city where evictions are common and consistent, on the rise, or at a high rate relative to the number of rental households.
2. **Understanding social factors that make a household more vulnerable to displacement** is one way to understand areas of the city that could be hardest hit by residential displacement. Tools such as the Puget Sound Regional Council (PSRC) displacement risk map and the Social Vulnerability Index (SVI), assist with this effort. Proactive engagement with identified neighborhoods is an important step to avoiding or mitigating displacement that can result from policy changes and new development.

Combining results of the eviction analysis and the vulnerability mapping tools, the areas surrounding the Lynnwood Transit Center (and future light rail station), Alderwood Mall, the northeast corner of the city, and along the Highway 99 corridor are the highest priority for anti-displacement work in Lynnwood. This aligns with many areas of the city identified as having lower median household incomes and higher proportions of Hispanic and BIPOC residents, as shown in the income and race/ethnicity map (see Exhibit 6). These subareas contain economically and socially vulnerable households who may benefit from additional engagement and anti-displacement policy efforts.

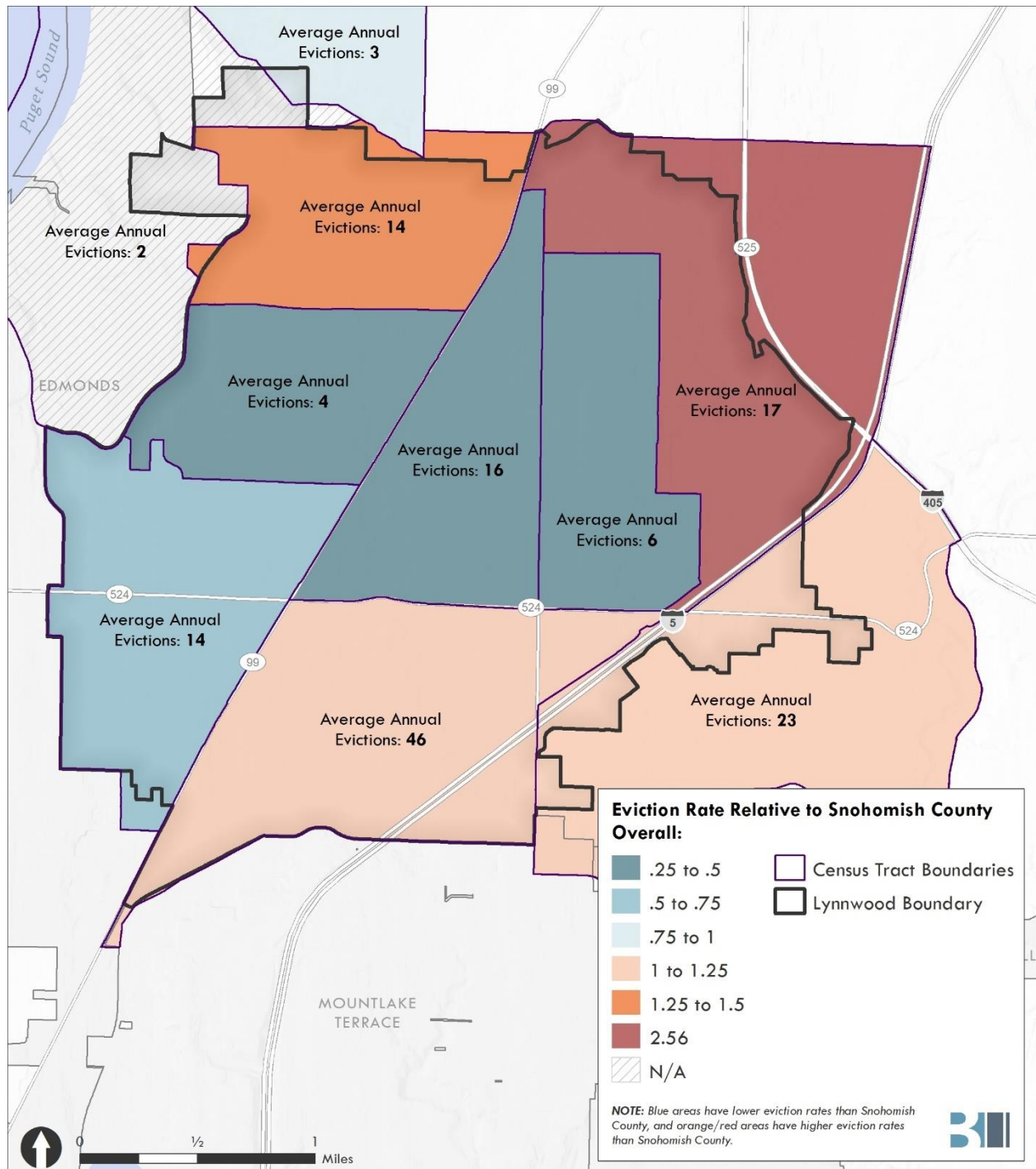
Evictions

A count of evictions reveals that over the 10-year period from 2008 to 2017, there is a relatively consistent annual count of court-documented evictions in Lynnwood at an average of 144 per year. Tract level averages are highest in the area surrounding the Lynnwood Transit Center, Alderwood Mall, and south and east of I-5 between the mall and transit center, as shown in Exhibit 36. Eviction rates evaluate the number of evictions against the total number of renters within a given Census tract and then compare this rate to all other Census tracts within Snohomish County to identify locations which stand out in the region for high eviction rates. In Lynnwood, the highest eviction rate aligns with the highest eviction count, in the area including the mall and some of the urban growth area (UGA) outside city boundaries. This tract is highlighted in dark red and has a rate of evictions twice the average rate across Snohomish County. Annual counts reveal that the number of evictions in this area spiked in 2016 and 2017. This may be a focus area for anti-displacement work in Lynnwood.

“Along with instability, eviction also causes loss. Families lose not only their home, school, and neighborhood but also their possessions: furniture, clothes, books. It takes a good amount of money and time to establish a home. Eviction can erase all that.”

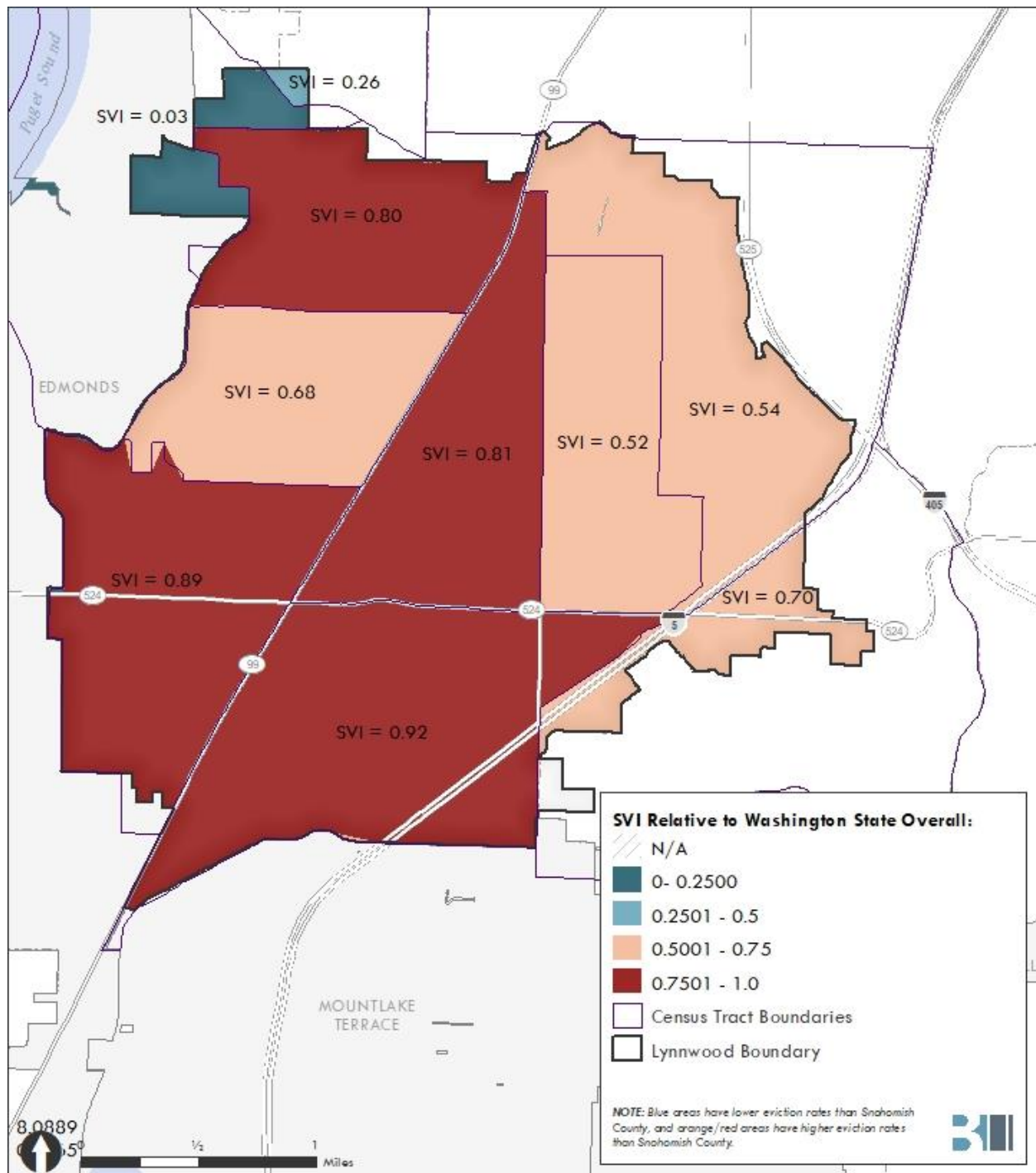
Evicted: Poverty and Profit in the American City by Matthew Desmond

Exhibit 36: Evictions in Lynnwood, 2017 Rate and Average 2008-2017 Annual Count.



Sources: Eviction Study, 2017; BERK, 2020.

Exhibit 37: Social Vulnerability Index Ratings in Lynnwood, 2018.



Sources: CDC Social Vulnerability Index, 2018 (Scale 0 – 1.0 relative to Washington State. Higher score indicates higher vulnerability); BERK, 2020.

Social Vulnerability

The Centers for Disease Control (CDC) maintains the Social Vulnerability Index (SVI) as a tool developed to identify vulnerability to hazardous events nationwide. The index was developed to assist public health and emergency response experts to identify areas of extra concern in the event of a shock such as a natural disaster or chemical spill. Many of the included variables, however, relate to housing vulnerability as well: poverty rates, concentrations of older adults or single parent households, identifying minority communities, and housing issues like crowding. Not all factors captured are relevant to identifying displacement risk, but they help paint a picture of neighborhood demographics. A full summary of metrics and scores can be found in Appendix E:

Results identify areas along either side of Highway 99 as the area with highest vulnerability concerns. Tract 514, home to the future light rail station, is also the tract with highest eviction counts in Lynnwood. Tract 515, west of Highway 99, scores high on SVI for household composition, BIPOC populations, and housing/transportation themes.

Cost Burden and Homelessness

Housing instability caused by cost burden can lead to periods of homelessness for economically vulnerable households. The Housing Action Plan's goal is to identify strategies to preserve and increase housing opportunities for all income levels throughout Lynnwood. Addressing the needs of the homeless population requires a multi-faceted systemic approach that includes housing, but also requires human services, health services, job trainings, and much more beyond the scope of this plan. Information about homelessness in Snohomish County is included in Appendix F. Although the Housing Action Plan does not focus on homelessness, it is important to note that one essential approach to reducing homelessness is to prevent it. This plan aims to ensure that housing in Lynnwood is available at a variety of income levels to prevent cost burden, displacement, and evictions. This proactive approach of implementing upstream strategies to prevent homelessness has been found to be more successful and cost effective in comparison to response efforts after a person becomes homeless.¹⁶

¹⁶ Sources: <https://www.tandfonline.com/doi/abs/10.1080/10511482.2018.1532448?journalCode=rhpd20>
https://www.innovations.harvard.edu/sites/default/files/hpd_0203_lindblom.pdf

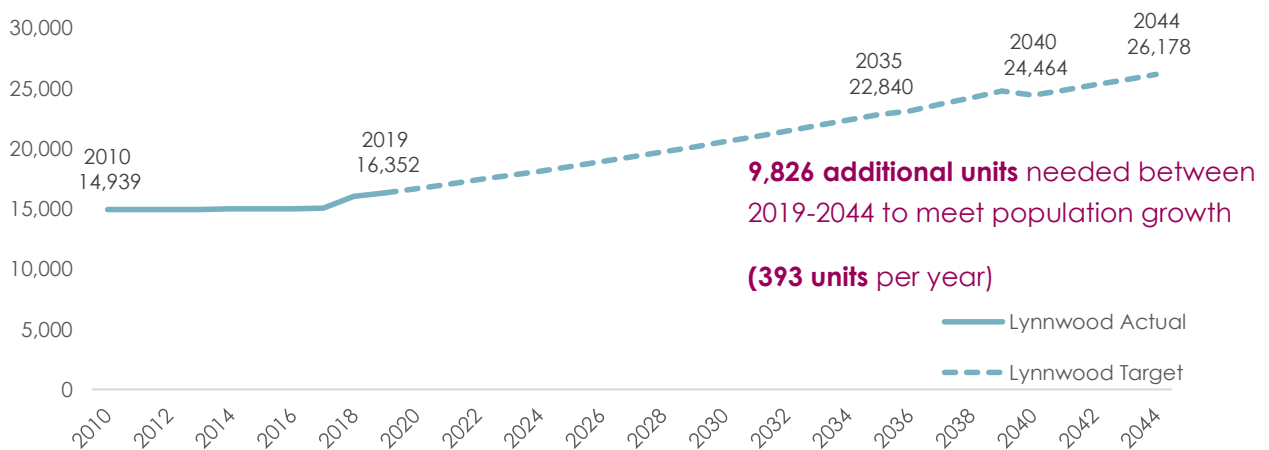
Gap Analysis

Housing Needed to Accommodate Future Growth

The average annual production of housing units in Lynnwood from 2013-2020 is 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. The rate of housing unit production has increased in recent years but falls short of the needed rate to meet this estimated growth. See Exhibit 38.

The need for housing units is reinforced by low vacancy rates: 4.4% for rental units and 1.2% for owner-occupied, as reported by the 2018 ACS. Construction trends in recent years demonstrate a shift toward increased proportions of multifamily units, concentrated in the City Center and northeast quadrant of Lynnwood in the Regional Growth Center and north of it. In years with large (100+ units) multifamily projects, the annual production rate needed is achieved. These projects are not in the pipeline every year, however, and the years without them (see 2014, 2016, and 2018) reveal a much slower production pace.

Exhibit 38: Housing Units Needed by 2044



Sources: Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; BERK, 2020.

Rental Market Affordability Gaps

The average cost of renting in Lynnwood increased by 50% from 2010 to 2020. **In 2010, half of Lynnwood households (49%) could afford an average-priced apartment without cost burden. By**

2018 only 38% of household could afford the same level of apartment without cost burden. Some of these renter households will find units below the average price, keeping within affordability limits, but this is not an option for all households.

Based on 2018 data, average market rents for apartments in Lynnwood are affordable to households with incomes at 76% of MFI or above. Residents in households at lower income levels will have difficulty finding affordable housing under current market conditions, and rents are increasing faster than incomes.

Home Ownership Affordability

Estimated costs to purchase a home based on 2019 home values indicate that less than 20% of Lynnwood households can afford to purchase an average priced home without assistance. This represents a 12% decrease from 2010, when 30% of households met this affordability threshold. Using the same loan qualifications but looking at homes in a lower price point, approximately 30% of Lynnwood households can afford “lower market” homes.¹⁷ Lower market homes are defined by Zillow as those which fall within the 5th to 35th percentile range of home values. This is a 10% decrease from 2010 when 40% of households could afford homes within this range.

Home ownership affordability incorporates two primary components: the ability to save for a down payment and the ratio of monthly mortgage payments to monthly income. Some households may pay rent similar to or exceeding a mortgage payment rate, but struggle to save enough cash for a down payment, which typically ranges from 6% - 16% of the home cost for individual buyers.¹⁸ In Lynnwood, the monthly payments for an average priced home are only considered affordable for households earning \$133,147 or more annually. Less than 20% of Lynnwood residents can afford to purchase the median-priced home in today's market.

Workforce Housing

Many workers in Lynnwood face difficulties obtaining affordable housing in the private market. According to 2019 estimates, the average rent for an apartment was \$2,001 per month in Lynnwood.¹⁹ This average includes apartments of all sizes. To avoid cost burden, a household would need to earn at least \$80,040 annually to afford this rent. This roughly aligns with the MFI for a single person household in Lynnwood. Data from the Bureau of Labor Statistics, summarized in Exhibit 21, indicate that workers in many occupations including elementary school teachers, social workers, healthcare support workers (e.g., nursing/medical assistants, home health aides), and retail and sales workers, are unable to afford this average rent without additional sources of

¹⁷ Based on Zillow data. The range of values that fall within this percentile is not published.

¹⁸ Based on 2019 trends in home buying, as summarized by [National Association of Realtors](#)

¹⁹ Zillow, 2020.

household income.

Other occupations for which annual wages are not high enough for households to afford current apartment rent include (but are not limited to) childcare workers, security guards, food preparation workers, and office and administrative support workers. All these jobs pay lower wages but support a variety of businesses and services prevalent in Lynnwood.²⁰ High housing costs impose longer commutes or lower quality housing for many workers who are essential to the community across the age and income spectrum.

Next Steps

This Housing Needs Assessment identifies Lynnwood's current and future housing needs. In addition to the needs assessment, the Housing Action Plan will be informed by an assessment of existing city policies and regulations. The terms of the Department of Commerce grant stipulate that a Housing Action Plan must be adopted by June 2021 or else the city forfeits 30% of the grant. Housing Action Plan strategies will address identified needs and policy changes and will be presented to Council for review and adoption in 2021

²⁰ Annual wages are based on ESD data for the Seattle Bellevue MSA.

Appendix A: Household Types

Exhibit 39: Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Total Households	14,399		14,224	
Family Households	8,497	59%	8,905	63%
Non-family Households	5,902	41%	5,319	37%
Households with Children	4,127	29%	4,627	33%
Households with Older Adults (65+)	3,334	23%	4,085	29%

Exhibit 40: Family Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Family Households	8,497	59%	8,905	63%
Married Couple, no children	3,548	42%	3,421	38%
Married Couple with children	2,501	29%	2,853	32%
Single Parent	1,295	15%	1,435	16%
Other Family	1,153	14%	1,196	13%

Exhibit 41: Nonfamily Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Nonfamily Households	5,902	41%	5,319	37%

	Count	2010 Percent	Count	2018 Percent
Living Alone	4,616	78%	3,919	74%
Older Adult Living Alone (65+)	1,372	23%	1,712	32%
Other	1,286	22%	1,400	26%

Source for all tables: American Community Survey Table DP02 5-year estimates, 2010 & 2018

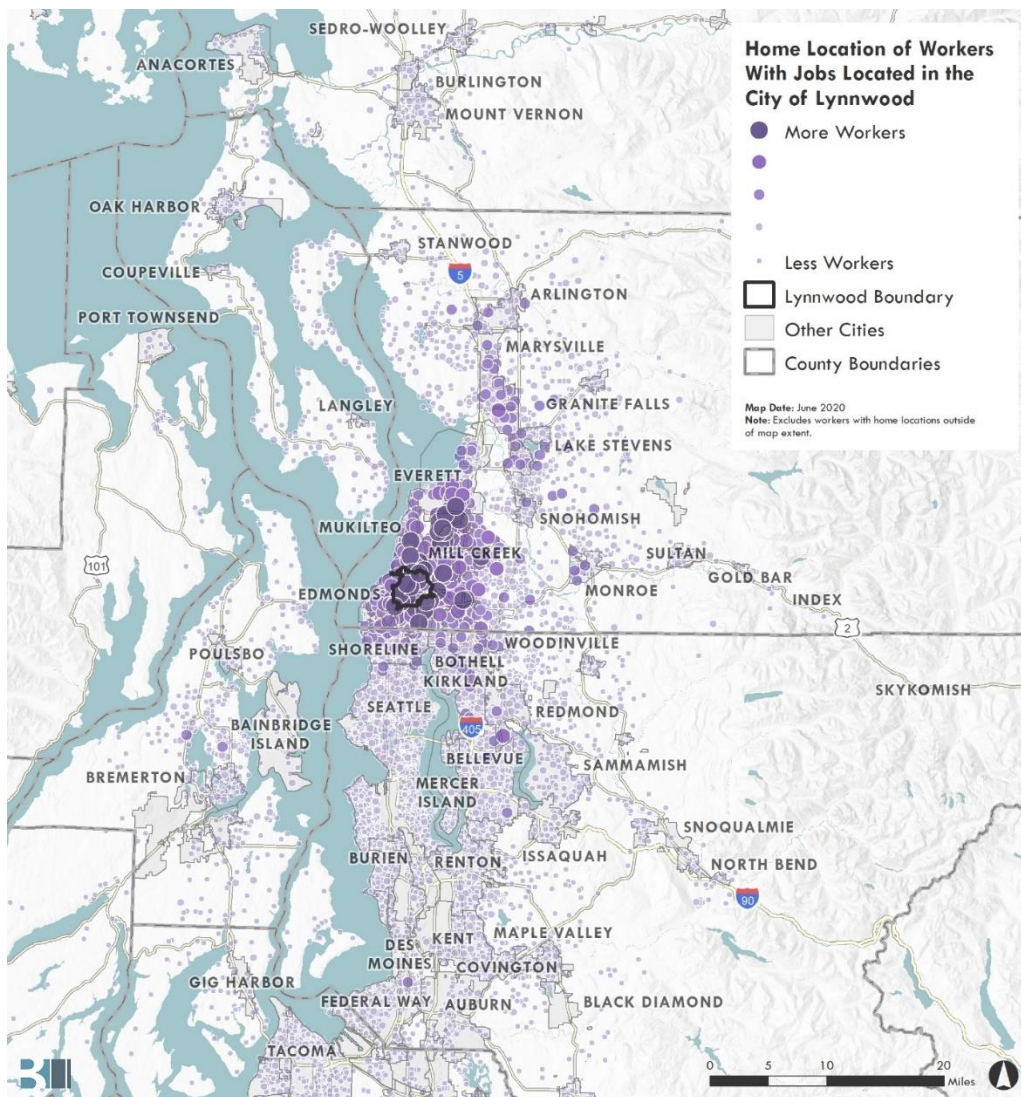
Appendix B: Most Populous Block Groups

Exhibit 42: Race, Ethnicity, and Income in Lynnwood's 5 Most Populous Block Groups, 2018.

Block group population	% Non-Hispanic PoC	% Hispanic	% White	Median HH income
2,337	23%	7%	69%	\$ 90,338
2,336	47%	28%	25%	\$ 39,513
2,333	30%	24%	46%	\$ 62,000
2,276	49%	5%	46%	\$ 79,375
2,030	28%	22%	50%	\$ 49,900

Appendix C: Workforce Profile

Exhibit 43: Home Location for Lynnwood Employees, 2017.



Appendix D: Housing Affordability Calculations

Exhibit 44: Home Ownership Affordability Analysis

		Lower Market Home Price (2019)	Median Home Price (2019)
Cost to Purchase	Sales Price (\$)	400,763	508,447
	Assumed 10% down payment (\$)	40,076	50,845
	Mortgage amount (\$)	360,686	457,603
	Interest rate	4%	4%
	Monthly payments over course of loan	360	360
	Monthly mortgage payment (\$)	1,722	2,185
Annual Housing Expenses			
	Mortgage payments (\$)	20,664	26,216
	Property tax (\$)	5,210	6,610
	PMI (\$)	3,607	4,576
	Home Insurance (\$)	2,004	2,542
	Annual costs (\$)	31,484	39,944
	Monthly costs (\$)	2,624	3,329
Affordability			
	Annual income needed to afford	\$ 104,947	\$ 133,147
	% MFI	97%	123%

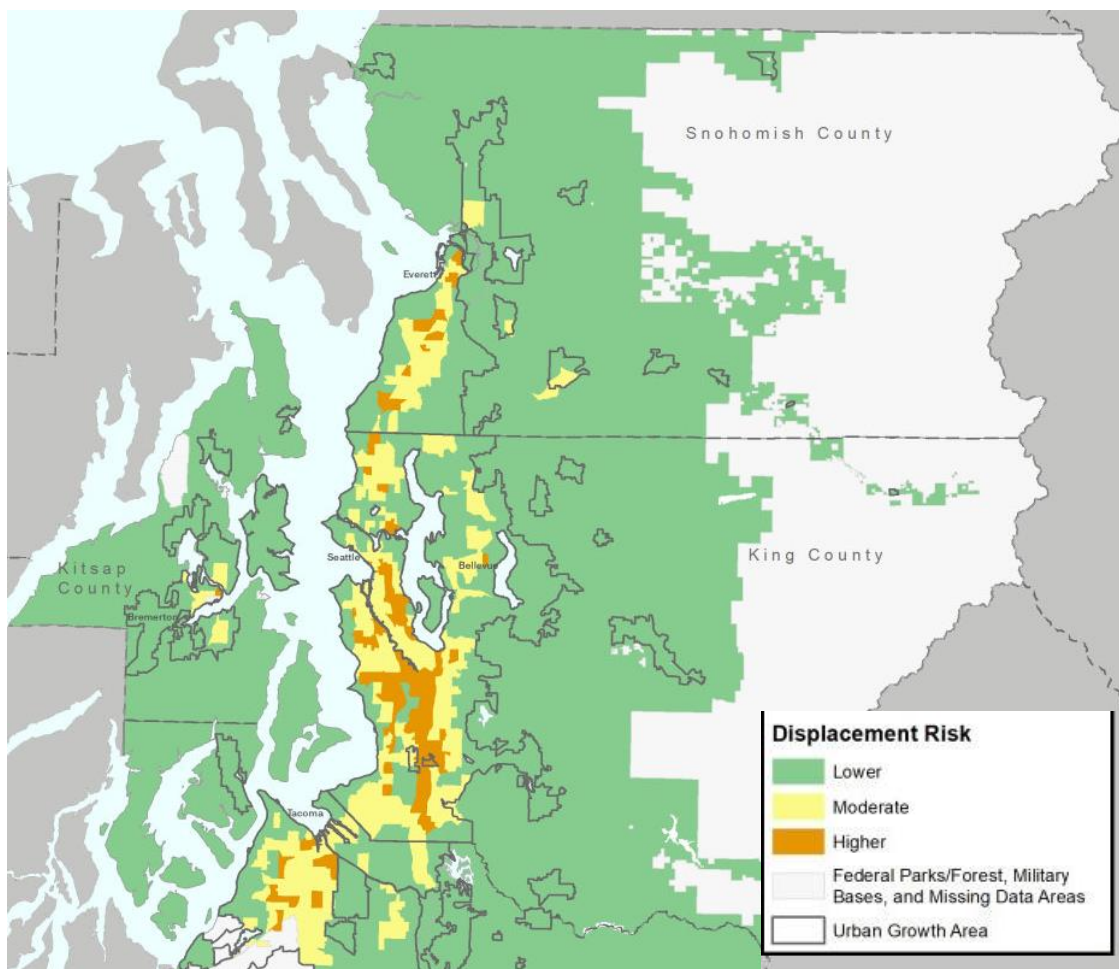
Sources: Home Prices from Zillow, 2019; MFI from HUD, 2019; Lending, insurance rates, and calculations from BERK, 2020.

Appendix E: Displacement Vulnerability

The Puget Sound Regional Council's displacement risk map evaluates Snohomish, King, Pierce, and Kitsap Counties for relative risk for residential displacement, based on factors such as socio-demographics, transportation access, neighborhood characteristics, housing, and civic engagement. Full technical documentation can be found [here](#).

Areas of Lynnwood highlighted on this map with moderate or higher risk include those along the light rail corridor and to its east.

Exhibit 45: PSRC Displacement Risk Mapping, 2016.



Source: [Puget Sound Regional Council, 2016](#).

Evictions are a form of direct, physical displacement. The table below summarizes the rate and count of evictions by Census Tract in Lynnwood. These figures can identify areas where renters are experiencing displacement in higher quantities and higher rates. Rates are gauged relative to Snohomish County overall. A map of Lynnwood Census tracts can be found in Exhibit 47.

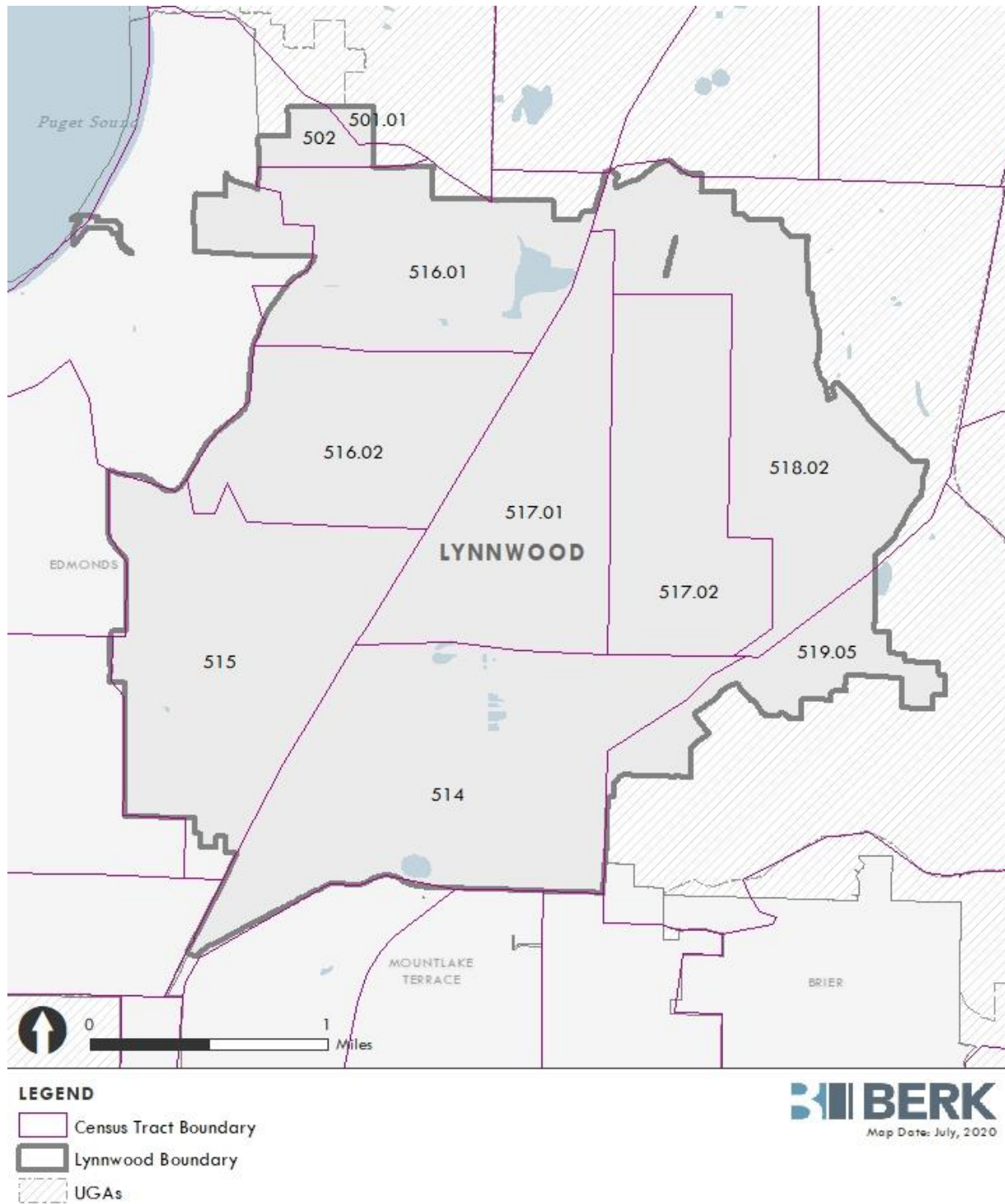
Exhibit 46: Eviction Rate and Eviction Counts by Census Tract in Lynnwood, 2008-2017.

Census Tract	2017 Eviction Rate*	2008	2009	2010	2013	2014	2016	2017
501.01	0.76	4	2	2	4	2	2	3
502	NA	2	1	1	0	2	1	4
514	0.95	45	56	53	54	41	34	37
515	0.55	15	23	17	14	6	11	12
516.01	1.19	15	15	19	9	17	9	16
516.02	0.24	5	3	4	5	6	2	2
517.01	0.32	25	17	21	17	15	8	8
517.02	0.25	3	4	14	6	3	8	3
518.02	2.18	14	16	6	8	9	34	33
519.05	0.93	30	25	29	18	25	11	23
TOTAL		158	162	166	135	126	120	141

*Eviction Rate of 1.0 indicates the Snohomish County average. Rates above 1.0 represent higher than average eviction rates (red text), while rates below 1.0 indicate lower than average rates.

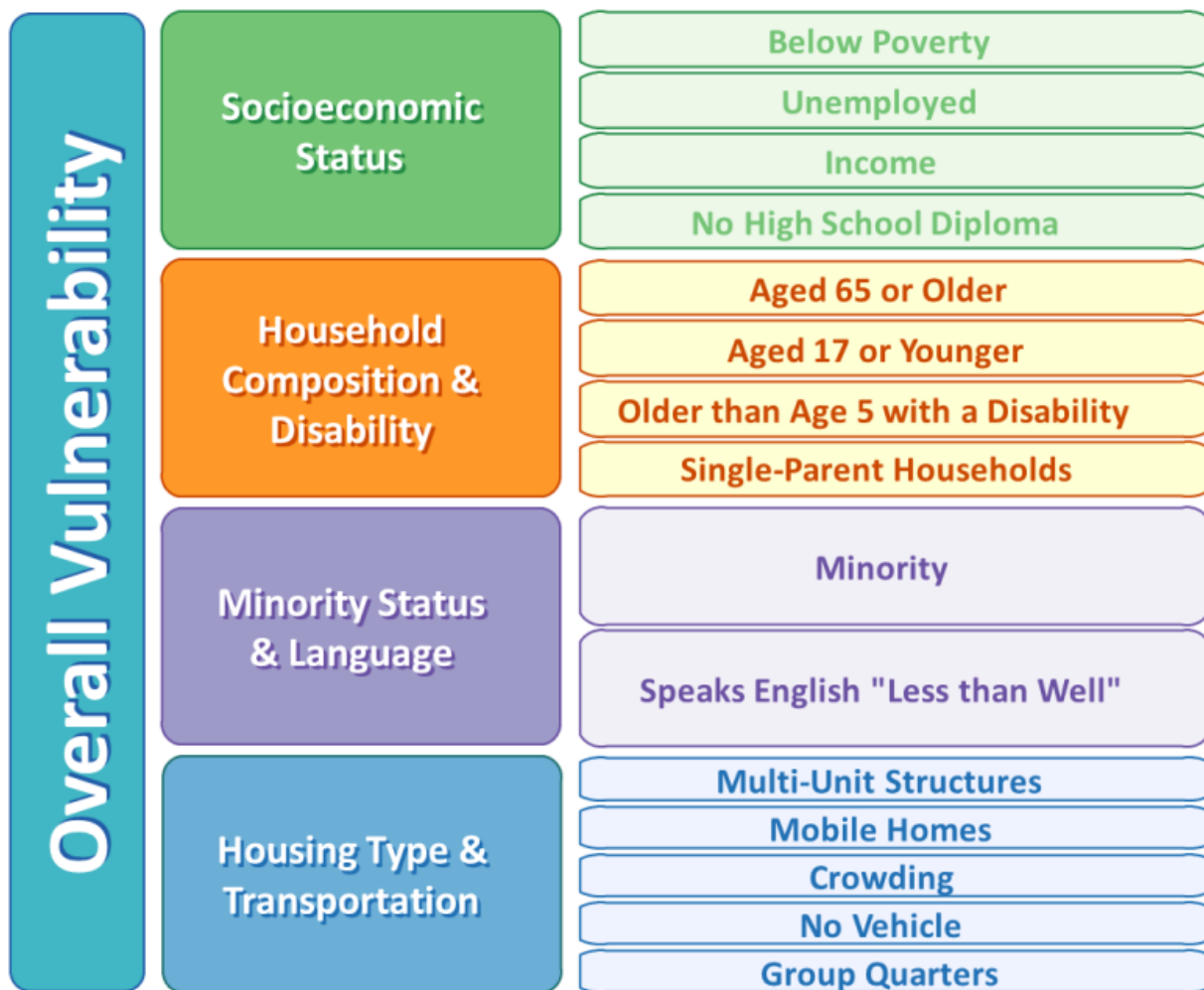
Sources: EvictionsStudy, 2008-2017, no data provided for 2011, 2012, or 2015; BERK Consulting, 2020.

Exhibit 47: Lynnwood Census Tract Map.



The Social Vulnerability Index, developed for public health and hazard mitigation professionals, measures similar factors for considering vulnerabilities to these different types of shocks and threats. A summary of included metrics is shown in the image below and summarized in their technical documentation [here](#). A table summarizing results for each metric, theme, and overall SVI score by Census Tract in Lynnwood provides greater detail for the potential community dynamics that can correlate with displacement risk, such as poverty rates or concentrations of rental housing. Scores range from 0 to 1.0, with 1.0 representing higher vulnerability, and are assigned relative to statewide results.

Exhibit 48: Social Vulnerability Index Metrics



Source: Centers for Disease Control, 2018.

Exhibit 49: SVI Rankings by Metric for Lynnwood Census Tracts

	Tract 501.01	Tract 502	Tract 514	Tract 515	Tract 516.01	Tract 516.02	Tract 517.01	Tract 517.02	Tract 518.02	Tract 519.05
SVI Overall	0.26	0.03	0.92	0.89	0.80	0.68	0.81	0.52	0.54	0.70
SVI Theme 1	0.24	0.18	0.65	0.71	0.76	0.56	0.62	0.31	0.47	0.58
Below Poverty	0.19	0.06	0.73	0.80	0.73	0.38	0.82	0.33	0.56	0.40
Unemployed	0.29	0.74	0.02	0.41	0.83	0.83	0.07	0.06	0.32	0.83
Income	0.29	0.07	0.76	0.65	0.68	0.47	0.72	0.53	0.42	0.40
No HS Diploma	0.42	0.15	0.91	0.72	0.51	0.45	0.71	0.51	0.62	0.57
SVI Theme 2	0.55	0.12	0.74	0.89	0.58	0.40	0.44	0.25	0.11	0.37
Age 65 or Older	0.47	0.85	0.20	0.72	0.38	0.68	0.60	0.80	0.41	0.22
Age 17 or Younger	0.34	0.05	0.57	0.58	0.85	0.18	0.29	0.36	0.23	0.32
Disability	0.54	0.32	0.74	0.49	0.29	0.35	0.45	0.30	0.16	0.59
Single-Parent Households	0.76	0.05	0.89	0.91	0.64	0.69	0.62	0.15	0.43	0.71
SVI Theme 3	0.43	0.29	0.92	0.89	0.86	0.66	0.90	0.83	0.90	0.81
Minority	0.53	0.26	0.88	0.81	0.81	0.58	0.89	0.77	0.85	0.78
Speaks English "less than well"	0.30	0.35	0.93	0.92	0.86	0.68	0.86	0.85	0.90	0.79
SVI_Theme4	0.19	0.02	0.98	0.86	0.68	0.76	0.91	0.64	0.59	0.70
Multifamily structures	0.00	0.00	0.94	0.81	0.61	0.39	0.86	0.79	0.76	0.73

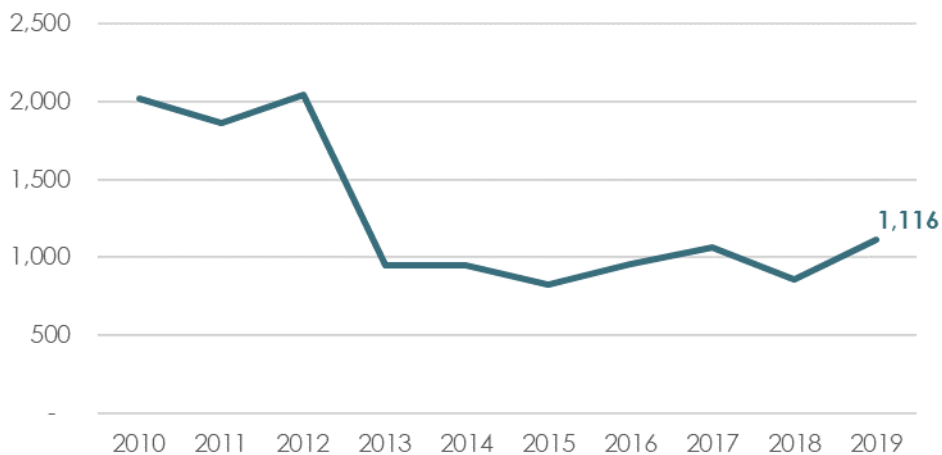
	Tract 501.01	Tract 502	Tract 514	Tract 515	Tract 516.01	Tract 516.02	Tract 517.01	Tract 517.02	Tract 518.02	Tract 519.05
Mobile homes	0.00	0.00	0.55	0.35	0.44	0.70	0.60	0.00	0.42	0.36
Crowding	0.63	0.00	0.86	0.36	0.70	0.63	0.90	0.18	0.79	0.69
No vehicle	0.37	0.06	0.91	0.92	0.39	0.45	0.70	0.83	0.12	0.65
Group quarters	0.63	0.59	0.69	0.92	0.69	0.92	0.46	0.93	0.52	0.46

*SVI is ranked on a scale of 0 – 1.0, compared to Washington state as a whole. Red text indicates a score of 0.75 or higher.

Appendix F: Point in Time Estimates & Students Experiencing Homelessness

Snohomish County Point-in-Time (PIT) estimates show a decrease in individuals experiencing homelessness 2010-2019. The count dropped significantly between 2012 and 2013. 2019 estimates show 1,116 individuals identified. Detailed breakouts on the sheltered status and demographics of these individuals in Snohomish County are summarized below, and can be found [here](#). It is unknown how many individuals are currently experiencing homelessness in Lynnwood.

Exhibit 50: Point-in-Time Count of Persons Experiencing Homelessness in Snohomish County, 2010-2019.



Sources: Washington State Department of Commerce, 2019; BERK, 2020.

Exhibit 51: Snohomish County 2019 PIT Count Results, Demographic Breakouts

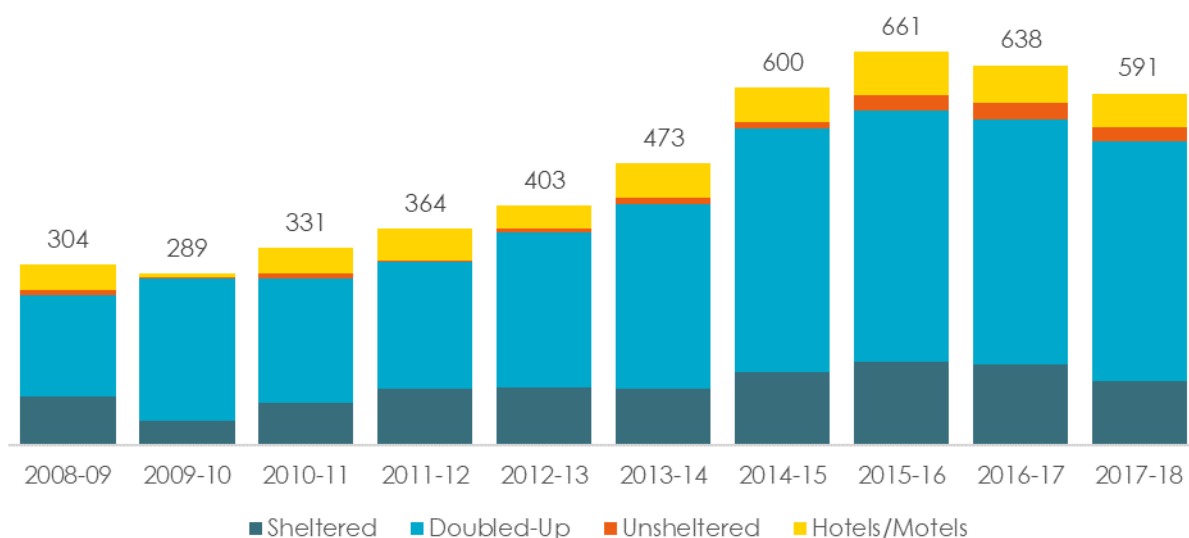
Sheltered	Households w/out minors	Emergency Shelter	Persons	197
			Households	197
		Transitional	Persons	51
			Households	48
		Safe Haven	Persons	0
			Households	0
	Households with adults and minors	TOTAL	TOTAL Persons	248
			TOTAL HH	245
		Emergency Shelter	Persons	199
			Households	61
		Transitional	Persons	46
			Households	16
	Households with only minors	TOTAL	TOTAL Persons	245
			TOTAL HH	77
		Emergency Shelter	Persons	10
			Households	10
		Transitional	Persons	14
			Households	12
		TOTAL	TOTAL Persons	24
			TOTAL HH	22
	TOTAL Sheltered	Persons		517
		Households		344
Unsheltered	Households w/out minors	Persons		496
		Households		456
	Households with adults and minors	Persons		92
		Households		28
	Households with only minors	Persons		11
		Households		11
	TOTAL Unsheltered	Persons		599
		Households		495
TOTAL Homeless (sheltered and unsheltered)	Households w/out minors	Persons		744
		Households		701
	Households with minors	Persons		337
		Households		105
	Households with only minors	Persons		35
		Households		33
	TOTAL	Persons		1,116

	Households	839
Chronically Homeless Persons	Emergency Shelter + Safe Haven	118
	Unsheltered	358
	TOTAL Chronically Homeless Persons	476
Chronically Homeless Households with adults and minors	Households	Emergency Shelter 11
		Unsheltered 12
	Persons in Households	Emergency Shelter 31
		Unsheltered 40
VETERANS	Emergency Shelter + Transitional Housing + Safe Haven	23
	Unsheltered	35
	TOTAL VETERANS	58

Students Experiencing Homelessness

The count of students experiencing homelessness has doubled over the past 10 years in the Edmonds School District. See Exhibit 52. This includes both sheltered and unsheltered homelessness, as well as families living out of hotels/motels or doubling up, which refers to multiple families cohabitating in a single residence. This often occurs when at least one of the families is either evicted from their home or chooses to leave due to affordability concerns. Being doubled up or living in a hotel/motel can be an intermediate step before or signal risk of homelessness.

Exhibit 52: Homeless Student Count, Edmonds School District 2018-19.



Sources: Washington OSPI, 2019; BERK, 2020.

Appendix G: Data Sources

Data in this report assumes current city boundaries and does not include any potential annexations. The primary sources of data used for this Needs Assessment include:

American Community Survey. This report uses ACS estimates for demographic and economic indicators, primarily 5-year 2014-2018 data. These are the most recently published estimates available at the city level.

City of Lynnwood data. The City of Lynnwood provided data for residential permits, 2013-2020, used to establish construction trends. Lynnwood GIS layers were used to define subareas and zoning by parcel.

Puget Sound Regional Council. PSRC estimates for employment provide the best available city-level data on employment. Data refers to Lynnwood employees, rather than the jobs of Lynnwood residents.

Snohomish County Assessor Data. Assessor data was used to calculate parcel-level information, such as the percentage of residential land zoned single family.

Washington Office of Financial Management. OFM data is used for total housing stock by unit type, population estimates, and county-wide forecasts by age cohort.

Zillow. Zillow data is used to establish average housing prices and rents. Zillow, a private company, publishes monthly real estate metrics for every metropolitan area in the county. Their datasets are used by public agencies such as the Federal Reserve.

CITY COUNCIL ITEM K

CITY OF LYNNWOOD Administrative Services

TITLE: LMC 2.92 Contract Threshold

DEPARTMENT CONTACT: Cathy Robinson, Procurement Manager and Karen Fitzthum,
Interim City Clerk

SUMMARY:

The current Procurement and Contracts LMC 2.92 was updated in 2018. The code was unclear and confusing, which presented a challenge for staff and potential contractors. Prior to discussion at the full Council, the 2018 amendment was discussed with the Finance Committee, which recommended it proceed to Council.

The previous code had different requirements for council approval for different types of contracts, and was inconsistent in other areas as well. A lack of definitions in the code caused confusion and over processing of some contracts. Exemptions of some large expenditures from competitive requirements was not included in the previous code, and emergency contracting policy lacked consistency and reporting to Council. A summary of the 2018 changes presented with the code adopted by the Council is attached.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Should the contracting threshold set by the adoption of LMC 2.92 in 2018 be changed?

BACKGROUND:

One of the changes in the Procurement code in 2018 was to set the contracting authority for the Mayor at \$250,000 where the funds were already adopted within an existing Council approved budget. Previous to the 2018 code change, some contracts or agreements required Council approval regardless of cost, some at \$10,000, some at \$50,000 and still others were unclear what amount was allowed.

Since the updates were adopted, some Councilmembers expressed a desire to revisit the topic of the contracting threshold for the Mayor.

PREVIOUS COUNCIL ACTIONS:

Council approved the current LMC 2.92 Procurement code May 14, 2018. The Finance Committee revisited the topic in June of 2019.

DOCUMENT ATTACHMENTS

Description:	Type:
Contract Threshold presentation	Backup Material
Summary of changes - Ordinance to update Title 2.92	Backup Material
LMC Title 2.92 Procurement	Backup Material



LYNNWOOD
WASHINGTON

A great deal more

Contracting Thresholds

Executive Office

September 2020



History

In 2018 the LMC Section 2.92 was updated to accomplish the following objectives:

- Clarify vagueness and create internal consistency
 - Updated definitions and standardized processes
- Established delegated thresholds to streamline and simplify procurement procedures
 - Council approval requires visibility 30 days in advance on the Council calendar
 - Purchase and Contract approvals requires presentation at a workshop and then again at a business meeting
 - This creates a potential 6-week delay to execute a purchase, contract and begin a construction project.



Goals

- Shift from day to day transactional processes to focus on value added strategic activities
- Less time spent preparing council presentations; more time collaborating with department
- Deliver more efficient and streamlined services to City departments
- Quickly establish multi-year contracts for repairs and maintenance, on-going design tasks, and expedite issuance of purchase orders



Current Outcomes

- Allows all City Departments to meet business requirements more quickly and efficiently for general goods, services, and small construction projects
- Allows Procurement staff to provide more strategic assistance and collaboration
- Realized increased performance in turn-around times
- Encourages staff to plan longer term for their requirements

2019 contract awards

Awards between \$100K and \$250K for one year

3089	Lift Station 10 Improvements	2019	249,600.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3094	South Lynnwood Park Final Design	2019	233,850.00	(1917) Moore Iacofano Goltsman, Inc.	(510) PARKS
3188	Inmate Medical Services	2019	204,001.00	(5619) Community Health Center of Snohomis	(300) POLICE DEPARTMENT
3140	Laptops and Equipment - PD	2019	202,768.11	(107) Datec Inc	(750) FLEET AND EQUIPMENT RENTAL
3072	Utility Rate Study / Fleet Operations	2019	200,000.00	(647) FCS Group	(610) PUBLIC WORKS
3176	Vac-Con Parts & Repairs (Sole Source)	2019	200,000.00	(753) Enviro-Clean Equipment, Inc.	(750) FLEET AND EQUIPMENT RENTAL
3112	Janitorial Services	2019	194,209.68	(5042) CCS Washington Janitorial, Inc	(630) PW BUILDING MAINTENANCE
3113	WWTP Secondary Clarifier Repairs (Parts)	2019	155,077.60	(4666) Brentwood Industries Inc	(610) PUBLIC WORKS
3155	PRV 2 Vault Improvements	2019	150,900.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3154	40th Ave W Water Tanks Improvements	2019	146,500.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3156	48th Ave Sewer Line-200th St Water Line Improve	2019	142,400.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3189	Goodyear Tires	2019	120,000.00	(278) The Goodyear Tire & Rubber Company	(750) FLEET AND EQUIPMENT RENTAL
3101	DBS Process Review & Improvements	2019	118,400.00	(5075) Strategica, Inc.	(800) DBS
3097	ILA for Emergency Mangement Services	2019	104,575.00	(20) Snohomish County	(300) POLICE DEPARTMENT



Strategic Position for the Future

- Lynnwood has the largest retail area in Snohomish County
- While currently modest in population, Lynnwood provides services to the community comparable to larger sized cities
- The volume of critical City initiatives and projects continues at a high rate, requiring even more streamlining to keep pace to ensure that contracts and purchases are turned out quickly so City departments can proceed with their work
- The goal is to achieve organizational excellence, accountable government, and financial sustainability through consistent rules, streamlined processes, and open and fair processes for contract award.

TO: City Councilmembers
 FROM: Karen Fitzthum, Procurement and Records Manager
 SUBJECT: Summary of proposed changes to LMC 2.92 Procurement
 DATE: May 2, 2018

Key reasons for the update are to clarify and standardize requirements, increase council award threshold, separate procedure from law, strengthen emergency contracting requirements, and eliminate conflicting language.

Current challenge	Proposed
<u>Definitions</u> A lack of defined terms led to different interpretations of current code	Definitions help clarify and standardize our rules
<u>Varying thresholds –</u> Some language was contradictory or confusing. Some purchases required formal advertisement at \$10,000 (services) and others you can get informal quotes up to \$50,000. Council award was required sometimes at no cost, or not at all	Standardizes the publicly advertised and formal threshold at \$50,000 for goods and services. Update standardizes the threshold for council approval at above \$250,000.
<u>Clarify Exemptions</u> Named some expenditures as exempt, but did not include several large payments.	Clearly lists types payments that will exceed \$250,000 per year without contracts that are necessary for City operations the Mayor can authorize.
<u>Remove procedures</u> Some procedures in code were out of date	Simplifies code and allows procedures to be more adaptable to future best practice and system improvements
<u>Emergency contracting</u> Guidance on emergency contracting very limited Reporting requirement for “next subsequent meeting” is unclear	Requires prompt contracting for emergencies, reporting to council within 45 days realistic and clearly defined limits for emergency contracting
<u>Conflicting Language</u> Some areas were unclear and others in conflict, leading to the most conservative interpretation of requirements	Clear requirements Throughout the new code we will have improved consistency and clear direction.

Exhibit A

Title 2

Chapter: 2.92 Procurement and Contracting

Sections:

2.92.010	Applicability, administration, and grant fund compliance.
2.92.020.	Authorization.
2.92.030	Definitions.
2.92.040	Receipt and opening of bids, proposals or statements of qualification.
2.92.050	Procurements of goods and services.
2.92.060	Procurements of professional services and public works contracts.
2.92.070	Procurement of small works roster and limited public works projects.
2.92.080	Procurement of noncompetitive purchases and contracts.
2.92.090	Emergency purchases.
2.92.100	General provisions.
2.92.110	Credit card payments by officers and employees.
2.92.120	Collusion.
2.92.130	Cooperative purchasing.
2.92.140	Protest and appeal procedures.

2.92.010 Applicability, administration, and grant fund compliance. To ensure open, fair and competitive procurement processes, to establish a procurement system of quality and integrity and to maximize the purchasing value of public funds, this chapter applies to contracts for the procurement of goods, services, professional services, and public work entered by city elected officials, department heads and their designees. Except where exempt by state law or city ordinance, city procurement shall be administered through the procurement and contract services division to maximize economies of scale, consistency in city practices, and accountability.

When a procurement involves the expenditure of federal, state, or county assistance, grants or funds, the manager shall conduct the procurement in accordance with this chapter unless the federal, state, or county agency specifically requires otherwise. This chapter does not limit the city's authority to procure goods, services, professional services, or public work in a manner otherwise provided for in law.

2.92.020 Authorization.

- A. The city council authorizes the mayor to enter into and execute on behalf of the city contracts involving a total cost of \$250,000 or less without individual approval of each contract by the city council, so long as the contract is consistent with the approved budget for the city, the contractor selection is in accordance with this chapter, and the city's liability under the contract does not exceed available fund balances.

- B.
- C. Department directors and city officers shall be responsible for verifying the availability of fund balances for any contracts, agreements or purchases attributable to their departments, and ensuring that any contract is consistent with the approved budget for the city, and the city's liability under the contract does not exceed available fund balances
- D. The Mayor is hereby authorized to take all actions necessary and appropriate to implement the policies and provisions in this chapter, and to promulgate such rules, regulations and guidelines as the Mayor deems necessary to carry out the purposes or provisions of this chapter.

2.92.030 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- A. "Bid" or "proposal" means an offer to provide goods, services, professional services, or public work in response to a solicitation for bids or proposals issued by the city.
- B. "Bidder" or "proposer" means a person, firm, partnership, corporation or other entity that formally submits a bid, proposal or offer to provide goods, services, professional services, or public work to the city in response to a solicitation for bids or proposals or request for qualifications issued by the city.
- C. "Collusion" means a willful act to defraud others of their rights or to obtain an unfair advantage in a public contracting process.
- D. "Contract" means a mutually binding legal relationship or any modification thereof obligating a person, firm, partnership, corporation, or other entity to provide goods, services, professional services or public work to the city, and that obligates the city to compensate the other party.
- E. "Day" means a calendar day.
- F. "Director" means the city's finance director.
- G. "Goods" means equipment, supplies, materials and goods, and includes both tangible and intangible personal property that is movable, subject to ownership, and has exchange value.
- H. "Manager" means the city's procurement manager.
- I. "Mayor" means the Mayor or the Mayor's designee.
- J. "Personal services" means those consulting services where the work is primarily intellectual in nature, and the reports or recommendations are incidental to the required performance.
- K. "Professional services" means those services provided by licensed or certified individuals or consulting firms associated with either the development, design or construction, or any combination thereof, of a public works project.
- L. "Public work" means all work, construction, alteration, enlargement, repair, demolition or improvement, other than ordinary maintenance, executed at the cost of the city or that is by law a lien or charge on any property therein.
- M. "Sealed bid" means a method for submitting a bid to provide or perform work on a contract, inclusive of electronic sealed bidding systems, and where all bids are opened at the same time.

- N. "Services," except for professional services, means the furnishing of labor, time or effort by a contractor.
- O. "Waiver" means a process whereby the manager may procure without formal solicitation procedures because of the uniqueness of circumstances related to that procurement action, or a declared emergency.

2.92.040 Receipt and opening of bids, proposals or statements of qualification.

- A. Sealed bids shall be received in the manner and form, including electronically if specified by the city in the invitation to bid, and at the location the manager shall designate up to the time and date identified in the invitation to bid. The bids shall be time-recorded by a city representative when received. After the expiration of the time for the receipt of bids, the bids will be publicly opened and read. The city reserves the right to reject any bid, any portion of any bid, or all bids and to waive immaterial irregularities in accordance with applicable law.
- B. Written proposals or statements of qualification shall be received in the manner and form, including electronically if specified by the city in the request for proposals or qualifications, at the location the manager shall designate up to the time and date identified in the request for proposals or qualifications. The proposals or statements shall be time recorded by a city representative when received. After expiration of the time for receipt of proposals or statements, a submittal list shall be compiled and made public. The city reserves the right to reject any proposal or statement of qualification, any portion thereof, or all proposals or statements of qualification and to waive immaterial irregularities in accordance with applicable law.

2.92.050 Procurements of goods and services.

This section applies to contracts or procurements for goods and services, including personal services. Contracts shall be solicited under the following competitive process thresholds, with the price inclusive of taxes, freight, and any related costs.

- A. For purchases and contracts below \$10,000, inclusive of taxes, freight and any related cost employees and officials are responsible for selecting goods and services in the open market and ensuring best value for the city.
- B. For purchases and contracts between \$10,000 and \$50,000, informal price quotations shall be secured. Employees must:
 - 1. Research the good or service, and provide a clear and open description of the needs of the city;
 - 2. Secure a written price quote from multiple sources;
 - 3. Identify the best price;
 - 4. Provide written quotes to the manager; and
 - 5. Manager reviews the informal price quotations and approves or rejects the purchase.

Procurement may conduct quotations on behalf of departments and offices when requested.

- C. Purchases and contracts more than \$50,000 must be formally advertised in a public manner.
1. The manager or the manager's designee shall advertise solicitations for the submittal of bids, qualifications or proposals. The notice shall state the date and time for submissions. The solicitation for submittals shall state the relative importance of price and all other evaluation factors.
 2. All bids submitted shall be reviewed for the responsiveness to the bid requirements and for the responsibility of the firm to perform the work described. When all factors have been evaluated, the award of the contract shall be to the lowest responsible, responsive bidder.
 3. For Requests for Proposals or Qualifications and other solicitation methods where price is not the only determining factor, discussions may be conducted with responsible proposers to determine which proposals should be evaluated in more detail or which proposers should be requested to enter negotiations, or both. Negotiations may be conducted concurrently or sequentially. The city may request clarifications and consider adjustments in the proposals to better understand the proposals and to qualify them for further consideration, though information discussed or obtained from one proposer shall not be disclosed to competing proposers during the discussions and negotiations.
 4. Contract award, if at all, shall be made to a responsible offeror(s) whose bid or proposal is determined to be the most advantageous to the city, taking into consideration price and the other established evaluation factors.

2.92.060 Procurements of professional services and public works contracts.

This section applies to the procurement and contracting for public works contracts, architect and engineering services and construction management services.

- A. Contracts for architect and engineering services shall be solicited in accordance with chapter 39.80 RCW.
- B. Contracts for professional services, other than architectural or engineering, shall be solicited using the procedures in chapter 39.80 RCW, with price as an additional element of consideration.
- C. Public works contracts shall be solicited and awarded in accordance with the authority granted by state law, including but not limited to Titles 35A and 39 RCW, and any additional requirements prescribed by city ordinance or executive policy.

2.92.070 Procurement of small works roster and limited public works projects.

The city may award public works contracts using the small works roster or the limited public works projects procedures authorized by 39.04.155.

- A. The manager or the manager's designee shall be responsible for the administration of the small works roster system, including any limited public works process authorized under RCW 39.04.155.

- B. In the discretion of the manager or the manager's designee, solicitations under the small works roster system or limited public works process may be conducted in writing or electronically, including but not limited to using a web-based solicitation process. The manager may use a regional small works roster or limited public works project system when it is deemed to benefit the city and potential contractors.

2.92.080 Procurement of noncompetitive purchases and contracts.

- A. The competitive procurement provisions of this chapter shall not apply to the lease or purchase of goods or services that are clearly and legitimately limited to a single source of supply, involve special facilities, special design or special market conditions. The price shall be established by direct negotiations by the manager. The manager shall provide a procedure for requesting a waiver of the competitive process for purchases under this section. Departments and offices requesting such waivers shall secure the manager's approval prior to any such purchase.
- B. Notwithstanding subsection A. of this section, the competitive bidding requirements for public works may not be waived based on a single source of supply, special facilities, special design, or special market conditions.
- C. The following expenditures, purchases and contracts, based on their nature, are exempt from the competitive processes of this chapter:
 - 1. Real Estate related contracts;
 - 2. Utilities limited to one source;
 - 3. Legal settlements;
 - 4. Membership fees and dues;
 - 5. Registration and travel for training;
 - 6. Employment and personnel matters;
 - 7. Grant agreements;
 - 8. Contracts to acquire goods and services which are purchased on another governmental entity's bid documents, contract or other cooperative purchasing arrangement, in accordance with state law and LMC 2.92.130; and
 - 9. Items purchased for resale to the public in support of a city program or facility, such as inventory for resale at the city golf course, as determined by the manager.
 - 10. Agreements or contracts which carry out or implement a provision of the Lynnwood Municipal Code or established city policy, e.g., maintenance or performance bonds for plat improvements.
 - 11. Interlocal Agreements

The manager may determine other similar expenditures, purchases and contracts which are exempt from competitive processes. The manager shall provide a list of any additional exempt expenditures, purchases and contracts to all offices and departments.

D. Mayor's approval authority.

1. The Mayor may approve the following agreements and expenditures without individual Council approval, regardless of dollar amount:

- a) Utilities limited to one source;
- b) Membership fees and dues;
- c) Registration for training;
- d) Grant agreements;
- e) Contracts to acquire goods and services which are purchased on another governmental entity's bid documents, contract or other cooperative purchasing arrangement, in accordance with state law and LMC 2.92.130; and
- f) Payments required by the processing of payroll, such as deductions for taxes, insurance, union dues and similar disbursements.
- g) Payments the City is legally required to make to local, state or federal agencies.
- h) Agreements or contracts which carry out or implement a provision of the Lynnwood Municipal Code or established city policy, e.g., maintenance or performance bonds for plat improvements
- i)

2. The Mayor may approve the following agreements and expenditures up to \$250,000 without individual Council approval:

- a) Real Estate related contracts;
- b) Legal settlements;
- c) Employment and personnel matters; and
- d) Items purchased for resale to the public in support of a city program or facility, such as inventory for resale at the city golf course, as determined by the manager.
- e) Interlocal Agreements

2.92.090 Emergency purchases.

- A. In the event of an emergency, as defined in RCW 39.04.280, as now in effect and as hereinafter amended, the Mayor may issue a declaration of emergency. The declaration shall recite the facts constituting the emergency and may include a waiver of the requirements of this chapter, with reference to any contract relating to the city's lease or purchase of goods or services, contracts for public works, or to the selection and award of either professional service or consultant contracts.
- B. The Mayor, or designated director, shall report such emergency expenditures to the city council within forty-five days of determining an emergency.
- C. Waivers shall continue to have force and effect until terminated by order of the Mayor or action of the council, or until it expires, which shall be twenty days after the declaration. The Mayor may extend a waiver beyond the twenty-day period as necessary to complete a contract for any work already undertaken to address the emergency.

- D. In the event a waiver authorized under this section expires or is terminated, no further contracts or purchases may be made without complying with the nonemergency contracting provisions of this chapter.
- E. Reasonably necessary expenditures to respond to the emergency will not result in contracts or purchases being null and void, notwithstanding the lack of an appropriation. If the responsible director determines that the expenditures were more than the amount appropriated, the mayor will request an appropriation, specifying the source of funds.

2.92.100 General provisions.

- A. The sale of surplus property with an estimated value of \$50,000 or less, which has been certified for disposition, may be made by the manager in accordance with any applicable law and best practice to ensure the most favorable financial return and risk reduction.
- B. Splitting purchases or breaking down the requirements of any purchase or contract into units to avoid the maximum dollar thresholds requirements above is strictly prohibited.
- C. The contract approval threshold amount includes all amendments. Amendments that do not exceed in total 10 percent of the amount may be entered into without prior council approval unless the new total of the contract would then require council approval for the first time. Amendment in excess of 10% of a council awarded amount require council approval prior to the Mayor entering into the contract.
- D. The Mayor may delegate certain purchasing and contracting authority to a department or office of the city, such as procurement card activities, low dollar contracts using established templates, or public works contracting activities.
- E. Prequalification of goods or services may occur before procurement of the items. Under those circumstances, only goods or services that are determined to meet the qualifying criteria will be acceptable in the subsequent procurement.
- F. Technology procurements. All purchases of information technology products and services, including, but not limited to, hardware, software or applications, cellular or mobile devices, computer-related peripherals or components, audio-visual equipment, telecommunications systems or equipment, drones, or technology services or consulting shall be approved in advance by the city's chief technology officer and City Clerk, or designees to ensure system and equipment compatibility, records retention, and reporting capacity. The purchase of electronic data and telecommunications systems may be made by competitive negotiations in accordance with RCW 39.04.270.
- G. The Mayor or manager may elect to request council approval of any agreement, contract, or expenditure.
- H. Interlocal agreements or contracts with an expense to the City below \$250,000 may be made by the Mayor.

2.92.110 Credit card payments by officers and employees.

- A. The manager shall implement the following system for the authorization, distribution, control, implementation and administration of credit cards by officers and employees:
 - 1. Credit cards may be distributed to those city officers and employees who, as determined by the manager, have job responsibilities that would benefit from, or otherwise be facilitated by, the use of a credit card;
 - 2. Credit cards may only be used for purchases or acquisitions the user would be authorized to make with city cash, purchase order, or voucher;
 - 3. Credit cards may not be used for cash advances;
 - 4. Policies and procedures and accounting controls shall be developed and implemented to ensure the proper usage of credit cards and credit card funds including compliance with city code and city purchasing policies and procedures;
 - 5. Credit cards may be required to be immediately surrendered if used in a manner inconsistent with city code, policies, or procedures; and
 - 6. Credit limits shall be set on each credit card issued.
- B. The manager may adopt any additional policies and procedures the manager determines are necessary to implement, and are not inconsistent with, this chapter.

2.92.120 Collusion. Regardless of whether bids or proposals have been solicited by the city for the purchase of goods or the performance of services, the manager shall report to the executive any suspected collusion. The Mayor may order the suspected collusion to be reported to the appropriate authorities.

2.92.130 Cooperative purchasing. The manager shall have authority to join with other units of government in cooperative purchasing when the best interests of the city would be served thereby, but each of the participating units shall be separately invoiced by the vendors for the purchases and the city shall not be obligated for purchases other than those required for its own use. Interlocal purchasing agreements may be made by the manager. The city may utilize federal, state or local governments' contracts that, in the determination of the manager, have conducted a fair and open competition for the contracting opportunity, and such purchases or contracts shall not be subject to the competitive procedures of this chapter. The manager may establish a purchasing administrative fee to recover costs from the contractor associated with other public agencies' use of these contracts.

2.92.140 Protest and appeal procedures. The Mayor shall establish procedures for considering and determining bid and proposal protests and appeals. The Mayor or designee shall render the final administrative determination on all such protests and appeals.

CITY COUNCIL ITEM L

CITY OF LYNNWOOD City Council

TITLE: Mayor Comments and Questions

DEPARTMENT CONTACT: Nicola Smith, Mayor

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM M

CITY OF LYNNWOOD City Council

TITLE: Council President and Council Comments

DEPARTMENT CONTACT: Christine Frizzell, Council President

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM N

CITY OF LYNNWOOD Executive

TITLE: Executive Session, If Needed

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM M-1

CITY OF LYNNWOOD Administrative Services

TITLE: Contract 3094, Amendment #2, S Lynnwood Park Final Design

DEPARTMENT CONTACT: Cathy Robinson, Interim Procurement Manager

SUMMARY:

The City requires the services of a design firm in support of the S Lynnwood Park renovation. Moore, Iacofano, Goltsman (MIG), Inc., provides these services under contract for the City. Amendment #2 will increase the contract total and extend the contract term.

ACTION:

Authorize the Mayor to execute contract amendment #2 with MIG, Inc., for expanded construction administration services in the amount of \$79,080 and extend the contract term through 12/31/21.

BACKGROUND:

The City issued a RFQ for design services and awarded a contract to MIG, Inc., in the amount of \$233,850. Contract amendment #1 added and deleted items in the scope of work with no change to the original contract amount. Proposed contract amendment #2 will continue the contract through the construction phase for an estimated amount of \$79,080.

PREVIOUS COUNCIL ACTIONS:

N/A

FUNDING:

Funding for this project is included in the currently adopted biennium budget. The remainder of the project funding is included in the proposed biennium budget for 2021-2022.

ADMINISTRATION RECOMMENDATION:

Approve.

DOCUMENT ATTACHMENTS

Description:	Type:
Contract #3094, Amendment 2	Backup Material

Procurement Report
Contract #3094 South Lynnwood Park Final Design
Amendment 2

Purpose of Contract:

The City of Lynnwood Parks Department received a grant to renovate South Lynnwood Park.

Estimated cost:

The original contract was executed for \$233,850. Contract amendment #1 added and deleted items in the scope of work with no change to the original contract amount.

Proposed contract amendment #2 expands the scope of work related to construction administration services for an additional cost of \$79,080, establishing a new total contract amount of \$312,930.

Advanced Planning:

Parks staff and our Consultant have worked together on the final design of the park renovation. This amendment expands the scope of work related to construction administration services and extends the contract term through construction close out.

Method of Procurement:

An RFQ process was used to solicit for architectural and engineering services.

Type of Contract: One time buy? Services?

This is a one-time service contract.

Term of Contract:

The current contract expires June 18, 2021. This amendment will establish a new contract expiration date of 12/31/21.

Solicitation: N/A

Recommended Action: Approve contract amendment #2 with Moore, Iacofano, Goltsman (MIG), Inc., for the provision of South Lynnwood Park Final Design, at an estimated value of \$79,080.

Procurement Officer: Ginny Meads, Buyer

Date: September 15, 2020

CITY COUNCIL ITEM M-2

CITY OF LYNNWOOD Public Works

TITLE: Public Hearing and Ordinance Adoption: Flood Hazard Area Regulations

DEPARTMENT CONTACT: Derek Fada, Environmental and Surface Water Supervisor

SUMMARY:

The FEMA National Flood Insurance Program (NFIP) was established with the passage of the National Flood Insurance Act of 1968. The NFIP is a federal program enabling property owners in participating communities to purchase flood insurance as protection against flood losses, while requiring state and local governments to enforce floodplain management ordinances that aim to reduce future flood damage. Lynnwood is a participating community and has been for over 30 years.

The City of Lynnwood desires to continue to participate in the NFIP and needed to update its Flood Hazard Area Regulations for consistency with current federal requirements by June 19th, 2020. Due to COVID-19, we could not hold a public hearing prior to that date. On June 8th, 2020 Council adopted an interim ordinance allowing the City to be compliant with the necessary requirements. On July 27th, 2020, a public hearing was held regarding the adopted interim ordinance.

As the interim ordinance is only effective for 6 months, the City must hold another public hearing to adopt the final regulations. The final regulations have been approved by the Washington Department of Commerce, gone through the SEPA process, and presented during a public hearing to the Planning Commission on August 13th, 2020.

ACTION:

Hold a public hearing and adopt the Flood Hazard Area Regulations at the Council's September 28th, 2020 regular meeting.

PREVIOUS COUNCIL ACTIONS:

Interim Ordinance 3359 adopted June 8th, 2020.

Public hearing held July 27th, 2020 for Interim Ordinance 3359.

FUNDING:

There are no budgetary impacts associated with this action.

ADMINISTRATION RECOMMENDATION:

Hold the public hearing and adopt the updated Flood Hazard Area Regulations allowing the City to continue to participate in the FEMA Flood Insurance Program.

DOCUMENT ATTACHMENTS

Description:	Type:
Strike Through and Underline Regulations Update	Backup Material



ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LYNNWOOD, WASHINGTON, AMENDING LMC 16.46, FLOOD
HAZARD REGULATIONS; PROVIDING FOR SEVERABILITY;
ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR
SUMMARY PUBLICATION

WHEREAS, the City of Lynnwood has areas designated by the Federal ~~Emergency Management~~ Insurance Administrator as Special Flood Hazard Areas inundated by a 100-year flood; and

WHEREAS, the City of Lynnwood participates in the National Flood Insurance Program, allowing those within the City to purchase flood insurance, should they wish; and

WHEREAS, the City of Lynnwood desires to continue to participate in the National Flood Insurance Program, and must update its Flood Hazard Regulations in order to do so; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1: Purpose. The purpose of this ordinance is to amend the Lynnwood Municipal Code Chapter 16.46.

Section 2: Amendments. Section 16.46 is hereby amended to read:

Chapter 16.46
FLOOD HAZARD AREA REGULATIONS

Sections:

- 16.46.010 Statement of purpose.**
- 16.46.020 Definitions.**
- 16.46.030 General provisions.**
- 16.46.040 Administration.**
- 16.46.050 Provisions for flood hazard protection.**
- 16.46.060 Severability.**

16.46.010 Statement of purpose.

A. It is the purpose of this legislation to promote the public health, safety, and general welfare, and to avoid or abate public nuisances, and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

1. Protect human life and health;
2. Minimize expenditure of public money and costly flood control projects;
3. Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
4. Minimize prolonged business interruptions;
5. Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets, and bridges located in areas of special flood hazard;
6. Help maintain a stable tax base by providing for the sound use and development of areas of special flood hazard so as to minimize future flood blight areas;
7. Ensure that potential buyers are notified that property is in an area of special flood hazard; and
8. Ensure that those who occupy the areas of special flood hazard assume responsibility for their actions.

B. Methods of Reducing Flood Losses. In order to accomplish its purposes, this legislation includes methods and provisions for:

1. Restricting or prohibiting uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;
2. Requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
3. Controlling the alteration of natural flood plains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
4. Controlling filling, grading, dredging, and other development which may increase flood damage; and
5. Preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards in other areas. (Ord. 2045 § 7, 1995; Ord. 1462 § 1, 1985)

16.46.020 Definitions.

Unless specifically defined below, words or phrases used shall be interpreted so as to give them the meaning they have in common usage and to give this legislation its most reasonable application.

“Alteration of watercourse” means any action that will change the location of the channel occupied by water within the banks of any portion of a riverine waterbody.

“Appeal” means a request for a review of the director of public work’s interpretation of any provision in this chapter or a request for a variance.

“Appeal board” means a three-member board appointed by the mayor to hear and determine appeals.

“Area of shallow flooding” means a designated AO or AH zone on the Flood Insurance Rate Map (FIRM). The base flood depths range from one to three feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and, velocity flow may be evident. AO is characterized as sheet flow, and AH indicates ponding.

“Area of special flood hazard” means the land in the flood plain within a community subject to a one percent or greater chance of flooding in any given year. Designation on maps always includes the letters “A” or “V”.

“Base flood” means the flood having a one percent chance of being equaled or exceeded in any given year (also referred to as the “100-year flood”). ~~Designated on flood insurance rate maps by letters A or V.~~

“Basement” means any area of the building having its floor subgrade (below ground level) on all sides.

“Breakaway wall” means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.

“Coastal high hazard area” means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources.

“Critical facility” means a facility for which even a slight chance of flooding might be too great. Critical facilities include, but are not limited to schools, nursing homes, hospitals, police, fire and emergency response installations, installations which produce, use, or store hazardous materials or hazardous waste.

“Development” means any manmade change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials located within the area of special flood hazard.

“Elevated building” means for insurance purposes, a non-basement building which has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

“Existing manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the adopted flood plain management regulations.

“Expansion to an existing manufactured home park or subdivision” means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

“Flood” or “flooding” means:

1. A general and temporary condition of partial or complete inundation of normally dry land areas from:

- a. The overflow of inland or tidal waters; and/or

- b. The unusual and rapid accumulation of runoff of surface waters from any source.

- c. Mudslides (i.e., mudflows) which are proximately caused by flooding as defined in paragraph (1)(b) of this definition and are akin to a river of liquid and

flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.

2. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature, such as flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event which results in flooding as defined in paragraph (1)(a) of this definition.

~~"Flood insurance elevation study" (FIS) means the official report provided by the Federal Insurance Administration that includes flood profile, the flood insurance rate maps, and the water surface elevation of the base flood and~~ means the examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards. Also known as Flood Insurance Study (FIS).

"Flood insurance rate map (FIRM)" means the official map on which the Federal Insurance ~~Administration~~ Administrator has delineated both the areas of special flood hazards and the risk premium zones applicable to the community.

"Floodplain or flood prone area" means any land area susceptible to being inundated by water from any source. See "Flood or flooding."

"Floodplain administrator" the community official designated by title to administer and enforce the floodplain management regulations.

"Flood proofing" means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitary facilities, structures, and their contents. Flood proofed structures are those that have the structural integrity and design to be impervious to floodwater below the Base Flood Elevation.

"Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

"Functionally dependent use" means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, and does not include long term storage or related manufacturing facilities.

"Highest adjacent grade" The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

"Historic structure" means any structure that is:

1. Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
2. Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

174 3. Individually listed on a state inventory of historic places in states with historic
175 preservation programs which have been approved by the Secretary of Interior; or
176 4. Individually listed on a local inventory of historic places in communities with historic
177 preservation programs that have been certified either:

178 a. By an approved state program as determined by the Secretary of the Interior,

179 or

180 b. Directly by the Secretary of the Interior in states without approved programs.

181 “Lowest floor” means the lowest floor of the lowest enclosed area (including basement). An
182 unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access or
183 storage, in an area other than a basement area, is not considered a building’s lowest floor;
184 provided, that such enclosure is not built so as to render the structure in violation of the
185 applicable non-elevation design requirements of this chapter found at LMC 16.46.050(B)(1)(b).

186 “Manufactured home” means a structure, transportable in one or more sections, which is built
187 on a permanent chassis and is designed for use with or without a permanent foundation when
188 connected to the required utilities. For flood plain management purposes, the term
189 “manufactured home” also includes park trailers, travel trailers, and other similar vehicles
190 placed on a site for greater than 180 consecutive days. For insurance purposes the term
191 “manufactured home” does not include park trailers, travel trailers, and other similar vehicles.
192 The term “manufactured home” does not include a recreational vehicle.

193 “Manufactured home park or subdivision” means a parcel (or contiguous parcels) of land
194 divided into two or more manufactured home lots for rent or sale.

195 “Mean Sea Level” for purposes of the National Flood Insurance Program, the vertical datum to
196 which Base Flood Elevations shown on a community's Flood Insurance Rate Map are
197 referenced.

198 “New construction” means for the purpose of determining insurance rates, structures for which
199 the start of construction commenced on or after the effective date of an initial Flood Insurance
200 Rate Map or after December 31, 1974, whichever is later, and includes any subsequent
201 improvements to such structures. For floodplain management purposes, new construction
202 means structures for which the start of construction commenced on or after the effective date
203 of a floodplain management regulation adopted by a community and includes any subsequent
204 improvements to such structures. ~~the ordinance codified in this chapter.~~

205 “New manufactured home park or subdivision” means a manufactured home park or
206 subdivision for which the construction of facilities for servicing the lots on which the
207 manufactured homes are to be affixed (including at a minimum, the installation of utilities, the
208 construction of streets, and either final site grading or the pouring of concrete pads) is
209 completed on or after the effective date of adopted flood plain management regulations.

210 “Recreational vehicle” means a vehicle which is:

- 211 1. Built on a single chassis;
- 212 2. Four hundred square feet or less when measured at the largest horizontal projection;
- 213 3. Designed to be self-propelled or permanently towable by a light duty truck; and
- 214 4. Designed primarily not for use as a permanent dwelling but as temporary living
- 215 quarters for recreational, camping, travel, or seasonal use.

216 “Start of construction” includes substantial improvement, and means the date the building
217 permit was issued, provided the actual start of construction, repair, reconstruction, placement

or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations, or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not as part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

“Structure” means a walled and roofed building or manufactured home including a gas or liquid storage tank that is principally above ground.

“Substantial damage” means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

“Substantial improvement” means any ~~repair~~ reconstruction, rehabilitation, addition or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement. This term includes structures which have incurred substantial damage, regardless of the actual repair work performed. The term does not, however, include, either:

- ~~1. Before the improvement or repair is started; or~~
- ~~2. If the structure has been damaged and is being restored, before the damage occurred. For the purposes of this definition, “substantial improvement” is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure.~~

~~The term does not, however include either:~~

1. Any project for improvement of a structure to ~~comply~~ correct existing violations of state or local health, sanitary, or safety code specifications that have been previously identified by the local code enforcement official and which are ~~solely~~ the minimum necessary to assure safe living conditions; or
2. Any alteration of a historic structure ~~listed on the National Register of Historic Places or a State Inventory of Historic Places.~~ provided that the alteration will not preclude the structure’s continued designation as a historic structure.

“Variance” means a grant of relief from the requirements of this legislation which permits construction in a manner that would otherwise be prohibited by this chapter.

“Water dependent” means a structure for commerce or industry which cannot exist in any other location and is dependent on the water by reason of the intrinsic nature of its operations. (Ord. 2274 § 1, 1999; Ord. 1916 § 1, 1992; Ord. 1701 § 1, 1989; Ord. 1462 § 2, 1985)

16.46.030 General provisions.

A. Lands to Which This Chapter Applies. This legislation shall apply to all areas of special flood hazards within the jurisdiction of the city of Lynnwood.

B. Basis for Establishing the Areas of Special Flood Hazard. The areas of special flood hazard identified by the Federal Insurance ~~Administration~~ Administrator in a scientific and engineering report entitled "The Flood Insurance Study for Snohomish County, Washington and Incorporated Areas," dated ~~November 9, 1999~~ June 19, 2020, as amended, with accompanying flood insurance rate maps as amended, are hereby adopted by reference and declared to be part of this chapter. The flood insurance study and the flood insurance rate map are on file at the city of Lynnwood public works department. The best available information for flood hazard area identification as outlined in LMC 16.46.040(C)(2) shall be the basis for regulation until a new FIRM is issued which incorporates the data utilized under LMC 16.46.040(C)(2).

C. Penalties for Noncompliance. No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this chapter and other applicable regulations. Violation of the provisions of this chapter by failure to comply with any of its requirements (including violations of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor. Any person who violates this chapter or fails to comply with any of its requirements shall upon conviction thereof be fined not more than \$500.00 or imprisoned for not more than 90 days, or both, for each violation, and in addition shall pay all costs and expenses involved in the case. Nothing herein contained shall prevent the city of Lynnwood from taking such lawful action as is necessary to prevent or remedy any violation.

D. Abrogation and Greater Restrictions. This legislation is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this chapter and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

E. Interpretation. In the interpretation and application of this legislation, all provisions shall be:

1. Considered as minimum requirements;
2. Liberally construed in favor of the governing body; and
3. Deemed neither to limit nor repeal any other powers granted under law.

F. Warning and Disclaimer of Liability. The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by manmade or natural causes. This legislation does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This legislation shall not create liability on the part of the city of Lynnwood, any officer or employee thereof, or the Federal Insurance Administration, for any flood damages that result from the reliance on this legislation or any administrative decision lawfully made thereunder. (Ord. 2274 § 2, 1999; Ord. 1916 § 2, 1992; Ord. 1701 § 2, 1989; Ord. 1462 § 3, 1985)

16.46.040 Administration.

A. Establishment of Development Permit.

1. Development Permit Required. A development permit shall be obtained before construction or development begins within any area of special flood hazard established

in LMC 16.46.030 (B). The permit shall be for all structures including manufactured homes, as set forth in LMC 16.46.020, Definitions, and for all development including fill and other activities, also as set forth in LMC 16.46.020, Definitions.

2. Application for Development Permit. Application for a development permit shall be made on forms furnished by the city of Lynnwood and may include but not be limited to: plans in duplicate drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage or materials, drainage facilities, and the location of the foregoing. Specifically, the following information is required:

- a. Proposed elevation in relation to mean sea level, of the lowest floor (including basement) of all structures;
- b. Proposed elevation in relation to mean sea level to which any structure will be floodproofed;
- c. Certification by a registered professional engineer or architect that the floodproofing methods for any nonresidential structure meet the floodproofing criteria in LMC 16.46.050(B)(2); and
- d. Description of the extent to which a watercourse will be altered or relocated as a result of proposed development.

~~e. No development permit will be issued in Zones V or VE.~~

B. Designation of the Public Works Director. The city director of public works or his designee is hereby appointed to administer, ~~and~~ implement and enforce this legislation by granting or denying development permit applications in accordance with its provisions.

C. Duties and Responsibilities of the Public Works Director. Duties of the director of public works shall include, but not be limited to:

1. Permit Review.

- a. Review all development permits to determine that the permit requirements of this chapter have been satisfied;
- b. Review all development permits to determine that all necessary permits have been obtained from those federal, state, or local governmental agencies from which prior approval is required;
- c. Review all development permits to determine the site is reasonably safe from flooding;
- d. Review all development permits to determine if the proposed development is located in the floodway. If located in the floodway, assure that the encroachment provisions of LMC 16.46.050(C)(1) are met.

2. Use of Other Base Flood Data. When base flood elevation data has not been provided in accordance with LMC 16.46.030(B), Basis for Establishing the Areas of Special Flood Hazard, the public works director shall obtain, review, and reasonably utilize any base flood elevation and floodway data available from a federal, state, or other source, in order to administer LMC 16.46.050(B), Specific Standards, and 16.46.050 (C), Floodways.

3. Information to be Obtained and Maintained.

- a. ~~Where base flood elevation data is provided through the Flood Insurance Study or required as in subsection (C)(2) of this section, O~~ obtain and ~~record~~ maintain the actual (as-built) elevation ~~(in relation to mean sea level)~~ of the

- lowest floor, including basement, of all new or substantially improved structures, and whether or not the structure contains a basement;
- b. For all new or substantially improved floodproofed structures:
- Verify and record the actual elevation ~~(in relation to mean sea level)~~ to which the structure was floodproofed; and
 - Maintain the floodproofing certifications required in subsection (A)(2)(c) of this section;
- c. Maintain for public inspection all records pertaining to the provisions of this legislation.
4. Alteration of Watercourses.
- Notify adjacent communities and the Washington State Department of Ecology prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Insurance ~~Administration~~ Administrator;
 - ~~Require~~ Assure that the ~~that maintenance is provided within the altered or relocated portion of said watercourse so that the~~ flood-carrying capacity ~~is not diminished~~ of the altered or relocated portion of said watercourse is maintained.
5. Interpretation of FIRM Boundaries. Make interpretations where needed, as to exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions). The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in subsection (D) of this section.
6. Base Flood Elevations may increase or decrease resulting from physical changes affecting flooding conditions. As soon as practicable, but not later than six months after the date such information becomes available, the Floodplain Administrator shall notify the Federal Insurance Administrator of the changes by submitting technical or scientific data in accordance with Volume 44 Code of Federal Regulations Section 65.3. Such a submission is necessary so that upon confirmation of those physical changes affecting flooding conditions, risk premium rates and floodplain management requirements will be based upon current data.
7. Notify the Federal Insurance Administrator in writing of acquisition by means of annexation, incorporation or otherwise, of additional areas of jurisdiction
- D. Variance Procedure.
- Appeal Board. The mayor shall appoint members to the three-member appeal board as needed. Members shall have the educational and mechanical background and experience to hear and determine appeals arising from this legislation.
 - The appeal board shall hear and decide appeals and requests for variances from the requirements of this legislation;
 - The appeal board shall hear and decide appeals when it is alleged there is an error in any requirement, decision or determination made by the director of public works in the enforcement of this legislation;
 - Those aggrieved by the decision of the appeal board may appeal such decision to the Snohomish County superior court as provided by law;

d. In passing upon such applications, the appeal board shall consider all technical evaluations, all relevant factors, standards specified in other sections of this legislation; and

- i. The danger that materials may be swept onto other lands to the injury of others;
- ii. The danger to life and property due to flooding or erosion damage;
- iii. The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
- iv. The importance of the services provided by the proposed facility to the community;
- v. The necessity to the facility of a waterfront location, where applicable;
- vi. The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
- vii. The compatibility of the proposed use with existing and anticipated development;
- viii. The relationship of the proposed use to the comprehensive plan and flood plain management program for that area;
- ix. The safety of access to the property in times of flood for ordinary and emergency vehicles;
- x. The expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site;
- xi. The costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges;

e. Generally, the only condition under which a variance may be issued is for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing items (i) through (xi) in subsection (D)(1)(d) of this section have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases;

f. Upon consideration of the factors of subsection (D)(1)(d) of this section and the purposes of this legislation, the appeal board may attach such conditions to the granting of variances as it deems necessary to further the purposes of this legislation;

g. The director of public works shall maintain the records of the appeal actions and report any variances to the Federal Insurance Administration upon request.

2. Conditions for Variances.

a. Generally, the only condition under which a variance from the elevation standard may be issued is for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing

items (1) through (11) in subsection (D)(1)(d) of this section have been fully considered. As the lot size increases, the technical justification required for issuing the variance increases;

b. Variances may be issued for the ~~repair reconstruction~~, rehabilitation, or restoration of ~~historic~~ structures ~~listed on the National Register of Historic Places or the state Inventory of Historic Places,~~ upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure;

c. Variances shall not be issued within a designated floodway if any increase in flood levels during the base flood discharge would result;

d. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief;

e. Variance shall only be issued upon:

- i. A showing of good and sufficient cause;
- ii. A determination that failure to grant the variance would result in exceptional hardship to the applicant;
- iii. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public or conflict with existing local laws or ordinances;

f. Variances as interpreted in the National Flood Insurance Program are based on the general zoning law principle that they pertain to a physical piece of property; they are not personal in nature and do not pertain to the structure, its inhabitants, economic or financial circumstances. They primarily address small lots in densely populated residential neighborhoods. As such, variances from the flood elevations should be quite rare;

g. Variances may be issued for nonresidential buildings in very limited circumstances to allow a lesser degree of floodproofing than watertight or dry-floodproofing, where it can be determined that such action will have low damage potential, complies with all other variance criteria except subsection (D)(2)(a) of this section, and otherwise complies with LMC 16.46.050(A) and (B);

h. Any applicant to whom a variance is granted shall be given written notice over the signature of a community official that the issuance of a variance to construct a structure will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and that such construction below the BFE increases risks to life and property. ~~and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced floor elevation~~ (Ord. 3285 § 2, 2018; Ord. 2274 § 3, 1999; Ord. 1701 § 3- 7, 1989; Ord. 1462 § 4, 1985)

16.46.050 Provisions for flood hazard protection.

A. General Standards. In all areas of special flood hazards, the following standards are required:

- 480 1. Anchoring.
- 481 a. All new construction and substantial improvements shall be anchored to
- 482 prevent flotation, collapse, or lateral movement of the structure resulting from
- 483 hydrodynamic and hydrostatic loads, including the effects of buoyancy.
- 484 b. All manufactured homes must likewise be anchored to prevent flotation,
- 485 collapse, or lateral movement, and shall be installed using methods and practices
- 486 that minimize flood damage. Anchoring methods may include, but are not
- 487 limited to, use of over-the-top or frame ties to ground anchors. (Reference
- 488 FEMA's "Manufactured Home Installation in Flood Hazard Areas" guidebook for
- 489 additional techniques.)
- 490 2. Construction Materials and Methods.
- 491 a. All new construction and substantial improvements shall be constructed with
- 492 materials and utility equipment resistant to flood damage.
- 493 b. All new construction and substantial improvements shall be constructed using
- 494 methods and practices that minimize flood damage.
- 495 c. Electrical, heating, ventilation, plumbing, and air conditioning equipment and
- 496 other service facilities shall be designed and/or otherwise elevated or located so
- 497 as to prevent water from entering or accumulating within the components
- 498 during conditions of flooding.
- 499 3. Utilities.
- 500 a. All new and replacement water supply systems shall be designed to minimize
- 501 or eliminate infiltration of flood waters into the system;
- 502 b. Water wells shall be located on high ground that is not in the floodway;
- 503 c. New and replacement sanitary sewage systems shall be designed to minimize
- 504 or eliminate infiltration of flood waters into the systems and discharge from the
- 505 systems into flood waters; and
- 506 d. On-site waste disposal systems shall be located to avoid impairment to them
- 507 or contamination from them during flooding.
- 508 4. ~~Subdivision~~ Development Proposals.
- 509 a. All ~~subdivision~~ development proposals, including subdivisions and
- 510 manufactured home parks, shall be consistent with the need to minimize flood
- 511 damage;
- 512 b. All ~~subdivision~~ development proposals, including subdivisions and
- 513 manufactured home parks, shall have public utilities and facilities such as sewer,
- 514 gas, electrical, and water systems located and constructed to minimize flood
- 515 damage;
- 516 c. All ~~subdivision~~ development proposals, including subdivisions and
- 517 manufactured home parks, shall have adequate drainage provided to reduce
- 518 exposure to flood damage; and
- 519 d. Where base flood elevation data has not been provided or is not available
- 520 from another authoritative source, it shall be generated for all development
- 521 ~~subdivision~~ proposals, including subdivisions and manufactured home parks, and
- 522 ~~other proposed developments which contain at least~~ greater than 50 lots or five
- 523 acres (whichever is the lesser).

5. Review of Building Permits. Where elevation data is not available, either through the Flood Insurance Study or from another authoritative source, LMC 16.46.040(C)(2), applications for building permits shall be reviewed to assure that proposed construction will be reasonably safe from flooding. The test of reasonableness is a local judgment and includes historical data, high water marks, photographs of past flooding, etc., where available. Failure to elevate at least two feet above the highest adjacent grade in these zones may result in higher insurance rates.

B. Specific Standards. In all areas of special flood hazards where base flood elevation data has been provided as set forth in LMC 16.46.030(B), Basis for Establishing the Areas of Special Flood Hazard or LMC 16.46.040(C)(2), Use of Other Base Flood Data, the following provisions are required:

1. Residential Construction.

a. New construction and substantial improvement of any residential structure shall have the lowest floor, including basement, elevated to or one foot or more above base flood elevation.

b. Fully enclosed areas below the lowest floor that are subject to flooding are prohibited, or if used solely for parking, access or storage, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or must meet or exceed the following minimum criteria:

i. A minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided.

ii. The bottom of all openings shall be no higher than one foot above grade.

iii. Openings may be equipped with screens, louvers, or other coverings or devices; provided, that they permit the automatic entry and exit of floodwaters.

2. Nonresidential Construction. New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated to the level of one foot or more above the base flood elevation; or, together with attendant utility and sanitary facilities, shall:

a. Be floodproofed so that below one foot above the base flood level the structure is watertight with walls substantially impermeable to the passage of water;

b. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy;

c. Be certified by a registered professional engineer or architect that the design and methods of construction are in conformance with accepted standards of practice for meeting provisions of this subsection based on their development and/or review of the structural design, specifications and plans. Such certifications shall be provided to the official as set forth in LMC 16.46.040 (C)(3)(b);

d. Nonresidential structures that are elevated, not floodproofed, must meet the same standards for space below the lowest floor as described in subsection (B)(1)(b) of this section;

e. Applicants floodproofing nonresidential buildings shall be notified that flood insurance premiums will be based on rates that are one foot below the floodproofed level (e.g., a building floodproofed to one foot above the base flood level will be rated as at the base flood level).

3. Critical Facility. Construction of new critical facilities shall be, to the extent possible, located outside the limits of the base flood plain. Construction of new critical facilities shall be permissible within the base flood plain if no feasible alternative site is available. Critical facilities constructed within the base flood plain shall have the lowest floor elevated to three feet or more above the level of the base flood elevation at the site. Floodproofing and sealing measures must be taken to ensure that toxic substances will not be displaced by or released into flood waters. Access routes elevated to or above the level of the base flood plain shall be provided to all critical facilities to the extent possible.

4. Manufactured Homes. All manufactured homes to be placed or substantially improved on sites shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated one foot or more above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse and lateral movement.

a. All manufactured homes to be placed or substantially improved on sites:

i. Outside of a manufactured home park or subdivision;

ii. In a new manufactured home park or subdivision;

iii. In an expansion to an existing manufactured home park or subdivision;
or

iv. In an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as the result of a flood;

shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated one foot or more above the base flood elevation and be securely anchored to an adequately designed foundation system to resist flotation, collapse and lateral movement.

b. Manufactured homes to be placed or substantially improved on sites in an existing manufactured home park or subdivision that are not subject to the above manufactured home provisions be elevated so that either:

i. The lowest floor of the manufactured home is elevated one foot or more above the base flood elevation; or

ii. The manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and be securely anchored to an adequately designed foundation system to resist flotation, collapse, and lateral movement.

5. Recreation Vehicles. Recreational vehicles placed on sites are required to either:

a. Be on the site for fewer than 180 consecutive days;

610 b. Be fully licensed and ready for highway use, on their wheels or jacking system,
 611 be attached to the site only by quick disconnect type utilities and security
 612 devices, and have no permanently attached additions; or
 613 c. Meet the requirements of subsection (B)(4) of this section and the elevation
 614 and anchoring requirements for manufactured homes.

615 C. Floodways. Located within areas of special flood hazard established in LMC 16.46.030(B) are
 616 areas designed as floodways. Since the floodway is an extremely hazardous area due to the
 617 velocity of flood waters which carry debris, potential projectiles, and erosion potential, the
 618 following provisions apply:

- 619 1. Prohibit encroachments, including fill, new construction, substantial improvements,
 620 and other development unless certification by a registered professional engineer is
 621 provided demonstrating through hydrologic and hydraulic analyses performed in
 622 accordance with standard engineering practice that the proposed encroachments shall
 623 not result in any increase in flood levels during the occurrence of the base flood
 624 discharge.
- 625 2. Construction or reconstruction of residential structures is prohibited within
 626 designated floodways, except for:
 - 627 a. Repairs, reconstruction, or improvements to a structure which do not increase
 628 the ground floor area; and
 - 629 b. Repairs, reconstruction or improvements to a structure, the cost of which
 630 does not exceed 50 percent of the market value of the structure either:
 - 631 i. Before the repair, or reconstruction, is started; or
 - 632 ii. If the structure has been damaged, and is being restored, before the
 633 damage occurred.

634 Any project for improvement of a structure to correct existing violations
 635 of state or local health, sanitary, or safety code specifications which have
 636 been identified by the local code enforcement official and which are the
 637 minimum necessary to assure safe living conditions or to structures
 638 identified as historic places shall not be included in the 50 percent.

- 639 3. If subsection (C)(1) of this section is satisfied, all new construction and substantial
 640 improvements shall comply with all applicable flood hazard reduction provisions of this
 641 section, Provisions for Flood Hazard Reduction.

642 D. Wetlands Management. To the maximum extent possible, avoid the short- and long-term
 643 adverse impacts associated with the destruction or modification of wetlands, especially those
 644 activities which limit or disrupt the ability of the wetland to alleviate flooding impacts. The
 645 following process should be implemented:

- 646 1. Review proposals for development within base flood plains for their possible impacts
 647 on wetlands located within the flood plain.
- 648 2. Ensure that development activities in or around wetlands do not negatively affect
 649 public safety, health, and welfare by disrupting the wetlands' ability to reduce flood and
 650 storm drainage.
- 651 3. Request technical assistance from the Department of Ecology in identifying wetland
 652 areas. Existing wetland map information from the National Wetlands Inventory (NWI)
 653 can be used in conjunction with the community's FIRM to prepare an overlay zone

indicating critical wetland areas deserving special attention. (Ord. 2274 § 4, 1999; Ord. 1701 § 8, 1989; Ord. 1462 § 5, 1985)

E. AE ~~and A1-30~~ Zones with Base Flood Elevations but no Floodways. In areas with base flood elevations (but a regulatory floodway has not been designated), no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones ~~A1-30 and~~ AE on the community's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.

F. Zone VE Standards. ~~V, VE, and V1-30 Restrictions.~~ New structures, substantial improvements, and recreational vehicles shall meet the following provisions: ~~are prohibited in the VE zone. Man-made alteration of sand dunes are is prohibited within Zones V1-30, VE, and V in Zone VE on the community's FIRM, which would increase potential flood damage.~~

1. All new construction and substantial improvements in zone VE on the community's FIRM shall be elevated on pilings and columns so that:

a. Elevation:

i. Residential Buildings. The bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated one foot or more above the base flood level.

ii. Nonresidential buildings. The bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated one foot or more above the base flood level or meets the elevation requirements of ASCE 24, whichever is higher; and

b. The pile or column foundation and structure attached thereto is anchored to resist flotation, collapse and lateral movement due to the effects of wind and water loads acting simultaneously on all building components. Wind and water loading values shall each have a one percent chance of being equaled or exceeded in any given year (100-year mean recurrence interval).

c. A registered professional engineer or architect shall develop or review the structural design, specifications and plans for the construction, and shall certify that the design and methods of construction to be used are in accordance with accepted standards of practice for meeting the provisions of subsections 1.a.i and 1.a.ii.

2. Obtain the elevation (in relation to mean sea level) of the bottom of the lowest structural member of the lowest floor (excluding pilings and columns) of all new and substantially improved structures in zone VE on the community's FIRM and whether or not such structures contain a basement. The (Floodplain Administrator) shall maintain a record of all such information.

3. All new construction within zone VE on the community's FIRM shall be located landward of the reach of mean high tide.

4. Provide that all new construction and substantial improvements within zone VE on the community's FIRM have the space below the lowest floor either free of obstruction or constructed with non-supporting breakaway walls, open wood lattice-work, or insect screening intended to collapse under wind and water loads without causing collapse,

698 displacement, or other structural damage to the elevated portion of the building or
699 supporting foundation system. For the purposes of this section, a breakaway wall shall
700 have a design safe loading resistance of not less than 10 and no more than 20 pounds
701 per square foot. Use of breakaway walls which exceed a design safe loading resistance
702 of 20 pounds per square foot (either by design or when so required by local or state
703 codes) may be permitted only if a registered professional engineer or architect certifies
704 that the design proposed meets the following conditions:

705 a. Breakaway wall collapse shall result from water load less than that which
706 would occur during the base flood; and

707 b. The elevated portion of the building and supporting foundation system shall
708 not be subject to collapse, displacement, or other structural damage due to the
709 effects of wind and water loads acting simultaneously on all building
710 components (structural and non-structural). Maximum wind and water loading
711 values to be used in this determination shall each have a one percent chance of
712 being equaled or exceeded in any given year (100-year mean recurrence
713 interval).

714 c. If breakaway walls are utilized, such enclosed space shall be useable solely for
715 parking of vehicles, building access, or storage. Such space shall not be used for
716 human habitation.

717 5. Prohibit the use of fill for structural support of buildings within zone VE on the
718 community's FIRM.

719 6. Prohibit man-made alteration of sand dunes within zone VE on the community's FIRM
720 which would increase potential flood damage.

721 7. All manufactured homes to be placed or substantially improved within zone VE on the
722 community's FIRM on sites:

723 a. Outside of a manufactured home park or subdivision,

724 b. In a new manufactured home park or subdivision,

725 c. In an expansion to an existing manufactured home park or
726 subdivision, or

727 d. In an existing manufactured home park or subdivision on which a
728 manufactured home has incurred "substantial damage" as the result of a flood;
729 shall meet the standards of paragraphs (1) through (6) of this section and
730 manufactured homes placed or substantially improved on other sites in an
731 existing manufactured home park or subdivision within zone VE on the FIRM
732 shall meet the requirements of Section A.4.

733 8. Recreational vehicles placed on sites within V or VE zones on the community's FIRM
734 shall either:

735 a. Be on the site for fewer than 180 consecutive days, or

736 b. Be fully licensed and ready for highway use, on its wheels or jacking system,
737 attached to the site only by quick disconnect type utilities and security devices,
738 and have no permanently attached additions; or

739 c. Meet the requirements of subsections (1) and (3) above and the anchoring
740 requirements for manufactured homes (Section A.1.b)

741

16.46.060 Severability.

If any section, clause, sentence, or phrase of the Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Ordinance.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Effective Date: This ordinance or an approved summary thereof consisting of its title shall be published in the City's official newspaper of record and shall take effect and be in full force five days following its publication.

PASSED BY THE CITY COUNCIL THIS XX day of XXXXXXXX, 20XX, and signed in authentication of its passage this XX day of XXXXXXXX, 20XX.

APPROVED:

Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

APPROVED AS TO FORM:

Sonja Springer, Finance Director

Rosemary Larson, City Attorney

APPROVED AS TO FORM:

Rosemary Larson
City Attorney

ADOPTED BY THE CITY COUNCIL:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NUMBER:

**LYNNWOOD
CITY COUNCIL
Work Session**

Date: Monday, September 21, 2020

Time: 6:00 PM

Place: This meeting will be held electronically via Zoom. See the City of Lynnwood website for details.

6:00 PM	A	Comments and Questions on Memo Items
6:00 PM	B	Interview: Diversity, Equity and Inclusion Commission Candidates Daniela Altamirano-Crosby, Marcia Smith and Joshua Binda
6:30 PM	C	Interview: Parks and Recreation Board Applicant Katie McKeown
6:40 PM	D	Interview: Arts Commission Applicant Teodora Popescu
6:50 PM	E	Appointment: Lynnwood Public Facilities District Board, Position #4: Rosario Reyes
7:00 PM	F	COVID-19 Update
7:30 PM	G	Refinance 2010 Utility Bonds
7:55 PM	H	Break
8:05 PM	I	Briefing: Lynnwood ADA Self-Evaluation and Transition Plan/Sidewalk Maintenance
8:50 PM	J	Update- Housing Action Plan
9:20 PM	K	LMC 2.92 Contract Threshold
9:40 PM	L	Mayor Comments and Questions
9:45 PM	M	Council President and Council Comments
9:50 PM	N	Executive Session, If Needed
		Adjourn

Memorandums for Future Agenda Items:

M-1 Contract 3094, Amendment #2, S Lynnwood Park Final Design

M-2 Public Hearing and Ordinance Adoption: Flood Hazard Area Regulations

Memorandums for Your Information:

Contact: Executive Office (425) 670-5001

CITY COUNCIL ITEM A

CITY OF LYNNWOOD Executive

TITLE: Comments and Questions on Memo Items

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM B

CITY OF LYNNWOOD Executive

TITLE: Interview: Diversity, Equity and Inclusion Commission Candidates Daniela Altamirano-Crosby, Marcia Smith and Joshua Binda

DEPARTMENT CONTACT: Evan Chinn, Human Resources Director

SUMMARY:

Position #3 on the Diversity, Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Daniela Altamirano-Crosby fill Position #3; term ending December 31, 2022.

Position #3 on the Diversity Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Joshua Binda to fill Position #3; term ending December 31, 2022.

Positions #7 on the Diversity, Equity and Inclusion Commission is vacant. Mayor Smith and staff nominate Marcia Smith to fill Position #7; term ending December 31, 2022.

ACTION:

Consider Daniela Altamirano-Crosby, Joshua Binda and Marcia Smith to fill Position #2 Position #3 and Position #7, respectively on the Diversity, Equity and Inclusion Commission.

DOCUMENT ATTACHMENTS

Description:	Type:
DEIC Candidate Application - D. Altamirano-Crosby	Backup Material
DEIC Candidate Application - J. Binda	Backup Material
DEIC Candidate Application - M. Smith	Backup Material

Board and Commission Application



Submission date: 8 July 2020, 1:49AM

Receipt number: 34

Related form version: 2

Question	Response
All Are Welcome	
Name	Daniela Altamirano Crosby
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	I am interested in serving this commission because I am passionate about equity and inclusion for all regardless of the person's race, sexual orientation, or even economic background. I want people of all diverse cultures to feel welcomed by the City of Lynnwood.
What do you perceive as the role of a board or commission member?	The main role that a board or commission member is to aid the Mayor and the City Council members in achieving the vision of making Lynnwood a truly welcoming city that is accepting, tolerant and a city that encourages its community members to speak up when there is an imperative problem that needs to be addressed. As a member of the commission, I would be tasked with suggesting strategies to engage the Lynnwood public to participate in City discussions. Furthermore, building relationships between the diverse communities that exist within the Lynnwood city limits.

<p>How would you represent the interests of the community?</p>	<p>I would represent the interests of the community by meeting with the community leaders of the multicultural groups in Lynnwood, which members of the community trust in order to discover the difficult issues that said members are going through. Doing this would allow me to bring said issues to the Mayor and the City Council members to shine light and acquire a coherent solution to the problems at hand. Additionally, I would be willing to create a Slack channel where community members would be able to post any questions regarding what the City and the City Council members are doing to aid the communities that are more in need. Furthermore, the resources that the City of Lynnwood is offering such as free face masks, financial aid and many more should and need to be translated into different languages so that the community as a whole is aware of the aid provided to them. I would be willing to meet with translators of the diverse communities such as the Latinx, Asian, and even the Hindu community to provide the translations that are key for the current situation that our population and the world is facing. If the City of Lynnwood truly envisions itself as a welcome community, the different cultures and languages that exist within the city limits need to be recognized and crucial documents, as well as resources, need to be within reach to all without the problem of a language barrier standing in the way; I do not doubt that I would aid in this effort wholeheartedly.</p>
<p>List any experiences that may assist you in serving in this role.</p>	<p>One experience that would assist me in serving this role is that I am an excellent communicator. Through my work with Northwest Earth and Space Sciences Pipeline, in collaboration with NASA I have been able support children from underserve communities to have the same possibilities as others and be able to learn about Science, Technology, Engineering and Mathematics (STEM) along with possible field-work opportunities in the future. I am relentlessly known to fight for what is right and create equal opportunities for all. Additionally, working with WA-GRO foundation has allowed me to meet important community leaders who would be able to open pathways and communication between me and the underserved communities through the city of Lynnwood.</p>
<p>List any other information you would like us to consider.</p>	<p>Being both bilingual and multicultural makes me an outstanding candidate for this position. I am a positive team player who is both reliable and professional. I also speak Spanish fluently and will be able to translate documents from Spanish into the English language and vice versa. B-3</p>
<p>Optional resume upload</p>	<div></div>

Date	07/07/2020
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Board and Commission Application



Submission date: 14 July 2020, 1:25PM

Receipt number: 38

Related form version: 2

Question	Response
All Are Welcome	
Name	Joshua Binda
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	Because I have a strong passion for bringing equality and diversity to the city of lynnwood and it has been an ambition of mine to do whatever I can to make lynnwood a more diverse and accepting community
What do you perceive as the role of a board or commission member?	What I perceive as a role in this commission is having a platform and being with like minded individuals so we can all work together towards the same goal and bring about this change.
How would you represent the interests of the community?	How I would represent interest is me being a young black man in the community will be able to bring a voice of the youth and the African American population in lynnwood and come up with ways to establish change.
List any experiences that may assist you in serving in this role.	I've personally throughout my life have dealt with racism and being treated unequally because I'm an african American so it is my goal to help the community so others don't have to go through this same express I did.
List any other information you would like us to consider.	
Optional resume upload	
Date	

Board and Commission Application



Submission date: 10 July 2020, 8:46PM

Receipt number: 35

Related form version: 2

Question	Response
All Are Welcome	
Name	Marcia Smith
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Diversity, Equity and Inclusion Commission
Why are you interested in serving on this board or commission?	I would like to become more involved in my community and the goals of the Diversity, Equity and Inclusion Commission resonate with me.
What do you perceive as the role of a board or commission member?	To be a liaison between community members and the city.
How would you represent the interests of the community?	I would make a point of listening to members of the community and would bring ideas to the commission and vice versa.
List any experiences that may assist you in serving in this role.	I have always volunteered in one way or another. From construction projects with Habitat for Humanity to school PTAs, MathCounts, Chess Club, etc. I have a diverse background. Most recently I lived and worked in Japan for two years. Of course, doing my job but also getting acquainted with the ways things are done there.
List any other information you would like us to consider.	I am a quiet, calm and methodical person. The issues that come up regarding the subject of this commission can be difficult to resolve especially when individuals are passionate about their points of view. I would like to help make a positive impact in our community.
Optional resume upload	
Date	07/10/2020

CITY COUNCIL ITEM C
CITY OF LYNNWOOD
Parks, Recreation, & Cultural Arts

TITLE: Interview: Parks and Recreation Board Applicant Katie McKeown

DEPARTMENT CONTACT: Lynn D. Sordel

SUMMARY:

Position 3 of the Parks and Recreation Board is currently vacant. The Mayor recommends Ms. Katie McKeown to fill the vacancy.

ACTION:

Interview Katie McKeown, applicant for the Parks and Recreation Board.

BACKGROUND:

Ms. McKeown submitted her application on March 10, 2020 was interviewed by Director Sordel on March 18, 2020. She attended board meetings on July 15 and August 5. She was interviewed by Mayor Smith on September 10. Ms. McKeown lives within the City's boundaries.

Members of the Parks and Recreation Board serve for three-year terms, per City ordinance.

The present status of the Parks and Recreation Board is as follows:

Position 1-Holly Hernandez-Term Expires December 31, 2021

Position 2-Mike Gladysz-Term Expires December 31, 2021

Position 3-VACANT-Term Expires December 31, 2022

Position 4-VACANT-Term Expires December 31, 2022

Position 5-VACANT-Term Expires December 31, 2022

Position 6-Nick Coelho-Term Expires December 31, 2020

Position 7-VACANT-Term Expires December 31, 2020

ADMINISTRATION RECOMMENDATION:

Interview Katie McKeown.

DOCUMENT ATTACHMENTS

Description:

[Katie McKeown Application](#)

Type:

Backup Material

Board and Commission Application



Submission date: 10 March 2020, 12:59PM

Receipt number: 16

Related form version: 2

Question	Response
All Are Welcome	
Name	Katie McKeown
Address	[REDACTED]
Phone	[REDACTED]
Alternate Phone	
Email Address	[REDACTED]
Are you a registered voter in the City of Lynnwood?	Yes
Are you a registered voter somewhere else?	No
Please choose the Board or Commission for which you are applying	Parks and Recreation Board
Why are you interested in serving on this board or commission?	My dog and I love getting out and using public spaces, and I would like to volunteer time to get engaged in helping develop our parks further.
What do you perceive as the role of a board or commission member?	Give input and feedback as an informed citizen.
How would you represent the interests of the community?	Talking to neighbors and friends about their interests and how they use parks.
List any experiences that may assist you in serving in this role.	I worked for Montana State Parks for 3 years.
List any other information you would like us to consider.	
Optional resume upload	[REDACTED]
Date	03/10/2020

CITY COUNCIL ITEM D
CITY OF LYNNWOOD
Parks, Recreation, & Cultural Arts

TITLE: Interview: Arts Commission Applicant Teodora Popescu

DEPARTMENT CONTACT: Fred Wong

SUMMARY:

Position 3 of the Arts Commission is currently vacant. The Mayor recommends Ms. Teodora Popescu to fill the vacancy.

ACTION:

Interview Teodora Popescu for position #3 of the Arts Commission for a term expiring December 31, 2022.

BACKGROUND:

Ms. Popescu submitted her application on July 10, 2020 and was interviewed by Community Programs Coordinator Fred Wong on July 30 and Mayor Smith on August 4. She attended a commission meeting on July 21. Ms. Popescu lives in Lynnwood's MUGA.

Members of the Arts Commission serve for three-year terms, per City ordinance.

The present status of the Arts Commission is as follows:

Position 1-Elizabeth Lunsford-Term Expires December 31, 2021

Position 2-Barry Miller-Term Expires December 31, 2021

Position 3-VACANT-Term Expires December 31, 2022

Position 4-Robert Gutcheck-Term Expires December 31, 2022

Position 5-VACANT-Term Expires December 31, 2022

Position 6-Lynn Hanson-Term Expires December 31, 2020

Position 7-Raniere-Term Expires December 31, 2020

ADMINISTRATION RECOMMENDATION:

Interview Teodora Popescu.

DOCUMENT ATTACHMENTS

Description:	Type:
Application	Backup Material

Board and Commission Application




Submission date: 8 July 2020, 1:36AM

Receipt number: 33

Related form version: 2

Question	Response
All Are Welcome	
Name	Teodora Popescu
Address	
Phone	
Alternate Phone	
Email Address	
Are you a registered voter in the City of Lynnwood?	No
Are you a registered voter somewhere else?	Yes
Please choose the Board or Commission for which you are applying	Arts Commission
Why are you interested in serving on this board or commission?	My family moved to Lynnwood from Seattle to set down roots and feel more connected to our community. Art is how I connect to my neighborhood and build a sense of place. As our city grows, it will be vitally important that we advocate for, and promote, diverse artists and creative projects so that Lynnwood can further cultivate a thriving creative hub and one-of-a-kind community. I would love to be part of that work.
What do you perceive as the role of a board or commission member?	Arts commission members serve the community by creating and running projects, programs and resources that support universal access to diverse arts in Lynnwood. For example: the traffic signal box project; the Discover Lynnwood map; art exhibits in city buildings; the EGG auction and; the future LOVE Lynnwood sculpture.
How would you represent the interests of the community?	As a professional designer whose been active in marginalized art circles for years and an immigrant, I inhabit many different community spaces at once. These communities all have different, complicated relationships with government entities like a commission, and different cultural connections to the arts. For that reason, I would use my voice to push for even more specialized arts outreach beyond the English-speaking community of Lynnwood and the housing-secure communities of Lynnwood.

List any experiences that may assist you in serving in this role.	I am the Graphic Design Lead at KUOW, Seattle's NPR station. Within my role, I am tasked with creating all visuals, artwork and video content for web and video stories, educational materials and live events/experiences. To do my job properly, I need to take into account all members of KUOW's community - and how best to serve them accurate and accessible information that is enriching. As a community funded non-profit, our mission is to create and serve a more informed public. That same approach can be applied to supporting universal access to diverse arts for our Lynnwood community.
List any other information you would like us to consider.	
Optional resume upload	
Date	07/07/2020

CITY COUNCIL ITEM E

CITY OF LYNNWOOD Economic Development

TITLE: Appointment: Lynnwood Public Facilities District Board, Position #4: Rosario Reyes

DEPARTMENT CONTACT: David Kleitsch

SUMMARY:

City Council appoints members to serve on the Lynnwood Public Facilities District Board of Directors. The current term for Boardmember Rosario Reyes, Position #4, expires in October 2020. Boardmember Reyes has expressed the desire to be reappointed, and the Lynnwood Public Facilities District supports the request. The term of the reappointment will be through October 2024.

Pursuant to Resolution No. 2010-07, City Council is required to decide whether to re-appoint the existing boardmember or initiate a formal recruitment process to fill the position.

ACTION:

Discuss and provide direction regarding the reappointment of Boardmember Reyes, Position #4, to the Lynnwood Public Facilities district Board of Directors

BACKGROUND:

The City Council appoints board members to the Lynnwood Public Facilities District (LPFD) Board of Directors pursuant to Resolution No. 2010-07. The process provides the City Council with the opportunity to discuss this matter, and subsequently schedule the appointment of action or proceed with a recruitment.

Pursuant to the process, the City contacted the LPFD regarding this matter and Ms. Reyes has expressed her desire to be reappointed. Attached to this memo is the letter from the LPFD requesting the reappointment of Ms. Reyes.

PREVIOUS COUNCIL ACTIONS:

This action supports previous Council action establishing the Lynnwood Public Facility District Board, and the PFD appointment process established by the City Council pursuant to Resolution No. 2010-07.

ADMINISTRATION RECOMMENDATION:

Discuss and provide direction regarding the reappointment of Ms. Reyes, Position #4, to the Lynnwood Public Facilities District Board of Directors.

DOCUMENT ATTACHMENTS

Description:	Type:
PFD Letter	Backup Material
PFD Board Resolution	Backup Material
Council Resolution PFD Appointment Process	Backup Material



July 17, 2020

David Kleitsch, Director
Economic Development / Interim Community Development
20816 44th Avenue West, Suite 230
Lynnwood, WA 98036

Dear David:

RE: Lynnwood Public Facilities District Board Appointment - Position #4

Thank you for your letter of June 2, 2020, in which you asked if Rosario Reyes wishes to be reappointed to the Board of Directors of the Lynnwood Public Facilities District (PFD). I am pleased to inform you that Ms. Reyes respectfully requests that she be reappointed to a four-year term, beginning October 19, 2020.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Wally Webster II".

Wally Webster II, Chair

Board of Directors

cc: Janet Pope, Executive Director

Lynnwood Public Facilities District

**LYNNWOOD PUBLIC FACILITIES DISTRICT
SNOHOMISH COUNTY, WASHINGTON**

RESOLUTION NO. 19-01

A RESOLUTION of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, amending and superseding Resolution 05-01, recommending to the City of Lynnwood certain criteria for the appointment of future members of the Board of Directors.

WHEREAS, the City of Lynnwood created the Public Facilities District (the “District”) on August 24, 1999 pursuant to Chapter 165, Laws of 1999, State of Washington; and

WHEREAS, the District is governed by a Board of Directors (the “Board”) consisting of five (5) members appointed by the Lynnwood City Council; and,

WHEREAS, the Lynnwood Lodging Tax Advisory Committee, as a part of its recommendation that the City of Lynnwood approve the Supplemental Agreement to Extend Hotel-Motel Tax (City-District Agreement #3), asked the City of Lynnwood to work with the District to prepare a composition plan for future District board membership; and,

WHEREAS, the Board of the District has determined it is appropriate and in the best interests of the District to recommend criteria for future Board appointments; and,

WHEREAS, the District desires to encourage the Lynnwood City County to consider local hotel representatives for appointment to the Board;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LYNNWOOD PUBLIC FACILITIES DISTRICT, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Board recommends to the City of Lynnwood that Board members be appointed who can build on a culture that shall enable the Board to function effectively in the future. The chief positive characteristics of that culture include:

- goal orientation,
- a high degree of mutual respect,
- a high degree of collaboration with the Board and with various stakeholders,
- an “inquiring” attitude,
- the efficient conduct of business,
- mutual trust and confidence,
- open discussion, and
- a positive, solution-driven attitude.

Section 2. The Board recommends to the City of Lynnwood that candidates for Board member appointment should possess the following qualifications:

- a strong business background,
- no substantial business relationship with the LPFD to avoid conflicts of interest,
- diversity in business background,
- evidence of long term community commitment,
- strong commitment to the LPFD, and
- respect for and commitment to a cooperative culture.

Section 3. The Board recommends to the City of Lynnwood that Board members be appointed such that the Board is knowledgeable in the following areas:

- convention and meeting planning,
- real estate planning and development,
- construction management,
- financial planning, and,
- hotel/hospitality management and marketing.


Section 4. The Board recognizes that this Resolution is advisory in nature and not meant to be binding on the City of Lynnwood.

Section 5. Effective Date. This precatory Resolution shall be in full force and effect from and after its adoption.

ADOPTED, by a majority of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, on June 18, 2019.


George Sherwin, Chair

7/9/19
Date


Taylor Nordby, Secretary

7/9/19
Date

CITY OF LYNNWOOD

RESOLUTION NO. 2010-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, AMENDING THE RECRUITMENT AND APPOINTMENT PROCESS FOR NOMINATIONS TO THE LYNNWOOD PUBLIC FACILITIES DISTRICT BOARD

WHEREAS, it is the desire of the City Council to have the best possible candidates for all positions on the Lynnwood Public Facilities District (LPFD) Board, and

WHEREAS, the deepest pool of candidates offers the best possibility of finding individuals with the skills required, and

WHEREAS, on March 1, 2005 the LPFD adopted Resolution No. 05-21 recommending to the City certain criteria for the appointment of future members to the LPFD Board of Directors, and that this resolution is advisory in nature and not meant to be binding on the City, and

WHEREAS, on June 19, 2006, the City Council passed Resolution No. 2006-08 establishing a recruitment and appointment process for nominations to the LPFD Board, and

WHEREAS, the City Council desires to amend the process established by Resolution No. 2006-08 in order to clarify and simplify the recruitment and appointment process;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council adopts the following recruitment and nomination process for all LPFD Board Member positions.

Section 2. Starting the Process. On or before June 20, approximately 120 days prior to the expiration of a LPFD appointment, the City will send a letter to the LPFD Executive Director and it shall inquire as to whether the board member whose position appointment will expire that year wishes to be re-appointed. The board member shall have 30 days to indicate whether there is a desire to be re-appointed and to respond in writing to the City's letter.

Section 3. Starting the Recruitment Process. On or before July 20, approximately 90 days prior to the expiration of a LPFD appointment, the City Council shall decide whether to proceed to initiate a formal recruitment process or re-appoint the existing board member.

3. a. For the reappointment of LPFD board members pursuant to Section 2, upon receiving in writing the desires of the LPFD board member regarding reappointment, the City Council will discuss this matter at the earliest possible Work Session. The City

Council may then schedule the reappointment for action at the next Regular Meeting. If the City Council does not schedule the reappointment for action, staff will proceed with the recruitment process pursuant Section 3. b. or Section 3. c. of this resolution.

3. b. For LPFD board positions #1, #2, and #4, the City shall initiate the formal recruitment process pursuant to Section 4. In the event of a board member resignation or removal for any other reason, and upon notification by the LPFD of such occurrence, the formal recruitment process shall begin immediately upon such notification.

3. c. For LPFD board positions #3 and #5, the provisions of Section 5. B. shall constitute the recruitment process. Nominations shall be submitted within 30 days of starting the recruitment process. The City Council shall then review the nominations received, and schedule interviews with the nominees. Formal action on the appointment shall take place no later than the expiration of the position's current term. In the event of a board member resignation or removal for any other reason, and upon notification by the LPFD of such occurrence, this recruitment process shall begin upon such notification.

Section 4. Formal Recruitment. On or before August 20, approximately 60 days prior to the expiration of a LPFD appointment, the City administration shall prepare a recruiting announcement which shall describe the LPFD organization and operations, role of the board member, and which clearly describes the specific manner of submitting a qualified nomination by a person or organization pursuant to Section 5 below, and the deadline for submission of nominations. The City shall:

- A. Send out announcements to the type of organizations listed in RCW 35.57, to any organization that has requested to be notified, which shall include, but not be limited to the following:
 - South Snohomish County Chamber of Commerce
 - Snohomish County Labor Council
 - Snohomish County Economic Development Council (EDC)
 - Specific unions: Northwest Council of Carpenters' Union, SEIU (Service Employees International Union), Police Officers Guild, Firefighters (IAFF), Teamsters, AFSCME
 - Rotary, Kiwanis, Lions, and other civic/service organizations
- B. Send out announcements to the following newspapers:
 - The Herald
 - The Lynnwood Enterprise
- C. Prepare and place a display advertisement in the following newspapers:
 - The Herald (paper of record)
 - The Lynnwood Enterprise
- D. Display an announcement on the City of Lynnwood website(s)
- E. Publish an announcement in the *Inside Lynnwood* Newsletter (if it is available in a timely manner)

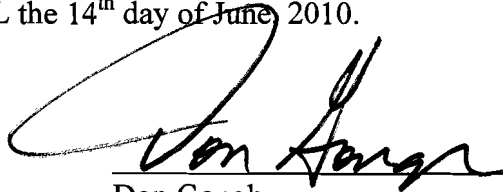
Section 5. Qualified Nomination Procedure. Qualified nominations for consideration by the Lynnwood City Council shall comply with the following:

- A. Recruitment for PFD board positions #1, #2, and #4 shall require the organization making the suggested nomination to submit a letter of nomination and support together with a letter of interest and résumé from the person being nominated.
- B. Recruitment for PFD board positions #3 and #5 shall require the City Councilmember making a nomination(s) to submit a letter of nomination and support together with a letter of interest and résumé from the person being nominated.

Section 6. Screening of Nominations and Interviews. The City Council on or before September 20, approximately 30 days prior to the expiration of a LPFD appointment, shall review the nominations received, and schedule both interviews with nominees and a date for taking formal action on the appointment.

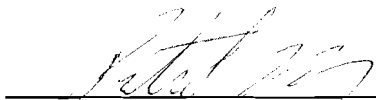
Section 7. Effective Date. This resolution shall be effective immediately upon passage thereof.

PASSED BY THE CITY COUNCIL the 14th day of June 2010.



Don Gough
Mayor

ATTEST/AUTHENTICATE:



Pat Dugan
Interim Finance Director

APPROVED AS TO FORM:



Eric Frimodt
City Attorney

FILED WITH ADMINISTRATIVE SERVICES: _____
PASSED BY THE CITY COUNCIL: 6-14-10
RESOLUTION NUMBER: 2010-07

ORIGINAL

LYNNWOOD PUBLIC FACILITIES DISTRICT
SNOHOMISH COUNTY, WASHINGTON

RESOLUTION NO. 05-01

A RESOLUTION of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, recommending to the City of Lynnwood certain criteria for the appointment of future members of the Board of Directors.

WHEREAS, the City of Lynnwood created the Public Facilities District (the "District") on August 24, 1999 pursuant to Chapter 165, Laws of 1999, State of Washington; and

WHEREAS, the District is governed by a Board of Directors (the "Board") consisting of five (5) members appointed by the Lynnwood City Council; and,

WHEREAS, the Lynnwood Lodging Tax Advisory Committee, as a part of its recommendation that the City of Lynnwood approve the Supplemental Agreement to Extend Hotel-Motel Tax (City-District Agreement #3), asked the City of Lynnwood to work with the District to prepare a composition plan for future District board membership; and,

WHEREAS, the Board of the District has determined it is appropriate and in the best interests of the District to recommend criteria for future Board appointments;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LYNNWOOD PUBLIC FACILITIES DISTRICT, SNOHOMISH COUNTY, WASHINGTON, as follows:

Section 1. The Board recommends to the City of Lynnwood that Board members be appointed who can build on a culture that shall enable the Board to function effectively in the future. The chief positive characteristics of that culture include:

- goal orientation,
- a high degree of mutual respect,
- a high degree of collaboration with the Board and with various stakeholders,
- an "inquiring" attitude,
- the efficient conduct of business,
- mutual trust and confidence,
- open discussion, and
- a positive, solution-driven attitude.

Section 2. The Board recommends to the City of Lynnwood that candidates for Board member appointment should possess the following qualifications:

- a strong business background,
- no substantial business relationship with the LPFD to avoid conflicts of interest,
- diversity in business background,
- evidence of long term community commitment,
- strong commitment to the LPFD, and
- respect for and commitment to a cooperative culture.

Section 3. The Board recommends to the City of Lynnwood that Board members be appointed such that the Board is knowledgeable in the following areas:

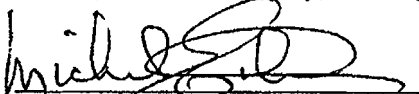
- convention and meeting planning,
- real estate planning and development,
- construction management,
- financial planning, and,
- hotel/hospitality management and marketing.

Section 4. The Board recommends to the City of Lynnwood that, in order to guard against a conflict of interest, no Board member should be affiliated with any specific hotel within the business area of the Lynnwood Convention Center.

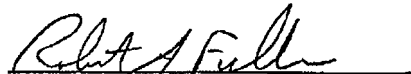
Section 5. The Board recognizes that this Resolution is advisory in nature and not meant to be binding on the City of Lynnwood.

Section 6. Effective Date. This precatory Resolution shall be in full force and effect from and after its adoption.

ADOPTED, by a majority of the Board of Directors of the Lynnwood Public Facilities District, Snohomish County, Washington, on March 1, 2005.


Michael Echelbarger, Chair

3/1/05
Date


Robert Fuller, Secretary

March 1, 2005
Date

CITY COUNCIL ITEM F

CITY OF LYNNWOOD City Council

TITLE: COVID-19 Update

DEPARTMENT CONTACT: Christine Frizzell, Council President

SUMMARY:

The City continues to monitor and respond to the COVID-19 emergency. The Council will receive an update from City staff.

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM G

CITY OF LYNNWOOD Administrative Services

TITLE: Refinance 2010 Utility Bonds

DEPARTMENT CONTACT: Sonja Springer, Finance Director

SUMMARY:

Due to historically low interest rates, the City has the opportunity to save future interest costs by refunding or "refinancing" its 2010 Utility System Revenue Bonds. The net savings for the City's utilities after all bond issuance costs are paid are estimated to range from \$500,000 to \$700,000, depending upon the interest rate received from the bank for this refinancing.

ACTION:

No action is needed. A Utility System Revenue Refunding Bond 2020 is scheduled for adoption at the September 28 Council Business meeting.

BACKGROUND:

The original 2010 bond issue proceeds of \$7,720,000 were used to fund utility system improvements including the installation of a computerized monitoring and control system, watermain replacements, sewer plant upgrades and storm pipe replacements.

The current outstanding debt on the 2010 Utility Bond issue is \$5,905,000. The amount of the refunding bonds is expected to be approximately \$5,735,000 to refund all outstanding 2010 Utility Bonds including bond issuance costs.

The new 2020 Utility System Revenue Bond will mature on December 1, 2030, the same date as the final maturity of the original bond issuance.

Staff and the Mayor reviewed two options for refinancing this debt:

- 1) through a Public Bond Sale
- 2) through Direct Bank Placement

The Direct Bank Placement option was selected as it has lower bond issuance costs and it is much quicker to process. A public bond sale requires the preparation of a Preliminary Official Statement and presentations to Bond Rating agencies. The Direct Bank Placement involves issuing a Request for Financing Proposal (RFP) to banks and is typically used for smaller borrowing amounts. This was the same process the City used to secure financing for the Rodeo Inn project in 2019.

A copy of the RFP that was sent to 28 different banks on September 15 is included in this packet, as well as a list of the banks that the RFP was sent to.

PREVIOUS COUNCIL ACTIONS:

The 2010 Utility Bond Refunding was reviewed with the Finance Committee at their September 10 meeting.

FUNDING:

The bond issuance costs will be offset by the savings of the refinance. The net savings after all bond issuance costs will be approximately \$500,000 to \$700,000, depending upon the interest rate.

KEY FEATURES AND VISION ALIGNMENT:

The attached draft bond ordinance provides for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond and sets certain parameters for the bond. The actual amount of the bonds will not be known until the successful bidding bank is selected and all costs are accounted for. There is a minimum net present value savings of 3.0% of the Refunded Bonds included in the bond ordinance.

ADMINISTRATION RECOMMENDATION:

Approve the refunding of the 2010 Utility Bonds by approving the 2020 Utility Revenue Bond Ordinance at the September 28 Council Business meeting.

DOCUMENT ATTACHMENTS

Description:	Type:
2020 Utility Bonds - Refunding 2010 Summary	Backup Material
Request for Financing Proposals for Utility Revenue Refunding Bond, 2020	Backup Material
List of Banks Sent RFP	Backup Material
Draft Bond Ordinance - Utility System Revenue Refunding Bond 2020	Backup Material



City of Lynnwood, Washington

Finance Committee | Utility System Revenue Refunding Bond, 2020

September 10, 2020

PFM Financial
Advisors LLC

1200 Fifth Avenue
Suite 1220
Seattle, WA 98101

Thomas Toepfer
(206) 858-5630
Steven Amano
(206) 858-5366

G-3



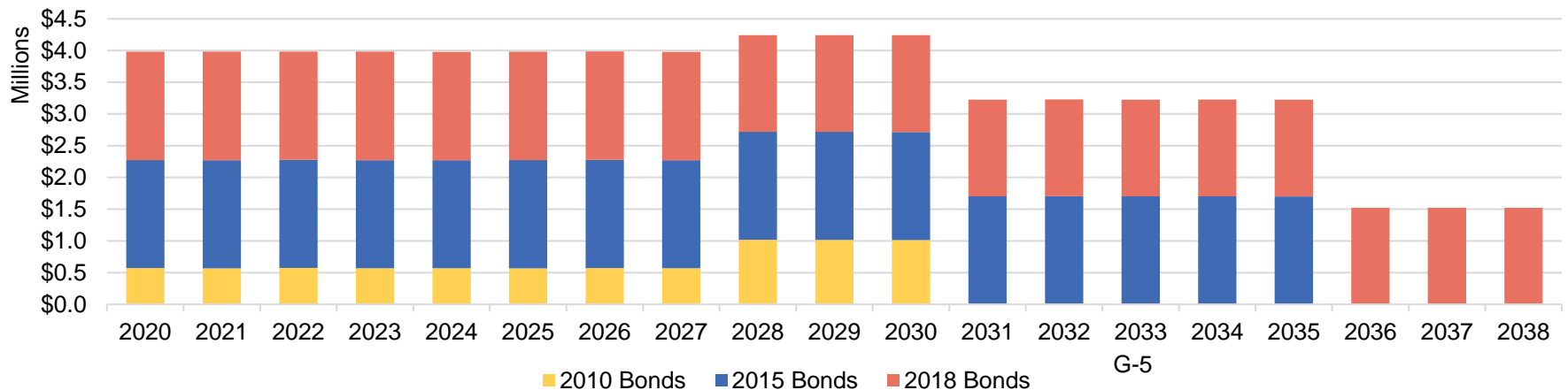
Utility System Revenue Bonds



Utility System Revenue Bonds Outstanding

Series	Purpose	Issue Size	Delivery Date	Final Maturity	Call Date	Outstanding Coupon(s)	Outstanding Par
2010	System improvements including the installation of a computerized monitoring and control system, meter, fire hydrant, and watermain replacements, sewer plant upgrades, and storm pipe replacements	\$7,720,000	11/9/2010	12/1/2030	12/1/2020	3.00% - 4.00%	\$5,905,000
2015	Additions and betterments and extensions of Utility System and to fund a deposit to the Reserve Account	24,075,000	10/28/2015	12/1/2035	12/1/2024	2.375% - 5.00%	20,815,000
2018	Current refund the Utility System Improvement and Refunding Bonds, 2008 and to finance system improvements	20,380,000	10/10/2018	12/1/2038	6/1/2028	3.00% - 5.00%	19,775,000
						Total	\$46,495,000

Utility System Revenue Bonds





Background

- On November 9, 2010, the City issued its Utility System Revenue Bonds, 2010 (the “2010 Bonds”)
 - Original issue amount: \$7,720,000
 - Final maturity: December 1, 2030
 - Call date: December 1, 2020 (callable par of \$5,565,000)
- The City is considering the issuance of tax-exempt debt to refinancing the 2010 Bonds for debt service savings
 - A refinancing may be completed through a public market bond sale or a bank placement transaction (pros and cons described below)

Public Bond Sale		Direct Bank Placement	
Pros	<ul style="list-style-type: none">✓ Currently lower interest rates in the public market due to strong investor demand✓ Transparent, based on a credit spread compared to benchmark index✓ Large and diverse investor base	✓	<ul style="list-style-type: none">Faster transaction with lower issuance costs because banks do not require a bond rating nor a preliminary official statementOften allows for more flexible prepayment terms
Cons	<ul style="list-style-type: none">✗ Longer process and higher costs of issuance (rating and POS required)	✗	<ul style="list-style-type: none">Bank market is not transparent with respect to interest cost and terms – need to use RFP or direct outreach to get proposals from banks✗ Banks are typically limited in the amount they are willing to lend to an individual institution

- ***Due to the lower issuance costs, limited use of staff resources, and expeditious transaction process, the City is prepared to move forward with a Direct Bank Placement transaction***

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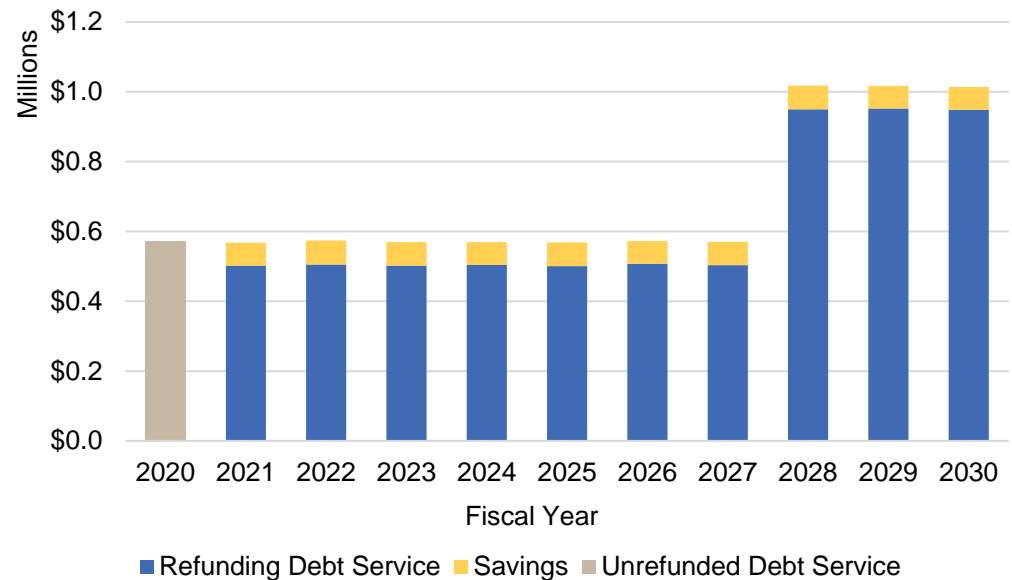


Current Refunding of Utility System Revenue Bonds, 2010

Refunding Statistics

Delivery Date	10/15/2020
NPV Savings	\$600,758
NPV Savings %	10.17%
Average Annual Savings	\$65,000
True Interest Cost	2.00%
Negative Arbitrage	\$14,670
Refunding Efficiency	97.62%
Refunded Par	\$5,905,000
Refunding Par	\$5,630,000

Estimated Savings



Tax Exempt Current Refunding - Interest Rate Sensitivity

Rates	TIC	NPV Savings (\$)	NPV Savings (%)	Negative Arbitrage
Current	2.00%	\$600,758	10.17%	\$14,670
+0.25%	2.25%	\$508,102	8.60%	\$16,568
-0.25%	1.75%	\$695,281	11.77%	\$12,769

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Timing: Key Milestones

SEPTEMBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Updated

<u>Milestones:</u>	<u>Timing</u>
Request for Financing Proposals (RFP) distributed to prospective lenders	9/8 9/15
Finance Committee Meeting – Discuss Plan of Finance (3:00 p.m.)	9/10
City Council Meeting – Work Session (6:00 p.m.)	9/21
Proposals due from prospective lenders (3:00 p.m.)	9/28 10/6
City Council Meeting – Consideration of Bond Ordinance (6:00 p.m.)	9/28
Bond Closing – funds delivered	10/15 10/22
2010 Bonds Redeemed	12/1

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Market Update



Market Update

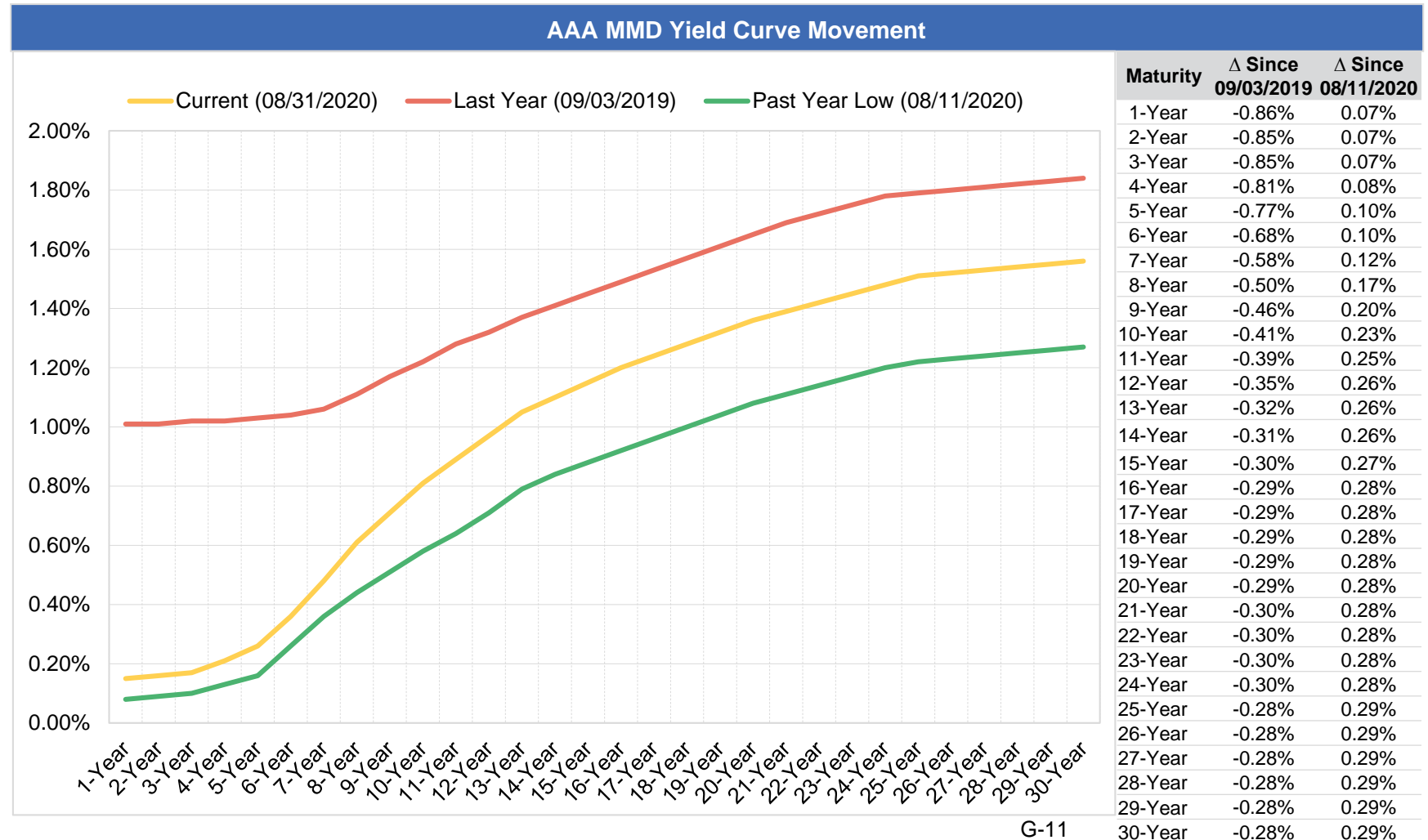
- **The U.S. economy continues to slowly recover in the face of a recent resurgence in COVID-19 cases in several states.** At the same time, sharp tensions between the U.S. and China have emerged from the pandemic's shadow.
- **The Federal Reserve (Fed) left its policies unchanged at the July Federal Open Market Committee meeting and reinforced its commitment to support economic recovery with an expansive monetary policy.** The Fed intends to keep rates near zero, continue its purchase of government securities and maintain its support of the credit markets. These efforts are likely to remain until the monetary policy body is confident that the economy has weathered the virus and is on track to achieve its goals of maximum employment and stable prices.
- **The U.S. economy suffered a record contraction in the second quarter as gross domestic product fell by an annual rate of 32.9%.** The decline was driven by a deep pullback in consumer spending, which accounts for about 70% of economic activity. Business investment and residential housing also suffered sharp declines, while federal government spending rose. U.S. economic activity is expected to rebound in the second half of the year.
- **The U.S. economy added 1.8 million jobs in July following a record 4.8 million jobs in June. Job gains in leisure and hospitality and the government sector accounted for more than half of the total gains.** The unemployment rate continued to improve, falling from 11.1% to 10.2% in July. A job gap remains compared to pre-pandemic numbers, and there are 15 million fewer employed workers in the U.S.

G-10

Source: Bloomberg, PFM Research



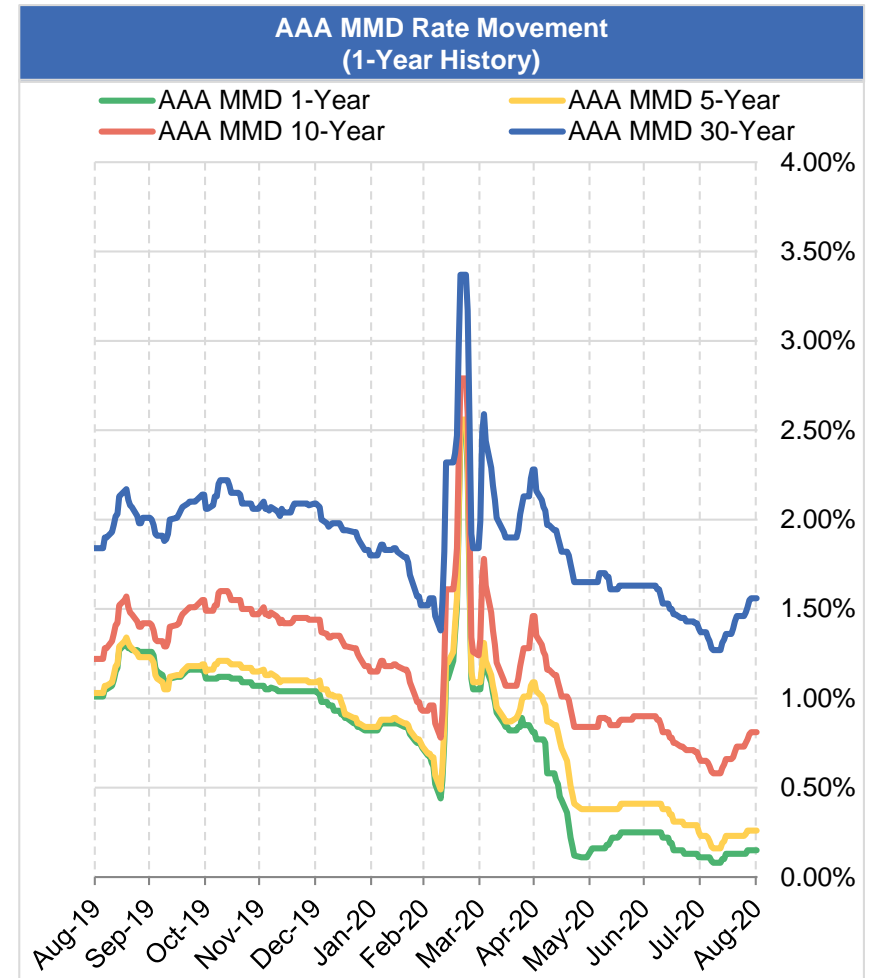
Recent AAA MMD Yield Curve Movement



Source: Thomson Reuters



U.S. Treasury & AAA MMD Rate Movement

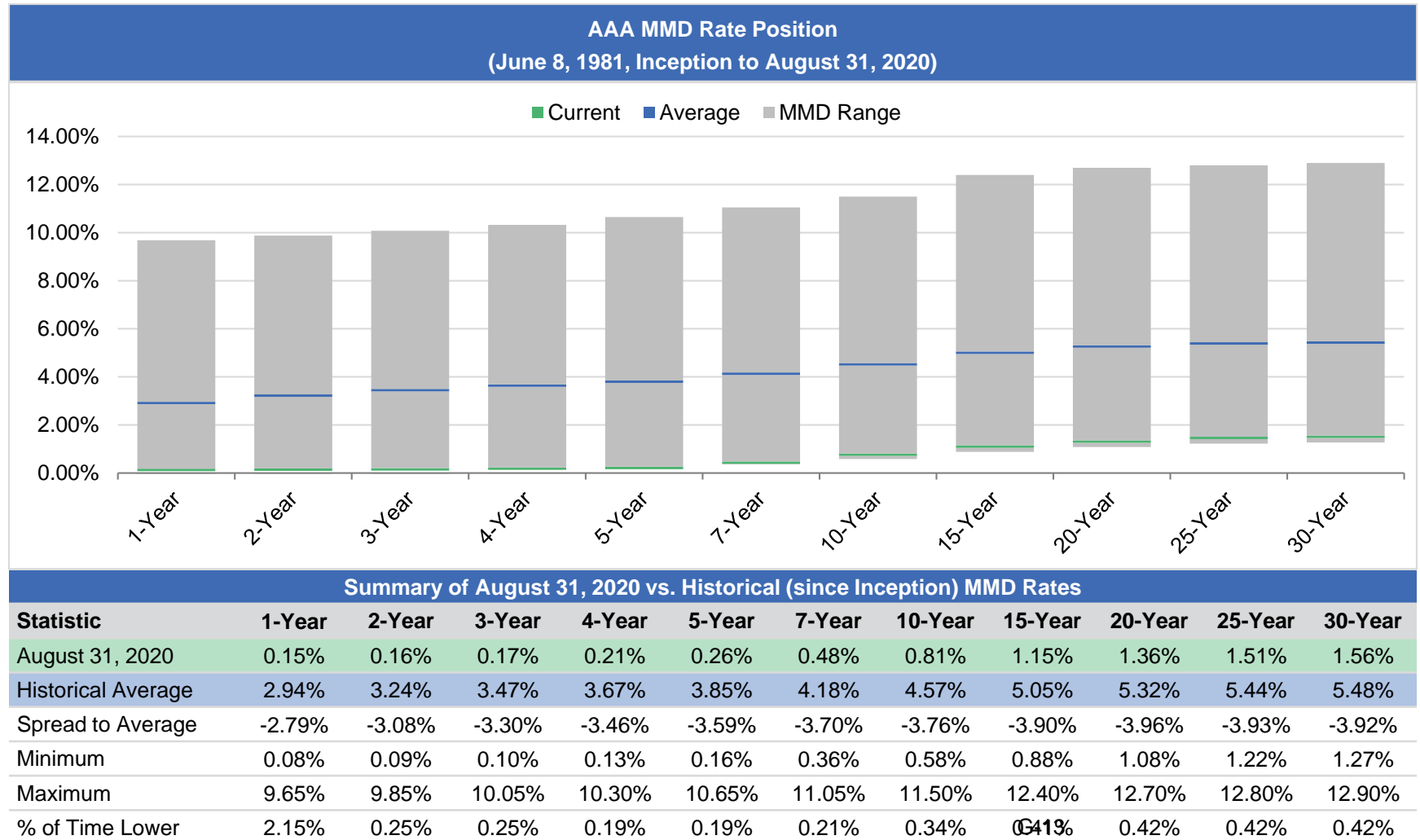


G-12

Source: Thomson Reuters



AAA MMD Position Since Inception

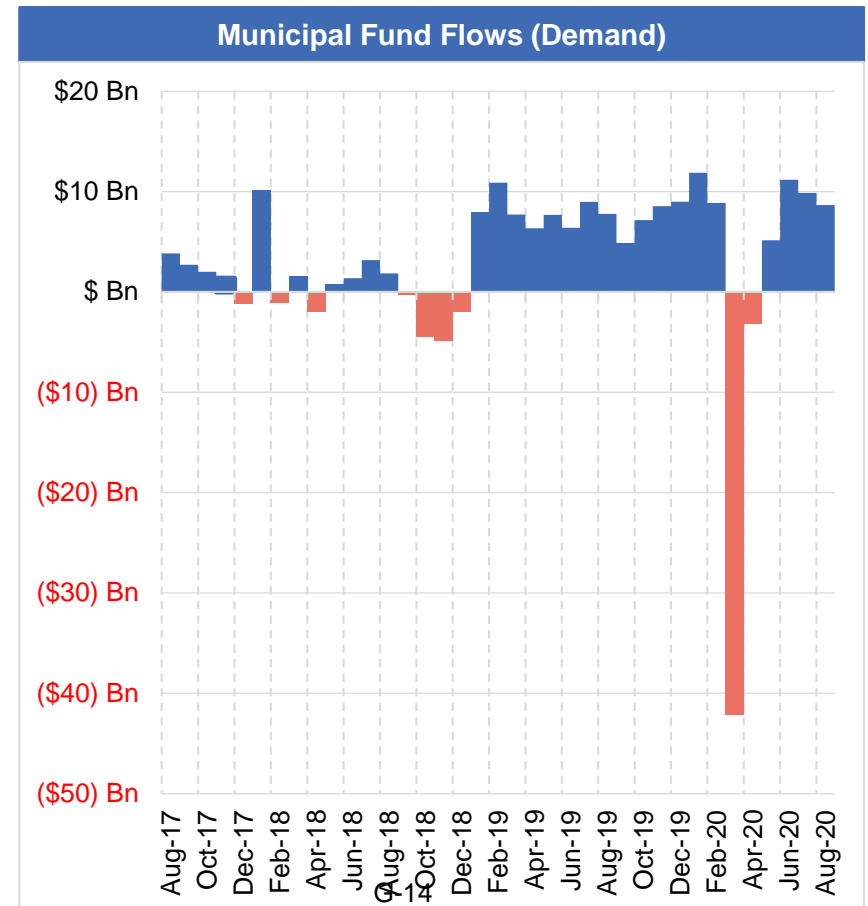
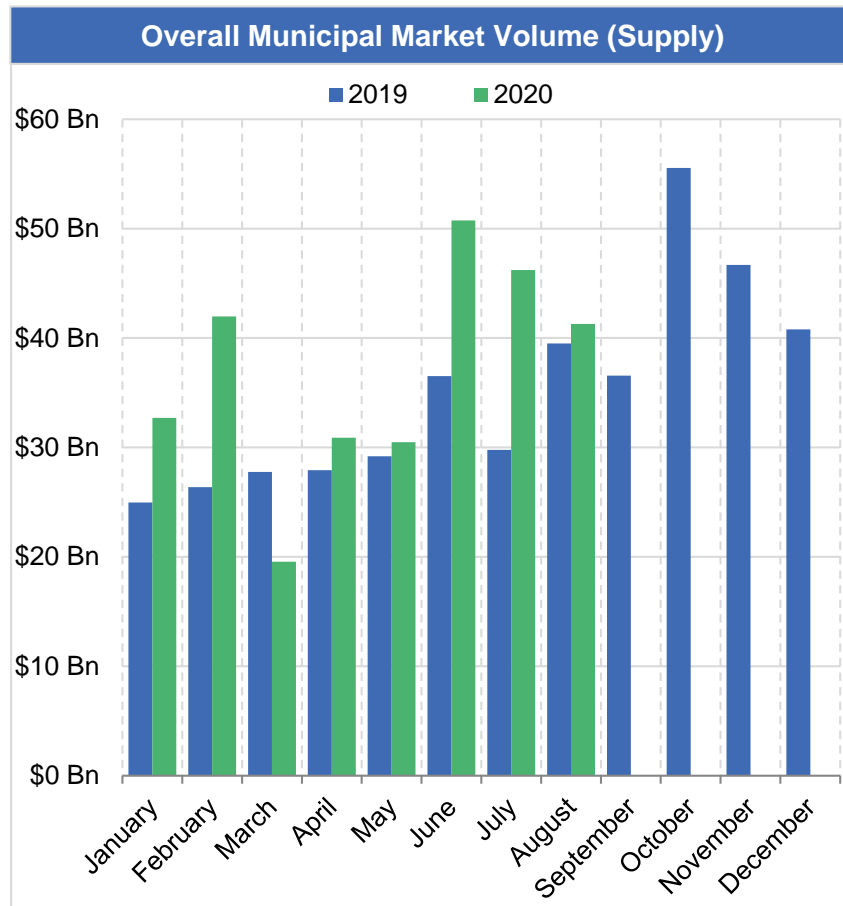


Source: Thomson Reuters



Municipal Market Supply & Demand

- New issuance volume was up by 4.52% year-over-year in August, while year-to-date new issuance volume was 21.43% higher than 2019 issuance through August.



Source: Bond Buyer, Investment Company Institute

PFM Financial Advisors LLC

1200 Fifth Avenue | Suite 1220 | Seattle, Washington 98101

Thomas Toepfer, Director

(206) 858-5360 | toepfert@pfm.com

Steven Amano, Senior Analyst

(206) 858-5366 | amanos@pfm.com





Request for Financing Proposals

Utility System Revenue Refunding Bond, 2020

September 15, 2020

Introduction

The City of Lynnwood, Washington (the "City") is requesting proposals for a Utility System Revenue Refunding Bond, 2020 (the "Bond") in accordance with the Proposed Financing Terms set forth below. If issued, proceeds of the Bond will be used to refund, on a current basis, the City's outstanding Utility System Revenue Bonds, 2010, which are callable on December 1, 2020 (outstanding par amount of \$5,905,000). A form of the authorizing ordinance is attached to this request for financing proposals.

The lender will be provided with an opinion from the City's bond counsel, Foster Garvey PC, relating to the City's authority to issue the Bond, enforceability of Bond, and its' tax-exempt status. The form of such opinion is attached to this request for financing proposals. The Bond will not be rated; however, the City's outstanding Utility System Revenue Bonds carry a rating of "AA"/stable rating from S&P Global Ratings.

By providing a rate proposal, each lender is agreeing to the Proposed Financing Terms herein, and is acknowledging the Schedule of Events set forth below. Each proposal must state an interest rate to be offered, and, if subject to adjustment prior to Bond closing, the methodology for such adjustment. Terms of each proposal should be firm through November 1, 2020.

Schedule of Events

The following sets forth the expected time schedule for events relating to the Bond:

Request for Proposal Distributed	September 15 th
City Council to consider Bond Ordinance.....	September 28th
Lender Proposals Due (3:00 p.m. Pacific Time).....	October 6th
Review of and acceptance of winning proposal by the City.....	By October 8 th
Finalize Financing Documents.....	By October 21 st
Closing Date	October 22nd

Proposed Financing Terms

Closing Date: October 22, 2020 (expected). Not later than November 1, 2020.

Principal Amount: \$5,735,000 (estimated); not-to-exceed \$6,500,000

Tax Status: Tax-exempt; bank-qualified

Final Maturity: December 1, 2030 (10 years). Principal payments are estimated as shown in the following table; however, principal payment amounts are subject to adjustment based on the final interest rate on the Bond.

Payment Date	Principal
12/1/2021	\$405,000
12/1/2022	420,000
12/1/2023	420,000
12/1/2024	425,000
12/1/2025	435,000
12/1/2026	445,000
12/1/2027	445,000
12/1/2028	900,000
12/1/2029	915,000
12/1/2030	925,000
Total:	\$5,735,000

Note: Preliminary; subject to change

Interest: Interest will be payable semi-annually with interest due on December 1 and June 1, commencing June 1, 2021. The City will only consider interest rates that are fixed and determinable on the issue date of the Bond.

Purpose: To refund, on a current basis, the City's outstanding Utility System Revenue Bonds, 2010, which were originally issued to finance general System improvements consisting of the installation of a computerized monitoring and control system, water improvements including meter, fire hydrant and watermain replacements; sewer improvements consisting of upgrades to the main plant drain station and treatment plant; and storm water improvements including storm basin studies and transportation and storm pipe replacement.

Security: Net Revenue of the System and all ULID Assessments are pledged for the payment of the City's Utility System Revenue Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever. The charge or lien upon the Net Revenue for the Bond shall be equal to the charge or lien upon the Net Revenue to pay and secure the payment of the principal of and interest on the City's outstanding Utility System Improvement and Refunding Revenue Bonds, prior and superior to any other charges of any kind or nature whatsoever. Parity Bonds are not subject to acceleration in the event of a default.

Financial and Other Information

To assist in the preparation of your proposal, links to the City's Comprehensive Annual Financial Report (CAFR) for the years 2015 through 2019 may be found below. In addition, the City has provided a discussion of COVID-19 Impact on Utility System in Exhibit A of this RFP.

1. 2019 CAFR:
<https://www.lynnwoodwa.gov/files/sharedassets/public/administrative-services/cafr/lynnwood2019cafrweblayout.pdf>
2. 2018 CAFR:
<https://www.lynnwoodwa.gov/files/sharedassets/public/administrative-services/cafr/2018-comprehensive-annual-financial-report.pdf>
3. 2017 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2017+Audited+Comprehensive+Annual+Financial+Report.pdf>
4. 2016 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2016+Audited+Comprehensive+Annual+Financial+Report.pdf>
5. 2015 CAFR:
<http://www.lynnwoodwa.gov/Assets/Departments/Administrative+Services/CAFR/2015+Audited+Comprehensive+Annual+Financial+Report.pdf>

Disclosure

PFM Financial Advisors LLC ("PFM") is serving as financial advisor to the City with respect to the issuance of the Bond.

PFM is soliciting interest in the above-named transaction pursuant to Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) granting a temporary conditional exemption from the broker requirements of Section 15(a) of the Securities Exchange Act of 1934 for certain activities of registered municipal advisors. In connection with such solicitation please be advised of the following:

- I. PFM represents solely the interests of the City with respect to the above-referenced transaction and does not represent your interests.
- II. PFM has not conducted any due diligence on your behalf.
- III. Neither PFM nor the City have engaged a broker-dealer to act as a placement agent with respect to this transaction.
- IV. You may choose to engage the services of a broker-dealer to represent your interests.

We are required to obtain your acknowledgement that you received this disclosure. **Accordingly, please include acknowledgement of this disclosure via email and/or within your Proposal.**

In order to comply with the terms of the conditional exemption, at or prior to closing the Purchaser will be required to deliver a representation stating that it is a qualified provider (as defined under the temporary conditional exemption described above). A form of this representation is included as Exhibit B (Certificate of Qualified Provider) of this RFP. This representation is in addition to the Purchaser's certificate, the form of which is attached to this request for proposals.

Representation of Present Intent to Hold:

By submitting a proposal, each proposer represents that it has a present intent to hold the Bond subject to this transaction to maturity, earlier redemption, or for its loan portfolio, and has no present intention of

reselling or otherwise disposing of all or a part of such Bond. Each proposer acknowledges that PFM Financial Advisors LLC ("Financial Advisor" to the City) is relying on the foregoing representation and based on this representation this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and the Financial Advisor is excepted and released from the requirement to request a CUSIP assignment on behalf of the City pursuant to MSRB Rule G-34 for the Bond.

Proposals

If your firm is interested in providing a proposal to the City, please include the requested information to be submitted by the date shown in the Schedule of Events.

Proposals should clearly state: the proposed interest rate; other fees and costs charged by purchaser (if any); prepayment terms; conditions (if any); and concurrence with the Schedule of Events set forth above.

The City reserves the right to seek clarification or negotiate modifications with one or more proposing firms, if needed to meet the City's needs.

Proposals will be evaluated based on responses to the information requested herein. The City will consider all information provided in response to this request in making its selection. The City further reserves the right, in its sole discretion, to select the proposal that is in the best interest of the City or to reject all proposals.

All proposals will be considered firm proposals and may not be changed from the date and time of submission through the dates of closing and settlement as set forth in the schedule above.

Proposals are to be submitted by e-mail to the City's financial advisor, PFM, at sea-advisors@pfm.com. Please contact Thomas Toepfer (toepfert@pfm.com or 206-858-5360) or Steven Amano (amanos@pfm.com or 206-858-5366) with any questions or if you require additional information.

EXHIBIT A

Discussion of COVID-19 Impact on Utility System

The coronavirus pandemic ("COVID-19") is currently affecting local, state, national, and global economic activity and has resulted in significant public health emergency response costs borne by all levels of government. COVID-19 is expected to adversely impact the financial condition of the State and local governments due to increased costs and reductions in revenue. This Request for Proposal (RFP) presents historical data that may not accurately predict near-term trends because of the unprecedented nature of COVID-19. Investors should exercise caution when relying on such data.

Pursuant to State law, the Governor of the State of Washington (the "Governor"), after proclaiming a state of emergency, may issue orders prohibiting activities as he or she reasonably believes is necessary to help preserve and maintain life, health, property, or the public peace. On February 29, 2020, the Governor proclaimed a state of emergency for all counties throughout the State as a result of COVID-19. (As of the date of this Request for Proposal, the Governor has issued proclamations prohibiting until October 15, 2020: (1) disconnecting any residential customers from energy, telecommunications, or water service due to nonpayment on an active account, except at the request of the customer; (2) refusing to reconnect any residential customer who has been disconnected due to nonpayment; (3) charging fees for late payment or reconnection of energy, telecommunications, or water service; and (4) disconnecting service to any residential customer who has contacted the utility to request assistance from the utility's COVID-19 customer support program. These prohibitions do not relieve a utility customer from the obligation to pay for utility services.

As of the date of this Request for Proposal, the City has not extended the due date of System utility bills for any class of customer; however, the City has adopted a temporary policy to postpone all disconnections of water service and to suspend past-due penalties for the duration of the COVID-19 emergency. Under that policy, regular penalty and disconnection procedures will be reestablished the first day of the month following the termination of the Governor's proclamation declaring an emergency due to the results of COVID-19. The City cannot predict what additional actions the Governor may take, if any, regarding the authority of the City to disconnect or refuse to reconnect System customers for nonpayment or to assess late fees for delinquent charges or what effect, if any, such actions or subsequent events may have on the financial condition or operations of the System or on the repayment of the Bonds.

As of the date of this Request for Proposal, (i) the City offices are closed to public access, business with the public is being conducted by phone, email or appointment only, wearing a mask is required in the office and certain City employee work schedules have been impacted due to the State's Stay Home-Stay Healthy Proclamation; and (ii) the City Council is conducting meetings online only.

As of the date of this Request for Proposal, the adverse economic effects of the COVID-19 pandemic have affected the City utility collections. Although the City does not write off accounts because past due balances can be recovered when a property is sold, accounts over 90 days due have are estimated at \$835,741 as of August 31, 2020 compared \$298,076 as of August 31, 2019. This increase of \$537,665 is approximately 2.32% of the annual system operating revenue due to the suspension of disconnections resulting from COVID-19 related issues. The City has approved the waiver of late payment penalties and suspension of disconnections of service through at least October 15, 2020 and is offering long-term payment arrangement plans to customers.

The City anticipates that existing fund reserves and the continuing review and management of expenses will be adequate to manage the impacts of the COVID-19 pandemic. Any information relating to the impacts of the COVID-19 pandemic is preliminary and subject to change. The City continues to closely monitor and respond to the impacts of COVID-19 on City operations.

EXHIBIT B

CERTIFICATE OF QUALIFIED PROVIDER

[Date]

The undersigned, on behalf of [Name of Qualified Provider] (the "Purchaser"), in connection with the purchase of the City of Lynnwood, Washington Utility System Revenue Refunding Bond, 2020 (the "Bond") hereby represents and warrants as follows:

1. The Purchaser is a "Qualified Provider" as required by Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) which is defined as (i) a bank as defined in Section 3(a)(6) of the Exchange Act of 1934; (ii) a wholly-owned subsidiary of a bank engaged in commercial lending and financing activities, such as an equipment lease financing corporation; or (iii) a federally- or state-chartered credit union.
2. The Purchaser is capable of independently evaluating the investment risks of the transaction.
3. The Purchaser is not purchasing the Bond with a view to distribute it.
4. The Purchaser will not transfer any portion of the Bond within one year of its issuance date, except to another purchaser that meets the definition of Qualified Provider in clause (1) above.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date first mentioned above.

[QUALIFIED PROVIDER NAME]

By: _____

Name: _____

Title: _____

Bank-Placement RFP Distribution List

Bank	Individual	Email	Phone
<i>Baker Boyer Bank</i>	Mark Hess	hessm@bakerboyer.com	509-526-1315
<i>Bank of America</i>	Julie Elliott	Julie.elliott@bofa.com	206-358-0806
<i>Banner Bank</i>	Darwin Parker	dparker@bannerbank.com	509-735-0889
	Roy Wallace	rwallace@bannerbank.com	206-770-7188
<i>Capital One Public Funding, LLC</i>	Jeff Sharp	jeffrey.sharp@capitalone.com	877-698-2018
	Brenda Barnes	Brenda.barnes@capitalone.com	860-422-3612
<i>Cashmere Valley Bank</i>	Tom Brown	TBrown@cashmerevalleybank.com	425-688-3936
<i>Columbia Bank</i>	Sharon Guisande	SGuisande@columbiabank.com	503-279-3906
	Luke Pingel	lpingel@columbiabank.com	206-223-4550
<i>Deutsche Bank</i>	Nick Attard	Nick.attard@db.com	
<i>First Interstate Bank</i>	Bill Kuhn	Bill.kuhn@fib.com	541-617-3559
	Michael Ralph	Michael.Ralph@fib.com	
	Mike Groza	mike.groza@fib.com	
	Greg Richichi	Greg.richichi@fib.com	541-334-4150
	Jen Barcus	jen.barcus@fib.com	541-330-7610
<i>First Security Bank</i>	Albert Suh	albert.suh@fsbwa.com	425-563-2061
<i>Hancock Whitney Bank</i>	Mark Stanley	mark.stanley@whitneybank.com	504-312-2286
<i>HomeStreet Bank</i>	Greg Gratz	Gregory.gratz@homestreet.com	206-442-5316
	Brad Williamson	bwilliamson@islandersbank.com	360-378-1246
<i>JP Morgan</i>	Belynda Walls	Belynda.walls@jpmorgan.com	206-500-1020
	Lindsay Sovde	Lindsay.a.sovde@jpmorgan.com	206-500-4019
<i>Key Bank</i>	Matt Zehnder	matt.a.zehnder@key.com	206-343-6960
	Caitlin Caldwell	Caitlin_caldwell@key.com	206-684-6040
	Kendall Hansen	Kendall.hansen@key.com	503-701-8476
	Danny Bild	Daniel.bild@key.com	720-904-4262
<i>Kitsap Bank</i>	Alan Crain	acrain@kitsapbank.com	360-876-7887
<i>North Cascades Bank</i>	Jim Tinker	jim.tinker@northcascadesbank.com	800-603-9342
<i>Pacific Premier</i>	Dmitry Semenov	dsemenov@opusbank.com	916-724-5470
<i>Peoples Bank</i>	Patrick Kennedy	Patrick.kennedy@peoplesbank-wa.com	206-619-4200
<i>Puget Sound Bank</i>	Sean Brennan	seanbrennan@pugetsoundbank.com	
<i>Riverview Bank</i>	Kim Capeloto	KimCapeloto@riverviewbank.com	360-693-6257
<i>Seattle Bank</i>	Bryan Petersen	bpetersen@seattlebank.com	
<i>Truist Bank</i>	William DaSilva	wdasilva@bbandt.com	704-954-1704
<i>Umpqua Bank</i>	William Weiand	William.weiand@umpquabank.com	206-749-7337
	Melody Stricklin	melodystricklin@umpquabank.com	916-774-3931
<i>Union Bank</i>	Anne Kupfer	anne.kupfer@unionbank.com	213-236-6434
<i>U.S. Bank</i>	David Olson	david.olson@usbank.com	206-344-4720
	Ashley Martin	ashley.martin1@usbank.com	213-615-6241
<i>Washington Federal</i>	Pete Sullivan	pete.sullivan@wafd.com	206-626-8111
<i>Washington Trust</i>	Phil von Buchwaldt	pvonbuchwaldt@watrust.com	509-353-3616
	John Pearson	jpearson@watrust.com	206-515-4761
<i>Wells Fargo</i>	Brennan Church	brennan.k.church@wellsfargo.com	206-833-4002
	Robbi Stedman	robbi.stedman@wellsfargo.com	206-751-2987
<i>Zions Bank</i>	Andrew Face	Andrew.Face@zionsbancorp.com	206-438-1264

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE relating to the utility system of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond to provide funds to refund all or a portion of the City's Utility System Revenue Bonds, 2010; fixing or setting parameters with respect to certain terms and covenants of the bond; appointing the City's designated representative to approve the final terms of the bond; and providing for other related matters.

Passed _____, 2020

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**The cover page, table of contents and section headings of this ordinance are for convenience of reference only, and shall not be used to resolve any question of interpretation of this ordinance.*

CITY OF LYNNWOOD, WASHINGTON

ORDINANCE NO. _____

AN ORDINANCE relating to the utility system of the City of Lynnwood, Washington, relating to contracting indebtedness; providing for the issuance, sale and delivery of a not to exceed \$6,100,000 aggregate principal amount utility system revenue refunding bond to provide funds to refund all or a portion of the City's Utility System Revenue Bonds, 2010; fixing or setting parameters with respect to certain terms and covenants of the bond; appointing the City's designated representative to approve the final terms of the bond; and providing for other related matters.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) "*2010 Bonds*" means the Utility System Revenue Bonds, 2010, of the City authorized by Ordinance No. 2856.

(b) "*2015 Bonds*" means the Utility System Revenue Bonds, 2015, of the City authorized by Ordinance No. 3141.

(c) "*2018 Bonds*" means the Utility System Revenue and Refunding Bonds, 2018, of the City authorized by Ordinance No. 3298.

(d) "*Acquired Obligations*" means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

(e) "*Annual Debt Service*" means, for any calendar year, with respect to all Parity Bonds outstanding or maturing in that year, all amounts required to be paid in that year in respect of principal of and interest on those Parity Bonds. In calculating the Annual Debt Service, with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding, the City may deduct the direct payment the City is expected to receive in respect of Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service. The registered owners of the 2018 Bonds have consented, and the Registered Owner of the Bond by taking and holding the same shall be deemed to have consented to this amendment. If the interest rate on any Parity Bonds is other than a fixed rate, the rate shall be 90% of the average Bond Buyer Revenue Bond Index or comparable index during the fiscal quarter preceding the quarter in which the calculation is made; except that, for purposes of determining actual compliance with the Coverage Requirement in any past fiscal year, the actual amount of interest paid on any issue of variable interest rate bonds shall be taken into account.

(f) “*Authorized Denomination*” means any denomination designated by the Designated Representative.

(g) “*Average Annual Debt Service*” means, as of its date of calculation, the sum of Annual Debt Service with respect to all Parity Bonds outstanding (including all Parity Bonds maturing in the calendar year of calculation) for all calendar years during which those Parity Bonds are scheduled to remain outstanding, divided by the number of those calendar years (without regard to bond years).

(h) “*Beneficial Owner*” means, with respect to the Bond, the owner of any beneficial interest in the Bond.

(i) “*Bond*” means the bond issued pursuant to and for the purposes provided in this ordinance.

(j) “*Bond Counsel*” means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(k) “*Bond Fund*” means the special fund, known as the “Utility System Bond Fund,” created in the office of the Finance Director for the purpose of paying and securing principal of and interest on the Parity Bonds.

(l) “*Bond Purchase Agreement*” means an offer or proposal to purchase the Bond, setting forth certain terms and conditions of the issuance, sale and delivery of the Bond, which offer or proposal is authorized to be accepted by the Designated Representative on behalf of the City, if consistent with this ordinance.

(m) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Parity Bond.

(n) “*Bond Registrar*” means the City’s Finance Director or any successor bond registrar.

(o) “*City*” means the City of Lynnwood, Washington, a municipal corporation duly organized and existing under the laws of the State.

(p) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(q) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(r) “*Coverage Requirement*” means that, for any calendar year, Net Revenue in that calendar year, plus all ULID Assessments collected in that year, shall be equal to at least 1.25 times the Average Annual Debt Service on all outstanding Parity Bonds.

(s) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(t) “*Final Terms*” means the terms and conditions for the sale of the Bond including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

(u) “*Future Parity Bonds*” means all revenue bonds and other obligations of the City for borrowed money (including, without limitation, financing leases) issued or incurred after the date of the issuance of the Bond, the payment of which constitutes a lien and charge on the Net Revenue and ULID Assessments equal in rank with the lien and charge upon such revenue and assessments required to be paid into the Bond Fund to pay and secure the payment of the principal of and interest on the Bond and the Outstanding Parity Bonds.

(v) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(w) “*Gross Revenue*” means all of the earnings and revenues received by the City from the maintenance and operation of the System from any source whatsoever, including but not limited to: revenues from the sale, lease or furnishing of commodities, services, properties or facilities; all earnings from the investment of money in the Bond Fund, which earnings are deposited into the Principal and Interest Account; earnings from the investment of money in any maintenance fund or similar fund; all connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the System; and withdrawals from the Rate Stabilization Fund. However, the Gross Revenue shall not include: (i) revenues from general ad valorem taxes; (ii) principal proceeds of Parity Bonds or any other borrowings, or earnings or proceeds from any investments in a trust, defeasance or escrow fund created to defease or refund obligations relating to the System (until commingled with other earnings and revenues included in the Gross Revenue) or held in a special account for the purpose of paying a rebate to the United States Government under the Code; (iii) income and revenue which may not legally be pledged for revenue bond debt service; (iv) improvement district assessments; (v) federal or state grants, and gifts from any source, allocated to capital projects; (vi) payments under bond insurance or other credit enhancement policy or device; (vii) insurance or condemnation proceeds used for the replacement of capital projects or equipment; (viii) proceeds from the sale of System property; (ix) earnings in any construction fund or bond redemption fund; (x) deposits to the Rate Stabilization Fund; or (xi) revenue from any Separate System.

(x) “*Independent Utility Consultant*” means a professional consultant experienced with municipal utilities of comparable size and character to the System.

(y) “*Insurer*” means for any Future Parity Bonds, any provider of bond insurance.

(z) “*Issue Date*” means, with respect to the Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of the Bond.

(aa) “*Maximum Annual Debt Service*” means, as of the date of calculation, the maximum amount of Annual Debt Service that will mature or come due in the current calendar year or any future calendar year with respect to all outstanding Parity Bonds.

(bb) “*Net Revenue*” for any calendar year means the Gross Revenue for that calendar year less Operations and Maintenance Costs for that calendar year. In calculating Net Revenue, the City shall not take into account any non-cash gains or losses with respect to any real or personal property, investment or agreement that it may be required to recognize under generally accepted accounting principles, such as unrealized mark-to-market gains and losses.

(cc) “*Operations and Maintenance Costs*” means all reasonable expenses incurred by the City in causing the System to be operated and maintained in good repair, working order and condition, including without limitation payments of premiums for insurance on the System; costs incurred in connection with the acquisition of water or the securing of water rights; payments to any public or private entity for water service, sewage treatment and disposal service or other utility service in the event that the City combines such service into the combined utility system and enters into a contract for such service, including pro rata budget allocations or charges for the City’s administration expenses where those represent a reasonable distribution and share of actual costs; and any State-imposed taxes. Operations and Maintenance Costs shall exclude depreciation, taxes levied or imposed by the City, payments-in-lieu-of-taxes paid to the City, capital additions and capital replacements to the System.

(dd) “*Outstanding Parity Bonds*” means the 2010 Bonds, the 2015 Bonds and the 2018 Bonds.

(ee) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(ff) “*Parity Bonds*” means the Outstanding Parity Bonds, the Bond and any Future Parity Bonds.

(gg) “*Parity Conditions*” means the conditions for the issuance of Future Parity Bonds set forth in Section 16 of this ordinance.

(hh) “*Permitted Investments*” means investments that are legal investments for the City at the time of such investment.

(ii) “*Principal and Interest Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(jj) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a direct bank placement.

(kk) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on any of the Parity Bonds at the request of the City.

(ll) “*Refunded Bonds*” means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded with proceeds of the Bond and included in the Refunding Plan.

(mm) “*Refunding Candidates*” means the outstanding 2010 Bonds, the refunding of which has been provided for by this ordinance.

(nn) “*Refunding Plan*” means:

(i) the placement of sufficient proceeds of the Bond which, with other money of the City, if necessary, may be used to acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee;

(ii) the payment of the interest on the Refunded Bonds when due up to and including such date as designated by the Designated Representative, and the call, payment, and redemption on such date, of all of the then-outstanding Refunded Bonds at a price of par; and

(iii) may include the payment of the costs of issuing the Bond and the costs of carrying out the foregoing elements of the Refunding Plan.

(oo) “*Refunding Trust Agreement*” means a Refunding Trust Agreement between the City and the Refunding Trustee.

(pp) “*Refunding Trustee*” means the trustee or escrow agent or any successor trustee or escrow agent serving as refunding trustee to carry out the Refunding Plan.

(qq) “*Registered Owner*” means, with respect to a Parity Bond, the person in whose name that Parity Bond is registered on the Bond Register. For so long as the City utilizes the book-entry only system for the Parity Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

(rr) “*Reserve Account*” means the account of that name created in the Bond Fund for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(ss) “*Reserve Requirement*” means, except as may be reduced under Section 8(b), as of any date of calculation, the lesser of Maximum Annual Debt Service on the outstanding Parity Bonds secured by the Reserve Account or 125% of Average Annual Debt Service on the outstanding Parity Bonds secured by the Reserve Account, but at no time shall the Reserve Requirement exceed 10% of the original proceeds of the Parity Bonds secured by the Reserve Account.

(tt) “*Reserve Security*” means any bond insurance, security, letter of credit, guaranty, surety bond or similar credit enhancement device providing for or securing the payment of all or part of the principal of and interest on the Parity Bonds secured by the Reserve Account, issued by an institution which has been assigned a credit rating at the time of issuance of the device in one of the two highest rating categories of each of at least two Rating Agencies (without regard to any gradations within a rating category), or in one of the three highest rating categories with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding. The

Registered Owners of the 2018 Bonds have consented and the Registered Owner of the Bond by taking and holding the same shall be deemed to have consented to this amendment.

(uu) “*Separate System*” means any water supply, sewage collection or treatment, stormwater or other utility service or facilities that may be created, acquired or constructed by the City as provided in Section 17 of this ordinance.

(vv) “*Significant Wholesale Customer*” means any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, the revenue from which contract comprises 10% or more of the overall Gross Revenue of the System.

(ww) “*State*” means the State of Washington.

(xx) “*System*” means, for so long as any of the Parity Bonds are outstanding: (a) the combined waterworks system, system of sewerage and surface water system and all additions thereto and betterments and extensions thereof at any time made; and (b) any other system or utility that may lawfully be combined with the foregoing. The System shall not include any Separate System of the City.

(yy) “*Term Bond*” means the Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement, and those Parity Bonds designated as Term Bonds in the ordinances or bond purchase agreements authorizing the issuance of those bonds.

(zz) “*ULID*” means utility local improvement district.

(aaa) “*ULID Assessments*” means all ULID assessments and installments thereof, plus interest and penalties thereon, in any ULID created to finance improvements to the System and to secure the payment of any Parity Bonds.

(bbb) “*Utility Construction Fund*” means the fund or account of that name created and established in the Water Fund.

(ccc) “*Variable Interest Rate Bonds*” means those Future Parity Bonds bearing interest at a variable rate.

Section 2. Findings.

(a) The City, pursuant to Ordinance No. 537, passed December 22, 1969, combined the waterworks system and system of sewerage of the City into a waterworks utility of the City, and such combined systems are maintained and operated jointly, which from time to time requires various additions, betterments and extensions. The City, pursuant to Ordinance No. 2114, passed November 25, 1996, combined the surface water system established by Ordinance No. 1813 of the City into the waterworks utility.

(b) Pursuant to Ordinance No. 2856, passed October 25, 2010, the City previously issued the 2010 Bonds, in the original principal amount of \$7,720,000, for the purpose of providing

funds to pay the cost of carrying out a plan of additions to the System and to fund the Reserve Account.

(c) Ordinance No. 2856 provides that certain of the 2010 Bonds may be redeemed prior to their stated maturities.

(d) Pursuant to Ordinance No. 3141, passed June 22, 2015, the City previously issued the 2015 Bonds, in the original principal amount of \$24,075,000, for the purpose of providing funds to pay the cost of carrying out a plan of additions to the System, to repay a utility system revenue bond anticipation note and to fund the Reserve Account.

(e) Pursuant to Ordinance No. 3298, passed May 14, 2018, the City previously issued the 2018 Bonds, in the original principal amount of \$20,380,000, for the purpose of providing funds to pay the cost of carrying out a plan of additions to the System, to refund certain outstanding utility system revenue bonds and to purchase a Reserve Surety to meet the Reserve Requirement.

(f) The City, in Section 19 of Ordinance No. 2856, Section 16 of Ordinance No. 3141 and Section 16 of Ordinance No. 3298, reserved the right to issue utility system revenue bonds having a lien and charge on the Net Revenue of the System and ULID Assessments on a parity of lien and charge upon such Net Revenue and ULID Assessments of the 2010 Bonds, the 2015 Bonds and the 2018 Bonds, respectively, for the payment of the principal thereof and interest thereon if the conditions set forth therein were met and complied with.

(g) The City Council deems it to be in the best interest of the City that the City issue the Bond, which Bond will be issued on a parity of lien with the Outstanding Parity Bonds, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the City's Designated Representative consistent with this ordinance.

Section 3. Purpose and Authorization of Bonds. For the purpose of (i) refunding all or a portion of the 2010 Bonds; (ii) funding or providing a Reserve Security to meet the Reserve Requirement for the Bond, if necessary; and (iii) paying the costs of issuance and sale of the Bond, the City is authorized to issue the Bond in the amount of not to exceed \$6,100,000.

Section 4. Description of the Bond; Appointment of Designated Representative. The Finance Director, or the Mayor in the absence of the Finance Director, is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bond in the manner and upon the terms deemed most advantageous to the City, and to approve the Final Terms of the Bond, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 5. Bond Registrar; Registration and Transfer of the Bond. Pursuant to RCW 39.46.030(4), the Finance Director of the City will serve as initial fiscal agent for the City (the "Bond Registrar") with respect to the Bond and is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance. The Bond shall be issued only in registered form as to both principal and interest and shall be

recorded on books or records maintained by the Bond Registrar (the “Bond Register”). The Bond Register shall contain the name and mailing address of the Registered Owner of the Bond.

Upon a determination by the City that maintenance of the duties of the Bond Registrar is no longer convenient, the fiscal agent of the State of Washington shall act as Bond Registrar.

The Bond Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration, assignment or transfer of the Bond, which books shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of the Bond and this ordinance, to serve as the City’s paying agent for the Bond and to carry out all of the Bond Registrar’s powers and duties under this ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on the Bond.

The Purchaser may assign or transfer the Bond to any successor to substantially all of the business and assets of the Purchaser, or may assign or transfer the Bond in whole to a single investor that is a financial institution or an entity that is a qualified institutional buyer within the meaning of the applicable federal securities laws and who signs a purchaser certificate substantially in the form signed by the Purchaser.

Section 6. Form and Execution of the Bond.

(a) *Form of the Bond; Signatures and Seal.* The Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. The Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on the Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate of Authentication. This Bond is the fully registered City of Lynnwood, Washington, Utility System Revenue Refunding Bond, 2020, described in the Bond Ordinance.” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of the Bond. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the Bond is payable by electronic transfer on the payment date, or by check or draft of the Bond Registrar mailed on

the payment date to the Registered Owner at the address appearing on the Bond Register. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the payment date and at the sole expense of the Registered Owner. In addition, principal of the Bond is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bond is not subject to acceleration under any circumstances.

Section 8. Payments into Bond Fund. The Bond Fund has previously been created and established in the office of the Finance Director as a special fund of the City, which fund is divided into two accounts, a Principal and Interest Account and a Reserve Account.

(a) So long as any Parity Bonds are outstanding against the Bond Fund, the City obligates and binds itself to set aside and pay into the Bond Fund all ULID Assessments and, out of the Net Revenue, certain fixed amounts without regard to any fixed proportion, namely:

(1) Into the Principal and Interest Account on or before each debt service payment date an amount which, together with ULID Assessments and other money on deposit therein, will be sufficient to pay the debt service coming due and payable on that next debt service payment date, including mandatory redemption amounts due on that date with respect to any Term Bonds; and

(2) Into the Reserve Account, either:

- (i) on the date of issue, and thereafter annually in regular installments an amount which, together with other money and Reserve Securities on deposit therein, will equal the Reserve Requirement for the outstanding Parity Bonds secured by such Reserve Account, which additional amount shall be accumulated by no later than five years from the date of issue; or
- (ii) one or more Reserve Securities the value of which, together with any amount deposited under subsection (i) above, are equal to the Reserve Requirement for the outstanding Parity Bonds secured by such Reserve Account.

(b) The City covenants and agrees that it will at all times maintain in the Reserve Account an amount (including the value of all Reserve Securities deposited therein) equal to the Reserve Requirement, except for withdrawals as authorized in this subsection, until there is a sufficient amount in the Principal and Interest Account and Reserve Account to pay the principal of and interest on all outstanding Parity Bonds secured by such account, at which time the money in the Reserve Account may be used to pay any such principal and interest so long as the money remaining on deposit in the Reserve Account is not less than the Reserve Requirement calculated based on the remaining outstanding Parity Bonds. If there are sufficient funds in the Bond Fund to pay all outstanding Parity Bonds secured by such Reserve Account and the Reserve Requirement as to those outstanding Parity Bonds is met, excess money in the Bond Fund may be used for any System purpose.

In the event that the amounts in the Bond Fund are insufficient to make any debt service payment on any outstanding Parity Bonds secured by the Reserve Account, amounts shall be withdrawn from the Reserve Account to make up that deficiency. Any deficiency created in the Reserve Account by reason of such a withdrawal shall then be made up from Net Revenue and from ULID Assessment payments, but only after necessary provision has been made for Operations and Maintenance Costs and for the required payments into the Principal and Interest Account.

With the consent of the owners of not less than 50% in aggregate principal amount of the Outstanding Parity Bonds, as provided in Section 24, the ordinance authorizing any Future Parity Bonds may establish a separate debt service reserve account for any such Future Parity Bonds and set forth the reserve account requirement for such bonds, which may be zero, or provide that some or all of such Future Parity Bonds be secured by the Reserve Account. The owners of the 2018 Bonds have consented and the Owner of the Bond by taking and holding the same shall be deemed to have consented to the adoption by the City of such supplemental ordinance. In addition, when the 2010 Bonds and 2015 Bonds are no longer outstanding, the Reserve Requirement for the 2018 Bonds and the Bond may be reduced.

If the Designated Representative determines that such consent requirements will be met on the Issue Date of the Bond, this ordinance and the ordinances authorizing the Outstanding Parity Bonds are deemed supplemented by the City Council for the purpose of allowing the Designated Representative to elect to create a separate reserve account for the Bond or any Future Parity Bonds, and establish a reserve requirement for such account, which may be zero, in which case the Reserve Account shall not secure the Bond or such Future Parity Bonds.

(c) All money in the Bond Fund may be kept in cash; deposited with an institution (as permitted by law) in an amount in each institution not greater than the amount insured by any department or agency of the United States Government; or invested in Permitted Investments or other legal investments permitted to the City maturing not later than the date when needed (for investments in the Principal and Interest Account) or the last maturity of any outstanding Parity Bonds (for investments in the Reserve Account). Income from investments in the Principal and Interest Account shall be deposited in that account. Income from investments in the Reserve Account shall be deposited in that account until the amount therein is equal to the Reserve Requirements of all Parity Bonds, and thereafter shall be deposited in the Principal and Interest Account.

(d) The City may create sinking fund accounts or other accounts in the Bond Fund for the payment or securing the payment of Parity Bonds as long as the maintenance of such accounts does not conflict with the rights of the owners of Parity Bonds.

(e) It is declared that in creating the Bond Fund and in fixing the amounts to be paid into it as aforesaid, the City Council has had due regard for Operations and Maintenance Costs and the debt service requirements of the outstanding Parity Bonds, and declares that it is not setting aside into the Bond Fund a greater amount than in its judgment will be available over and above such Operations and Maintenance Costs and the debt service requirements of the outstanding Parity Bonds.

If the City fails to set aside and pay into the Bond Fund the amounts set forth above, the owner of any of the outstanding Parity Bonds (or, for bonds insured by an Insurer, only the Insurer acting alone) may bring action against the City and compel the setting aside and payment.

Section 9. Rate Stabilization Fund. The Rate Stabilization Fund has previously been created and established in the office of the Finance Director. The City may at any time, as determined by the Finance Director and consistent with Section 14 of this ordinance, deposit into the Rate Stabilization Fund amounts from Gross Revenue and any other money received by the System and available to be used for that purpose, excluding principal proceeds of any Future Parity Bonds. The Finance Director may at any time withdraw money from the Rate Stabilization Fund for inclusion in the Net Revenue for the current fiscal year of the System, except that the total amount withdrawn from the Rate Stabilization Fund in any calendar year may not exceed the total debt service of the System in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the calendar year for which the deposit or withdrawal will be included as Net Revenue.

Earnings from investments in the Rate Stabilization Fund shall be deposited in that fund and shall not be included as Net Revenue unless and until withdrawn from that fund as provided in this section. The Finance Director may also deposit earnings from investments in the Rate Stabilization Fund into any System fund as authorized by ordinance, and such deposits shall be included as Net Revenue in the year of deposit.

No deposit shall be made into the Rate Stabilization Fund to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant calendar year.

Section 10. Finding as to Sufficiency of Revenue, Pledge of Revenue and Lien Position. The City Council finds and determines that the Gross Revenue and benefits to be derived from the operation and maintenance of the System at the rates to be charged for service from the System will be more than sufficient to meet all Operations and Maintenance Costs and to permit the setting aside into the Bond Fund of the amounts of Net Revenue that, together with ULID Assessments, will be sufficient to pay the principal of and interest on the Parity Bonds when due. The Net Revenue and all ULID Assessments are pledged for the payment of the Outstanding Parity Bonds, the Bond and all Future Parity Bonds. This pledge shall constitute a lien and charge upon the Net Revenue and ULID Assessments prior and superior to any other liens and charges whatsoever.

Section 11. Deposit of Bond Proceeds. Proceeds of the Bond in an amount required to fully fund the Reserve Requirement shall be deposited in the Reserve Account, if necessary. Alternatively, proceeds of the Bond can be used to provide a Reserve Security to meet the Reserve Requirement for the Bond. Proceeds of the Bond needed to refund the Refunded Bonds, if any are refunded, will be deposited with the Refunding Trustee to carry out the Refunding Plan.

Section 12. Prepayment. The City may prepay the Bond upon such terms as is acceptable to the Designated Representative.

Section 13. Failure to Pay the Bond. If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or

date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 14. Covenants. The City covenants and agrees with the Owner of the Bond as follows:

(a) It will establish, maintain, revise as necessary, and collect such rates and charges for the services furnished by the System (including those furnished under contract with wholesale customers) that will at least equal the Coverage Requirement.

(b) It will at all times maintain and keep the System in good repair, working order and condition, and also will at all times operate such utility and the business in connection therewith in an efficient manner and at a reasonable cost.

(c) It will collect promptly all ULID Assessments. Such assessments may be used to pay the principal or interest on any Parity Bonds without those assessments being particularly allocated to the payment of principal of or interest on any particular series of Parity Bonds.

(d) It will not sell, lease, mortgage or in any manner encumber or dispose of all the property of the System unless provision is made for payment into the Bond Fund of a sum sufficient to pay the principal of and interest on all outstanding Parity Bonds. Furthermore, it will not sell, lease, mortgage, or in any manner encumber or dispose of any part of the property of the System (or any portion of the System in excess of 5% of the value of the assets of the System with the consent of the registered owners of at least 50% of the Parity Bonds then outstanding) that is used, useful and material to its operation, unless provision is made (i) for the replacement of that portion of the System, or (ii) for the payment into the Bond Fund of an amount bearing the same ratio to the par amount of outstanding Parity Bonds as the amount of Net Revenue available for debt service derived during the preceding 12 month period from that portion of the System bears to the total Net Revenue available for debt service for such bonds for the same period. Any such money so paid into the Bond Fund shall be used to retire outstanding Parity Bonds at the earliest possible date and may be invested to the same extent and in the same manner as provided for the investment of money in the Reserve Account until so used.

(e) While any of the Parity Bonds remain outstanding it will keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the System, and it will furnish the owner or owners of the Parity Bonds or any subsequent owner or owners thereof, at the written request of such owner or owners, complete operating and income statements of the System in reasonable detail covering any calendar year not more than ninety days after the close of such calendar year. It will grant any owner or owners of at least 25 percent of the outstanding Parity Bonds the right at all reasonable times to inspect the entire System and all records, accounts and data relating thereto, and upon request of any owner of any of the Parity Bonds a copy of the most recently completed audit of the System accounts by the State Auditor of Washington.

(f) Except as permitted by law, it will not furnish any service of the System free of charge to any customer whatsoever.

(g) It will at all times carry fire and such other forms of insurance on such of the buildings, equipment, facilities and properties of the System as are ordinarily carried on such buildings, equipment, facilities, and properties by utilities engaged in the operation of similar utility systems to the full insurable value thereof, and also will carry adequate public liability insurance at all times. The premiums on such insurance policies are declared to be a normal part of Operations and Maintenance Costs.

(h) It will pay all Operations and Maintenance Costs and otherwise meet the obligations of the City as herein set forth.

(i) It will not change any rate or charge for services of the System as is now established by the existing rate resolution or resolutions of the City, or any contract with a Significant Wholesale Customer, if such change would substantially reduce the annual Net Revenue below that which would have been obtained before such change unless the City has on file a certificate from an Independent Utility Consultant, stating that after such change, the Net Revenue will remain sufficient to comply with all the covenants and requirements of this ordinance, including the Coverage Requirement.

(j) Except as provided in Section 16, the City will not create any special fund or funds for the payment of the principal of and interest on any other revenue obligations which will have any priority over or which will rank on a parity with the payments required by this ordinance to be made out of the Net Revenue and ULID Assessments.

Section 15. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on the Bond.* The City covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the City treated as proceeds of the Bond that will cause interest on the Bond to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond.

(b) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bond from being included in gross income for federal tax purposes.

(c) *Designation of the Bond as "Qualified Tax-Exempt Obligations."* The Bond may be designated as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

- (1) the Bond does not constitute a “private activity bond” within the meaning of Section 141 of the Code;
- (2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bond is issued will not exceed \$10,000,000; and
- (3) the amount of tax-exempt obligations, including the Bond, designated by the City as “qualified tax-exempt obligations” for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bond is issued does not exceed \$10,000,000.

Section 16. Parity Provisions.

(a) The City may issue Future Parity Bonds only for lawful System purposes and only if the following conditions are met and complied with at the time of the issuance of those Future Parity Bonds:

- (1) There must be no deficiency in the Bond Fund;
- (2) The ordinance providing for the issuance of such Future Parity Bonds must provide that all ULID Assessments (including interest on those assessments) imposed in any ULID created for the purpose of paying in whole or in part the principal of and interest on such Future Parity Bonds is to be paid directly into the Bond Fund;
- (3) The ordinance authorizing those Future Parity Bonds must provide for the payment of the principal of and interest thereon out of the Bond Fund;
- (4) Except in the case of Future Parity Bonds being issued for the sole purpose of providing for the refunding of Parity Bonds (for which no coverage certification under this subsection is required), no event of default, nor any event or condition that with notice and the passage of time would constitute an event of default shall have occurred and be continuing, nor shall the issuance of those Future Parity Bonds in and of itself cause an event of default or an event or condition which with notice and the passage of time would constitute an event of default;
- (5) The applicable ordinance authorizing those Future Parity Bonds must provide for the deposit into the Reserve Account or such other reserve account of any combination of Future Parity Bond proceeds, Reserve Security or other money legally available, in the amount necessary (if any) to make the amount on deposit in the Reserve Account or such other reserve account equal to the Reserve Requirement upon the issuance of those Future Parity Bonds; and
- (6) There shall be on file with the City a certificate (which may take into account the adjustments described in subsection 16(b)) of the City Finance Director, demonstrating that the Coverage Requirement was satisfied during any twelve consecutive calendar months out

of the immediately preceding 24 calendar months (assuming that (A) those Future Parity Bonds were outstanding and that the debt service payable on those Future Parity Bonds in that 12 month period was equal to the Average Annual Debt Service on those Future Parity Bonds, and (B) any Parity Bonds to be refunded by those Future Parity Bonds are not outstanding).

(b) In determining whether the City is able to comply with the terms of the parity conditions, the certificate required under subsection 16(a)(6) above, may take into account the following adjustments to the historical Net Revenue for the relevant 12 month period:

(1) Any rate change that has taken place or been adopted by ordinance or contract may be reflected, including any changes in the rates charged to any Significant Wholesale Customer in effect and being charged, or expected to be charged in accordance with a program of specific levels or increase (or decreases) in overall revenue.

(2) Revenue from customers added or projected to be added to the System after the relevant 12-month period, including revenue from new Significant Wholesale Customers, may be adjusted to reflect one year's Net Revenue allocable to those new customers.

(3) A full year's revenue may be included on a pro forma basis from any customer being served but who has not been receiving service for the full period of operation used as a basis for the certificate.

(4) Actual or reasonably anticipated changes in the Operations and Maintenance Costs subsequent to the relevant 12-month period shall be added or deducted, as is applicable.

(5) Net Revenue allocable to any person, firm, corporation or municipal corporation under any executed contract for water or other utility service, which revenue was not included in the historical Net Revenue, may be included in Net Revenue.

(6) Transfers into or out of the Rate Stabilization Fund pursuant to Section 9 may be taken into account, and those amounts may be added to or deducted from Net Revenues, as applicable.

(c) If Future Parity Bonds are being issued for the sole purpose of refunding Parity Bonds (including costs of issuance and providing for the Reserve Requirement), no coverage certification is required under this Section 16 if, as result of the issuance of those Future Parity Bonds, the Annual Debt Service on the Future Parity Bonds to be issued is not increased by more than \$5,000 over the Annual Debt Service for that year of the bonds being refunded.

Nothing contained in this Section 16 shall prevent the City from issuing revenue bonds having a junior lien on the Net Revenue or from pledging the payment of assessments in any ULID into a bond redemption fund or account created to pay and secure the payment of the principal of and interest on such junior lien bonds as long as such assessments are levied to pay part or all of the cost of improvements being constructed out of the proceeds of the sale of such junior lien bonds.

Section 17. Separate Utility Systems. The City may create, acquire, construct, finance, own and operate one or more additional systems for water supply, sewer service, water, sewage or stormwater transmission, treatment or other commodity or utility service. The revenue of that Separate System, and any ULID Assessments payable solely with respect to improvements to a Separate System, shall not be included in the Gross Revenue and may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire or expand the Separate System. Neither the Gross Revenue nor the Net Revenue may be pledged to the payment of any obligations of a Separate System except that the Net Revenue may be pledged on a basis subordinate to the lien of the Parity Bonds.

Section 18. Flow of Funds. The Net Revenue shall be used for the following purposes only and shall be applied in the following order of priority:

(a) To make when due the required payments into the Principal and Interest Account in respect of interest on the Parity Bonds.

(b) To make when due the required payments into the Principal and Interest Account in respect of principal of and premium, if any, on the Parity Bonds, whether at maturity or pursuant to redemption prior to maturity, and to make payments due under any reimbursement agreement with an Insurer that requires those payments to be made on a parity with the Parity Bonds.

(c) To make when due all payments required to be made into the Reserve Account or any reserve account created, all payments required to be made under any agreement relating to the provision of Reserve Security, and all payments required to be made under any reimbursement agreement with a Reserve Security provider that requires those payments to be made on a parity with the payments required to be made into the Reserve Account or any other reserve account.

(d) To make when due all payments required to be made under any reimbursement agreement with an Insurer other than payments to be made on a parity with the Parity Bonds, and all payments required to be made under any reimbursement agreement with a Reserve Security provider other than payments to be made on a parity with the payments to be made into the Reserve Account or any other reserve account, in any priority not inconsistent with this ordinance that the City may hereafter establish by ordinance.

(e) To make when due the required payments to be made into any revenue bond, note warrant or other revenue obligation redemption fund, debt service account or reserve account created to pay and secure the payment of any revenue bonds, warrants, notes or other obligations of the System having a charge upon the Net Revenue junior and inferior to the charge thereon for the payment of the principal of and premium (if any), and interest on the Parity Bonds, and all payments required to be made into the Reserve Account or any other reserve account under any ordinance authorizing an issue of Parity Bonds, in any priority not inconsistent with this ordinance, that the City may hereafter establish by ordinance.

(f) For any other lawful System purposes, in any priority not inconsistent with this ordinance that the City may hereafter establish by ordinance.

Section 19. Refunding or Defeasance of the Bond. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding

or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bond (the “defeased Bond”); (b) redeeming the defeased Bond prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the “trust account”), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bond in accordance with their terms, then all right and interest of the Owner of the defeased Bond in the covenants of this ordinance and in the funds and accounts obligated to the payment of the defeased Bond shall cease and become void. Thereafter, the Owner of defeased Bond shall have the right to receive payment of the principal of and interest on the defeased Bond solely from the trust account and the defeased Bond shall be deemed no longer outstanding. In that event, the City may apply money remaining in any fund or account (other than the trust account) established for the payment or redemption of the defeased Bond to any lawful purpose.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of the Bond for any partial prepayment or defeasance shall be conducted, in the manner prescribed in this ordinance for the prepayment of the Bond.

Section 20. Refunding of the Refunded Bonds.

(a) *Appointment of Refunding Trustee.* The Designated Representative is authorized to appoint a Refunding Trustee in connection with the Bond.

(b) *Use of Bond Proceeds; Acquisition of Acquired Obligations.* The proceeds of the sale of the Bond used to refund the Refunded Bonds shall be deposited immediately upon the receipt thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded Bonds under Ordinance No. 2856 by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations may be discharged fully with the Bond proceeds or by the Refunding Trustee’s simultaneous purchase of the Acquired Obligations, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the City and the Refunding Trustee, but are subject to substitution as set forth below. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bond shall be returned to the City at the time of delivery of the Bond to the initial purchaser thereof and deposited in the Bond Fund to pay interest on the Bond on the first interest payment date.

If payment of the costs of issuance of the Bond is not included in the Refunding Plan, the Bond proceeds that are not deposited with the Refunding Trustee will be deposited with the City to be used to pay the costs of issuance of the Bond.

(c) *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute other direct,

noncallable obligations of the United States of America (“Substitute Obligations”) for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations, if any, by the Refunding Trustee, the City reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bond or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bond and the Refunded Bonds, as applicable, and that the City obtain, at its expense a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

(d) *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of Ordinance No. 2856, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the Bond and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Bond, including bond printing, Bond Counsel’s fees, and other related expenses, shall be paid out of the proceeds of the Bond.

(e) *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan provided for by this ordinance, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it.

Section 21. Call for Redemption of the Refunded Bonds. The City calls for redemption on the date determined by the Designated Representative, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bond to the initial purchaser thereof. The date on which the Refunded Bonds are herein called for redemption is the first date on which those bonds may be called.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required by Ordinance No. 2856, in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 22. Findings with Respect to Refunding. The City Council authorizes the Designated Representative to issue the Bond to refund the Refunded Bonds, if such bonds will effect a savings to the City, if applicable, and is in the best interest of the City and its ratepayers. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of the Bond and the Refunded Bonds, the costs of issuance of the Bond and the known earned income from the investment of the proceeds of the issuance and sale of the Bond and other money of the City used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the City under Ordinance No. 2856 with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinance immediately upon the deposit of such money with the Refunding Trustee.

Section 23. Sale and Delivery of the Bond.

(a) *Manner of Sale of the Bond; Delivery of the Bond.* The Designated Representative is authorized to sell the Bond by direct bank placement based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials and staff, Bond Counsel and other advisors. In determining the method of sale of the Bond and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Direct Bank Placement.* If the Designated Representative determines that the Bond is to be sold by direct bank placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for the Bond shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Preparation, Execution and Delivery of the Bond.* The Bond will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bond.

Section 24. Supplemental and Amendatory Ordinances.

(a) This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bond, except as provided in and in accordance with and subject to the provisions of this section.

(b) The City may from time to time and at any time, without the consent of or notice to the Registered Owners of the Parity Bonds, pass supplemental ordinances as follows:

(1) to cure any formal defect, omission, inconsistency or ambiguity in this ordinance;

(2) to impose upon the Bond Registrar (with its consent) for the benefit of the Registered Owners of the Bond any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as previously in effect;

(3) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this ordinance as previously in effect;

(4) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by this ordinance of any other money, securities or funds;

(5) to authorize a different denomination of the Bond and to make correlative amendments and modifications to this ordinance regarding exchangeability of the Bond of different authorized denominations, redemptions or prepayment of portions of the Bond of particular authorized denominations and similar amendments and modifications of a technical nature;

(6) to modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the registered owners of the Bond and which does not involve a change described in subsection 24(c) of this section.

Before any supplemental ordinance pursuant to this Section 24(b) shall become effective, there be delivered to the City and the Bond Registrar an opinion of Foster Garvey P.C., or other nationally recognized bond counsel, stating that such supplemental ordinance is authorized or permitted by this ordinance and will, upon its effective date, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Bond.

(c) Except for any supplemental ordinance passed pursuant to subsection 24(b) of this section, subject to the terms and provisions contained in this subsection 24(c) and not otherwise, Registered Owners of not less than a majority of the aggregate principal amount of the Parity Bonds then outstanding shall have the right from time to time to consent to and approve the passage by the City Council of the City of any supplemental ordinance deemed necessary or desirable by

the City for the purposes modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this ordinance.

However, unless approved in writing by each Registered Owners of each Parity Bond then outstanding, nothing contained in this section shall permit, or be construed at permitting:

(1) a change in the times, amounts or currency of payment of the principal of or interest on the Bond, or a reduction in the principal amount or redemption price of the Bond, or a change in the method or redemption price of the Bond, or a change in the method of determining the rate of interest thereon;

(2) a preference or priority of the Bond over any other Parity Bonds; or

(3) a reduction in the aggregate principal amount of the Bond the consent of the registered owners of the Bond of which is required for any such supplemental ordinance.

If at any time the City shall pass any supplemental ordinance for any of the purposes of this subsection 24(c), the Bond Registrar shall cause notice of the proposed supplemental ordinance to be given by first class United States mail to all registered owners of the then-outstanding Bond, to each Rating Agency that has provided a rating on an issue of the Parity Bonds, and to any Insurer. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Bond Registrar for inspection by all Registered Owners.

Within two years after the date of the mailing of such notice, the City may pass such supplemental ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Bond Registrar: (1) the required consents, in writing, of the Registered Owners, and (2) an opinion of Foster Garvey P.C., or other nationally recognized bond counsel, stating that such supplemental ordinance is authorized or permitted by this ordinance and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exclusion from federal income taxation of interest on the Bond.

Upon the execution and delivery of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City, the Bond Registrar and all Registered Owners shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such modifications and amendments.

Section 25. General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bond to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bond. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 26. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 27. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Lynnwood, Washington, at a regular open public meeting thereof on the ____ day of _____, 2020, and signed in authentication of its passage this ____ day of _____, 2020.

Mayor

ATTEST:

Finance Director

APPROVED AS TO FORM:

Foster Garvey P.C., Bond Counsel

EXHIBIT A
DESCRIPTION OF THE BOND

- | | | |
|-----|-----------------------------|---|
| (a) | Principal Amount. | The Bond shall not exceed the aggregate principal amount of \$6,100,000. |
| (b) | Date or Dates. | The Bond shall be dated its Issue Date, which date may not be later than June 30, 2021. |
| (c) | Denominations, Name, etc. | The Bond shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative. |
| (d) | Interest Rate(s). | The Bond shall bear interest at a fixed or variable rate as determined by the Designated Representative. |
| (e) | Payment Dates. | Interest must be payable on such dates as are determined by the Designated Representative. Principal payments shall commence on a payment date determined by the Designated Representative and shall be payable at maturity or in installments on such dates as determined by the Designated Representative. |
| (f) | Final Maturity. | The Bond shall mature no later than December 1, 2030. |
| (g) | Prepayment Rights. | The Designated Representative may approve in the Bond Purchase Agreement provisions for the prepayment of the Bond. |
| (h) | Price. | The purchase price for the Bond shall be in an amount determined by the Designated Representative. |
| (i) | Savings. | There is a minimum net present value savings of 3.00% of the Refunded Bonds. |
| (j) | Other Terms and Conditions. | (1) The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement; and may accept such additional terms, conditions and covenants as she or he may determine are in the best interests of the City, consistent with this ordinance. |

- (2) The Designated Representative must have determined that the Parity Conditions have been met and satisfied as of the Issue Date of the Bond.
- (3) The Designated Representative shall determine whether the consent requirements will be met on the Issue Date of the Bond, and if so, this ordinance and the ordinances authorizing the Outstanding Parity Bond are deemed supplemented by the City Council for the purpose of allowing the Designated Representative to elect to create a separate reserve account for the Bond or any Future Parity Bonds, and establish a reserve requirement for such account, which may be zero, in which case the Reserve Account shall not secure the Bond or such Future Parity Bonds.

CERTIFICATION

I, the undersigned, City Clerk of the City of Lynnwood, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. ____ (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on _____, 2020, as that ordinance appears on the minute book of the City.

2. That said meeting was duly convened and held in all respects in accordance with law (including Proclamation 20-28 made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington) and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the members of the City Council was present throughout the meeting and a legally sufficient number of members of the City Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper adoption or passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

3. The Ordinance will be in full force and effect five days after publication in the City’s official newspaper, which publication date is expected to be _____, 2020.

Dated: _____, 2020.

CITY OF LYNNWOOD, WASHINGTON

City Clerk

CITY COUNCIL ITEM H

CITY OF LYNNWOOD City Council

TITLE: Break

DEPARTMENT CONTACT: Christine Frizzell, Council President

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM I

CITY OF LYNNWOOD Public Works

TITLE: Briefing: Lynnwood ADA Self-Evaluation and Transition Plan/Sidewalk Maintenance

DEPARTMENT CONTACT: Amie Hanson, Les Rubstello and David Mach

SUMMARY:

The purpose of this briefing is to describe two major challenges with sidewalk management and maintenance affecting the City in the near future. The first part of this briefing will introduce the City's ongoing Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan Project. Completion of the evaluation and plan is a federal requirement. The evaluation completed for this plan included inspection of all the city's parks, facilities, sidewalks and policies to determine where they do not meet current federal standards. A draft Transition Plan has been developed to identify how to bring the City into compliance. This briefing will include a discussion of what implementing the Transition Plan in our rights of way will look like for the City.

Additionally, staff plans to discuss who is legally responsible for repairing existing cracked/heaved sidewalks and various maintenance options moving forward.

ACTION:

Briefing. No action needed.

BACKGROUND:

ADA Self-Evaluation and Transition Plan

The City is developing the ADA Self-Evaluation and Transition Plan as part of fulfilling the requirements of Title II of the ADA. The ADA requires public entities to reasonably modify policies, practices, or procedures to avoid discrimination against people with disabilities. Completing the process of developing this Plan will assist the City in identifying policies, programs, and physical barriers to accessibility and will guide the City in developing barrier removal solutions.

In 2017, the City conducted a comprehensive self-evaluation of policies, programs, and services. This evaluation was based on responses to a program accessibility questionnaire completed by City staff and a review of City documents and policies. Staff from Administrative Services, Community Development, Executive, IT, Municipal Court, Office of Economic Development, Parks and Recreation, the Police Department, and Public Works responded to the questionnaire.

During 2017 and 2018, the City conducted an evaluation of physical barriers in the built environment at City facilities where programs, activities, and services are available to the public. This included reviewing City buildings, parks, trails, and public right of way including curb ramps, sidewalks, and driveways. Additionally, the City worked with a Focus Group to discuss barrier removal and priorities.

The City is currently conducting an internal review of the Draft ADA Self-Evaluation and Transition Plan and developing strategies to implement the Plan. This includes looking at budgeting, staffing, roles, and responsibilities for implementing the ADA Transition Plan. The City plans to complete the Plan in early 2021. Plan completion will include a review by the Focus Group and larger public. The City is currently recruiting focus group members.

The Public Works Department, similar to departments throughout the City, has considered what resources will be needed to implement the Transition Plan specific to the right-of-way (excluding city buildings, parks, facilities...). As part of this consideration, the Department reviewed costs associated with removing right of way barriers, timelines for barrier removal, and risks associated with balancing them.

The self assessment identified the following non-compliant facilities:

- 2,800 Curb ramps (city responsibility)
- 137 Miles of sidewalk (adjacent property responsibility)
- 5,528 Driveways (adjacent property responsibility)

Curb ramps are the responsibility of the city, however, per state and city law, the sidewalk and driveways are the responsibility of the adjacent property owner. The cost to bring the total right of way facilities into full compliance is estimated to total \$200 to \$300 million, of which, \$60 million is for the curb ramps alone.

Staff recommends the following transition plan for barriers within the right-of-way:

- Update ramps with paving and street projects. Allocate \$240K/year. Require new development to update their frontages.
- Allocate \$500-600K/year on ramp upgrades. Staff would likely implement this through annual capital projects using a contractor to construct approximately 20 to 25 ramp per year. The first project currently under design is planned for construction in 2021 and includes:

- Repair sidewalk in front of Veteran's Park on Veterans Way
- Repair several panels on Veterans Way between 40th and 44th and install new ADA ramp at 40th
- Replace driveways along 176th between Hwy 99 and 44th
- The cost of this project is almost \$600K

- When notified of a problem, prioritize and act quickly

Lynnwood Sidewalk Maintenance

Responsibility for sidewalk maintenance in the City continues to be an unresolved issue. Both Lynnwood Municipal Code (LMC) and State law require homeowners to maintain sidewalk abutting their property. The City, however, has never exercised this authority to require adjacent property owners to make expensive repairs and prior City Councils have been hesitant to direct the administration to do so. The alternative would be for the City to accept the full responsibility of sidewalk maintenance. This would require a much greater level of funding that doesn't exist. Nonetheless, and under current codes the City has responsibility with respect to sidewalk trip hazards and meeting the requirements involved in providing accessible pedestrian walkways. The City is faced with navigating aging sidewalks (and our oldest sidewalks are now well over 50 years old) that require maintenance, the need to provide accessible routes, and determining how to implement maintenance.

With Lynnwood's oldest sidewalks now past 50 years old, the number of deficient sidewalks is increasing along with the risk to the City of lawsuit or other legal action. It is imperative that we decide how we will proceed in addressing this issue, either by enforcing private responsibility, or by the City accepting the responsibility and funding the necessary maintenance. Without a decision the condition of our sidewalks will continue to degrade and put the City at greater and greater risk.

Summary of Current LMC:

- LMC states that repair of sidewalks is the responsibility of the abutting property owner (after 10 years).
- Washington State RCW agrees with property owner being responsible.
- The only exception is where the City is responsible for the damage. This has been interpreted lately to include damage caused by City required street trees.

- RCW requires delivery of a notice to the property owner, then a Council hearing to allow an appeal. After that, if no action is taken, the City can have the work done and lien the property.

A review of other city sidewalk codes provided by AWC shows that most tend to mimic the state law. While LMC and RCW say the property owner is responsible, City attorneys tend to say that the City shares the responsibility for damages from trip/fall injuries.

Current Lynnwood practices:

- When notified by the public, trip hazards are ground or ramped. Some area-wide grinding has been done.
- Neighborhoods with crumbling sidewalks have been told that it is their problem.
- Informal cost sharing programs (resident removes tree and sidewalk, City pours new sidewalk) have been offered to several homeowners. Maybe two have accepted.
- Dealing with the culprit tree is often the most difficult issue. Its easier when the tree is in the right of way, but more difficult if its on private property.
- It is not known if Code Enforcement has ever required a property owner to fix a sidewalk.
- Public Works has never had "Sidewalk Money" to do large repair projects.
- \$50K/year of Transportation Benefit District funds are currently allocated for the street crew to do some minor ADA/sidewalk work.

Sidewalk Policy Proposal under current codes requiring property owners to fix

Note: City is always under the threat of a Department of Justice lawsuit which could require the city to spend everything it can afford on sidewalks and ramps.

Revise LMC:

- Keep it short
- Place the responsibility for repair and maintenance on the property owner
- Simply reference the RCW

Proposed Public Works Policy:

- Budget \$50,000/year (TBD) for Street Operations for grinding trip hazards, both systematically and by notice
- Pursue property owner repairs where necessary for safe pedestrian travel, bringing a list of properties to Council for a hearing, then pursuing property liens when the City had to perform the work
- Following City of Portland: When the city is notified of a trip hazard, staff will investigate the sidewalk for one block, corner to corner. All trip hazards 1" and under will be ground by the City. All larger repairs will be the responsibility of the property owner. If repairs are not accomplished within 180 days, the City will perform the work and lien the property.
- Any property owner performing repair work will have all permit costs waived

Options for City funded Sidewalk Repair Program if the City prefers to take the full responsibility:

The City of Ann Arbor, Michigan, has a voter-approved sidewalk mileage tax that generates \$560,000 or more per year for sidewalk repair and replacement. Prior to its approval, sidewalk maintenance responsibility fell to abutting property owners per the city's code requirements. The special property tax was seen as a more equitable and effective means to address sidewalk maintenance needs and was approved by over 60% of voters. As a result, the average household pays an additional \$13 per year in local taxes.

- Corvallis, Oregon, includes a "sidewalk maintenance fee" as part of residents' typical monthly utility bills. The \$0.80 monthly fee was determined by the average yearly cost to repair defective sidewalks (\$150,000). Prior to the imposition of the utility fee, property owners were billed directly for repairs to abutting sidewalks.

- Cheney, Washington, uses a voter-approved tax on electrical and natural gas services to fund maintenance sidewalks (as well as residential streets). The four percent tax generates roughly \$380,000 annually and this dedicated funding paid for the repair of nearly 18 miles of existing residential streets and nearly six miles of existing residential sidewalks over 14 years.

Possible Revisions to Community Development Policy:

- Require the inspection and repair of sidewalks as a condition of the sale for any property fronting on a sidewalk.
- Building Official will require any broken/disjointed sidewalk to be repaired when a tenant improvement permit is obtained.

PREVIOUS COUNCIL ACTIONS:

Business Meeting, March 13, 2017, 90.1-D, Consultant Contract authorization, Lynnwood ADA Self-Evaluation and Transition Plan

FUNDING:

Transportation Benefit District Fund 150

KEY FEATURES AND VISION ALIGNMENT:

The Lynnwood Community Vision states that the City is to "be a welcoming city that builds a healthy and sustainable environment."

The Lynnwood ADA Self-Evaluation and Transition Plan project supports that vision and results in an important improvement to the City's infrastructure that links City of Lynnwood programs, policies, comprehensive plans, mission, and ultimately the Community Vision. The project provides a Plan for welcoming community members needing accommodation to participate in the City's programs.

DOCUMENT ATTACHMENTS

Description:	Type:
Power Point	Backup Material

COMPONENTS OF TRANSPORTATION

Operations and Maintenance

Traffic Signal Maintenance

- Traffic operations center
- Signal timing
- Routine maintenance

Street Maintenance

- Potholes/Crack sealing
- Striping/Signs
- Vegetation Control 9/8/20

Pavement Program

- Chip seal
- Overlays

ADA Program/Sidewalks

- ADA Transition Plan 9/21/20
- Sidewalk maintenance/repair 9/21/20

Traffic Signal Rebuild Program

- signal poles
- cabinets
- wiring
- push buttons

New Capital Projects

Nonmotorized

- New sidewalks/trails
- Bike lanes

Transportation Capital Projects

- Capacity
- Safety
- Economic

Funding

- Traffic Impact Fees
- Transportation Benefit District
- Grants
- Real-Estate Excise Tax
- Economic Development Investment Fund
- City general funds

Traffic Planning/Policy

- Growth forecasting/modeling
- Level of Service
- Traffic Safety Plan
- Complete Streets Policy
- Active Transportation Plan
- Park Access Study
- School Safety Study 9/16/20

1-5

Red dates represent dates discussed with Council

THE AMERICANS WITH DISABILITIES ACT (ADA):

is a civil rights law that mandates equal opportunity for individuals with disabilities.

- Title I – Employment
- **Title II – Public transportation, state and local government services**
- Title III – Places of public accommodations
- Title IV – Telecommunications
- Title V - Miscellaneous



AS A PUBLIC AGENCY THE CITY OF LYNNWOOD IS REQUIRED TO:

- Produce an ADA self-evaluation and transition plan
- Identify a person to oversee title II implementation
- Publish a notice and grievance procedure for accessibility complaints
- Continue to remove accessibility barriers and document progress
- Include people with disabilities in the preparation of the plan



ADA SELF-EVALUATION AND TRANSITION PLAN REQUIREMENTS

§ 35.105 Self-Evaluation

- Evaluate services, policies, and practices
- Identify modifications

§ 35.150 (d) Transition Plan

- List barriers and identify solutions
- Establish a timeline for removing barriers
- Identify the person responsible for title II compliance

Engaging the Public § 35.105 and § 35.150 (d)

- Involve people with disabilities to participate in the self-evaluation process and preparation of the transition plan.



ADA SELF-EVALUATION AND TRANSITION PLAN PROJECT PROCESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-9



PROJECT PROCESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-10



ENGAGE THE PUBLIC



I-11

EVALUATE



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

I-12



EVALUATE CITY PROGRAMS, POLICIES, AND ACTIVITIES

Lynnwood Municipal Code

Search CodeGo

+ Advanced Search

- Contents

Click the **plus (+)** or **minus (-)** symbols to expand or collapse the entries. Click the **checkboxes** to select sections for saving or printing.

Amended marks sections affected by interim ordinances.

Print/Save Selections

Clear all

+ ☐ Title 1 GENERAL PROVISIONS

+ ☐ Title 2 ADMINISTRATION AND PERSONNEL

+ ☐ Title 3 FINANCE

- ☐ Title 4 (Reserved)

+ ☐ Title 5 BUSINESS REGULATIONS AND LICENSES

- ☐ Title 6 ANIMALS

Title 21 ZONING
Ch. 21.18 OFF-STREET PARKING

2016, Ord. 2730 § 1, 2008, Ord. 2020 § 3, 1994, Ord. 478 § 1, 1989, Ord. 190 Art. XI § 11.4, 1984)

21.18.700 Parking lot development standards.

A. Fire Access.

1. All parking lots shall be designed with fire access and fire lanes in accordance with Chapter [9.06](#) LMC.
2. It is at all times the responsibility of the property owner to maintain fire lanes in accordance with Chapter [9.06](#) LM

B. Stall and Aisle Specifications.

1. All parking stalls and aisles shall be designed according to the "Minimum Standards for Off-Street Parking" tables angles other than those shown is permitted, provided the width of stalls and aisles is adjusted by interpolation betw
2. Parking shall be designed so vehicles need not back onto public streets.
3. Where tandem parking is allowed by this chapter, the "D" figure in the stall and aisle specifications for single stall

C. Compact Car Parking (also see LMC [21.18.820](#)).

1. In sites with 10 or more stalls, up to 20 percent of the number of stalls required by this chapter may be designed
2. Compact stalls shall be restricted to, and signed or marked for, employee, student or resident use only. Parking s Pavement markings, if used, must be maintained in a clear and readable condition.
3. Stalls provided in excess of the minimum number required by this chapter may be compact stalls.
4. Compact stalls shall be clearly designated for compact use only with signs and pavement markings

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EVALUATE CITY PROGRAMS, POLICIES, AND ACTIVITIES

3. ACCESSIBLE/ADAPTIVE EQUIPMENT

7. Do you allow members of the public to use electronic equipment such as cell phones, etc.?

- ☐ Yes
- ☐ No
- ☐ Don't know
- ☐ Not applicable

If yes, please describe the electronic equipment the public is allowed to use.



Americans with Disabilities Act Title II Regulations

Nondiscrimination on the Basis of Disability
in State and Local Government Services

Prev

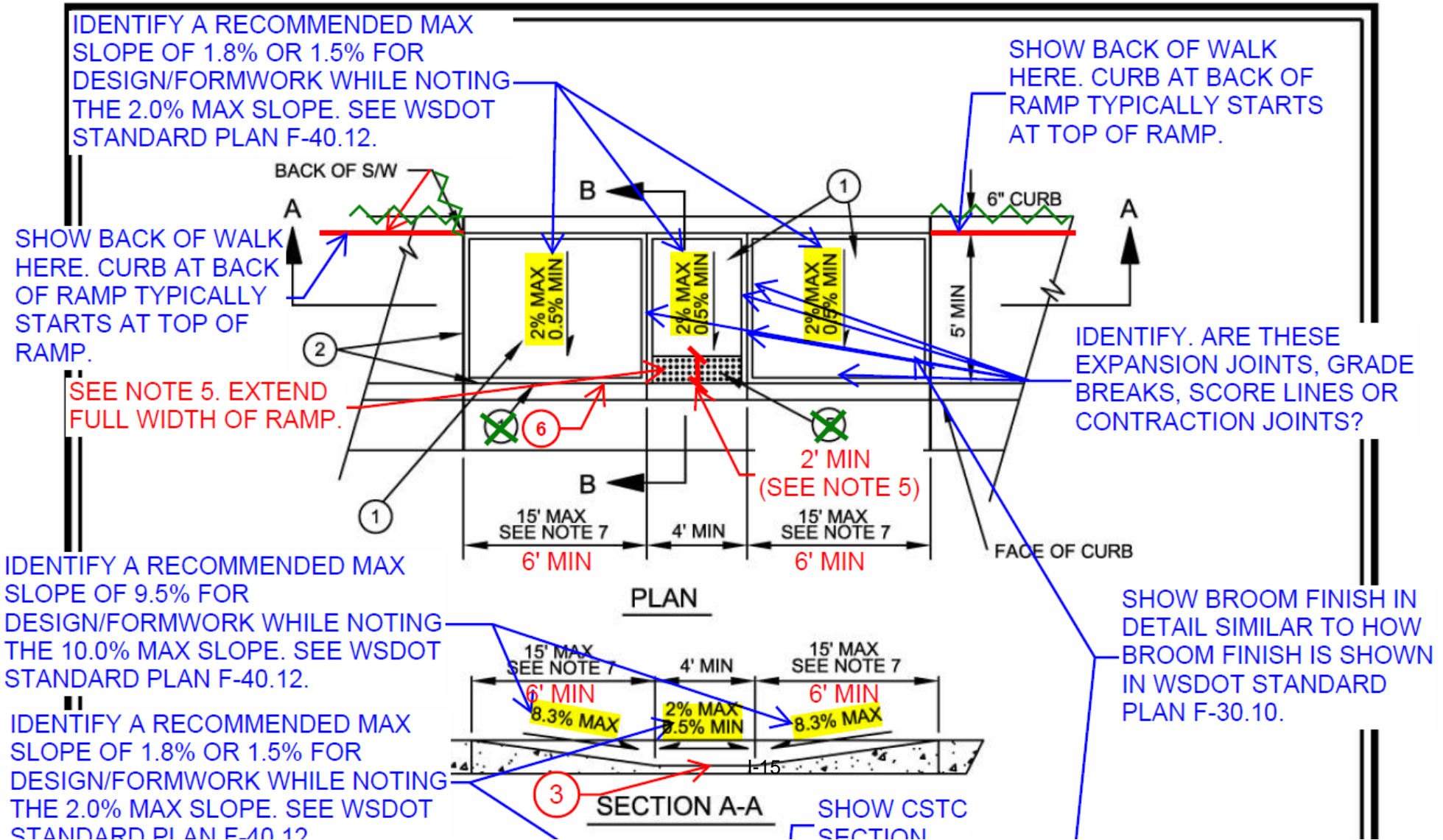
I-14

Department of Justice
September 15, 2010

0



EVALUATE CITY PROGRAMS, POLICIES, AND ACTIVITIES



SELF-EVALUATION REPORT

- Accessible/adaptive equipment
- Customer service
- Notice requirements
- Printed information
- Televised and audiovisual information
- Website
- Telephones and communication devices
- Training and staffing
- Program participation
- Public meetings
- Transportation services
- Tours and trips
- Contracting, licensing, or other arrangements
- Emergency evacuation procedures
- Facilities
- Special events and private events on public properties



ASSESS



Engage the public



Evaluate programs, policies, and activities



Assess park, building, and right-of-way facilities



Prioritize and schedule barrier removal actions



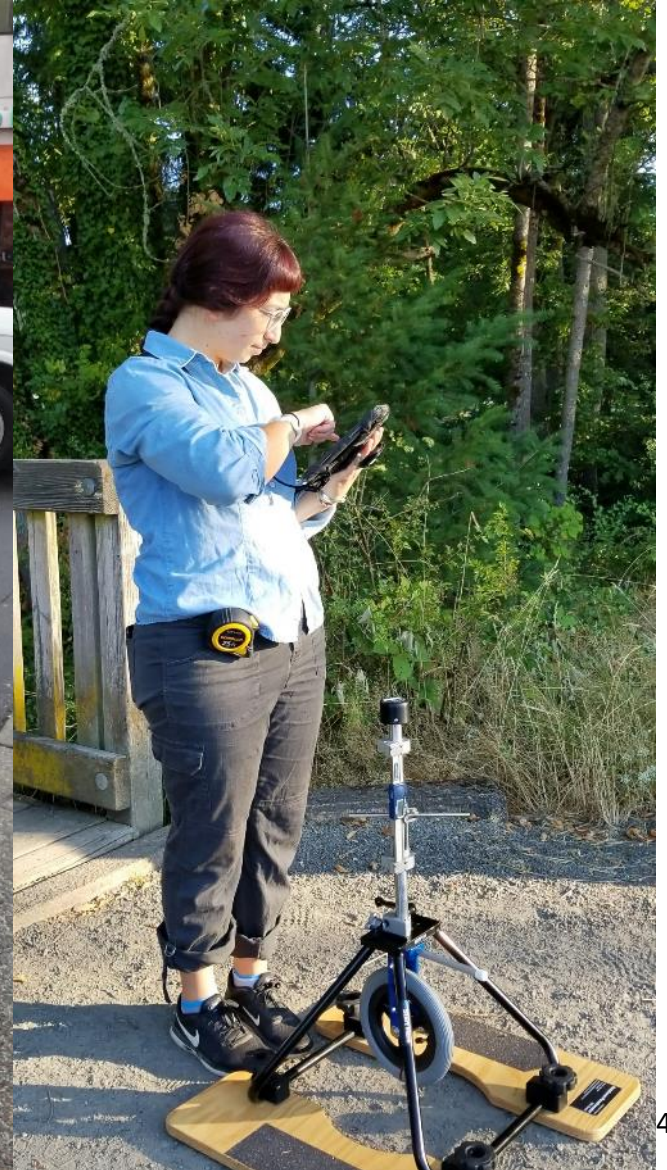
Produce a comprehensive plan

I-17

ASSESS CITY FACILITIES



1-18



4



ASSESS CITY BUILDINGS, PARKS, AND TRAILS



4 - 6 Walk

Regrade surface

Notes: Running slope of asphalt is up to 10.3% (5.0% max) for 96 linear feet.

ADA: 403.3

Other: -

4 - 7 Walk

Regrade surface

Notes: Cross slope of asphalt is up to 5.5% for 42-

ADA: 403.3

Other: -

7 - 1 Hazard

Reduce or eliminate opening

Notes: A storm drain is located in parking space with

ADA: 302.3

Other: -

29 - 1 Game and Sports Area

Provide an accessible path of travel

Notes: An accessible route to the basketball court is provided. The accessible route to the basketball court is 21 linear feet over grass.

ASSESS CITY BUILDINGS, PARKS, AND TRAILS

Table 1. ADA Accessibility Barrier Types at City Parks

Location Name	Assembly Areas	Doors/Gates	Drinking Fountains	Hazards	Outdoor Constructed Features	Parking/Passenger Loading	Paths of Travel*	Picnic/Eating Areas	Play Equipment/ Game/Sports Areas	Restrooms	Signs	Other
Daleway Park		●	●		●	●	●	●	●	●		
Gold Park					●	●	●	●				
Heritage Park		●	●	●	●	●	●	●		●	●	●
Lynndale Park and Off-leash Dog Area	●	●	●	●	●	●	●	●	●	●		●
Maple Mini Park					●		●	●	●			
Meadowdale Park		●	●		●	●	●	●	●	●		
Meadowdale Playfields				●	●	●	●	●	●			●
Municipal Golf Course		●	●			●	●			●		
North Lynnwood Park		●	●		●	●	●	●	●	●		
Pioneer Park			●		●	●	●	●	●			●
Scriber Creek Park					●	●	●	●				●
Scriber Lake Park		●	●	●	●	●	●	●		●		●
South Lynnwood Park		●	●		●		●	●	●	●		
Sprague's Pond Mini Park				●	●	●	●	●	●			
Spruce Park		●	●	●	●	●	●	●	●	●		

I-20



ASSESS CITY RIGHT-OF-WAY FACILITIES

Table 3.4: Curb Ramp Priority Matrix

		ADA 35.150(d) Geospatial Proximity Priorities*				
		A	B	C	D	E
Priorities (Category)	Priority Description	Location of Citizen ADA Complaint and/or Request	Location Serving Government Offices & Public Facilities	Location Serving Transportation	Location Serving Commercial Districts, Employers	Location Serving Other Areas
1	See Category 1 Description	High Priority A1	B1	C1	D1	E1
2	See Category 2 Description	A2	B2	C2	Medium Priority D2	E2
3	See Category 3 Description	A3	B3	C3	D3	E3
4	See Category 4 Description	A4	B4	C4	Low Priority D4	E4
5	No deficiencies identified	A5	B5	C5 I-21	D5	E5

*The priorities listed under columns B, C, D, and E are specified under title II 28 CFR § 35.150 (d)

PRIORITIZE AND SCHEDULE



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan

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PRIORITIZE AND SCHEDULE



Focus Group Prioritization



Facility Prioritization Work Session



ROW Prioritization Work Session



ADA Implementation Data



PRODUCE PLAN



Engage the public



Evaluate programs, policies, and activities



Assess park, building, trail, and right-of-way facilities



Prioritize and schedule barrier removal actions



Produce a comprehensive plan^{I-24}





PRODUCE PLAN



Prepare Draft
ADA Self-Evaluation and Transition Plan



Meet with City Staff to Review Plan



Create Public Review Draft



Collect Public Comment



Prepare Final Plan

RIGHT-OF-WAY FINDINGS

The self assessment identified the following non-compliant facilities:

- **2,800 Curb ramps (city responsibility)**
- **137 Miles of sidewalk (adjacent property responsibility)**
- **5,528 Driveways (adjacent property responsibility)**

Cost for full compliance (estimated):

\$60 Million for curb ramps alone (city responsibility)

\$200-300 Million total



RISK TO THE CITY

Since 2015:

- The City has received 13 claims alleging that injuries were caused by substandard **ADA** facilities
- Three claims were settled for payments
- One claim is pending
- The other claims did not result in any monetary payment

Other cities and agencies:

- Have had lawsuits filed against them to enforce the **ADA's** requirements
- Some have entered into settlements that require them to replace approximately 1200 to 1500 curb ramps per year for 12 to 18 years (larger agencies)

1-27



RIGHT-OF-WAY RECOMMENDATIONS

Progress is key!

- **Update ramps with paving and street projects. This is ~\$240K/year.**
- **Require new development to update their frontage**
- **Spend ~\$500K/year on ramp upgrades**
- **When notified of a problem, prioritize and act quickly**





SIDEWALK REPAIR DRIVERS

- ADA requires the City to have all sidewalks and ramps meet current standards
- A disabled sidewalk user could sue the City for failing to provide accessible right of way improvements
- While LMC states that sidewalk repair is the responsibility of the adjacent property owner, Washington courts have included cities as responsible parties



CURRENT SIDEWALK POLICY

- LMC and RCW state that adjacent property owner is responsible for sidewalk
- City grinds trip hazards when notified
- City has done minor amounts of pre-emptive grinding
- Trees often are the cause of sidewalk failure and have to be dealt with as a part of panel replacement
- City has an informal policy of sharing costs for replacement, but few have participated



SIDEWALK POLICY PROPOSAL UNDER CURRENT CODES

- Spend ~\$50K/yr on grinding trip hazards
- When notified of a problem, assess repair to property owners, and lien property if they fail to effect the repair



CITY FUNDED SIDEWALK REPAIR POSSIBILITIES

- Special property tax
- Create “sidewalk utility” and bill monthly
- Designate a portion of utility tax
- Require homeowners to repair any damaged sidewalk upon sale of home

THANK YOU!

ADA Self-Evaluation and Transition Team Workgroups

RIGHT-OF-WAY WORKGROUP:

- Les Rubstello, Deputy Directory, Public Works
- David Mach, City Engineer, Public Works
- Amie Hansin, Civil Engineer, Public Works

PARKS & TRAILS WORKGROUP:

- Sarah Olson, Deputy Director, Parks and Recreation
- Eric Peterson, Parks Maintenance Superintendent, Parks and Recreation
- Monica Thompson, Senior Park Planner, Parks and Recreation

BUILDINGS WORKGROUP:

- Marcie MacQuarrie, Public Works Manager, Public Works
- Johnie Dunn, Buildings O&M Superintendent, Public Works
- Joel Faber, Recreation Superintendent, Parks and Recreation

POLICIES & PROGRAMS WORKGROUP:

- Julie Moore, Public Affairs Officer, Executive
- Curt Russell, ADA Coordinator/Safety Officer, Human Resources
- Evan Chinn, Human Resources Director, Human Resources
- Karen Fitzthum, Assistant Director Treasury, Administrative Services
- Marcie MacQuarrie, Public Works Manager, Public Works



CITY COUNCIL ITEM J

CITY OF LYNNWOOD Community Development

TITLE: Update- Housing Action Plan

DEPARTMENT CONTACT: Kristen Holdsworth, AICP

SUMMARY:

The City received a \$100,000 grant to develop a Housing Action Plan. The following work session is to update City Council on activities to date. At this meeting staff will present the Housing Needs Assessment, which is a report that identifies existing and future housing needs. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. The Housing Needs Assessment will serve as a foundation for policy recommendations in the Housing Action Plan.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

There are no immediate policy questions right now. Future policy questions and actions may be needed as this plan progresses.

ACTION:

To review the Housing Needs Assessment report and provide an opportunity for Council input regarding the Housing Action Plan.

BACKGROUND:

In Fall 2019, the City of Lynnwood applied for and received a \$100,000 grant from the Department of Commerce (under ES2HB 1923) to develop a Housing Action Plan. The Housing Action Plan will be a strategy and implementation document to comprehensively ensure that a variety of housing is available and affordable for people of all income levels in Lynnwood. The Plan will address current housing needs as well as those of the projected future population.

The project scope is summarized as follows:

- Deliverable 1: Project Purpose Statement (Complete). This task included a project kick-off meeting with the consultants and the establishment of a common understanding of the project.
- Deliverable 2: Existing Conditions and Needs Analysis Reports (Ongoing). This task includes a Housing Needs Assessment (HNA) to identify future housing needs to serve all segments of the community. It will also include a review of the City's existing policies and programs to identify what is working and where gaps exist.
- Deliverable 3a: Public Engagement Plan (Complete). This task includes the creation of a Public Engagement Plan to identify robust opportunities for feedback from Lynnwood's diverse community members. The Public Engagement Plan will be utilized throughout the duration of the project.
- Deliverable 3b – Project Goals and Objectives (Expected September 2020). This task will combine feedback from the Existing Conditions and Needs Analysis Reports (Deliverable 2) to identify the draft Housing Action Plan's goals and objectives.
- Deliverable 4 – Draft Housing Action Plan (Expected January 2021). This task will develop strategies to increase housing supply and preserve naturally occurring affordable housing. Strategies will increase affordability, stabilize or reduce housing costs, and minimize displacement.
- Deliverable 5 – Final Housing Action Plan (Adopted June 2021). This task will include revisions to the draft Housing Action Plan.

Staff will continue to schedule periodic briefings with Planning Commission and Council throughout the project to provide updates and seek input. The final Housing Action Plan will be presented to Council for adoption in 2021.

PREVIOUS COUNCIL ACTIONS:

Council reviewed the Lynnwood Housing White Paper in July 2019. In late 2019 Council established the Council Housing Policy Committee. Council has received updates at the 2020 Council Retreat, through an FYI memo on June 1, 2020, a presentation on August 3, 2020, and via participation on the Council's Housing Policy Committee.

FUNDING:

Funding for this project is provided through a Department of Commerce \$100,000 grant. The grant funding began in February 2020 and ends June 2021. As a condition of the grant, if the City does not adopt a Housing Action Plan by June 2021 it will forfeit \$30,000 dollars in reimbursement of consultant work.

KEY FEATURES AND VISION ALIGNMENT:

- To be a welcoming city that builds a healthy and sustainable environment.
- To be a cohesive community that respects all citizens.
- To be a city that is responsive to the wants and needs of our citizens.

ADMINISTRATION RECOMMENDATION:

No administrative recommendation is needed at this time.

DOCUMENT ATTACHMENTS

Description:	Type:
Staff Memo	Memo
Presentation	Presentation
Draft Housing Needs Assessment	Report

Topic: Update - Housing Action Plan**Staff Memo**

- ☐ Public Hearing
- ☒ Work Session
- ☐ Other Business
- ☐ Information
- ☐ Miscellaneous

Staff Contact: Kristen Holdsworth, AICP, Senior Planner, Community Development

This memo provides an update on efforts for Lynnwood's Housing Action Plan that have occurred since staff last presented to Council at the August 3, 2020 Work Session. At the upcoming September 21, 2020 Council meeting staff will present the draft Housing Needs Assessment report and provide updates on public outreach and engagement efforts.

Housing Action Plan Background

In Fall 2019, the City of Lynnwood applied for and received a \$100,000 grant from the Department of Commerce (under ES2HB 1923) to develop a Housing Action Plan. The Housing Action Plan will recommend a series of policies that ensure a variety of housing is available and affordable for people of all income levels in Lynnwood. The Plan will address current housing needs as well as those of the projected future population.

The Department of Commerce grant funding began in February 2020 and ends June 2021. As a condition of the grant, if the City does not adopt a Housing Action Plan by June 2021 it will forfeit \$30,000 dollars in reimbursement of consultant work.

Housing Needs Assessment

A Housing Needs Assessment is a report that identifies existing and future housing needs to serve all economic segments of the community. The report includes summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. The Housing Needs Assessment (in addition to community engagement and other research) serves as a foundation for identifying strategies and solutions in the Housing Action Plan.

Our project consultants (BERK) have provided a draft Housing Needs Assessment, which is available for community review and feedback through our Open House.

The Housing Needs Assessment reveals Lynnwood's declining housing affordability and a lack of choice for housing types within the local housing stock. At the upcoming Council work session staff will present a summary of the Housing Needs Assessment, including key findings and gaps in Lynnwood's housing stock.

Key findings are summarized below:

1. **Almost 40% of households in Lynnwood are cost-burdened.** In comparison, 33% of households in Snohomish County are cost-burdened. HUD defines cost-burdened households using a percentage of income spent on housing or those "who pay more than 30 percent of their income for housing." Cost-burdened households often find it harder to afford necessities such as food, clothing, transportation, and medical care. In Lynnwood, rates of cost burden are uneven, with the highest cost burdens among households with lower incomes, renters, and adults over 62.
2. **Housing costs are rising much faster than incomes.** With limited supply and increasing demand, home values have dramatically risen over the past eight years (2010-2018). Since 2010 Lynnwood home values have increased by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation. Today, less than 30% of current renters and homeowners can afford the purchase of an averaged priced home in Lynnwood without cost burden.
3. **Many renter households qualify for housing assistance but lack access to subsidized housing.** Overall, 61% of Lynnwood households are considered low-, very low-, or extremely low-income by regional income thresholds. These designations determine eligibility for income-restricted affordable housing units and rental assistance vouchers. Despite efforts by local housing authorities, many qualified households still cannot receive benefits. While Lynnwood has a high number of subsidized housing units, the need for this housing continues to be higher than available units.
4. **Homeownership is out of reach for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.** Homeownership is a key source of wealth creation and housing stability for households in the United States. The rates of homeownership among Whites and BIPOC vary widely in Lynnwood, with the largest disparities between White and Black residents. This reflects a legacy of structural policy issues and has significant implications for life outcomes and economic advancement.

5. **Residential patterns reveal that White and Black, Indigenous, and People of Color (BIPOC) residents live in largely separate communities.** The neighborhoods where a higher proportion of BIPOC residents live are more likely to be at risk of economic and cultural displacement.
6. **Lynnwood's current housing stock lacks housing type variety.** Single family homes comprise 49% of Lynnwood's housing stock and 84% of the residential land area. The majority of recent development was for 3,000+ square foot single family homes or larger multifamily (100+ unit) apartments. "Missing middle" housing refers to a diversity of residential housing options that transition between single family homes and high-rise apartments, such as cottage homes, duplexes, and townhomes.
7. **The pace of housing unit construction needs to accelerate to meet expected future demand.** The rate of housing unit production has increased in recent years but falls short of the needed rate to meet growth projections. The average annual production of housing units in Lynnwood from 2013 through mid-2020 was 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. A total of 9,826 additional housing units are needed between 2019 to 2044 to meet population growth.

Public Engagement and Outreach

The Housing Action Plan project consists of five main strategies for public engagement: 1) Outreach and Communications; 2) Community Stakeholder Engagement; 3) Boards and Commissions; 4) City Council; and 5) Coordination with Other Jurisdictions. (Previous staff reports to Council include additional details about each of these strategies).

On August 24, 2020, the City launched the Housing Needs Assessment Open House, which is the first official open house for this project. The Open House consists of two components: a website and meetings.

The Open House website includes project information, the Housing Needs Assessment report, a survey, and an interactive ideas wall where community members can share their ideas. The website can be accessed from the main project website (www.lynnwoodwa.gov/housingactionplan) or directly at (<https://makers.mysocialpinpoint.com/lynnwoodhap/ideas#/>).

On August 25 and 26, Community Development staff hosted two meetings in English to introduce the project, discuss the Housing Needs Assessment, and gather community input. The meetings were hosted via Zoom and also live

streamed to Facebook. Recordings of the meetings are available on the Open House website.

On September 22 and 23, Community Development staff will be hosting two additional meetings. The meetings will be conducted in Spanish (September 22) and Korean (September 23).

The Open House will continue through October 2, 2020.

Next Steps

- Open House #1 (Housing Needs Assessment) continues through October 2, 2020
- Council updates will continue throughout the plan's development (next Council update is scheduled for October 19, 2020)
- Open House #2 (Housing Strategies): late October – mid November
- The final Housing Action Plan will be presented to Council for adoption in 2021

Attachments

- Presentation
- Draft Housing Needs Assessment report



LYNNWOOD HOUSING ACTION PLAN

City Council Update

September 21, 2020




PROJECT OVERVIEW

J-8

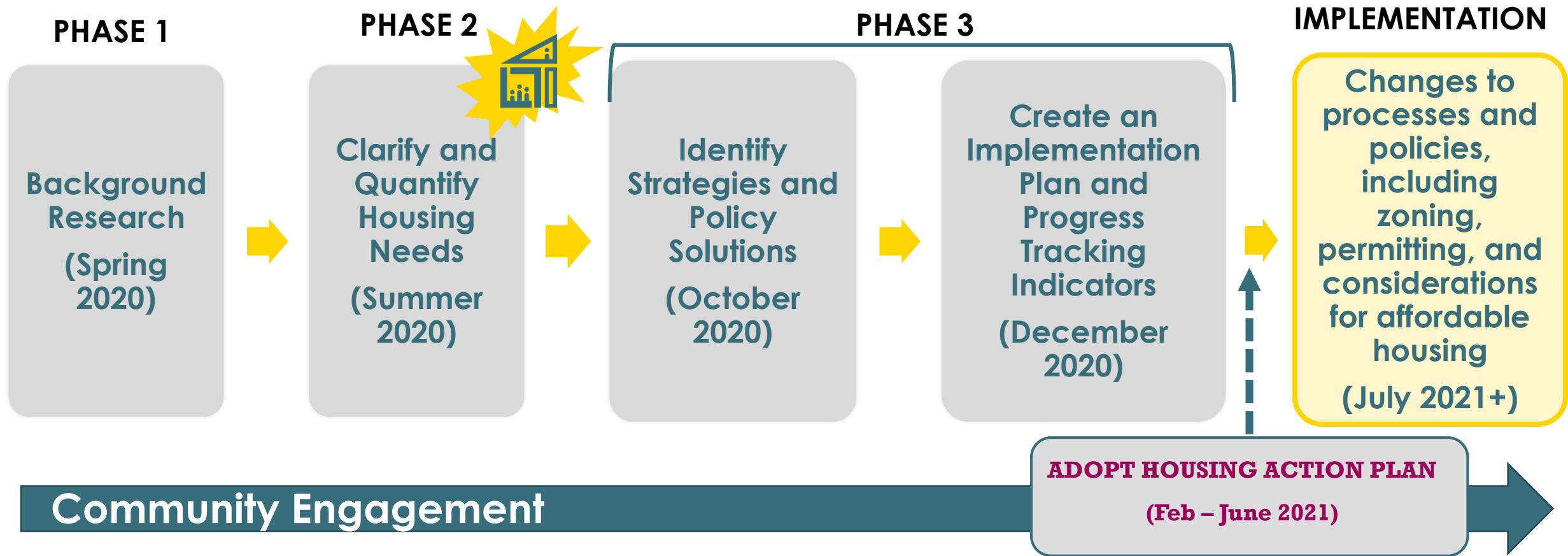
LYNNWOOD'S HOUSING ACTION PLAN IS :


- An actionable policy document that outlines how to meet Lynnwood's diverse housing needs.
- Based on data and analysis and vetted and informed through an inclusive and robust public process.
- A comprehensive approach to leverage resources and implement cohesive, effective, and feasible housing policies, programs, and strategies.
- Tailored to the housing needs of the Lynnwood community to ensure decent, safe, and affordable housing for all.



**Housing Action
Plan =
Strategic
Document**

Developing a Housing Action Plan





PHASE 2: HOUSING NEEDS ASSESSMENT

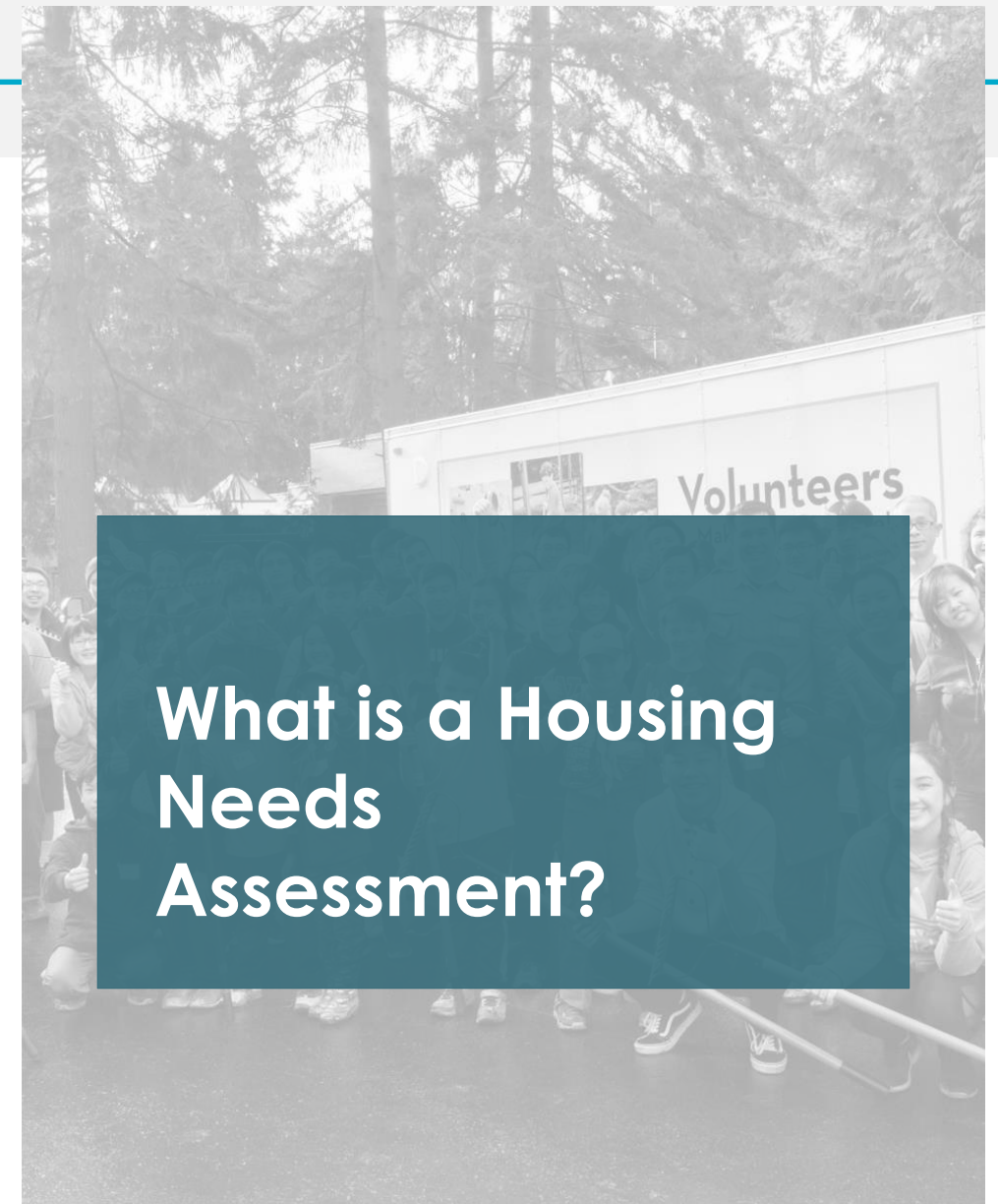
J-11

A housing needs assessment is a report to identify existing and future housing needs to **serve all economic segments** of the community.

Contains the following components:

1. Population characteristics
2. Housing Inventory
3. Workforce Profile
4. Gaps

J-12



**What is a Housing
Needs
Assessment?**

Housing Affordability

Housing costs
no more than
30%
of a household's income



*Housing affordability
does not necessarily mean
subsidized or public housing*

Image Sources: Brighter Images Photography

HOUSING AFFORDABILITY EXAMPLE

Household Income: \$3,000/month (\$36,000/year)

Potential Housing Costs (Rent or Mortgage + Utilities):



\$600/month



Less than 30%, Affordable Housing



\$1,000/month



More than 30%, **Cost Burdened**



\$1,800/month



More than 50%, **Severely Cost Burdened**

J-14

As of 2016, 2 in every 5 households in Lynnwood are cost burdened*



**Severely
Cost Burdened**



Cost Burdened



**This number is likely higher now due to increased housing costs and the impacts of Coronavirus*

Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates), BERK, 2020.

Why Does Housing Affordability Matter?



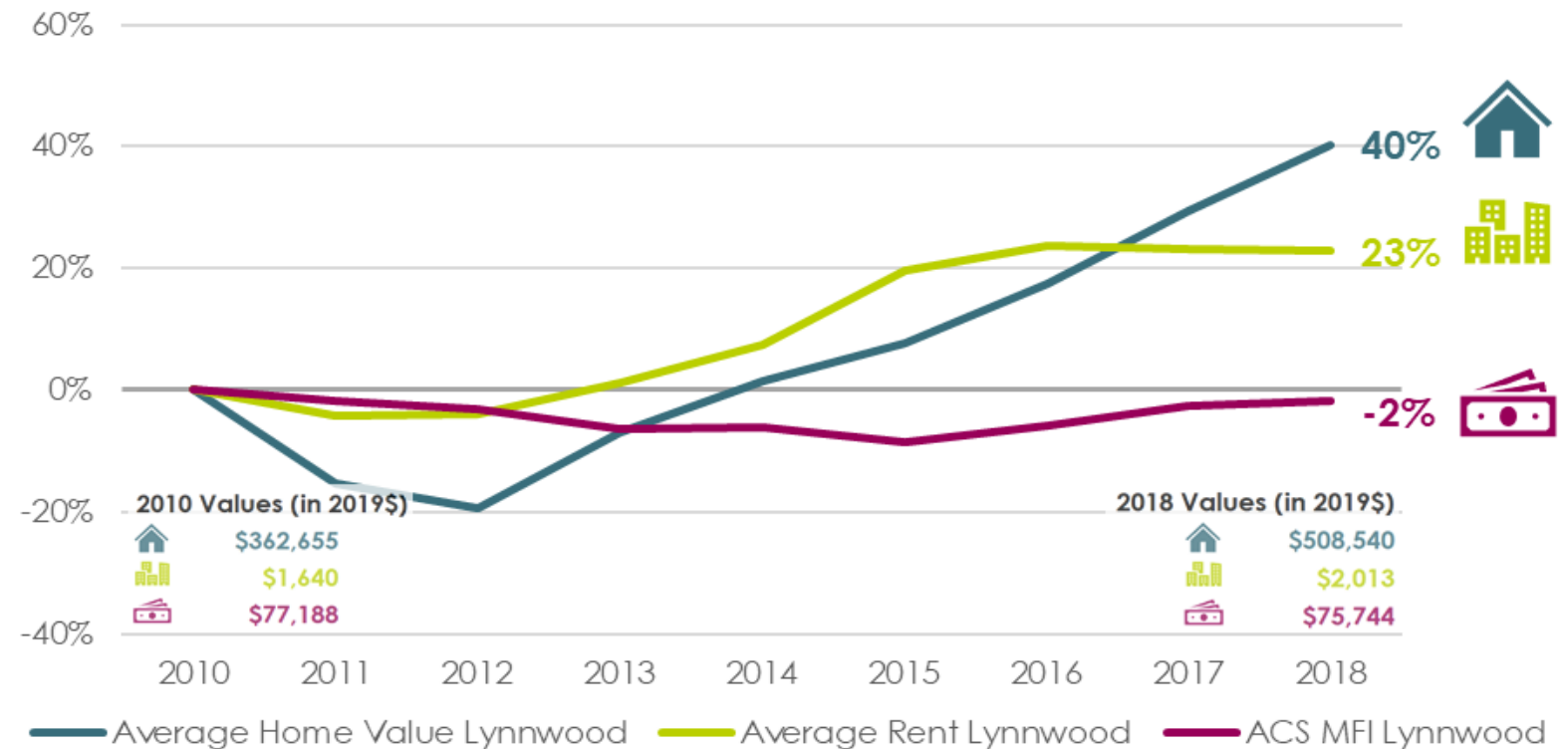
Image Sources: Brighter Images Photography

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Housing Costs are Rising Faster than Incomes

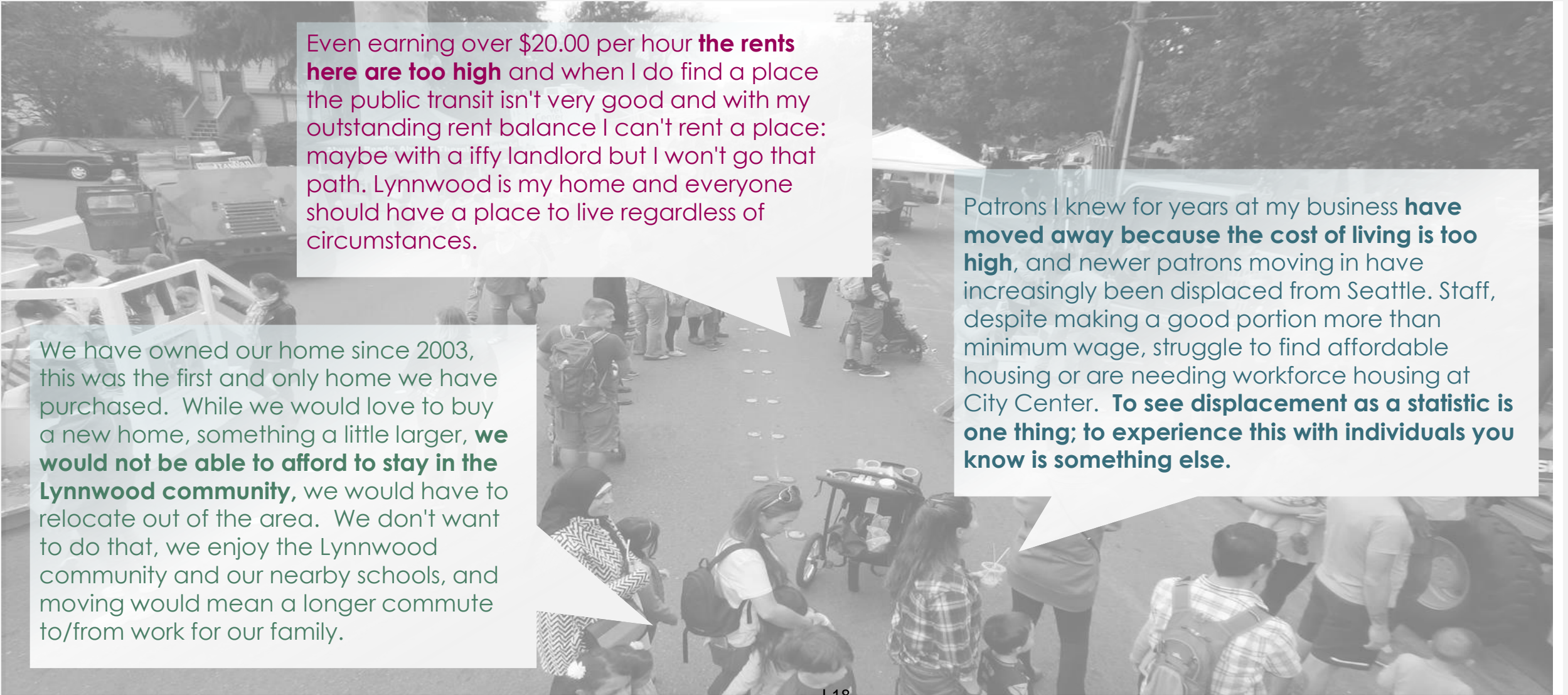
In the past decade, the central Puget Sound region has grown in jobs and population and continues to experience a housing affordability crisis.

Since 2010 Lynnwood home values have increase by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.



Sources: Zillow, 2020; ACS Income 5-year estimates (Table S1901) 2010 - 2018; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 - 2019; BERK, 2020.

J-17



Even earning over \$20.00 per hour **the rents here are too high** and when I do find a place the public transit isn't very good and with my outstanding rent balance I can't rent a place: maybe with a iffy landlord but I won't go that path. Lynnwood is my home and everyone should have a place to live regardless of circumstances.

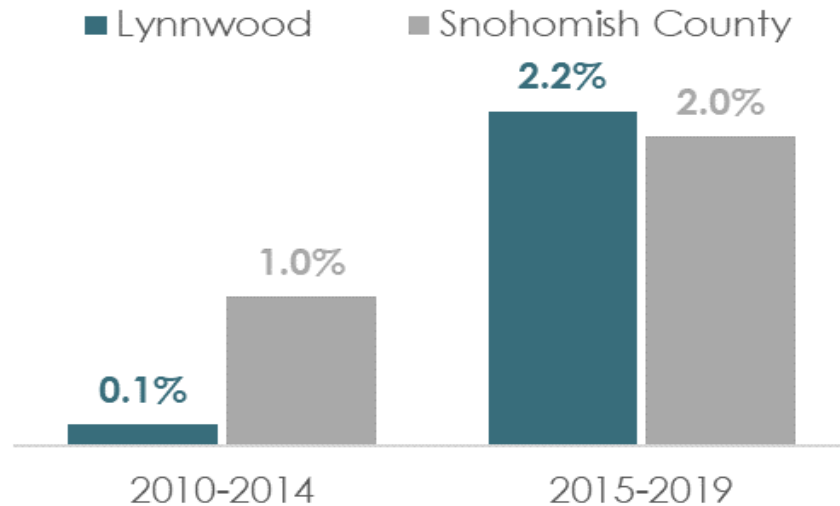
We have owned our home since 2003, this was the first and only home we have purchased. While we would love to buy a new home, something a little larger, **we would not be able to afford to stay in the Lynnwood community**, we would have to relocate out of the area. We don't want to do that, we enjoy the Lynnwood community and our nearby schools, and moving would mean a longer commute to/from work for our family.

Patrons I knew for years at my business **have moved away because the cost of living is too high**, and newer patrons moving in have increasingly been displaced from Seattle. Staff, despite making a good portion more than minimum wage, struggle to find affordable housing or are needing workforce housing at City Center. **To see displacement as a statistic is one thing; to experience this with individuals you know is something else.**

J-18

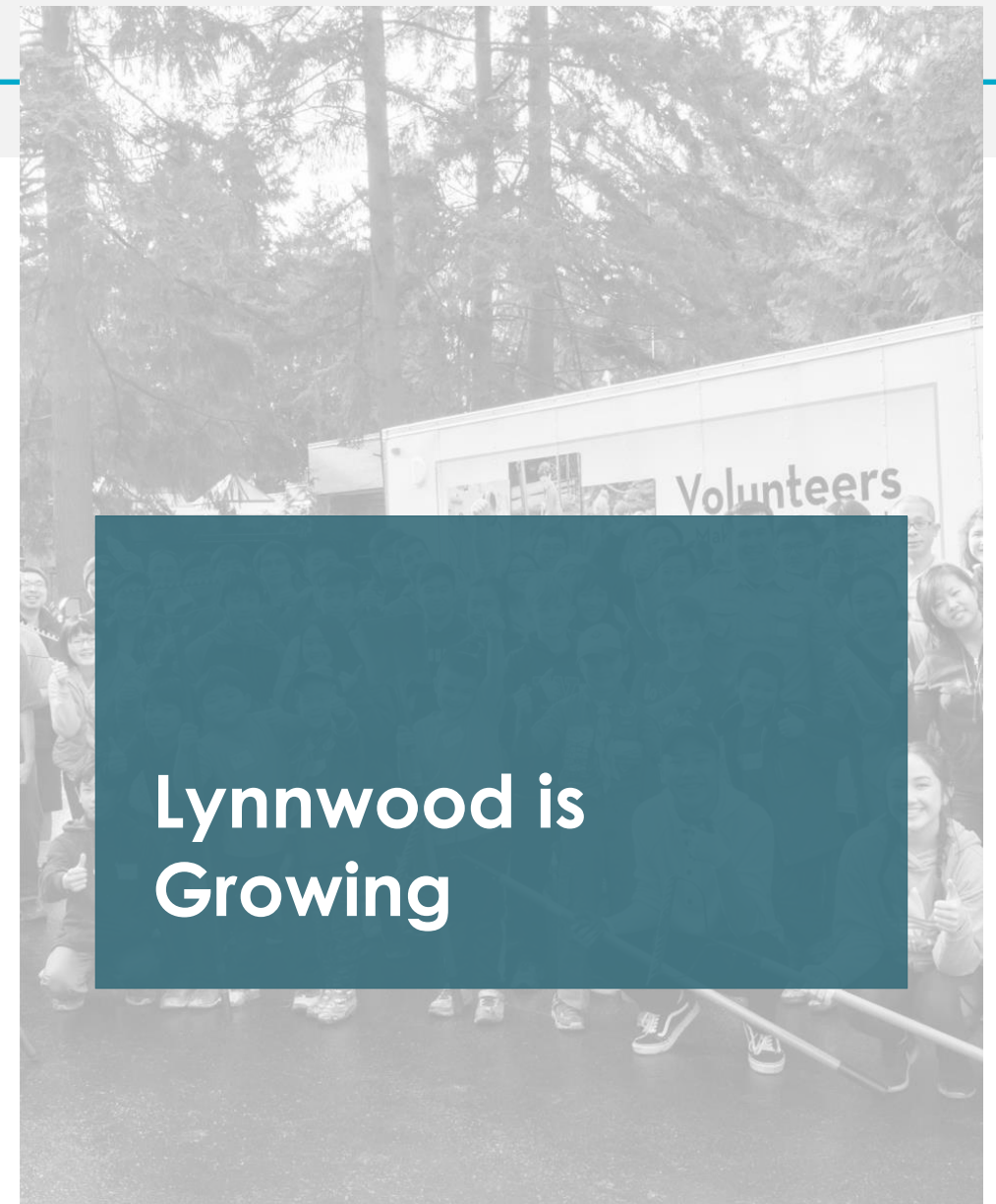
Lynnwood's population growth rate accelerated in the 2015-2019 period. **Housing policy action today will help Lynnwood continue to grow and adapt to community needs in the coming decades.**

Average Annual Population Growth Rates, 2010-2019.

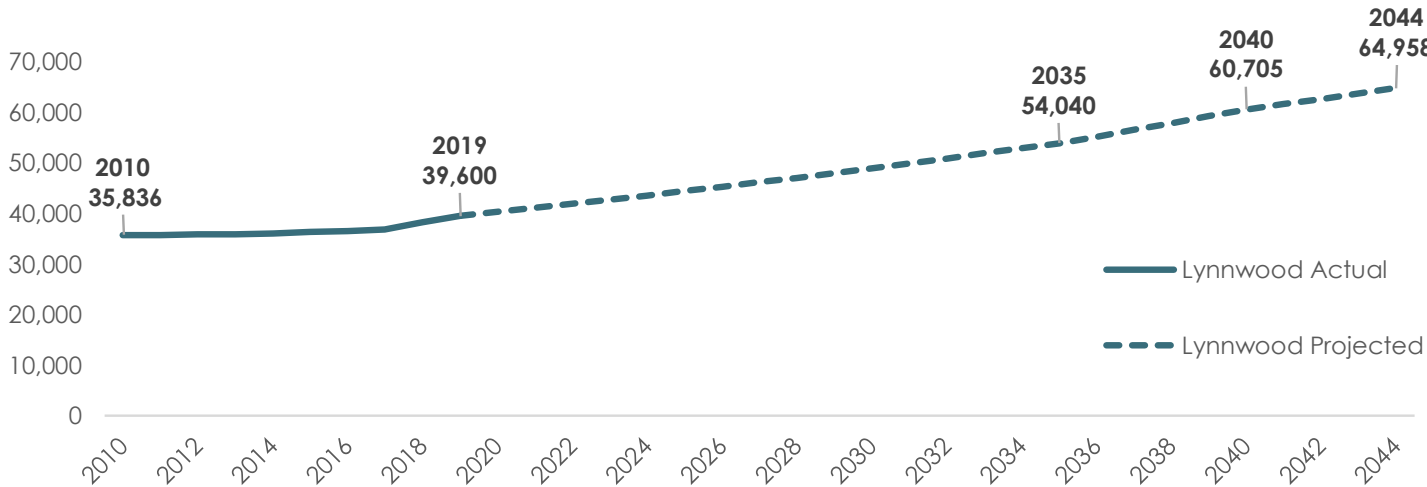


Sources: WA Office of Financial Management, 2019; BERK, 2020.

J-19



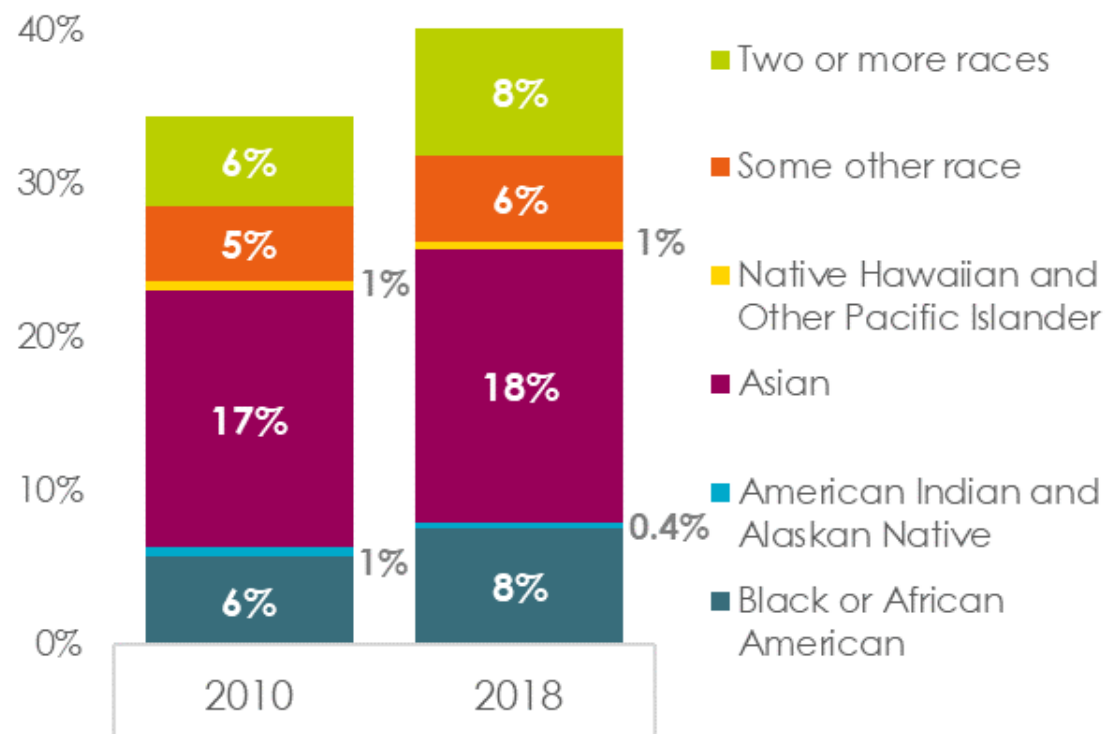
In 2019, Lynnwood had a population of 39,600 people living in roughly 16,350 households. In addition to surrounding regional growth, **Lynnwood is estimated to grow to a population of nearly 65,000—roughly 26,178 households—by 2044.**



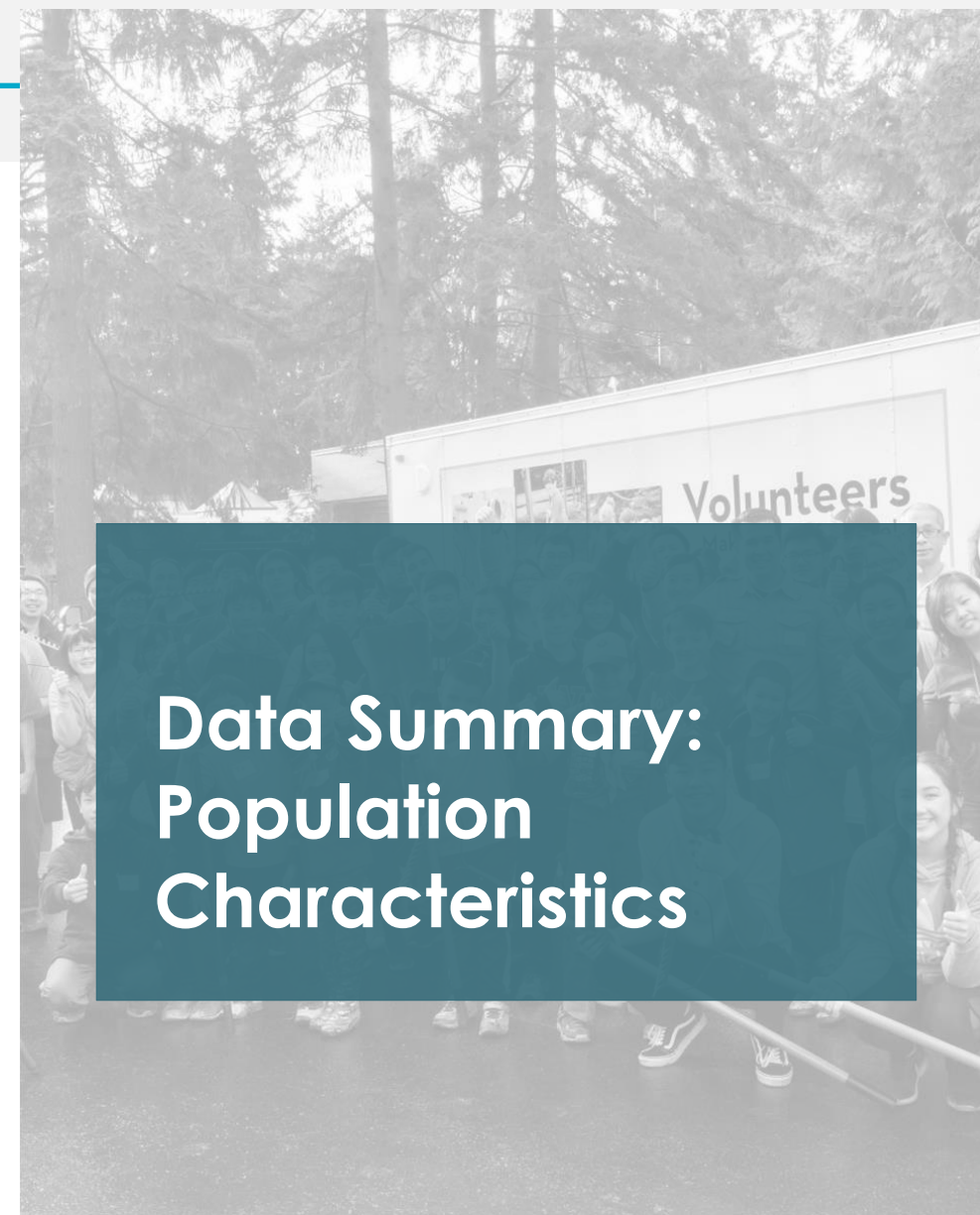
Sources: WA Office of Financial Management, 2019; City of Lynnwood Comprehensive Plan, 2015; PSCR Land Use Vision version 2, 2017; PSCR Draft VISION 2050 Plan (December 2019); Multicounty Planning Policies - Regional Growth Strategy, 2019; BERK, 2020

HOUSING FOR ALL.

Lynnwood is becoming more racially and ethnically diverse. This chart shows Lynnwood's population by race, reflecting an overall 6% increase in the non-White Alone population since 2010. The increase is proportionally highest among residents identifying as Black or African American and Two or more races.



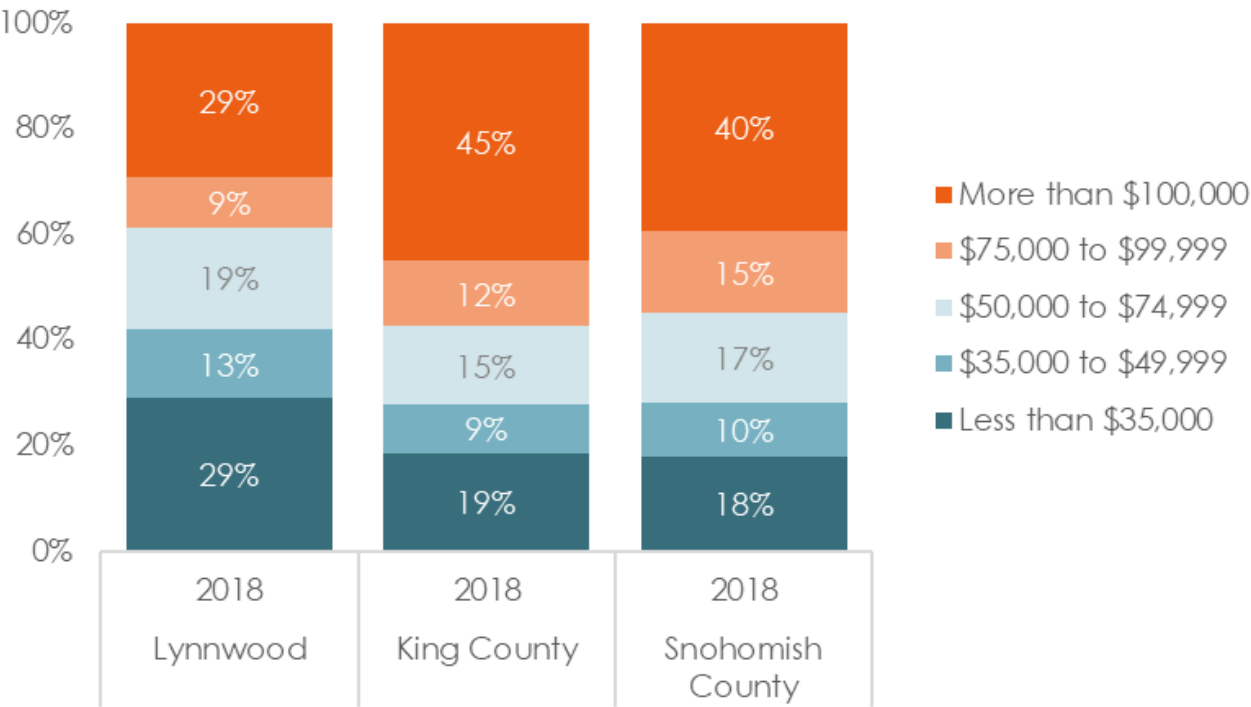
J-21



Data Summary: Population Characteristics

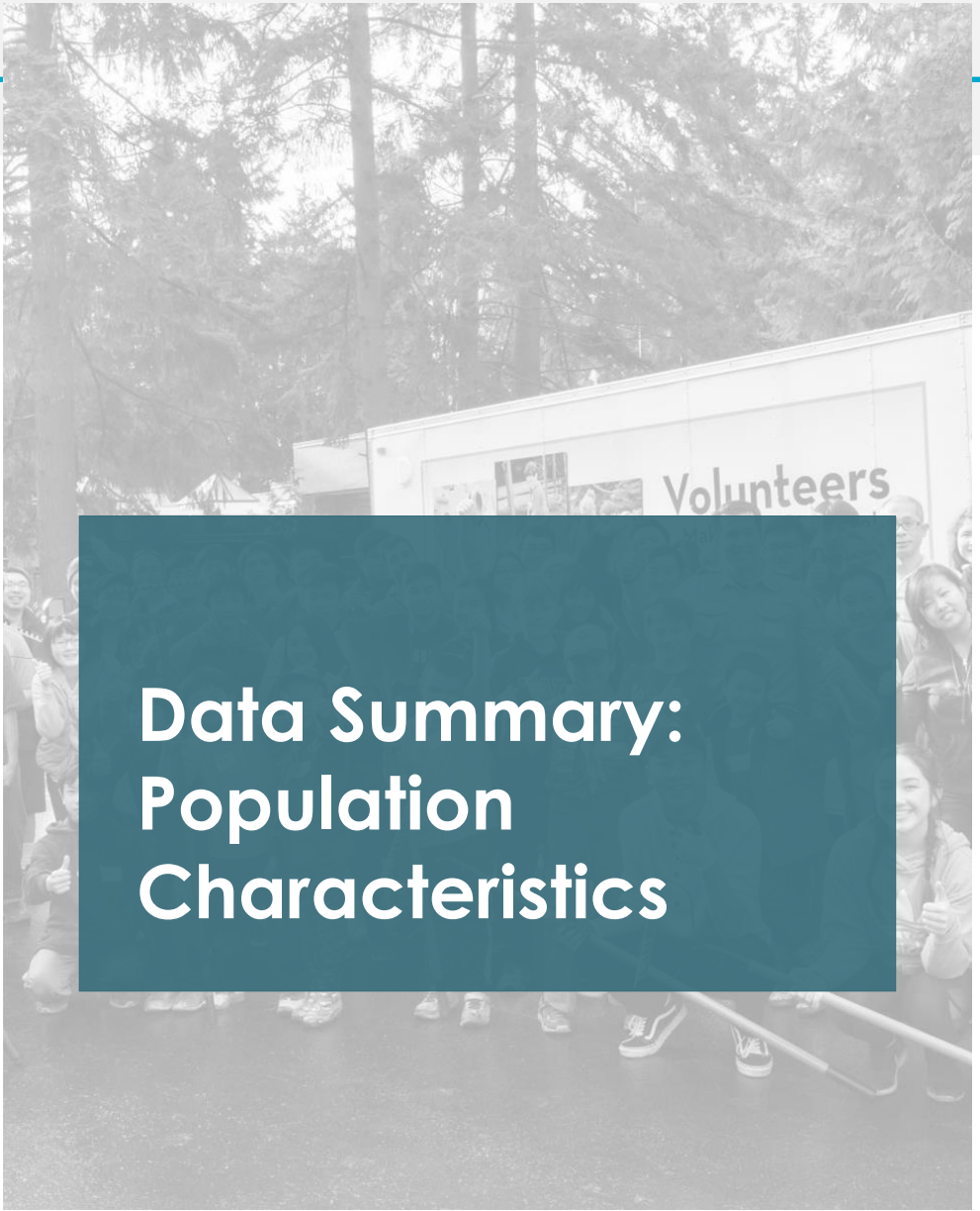
Sources: American Community Survey B02001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Relative to Snohomish and King counties, **Lynnwood has a higher proportion of residents with incomes lower than \$35,000 and a lower proportion of residents with incomes over \$100,000.**



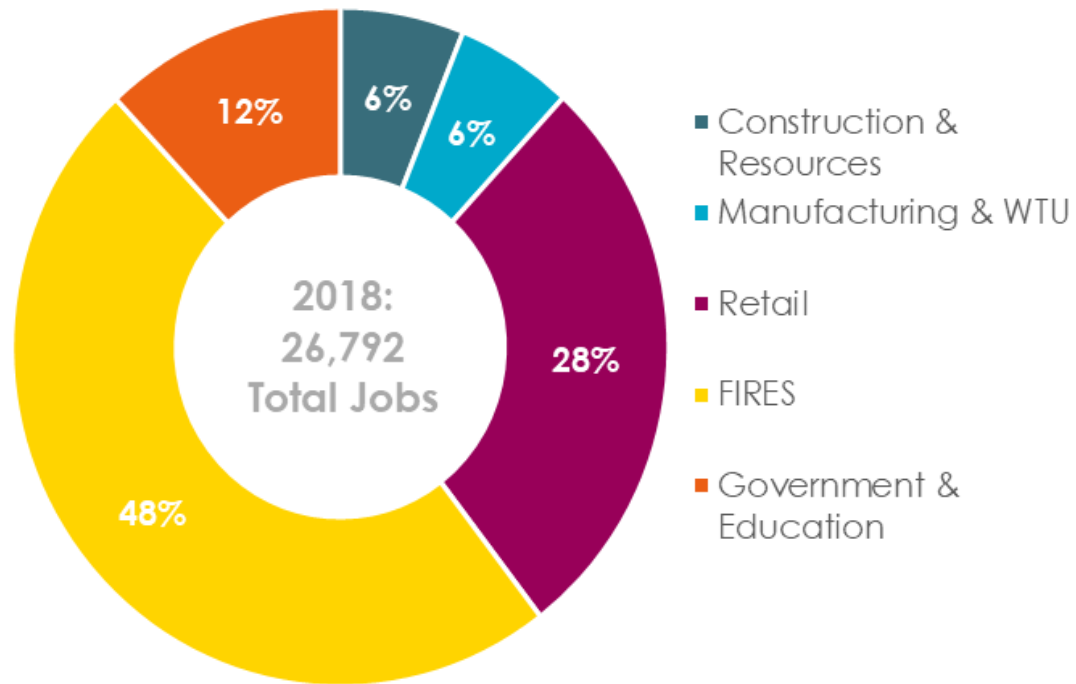
J-22

Sources: American Community Survey B19001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

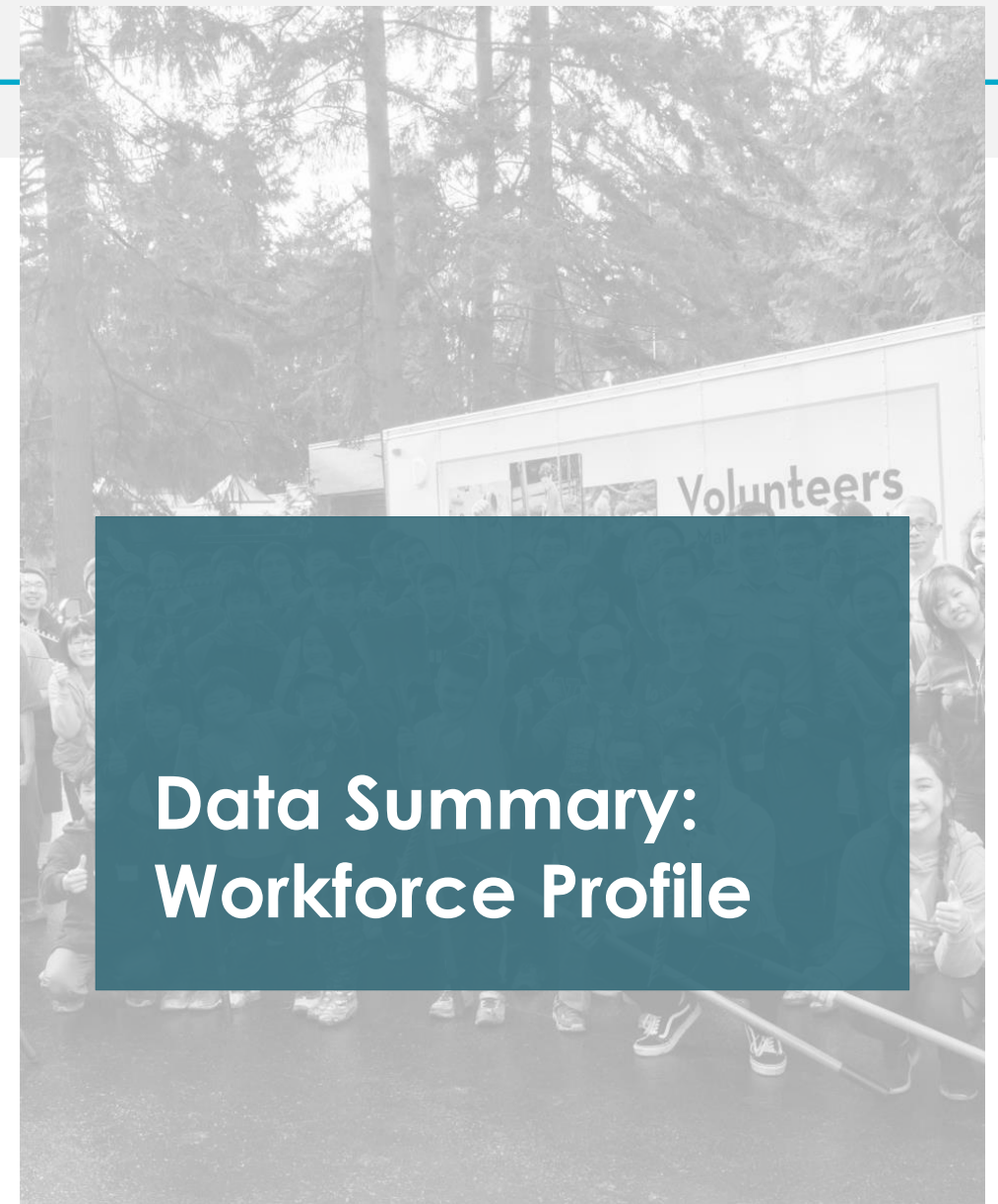


Data Summary: Population Characteristics

Employment in Lynnwood is highest in the Finance, Insurance, Real Estate, and Services (FIRES) sectors, followed by Retail employment.



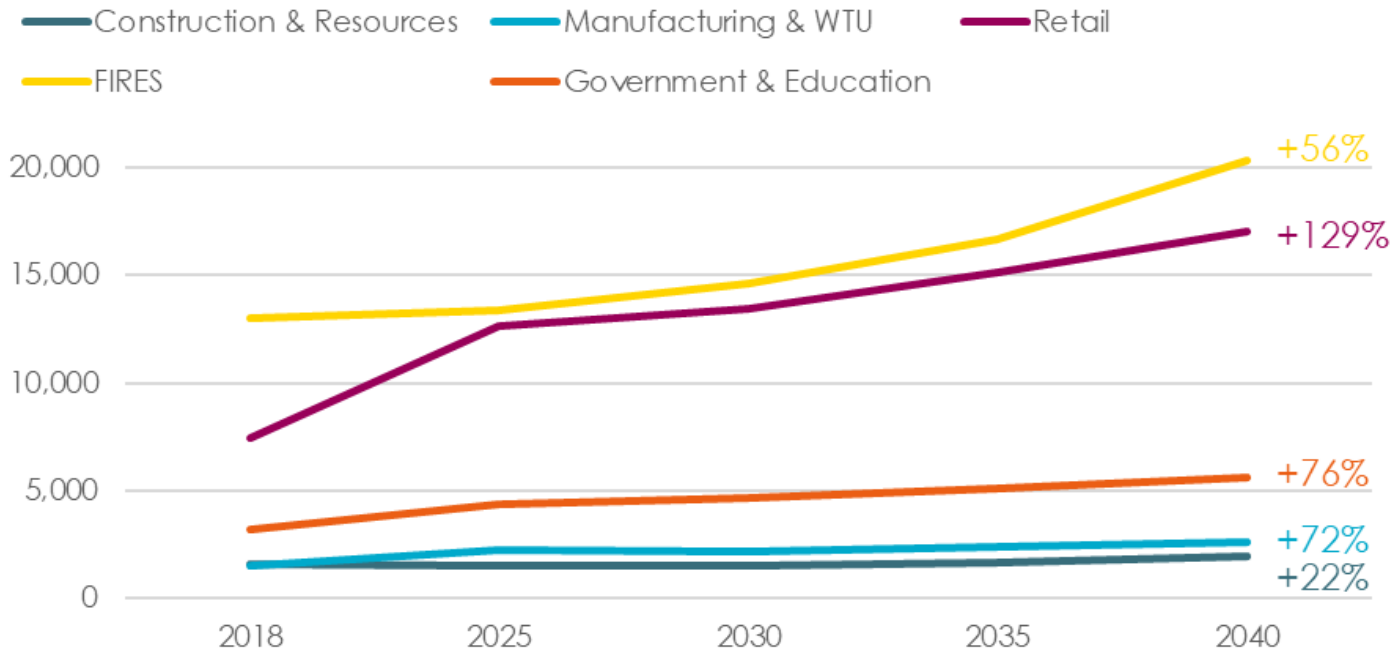
J-23



Data Summary: Workforce Profile

Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020

PSRC forecasts for 2040 anticipate a 78% increase in total Lynnwood jobs compared to 2018 figures. Growth in the retail sector is anticipated, with an estimated 36% share of employment by 2040.

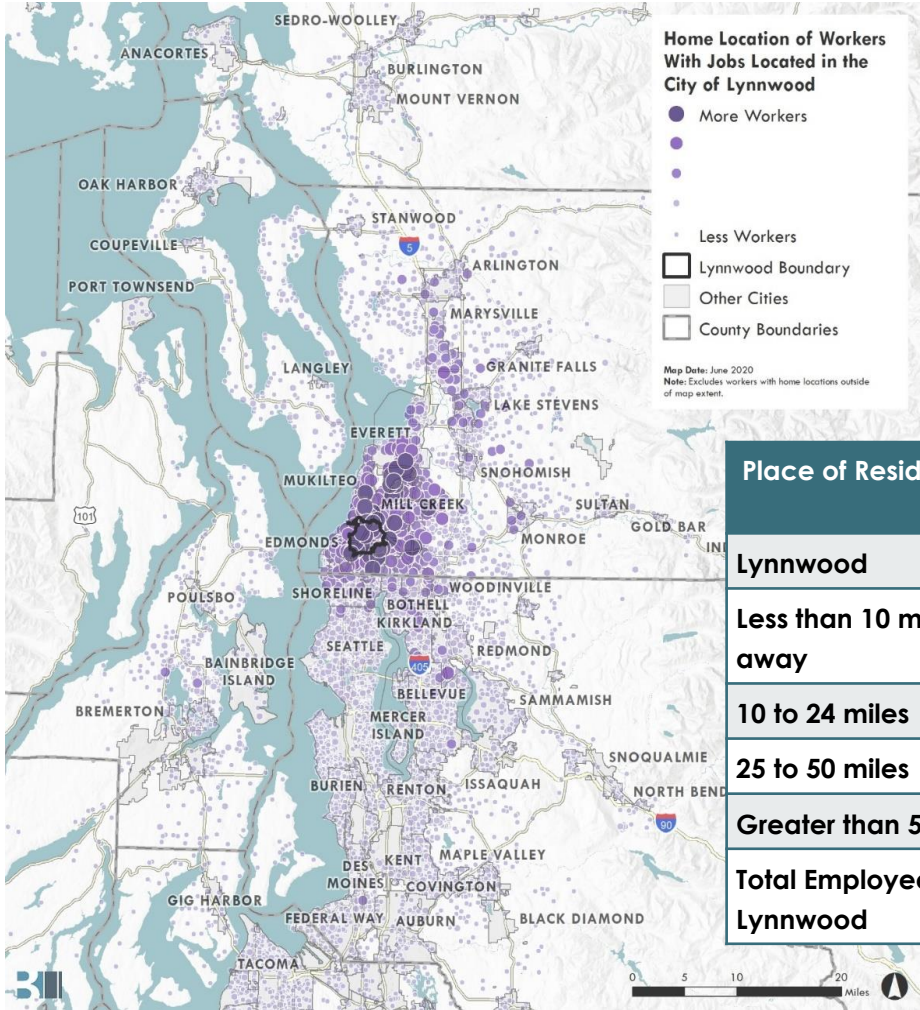


Job loss related to COVID-19 may impact outcomes for Lynnwood's economy, but long-term forecasting often remains reliable despite market shocks during periods of recession.

Data Summary: Workforce Profile

J-24

Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020

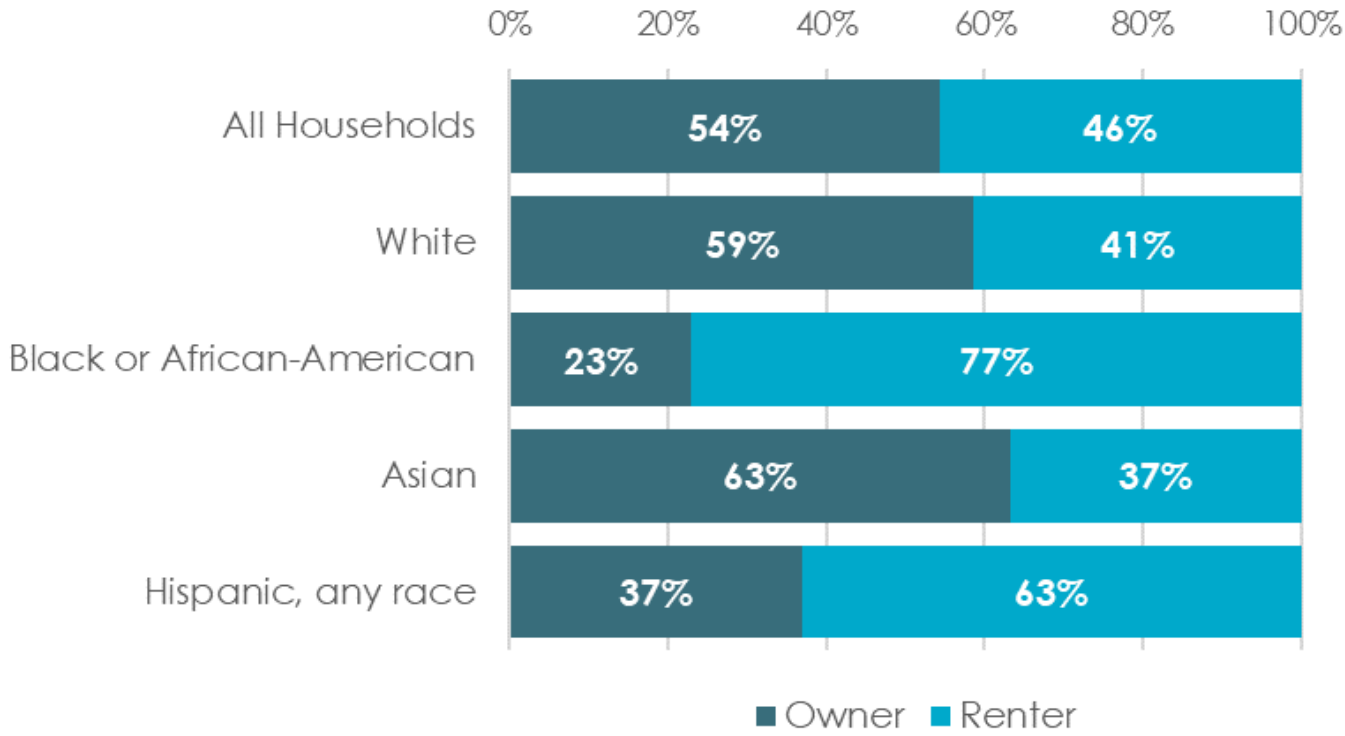


Place of Residence	Employee Count	% Total
Lynnwood	1,940	6%
Less than 10 miles away	13,622	45%
10 to 24 miles	7,918	26%
25 to 50 miles	3,691	12%
Greater than 50 miles	2,891	10%
Total Employees in Lynnwood	30,062	



Data Summary: Workforce Profile

More than half (54%) of Lynnwood's households own their housing while 46% rent. This is lower than King and Snohomish County rates.

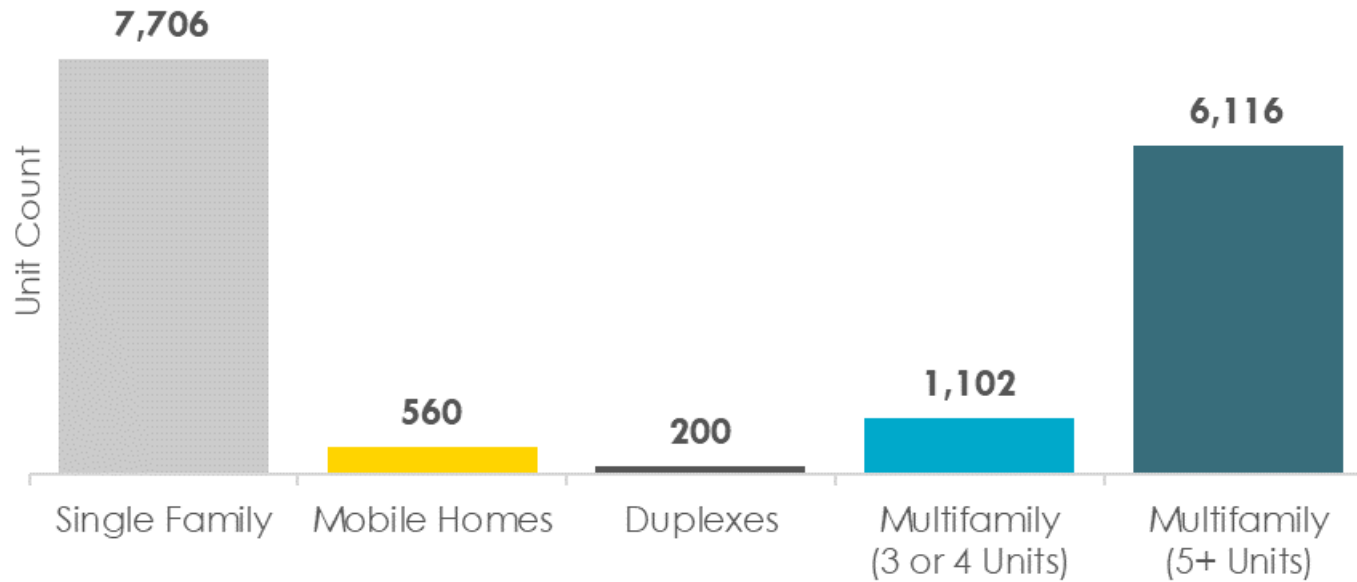


Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity. Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.



**Data Summary:
Housing Inventory**

Single family homes comprise 49% of Lynnwood's housing stock and 84% of Lynnwood's residential land area. The other half is a blend of mobile homes, 2- to 4-plexes, and larger multifamily buildings.



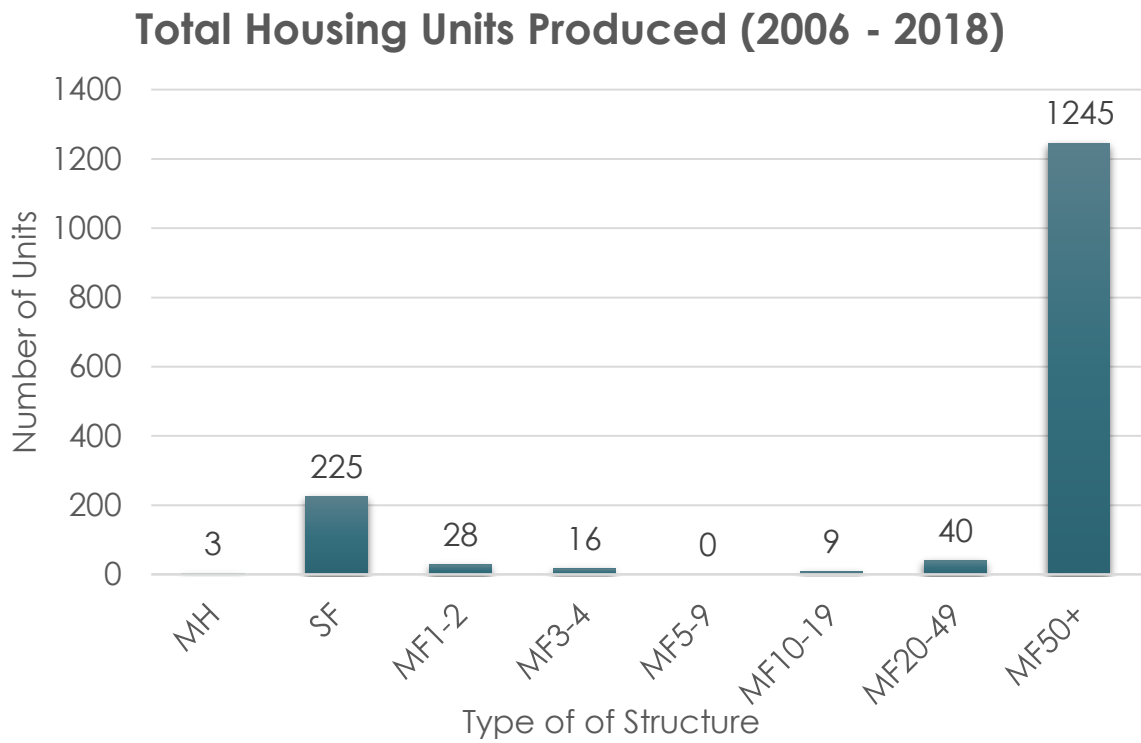
Sources: OFM, 2018; BERK Consulting, 2020.

J-27



**Data Summary:
Housing Inventory**

On average over the last 13 years (2006 – 2018), permits issued for units in Lynnwood have been for units in multifamily buildings with more than 50 units and single-family homes.



Note: PSRC Residential Building Permit Unit Counts are based on permit issue date.
 Source: PSRC Residential Permit Summaries 2006 – 2018; BERK 2020.

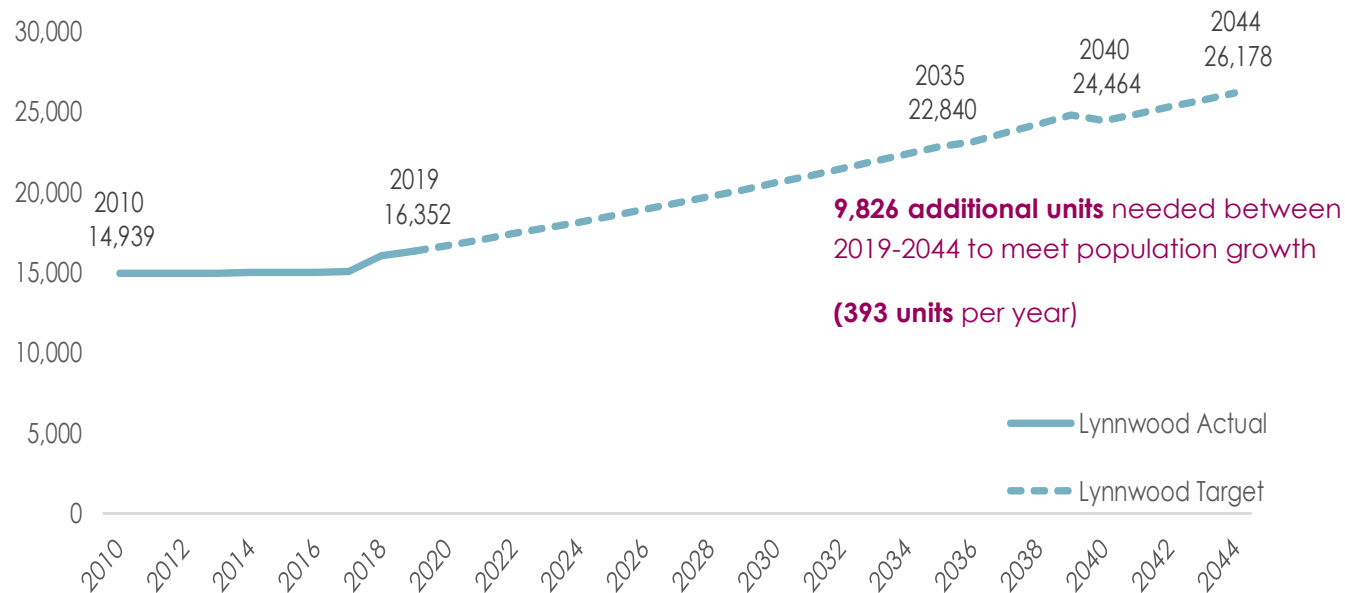


**Data Summary:
Housing Inventory**

Sources: PSRC, 2020; BERK, 2020.

The need for housing units is reinforced by low vacancy rates: **4.4% for rental units** and **1.2% for owner-occupied** (2018 ACS)

Housing Units Needed by 2044



J-29



Sources: Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; BERK, 2020.

- Annual production of housing units from 2013-2020 averaged **291 units**—Lynnwood needs annual average of **393 units** to meet estimated growth by 2044.
- In 2010, **half of households** could afford an average-priced apartment without cost burden—by 2018 only **38% of households** could afford the same apartment without cost burden.
- Estimated costs to buy a home based on 2019 values indicate that **less than 20% of Lynnwood households can afford to purchase an average priced home** without assistance.
- **Workers in Lynnwood face difficulties obtaining affordable housing in the private market.** In 2019, the average monthly rent for an apartment was \$2,001. To avoid cost burden, a household would need to earn \$80,040 annually to afford this rent.

J-30



Data Summary: Gap Analysis

1. Almost 40% of Lynnwood's households are **cost-burdened**.
2. Housing **costs are rising faster than incomes**.
3. Many renters qualify for housing assistance but **lack access to subsidized housing**.
4. **Homeownership is out of reach** for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.
5. White and Black, Indigenous, and People of Color (BIPOC) residents typically live in **separate communities**.
6. Lynnwood's current housing **stock lacks housing type variety**.
7. The pace of housing unit **construction needs to accelerate** to meet expected future demand.



7 Key Findings from Housing Needs Assessment



ENGAGEMENT & OUTREACH

J-32

1. Outreach & Communications

- Project webpage
- Print and social media
- Official notices
- Interested parties list
- Graphic Materials
- Project Kiosk

2. Community & Stakeholders

- Stakeholder Interviews
- Meetings in a Box
- Pop-up Community Events
- Community Meetings
- Small Group Discussions
- Advisory Group Meetings

3. Boards & Commissions

- Joint Boards and Commission Annual Meeting
- Planning Commission
- Diversity Equity and Inclusion Commission
- Human Services Commission³.

4. City Council

- Council Updates
- Council Housing Policy Committee
- Council Interviews

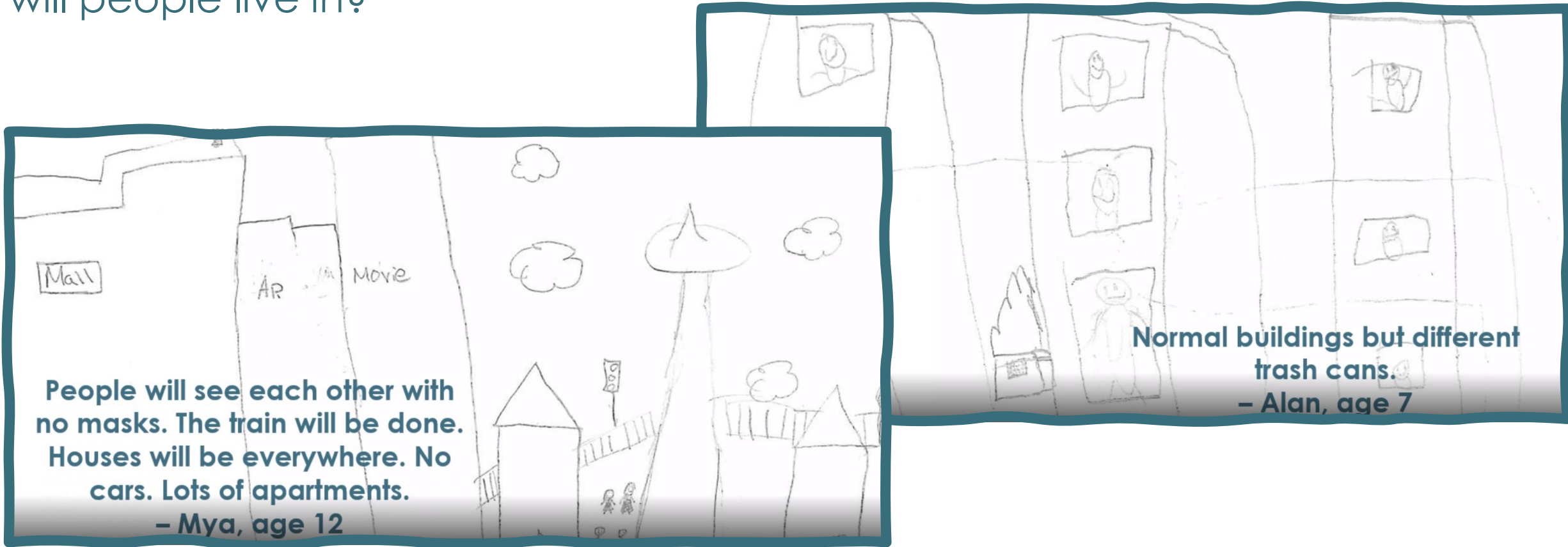
5. Regional Entities

- Snohomish County Housing Affordability Regional Task Force (HART)
- Alliance for Housing Affordability (AHA)
- Puget Sound Regional Council (PSRC)
- American Planning Association (APA)



Engagement Strategies

We asked kids at Kamp Kookamunga “In 2044, what kinds of building will people live in?”



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Online Open House Website

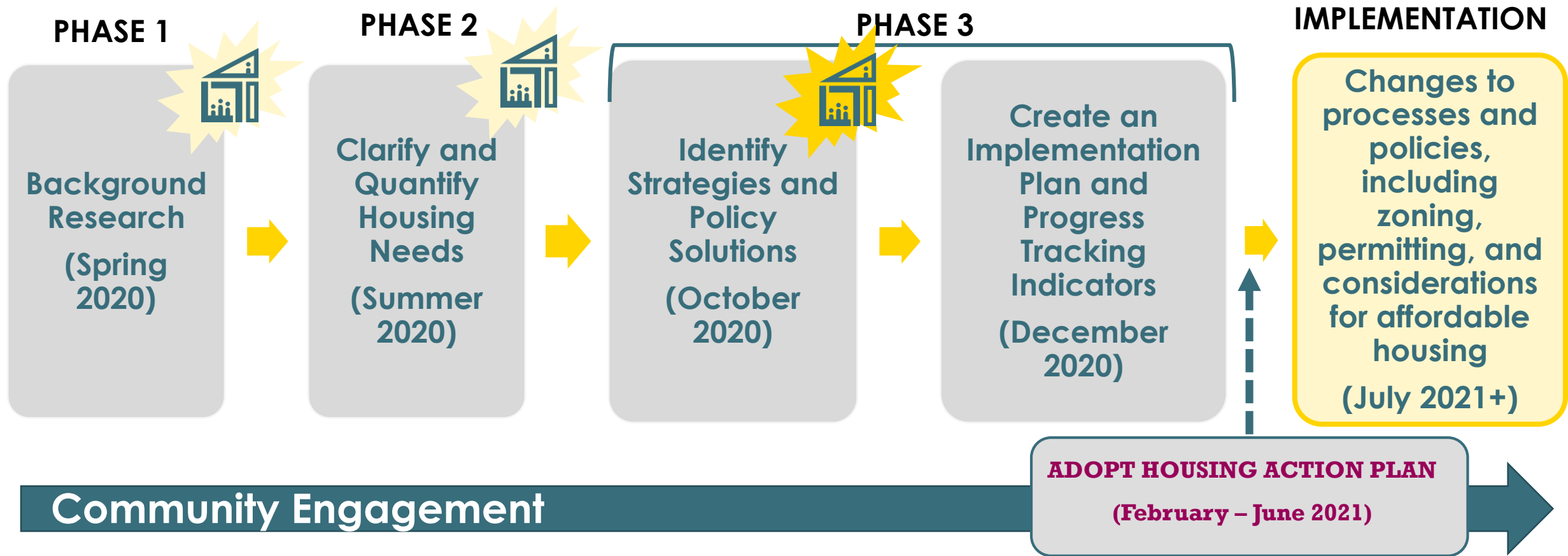
The screenshot displays the 'Online Open House Website' for the Lynnwood Housing Action Plan. The interface features a blue header with the Lynnwood Washington logo and a navigation sidebar on the left. The main content area is titled 'Share Your Thoughts and Ideas!' and includes five interactive buttons: 'Housing Challenges' (exclamation mark), 'What Did We Miss?' (speech bubble), 'What Did You Learn?' (lightbulb), 'What Do You Want To See?' (heart), and 'What's Important?' (handshake). Below these buttons, there are three comment threads, each with a 'View the discussion' button and 'Like/Dislike' options. The comments are as follows:

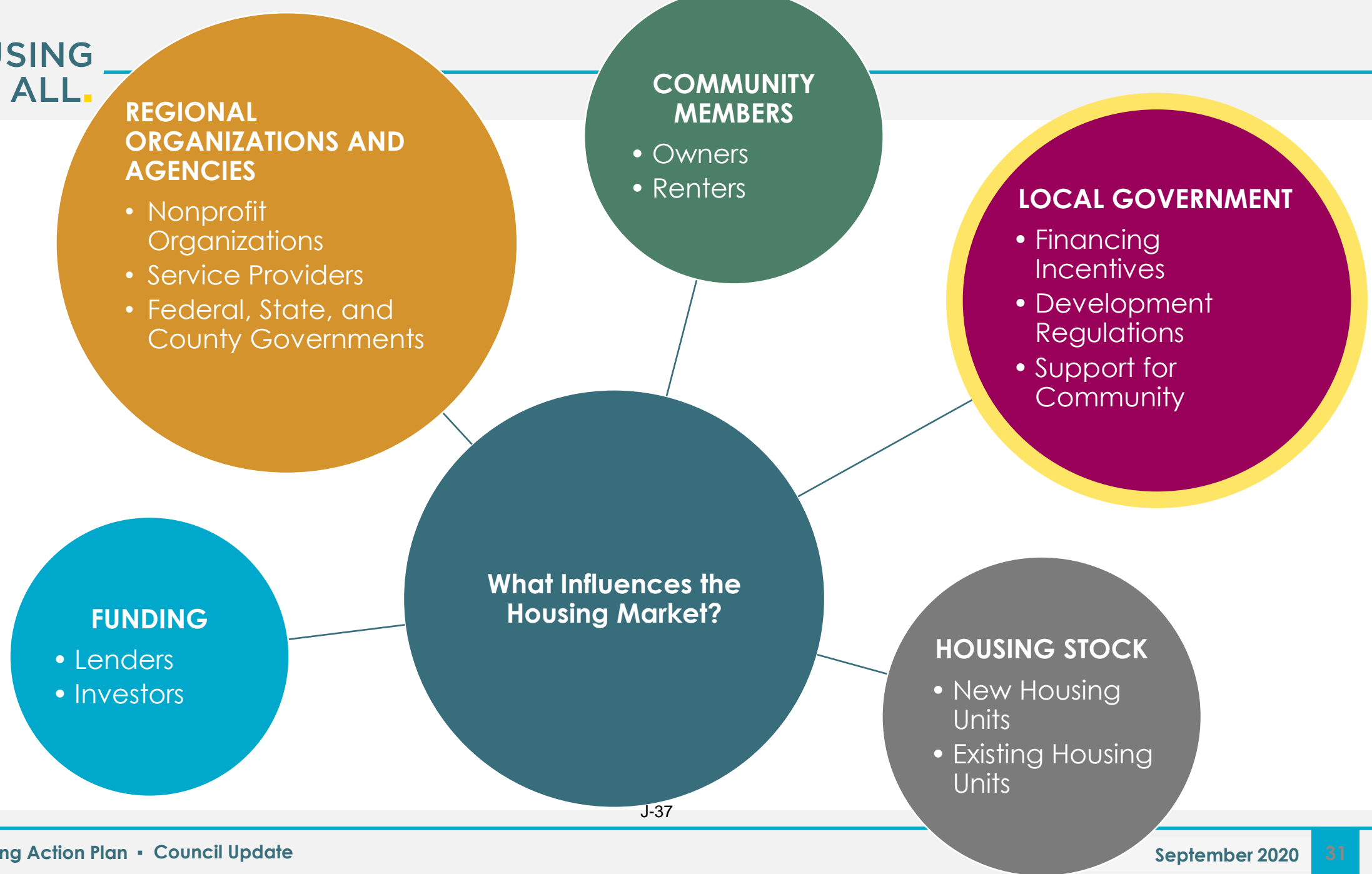
- Comment 1 (Green background):** "After years of shared housing and apartment living I was able to purchase a single family home with a safe back yard, on a quiet street, and good parking. I have now been in this house 32 years and have enjoyed watching several generations of children ride their little bicycles up and down our street. Please understand that single family housing is a legitimate aspirational goal in life and work to protect this valuable community (urban) resource." - Lynnwood Housing Stories
- Comment 2 (Purple background):** "We have owned our home since 2003, this was the first and only home e have purchased. While we would love to buy a new home, something a little larger, we would not be able to afford to stay in the Lynnwood community, we would have to relocate out of the area." - Lynnwood Housing Stories
- Comment 3 (Green background):** "No up zoning of single family areas. No tax increases to support your density increase plan - let the private developers pay for the increased costs they cause."
- Comment 4 (Green background):** "We are small ramblers, very friendly neighbors, we know each other, and I have helped with others kids and watched them grow up. It is a family-oriented street I live on. There have been years that I have been without a car and I have been able to walk to everything I need; thank the Lord. It is a quiet, homey and lovely street. I am beyond grateful." - Lynnwood Housing Stories
- Comment 5 (Green background):** "I moved to Lynnwood when my husband opened a business in town. We rent a house together. I love

The sidebar on the left contains links to 'PROJECT INFORMATION', 'HOW TO USE THIS PAGE', 'HOUSING NEEDS ASSESSMENT', 'SURVEY', and 'HOUSING GLOSSARY'. The top right of the interface shows 'Sort Comments' with options for 'Recent' and 'Pop'.

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Next Steps





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NEXT STEPS

Help us Spread the Word About the Housing Action Plan + Open House

www.lynnwoodwa.gov/housingactionplan

- **August 24 - October 21** – Online Open House #1
- **September 22 (Spanish) and 23 (Korean)** – Live Open House Presentations with Q&A Session
- **October 19, 2020** – Next Council Update



Share the Online Open House Website!

www.lynnwoodwa.gov/housingactionplan



Contact Info

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🌐 <https://www.lynnwoodwa.gov/HousingActionPlan>

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 **LYNNWOOD**
WASHINGTON

HOUSING ACTION PLAN

August 2020 • **DRAFT**

Prepared by:
BERK Consulting
MAKERS

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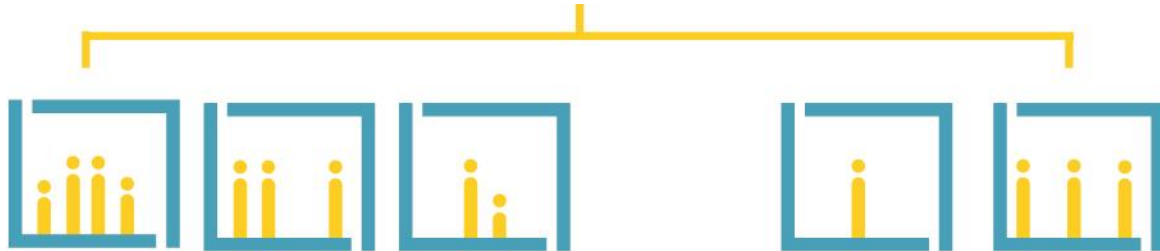
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Glossary

- **ACS: American Community Survey.** An ongoing survey distributed by the Census Bureau to collect important social, economic, housing, and demographic characteristics of the American people. Each year, over 3.5 million households are contacted to respond to the ACS, contrasted with the Census which attempts a comprehensive population count once a decade.
- **BIPOC: Black, Indigenous, and People of Color.** This term is used to refer to non-White populations, with emphasis on Black and Indigenous communities.
- **Ethnicity:** Refers to groups of people who share common ancestry, language, or dialect. There is a wide range of ethnic identities, which may or may not tie to nationality.
- **Housing Affordability:** Broadly speaking, housing affordability speaks to the relationship between housing costs and income. HUD considers housing to be affordable if the household is spending no more than 30% of its income on housing costs, including utilities. Income-restricted affordable housing is one method of achieving housing affordability that involves either publicly owned or publicly subsidized housing.
 - **Cost-Burdened Household:** Households which pay more than 30% of their gross income on housing. This includes utilities. The 30% threshold is set by HUD. Rate of cost burden among households is a metric that gauges the intensity of housing affordability challenges within a community. Cost burden is most threatening for households at lower income levels who will have less money available for other essentials such as food, clothing, transportation, and medical care.
 - **Severely Cost-Burdened Household:** Households which pay more than 50% of their gross income on housing. This includes utilities. This 50% threshold is set by HUD.

- **Household:** The U.S. Census Bureau defines a household as a group of people living within the same housing unit. This can be a person living alone, a family, or a group of unrelated people sharing a housing unit. Those living in group quarters, such as a college dormitory, military barrack, or nursing home, are not considered to be living in households. Households are further broken down as either family or nonfamily.



Family Households: A family household is maintained by a householder who is in a family, defined as any two or more people residing together and related by birth, marriage, or adoption. The count of family household members includes all people living in the household.

Non-family Households: Non-family households are people living alone or living with unrelated persons.

*Distance represents related individuals (clustered people are related; spaced people are not)

- **HUD: The US Department of Housing and Urban Development (HUD)** is responsible for federal housing assistance programs such as [Section 8 vouchers](#) for rental assistance. HUD sets income limits for metropolitan areas and counties across the country which determine eligibility for income-restricted housing units. HUD also sets thresholds to define terms such as “affordable” and “cost burden”.
- **LIHTC: Low-Income Housing Tax Credit.** This is a federal program, administered by HUD, to expand the income-restricted affordable housing stock. Private or non-profit housing developers apply for these tax credits, which are used to help finance multifamily developments that set aside a minimum threshold of units as income restricted for a defined period of time, often 20 years. See [the program website](#) for more details.
- **Lower Market Homes:** This report uses Zillow data to evaluate home prices in Lynnwood. Zillow shows monthly average home values for all homes in a given market, and then also shows average values for what they deem ‘upper tier’ and ‘lower tier’ homes. Lower tier homes are defined by Zillow as those falling within the 5th to 35th percentile range of home values for a given geography. This report looks at these homes as a way to evaluate the affordability of less expensive homes for median incomes in the area.
- **Median Income:** The income level at which half of the group is above and half of the group is below. This calculation is often used instead of an average income to avoid skew by extremely high or extremely low values in the dataset.

- **AMI: Area Median Income.** Most broadly used term for median income calculations. Often, this refers to MFI or HAMFI, but it might also be used to reference city-wide calculations based on ACS household income data.
- **MFI: Median Family Income.** Calculation of the median income for family households. The most widely used MFI calculation is the HUD-area MFI (HAMFI). It is important to note that family households typically have higher incomes than non-family households, so MFI will be higher than median household income in most communities. **In this report, unless otherwise noted, MFI refers to HAMFI.**
- **HAMFI: HUD-Area Median Family Income.** Calculates the median family income for metropolitan areas and counties across the country. These income levels are used to determine household eligibility for income-restricted housing units. Lynnwood, for example, is part of the metropolitan area including King and Snohomish counties. See Exhibit 21 for a summary of income estimates by profession in Lynnwood and their relation to current HUD MFI thresholds.
- **Missing Middle Housing:** Housing options that transition between single family homes and mid- or high-rise multifamily buildings. This includes a diversity of residential housing options, such as cottage homes and stacked or side-by-side multiplexes.
- **Race:** A social identity, with history rooted in oppression and exploitation of non-White populations.
- **Vacancy Rate:** The vacancy rate is the percentage of all housing units that are vacant or unoccupied at a particular time.

**Lynnwood's
2018 ACS MFI
is \$73,865.**

**The 2020
Seattle
Metropolitan
Region's MFI
is \$113,300.**

Executive Summary

This housing needs assessment identifies existing and future housing needs to serve as a foundation for policy recommendations to meet the city's housing needs across the income spectrum. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps.

Lynnwood's population is estimated to grow over the next 20 years. In 2019, Lynnwood had a population of 39,600 people living in 16,352 households. Lynnwood is estimated to grow to a population of nearly 65,000 or 26,178 households by 2044. These demographic shifts impact the type and quantity of housing stock needed for the future. As Lynnwood grows, it is also becoming more racially and ethnically diverse. From 2010 to 2019, there is an overall 6% increase in the non-White population, particularly within the Black or African American and multi-racial populations.

This housing needs assessment reveals Lynnwood's declining housing affordability and a lack of choice for housing types within the local housing stock. Many residents face housing challenges – some have declining social and economic mobility because they cannot afford to move within the city or to a different housing type. Some face housing insecurity while others make tradeoffs to live in housing that does not meet their needs. This needs assessment finds areas of highest need and patterns of racial disparity for Black, Indigenous, and People of Color (BIPOC) residents of Lynnwood. Key findings include:

1. **Almost 40% of households in Lynnwood are cost-burdened.** In comparison, 33% of households in Snohomish County are cost-burdened. HUD defines cost-burdened households using a percentage of income spent on housing or those “who pay more than 30 percent of their income for housing.” Cost-burdened households often find it harder to afford necessities such as food, clothing, transportation, and medical care. In Lynnwood, rates of cost burden are uneven, with the highest cost burdens among households with lower incomes, renters, and adults over 62.
2. **Housing costs are rising much faster than incomes.** With limited supply and increasing demand, home values have dramatically risen over the past eight years (2010-2018). Since 2010 Lynnwood home values have increased by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation. Today, less than 30% of current renters and homeowners can afford the purchase of an averaged priced home in Lynnwood without cost burden.
3. **Many renter households qualify for housing assistance but lack access to subsidized housing.** Overall, 61% of Lynnwood households are considered low-, very low-, or extremely low-income by regional income thresholds. These designations determine eligibility for income-restricted affordable housing units and rental assistance vouchers. Despite efforts by local

housing authorities, many qualified households still cannot receive benefits. While Lynnwood has a high number of subsidized housing units, the need for this housing continues to be higher than available units.

4. **Homeownership is out of reach for a growing proportion of residents, with the largest gaps for Black, Indigenous, and People of Color (BIPOC) communities.** Homeownership is a key source of wealth creation and housing stability for households in the United States. The rates of homeownership among Whites and BIPOC vary widely in Lynnwood, with the largest disparities between White and Black residents. This reflects a legacy of structural policy issues and has significant implications for life outcomes and economic advancement.
5. **Residential patterns reveal that White and Black, Indigenous, and People of Color (BIPOC) residents live in largely separate communities.** The neighborhoods where a higher proportion of BIPOC residents live are more likely to be at risk of economic and cultural displacement.
6. **Lynnwood's current housing stock lacks housing type variety.** Single family homes comprise 49% of Lynnwood's housing stock and 84% of the residential land area. The majority of recent development was for 3,000+ square foot single family homes or larger multifamily (100+ unit) apartments. "Missing middle" housing refers to a diversity of residential housing options that transition between single family homes and high-rise apartments, such as cottage homes, duplexes, and townhomes.
7. **The pace of housing unit construction needs to accelerate to meet expected future demand.** The rate of housing unit production has increased in recent years but falls short of the needed rate to meet growth projections. The average annual production of housing units in Lynnwood from 2013 through mid-2020 was 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. A total of 9,826 additional housing units are needed between 2019 to 2044 to meet population growth.

Introduction

Growth in the region has contributed to increased housing costs and an affordability crisis. Reflecting this regional pattern, over the last decade, rents and house prices in Lynnwood have risen much faster than incomes. Housing is increasingly out of reach for a large portion of the Lynnwood community. Lynnwood needs a shared understanding of the community's diverse needs and opportunities, actionable strategies, and an inclusive, robust public conversation to

create housing options to meet the community's needs.

Lynnwood received a grant from the Washington State Department of Commerce to create a Housing Action Plan by June 2021. The Housing Action Plan will build on and complement city efforts around planning, placemaking and economic development.

The Housing Action Plan will answer these important questions:

- What are the housing needs of Lynnwood's community?
- How much and what types of additional housing will be necessary to meet the diverse needs of all Lynnwood residents?
- How effective are the city's current policies at ensuring adequate and equitable housing options?
- How can the city, residents, and businesses work together to improve Lynnwood's housing options?
- What are Lynnwood residents' preferred strategies for increasing affordable housing?
- How can Lynnwood work with its neighboring communities to meet the need for housing?

This Housing Needs Assessment will address the first two questions and will provide a foundation as the City strategizes to address the remaining questions. A Housing Needs assessment identifies existing and future housing needs to serve as a foundation for policy recommendations to meet the city's housing needs across a variety of income levels. It contains summary data and information about population characteristics, workforce composition, existing housing stock and an assessment of gaps. A housing needs assessment is required by the Growth Management Act (GMA) for Comprehensive Plan Amendments and the City intends to use this HNA to fulfill these requirements.

The Housing Needs Assessment will inform the development of the Housing Action Plan. The Action Plan will identify appropriate strategies to address Lynnwood's specific set of needs and provide guidance on how to implement these strategies. Housing access and affordability are key areas for regional planning and strategies as well that will impact the success of local strategy efforts.

Systemic racism has established patterns of discrimination across social and economic life in the workplace, housing market, education system, and healthcare structure of Washington State. These interconnected systems affect community needs around housing. Given this, equity, especially racial equity, is a key focus of the Housing Action Plan (HAP). This needs assessment was developed in the summer of 2020, as society faced demands for social justice inspired by Black Lives Matter, and the public health challenges of the Coronavirus pandemic. Both of these incidents have spurred community conversations of the systemic racism that permeates our society, including but not limited to housing. The challenge in public policy has always been to

translate this acknowledgement and sense of urgency around action into policy recommendations. In keeping with the goal of the HAP to utilize an equity lens, and to address the challenge of connecting public awareness of racial injustice to public policy, this report highlights inequities, especially by race, across various aspects of Lynnwood's local housing system. The report disaggregates data where possible, by race and other factors, to draw attention to some of the persistent disparities within housing that affect life outcomes, such as residential segregation, uneven homeownership attainment, rental cost burden and housing stability.

Lynnwood Context

Brief Historic Overview

The first people to inhabit Lynnwood were the Snohomish Tribes. The Snohomish used the area that became Lynnwood seasonally to hunt, fish, and gather food. In the Treaty of Point Elliott in 1854, the Snohomish and other tribes of the area ceded their rights to the land to the United States in exchange for a reservation (Tulalip reservation) and for the right to fish and hunt at their accustomed places. This opened the area to European settlers.

Growth in Everett, especially its lumber and shingle mills, drove housing production in the area. The city of Lynnwood incorporated in 1959, primarily to regulate housing construction. Transportation corridors influenced the growth of Lynnwood and its neighborhoods starting with the Interurban rail system, then Highway 99, and finally Interstate 5. The intersection of transportation and housing continues to shape Lynnwood's growth today as the city plans for light rail expansion and future growth.

Similar to cities across the nation, structural racism in housing also impacted the growth and development of Lynnwood. For decades, structural racism in the local housing market contributed to stark and persistent disparities.

American public policies over the years have displaced and encouraged Native Americans to relocate, first from traditional lands to reservations, and then from reservations to urban centers, causing economic hardships and housing instability that persists today. Other communities, especially Black communities, have also experienced and continue to experience the effects of racist public policies.

As noted in the sidebar, redlining was one example of these policies, but several policies overlapped to create and sustain housing disparities for communities of color. While the government promoted suburbanization, BIPOC communities were not allowed to access suburban home ownership. Starting in the 1930s, and until 1968, the Federal Housing Administration (FHA) guaranteed bank loans to builders on condition that no homes be sold to African Americans. The Housing Acts of 1949 and 1954 contributed to the use of urban renewal by cities to create racially separate neighborhoods. Through the Federal Highways Act of 1964, the US government constructed new highway systems, often through BIPOC communities, to ensure access to job opportunities in urban cores for predominantly White commuters from outlying suburbs.

Redlining

Nationally and locally, a long history of housing market discrimination and public policies, both implicit and explicit, have created a high degree of residential segregation by race and ethnicity.

For more than thirty years, starting in 1934, the Federal Housing Authority steered banks away from issuing mortgages to prospective buyers in majority black neighborhoods. The FHA refused to insure mortgages in and near black neighborhoods, a policy known as "redlining," that takes its name from the red color on the maps of the areas in and around black neighborhoods that the FHA deemed too "risky."

During this time, the FHA also subsidized builders who produced large subdivisions, with the requirement that none of the homes be sold to Black buyers.

These policies increased and segregated housing.

Population Characteristics

Current and Future Population

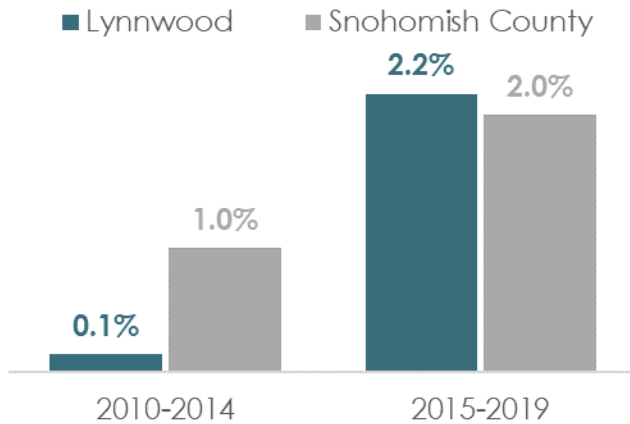
In 2019, Lynnwood had a population of 39,600 people living in 16,352 households. Lynnwood is estimated to grow to a population of nearly 65,000, or roughly 26,178 households, by 2044¹. See Exhibit 2. As Lynnwood's population grows, it is changing. **Lynnwood now has more family households and larger family sizes:** households with children have increased from 29% to 33% of households. This can be attributed in part to the large millennial generation aging into marriage and parenthood.

The large baby boomer generation is also aging, reflected by an increase in the number of households with older adults (65+). In particular, there is an increase in older adults living alone. See Appendix A for tables summarizing household and family types in Lynnwood.

The growth rate in Lynnwood dramatically increased over the past 5 years (2015-2019), as shown in Exhibit 1 **Error! Reference source not found.** From 2010-2014, Lynnwood's growth was far below the average countywide growth rate. It has surpassed average countywide growth rates for 2015-2019. According to PSRC estimates, growth is anticipated to remain at this elevated pace through 2044. Rapid growth will create the need for additional housing units and a range of services.

¹ This assumes that the relationship between households and total population stays the same in 2044 as it is in PSRC LUV2 data for 2040.

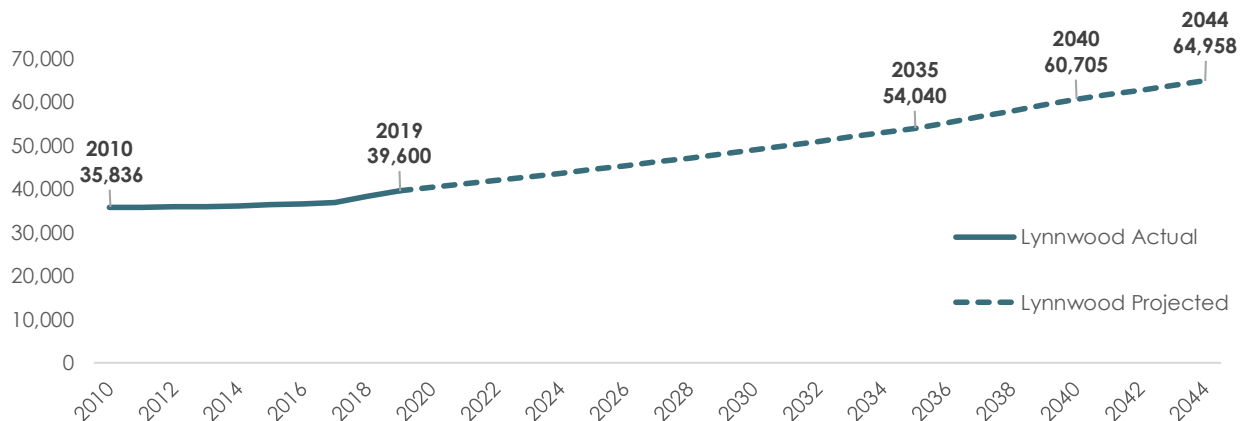
Exhibit 1: Average Annual Population Growth Rates, 2010-2019.



Sources: WA Office of Financial Management, 2019; BERK, 2020.

Lynnwood's population growth rate accelerated in the 2015-2019 period. Planning and visioning efforts, especially around planning for the City Center and future light rail in the early 2000's laid a policy foundation for accommodating growth and attracting development to the city. Housing policy action today will help Lynnwood continue to grow and adapt to community needs in the coming decades.

Exhibit 2: Historical and Projected Population in Lynnwood, 2000-2035.



Note: The 2035 projection is based on the adopted growth target in Lynnwood's Comprehensive Plan. The 2040 projection is based on PSRC's LUV2. The 2050 projection is based on PSRC 2050 Vision population for Snohomish County Core Cities (Bothell and Lynnwood and apportioned to Lynnwood based on existing population share). The 2044 projection is based on a linear projection from PSRC LUV 2 projection to PSRC 2050 Vision.

Sources: WA Office of Financial Management, 2019; City of Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; PSRC Draft VISION 2050 Plan (December 2019); Multicounty Planning Policies - Regional Growth Strategy, 2019; BERK, 2020.

By 2032, Lynnwood's population is anticipated to cross the 50,000-person threshold which marks eligibility for Community Development Block Grant (CDBG) funds. The CDBG program works to

ensure decent affordable housing, provide services to vulnerable individuals, and create jobs through the expansion and retention of businesses. CDBG is an important tool for helping local governments tackle serious challenges facing their communities. CDBG funding and grants can implement policies and programs related to housing.

Age

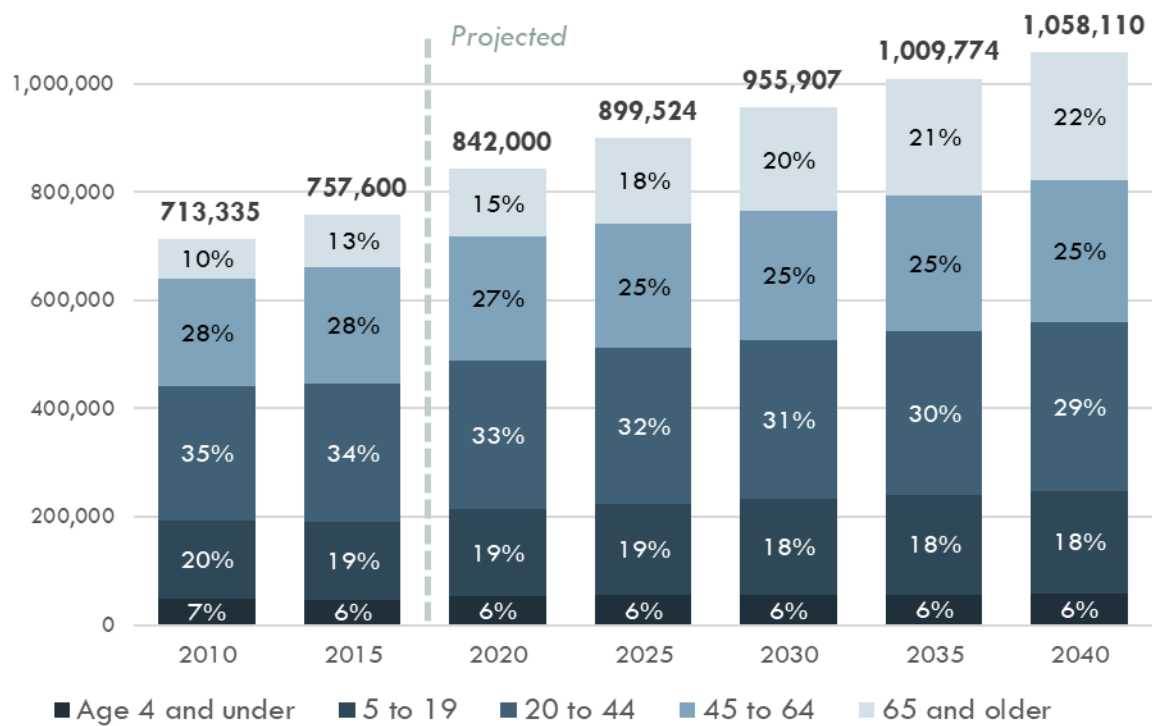
As Lynnwood grows, demographic shifts are likely to impact the housing types needed. **Error! Reference source not found.** summarizes growth estimates by age cohort for Snohomish County. Lynnwood currently has a similar proportion of age cohorts as the county with small variations. Lynnwood has a higher proportion of adults over the age of 70 (12% in the city compared to 9% in the county for 2018) a higher proportion of residents aged 40 – 49 (15% compared to 12%) and a lower proportion of residents aged 30 – 39 (12% compared to 14%). See Exhibit 3

These forecasts emphasize future demand for housing units suitable for older adults and a continuing need to attract young adults and families to Lynnwood. The following changes are expected for the 2015-2040 timeframe:

- School-aged children (19 and under) are expected to maintain a relatively consistent proportion of the population, at 24%.
- The working aged population (20-64) will decrease from 62% to 54%. This reflects the large Baby Boomer generation aging out of the workforce and into retirement.
- Older adults (65+) will increase from 13% to 22% of the population.

These demographic trends indicate consistent demand for family-sized housing and housing for older adults. While the housing needs of older adults include a diverse range of preferences, the proportion of older adults who live alone increases with age. Many also have lower, fixed incomes and higher disability rates compared to younger adults or those who live in larger households. Affordable, accessible housing with supportive services will likely be a growing need for this demographic.

Exhibit 3: Population Projections by Age Bracket, Snohomish County.



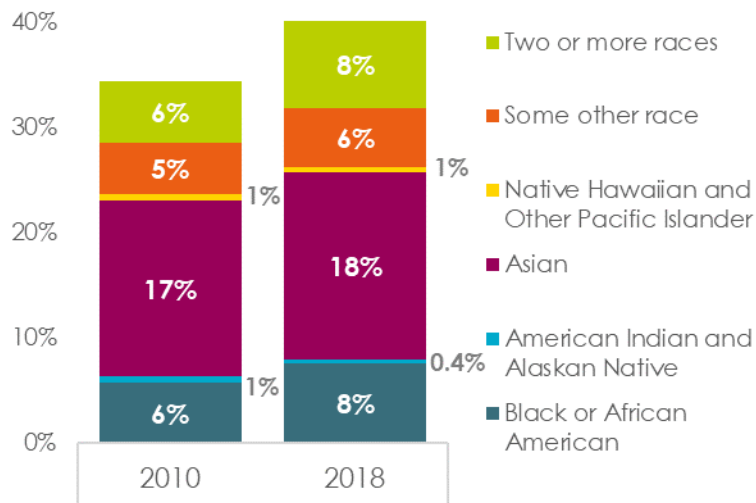
Sources: WA Office of Financial Management, 2019; BERK, 2020.

Race and Ethnicity

Lynnwood's population is becoming more racially and ethnically diverse. Exhibit 4 shows that nearly 40% of Lynnwood's population is non-White alone, reflecting an overall 6% increase since 2010. The increase is proportionally highest among residents who identify as Black or African American and two or more races. Exhibit 5 highlights ethnicity and the sizable Hispanic population in Lynnwood (15% in 2018).

Lynnwood is also home to a diverse foreign-born population (29% of total population in 2018). These residents are most commonly from Asia, Latin America, and Europe.² The most commonly spoken non-English languages include Spanish, Korean, Vietnamese, Chinese, and Tagalog (See Exhibit 7).

Exhibit 4: Race for Non-White Alone Populations in Lynnwood, 2010 & 2018.



Sources: American Community Survey B02001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

² American Community Survey DP02 5-year estimates, 2014-2018

Race and Ethnicity

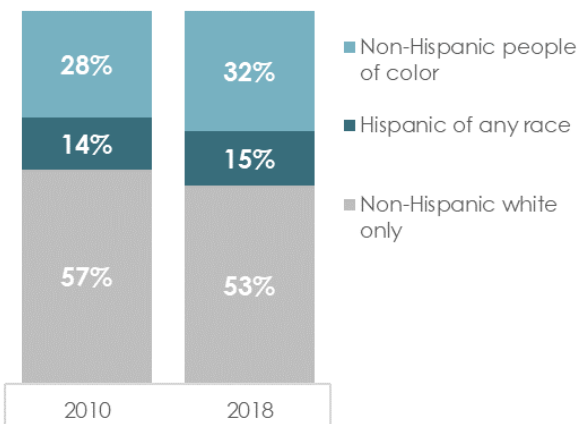
Race and ethnicity are distinct concepts. The Census asks individuals to select an identity for each.

Race is a social identity, with history rooted in oppression and exploitation of non-White populations. The Census offers six racial identities, and people can choose one or more: White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Other.

Ethnicity refers to groups of people who share common ancestry, language, or dialect. There is a wide range of ethnic identities, which may or may not tie to nationality. The Census asks respondents to identify as Hispanic or non-Hispanic, referring to people with ties to Central or South America.

-Sources: [Census Bureau](#), [Encyclopedia Britannica](#)

Exhibit 5: Race and Ethnicity in Lynnwood, 2010 & 2018.



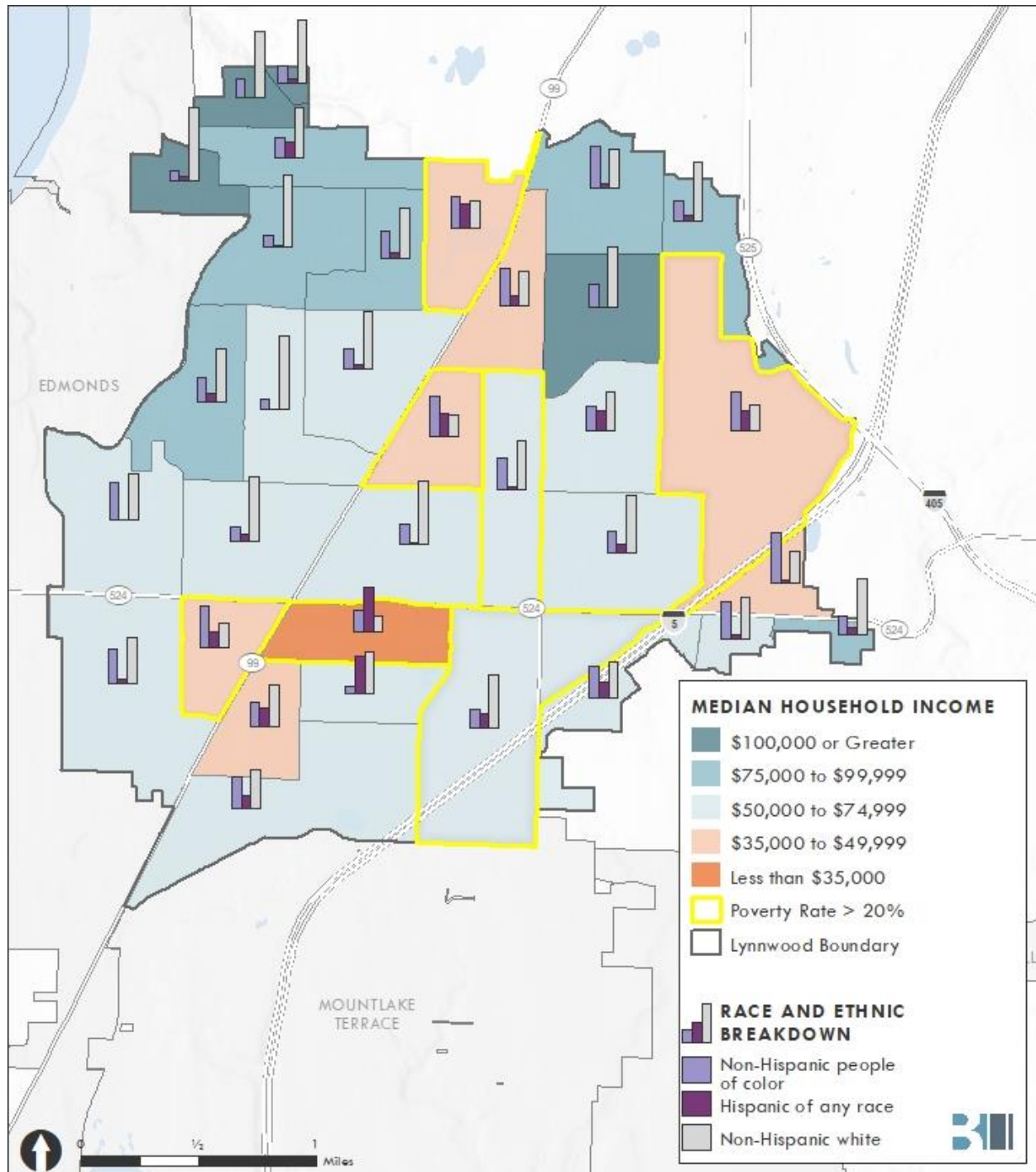
Sources: American Community Survey B03002 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Racial segregation in housing has a long and established history across the United States. Highway corridors cut through BIPOC-majority neighborhoods. Denser clusters of multifamily housing – both separated from single family residential neighborhoods and located closer to environmental hazards – is a common residential pattern. Pockets within cities with wealthier White residents speak to the legacy of exclusionary policies and practices.

Lynnwood residential patterns reflect geographic separation by economic status and race/ethnicity. Exhibit 6 illustrates the geographic distribution of Lynnwood residents by income, race, and ethnicity. Lower income block groups, indicated in orange, are located along the Highway 99 and I-5 corridors. These areas are also more diverse, with 73% of residents identifying as BIPOC. The highest income block groups, indicated with darker blue shading, are 78% White. Whiter, wealthier communities are most common in the north and west.

Lynnwood's population density varies widely across the city. Appendix B summarizes demographic information for the five most populous block groups (out of 33 total), which account for 30% of Lynnwood's population. Four of the five block groups are BIPOC-majority areas, indicating that people of color are more likely to live in denser areas than White residents.

Exhibit 6: Race, Ethnicity, and Income by Census Block Group in Lynnwood, 2018.



Notes: Block group boundaries do not align perfectly with city boundaries. Data from areas outside of Lynnwood within shown block groups are included with this dataset. Poverty rate as determined by the [Census Bureau](#), calculated by comparing annual income, family size, and the Consumer Price Index.

Sources: American Community Survey 2014-2018 5-year Estimates; BERK, 2020.

Language Spoken at Home

The US Census asks respondents to identify the language spoken within their home and to rate their level of English proficiency. The table below shows the top languages residents speak with their families at home and, for speakers of those languages, the percentage who report speaking English less than “very well”. Residents who have difficulty speaking English may face barriers in the local housing market that affect their ability to find and maintain housing. See Exhibit 7.

Exhibit 7: Top Non-English Languages Spoken at Home and Proportion Speaking English Less Than “Very Well”

Rank	Language	Non-English home language population	Speaks English less than “very well” population
TOTAL COUNT		12,420	5,780
1	Spanish	26%	25%
2	Korean	11%	17%
3	Vietnamese	8%	11%
4	Chinese (incl. Mandarin, Cantonese)	8%	10%
5	Tagalog (incl. Filipino)	8%	6%

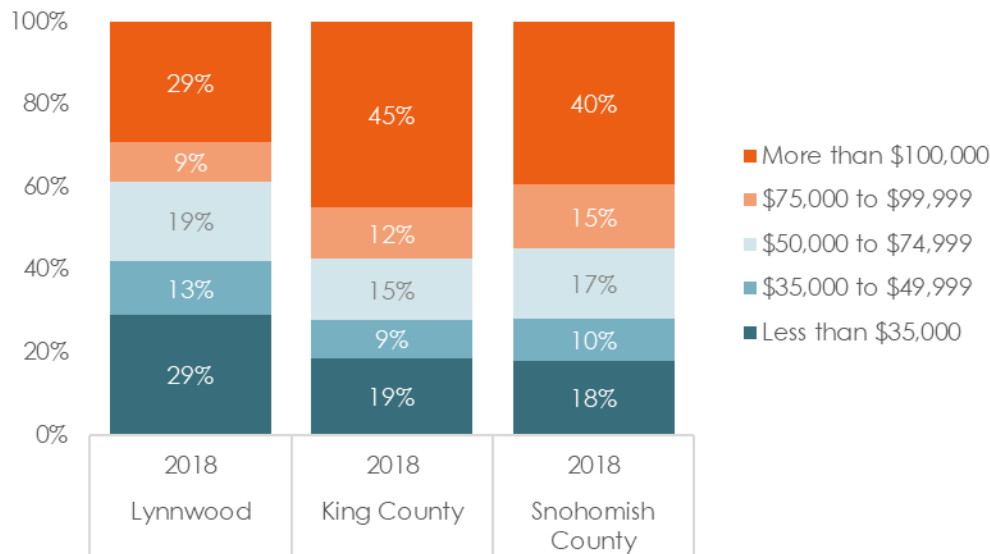
Sources: American Community Survey 5-year estimates (2014-2018), 2020; BERK, 2020.

Households

Household Income

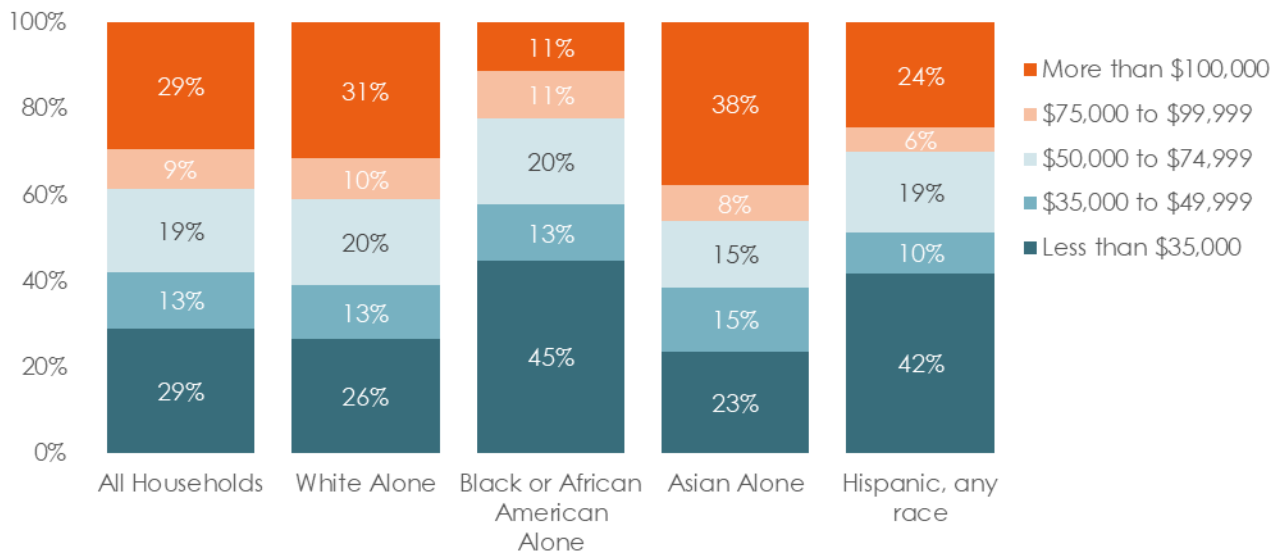
Relative to Snohomish and King counties, Lynnwood has a higher proportion of residents with incomes less than \$35,000 and a lower proportion of residents with incomes above \$100,000. Median household incomes vary by ethnicity, as shown in Exhibit 8. A larger proportion of Hispanic and Black households have income less than \$35,000. A smaller proportion of Hispanic and Black households have income higher than \$100,000.

Exhibit 8: Household Income Levels for Lynnwood, King County, and Snohomish County, 2018.



Sources: American Community Survey S1901 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

Exhibit 9: Lynnwood Household Income Levels by Race and Ethnicity, 2018.



Sources: American Community Survey B19001 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

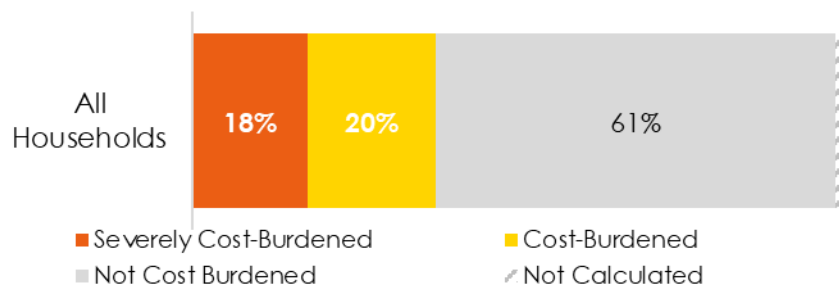
Cost Burdened Households

Cost Burden by Income Level

The combination of lower household incomes and dramatically rising housing costs results in cost burden for many Lynnwood households. Cost-burdened households spend more than 30% of their monthly income toward housing costs, and severely cost-burdened households spend more than 50%. High rates of cost burden signal a lack of affordability in the housing market. These households must make difficult choices in prioritizing purchases for other necessities such as food, healthcare, and childcare to make ends meet. Cost burdened households are at higher risk of displacement and housing instability with rising rents, property tax increases, or other life circumstance changes.

Given the lag in data collection, HUD's cost burden estimates are based on 2016 ACS surveys. **It is likely that experienced rates today are higher than shown here**, given the widening gap between incomes and housing prices in recent years (see Exhibit 10).

Exhibit 10: Rates of Cost Burden in Lynnwood, 2016



Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates), BERK, 2020. Note: 'Not Calculated' represents households with no or negative income.

Measuring Cost Burden

This report uses HUD's methodology for gauging housing cost burden among Lynnwood households. This is a widely used but imperfect metric based on the 30% threshold negotiated in Congress in 1969. The metric does not account for differing needs by household type – whether that includes medical bills, childcare, or transportation costs—or the variation in cost of living across geographies. The cost burden metric also sets a flat rate across income brackets, while proportional increases in housing costs affect lower income households dramatically and may simply represent amenity preferences for higher income households. Low-income households who are not “cost burdened” may be settling for substandard housing conditions to afford other necessities.

-Source: [HUD Office of Policy Development & Research](#)

Effects of cost burden are most concerning for low-income households, where there simply is not enough money to meet basic family needs after housing costs.

Three quarters of extremely low-income households and 60% of very low-income households are cost-burdened, compared to 5% for households above the median income. These households are also much more likely to be severely cost-burdened, as shown in Exhibit 11. Housing cost burden has serious consequences for health and well-being, particularly for young children or older adults, with higher needs for adequate nutrition and medical care. A household earning \$50,000 per year and living in an average priced apartment in Lynnwood has just over \$2,000 per month to cover food, healthcare, transportation, education, childcare, and any discretionary spending.

Exhibit 11: Snohomish County Income Levels, 2020

Income Level	2020 Income
Extremely Low-Income ($\leq 30\%$ MFI)	\$33,990 or less
Very Low-Income (31-50% MFI)	\$33,991 - \$56,650
Low-Income (51-80% MFI)	\$56,651 - \$90,640

Sources: WSHFC, 2020; BERK, 2020.

Cost Burden by Race and Ethnicity

Housing cost burden estimates disaggregated by race and ethnicity result in high margins of error at the city level for Lynnwood. However, income brackets identified in Exhibit 9 reveal that the percentage of Black or African-American and Hispanic households who fall into lower income groups is substantially higher than rates for White and Asian households (45% and 42% compared to 26% and 23%, respectively).

Housing Discrimination

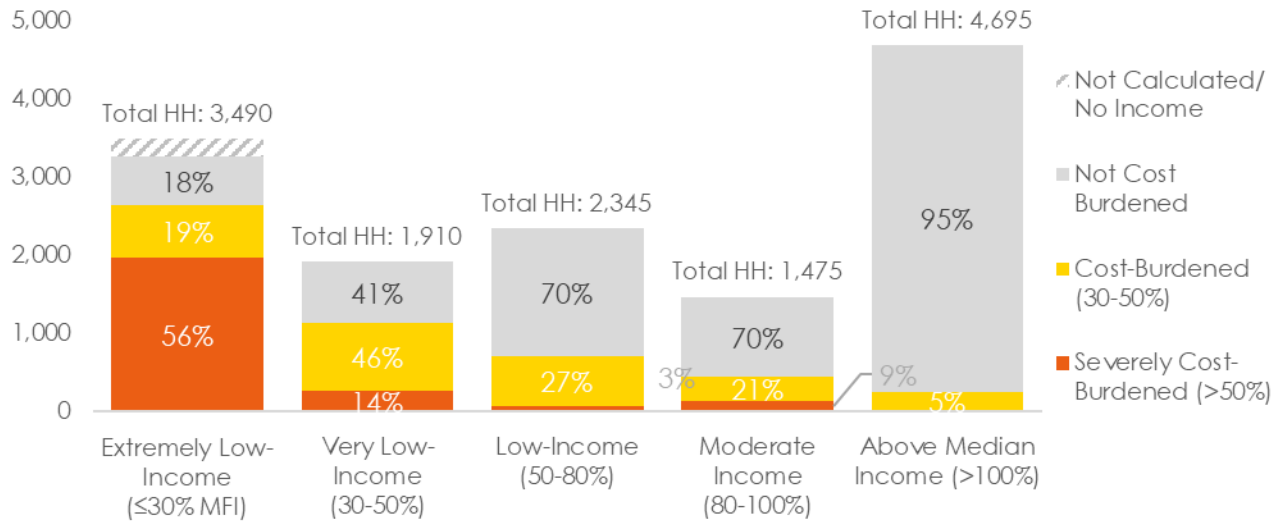
Through engagement for the HAP, stakeholders revealed that many Lynnwood residents report experiencing discrimination in the housing market, but few know what to do. This finding is supported in the data gathered by the 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium.

One-third of residents who responded to the resident survey conducted for the study reported experiencing housing discrimination in the past. These residents largely had low incomes, and they reported race or ethnicity, familial status and disability as common reasons for discrimination.

Findings from engagement for the HAP align with findings from focus groups conducted for the 2012 study: Hispanic and African American residents described rental situations they experienced that appear to be discriminatory. These included landlords falsely claiming vacant units are not available, being told by landlords that they won't rent to families with children, landlords terminating leases before they are up, and landlords refusing to address maintenance issues such as mold.

Source: 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium

Exhibit 12: Cost Burden Status by Income Level, Lynnwood Households, 2016.

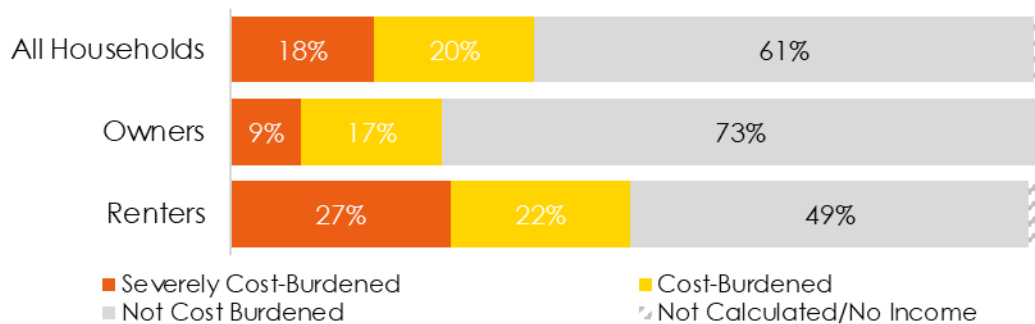


Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Cost Burden by Occupancy

Renters are more likely than homeowners to experience cost burden. Half of Lynnwood renter households experience moderate or severe cost burden, compared to 26% of homeowners.

Exhibit 13: Household Occupancies by Cost Burden in Lynnwood, 2016.



Sources: HUD CHAS Table 8 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Households with Special Needs

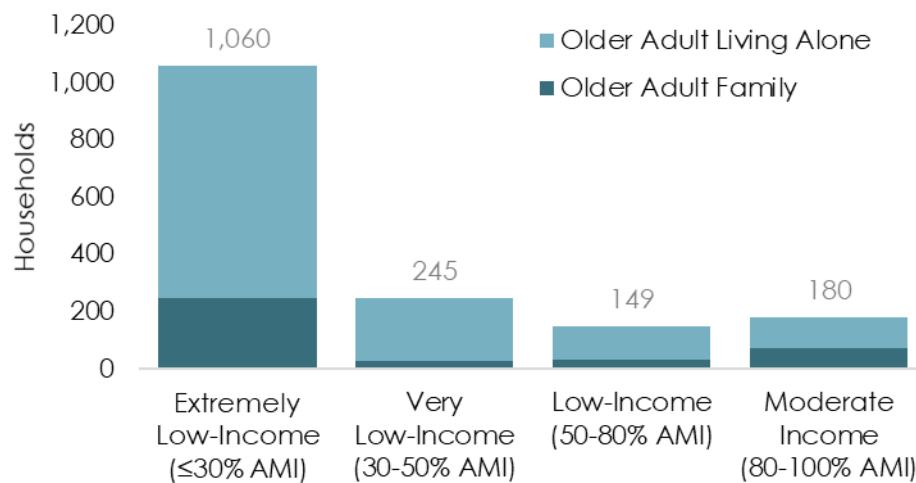
Older Adults

Older adult (62+) households account for 30% of all extremely low-income households in

Lynnwood. Rates of cost burden are particularly high among adults over 62 who live alone, 54% compared to 38% for the household population overall. **Over 1,400 older adult households in Lynnwood are both cost-burdened and low-income.**

Many older adult households represent individuals who are retired and rely on social security checks, retirement income, and accumulated wealth that must be budgeted over an undetermined length of time. These resources will vary widely from one household to the next and are not easily captured by Census data. These individuals may also require costly medical care or household assistance, which can further strain finances. Those who live alone are particularly vulnerable to financial shocks, as they may not have the community and family support networks of others. As older adults become a larger demographic in Snohomish County, and likely in Lynnwood, public support for housing, transportation, and healthcare needs become increasingly important.

Exhibit 14: Cost-Burdened Older Adult (62+) Households in Lynnwood, 2016.



Sources: HUD CHAS Table 7 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

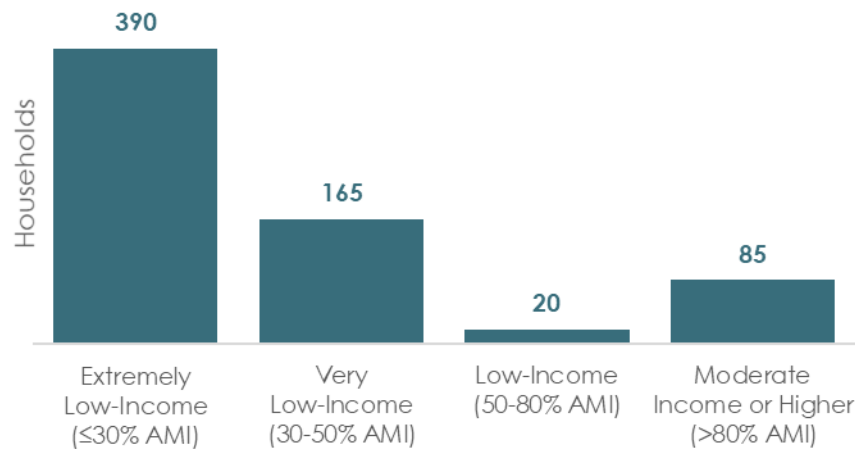
The share of older adults living alone increases with age, with a large proportion of those over 75 living alone. This is important to note since many individuals who live alone at this age also develop disabilities and have lower incomes. This is a countywide issue, and studies have shown that shortages of accessible housing and limited access to transit combine to create housing challenges for older and disabled adults.³

³ Source: Housing America's Older Adults, Joint Center for Housing Studies of Harvard University, https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Housing_Americas_Older_Adults_2019.pdf

Disabled Adults

Income-restricted subsidized housing is often a good fit for low-income older and/or disabled households, and many older residents meet the income thresholds for this housing. However, the existing stock of subsidized housing for older adults and/or individuals with disabilities does not meet current needs. When one factors in the need for accessible units, the shortage widens. Quantitative data on this topic is not extensive but does show that extremely low-income households with a member with a cognitive limitation face more housing unit problems, including cost burden. See Exhibit 15.

Exhibit 15: Households with One or More Housing Unit Problems* and a Member that has a Cognitive Limitation, 2016.



*Housing unit problems include lacking complete plumbing facilities, lacking complete kitchen facilities, overcrowding, or cost burden more than 30%.

Sources: HUD CHAS Table 6 (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Subsidized Housing

Households that spend more than 30 percent of their income on rent, utilities, and other housing expenses qualify for federal housing assistance through the Section 8 Housing Choice Voucher (HCV) program. The Housing Choice Vouchers (HCV) program provides tenant-based and project-based assistance that housing authorities administer to qualifying households. Subsidized housing is also created and preserved through the Low-Income Housing Tax Credit (LIHTC) program. These tax credits are used for the acquisition, rehabilitation, or construction of rental housing targeted to lower-income households. The HUD Section 202 program provides funds to finance the development of affordable housing with supportive services for older adults. Rental assistance is also provided as part of this program.

HUD evaluates household income eligibility for housing assistance programs at the regional level (for more information about regional income metrics, refer to the HUD-area MFI definition in the glossary). Since Lynnwood has more households at lower income levels, high rates of its population are classified as low-income by HUD metrics. Overall, more than half of Lynnwood households (61%) are designated as low-, very low-, or extremely low-income by HUD standards. This figure increases to 76% when looking specifically at renter households. Despite efforts by local housing authorities, many qualified households still cannot receive benefits.

Based on regional thresholds, 5,120 low-income renter households in Lynnwood qualify for income-subsidized housing, either through income-restricted affordable units or market-rate rental housing vouchers.

Currently, Lynnwood has 2,222 units of income-restricted housing and 1,330 vouchers for subsidized units. See Exhibit 16. Vouchers can be used in subsidized units or in market rate housing, so estimating the total number of subsidized units in Lynnwood is challenging. **These numbers suggest that somewhere between 1,750 and 3,000 qualified renter households are not receiving housing subsidies, making these residents particularly vulnerable to cost burden.**

Exhibit 16. Summary of Subsidized Housing in Lynnwood, by Program Type.

Program	Unit Count	Description
Section 8 Vouchers	1,330	Housing Choice Vouchers (1,225) can be used in market-rate or income-subsidized units
HUD 202 Rental Assistance	115	Qualified recipients are very low-income and aged 62+
Income-Restricted Housing Units	78	Units owned by public housing authorities
LIHTC Units	2,144	Affordability covenants on these units will have an expiration date

Source: Housing Authority of Snohomish County (HASCO); 2020

Exhibit 17 shows a summary of housing vouchers used and income restricted LIHTC units in cities across Snohomish County. This shows that Everett and Lynnwood see a much larger use of the voucher program and include more LIHTC income-restricted units than other cities. Since the voucher program is designed to allow qualifying households to find housing in the private market, the increased use of the voucher program in Everett and Lynnwood reflect the relative availability of rental housing and lower market rents in these two cities and the lack of rental housing, especially affordable rental housing, in other cities. Lynnwood and Everett also have a

much larger numbers of income restricted housing through the LIHTC program than other cities in the county, for many reasons. First, the proximity to transit access makes LIHTC project applications in these cities more competitive than those with less access. While Lynnwood has a high number of vouchers and income-restricted units on a per-capita basis compared to other cities, the need continues to be higher than available units. Countywide efforts that follow and exceed Lynnwood's example will be necessary to match the scale of housing need.

Exhibit 17. Summary of HASCO Housing Vouchers by City, August 1, 2020 and LIHTC Income Restricted Units by City, 2017.

City	Number of Housing Vouchers	Number of LIHTC Income Restricted Units
Everett	1,158	4,400
Lynnwood	966	2,802
Marysville	486	1,251
Edmonds	199	178
Arlington	172	256
Mountlake Terrace	156	35
Lake Stevens	127	82
Monroe	111	65
Snohomish	97	62
Mill Creek	81	523
Stanwood	78	29
Mukilteo	31	61

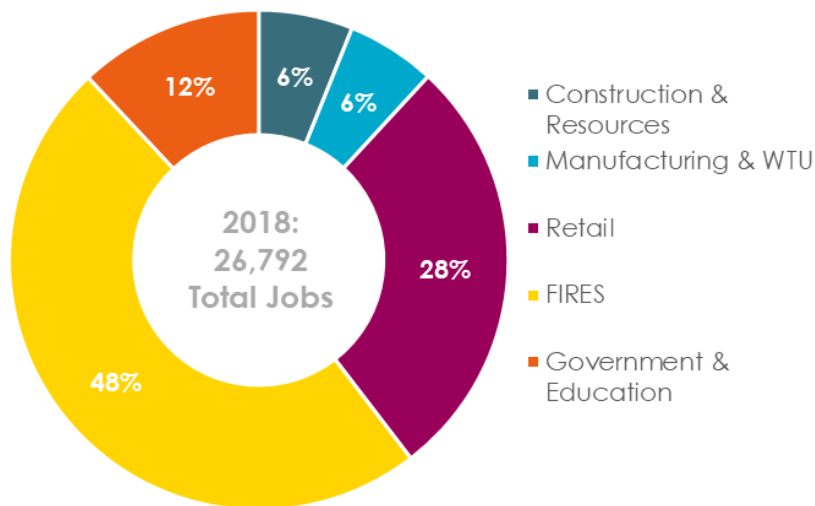
Note: This list includes VASH (VA Supportive Housing) and other program vouchers. Source: Housing Authority of Snohomish County (HASCO); 2020

Workforce Profile

Currently, employment in Lynnwood is highest in the Finance, Insurance, Real Estate, and Services (FIRES) sectors. This is followed by Retail employment, which the Puget Sound Regional Council (PSRC) anticipates as a major sector for growth by 2040. See Exhibit 18. PSRC forecasts

for 2040 anticipate a 78% increase in total Lynnwood jobs compared to 2018 figures. Strong growth in the retail sector is anticipated, with an estimated share of employment increasing from 28% to 36% by 2040. Job loss related to COVID-19 may impact future outcomes for Lynnwood's economy, but long-term forecasting often remains reliable despite market shocks during periods of recession.⁴ Increasing access to economic opportunity and higher wage employment sectors are important factors to address housing affordability.

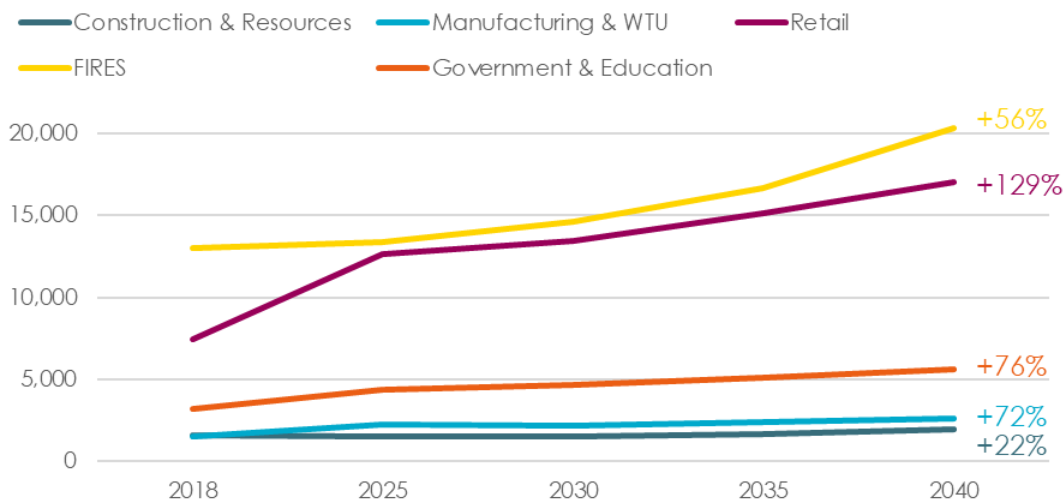
Exhibit 18 Jobs by Sector in Lynnwood, 2018.



Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020.

⁴ [PSRC, April 2020 "Looking Beyond COVID-19"](#)

Exhibit 19: Jobs by Sector, Projected Change 2018-2040



Sources: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020.

American Community Survey estimates, summarized by the Census Bureau and LEHD Origin-Destination Employment Statistics, estimate a total of 30,062 jobs within Lynnwood. These positions are overwhelmingly filled by residents from other communities. Over half (57.5%) of Lynnwood workers earn \$40,000 or less annually, while 47% of Lynnwood residents earn similar wages.⁵ Mapping the residence of Lynnwood workers (see Appendix C) shows wide regional dispersion, with significant pockets of workers living as far as Arlington to the north or Monroe to the east.

Exhibit 20: Income Estimates for Lynnwood Residents and Lynnwood, 2017

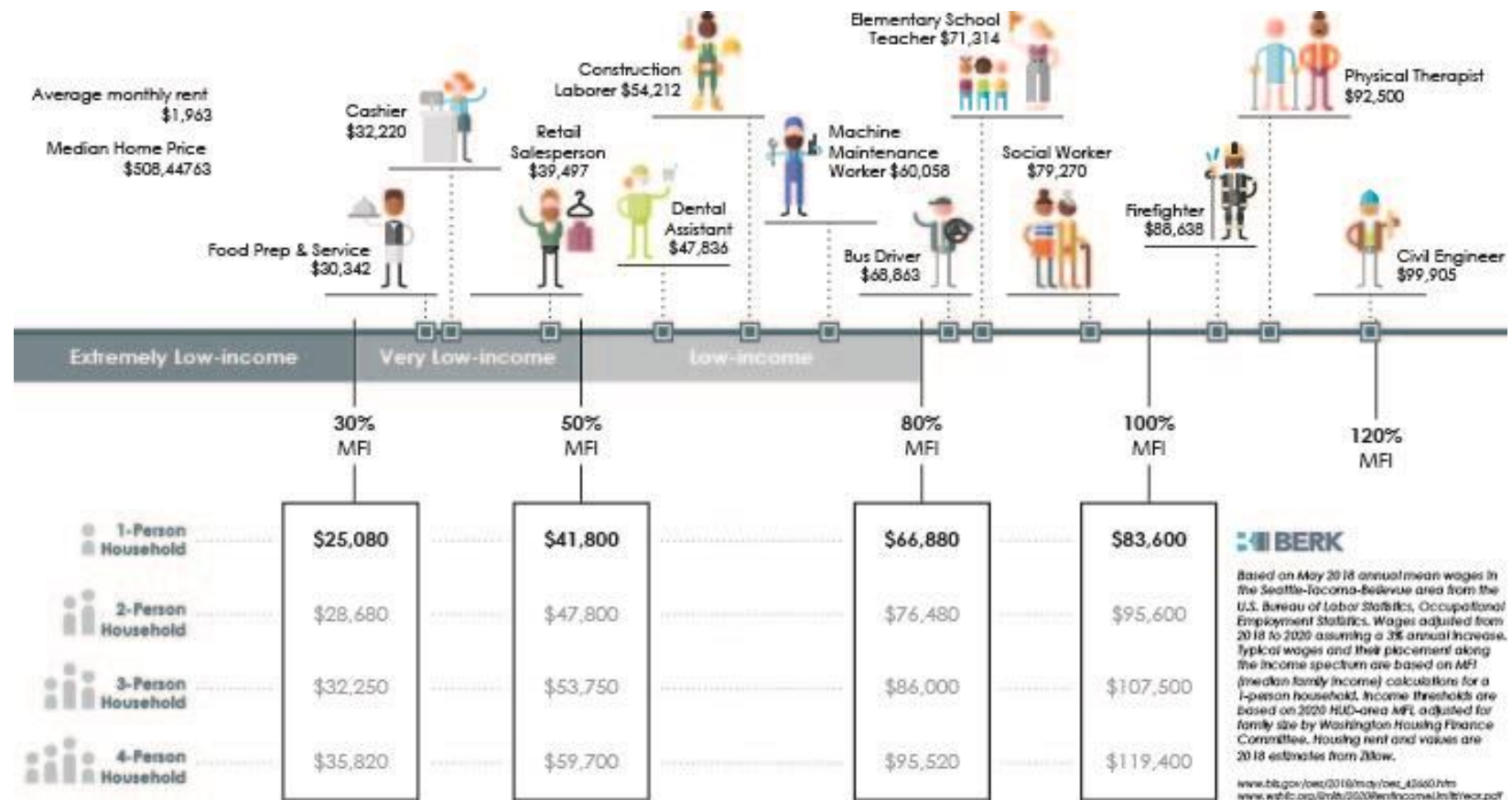
Income Estimate	Lynnwood Residents	Lynnwood Employees
Less than \$1,250 per month	3,111 (17.3%)	6,595 (23.5%)
\$1,251 to \$3,333 per month	5,441 (30.2%)	8,999 (32.0%)
More than \$3,333 per month	9,442 (52.5%)	12,528 (44.5%)

Sources: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics; BERK, 2020.

⁵ 2013-2017 ACS estimates

Lynnwood's employment sectors include a range of occupations with varied wages. Wage information for a selection of professions across these sectors from the Bureau of Labor Statistics are summarized below in Exhibit 21.

Exhibit 21: Income by Profession and HUD-area MFI Calculations for Lynnwood, 2019.



To balance household budgets, many lower-wage workers may move to areas farther away with lower costs of living. Exhibit 22 summarizes the distance workers travel to Lynnwood for employment. Only 6% of the 30,000+ employees that work in Lynnwood also live within the city, which is significantly lower than neighboring cities like Edmonds or Everett where 12% and 14% of the population, respectively, both live and work within the community. Lynnwood workers, overall, earn lower wages than Lynnwood residents. See Appendix B for an analysis of the housing needs of Lynnwood's workforce.

Exhibit 22: Place of Residence for Lynnwood Employees, 2017.

Place of Residence	Employee Count	% Total
Lynnwood	1,940	6%
Less than 10 miles away	13,622	45%
10 to 24 miles	7,918	26%
25 to 50 miles	3,691	12%
Greater than 50 miles	2,891	10%
Total Employees in Lynnwood	30,062	

Sources: U.S. Census Bureau, OnTheMap and LEHD Employment Statistics, 2017; BERK, 2020.

Housing Inventory

Housing Supply Characteristics

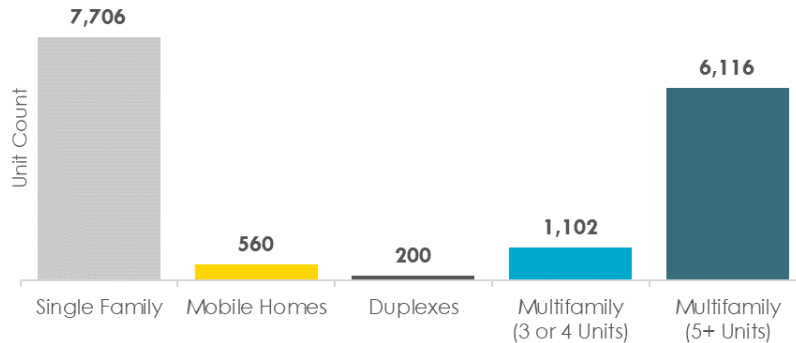
Housing Units by Type

Single family homes comprise 49% of Lynnwood's housing stock and 84% of Lynnwood's residential land area. The other half of the housing stock is a blend of mobile homes, 2 to 4-plexes, and larger multifamily buildings. See Exhibit 23. ACS estimates suggest that 44% of multifamily units are in buildings with 20+ units and recent development trends favor buildings of 100 or more units.⁶ "Missing middle" housing refers to a diversity of housing types that transition between single family and high-rise multifamily apartments, such as cottage homes and stacked or side-by-side multiplexes. Many of these styles are not permitted in Lynnwood's single-family residential zones and have development standards in other residential zones which limit the likelihood they will be developed. This is further discussed in a separate Policy and Code Review document (which will be completed in September 2020).

Within the Snohomish County's southern urban growth area there have been several additional housing unit types developed, such as cottage housing, duplexes, small multiplexes, townhomes, and other single-family detached units. Within Lynnwood, these housing unit types are either not permitted or, in some cases, the locations where they are permitted is limited.

⁶ ACS DP04 5-year estimates, 2014-2018; Lynnwood Permit Data, 2020

Exhibit 23: Housing Inventory by Type in Lynnwood, 2018.

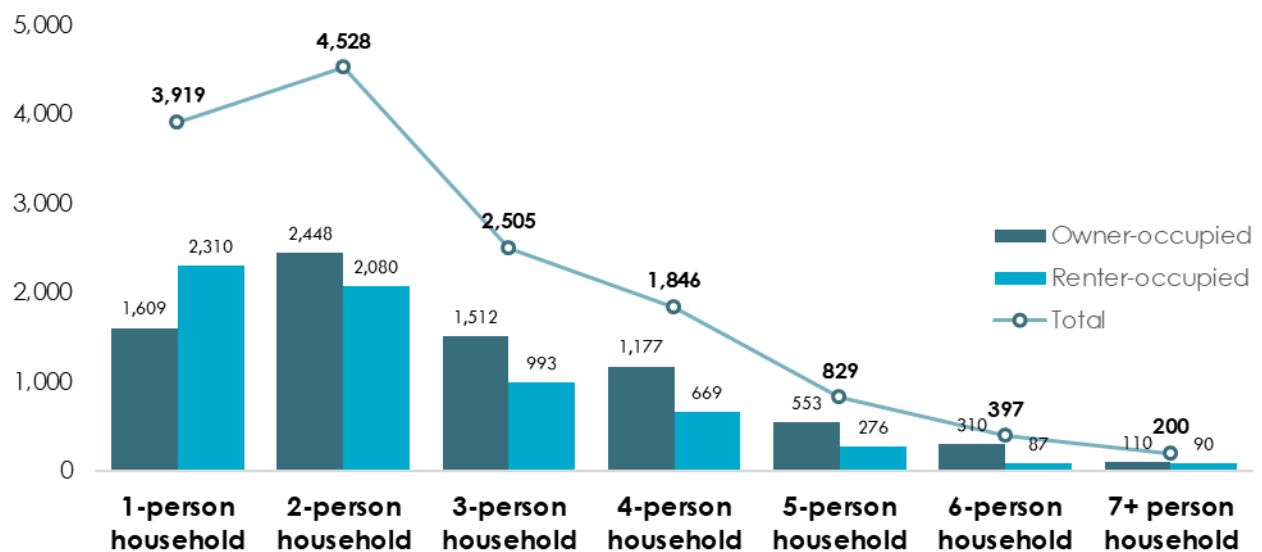


Sources: OFM, 2018; BERK Consulting, 2020.

Housing Unit Size

Exhibit 24 shows that 60% of Lynnwood households are 1- and 2-person, which impacts the size and type of desired home. Smaller households may desire less square footage or smaller lot sizes to reduce maintenance responsibilities. Housing types such as townhomes, multiplexes, small lot single family, or cottages can appeal as potential opportunities for these households.⁷

Exhibit 24: Household Size by Occupant Type in Lynnwood, 2018.



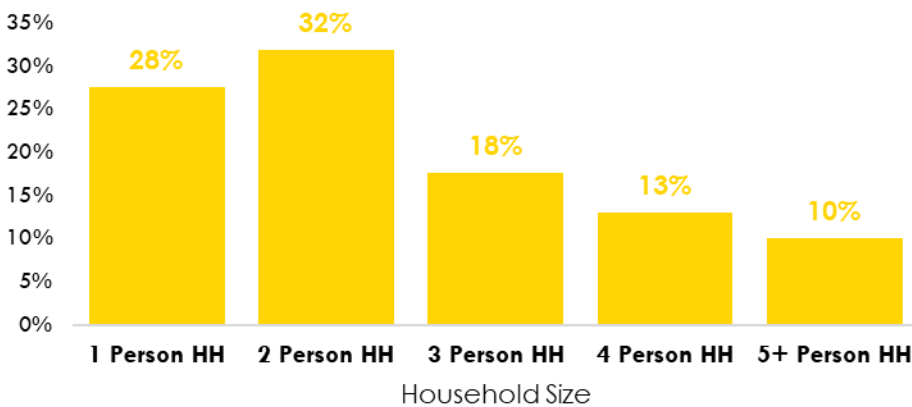
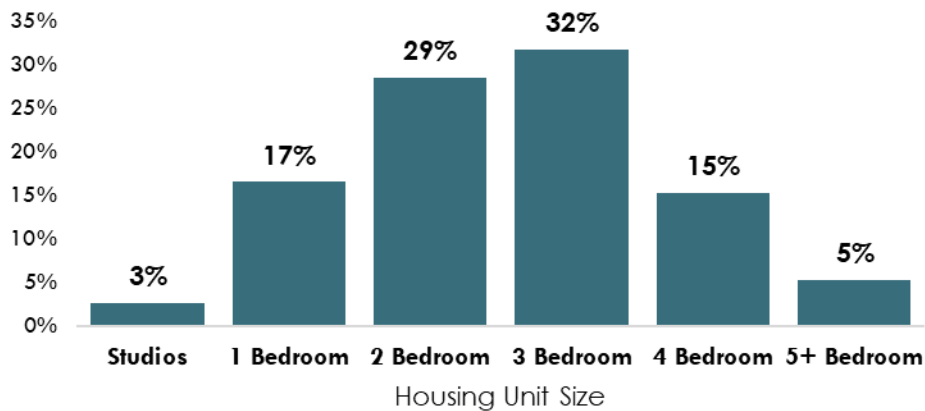
Sources: American Community Survey B25009, 2014-2018; BERK, 2020.

⁷ ["Bring Back Missing Middle Housing" -AARP, 2018](#)

Exhibit 25 shows the housing stock by number of bedrooms and households by household size. It indicates a potential undersupply of smaller units. While 60% of Lynnwood's households are one and two-person, only 49% of the housing stock consists of studio, 1-bedroom units, or 2-bedroom units.

This reflects the production trends within Lynnwood. The average size of single-family homes permitted within the past seven years (2013-2020) in Lynnwood is 3,153 square feet on an average lot size of 0.27 acres (11,761 square feet). By contrast, the limited number of townhome units permitted over the same time period average 1,479 square feet of living space averaging 0.05 acres (2,178 square feet) of lot area per unit.⁸

Exhibit 25: Housing Unit Sizes Compared to Household Sizes in Lynnwood, 2018.

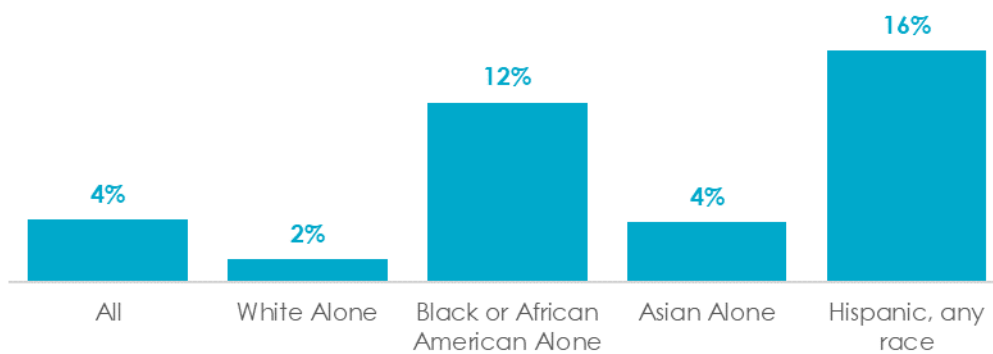


Sources: American Community Survey DP04 & B25009, 2014-2018; BERK Consulting, 2020.

⁸ City of Lynnwood Permit Data, 2020.

As households face affordability challenges, some may make tradeoffs around the size or other aspects of housing. Data shows that BIPOC and low income households experience other housing issues at higher rates than the population overall, such as crowding, as shown in Exhibit 26. The US Census defines crowding as having more household members than total rooms (not just bedrooms) in the house.⁹ For example, a couple living in a one-bedroom apartment would not be considered “crowding”, as this unit classification assumes a living room separate from the bedroom. By contrast, a couple living together in a studio apartment would be considered crowding, since the sleeping and living areas are combined into a single space. Residential crowding can demonstrate housing affordability challenges, link to public health concerns for the spread of communicable disease, and signal vulnerability to homelessness.¹⁰

Exhibit 26: Crowding in Lynnwood Households, by Race/Ethnicity



Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity.
Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.

⁹ [Census Bureau](#)

¹⁰ [California Health and Human Services](#).

Home Ownership

More than half (54%) of Lynnwood's households own their housing while 46% rent. The homeownership rate in Lynnwood is less than both Snohomish County overall (68%) and King County overall (56%). Single person households are more likely to rent, while larger households have higher rates of home ownership.

Net worth is an important indicator of economic well-being. Historically, homeownership is a main source of wealth creation and housing stability for households in the United States. A 2015 Census report found that homeowner's median net worth is 80 times larger than renter's median net worth¹¹.

Despite the lower household incomes in Lynnwood when compared to Snohomish County as a whole (Exhibit 8), home prices in Lynnwood are higher. If this trend continues, it increases the likelihood that Lynnwood residents who are struggling with local costs of living will move elsewhere.

Estimated costs to purchase a home based on 2019 home values indicate that less than 20% of Lynnwood households can afford to purchase an average priced home without assistance. See Exhibit 28 for details. This represents a 12% decrease from 2010, when 30% of households met this affordability threshold. Using the same loan qualifications but looking at homes in a lower price point, approximately 30% of Lynnwood households can afford "lower market" homes.¹² Lower market homes are defined by Zillow as those which fall within the 5th to 35th percentile range of home values. This is a 10% decrease from 2010 when 40% of households could afford homes within this range.

Renting vs. Buying

Home ownership is one of the most common strategies for wealth building in the United States, although it comes with financial risk as well. Advantages to home ownership include locking in stable monthly housing costs over time and favorable tax policy, such as the mortgage interest deduction. It also offers geographic consistency, which can promote stronger social networks.

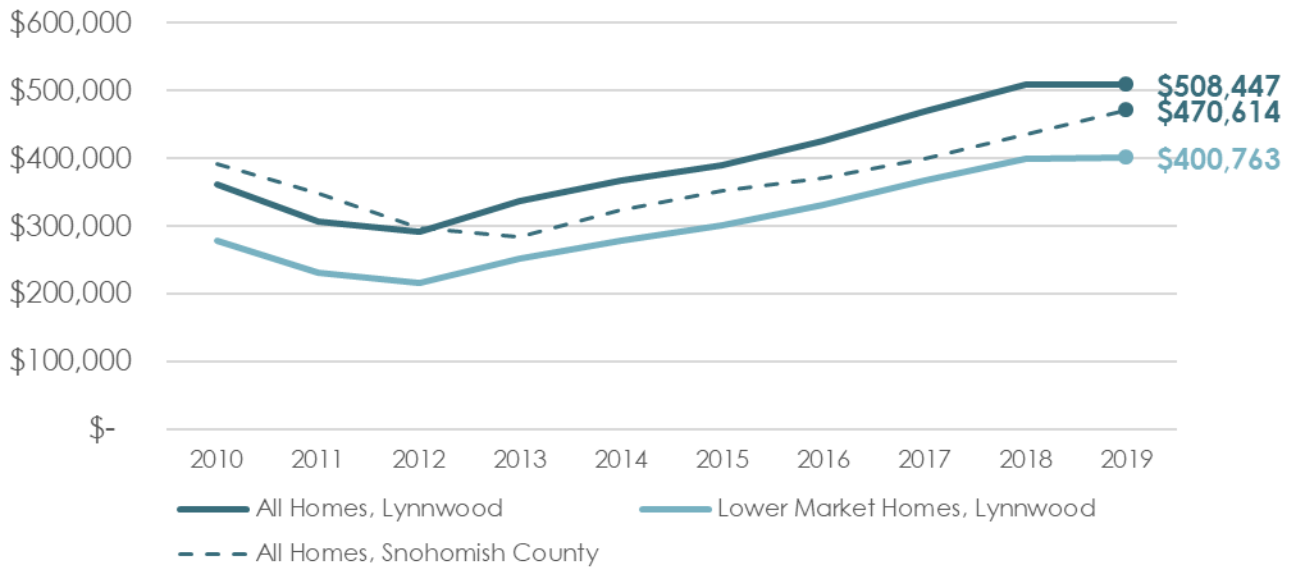
Some renting families prefer the flexibility of rental housing and the freedom from large, unexpected maintenance expenses. Other renters would like to own their home and simply cannot afford it. Ownership requires substantial savings for a down payment along with a credit history that lenders find acceptable. Due to historic and ongoing systemic discrimination, low-income and BIPOC households frequently struggle with either or both of these criteria.

Sources: [Brookings, 2019](#); [Urban Institute, 2018](#); [Harvard Joint Studies for Housing Research, 2013](#); [Center for Investigative Reporting, 2018](#)

¹¹ Sources: <https://www.census.gov/content/dam/Census/library/publications/2019/demo/P70BR-164.pdf>
<https://www.census.gov/library/publications/2019/demo/p70br-164.html>

¹² Based on Zillow data. The range of values that fall within this percentile is not published.

Exhibit 27: Average Home Values in Lynnwood, 2010-2019 (shown in 2019 dollars)



Sources: Zillow, 2020 ; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 – 2019; BERK, 2020.

Home ownership affordability incorporates two primary components: the ability to save for a down payment and the ratio of monthly mortgage payments to monthly income. Some households may pay rent similar to or exceeding a mortgage payment rate, but struggle to save enough cash for a down payment, which typically ranges from 6% - 16% of the home cost for individual buyers.¹³ In Lynnwood, the monthly payments for an average priced home are only considered affordable for households earning \$133,147 or more annually. **Less than 20% of Lynnwood residents can afford to purchase the median-priced home in today's market. However, 54% of Lynnwood households are homeowners.**

¹³ Based on 2019 trends in home buying, as summarized by [National Association of Realtors](#)

Exhibit 28: Home Ownership Affordability in Lynnwood, 2019.

	Average home value	10% down payment	Annual income needed to afford*	Households at or above this income threshold**
All Homes	\$508,447	\$50,845	\$133,147 (123% MFI)	~18%
Lower Market Homes	\$400,763	\$40,076	\$104,947 (97% MFI)	~30%

*Assumes access to a 10% down payment

**Assumes a 3% annual income increase from 2018 5-year ACS estimates.

Sources: Zillow, 2020; ACS 5-year Estimates S1901 2014-2018; BERK, 2020.

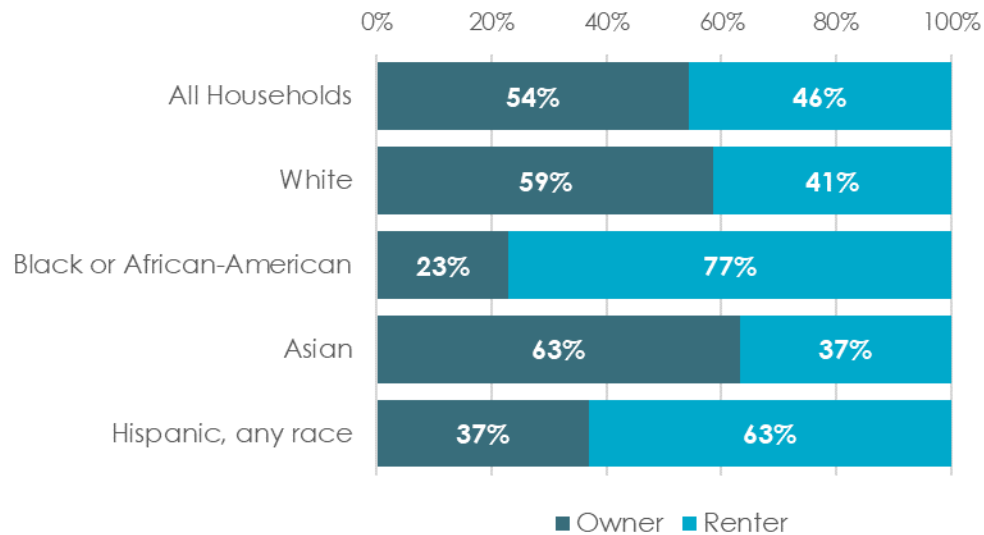
Home ownership rates in Lynnwood show disparities by race. Home ownership rates are highest among larger households and White or Asian households, as shown in Exhibit 29. Data indicates lower home ownership rates among Black or African American households as well as Hispanic households. These disparities are consistent with historic policies and systemic barriers which negatively impact housing security for BIPOC residents.

Lending Disparities by Race

A 2012 Fair Housing Study looked at lending disparities by race in Snohomish County, and found the highest disparities in Brier, Lynnwood, Marysville, and Mountlake Terrace. BIPOC communities have the lowest success rate obtaining home loans in these cities. These communities are also some of the most racially diverse in Snohomish County, potentially signaling that the high rates of denials may be closely related to the larger pool of potential non-White borrowers.

Source: 2012 Analysis of Impediments to Fair Housing Choice study by the Snohomish County Urban County Consortium

Exhibit 29: Household Ownership by Race and Ethnicity, 2018.

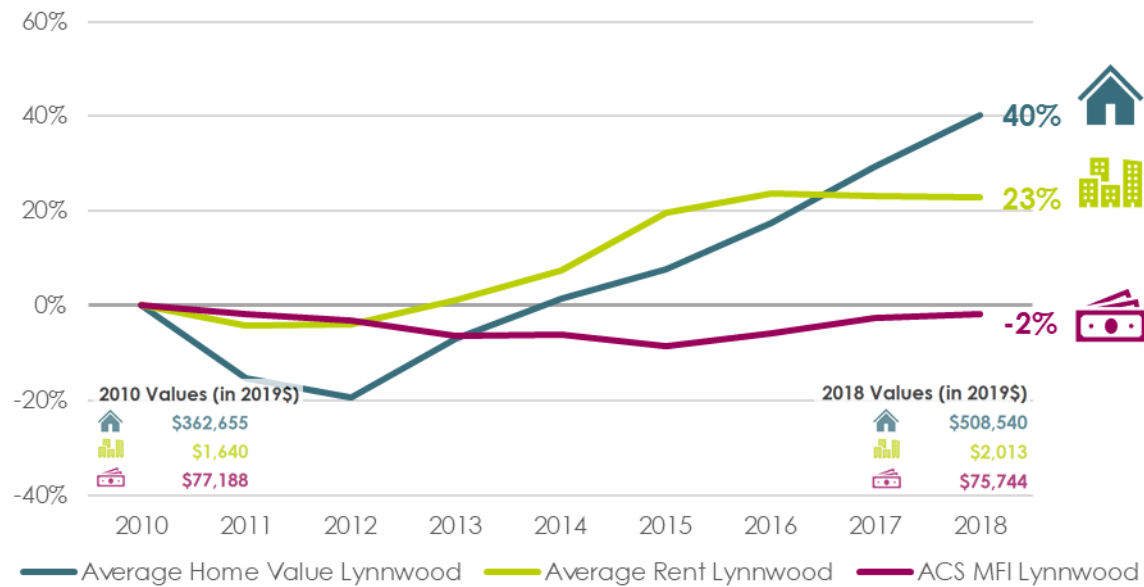


Note: White, Asian, and Black or African American households include both Hispanic and non-Hispanic ethnicity.
Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.

Home Values

In the past decade, the central Puget Sound region has grown in both jobs and population and continues to experience a housing affordability crisis. Since 2010 Lynnwood home values have increase by 40% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.

Exhibit 30: Percent change since 2010 in Average Home Values, Rents, and HUD MFI in Lynnwood After Adjustment for Inflation



Sources: Zillow, 2020); ACS Income 5-year estimates (Table S1901) 2010 - 2018; Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) Seattle-Tacoma-Bellevue WA 2010 - 2019; BERK, 2020.

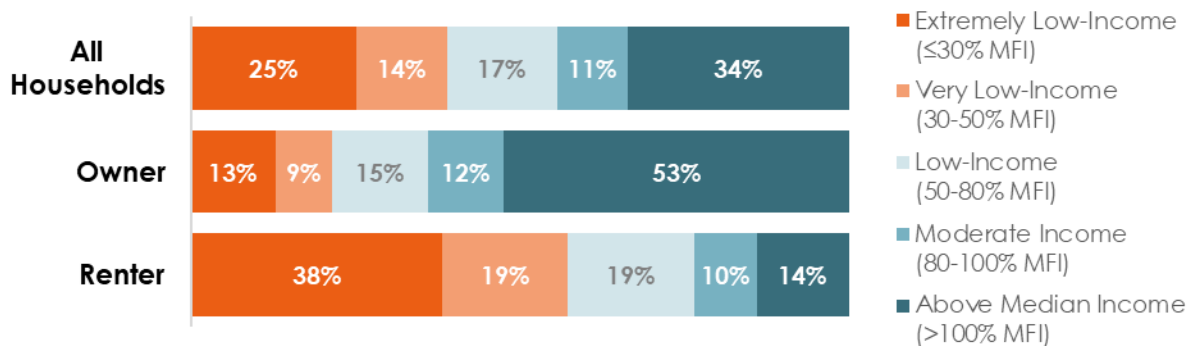
Relative to Snohomish and King counties, a larger proportion of Lynnwood households fall into lower income groups and fewer households are in high income groups, as shown in Exhibit 8. This means that housing affordability problems are further amplified in Lynnwood.

Rental Housing

There are a total of 6,740 rental housing units in Lynnwood. Exhibit 29 breaks down renter- and owner-occupied households in the City of Lynnwood by income level relative to MFI. It shows a significant difference between owner-occupied and renter-occupied households, with owner households much more likely to have incomes above 100% MFI.¹⁴ Close to 38% of renter households have extremely low incomes, compared to 13% of owner households.

¹⁴ Note that when grouping households by income level, HUD adjusts income thresholds based on household size to reflect the fact that the living expenses for a 1-person household are significantly less than those of a family of four. These adjustments are based on HUD's published household [Income Limits](#) needed to qualify for income-restricted affordable housing that is set aside for households at a specified income level or below. [Washington State Housing Finance Commission](#) publishes an expanded version of these income limits for each county in Washington State.

Exhibit 31: Percentage of Households by Income Level and Housing Ownership Types, 2016.



Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

Black and Hispanic residents are more likely to be low-income and/or renter households, both groups with high rates of cost burden. The average cost of renting in Lynnwood has increased by 50% from 2010 to 2020. This shift highlights one of the major benefits of home ownership: the ability to lock in a consistent rate for monthly payments over a long period of time. An average-priced home purchased in 2010 will have a mortgage close to \$1,600, almost 20% less than the rent for an average apartment in 2018.¹⁵ While property tax increases will fluctuate with market factors, monthly mortgage payments can remain steady. **In 2010, half of Lynnwood households (49%) could afford an average-priced apartment without cost burden. By 2018 only 38% of households could afford the same level of apartment without cost burden.** Some of these renter households will find units below the average price, keeping within affordability limits, but this is not an option for all households.

¹⁵ Zillow data for average home values and rents. See BERK calculations for mortgage estimation in Appendix C.

Exhibit 32: Rental Affordability in Lynnwood, 2010 & 2018.

	2010	2018
Average Rent	\$1,337	\$1,963
Income needed to not be cost-burdened	\$53,490	\$78,530
Income needed, as a % of MFI	62%	76%
% of Lynnwood households that can afford without cost burden	49%	38%

Note: 2010 numbers not adjusted for inflation.

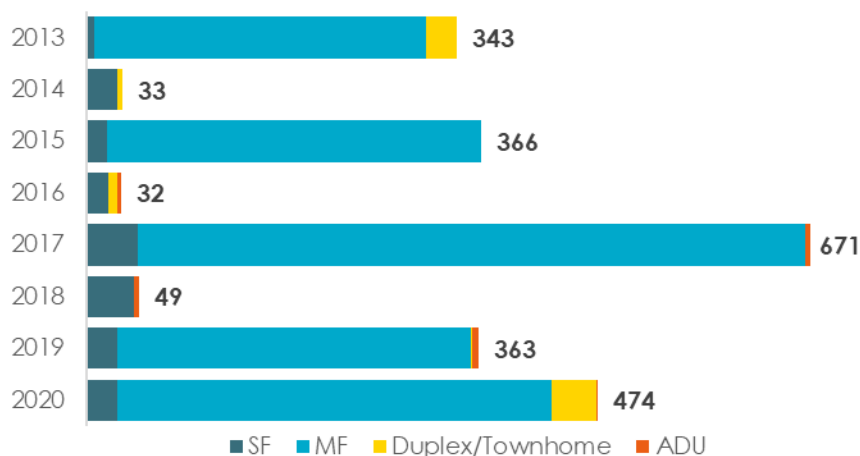
Sources: Zillow, 2020 (average rent); HUD, 2020 (MFI); ACS 5-year Estimates S1901 2014-2018 (hh income); BERK, 2020.

One likely reason for the continued increase in rent is extremely low vacancy rates. According to 2018 ACS current vacancy rates are 4.4% for rental units and 1.2% for owner-occupied units, whereas a healthy housing market has a vacancy rate of around 5%. When vacancy rates sink below 5% there are fewer options on the market for households seeking to move. This increases competition for the limited supply of available units and results in upward pressure on housing costs.

Housing Production

Lynnwood's housing stock is diversifying to better match household sizes. While half of existing housing stock is single-family units, recent construction trends include a higher proportion of townhomes and many multifamily units. From 2013-2018, 86% of new units in Lynnwood were in multifamily buildings, although this is found in a small number of large buildings. Four major projects incorporate over 1,200 units: SHAG senior housing, now named Destinations (308 units) first applied for a permit in 2013, followed by the City Center Apartments in 2015 (347 units), and applications in 2017 for Reserve at Lynnwood (295 units) and Triton Court student housing (323 units). See Exhibit 33. Lynnwood's City Council approved accessory dwelling units (ADUs) for residential neighborhoods in 2008 and in 2016 updated this policy to include detached ADUs (DADUs) in RS-8 zones. Use has been limited so far.

Exhibit 33: Permitted Units in Lynnwood, January 2013-March 2020.



Sources: City of Lynnwood permit data (by date of application), 2020; BERK, 2020.

This shift in housing production from single family to multifamily responds to the mismatch of housing unit size to household size, as shown in Exhibit 24. The single-family homes being produced, however, are large (average interior square footage of 3,153 SF) and unlikely to be affordable for moderate income households.

On average over the last 13 years (2006 – 2018), permits issued for units in Lynnwood have been for units in multifamily buildings with more than 50 units and single-family homes. Historically, building types ranging from townhomes to smaller scale multifamily (up to 49 units) have seen very little production. See Exhibit 34 (high unit counts highlighted in darker blue).

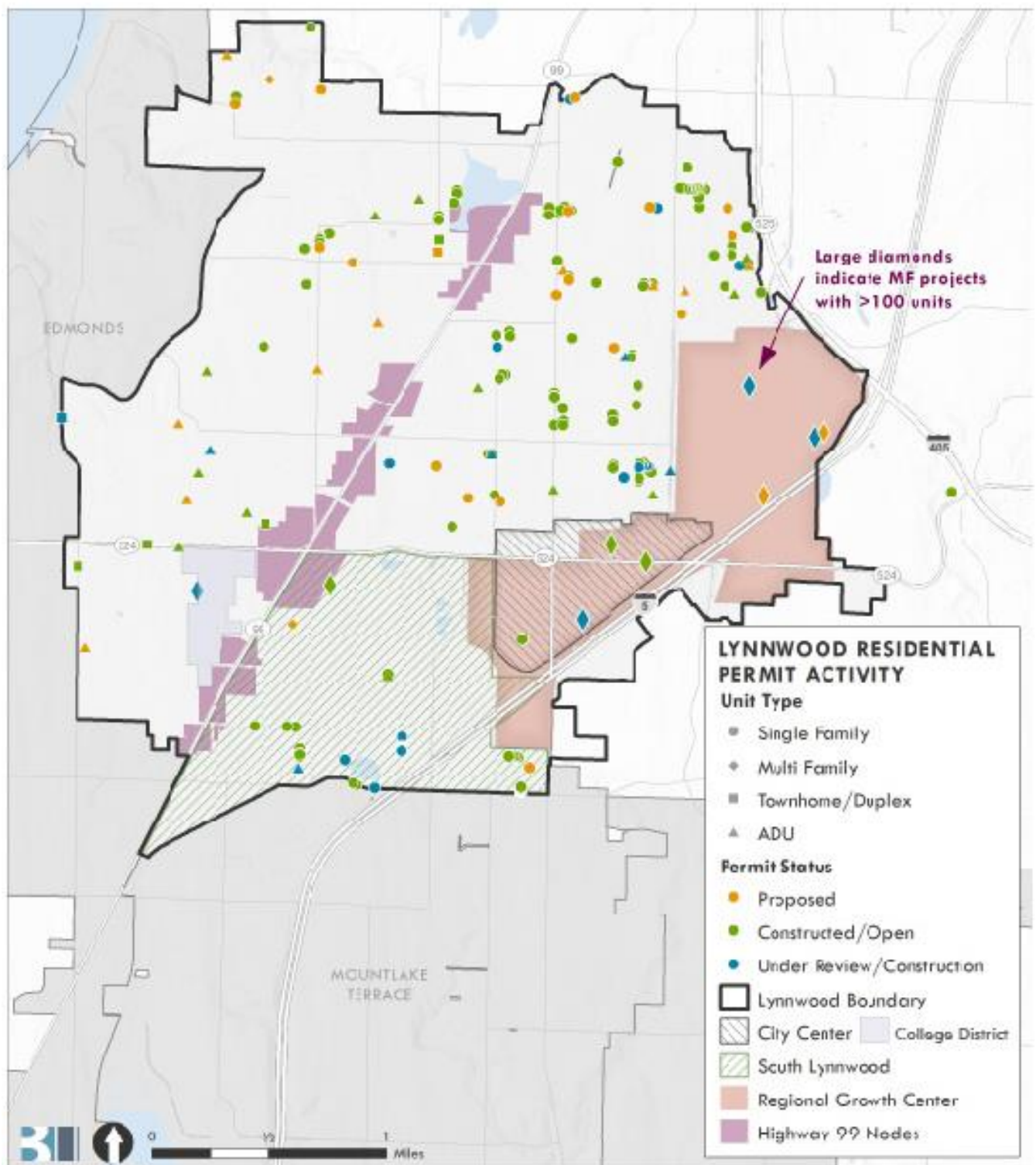
Exhibit 34. Net Permitted Units in Lynnwood by Housing Type 2006 – 2018

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MH	1	0	-3	0	0	0	0	0	0	1	1	0	3
SF	42	30	11	5	9	7	-2	5	19	11	4	24	60
MF1-2	16	0	0	0	0	5	0	1	0	1	0	0	5
MF3-4	0	0	0	0	0	8	-4	0	0	12	0	0	0
MF5-9	0	0	0	0	0	0	0	-5	0	8	0	5	-8
MF10-19	0	0	0	0	0	0	0	0	0	0	0	9	0
MF20-49	0	0	0	40	0	0	0	0	0	0	0	0	0
MF50+	0	0	0	0	0	0	0	0	0	950	0	0	295
NEWUNITS	70	36	13	48	10	30	5	11	32	983	12	45	372
LOSTUNITS	-11	-6	-5	-3	-1	-10	-11	-10	-13	0	-7	-7	-17
NETUNITS	59	30	8	45	9	20	-6	1	19	983	5	38	355

Note: PSRC Residential Building Permit Unit Counts are based on permit issue date. Some counts are negative because demolitions are included in the data. Highlighted cells show higher units.

Source: PSRC Residential Permit Summaries 2006 – 2018; BERK 2020.

Exhibit 35: Residential Development in Lynnwood, January 2013- March 2020.



Sources: City of Lynnwood, 2020; BERK Consulting, 2020.

Displacement and Housing Insecurity

Displacement refers to instances when a household is forced or pressured to move from their home against their will. Direct, physical displacement occurs in cases of eviction, the termination of a tenant's lease, or public land claims through eminent domain. Physical displacement can also occur when a property owner decides to renovate units to appeal to higher-income tenants or when buildings are sold for redevelopment. Another cause might be the expiration of an affordability covenant and resulting conversion of the unit to market rate housing. Economic displacement occurs when a household relocates due to the financial pressure of rising housing costs. Renters are more vulnerable to economic displacement, particularly those who are low-income, although some homeowners can experience this as well with significant increases to property tax bills. Cultural displacement is the result of fractured social fabrics. When physical and/or economic displacement affects community businesses and a concentration of racial or ethnic minority households, other households who affiliate with the affected cultural group may begin to feel increased pressure or desire to relocate.

This analysis evaluates displacement from two perspectives:

1. **Monitoring the count and rate of evictions** paints a picture of where physical displacement has happened in Lynnwood. Available datasets do not tell the entire story, as they only capture court-filed evictions and will not include residents who are priced out of units or who are asked to vacate a unit outside of the court system. Despite these limitations, data can highlight areas of the city where evictions are common and consistent, on the rise, or at a high rate relative to the number of rental households.
2. **Understanding social factors that make a household more vulnerable to displacement** is one way to understand areas of the city that could be hardest hit by residential displacement. Tools such as the Puget Sound Regional Council (PSRC) displacement risk map and the Social Vulnerability Index (SVI), assist with this effort. Proactive engagement with identified neighborhoods is an important step to avoiding or mitigating displacement that can result from policy changes and new development.

Combining results of the eviction analysis and the vulnerability mapping tools, the areas surrounding the Lynnwood Transit Center (and future light rail station), Alderwood Mall, the northeast corner of the city, and along the Highway 99 corridor are the highest priority for anti-displacement work in Lynnwood. This aligns with many areas of the city identified as having lower median household incomes and higher proportions of Hispanic and BIPOC residents, as shown in the income and race/ethnicity map (see Exhibit 6). These subareas contain economically and socially vulnerable households who may benefit from additional engagement and anti-displacement policy efforts.

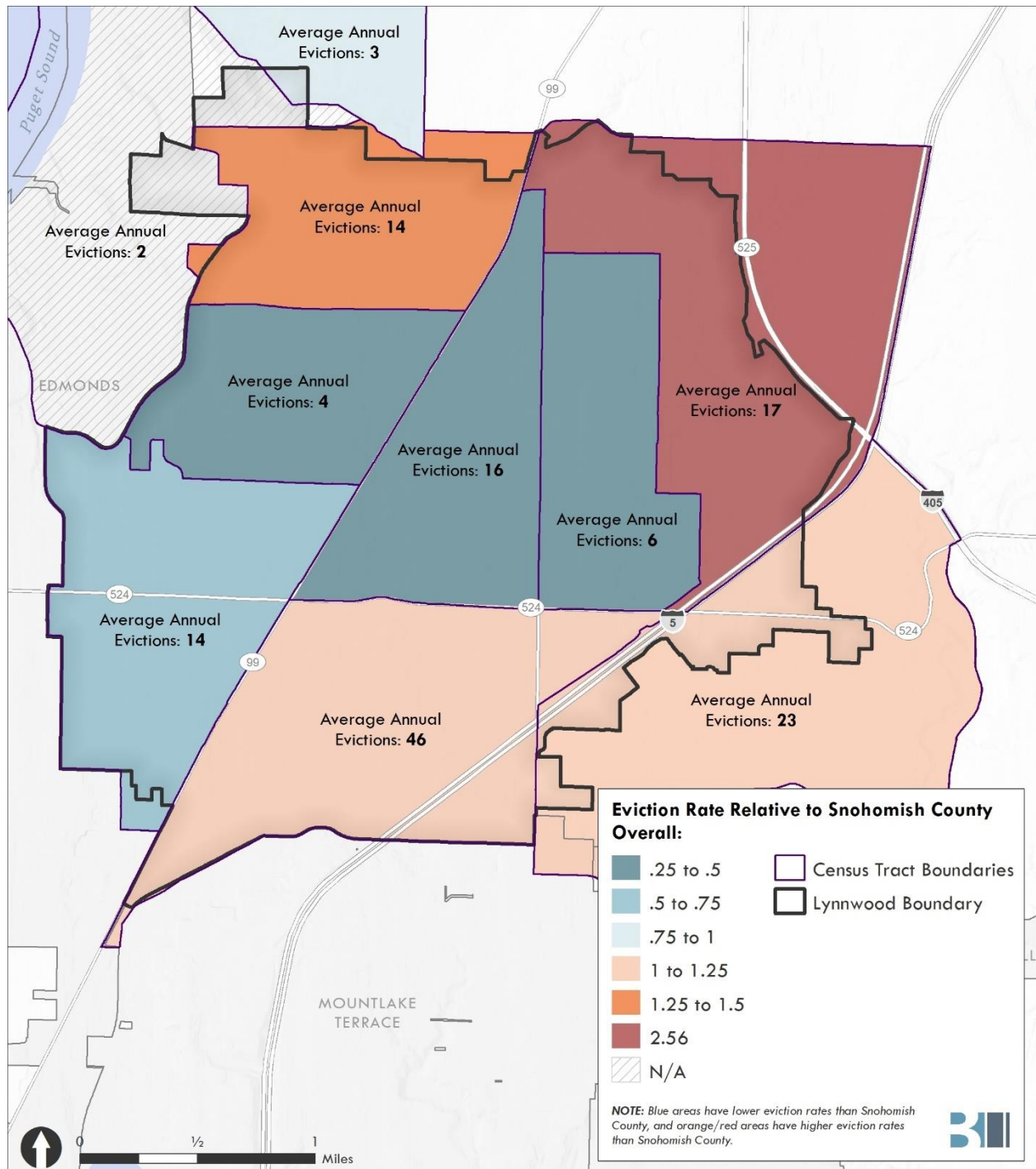
Evictions

A count of evictions reveals that over the 10-year period from 2008 to 2017, there is a relatively consistent annual count of court-documented evictions in Lynnwood at an average of 144 per year. Tract level averages are highest in the area surrounding the Lynnwood Transit Center, Alderwood Mall, and south and east of I-5 between the mall and transit center, as shown in Exhibit 36. Eviction rates evaluate the number of evictions against the total number of renters within a given Census tract and then compare this rate to all other Census tracts within Snohomish County to identify locations which stand out in the region for high eviction rates. In Lynnwood, the highest eviction rate aligns with the highest eviction count, in the area including the mall and some of the urban growth area (UGA) outside city boundaries. This tract is highlighted in dark red and has a rate of evictions twice the average rate across Snohomish County. Annual counts reveal that the number of evictions in this area spiked in 2016 and 2017. This may be a focus area for anti-displacement work in Lynnwood.

“Along with instability, eviction also causes loss. Families lose not only their home, school, and neighborhood but also their possessions: furniture, clothes, books. It takes a good amount of money and time to establish a home. Eviction can erase all that.”

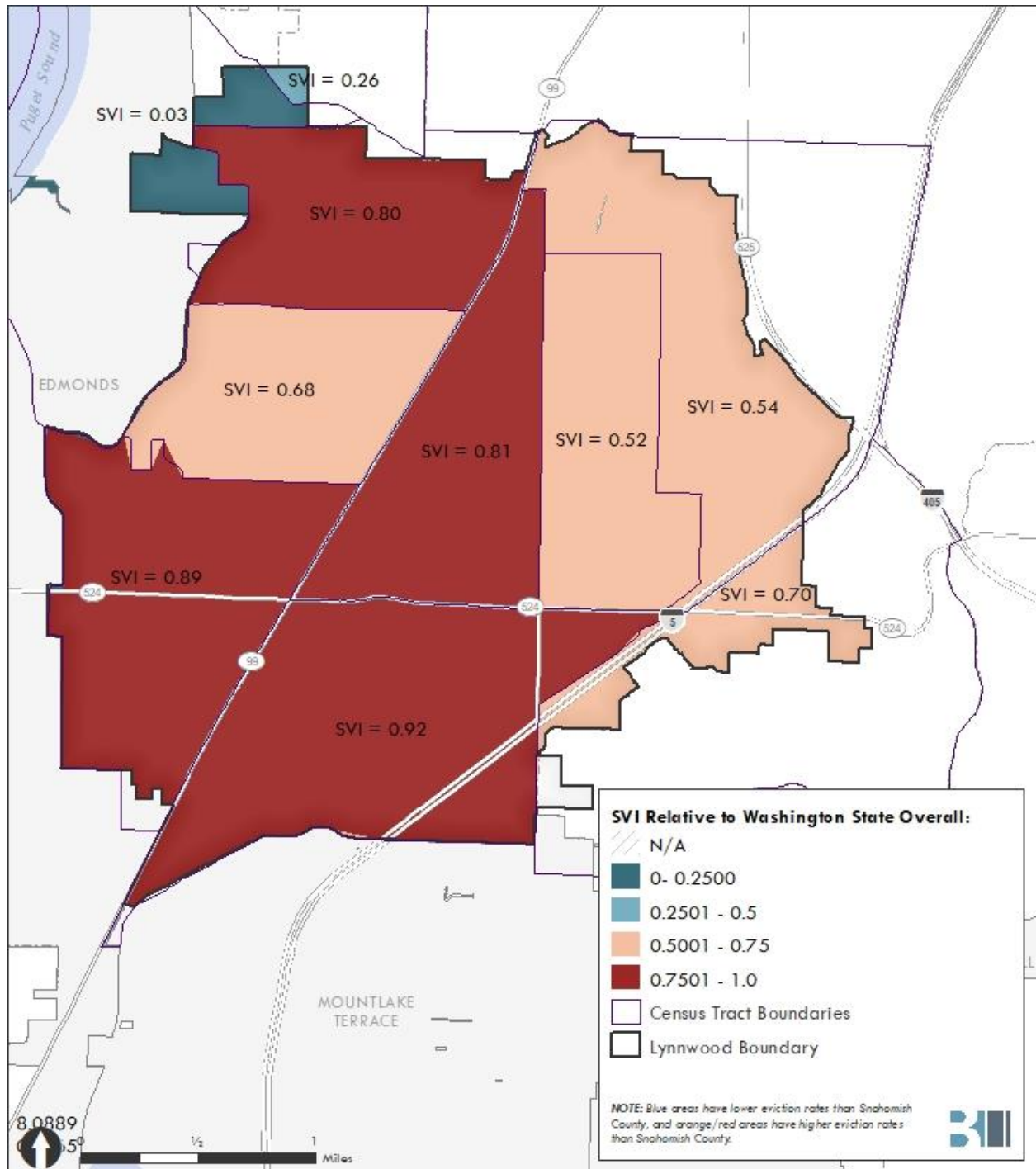
Evicted: Poverty and Profit in the American City by Matthew Desmond

Exhibit 36: Evictions in Lynnwood, 2017 Rate and Average 2008-2017 Annual Count.



Sources: Eviction Study, 2017; BERK, 2020.

Exhibit 37: Social Vulnerability Index Ratings in Lynnwood, 2018.



Sources: CDC Social Vulnerability Index, 2018 (Scale 0 – 1.0 relative to Washington State. Higher score indicates higher vulnerability); BERK, 2020.

Social Vulnerability

The Centers for Disease Control (CDC) maintains the Social Vulnerability Index (SVI) as a tool developed to identify vulnerability to hazardous events nationwide. The index was developed to assist public health and emergency response experts to identify areas of extra concern in the event of a shock such as a natural disaster or chemical spill. Many of the included variables, however, relate to housing vulnerability as well: poverty rates, concentrations of older adults or single parent households, identifying minority communities, and housing issues like crowding. Not all factors captured are relevant to identifying displacement risk, but they help paint a picture of neighborhood demographics. A full summary of metrics and scores can be found in Appendix E:

Results identify areas along either side of Highway 99 as the area with highest vulnerability concerns. Tract 514, home to the future light rail station, is also the tract with highest eviction counts in Lynnwood. Tract 515, west of Highway 99, scores high on SVI for household composition, BIPOC populations, and housing/transportation themes.

Cost Burden and Homelessness

Housing instability caused by cost burden can lead to periods of homelessness for economically vulnerable households. The Housing Action Plan's goal is to identify strategies to preserve and increase housing opportunities for all income levels throughout Lynnwood. Addressing the needs of the homeless population requires a multi-faceted systemic approach that includes housing, but also requires human services, health services, job trainings, and much more beyond the scope of this plan. Information about homelessness in Snohomish County is included in Appendix F. Although the Housing Action Plan does not focus on homelessness, it is important to note that one essential approach to reducing homelessness is to prevent it. This plan aims to ensure that housing in Lynnwood is available at a variety of income levels to prevent cost burden, displacement, and evictions. This proactive approach of implementing upstream strategies to prevent homelessness has been found to be more successful and cost effective in comparison to response efforts after a person becomes homeless.¹⁶

¹⁶ Sources: <https://www.tandfonline.com/doi/abs/10.1080/10511482.2018.1532448?journalCode=rhpd20>
https://www.innovations.harvard.edu/sites/default/files/hpd_0203_lindblom.pdf

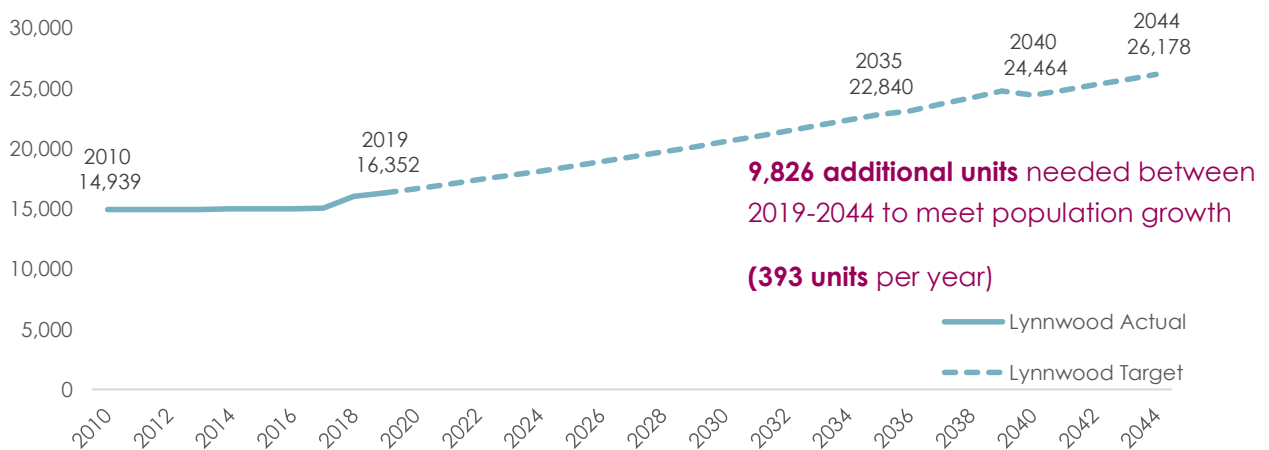
Gap Analysis

Housing Needed to Accommodate Future Growth

The average annual production of housing units in Lynnwood from 2013-2020 is 291 units per year. Lynnwood needs an average of 393 units per year to meet estimated household growth by 2044. The rate of housing unit production has increased in recent years but falls short of the needed rate to meet this estimated growth. See Exhibit 38.

The need for housing units is reinforced by low vacancy rates: 4.4% for rental units and 1.2% for owner-occupied, as reported by the 2018 ACS. Construction trends in recent years demonstrate a shift toward increased proportions of multifamily units, concentrated in the City Center and northeast quadrant of Lynnwood in the Regional Growth Center and north of it. In years with large (100+ units) multifamily projects, the annual production rate needed is achieved. These projects are not in the pipeline every year, however, and the years without them (see 2014, 2016, and 2018) reveal a much slower production pace.

Exhibit 38: Housing Units Needed by 2044



Sources: Lynnwood Comprehensive Plan, 2015; PSRC Land Use Vision version 2, 2017; BERK, 2020.

Rental Market Affordability Gaps

The average cost of renting in Lynnwood increased by 50% from 2010 to 2020. **In 2010, half of Lynnwood households (49%) could afford an average-priced apartment without cost burden. By**

2018 only 38% of household could afford the same level of apartment without cost burden. Some of these renter households will find units below the average price, keeping within affordability limits, but this is not an option for all households.

Based on 2018 data, average market rents for apartments in Lynnwood are affordable to households with incomes at 76% of MFI or above. Residents in households at lower income levels will have difficulty finding affordable housing under current market conditions, and rents are increasing faster than incomes.

Home Ownership Affordability

Estimated costs to purchase a home based on 2019 home values indicate that less than 20% of Lynnwood households can afford to purchase an average priced home without assistance. This represents a 12% decrease from 2010, when 30% of households met this affordability threshold. Using the same loan qualifications but looking at homes in a lower price point, approximately 30% of Lynnwood households can afford “lower market” homes.¹⁷ Lower market homes are defined by Zillow as those which fall within the 5th to 35th percentile range of home values. This is a 10% decrease from 2010 when 40% of households could afford homes within this range.

Home ownership affordability incorporates two primary components: the ability to save for a down payment and the ratio of monthly mortgage payments to monthly income. Some households may pay rent similar to or exceeding a mortgage payment rate, but struggle to save enough cash for a down payment, which typically ranges from 6% - 16% of the home cost for individual buyers.¹⁸ In Lynnwood, the monthly payments for an average priced home are only considered affordable for households earning \$133,147 or more annually. Less than 20% of Lynnwood residents can afford to purchase the median-priced home in today's market.

Workforce Housing

Many workers in Lynnwood face difficulties obtaining affordable housing in the private market. According to 2019 estimates, the average rent for an apartment was \$2,001 per month in Lynnwood.¹⁹ This average includes apartments of all sizes. To avoid cost burden, a household would need to earn at least \$80,040 annually to afford this rent. This roughly aligns with the MFI for a single person household in Lynnwood. Data from the Bureau of Labor Statistics, summarized in Exhibit 21, indicate that workers in many occupations including elementary school teachers, social workers, healthcare support workers (e.g., nursing/medical assistants, home health aides), and retail and sales workers, are unable to afford this average rent without additional sources of

¹⁷ Based on Zillow data. The range of values that fall within this percentile is not published.

¹⁸ Based on 2019 trends in home buying, as summarized by [National Association of Realtors](#)

¹⁹ Zillow, 2020.

household income.

Other occupations for which annual wages are not high enough for households to afford current apartment rent include (but are not limited to) childcare workers, security guards, food preparation workers, and office and administrative support workers. All these jobs pay lower wages but support a variety of businesses and services prevalent in Lynnwood.²⁰ High housing costs impose longer commutes or lower quality housing for many workers who are essential to the community across the age and income spectrum.

Next Steps

This Housing Needs Assessment identifies Lynnwood's current and future housing needs. In addition to the needs assessment, the Housing Action Plan will be informed by an assessment of existing city policies and regulations. The terms of the Department of Commerce grant stipulate that a Housing Action Plan must be adopted by June 2021 or else the city forfeits 30% of the grant. Housing Action Plan strategies will address identified needs and policy changes and will be presented to Council for review and adoption in 2021

²⁰ Annual wages are based on ESD data for the Seattle Bellevue MSA.

Appendix A: Household Types

Exhibit 39: Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Total Households	14,399		14,224	
Family Households	8,497	59%	8,905	63%
Non-family Households	5,902	41%	5,319	37%
Households with Children	4,127	29%	4,627	33%
Households with Older Adults (65+)	3,334	23%	4,085	29%

Exhibit 40: Family Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Family Households	8,497	59%	8,905	63%
Married Couple, no children	3,548	42%	3,421	38%
Married Couple with children	2,501	29%	2,853	32%
Single Parent	1,295	15%	1,435	16%
Other Family	1,153	14%	1,196	13%

Exhibit 41: Nonfamily Household Types in Lynnwood, 2010 & 2018.

	Count	2010 Percent	Count	2018 Percent
Nonfamily Households	5,902	41%	5,319	37%

	Count	2010 Percent	Count	2018 Percent
Living Alone	4,616	78%	3,919	74%
Older Adult Living Alone (65+)	1,372	23%	1,712	32%
Other	1,286	22%	1,400	26%

Source for all tables: American Community Survey Table DP02 5-year estimates, 2010 & 2018

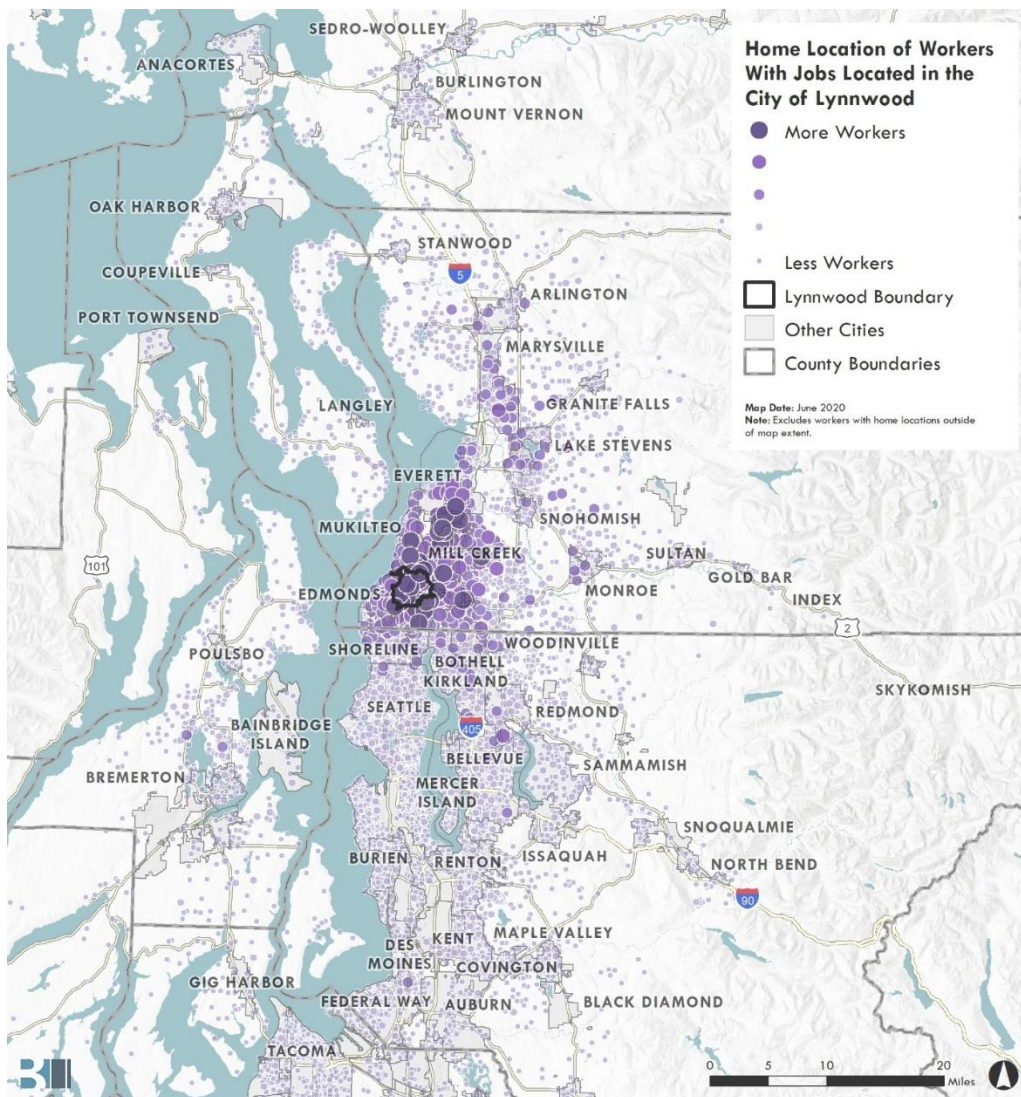
Appendix B: Most Populous Block Groups

Exhibit 42: Race, Ethnicity, and Income in Lynnwood's 5 Most Populous Block Groups, 2018.

Block group population	% Non-Hispanic PoC	% Hispanic	% White	Median HH income
2,337	23%	7%	69%	\$ 90,338
2,336	47%	28%	25%	\$ 39,513
2,333	30%	24%	46%	\$ 62,000
2,276	49%	5%	46%	\$ 79,375
2,030	28%	22%	50%	\$ 49,900

Appendix C: Workforce Profile

Exhibit 43: Home Location for Lynnwood Employees, 2017.



Appendix D: Housing Affordability Calculations

Exhibit 44: Home Ownership Affordability Analysis

		Lower Market Home Price (2019)	Median Home Price (2019)
Cost to Purchase	Sales Price (\$)	400,763	508,447
	Assumed 10% down payment (\$)	40,076	50,845
	Mortgage amount (\$)	360,686	457,603
	Interest rate	4%	4%
	Monthly payments over course of loan	360	360
	Monthly mortgage payment (\$)	1,722	2,185
Annual Housing Expenses			
	Mortgage payments (\$)	20,664	26,216
	Property tax (\$)	5,210	6,610
	PMI (\$)	3,607	4,576
	Home Insurance (\$)	2,004	2,542
	Annual costs (\$)	31,484	39,944
	Monthly costs (\$)	2,624	3,329
Affordability			
	Annual income needed to afford	\$ 104,947	\$ 133,147
	% MFI	97%	123%

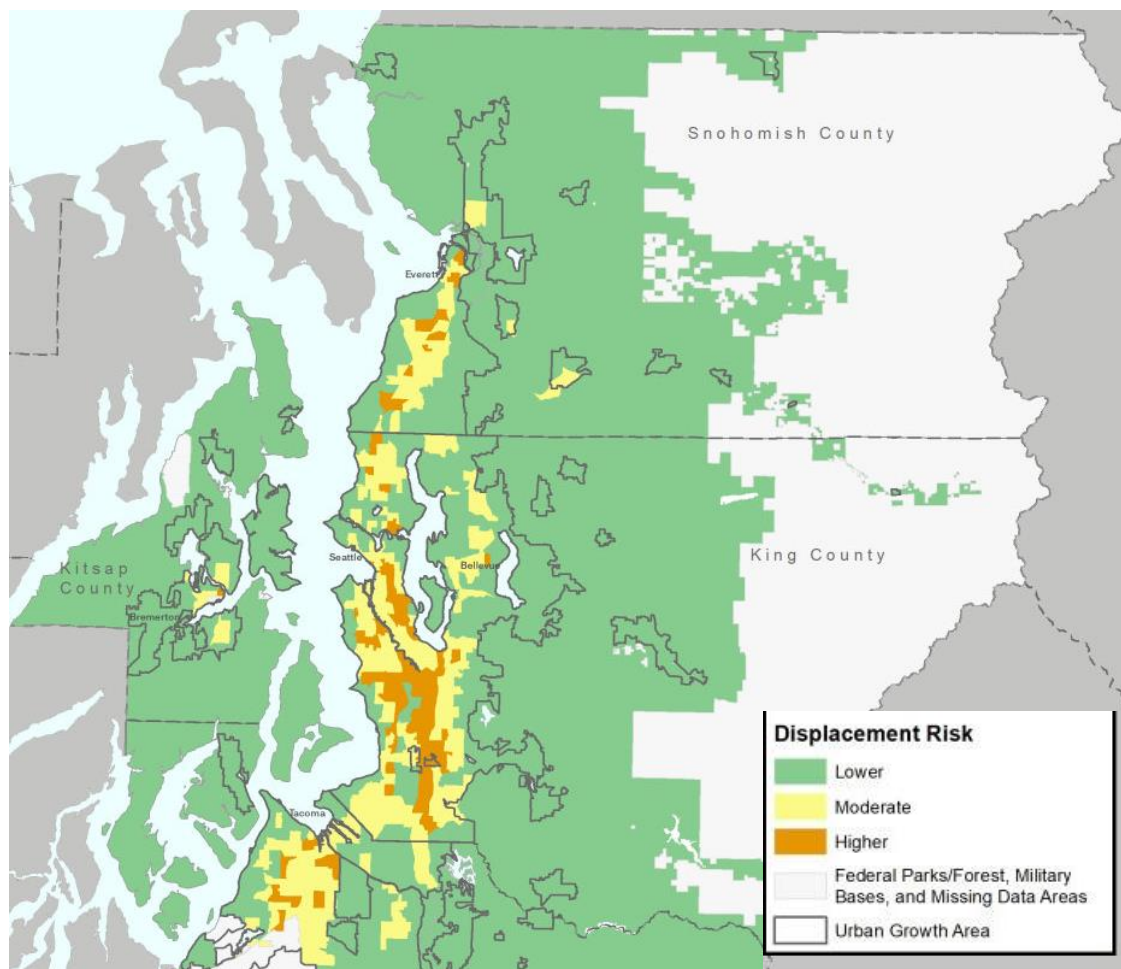
Sources: Home Prices from Zillow, 2019; MFI from HUD, 2019; Lending, insurance rates, and calculations from BERK, 2020.

Appendix E: Displacement Vulnerability

The Puget Sound Regional Council's displacement risk map evaluates Snohomish, King, Pierce, and Kitsap Counties for relative risk for residential displacement, based on factors such as socio-demographics, transportation access, neighborhood characteristics, housing, and civic engagement. Full technical documentation can be found [here](#).

Areas of Lynnwood highlighted on this map with moderate or higher risk include those along the light rail corridor and to its east.

Exhibit 45: PSRC Displacement Risk Mapping, 2016.



Source: [Puget Sound Regional Council, 2016](#).

Evictions are a form of direct, physical displacement. The table below summarizes the rate and count of evictions by Census Tract in Lynnwood. These figures can identify areas where renters are experiencing displacement in higher quantities and higher rates. Rates are gauged relative to Snohomish County overall. A map of Lynnwood Census tracts can be found in Exhibit 47.

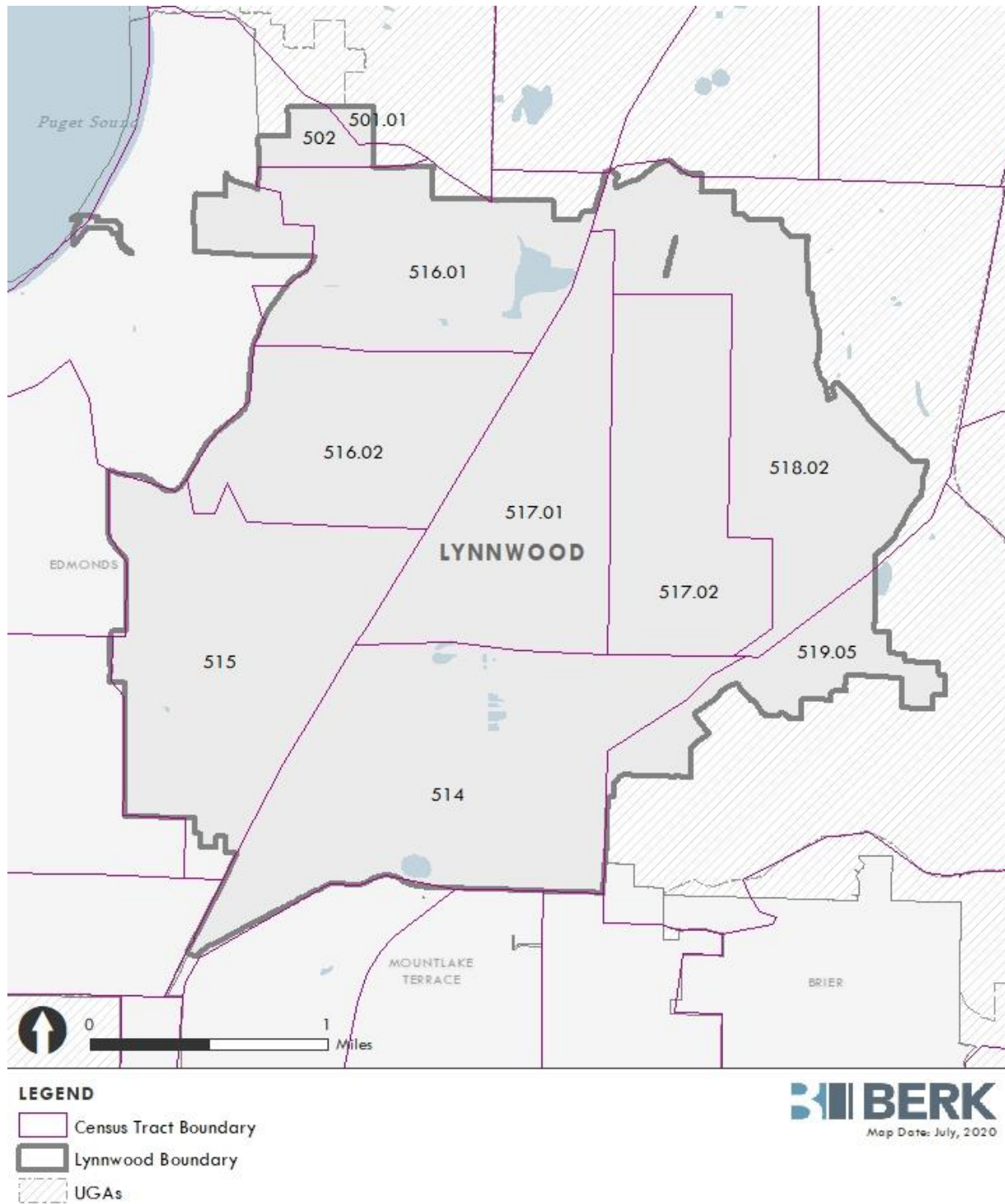
Exhibit 46: Eviction Rate and Eviction Counts by Census Tract in Lynnwood, 2008-2017.

Census Tract	2017 Eviction Rate*	2008	2009	2010	2013	2014	2016	2017
501.01	0.76	4	2	2	4	2	2	3
502	NA	2	1	1	0	2	1	4
514	0.95	45	56	53	54	41	34	37
515	0.55	15	23	17	14	6	11	12
516.01	1.19	15	15	19	9	17	9	16
516.02	0.24	5	3	4	5	6	2	2
517.01	0.32	25	17	21	17	15	8	8
517.02	0.25	3	4	14	6	3	8	3
518.02	2.18	14	16	6	8	9	34	33
519.05	0.93	30	25	29	18	25	11	23
TOTAL		158	162	166	135	126	120	141

*Eviction Rate of 1.0 indicates the Snohomish County average. Rates above 1.0 represent higher than average eviction rates (red text), while rates below 1.0 indicate lower than average rates.

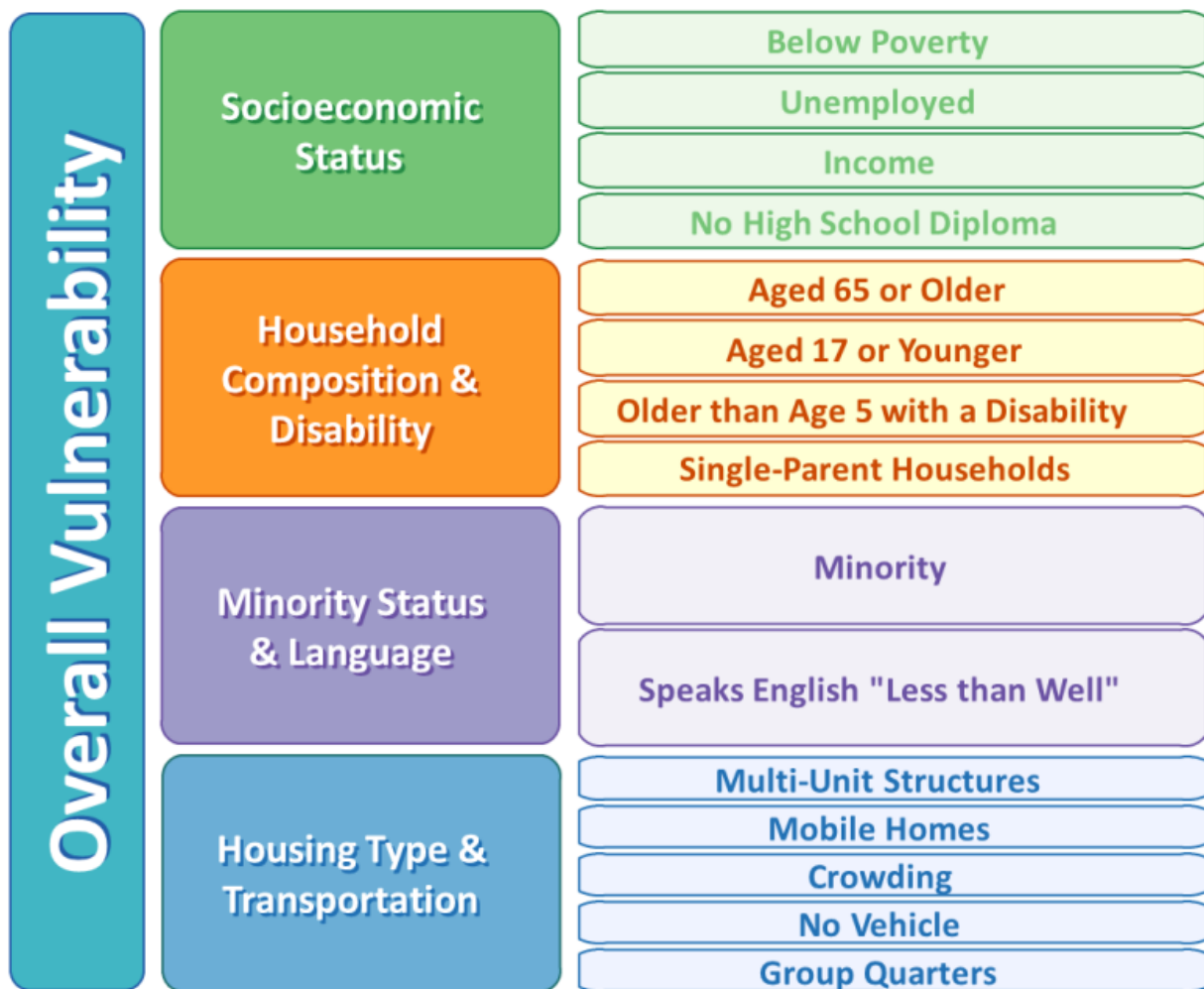
Sources: EvictionsStudy, 2008-2017, no data provided for 2011, 2012, or 2015; BERK Consulting, 2020.

Exhibit 47: Lynnwood Census Tract Map.



The Social Vulnerability Index, developed for public health and hazard mitigation professionals, measures similar factors for considering vulnerabilities to these different types of shocks and threats. A summary of included metrics is shown in the image below and summarized in their technical documentation [here](#). A table summarizing results for each metric, theme, and overall SVI score by Census Tract in Lynnwood provides greater detail for the potential community dynamics that can correlate with displacement risk, such as poverty rates or concentrations of rental housing. Scores range from 0 to 1.0, with 1.0 representing higher vulnerability, and are assigned relative to statewide results.

Exhibit 48: Social Vulnerability Index Metrics



Source: Centers for Disease Control, 2018.

Exhibit 49: SVI Rankings by Metric for Lynnwood Census Tracts

	Tract 501.01	Tract 502	Tract 514	Tract 515	Tract 516.01	Tract 516.02	Tract 517.01	Tract 517.02	Tract 518.02	Tract 519.05
SVI Overall	0.26	0.03	0.92	0.89	0.80	0.68	0.81	0.52	0.54	0.70
SVI Theme 1	0.24	0.18	0.65	0.71	0.76	0.56	0.62	0.31	0.47	0.58
Below Poverty	0.19	0.06	0.73	0.80	0.73	0.38	0.82	0.33	0.56	0.40
Unemployed	0.29	0.74	0.02	0.41	0.83	0.83	0.07	0.06	0.32	0.83
Income	0.29	0.07	0.76	0.65	0.68	0.47	0.72	0.53	0.42	0.40
No HS Diploma	0.42	0.15	0.91	0.72	0.51	0.45	0.71	0.51	0.62	0.57
SVI Theme 2	0.55	0.12	0.74	0.89	0.58	0.40	0.44	0.25	0.11	0.37
Age 65 or Older	0.47	0.85	0.20	0.72	0.38	0.68	0.60	0.80	0.41	0.22
Age 17 or Younger	0.34	0.05	0.57	0.58	0.85	0.18	0.29	0.36	0.23	0.32
Disability	0.54	0.32	0.74	0.49	0.29	0.35	0.45	0.30	0.16	0.59
Single-Parent Households	0.76	0.05	0.89	0.91	0.64	0.69	0.62	0.15	0.43	0.71
SVI Theme 3	0.43	0.29	0.92	0.89	0.86	0.66	0.90	0.83	0.90	0.81
Minority	0.53	0.26	0.88	0.81	0.81	0.58	0.89	0.77	0.85	0.78
Speaks English "less than well"	0.30	0.35	0.93	0.92	0.86	0.68	0.86	0.85	0.90	0.79
SVI_Theme4	0.19	0.02	0.98	0.86	0.68	0.76	0.91	0.64	0.59	0.70
Multifamily structures	0.00	0.00	0.94	0.81	0.61	0.39	0.86	0.79	0.76	0.73

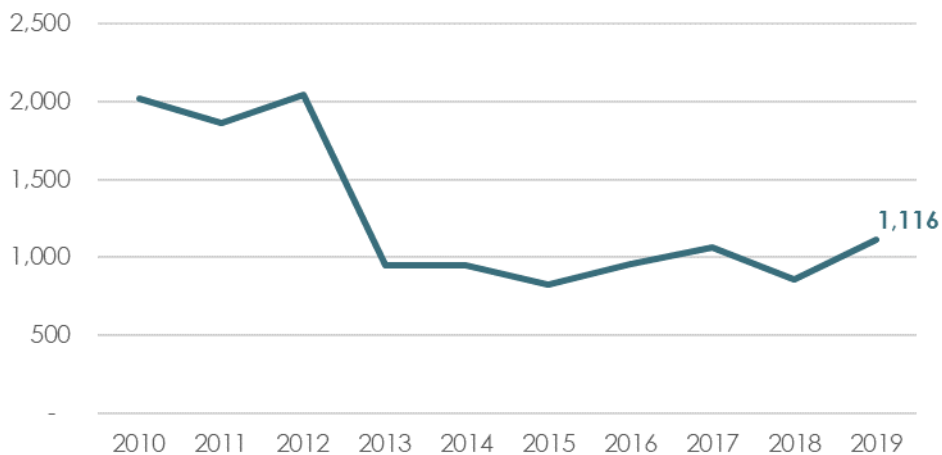
	Tract 501.01	Tract 502	Tract 514	Tract 515	Tract 516.01	Tract 516.02	Tract 517.01	Tract 517.02	Tract 518.02	Tract 519.05
Mobile homes	0.00	0.00	0.55	0.35	0.44	0.70	0.60	0.00	0.42	0.36
Crowding	0.63	0.00	0.86	0.36	0.70	0.63	0.90	0.18	0.79	0.69
No vehicle	0.37	0.06	0.91	0.92	0.39	0.45	0.70	0.83	0.12	0.65
Group quarters	0.63	0.59	0.69	0.92	0.69	0.92	0.46	0.93	0.52	0.46

*SVI is ranked on a scale of 0 – 1.0, compared to Washington state as a whole. Red text indicates a score of 0.75 or higher.

Appendix F: Point in Time Estimates & Students Experiencing Homelessness

Snohomish County Point-in-Time (PIT) estimates show a decrease in individuals experiencing homelessness 2010-2019. The count dropped significantly between 2012 and 2013. 2019 estimates show 1,116 individuals identified. Detailed breakouts on the sheltered status and demographics of these individuals in Snohomish County are summarized below, and can be found [here](#). It is unknown how many individuals are currently experiencing homelessness in Lynnwood.

Exhibit 50: Point-in-Time Count of Persons Experiencing Homelessness in Snohomish County, 2010-2019.



Sources: Washington State Department of Commerce, 2019; BERK, 2020.

Exhibit 51: Snohomish County 2019 PIT Count Results, Demographic Breakouts

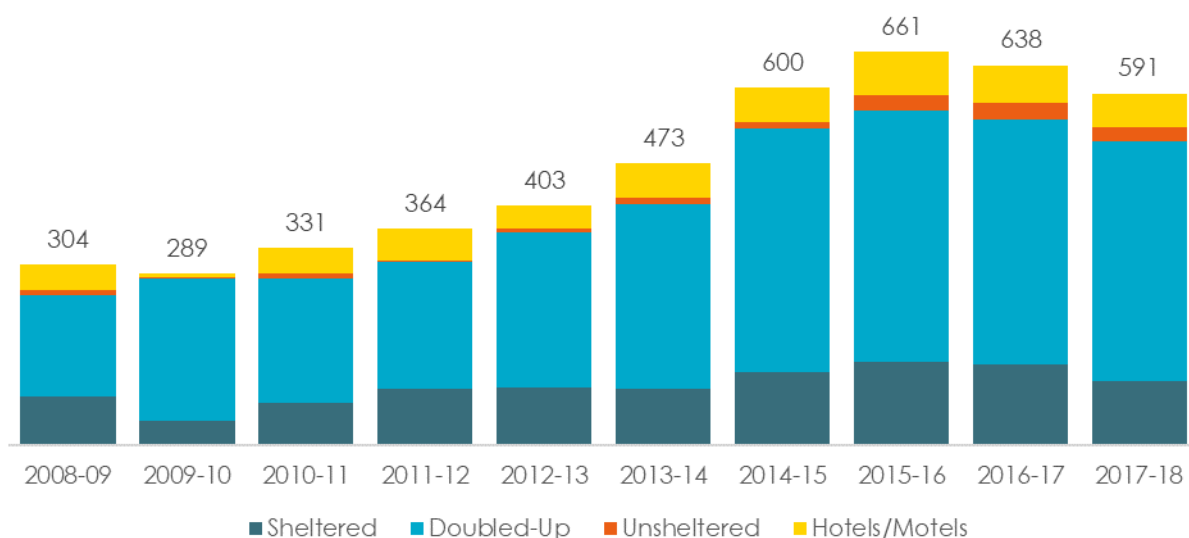
Sheltered	Households w/out minors	Emergency Shelter	Persons	197	
			Households	197	
		Transitional	Persons	51	
			Households	48	
		Safe Haven	Persons	0	
			Households	0	
		TOTAL	TOTAL Persons	248	
			TOTAL HH	245	
		Households with adults and minors	Emergency Shelter	Persons	199
				Households	61
	Transitional		Persons	46	
			Households	16	
	TOTAL		TOTAL Persons	245	
			TOTAL HH	77	
	Households with only minors	Emergency Shelter	Persons	10	
			Households	10	
		Transitional	Persons	14	
			Households	12	
		TOTAL	TOTAL Persons	24	
			TOTAL HH	22	
	TOTAL Sheltered	Persons		517	
		Households		344	
	Unsheltered	Households w/out minors	Persons		496
			Households		456
Households with adults and minors		Persons		92	
		Households		28	
Households with only minors		Persons		11	
		Households		11	
TOTAL Unsheltered		Persons		599	
		Households		495	
TOTAL Homeless (sheltered and unsheltered)		Households w/out minors	Persons		744
			Households		701
	Households with minors	Persons		337	
		Households		105	
	Households with only minors	Persons		35	
		Households		33	
TOTAL		Persons		1,116	

	Households	839
Chronically Homeless Persons	Emergency Shelter + Safe Haven	118
	Unsheltered	358
	TOTAL Chronically Homeless Persons	476
Chronically Homeless Households with adults and minors	Households	Emergency Shelter 11
		Unsheltered 12
	Persons in Households	Emergency Shelter 31
		Unsheltered 40
VETERANS	Emergency Shelter + Transitional Housing + Safe Haven	23
	Unsheltered	35
	TOTAL VETERANS	58

Students Experiencing Homelessness

The count of students experiencing homelessness has doubled over the past 10 years in the Edmonds School District. See Exhibit 52. This includes both sheltered and unsheltered homelessness, as well as families living out of hotels/motels or doubling up, which refers to multiple families cohabitating in a single residence. This often occurs when at least one of the families is either evicted from their home or chooses to leave due to affordability concerns. Being doubled up or living in a hotel/motel can be an intermediate step before or signal risk of homelessness.

Exhibit 52: Homeless Student Count, Edmonds School District 2018-19.



Sources: Washington OSPI, 2019; BERK, 2020.

Appendix G: Data Sources

Data in this report assumes current city boundaries and does not include any potential annexations. The primary sources of data used for this Needs Assessment include:

American Community Survey. This report uses ACS estimates for demographic and economic indicators, primarily 5-year 2014-2018 data. These are the most recently published estimates available at the city level.

City of Lynnwood data. The City of Lynnwood provided data for residential permits, 2013-2020, used to establish construction trends. Lynnwood GIS layers were used to define subareas and zoning by parcel.

Puget Sound Regional Council. PSRC estimates for employment provide the best available city-level data on employment. Data refers to Lynnwood employees, rather than the jobs of Lynnwood residents.

Snohomish County Assessor Data. Assessor data was used to calculate parcel-level information, such as the percentage of residential land zoned single family.

Washington Office of Financial Management. OFM data is used for total housing stock by unit type, population estimates, and county-wide forecasts by age cohort.

Zillow. Zillow data is used to establish average housing prices and rents. Zillow, a private company, publishes monthly real estate metrics for every metropolitan area in the county. Their datasets are used by public agencies such as the Federal Reserve.

CITY COUNCIL ITEM K

CITY OF LYNNWOOD Administrative Services

TITLE: LMC 2.92 Contract Threshold

DEPARTMENT CONTACT: Cathy Robinson, Procurement Manager and Karen Fitzthum, Interim City Clerk

SUMMARY:

The current Procurement and Contracts LMC 2.92 was updated in 2018. The code was unclear and confusing, which presented a challenge for staff and potential contractors. Prior to discussion at the full Council, the 2018 amendment was discussed with the Finance Committee, which recommended it proceed to Council.

The previous code had different requirements for council approval for different types of contracts, and was inconsistent in other areas as well. A lack of definitions in the code caused confusion and over processing of some contracts. Exemptions of some large expenditures from competitive requirements was not included in the previous code, and emergency contracting policy lacked consistency and reporting to Council. A summary of the 2018 changes presented with the code adopted by the Council is attached.

POLICY QUESTION(S) FOR COUNCIL CONSIDERATION:

Should the contracting threshold set by the adoption of LMC 2.92 in 2018 be changed?

BACKGROUND:

One of the changes in the Procurement code in 2018 was to set the contracting authority for the Mayor at \$250,000 where the funds were already adopted within an existing Council approved budget. Previous to the 2018 code change, some contracts or agreements required Council approval regardless of cost, some at \$10,000, some at \$50,000 and still others were unclear what amount was allowed.

Since the updates were adopted, some Councilmembers expressed a desire to revisit the topic of the contracting threshold for the Mayor.

PREVIOUS COUNCIL ACTIONS:

Council approved the current LMC 2.92 Procurement code May 14, 2018. The Finance Committee revisited the topic in June of 2019.

DOCUMENT ATTACHMENTS

Description:	Type:
Contract Threshold presentation	Backup Material
Summary of changes - Ordinance to update Title 2.92	Backup Material
LMC Title 2.92 Procurement	Backup Material



LYNNWOOD
WASHINGTON

A great deal more

Contracting Thresholds

Executive Office

September 2020



History

In 2018 the LMC Section 2.92 was updated to accomplish the following objectives:

- Clarify vagueness and create internal consistency
 - Updated definitions and standardized processes
- Established delegated thresholds to streamline and simplify procurement procedures
 - Council approval requires visibility 30 days in advance on the Council calendar
 - Purchase and Contract approvals requires presentation at a workshop and then again at a business meeting
 - This creates a potential 6-week delay to execute a purchase, contract and begin a construction project.



Goals

- Shift from day to day transactional processes to focus on value added strategic activities
- Less time spent preparing council presentations; more time collaborating with department
- Deliver more efficient and streamlined services to City departments
- Quickly establish multi-year contracts for repairs and maintenance, on-going design tasks, and expedite issuance of purchase orders



Current Outcomes

- Allows all City Departments to meet business requirements more quickly and efficiently for general goods, services, and small construction projects
- Allows Procurement staff to provide more strategic assistance and collaboration
- Realized increased performance in turn-around times
- Encourages staff to plan longer term for their requirements

2019 contract awards

Awards between \$100K and \$250K for one year

3089	Lift Station 10 Improvements	2019	249,600.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3094	South Lynnwood Park Final Design	2019	233,850.00	(1917) Moore Iacofano Goltsman, Inc.	(510) PARKS
3188	Inmate Medical Services	2019	204,001.00	(5619) Community Health Center of Snohomis	(300) POLICE DEPARTMENT
3140	Laptops and Equipment - PD	2019	202,768.11	(107) Datec Inc	(750) FLEET AND EQUIPMENT RENTAL
3072	Utility Rate Study / Fleet Operations	2019	200,000.00	(647) FCS Group	(610) PUBLIC WORKS
3176	Vac-Con Parts & Repairs (Sole Source)	2019	200,000.00	(753) Enviro-Clean Equipment, Inc.	(750) FLEET AND EQUIPMENT RENTAL
3112	Janitorial Services	2019	194,209.68	(5042) CCS Washington Janitorial, Inc	(630) PW BUILDING MAINTENANCE
3113	WWTP Secondary Clarifier Repairs (Parts)	2019	155,077.60	(4666) Brentwood Industries Inc	(610) PUBLIC WORKS
3155	PRV 2 Vault Improvements	2019	150,900.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3154	40th Ave W Water Tanks Improvements	2019	146,500.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3156	48th Ave Sewer Line-200th St Water Line Improve	2019	142,400.00	(975) RH2 Engineering, Inc.	(610) PUBLIC WORKS
3189	Goodyear Tires	2019	120,000.00	(278) The Goodyear Tire & Rubber Company	(750) FLEET AND EQUIPMENT RENTAL
3101	DBS Process Review & Improvements	2019	118,400.00	(5075) Strategica, Inc.	(800) DBS
3097	ILA for Emergency Mangement Services	2019	104,575.00	(20) Snohomish County	(300) POLICE DEPARTMENT



Strategic Position for the Future

- Lynnwood has the largest retail area in Snohomish County
- While currently modest in population, Lynnwood provides services to the community comparable to larger sized cities
- The volume of critical City initiatives and projects continues at a high rate, requiring even more streamlining to keep pace to ensure that contracts and purchases are turned out quickly so City departments can proceed with their work
- The goal is to achieve organizational excellence, accountable government, and financial sustainability through consistent rules, streamlined processes, and open and fair processes for contract award.

TO: City Councilmembers
 FROM: Karen Fitzthum, Procurement and Records Manager
 SUBJECT: Summary of proposed changes to LMC 2.92 Procurement
 DATE: May 2, 2018

Key reasons for the update are to clarify and standardize requirements, increase council award threshold, separate procedure from law, strengthen emergency contracting requirements, and eliminate conflicting language.

Current challenge	Proposed
<u>Definitions</u> A lack of defined terms led to different interpretations of current code	Definitions help clarify and standardize our rules
<u>Varying thresholds –</u> Some language was contradictory or confusing. Some purchases required formal advertisement at \$10,000 (services) and others you can get informal quotes up to \$50,000. Council award was required sometimes at no cost, or not at all	Standardizes the publicly advertised and formal threshold at \$50,000 for goods and services. Update standardizes the threshold for council approval at above \$250,000.
<u>Clarify Exemptions</u> Named some expenditures as exempt, but did not include several large payments.	Clearly lists types payments that will exceed \$250,000 per year without contracts that are necessary for City operations the Mayor can authorize.
<u>Remove procedures</u> Some procedures in code were out of date	Simplifies code and allows procedures to be more adaptable to future best practice and system improvements
<u>Emergency contracting</u> Guidance on emergency contracting very limited Reporting requirement for “next subsequent meeting” is unclear	Requires prompt contracting for emergencies, reporting to council within 45 days realistic and clearly defined limits for emergency contracting
<u>Conflicting Language</u> Some areas were unclear and others in conflict, leading to the most conservative interpretation of requirements	Clear requirements Throughout the new code we will have improved consistency and clear direction.

Exhibit A

Title 2

Chapter: 2.92 Procurement and Contracting

Sections:

2.92.010	Applicability, administration, and grant fund compliance.
2.92.020.	Authorization.
2.92.030	Definitions.
2.92.040	Receipt and opening of bids, proposals or statements of qualification.
2.92.050	Procurements of goods and services.
2.92.060	Procurements of professional services and public works contracts.
2.92.070	Procurement of small works roster and limited public works projects.
2.92.080	Procurement of noncompetitive purchases and contracts.
2.92.090	Emergency purchases.
2.92.100	General provisions.
2.92.110	Credit card payments by officers and employees.
2.92.120	Collusion.
2.92.130	Cooperative purchasing.
2.92.140	Protest and appeal procedures.

2.92.010 Applicability, administration, and grant fund compliance. To ensure open, fair and competitive procurement processes, to establish a procurement system of quality and integrity and to maximize the purchasing value of public funds, this chapter applies to contracts for the procurement of goods, services, professional services, and public work entered by city elected officials, department heads and their designees. Except where exempt by state law or city ordinance, city procurement shall be administered through the procurement and contract services division to maximize economies of scale, consistency in city practices, and accountability.

When a procurement involves the expenditure of federal, state, or county assistance, grants or funds, the manager shall conduct the procurement in accordance with this chapter unless the federal, state, or county agency specifically requires otherwise. This chapter does not limit the city's authority to procure goods, services, professional services, or public work in a manner otherwise provided for in law.

2.92.020 Authorization.

- A. The city council authorizes the mayor to enter into and execute on behalf of the city contracts involving a total cost of \$250,000 or less without individual approval of each contract by the city council, so long as the contract is consistent with the approved budget for the city, the contractor selection is in accordance with this chapter, and the city's liability under the contract does not exceed available fund balances.

- B.
- C. Department directors and city officers shall be responsible for verifying the availability of fund balances for any contracts, agreements or purchases attributable to their departments, and ensuring that any contract is consistent with the approved budget for the city, and the city's liability under the contract does not exceed available fund balances
- D. The Mayor is hereby authorized to take all actions necessary and appropriate to implement the policies and provisions in this chapter, and to promulgate such rules, regulations and guidelines as the Mayor deems necessary to carry out the purposes or provisions of this chapter.

2.92.030 Definitions. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- A. "Bid" or "proposal" means an offer to provide goods, services, professional services, or public work in response to a solicitation for bids or proposals issued by the city.
- B. "Bidder" or "proposer" means a person, firm, partnership, corporation or other entity that formally submits a bid, proposal or offer to provide goods, services, professional services, or public work to the city in response to a solicitation for bids or proposals or request for qualifications issued by the city.
- C. "Collusion" means a willful act to defraud others of their rights or to obtain an unfair advantage in a public contracting process.
- D. "Contract" means a mutually binding legal relationship or any modification thereof obligating a person, firm, partnership, corporation, or other entity to provide goods, services, professional services or public work to the city, and that obligates the city to compensate the other party.
- E. "Day" means a calendar day.
- F. "Director" means the city's finance director.
- G. "Goods" means equipment, supplies, materials and goods, and includes both tangible and intangible personal property that is movable, subject to ownership, and has exchange value.
- H. "Manager" means the city's procurement manager.
- I. "Mayor" means the Mayor or the Mayor's designee.
- J. "Personal services" means those consulting services where the work is primarily intellectual in nature, and the reports or recommendations are incidental to the required performance.
- K. "Professional services" means those services provided by licensed or certified individuals or consulting firms associated with either the development, design or construction, or any combination thereof, of a public works project.
- L. "Public work" means all work, construction, alteration, enlargement, repair, demolition or improvement, other than ordinary maintenance, executed at the cost of the city or that is by law a lien or charge on any property therein.
- M. "Sealed bid" means a method for submitting a bid to provide or perform work on a contract, inclusive of electronic sealed bidding systems, and where all bids are opened at the same time.

- N. "Services," except for professional services, means the furnishing of labor, time or effort by a contractor.
- O. "Waiver" means a process whereby the manager may procure without formal solicitation procedures because of the uniqueness of circumstances related to that procurement action, or a declared emergency.

2.92.040 Receipt and opening of bids, proposals or statements of qualification.

- A. Sealed bids shall be received in the manner and form, including electronically if specified by the city in the invitation to bid, and at the location the manager shall designate up to the time and date identified in the invitation to bid. The bids shall be time-recorded by a city representative when received. After the expiration of the time for the receipt of bids, the bids will be publicly opened and read. The city reserves the right to reject any bid, any portion of any bid, or all bids and to waive immaterial irregularities in accordance with applicable law.
- B. Written proposals or statements of qualification shall be received in the manner and form, including electronically if specified by the city in the request for proposals or qualifications, at the location the manager shall designate up to the time and date identified in the request for proposals or qualifications. The proposals or statements shall be time recorded by a city representative when received. After expiration of the time for receipt of proposals or statements, a submittal list shall be compiled and made public. The city reserves the right to reject any proposal or statement of qualification, any portion thereof, or all proposals or statements of qualification and to waive immaterial irregularities in accordance with applicable law.

2.92.050 Procurements of goods and services.

This section applies to contracts or procurements for goods and services, including personal services. Contracts shall be solicited under the following competitive process thresholds, with the price inclusive of taxes, freight, and any related costs.

- A. For purchases and contracts below \$10,000, inclusive of taxes, freight and any related cost employees and officials are responsible for selecting goods and services in the open market and ensuring best value for the city.
- B. For purchases and contracts between \$10,000 and \$50,000, informal price quotations shall be secured. Employees must:
 - 1. Research the good or service, and provide a clear and open description of the needs of the city;
 - 2. Secure a written price quote from multiple sources;
 - 3. Identify the best price;
 - 4. Provide written quotes to the manager; and
 - 5. Manager reviews the informal price quotations and approves or rejects the purchase.

Procurement may conduct quotations on behalf of departments and offices when requested.

- C. Purchases and contracts more than \$50,000 must be formally advertised in a public manner.
1. The manager or the manager's designee shall advertise solicitations for the submittal of bids, qualifications or proposals. The notice shall state the date and time for submissions. The solicitation for submittals shall state the relative importance of price and all other evaluation factors.
 2. All bids submitted shall be reviewed for the responsiveness to the bid requirements and for the responsibility of the firm to perform the work described. When all factors have been evaluated, the award of the contract shall be to the lowest responsible, responsive bidder.
 3. For Requests for Proposals or Qualifications and other solicitation methods where price is not the only determining factor, discussions may be conducted with responsible proposers to determine which proposals should be evaluated in more detail or which proposers should be requested to enter negotiations, or both. Negotiations may be conducted concurrently or sequentially. The city may request clarifications and consider adjustments in the proposals to better understand the proposals and to qualify them for further consideration, though information discussed or obtained from one proposer shall not be disclosed to competing proposers during the discussions and negotiations.
 4. Contract award, if at all, shall be made to a responsible offeror(s) whose bid or proposal is determined to be the most advantageous to the city, taking into consideration price and the other established evaluation factors.

2.92.060 Procurements of professional services and public works contracts.

This section applies to the procurement and contracting for public works contracts, architect and engineering services and construction management services.

- A. Contracts for architect and engineering services shall be solicited in accordance with chapter 39.80 RCW.
- B. Contracts for professional services, other than architectural or engineering, shall be solicited using the procedures in chapter 39.80 RCW, with price as an additional element of consideration.
- C. Public works contracts shall be solicited and awarded in accordance with the authority granted by state law, including but not limited to Titles 35A and 39 RCW, and any additional requirements prescribed by city ordinance or executive policy.

2.92.070 Procurement of small works roster and limited public works projects.

The city may award public works contracts using the small works roster or the limited public works projects procedures authorized by 39.04.155.

- A. The manager or the manager's designee shall be responsible for the administration of the small works roster system, including any limited public works process authorized under RCW 39.04.155.

- B. In the discretion of the manager or the manager's designee, solicitations under the small works roster system or limited public works process may be conducted in writing or electronically, including but not limited to using a web-based solicitation process. The manager may use a regional small works roster or limited public works project system when it is deemed to benefit the city and potential contractors.

2.92.080 Procurement of noncompetitive purchases and contracts.

- A. The competitive procurement provisions of this chapter shall not apply to the lease or purchase of goods or services that are clearly and legitimately limited to a single source of supply, involve special facilities, special design or special market conditions. The price shall be established by direct negotiations by the manager. The manager shall provide a procedure for requesting a waiver of the competitive process for purchases under this section. Departments and offices requesting such waivers shall secure the manager's approval prior to any such purchase.
- B. Notwithstanding subsection A. of this section, the competitive bidding requirements for public works may not be waived based on a single source of supply, special facilities, special design, or special market conditions.
- C. The following expenditures, purchases and contracts, based on their nature, are exempt from the competitive processes of this chapter:
 - 1. Real Estate related contracts;
 - 2. Utilities limited to one source;
 - 3. Legal settlements;
 - 4. Membership fees and dues;
 - 5. Registration and travel for training;
 - 6. Employment and personnel matters;
 - 7. Grant agreements;
 - 8. Contracts to acquire goods and services which are purchased on another governmental entity's bid documents, contract or other cooperative purchasing arrangement, in accordance with state law and LMC 2.92.130; and
 - 9. Items purchased for resale to the public in support of a city program or facility, such as inventory for resale at the city golf course, as determined by the manager.
 - 10. Agreements or contracts which carry out or implement a provision of the Lynnwood Municipal Code or established city policy, e.g., maintenance or performance bonds for plat improvements.
 - 11. Interlocal Agreements

The manager may determine other similar expenditures, purchases and contracts which are exempt from competitive processes. The manager shall provide a list of any additional exempt expenditures, purchases and contracts to all offices and departments.

D. Mayor's approval authority.

1. The Mayor may approve the following agreements and expenditures without individual Council approval, regardless of dollar amount:

- a) Utilities limited to one source;
- b) Membership fees and dues;
- c) Registration for training;
- d) Grant agreements;
- e) Contracts to acquire goods and services which are purchased on another governmental entity's bid documents, contract or other cooperative purchasing arrangement, in accordance with state law and LMC 2.92.130; and
- f) Payments required by the processing of payroll, such as deductions for taxes, insurance, union dues and similar disbursements.
- g) Payments the City is legally required to make to local, state or federal agencies.
- h) Agreements or contracts which carry out or implement a provision of the Lynnwood Municipal Code or established city policy, e.g., maintenance or performance bonds for plat improvements
- i)

2. The Mayor may approve the following agreements and expenditures up to \$250,000 without individual Council approval:

- a) Real Estate related contracts;
- b) Legal settlements;
- c) Employment and personnel matters; and
- d) Items purchased for resale to the public in support of a city program or facility, such as inventory for resale at the city golf course, as determined by the manager.
- e) Interlocal Agreements

2.92.090 Emergency purchases.

- A. In the event of an emergency, as defined in RCW 39.04.280, as now in effect and as hereinafter amended, the Mayor may issue a declaration of emergency. The declaration shall recite the facts constituting the emergency and may include a waiver of the requirements of this chapter, with reference to any contract relating to the city's lease or purchase of goods or services, contracts for public works, or to the selection and award of either professional service or consultant contracts.
- B. The Mayor, or designated director, shall report such emergency expenditures to the city council within forty-five days of determining an emergency.
- C. Waivers shall continue to have force and effect until terminated by order of the Mayor or action of the council, or until it expires, which shall be twenty days after the declaration. The Mayor may extend a waiver beyond the twenty-day period as necessary to complete a contract for any work already undertaken to address the emergency.

- D. In the event a waiver authorized under this section expires or is terminated, no further contracts or purchases may be made without complying with the nonemergency contracting provisions of this chapter.
- E. Reasonably necessary expenditures to respond to the emergency will not result in contracts or purchases being null and void, notwithstanding the lack of an appropriation. If the responsible director determines that the expenditures were more than the amount appropriated, the mayor will request an appropriation, specifying the source of funds.

2.92.100 General provisions.

- A. The sale of surplus property with an estimated value of \$50,000 or less, which has been certified for disposition, may be made by the manager in accordance with any applicable law and best practice to ensure the most favorable financial return and risk reduction.
- B. Splitting purchases or breaking down the requirements of any purchase or contract into units to avoid the maximum dollar thresholds requirements above is strictly prohibited.
- C. The contract approval threshold amount includes all amendments. Amendments that do not exceed in total 10 percent of the amount may be entered into without prior council approval unless the new total of the contract would then require council approval for the first time. Amendment in excess of 10% of a council awarded amount require council approval prior to the Mayor entering into the contract.
- D. The Mayor may delegate certain purchasing and contracting authority to a department or office of the city, such as procurement card activities, low dollar contracts using established templates, or public works contracting activities.
- E. Prequalification of goods or services may occur before procurement of the items. Under those circumstances, only goods or services that are determined to meet the qualifying criteria will be acceptable in the subsequent procurement.
- F. Technology procurements. All purchases of information technology products and services, including, but not limited to, hardware, software or applications, cellular or mobile devices, computer-related peripherals or components, audio-visual equipment, telecommunications systems or equipment, drones, or technology services or consulting shall be approved in advance by the city's chief technology officer and City Clerk, or designees to ensure system and equipment compatibility, records retention, and reporting capacity. The purchase of electronic data and telecommunications systems may be made by competitive negotiations in accordance with RCW 39.04.270.
- G. The Mayor or manager may elect to request council approval of any agreement, contract, or expenditure.
- H. Interlocal agreements or contracts with an expense to the City below \$250,000 may be made by the Mayor.

2.92.110 Credit card payments by officers and employees.

- A. The manager shall implement the following system for the authorization, distribution, control, implementation and administration of credit cards by officers and employees:
 - 1. Credit cards may be distributed to those city officers and employees who, as determined by the manager, have job responsibilities that would benefit from, or otherwise be facilitated by, the use of a credit card;
 - 2. Credit cards may only be used for purchases or acquisitions the user would be authorized to make with city cash, purchase order, or voucher;
 - 3. Credit cards may not be used for cash advances;
 - 4. Policies and procedures and accounting controls shall be developed and implemented to ensure the proper usage of credit cards and credit card funds including compliance with city code and city purchasing policies and procedures;
 - 5. Credit cards may be required to be immediately surrendered if used in a manner inconsistent with city code, policies, or procedures; and
 - 6. Credit limits shall be set on each credit card issued.
- B. The manager may adopt any additional policies and procedures the manager determines are necessary to implement, and are not inconsistent with, this chapter.

2.92.120 Collusion. Regardless of whether bids or proposals have been solicited by the city for the purchase of goods or the performance of services, the manager shall report to the executive any suspected collusion. The Mayor may order the suspected collusion to be reported to the appropriate authorities.

2.92.130 Cooperative purchasing. The manager shall have authority to join with other units of government in cooperative purchasing when the best interests of the city would be served thereby, but each of the participating units shall be separately invoiced by the vendors for the purchases and the city shall not be obligated for purchases other than those required for its own use. Interlocal purchasing agreements may be made by the manager. The city may utilize federal, state or local governments' contracts that, in the determination of the manager, have conducted a fair and open competition for the contracting opportunity, and such purchases or contracts shall not be subject to the competitive procedures of this chapter. The manager may establish a purchasing administrative fee to recover costs from the contractor associated with other public agencies' use of these contracts.

2.92.140 Protest and appeal procedures. The Mayor shall establish procedures for considering and determining bid and proposal protests and appeals. The Mayor or designee shall render the final administrative determination on all such protests and appeals.

CITY COUNCIL ITEM L

CITY OF LYNNWOOD City Council

TITLE: Mayor Comments and Questions

DEPARTMENT CONTACT: Nicola Smith, Mayor

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM M

CITY OF LYNNWOOD City Council

TITLE: Council President and Council Comments

DEPARTMENT CONTACT: Christine Frizzell, Council President

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM N

CITY OF LYNNWOOD Executive

TITLE: Executive Session, If Needed

DEPARTMENT CONTACT: Leah Jensen

DOCUMENT ATTACHMENTS

Description:

Type:

No Attachments Available

CITY COUNCIL ITEM M-1

CITY OF LYNNWOOD Administrative Services

TITLE: Contract 3094, Amendment #2, S Lynnwood Park Final Design

DEPARTMENT CONTACT: Cathy Robinson, Interim Procurement Manager

SUMMARY:

The City requires the services of a design firm in support of the S Lynnwood Park renovation. Moore, Iacofano, Goltsman (MIG), Inc., provides these services under contract for the City. Amendment #2 will increase the contract total and extend the contract term.

ACTION:

Authorize the Mayor to execute contract amendment #2 with MIG, Inc., for expanded construction administration services in the amount of \$79,080 and extend the contract term through 12/31/21.

BACKGROUND:

The City issued a RFQ for design services and awarded a contract to MIG, Inc., in the amount of \$233,850. Contract amendment #1 added and deleted items in the scope of work with no change to the original contract amount. Proposed contract amendment #2 will continue the contract through the construction phase for an estimated amount of \$79,080.

PREVIOUS COUNCIL ACTIONS:

N/A

FUNDING:

Funding for this project is included in the currently adopted biennium budget. The remainder of the project funding is included in the proposed biennium budget for 2021-2022.

ADMINISTRATION RECOMMENDATION:

Approve.

DOCUMENT ATTACHMENTS

Description:	Type:
Contract #3094, Amendment 2	Backup Material

Procurement Report
Contract #3094 South Lynnwood Park Final Design
Amendment 2

Purpose of Contract:

The City of Lynnwood Parks Department received a grant to renovate South Lynnwood Park.

Estimated cost:

The original contract was executed for \$233,850. Contract amendment #1 added and deleted items in the scope of work with no change to the original contract amount.

Proposed contract amendment #2 expands the scope of work related to construction administration services for an additional cost of \$79,080, establishing a new total contract amount of \$312,930.

Advanced Planning:

Parks staff and our Consultant have worked together on the final design of the park renovation. This amendment expands the scope of work related to construction administration services and extends the contract term through construction close out.

Method of Procurement:

An RFQ process was used to solicit for architectural and engineering services.

Type of Contract: One time buy? Services?

This is a one-time service contract.

Term of Contract:

The current contract expires June 18, 2021. This amendment will establish a new contract expiration date of 12/31/21.

Solicitation: N/A

Recommended Action: Approve contract amendment #2 with Moore, Iacofano, Goltsman (MIG), Inc., for the provision of South Lynnwood Park Final Design, at an estimated value of \$79,080.

Procurement Officer: Ginny Meads, Buyer

Date: September 15, 2020

CITY COUNCIL ITEM M-2

CITY OF LYNNWOOD Public Works

TITLE: Public Hearing and Ordinance Adoption: Flood Hazard Area Regulations

DEPARTMENT CONTACT: Derek Fada, Environmental and Surface Water Supervisor

SUMMARY:

The FEMA National Flood Insurance Program (NFIP) was established with the passage of the National Flood Insurance Act of 1968. The NFIP is a federal program enabling property owners in participating communities to purchase flood insurance as protection against flood losses, while requiring state and local governments to enforce floodplain management ordinances that aim to reduce future flood damage. Lynnwood is a participating community and has been for over 30 years.

The City of Lynnwood desires to continue to participate in the NFIP and needed to update its Flood Hazard Area Regulations for consistency with current federal requirements by June 19th, 2020. Due to COVID-19, we could not hold a public hearing prior to that date. On June 8th, 2020 Council adopted an interim ordinance allowing the City to be compliant with the necessary requirements. On July 27th, 2020, a public hearing was held regarding the adopted interim ordinance.

As the interim ordinance is only effective for 6 months, the City must hold another public hearing to adopt the final regulations. The final regulations have been approved by the Washington Department of Commerce, gone through the SEPA process, and presented during a public hearing to the Planning Commission on August 13th, 2020.

ACTION:

Hold a public hearing and adopt the Flood Hazard Area Regulations at the Council's September 28th, 2020 regular meeting.

PREVIOUS COUNCIL ACTIONS:

Interim Ordinance 3359 adopted June 8th, 2020.

Public hearing held July 27th, 2020 for Interim Ordinance 3359.

FUNDING:

There are no budgetary impacts associated with this action.

ADMINISTRATION RECOMMENDATION:

Hold the public hearing and adopt the updated Flood Hazard Area Regulations allowing the City to continue to participate in the FEMA Flood Insurance Program.

DOCUMENT ATTACHMENTS

Description:	Type:
Strike Through and Underline Regulations Update	Backup Material



ORDINANCE NO. XXXX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LYNNWOOD, WASHINGTON, AMENDING LMC 16.46, FLOOD
HAZARD REGULATIONS; PROVIDING FOR SEVERABILITY;
ESTABLISHING AN EFFECTIVE DATE; AND PROVIDING FOR
SUMMARY PUBLICATION

WHEREAS, the City of Lynnwood has areas designated by the Federal ~~Emergency Management~~ Insurance Administrator as Special Flood Hazard Areas inundated by a 100-year flood; and

WHEREAS, the City of Lynnwood participates in the National Flood Insurance Program, allowing those within the City to purchase flood insurance, should they wish; and

WHEREAS, the City of Lynnwood desires to continue to participate in the National Flood Insurance Program, and must update its Flood Hazard Regulations in order to do so; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LYNNWOOD, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1: Purpose. The purpose of this ordinance is to amend the Lynnwood Municipal Code Chapter 16.46.

Section 2: Amendments. Section 16.46 is hereby amended to read:

Chapter 16.46
FLOOD HAZARD AREA REGULATIONS

Sections:

- 16.46.010 Statement of purpose.**
- 16.46.020 Definitions.**
- 16.46.030 General provisions.**
- 16.46.040 Administration.**
- 16.46.050 Provisions for flood hazard protection.**
- 16.46.060 Severability.**

16.46.010 Statement of purpose.

A. It is the purpose of this legislation to promote the public health, safety, and general welfare, and to avoid or abate public nuisances, and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

1. Protect human life and health;
2. Minimize expenditure of public money and costly flood control projects;
3. Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;
4. Minimize prolonged business interruptions;
5. Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets, and bridges located in areas of special flood hazard;
6. Help maintain a stable tax base by providing for the sound use and development of areas of special flood hazard so as to minimize future flood blight areas;
7. Ensure that potential buyers are notified that property is in an area of special flood hazard; and
8. Ensure that those who occupy the areas of special flood hazard assume responsibility for their actions.

B. Methods of Reducing Flood Losses. In order to accomplish its purposes, this legislation includes methods and provisions for:

1. Restricting or prohibiting uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or in flood heights or velocities;
2. Requiring that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
3. Controlling the alteration of natural flood plains, stream channels, and natural protective barriers, which help accommodate or channel flood waters;
4. Controlling filling, grading, dredging, and other development which may increase flood damage; and
5. Preventing or regulating the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards in other areas. (Ord. 2045 § 7, 1995; Ord. 1462 § 1, 1985)

16.46.020 Definitions.

Unless specifically defined below, words or phrases used shall be interpreted so as to give them the meaning they have in common usage and to give this legislation its most reasonable application.

“Alteration of watercourse” means any action that will change the location of the channel occupied by water within the banks of any portion of a riverine waterbody.

“Appeal” means a request for a review of the director of public work’s interpretation of any provision in this chapter or a request for a variance.

“Appeal board” means a three-member board appointed by the mayor to hear and determine appeals.

“Area of shallow flooding” means a designated AO or AH zone on the Flood Insurance Rate Map (FIRM). The base flood depths range from one to three feet; a clearly defined channel does not exist; the path of flooding is unpredictable and indeterminate; and, velocity flow may be evident. AO is characterized as sheet flow, and AH indicates ponding.

“Area of special flood hazard” means the land in the flood plain within a community subject to a one percent or greater chance of flooding in any given year. Designation on maps always includes the letters “A” or “V”.

“Base flood” means the flood having a one percent chance of being equaled or exceeded in any given year (also referred to as the “100-year flood”). ~~Designated on flood insurance rate maps by letters A or V.~~

“Basement” means any area of the building having its floor subgrade (below ground level) on all sides.

“Breakaway wall” means a wall that is not part of the structural support of the building and is intended through its design and construction to collapse under specific lateral loading forces, without causing damage to the elevated portion of the building or supporting foundation system.

“Coastal high hazard area” means an area of special flood hazard extending from offshore to the inland limit of a primary frontal dune along an open coast and any other area subject to high velocity wave action from storms or seismic sources.

“Critical facility” means a facility for which even a slight chance of flooding might be too great. Critical facilities include, but are not limited to schools, nursing homes, hospitals, police, fire and emergency response installations, installations which produce, use, or store hazardous materials or hazardous waste.

“Development” means any manmade change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials located within the area of special flood hazard.

“Elevated building” means for insurance purposes, a non-basement building which has its lowest elevated floor raised above ground level by foundation walls, shear walls, posts, piers, pilings, or columns.

“Existing manufactured home park or subdivision” means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the adopted flood plain management regulations.

“Expansion to an existing manufactured home park or subdivision” means the preparation of additional sites by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

“Flood” or “flooding” means:

1. A general and temporary condition of partial or complete inundation of normally dry land areas from:

- a. The overflow of inland or tidal waters; and/or

- b. The unusual and rapid accumulation of runoff of surface waters from any source.

- c. Mudslides (i.e., mudflows) which are proximately caused by flooding as defined in paragraph (1)(b) of this definition and are akin to a river of liquid and

flowing mud on the surfaces of normally dry land areas, as when earth is carried by a current of water and deposited along the path of the current.

2. The collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels or suddenly caused by an unusually high water level in a natural body of water, accompanied by a severe storm, or by an unanticipated force of nature, such as flash flood or an abnormal tidal surge, or by some similarly unusual and unforeseeable event which results in flooding as defined in paragraph (1)(a) of this definition.

~~"Flood insurance elevation study" (FIS) means the official report provided by the Federal Insurance Administration that includes flood profile, the flood insurance rate maps, and the water surface elevation of the base flood and~~ means the examination, evaluation and determination of flood hazards and, if appropriate, corresponding water surface elevations, or an examination, evaluation and determination of mudslide (i.e., mudflow) and/or flood-related erosion hazards. Also known as Flood Insurance Study (FIS).

"Flood insurance rate map (FIRM)" means the official map on which the Federal Insurance ~~Administration~~ Administrator has delineated both the areas of special flood hazards and the risk premium zones applicable to the community.

"Floodplain or flood prone area" means any land area susceptible to being inundated by water from any source. See "Flood or flooding."

"Floodplain administrator" the community official designated by title to administer and enforce the floodplain management regulations.

"Flood proofing" means any combination of structural and nonstructural additions, changes, or adjustments to structures which reduce or eliminate risk of flood damage to real estate or improved real property, water and sanitary facilities, structures, and their contents. Flood proofed structures are those that have the structural integrity and design to be impervious to floodwater below the Base Flood Elevation.

"Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

"Functionally dependent use" means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, and does not include long term storage or related manufacturing facilities.

"Highest adjacent grade" The highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

"Historic structure" means any structure that is:

1. Listed individually in the National Register of Historic Places (a listing maintained by the Department of Interior) or preliminarily determined by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;
2. Certified or preliminarily determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminarily determined by the Secretary to qualify as a registered historic district;

174 3. Individually listed on a state inventory of historic places in states with historic
175 preservation programs which have been approved by the Secretary of Interior; or
176 4. Individually listed on a local inventory of historic places in communities with historic
177 preservation programs that have been certified either:

178 a. By an approved state program as determined by the Secretary of the Interior,

179 or

180 b. Directly by the Secretary of the Interior in states without approved programs.

181 “Lowest floor” means the lowest floor of the lowest enclosed area (including basement). An
182 unfinished or flood-resistant enclosure, usable solely for parking of vehicles, building access or
183 storage, in an area other than a basement area, is not considered a building’s lowest floor;
184 provided, that such enclosure is not built so as to render the structure in violation of the
185 applicable non-elevation design requirements of this chapter found at LMC 16.46.050(B)(1)(b).

186 “Manufactured home” means a structure, transportable in one or more sections, which is built
187 on a permanent chassis and is designed for use with or without a permanent foundation when
188 connected to the required utilities. For flood plain management purposes, the term
189 “manufactured home” also includes park trailers, travel trailers, and other similar vehicles
190 placed on a site for greater than 180 consecutive days. For insurance purposes the term
191 “manufactured home” does not include park trailers, travel trailers, and other similar vehicles.
192 The term “manufactured home” does not include a recreational vehicle.

193 “Manufactured home park or subdivision” means a parcel (or contiguous parcels) of land
194 divided into two or more manufactured home lots for rent or sale.

195 “Mean Sea Level” for purposes of the National Flood Insurance Program, the vertical datum to
196 which Base Flood Elevations shown on a community's Flood Insurance Rate Map are
197 referenced.

198 “New construction” means for the purpose of determining insurance rates, structures for which
199 the start of construction commenced on or after the effective date of an initial Flood Insurance
200 Rate Map or after December 31, 1974, whichever is later, and includes any subsequent
201 improvements to such structures. For floodplain management purposes, new construction
202 means structures for which the start of construction commenced on or after the effective date
203 of a floodplain management regulation adopted by a community and includes any subsequent
204 improvements to such structures. ~~the ordinance codified in this chapter.~~

205 “New manufactured home park or subdivision” means a manufactured home park or
206 subdivision for which the construction of facilities for servicing the lots on which the
207 manufactured homes are to be affixed (including at a minimum, the installation of utilities, the
208 construction of streets, and either final site grading or the pouring of concrete pads) is
209 completed on or after the effective date of adopted flood plain management regulations.

210 “Recreational vehicle” means a vehicle which is:

- 211 1. Built on a single chassis;
- 212 2. Four hundred square feet or less when measured at the largest horizontal projection;
- 213 3. Designed to be self-propelled or permanently towable by a light duty truck; and
- 214 4. Designed primarily not for use as a permanent dwelling but as temporary living
- 215 quarters for recreational, camping, travel, or seasonal use.

216 “Start of construction” includes substantial improvement, and means the date the building
217 permit was issued, provided the actual start of construction, repair, reconstruction, placement

or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading, and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, or foundations, or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not as part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

“Structure” means a walled and roofed building or manufactured home including a gas or liquid storage tank that is principally above ground.

“Substantial damage” means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

“Substantial improvement” means any ~~repair~~ reconstruction, rehabilitation, addition or improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of construction of the improvement. This term includes structures which have incurred substantial damage, regardless of the actual repair work performed. The term does not, however, include, either:

- ~~1. Before the improvement or repair is started; or~~
- ~~2. If the structure has been damaged and is being restored, before the damage occurred. For the purposes of this definition, “substantial improvement” is considered to occur when the first alteration of any wall, ceiling, floor, or other structural part of the building commences, whether or not that alteration affects the external dimensions of the structure.~~

~~The term does not, however include either:~~

1. Any project for improvement of a structure to ~~comply~~ correct existing violations of state or local health, sanitary, or safety code specifications that have been previously identified by the local code enforcement official and which are ~~solely~~ the minimum necessary to assure safe living conditions; or
2. Any alteration of a historic structure ~~listed on the National Register of Historic Places or a State Inventory of Historic Places.~~ provided that the alteration will not preclude the structure’s continued designation as a historic structure.

“Variance” means a grant of relief from the requirements of this legislation which permits construction in a manner that would otherwise be prohibited by this chapter.

“Water dependent” means a structure for commerce or industry which cannot exist in any other location and is dependent on the water by reason of the intrinsic nature of its operations. (Ord. 2274 § 1, 1999; Ord. 1916 § 1, 1992; Ord. 1701 § 1, 1989; Ord. 1462 § 2, 1985)

16.46.030 General provisions.

A. Lands to Which This Chapter Applies. This legislation shall apply to all areas of special flood hazards within the jurisdiction of the city of Lynnwood.

B. Basis for Establishing the Areas of Special Flood Hazard. The areas of special flood hazard identified by the Federal Insurance ~~Administration~~ Administrator in a scientific and engineering report entitled "The Flood Insurance Study for Snohomish County, Washington and Incorporated Areas," dated ~~November 9, 1999~~ June 19, 2020, as amended, with accompanying flood insurance rate maps as amended, are hereby adopted by reference and declared to be part of this chapter. The flood insurance study and the flood insurance rate map are on file at the city of Lynnwood public works department. The best available information for flood hazard area identification as outlined in LMC 16.46.040(C)(2) shall be the basis for regulation until a new FIRM is issued which incorporates the data utilized under LMC 16.46.040(C)(2).

C. Penalties for Noncompliance. No structure or land shall hereafter be constructed, located, extended, converted, or altered without full compliance with the terms of this chapter and other applicable regulations. Violation of the provisions of this chapter by failure to comply with any of its requirements (including violations of conditions and safeguards established in connection with conditions) shall constitute a misdemeanor. Any person who violates this chapter or fails to comply with any of its requirements shall upon conviction thereof be fined not more than \$500.00 or imprisoned for not more than 90 days, or both, for each violation, and in addition shall pay all costs and expenses involved in the case. Nothing herein contained shall prevent the city of Lynnwood from taking such lawful action as is necessary to prevent or remedy any violation.

D. Abrogation and Greater Restrictions. This legislation is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this chapter and another ordinance, easement, covenant, or deed restriction conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

E. Interpretation. In the interpretation and application of this legislation, all provisions shall be:

1. Considered as minimum requirements;
2. Liberally construed in favor of the governing body; and
3. Deemed neither to limit nor repeal any other powers granted under law.

F. Warning and Disclaimer of Liability. The degree of flood protection required by this chapter is considered reasonable for regulatory purposes and is based on scientific and engineering considerations. Larger floods can and will occur on rare occasions. Flood heights may be increased by manmade or natural causes. This legislation does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This legislation shall not create liability on the part of the city of Lynnwood, any officer or employee thereof, or the Federal Insurance Administration, for any flood damages that result from the reliance on this legislation or any administrative decision lawfully made thereunder. (Ord. 2274 § 2, 1999; Ord. 1916 § 2, 1992; Ord. 1701 § 2, 1989; Ord. 1462 § 3, 1985)

16.46.040 Administration.

A. Establishment of Development Permit.

1. Development Permit Required. A development permit shall be obtained before construction or development begins within any area of special flood hazard established

in LMC 16.46.030 (B). The permit shall be for all structures including manufactured homes, as set forth in LMC 16.46.020, Definitions, and for all development including fill and other activities, also as set forth in LMC 16.46.020, Definitions.

2. Application for Development Permit. Application for a development permit shall be made on forms furnished by the city of Lynnwood and may include but not be limited to: plans in duplicate drawn to scale showing the nature, location, dimensions, and elevations of the area in question; existing or proposed structures, fill, storage or materials, drainage facilities, and the location of the foregoing. Specifically, the following information is required:

- a. Proposed elevation in relation to mean sea level, of the lowest floor (including basement) of all structures;
- b. Proposed elevation in relation to mean sea level to which any structure will be floodproofed;
- c. Certification by a registered professional engineer or architect that the floodproofing methods for any nonresidential structure meet the floodproofing criteria in LMC 16.46.050(B)(2); and
- d. Description of the extent to which a watercourse will be altered or relocated as a result of proposed development.

~~e. No development permit will be issued in Zones V or VE.~~

B. Designation of the Public Works Director. The city director of public works or his designee is hereby appointed to administer, ~~and~~ implement and enforce this legislation by granting or denying development permit applications in accordance with its provisions.

C. Duties and Responsibilities of the Public Works Director. Duties of the director of public works shall include, but not be limited to:

1. Permit Review.

- a. Review all development permits to determine that the permit requirements of this chapter have been satisfied;
- b. Review all development permits to determine that all necessary permits have been obtained from those federal, state, or local governmental agencies from which prior approval is required;
- c. Review all development permits to determine the site is reasonably safe from flooding;
- d. Review all development permits to determine if the proposed development is located in the floodway. If located in the floodway, assure that the encroachment provisions of LMC 16.46.050(C)(1) are met.

2. Use of Other Base Flood Data. When base flood elevation data has not been provided in accordance with LMC 16.46.030(B), Basis for Establishing the Areas of Special Flood Hazard, the public works director shall obtain, review, and reasonably utilize any base flood elevation and floodway data available from a federal, state, or other source, in order to administer LMC 16.46.050(B), Specific Standards, and 16.46.050 (C), Floodways.

3. Information to be Obtained and Maintained.

- a. ~~Where base flood elevation data is provided through the Flood Insurance Study or required as in subsection (C)(2) of this section, O~~ obtain and record maintain the actual (as-built) elevation ~~(in relation to mean sea level)~~ of the

- lowest floor, including basement, of all new or substantially improved structures, and whether or not the structure contains a basement;
- b. For all new or substantially improved floodproofed structures:
- Verify and record the actual elevation ~~(in relation to mean sea level)~~ to which the structure was floodproofed; and
 - Maintain the floodproofing certifications required in subsection (A)(2)(c) of this section;
- c. Maintain for public inspection all records pertaining to the provisions of this legislation.
4. Alteration of Watercourses.
- Notify adjacent communities and the Washington State Department of Ecology prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Insurance ~~Administration~~ Administrator;
 - ~~Require~~ Assure that the ~~that maintenance is provided within the altered or relocated portion of said watercourse so that the~~ flood-carrying capacity ~~is not diminished~~ of the altered or relocated portion of said watercourse is maintained.
5. Interpretation of FIRM Boundaries. Make interpretations where needed, as to exact location of the boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions). The person contesting the location of the boundary shall be given a reasonable opportunity to appeal the interpretation as provided in subsection (D) of this section.
6. Base Flood Elevations may increase or decrease resulting from physical changes affecting flooding conditions. As soon as practicable, but not later than six months after the date such information becomes available, the Floodplain Administrator shall notify the Federal Insurance Administrator of the changes by submitting technical or scientific data in accordance with Volume 44 Code of Federal Regulations Section 65.3. Such a submission is necessary so that upon confirmation of those physical changes affecting flooding conditions, risk premium rates and floodplain management requirements will be based upon current data.
7. Notify the Federal Insurance Administrator in writing of acquisition by means of annexation, incorporation or otherwise, of additional areas of jurisdiction
- D. Variance Procedure.
- Appeal Board. The mayor shall appoint members to the three-member appeal board as needed. Members shall have the educational and mechanical background and experience to hear and determine appeals arising from this legislation.
 - The appeal board shall hear and decide appeals and requests for variances from the requirements of this legislation;
 - The appeal board shall hear and decide appeals when it is alleged there is an error in any requirement, decision or determination made by the director of public works in the enforcement of this legislation;
 - Those aggrieved by the decision of the appeal board may appeal such decision to the Snohomish County superior court as provided by law;

d. In passing upon such applications, the appeal board shall consider all technical evaluations, all relevant factors, standards specified in other sections of this legislation; and

- i. The danger that materials may be swept onto other lands to the injury of others;
- ii. The danger to life and property due to flooding or erosion damage;
- iii. The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;
- iv. The importance of the services provided by the proposed facility to the community;
- v. The necessity to the facility of a waterfront location, where applicable;
- vi. The availability of alternative locations for the proposed use which are not subject to flooding or erosion damage;
- vii. The compatibility of the proposed use with existing and anticipated development;
- viii. The relationship of the proposed use to the comprehensive plan and flood plain management program for that area;
- ix. The safety of access to the property in times of flood for ordinary and emergency vehicles;
- x. The expected heights, velocity, duration, rate of rise, and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site;
- xi. The costs of providing governmental services during and after flood conditions, including maintenance and repair of public utilities and facilities such as sewer, gas, electrical, and water systems, and streets and bridges;

e. Generally, the only condition under which a variance may be issued is for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing items (i) through (xi) in subsection (D)(1)(d) of this section have been fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases;

f. Upon consideration of the factors of subsection (D)(1)(d) of this section and the purposes of this legislation, the appeal board may attach such conditions to the granting of variances as it deems necessary to further the purposes of this legislation;

g. The director of public works shall maintain the records of the appeal actions and report any variances to the Federal Insurance Administration upon request.

2. Conditions for Variances.

a. Generally, the only condition under which a variance from the elevation standard may be issued is for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing

items (1) through (11) in subsection (D)(1)(d) of this section have been fully considered. As the lot size increases, the technical justification required for issuing the variance increases;

b. Variances may be issued for the ~~repair reconstruction~~, rehabilitation, or restoration of ~~historic~~ structures ~~listed on the National Register of Historic Places or the state Inventory of Historic Places,~~ upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure;

c. Variances shall not be issued within a designated floodway if any increase in flood levels during the base flood discharge would result;

d. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief;

e. Variance shall only be issued upon:

- i. A showing of good and sufficient cause;
- ii. A determination that failure to grant the variance would result in exceptional hardship to the applicant;
- iii. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public or conflict with existing local laws or ordinances;

f. Variances as interpreted in the National Flood Insurance Program are based on the general zoning law principle that they pertain to a physical piece of property; they are not personal in nature and do not pertain to the structure, its inhabitants, economic or financial circumstances. They primarily address small lots in densely populated residential neighborhoods. As such, variances from the flood elevations should be quite rare;

g. Variances may be issued for nonresidential buildings in very limited circumstances to allow a lesser degree of floodproofing than watertight or dry-floodproofing, where it can be determined that such action will have low damage potential, complies with all other variance criteria except subsection (D)(2)(a) of this section, and otherwise complies with LMC 16.46.050(A) and (B);

h. Any applicant to whom a variance is granted shall be given written notice over the signature of a community official that the issuance of a variance to construct a structure will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage and that such construction below the BFE increases risks to life and property. ~~and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced floor elevation~~ (Ord. 3285 § 2, 2018; Ord. 2274 § 3, 1999; Ord. 1701 § 3- 7, 1989; Ord. 1462 § 4, 1985)

16.46.050 Provisions for flood hazard protection.

A. General Standards. In all areas of special flood hazards, the following standards are required:

- 480 1. Anchoring.
- 481 a. All new construction and substantial improvements shall be anchored to
- 482 prevent flotation, collapse, or lateral movement of the structure resulting from
- 483 hydrodynamic and hydrostatic loads, including the effects of buoyancy.
- 484 b. All manufactured homes must likewise be anchored to prevent flotation,
- 485 collapse, or lateral movement, and shall be installed using methods and practices
- 486 that minimize flood damage. Anchoring methods may include, but are not
- 487 limited to, use of over-the-top or frame ties to ground anchors. (Reference
- 488 FEMA's "Manufactured Home Installation in Flood Hazard Areas" guidebook for
- 489 additional techniques.)
- 490 2. Construction Materials and Methods.
- 491 a. All new construction and substantial improvements shall be constructed with
- 492 materials and utility equipment resistant to flood damage.
- 493 b. All new construction and substantial improvements shall be constructed using
- 494 methods and practices that minimize flood damage.
- 495 c. Electrical, heating, ventilation, plumbing, and air conditioning equipment and
- 496 other service facilities shall be designed and/or otherwise elevated or located so
- 497 as to prevent water from entering or accumulating within the components
- 498 during conditions of flooding.
- 499 3. Utilities.
- 500 a. All new and replacement water supply systems shall be designed to minimize
- 501 or eliminate infiltration of flood waters into the system;
- 502 b. Water wells shall be located on high ground that is not in the floodway;
- 503 c. New and replacement sanitary sewage systems shall be designed to minimize
- 504 or eliminate infiltration of flood waters into the systems and discharge from the
- 505 systems into flood waters; and
- 506 d. On-site waste disposal systems shall be located to avoid impairment to them
- 507 or contamination from them during flooding.
- 508 4. ~~Subdivision~~ Development Proposals.
- 509 a. All ~~subdivision~~ development proposals, including subdivisions and
- 510 manufactured home parks, shall be consistent with the need to minimize flood
- 511 damage;
- 512 b. All ~~subdivision~~ development proposals, including subdivisions and
- 513 manufactured home parks, shall have public utilities and facilities such as sewer,
- 514 gas, electrical, and water systems located and constructed to minimize flood
- 515 damage;
- 516 c. All ~~subdivision~~ development proposals, including subdivisions and
- 517 manufactured home parks, shall have adequate drainage provided to reduce
- 518 exposure to flood damage; and
- 519 d. Where base flood elevation data has not been provided or is not available
- 520 from another authoritative source, it shall be generated for all development
- 521 ~~subdivision~~ proposals, including subdivisions and manufactured home parks, and
- 522 ~~other proposed developments which contain at least~~ greater than 50 lots or five
- 523 acres (whichever is the lesser).

5. Review of Building Permits. Where elevation data is not available, either through the Flood Insurance Study or from another authoritative source, LMC 16.46.040(C)(2), applications for building permits shall be reviewed to assure that proposed construction will be reasonably safe from flooding. The test of reasonableness is a local judgment and includes historical data, high water marks, photographs of past flooding, etc., where available. Failure to elevate at least two feet above the highest adjacent grade in these zones may result in higher insurance rates.

B. Specific Standards. In all areas of special flood hazards where base flood elevation data has been provided as set forth in LMC 16.46.030(B), Basis for Establishing the Areas of Special Flood Hazard or LMC 16.46.040(C)(2), Use of Other Base Flood Data, the following provisions are required:

1. Residential Construction.

a. New construction and substantial improvement of any residential structure shall have the lowest floor, including basement, elevated to or one foot or more above base flood elevation.

b. Fully enclosed areas below the lowest floor that are subject to flooding are prohibited, or if used solely for parking, access or storage, shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting this requirement must either be certified by a registered professional engineer or architect or must meet or exceed the following minimum criteria:

i. A minimum of two openings having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided.

ii. The bottom of all openings shall be no higher than one foot above grade.

iii. Openings may be equipped with screens, louvers, or other coverings or devices; provided, that they permit the automatic entry and exit of floodwaters.

2. Nonresidential Construction. New construction and substantial improvement of any commercial, industrial or other nonresidential structure shall either have the lowest floor, including basement, elevated to the level of one foot or more above the base flood elevation; or, together with attendant utility and sanitary facilities, shall:

- a. Be floodproofed so that below one foot above the base flood level the structure is watertight with walls substantially impermeable to the passage of water;
- b. Have structural components capable of resisting hydrostatic and hydrodynamic loads and effects of buoyancy;
- c. Be certified by a registered professional engineer or architect that the design and methods of construction are in conformance with accepted standards of practice for meeting provisions of this subsection based on their development and/or review of the structural design, specifications and plans. Such certifications shall be provided to the official as set forth in LMC 16.46.040 (C)(3)(b);
- d. Nonresidential structures that are elevated, not floodproofed, must meet the same standards for space below the lowest floor as described in subsection (B)(1)(b) of this section;

e. Applicants floodproofing nonresidential buildings shall be notified that flood insurance premiums will be based on rates that are one foot below the floodproofed level (e.g., a building floodproofed to one foot above the base flood level will be rated as at the base flood level).

3. Critical Facility. Construction of new critical facilities shall be, to the extent possible, located outside the limits of the base flood plain. Construction of new critical facilities shall be permissible within the base flood plain if no feasible alternative site is available. Critical facilities constructed within the base flood plain shall have the lowest floor elevated to three feet or more above the level of the base flood elevation at the site. Floodproofing and sealing measures must be taken to ensure that toxic substances will not be displaced by or released into flood waters. Access routes elevated to or above the level of the base flood plain shall be provided to all critical facilities to the extent possible.

4. Manufactured Homes. All manufactured homes to be placed or substantially improved on sites shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated one foot or more above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse and lateral movement.

a. All manufactured homes to be placed or substantially improved on sites:

i. Outside of a manufactured home park or subdivision;

ii. In a new manufactured home park or subdivision;

iii. In an expansion to an existing manufactured home park or subdivision;
or

iv. In an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as the result of a flood;

shall be elevated on a permanent foundation such that the lowest floor of the manufactured home is elevated one foot or more above the base flood elevation and be securely anchored to an adequately designed foundation system to resist flotation, collapse and lateral movement.

b. Manufactured homes to be placed or substantially improved on sites in an existing manufactured home park or subdivision that are not subject to the above manufactured home provisions be elevated so that either:

i. The lowest floor of the manufactured home is elevated one foot or more above the base flood elevation; or

ii. The manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and be securely anchored to an adequately designed foundation system to resist flotation, collapse, and lateral movement.

5. Recreation Vehicles. Recreational vehicles placed on sites are required to either:

a. Be on the site for fewer than 180 consecutive days;

b. Be fully licensed and ready for highway use, on their wheels or jacking system,
 be attached to the site only by quick disconnect type utilities and security
 devices, and have no permanently attached additions; or
 c. Meet the requirements of subsection (B)(4) of this section and the elevation
 and anchoring requirements for manufactured homes.

C. Floodways. Located within areas of special flood hazard established in LMC 16.46.030(B) are
 areas designed as floodways. Since the floodway is an extremely hazardous area due to the
 velocity of flood waters which carry debris, potential projectiles, and erosion potential, the
 following provisions apply:

1. Prohibit encroachments, including fill, new construction, substantial improvements,
 and other development unless certification by a registered professional engineer is
 provided demonstrating through hydrologic and hydraulic analyses performed in
 accordance with standard engineering practice that the proposed encroachments shall
 not result in any increase in flood levels during the occurrence of the base flood
 discharge.
2. Construction or reconstruction of residential structures is prohibited within
 designated floodways, except for:
 - a. Repairs, reconstruction, or improvements to a structure which do not increase
 the ground floor area; and
 - b. Repairs, reconstruction or improvements to a structure, the cost of which
 does not exceed 50 percent of the market value of the structure either:
 - i. Before the repair, or reconstruction, is started; or
 - ii. If the structure has been damaged, and is being restored, before the
 damage occurred.

Any project for improvement of a structure to correct existing violations
of state or local health, sanitary, or safety code specifications which have
been identified by the local code enforcement official and which are the
minimum necessary to assure safe living conditions or to structures
identified as historic places shall not be included in the 50 percent.
3. If subsection (C)(1) of this section is satisfied, all new construction and substantial
 improvements shall comply with all applicable flood hazard reduction provisions of this
 section, Provisions for Flood Hazard Reduction.

D. Wetlands Management. To the maximum extent possible, avoid the short- and long-term
 adverse impacts associated with the destruction or modification of wetlands, especially those
 activities which limit or disrupt the ability of the wetland to alleviate flooding impacts. The
 following process should be implemented:

1. Review proposals for development within base flood plains for their possible impacts
 on wetlands located within the flood plain.
2. Ensure that development activities in or around wetlands do not negatively affect
 public safety, health, and welfare by disrupting the wetlands' ability to reduce flood and
 storm drainage.
3. Request technical assistance from the Department of Ecology in identifying wetland
 areas. Existing wetland map information from the National Wetlands Inventory (NWI)
 can be used in conjunction with the community's FIRM to prepare an overlay zone

indicating critical wetland areas deserving special attention. (Ord. 2274 § 4, 1999; Ord. 1701 § 8, 1989; Ord. 1462 § 5, 1985)

E. AE ~~and A1-30~~ Zones with Base Flood Elevations but no Floodways. In areas with base flood elevations (but a regulatory floodway has not been designated), no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones ~~A1-30 and~~ AE on the community's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.

F. Zone VE Standards. ~~V, VE, and V1-30 Restrictions.~~ New structures, substantial improvements, and recreational vehicles shall meet the following provisions: ~~are prohibited in the VE zone.~~
~~Man-made alteration of sand dunes are is prohibited within Zones V1-30, VE, and V in Zone VE on the community's FIRM, which would increase potential flood damage.~~

1. All new construction and substantial improvements in zone VE on the community's FIRM shall be elevated on pilings and columns so that:

a. Elevation:

i. Residential Buildings. The bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated one foot or more above the base flood level.

ii. Nonresidential buildings. The bottom of the lowest horizontal structural member of the lowest floor (excluding the pilings or columns) is elevated one foot or more above the base flood level or meets the elevation requirements of ASCE 24, whichever is higher; and

b. The pile or column foundation and structure attached thereto is anchored to resist flotation, collapse and lateral movement due to the effects of wind and water loads acting simultaneously on all building components. Wind and water loading values shall each have a one percent chance of being equaled or exceeded in any given year (100-year mean recurrence interval).

c. A registered professional engineer or architect shall develop or review the structural design, specifications and plans for the construction, and shall certify that the design and methods of construction to be used are in accordance with accepted standards of practice for meeting the provisions of subsections 1.a.i and 1.a.ii.

2. Obtain the elevation (in relation to mean sea level) of the bottom of the lowest structural member of the lowest floor (excluding pilings and columns) of all new and substantially improved structures in zone VE on the community's FIRM and whether or not such structures contain a basement. The (Floodplain Administrator) shall maintain a record of all such information.

3. All new construction within zone VE on the community's FIRM shall be located landward of the reach of mean high tide.

4. Provide that all new construction and substantial improvements within zone VE on the community's FIRM have the space below the lowest floor either free of obstruction or constructed with non-supporting breakaway walls, open wood lattice-work, or insect screening intended to collapse under wind and water loads without causing collapse,

698 displacement, or other structural damage to the elevated portion of the building or
699 supporting foundation system. For the purposes of this section, a breakaway wall shall
700 have a design safe loading resistance of not less than 10 and no more than 20 pounds
701 per square foot. Use of breakaway walls which exceed a design safe loading resistance
702 of 20 pounds per square foot (either by design or when so required by local or state
703 codes) may be permitted only if a registered professional engineer or architect certifies
704 that the design proposed meets the following conditions:

705 a. Breakaway wall collapse shall result from water load less than that which
706 would occur during the base flood; and

707 b. The elevated portion of the building and supporting foundation system shall
708 not be subject to collapse, displacement, or other structural damage due to the
709 effects of wind and water loads acting simultaneously on all building
710 components (structural and non-structural). Maximum wind and water loading
711 values to be used in this determination shall each have a one percent chance of
712 being equaled or exceeded in any given year (100-year mean recurrence
713 interval).

714 c. If breakaway walls are utilized, such enclosed space shall be useable solely for
715 parking of vehicles, building access, or storage. Such space shall not be used for
716 human habitation.

717 5. Prohibit the use of fill for structural support of buildings within zone VE on the
718 community's FIRM.

719 6. Prohibit man-made alteration of sand dunes within zone VE on the community's FIRM
720 which would increase potential flood damage.

721 7. All manufactured homes to be placed or substantially improved within zone VE on the
722 community's FIRM on sites:

723 a. Outside of a manufactured home park or subdivision,

724 b. In a new manufactured home park or subdivision,

725 c. In an expansion to an existing manufactured home park or
726 subdivision, or

727 d. In an existing manufactured home park or subdivision on which a
728 manufactured home has incurred "substantial damage" as the result of a flood;
729 shall meet the standards of paragraphs (1) through (6) of this section and
730 manufactured homes placed or substantially improved on other sites in an
731 existing manufactured home park or subdivision within zone VE on the FIRM
732 shall meet the requirements of Section A.4.

733 8. Recreational vehicles placed on sites within V or VE zones on the community's FIRM
734 shall either:

735 a. Be on the site for fewer than 180 consecutive days, or

736 b. Be fully licensed and ready for highway use, on its wheels or jacking system,
737 attached to the site only by quick disconnect type utilities and security devices,
738 and have no permanently attached additions; or

739 c. Meet the requirements of subsections (1) and (3) above and the anchoring
740 requirements for manufactured homes (Section A.1.b)

741

16.46.060 Severability.

If any section, clause, sentence, or phrase of the Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Ordinance.

Section 3. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 4. Effective Date: This ordinance or an approved summary thereof consisting of its title shall be published in the City's official newspaper of record and shall take effect and be in full force five days following its publication.

PASSED BY THE CITY COUNCIL THIS XX day of XXXXXXXX, 20XX, and signed in authentication of its passage this XX day of XXXXXXXX, 20XX.

APPROVED:

Nicola Smith, Mayor

ATTEST/AUTHENTICATED:

APPROVED AS TO FORM:

Sonja Springer, Finance Director

Rosemary Larson, City Attorney

APPROVED AS TO FORM:

Rosemary Larson
City Attorney

ADOPTED BY THE CITY COUNCIL:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NUMBER: