



AGENDA

1. Call to Order – Flag Salute – Roll Call
2. Late Changes to Agenda
3. General Public Comment
4. Consent Agenda
 - a. Payment of Claims
 - b. Meeting Minutes
 - c. Agreement with Recreation Conservation Office for Evergreen Playfield #4
 - d. On-Call Engineering Agreement Amendment with Parametrix for the 2.5 MG Water Tank Recoating Project
 - e. Interlocal Agreement with Snohomish County Regional Narcotics Task Force (2026-2027)
5. Recognition of Eagle Scouts
6. Review, Public Hearing, and Vote on Ordinance Adopting the Housing Action Plan
7. Presentation on Food Forest at Ballinger and Ballinger Organic Garden
8. Review Professional Services Agreement for Federal Lobbyist
9. City Manager’s Report
10. Council Liaison Reports
11. New Business
12. Adjournment

To listen to the meeting via telephone, call 1-253-215-8782. To watch the meeting online: 1) Go to <https://zoom.us/join>; 2) Enter meeting ID 810 1113 9518 and click “join”. No passcode needed.

To make a public comment remotely (Zoom or telephone), in person, or in writing, please refer to the Public Comment and Public Hearing Testimony Protocol on the city website <https://www.cityofmlt.com/129/Agendas-and-Minutes>.

No person shall make personal attacks, or threatening remarks while addressing the Council which disrupts, disturbs, or otherwise impedes the orderly conduct of the meeting. All hate speech will be construed as threatening remarks.



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Niten, City Manager

Meeting Date: December 4, 2025

Subject: Payment of Claims

Required Reviews:

Jennifer Joki

Jeff Niten

Created -

-

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The Finance Committee, consisting of two Councilmembers and the Finance Director, meets monthly to review and discuss the claims subject to approval.

Subject Summary:

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to approve the claims as presented. This can be accomplished as part of the motion to approve the Consent Agenda.

Council Motion:

N/A

Attachments:

None



MOUNTLAKE TERRACE CITY COUNCIL
EXECUTIVE SESSION MEETING MINUTES

November 19, 2025
6:00 p.m.

Mountlake Terrace City Hall and
via Telephone and Teleconference

Councilmembers Present

Councilmember Murray
Councilmember Paige
Councilmember Ryan
Councilmember Sonmore
Councilmember Woodard
Mayor Pro Tem Wahl
Mayor Matsumoto Wright

Councilmembers Absent

None.

Staff Members Present

City Clerk Jennifer Joki

Guests

GMP Consultants Senior Consultant Debbie Tarry

1. Call to Order

Mayor Matsumoto Wright called the meeting to order at 6:00 p.m.

2. Roll Call

City Clerk Jennifer Joki called roll.

3. Executive Session for the purpose of RCW 42.30.110(1(g)), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

The council moved to Executive Session at 6:06 p.m. with an expected return time to Open Session at 7:06 p.m., with no action to follow. The Executive Session was extended to 7:36 p.m., then to 8:15 p.m., again until 8:30 p.m., then to 8:50 p.m.

4. Return to Open Session

The council returned to Open Session at 8:50 p.m. with no action taken.

5. Adjournment

Mayor Matsumoto Wright adjourned the meeting at 8:51 p.m.

These minutes are subject to approval at the next City Council meeting.



MOUNTLAKE TERRACE CITY COUNCIL
REGULAR MEETING MINUTES

November 20, 2025
7:00 p.m.

Mountlake Terrace City Hall and
via Telephone and Teleconference

Councilmembers Present

Councilmember Murray
Councilmember Paige
Councilmember Ryan
Councilmember Sonmore
Councilmember Woodard
Mayor Pro Tem Wahl
Mayor Matsumoto Wright

Councilmembers Absent

None.

Staff Members Present

City Clerk Jennifer Joki
City Manager Jeff Niten
Deputy City Manager Carolyn Hope
Finance Director Sirke Salminen
Finance Technician Caitland Reinke
Kenyon Disend Attorney Bob Zienemann (via Teleconference)
Kenyon Disend Attorney Lisa Marshall (via Teleconference)
Public Works Director Gary Schimek
Recreation and Parks Director Jeff Betz

Guests

Diversity, Equity and Inclusion Commission Vice-Chair Teresa Courtney
Diversity, Equity and Inclusion Commissioner Kernet Apio

1. Call to Order – Flag Salute – Roll Call

Mayor Matsumoto Wright called the meeting to order at 7:00 p.m.

City Clerk Jennifer Joki called roll.

2. Late Changes to Agenda

Minor update to CED Fee Schedule (Electric Meter Replacement).

3. Public Comment

All public comments submitted in writing were provided to Council.

- MLT resident Adam Cickay commented remotely on Covid and public safety/health information for the community.
- MLT resident Emily Francisco commented in support of the Diversity, Equity and Inclusion Strategic Plan.

- MLT resident Chris Francisco commented in support of the Diversity, Equity and Inclusion Strategic Plan.
- MLT resident Vonita Francisco commented in support of the Diversity, Equity and Inclusion Strategic Plan.

4. Consent Agenda

A motion to approve the Consent Agenda, items a-e, was made by Mayor Pro Tem Wahl and seconded.

Motion carried 7-0.

- a. Payment of Claims
- b. Meeting Minutes for 11/6/2025 and 11/13/2025
- c. Resolution Adopting Community and Economic Development Fee Schedule
- d. Resolution Adopting Recreation Fee Schedule
- e. Resolution Adopting Engineering Fee Schedule

5. Review, Public Hearing, Vote on Ordinance Adopting the Biennial Budget Amendment
Finance Director Sirke Salminen and Finance Technician Caitland Reinke

Salminen presented on this item to include the purpose, subject summary, budget amendment summary, and financial/budget impacts.

Salminen and Reinke heard and responded to questions and comments from council regarding a line-item budget, and \$4.7 million budget difference, beginning fund balances changed, forecasted amounts, and books haven't been closed in several years, and monthly dashboard.

A motion to open the public hearing was made by Mayor Pro Tem Wahl and seconded.

Motion carried 7-0. The public hearing was declared open.

Public Hearing Testimony: None

A motion to close the public hearing was made by Mayor Pro Tem Wahl and seconded.

Motion carried 7-0. The public hearing was declared closed.

A motion to adopt the Ordinance Amending the Biennial Budget was made by Mayor Pro Tem Wahl and seconded.

Council Discussion: None.

Motion carried 6-1 (Sonmore).

6. Review, Public Hearing, Vote on Ordinance Adopting Property Tax Levy
Finance Director Sirke Salminen and Finance Technician Caitland Reinke

Reinke presented on this item to include the background, county tax distribution, typical total property tax, general operating levy options for 2026, and staff recommendation.

Salminen, Reinke, and the City Manager Jeff Niten heard and responded to questions and comments from council regarding the 1% increase and other increases for residents.

A motion to open the public hearing was made by Mayor Pro Tem Wahl and seconded.

Motion carried 7-0. The public hearing was declared open.

Public Hearing Testimony: None

A motion to close the public hearing was made by Mayor Pro Tem Wahl and seconded.

Motion carried 7-0. The public hearing was declared closed.

A motion to adopt the Ordinance Adopting the Property Tax Levy was made by Mayor Pro Tem Wahl and seconded.

Council Discussion: Discussion included the 1% increase, the impact of the 1% increase, working toward maintaining a balanced budget, incremental increases, recognition that any increase can impact residents, and asking residents for more money.

Motion carried 6-1 (Sonmore).

7. Review and Vote Ordinance Adopting Franchise Agreement with Puget Sound Energy
Public Works Director Gary Schimek and Kenyon Disend Attorney Lisa Marshall

Schimek presented on this item to include the background, purpose, and length of agreement.

A motion to adopt the Franchise Agreement with Puget Sound Energy was made by Mayor Pro Tem Wahl and seconded. **Motion carried 7-0.**

8. Review On-Call Engineering Agreement with Parametrix for 2.5 MG Water Tank Recoating Project
Public Works Director Gary Schimek

Schimek presented on this item to include the background, purpose, work order, requests of council, and next steps.

Schimek heard and responded to questions and comments from council regarding life expectancy of the tank, impact to budget, stability of the tank, smaller tanks are lead free and the larger tank is not, bid documents,

A motion to approve the On-Call Engineering Agreement with Parametrix for 2.5 MG Water Tank Recoating Project was made by Mayor Pro Tem Wahl and seconded. **Motion carried 7-0.**

9. Review Agreement with Recreation Conservation Office for Evergreen Playfield #4
Recreation and Park Director Jeff Betz

Betz presented on this item to include the purpose, grant fund application, project timeline, budget impact, next steps, and staff recommendations.

Betz heard and responded to questions and comments from council regarding angled lighting and lighting improvements.

10. Review Diversity, Equity and Inclusion Strategic Plan

Deputy City Manager Carolyn Hope and Diversity, Equity and Inclusion Commissioner Vonita Francisco

Hope and Francisco presented on this item to include legislative history, council goals, commission's mission, purpose of the plan, recommendations including council feedback, voting on the plan as presented with the changes in it, and financial impacts.

Hope and Francisco heard and responded to questions and comments from council regarding goals, term limit recommendation for council and commissions, the foundation of recommendations, changes in the language, incorporating both versions of the language regarding "Improve Community Access to City Government", term limits for commissions to include emeritus status, keeping the word "consider" in the plan recommendation, council role as a legislative body members bring items up again, community input on term limits, gender neutral restrooms, translation tools, volunteer community board of translators, and community liaison skills.

A motion to adopt the Diversity, Equity and Inclusion Strategic Plan as presented was made by Mayor Pro Tem Wahl and seconded.

Discussion: An amendment to the motion was made in reference to section CA7 in the plan to read "Provide options for restrooms that are not designated for a specific gender, featuring private stalls in city buildings as remodels are planned, new buildings are designed, and funding is available."

A motion to adopt the Diversity, Equity and Inclusion Strategic Plan as amended (CA7) to read "Provide options for restrooms that are not designated for a specific gender, featuring private stalls in city buildings as remodels are planned, new buildings are designed, and funding is available." was made by and seconded.

Discussion: Language is acceptable as is and as proposed.

Motion carried 6-1 (Murray).

Discussion: A second amendment to the original motion was made to remove redlining on CA3 and keep this language in, "Consider revising the city code to limit the term of service for all commissions and council to allow for more opportunities for community members to participate in leadership roles within the city and bring new ideas forward." And modify language in the next sentence from "allow" to "create" to read, "Create more opportunities for community members to participate in leadership roles within the city and bring new ideas forward."

A motion to adopt the Diversity, Equity and Inclusion Strategic Plan as amended (CA3) was made by Councilmember Woodard and seconded.

Discussion: Open more volunteer opportunities in the city versus moving councilmembers out, many residents in the city want to participate, should the Diversity, Equity and Inclusion Commission recommendation stand, removing the redlining, and keeping the word “consider”.

Motion carried 4-3 (Ryan, Sonmore, Wahl).

Discussion: Appreciation for the Diversity, Equity and Inclusion Commission and their work on this plan and to the council, making commissions larger for more opportunities, commissioners wanting to step into other roles, and council to support the Diversity, Equity and Inclusion Commission more.

Motion carried 7-0.

The Mayor called for a 5-minute recess.

11. City Manager’s Report (City Manager Jeff Niten)

Niten’s report included:

- Tree going on water tomorrow tomorrow
- Holiday tree early next week and winterizing the fountain
- Thank you to Ivy League for volunteering 33 hours of clean up
- Next Thursday is Thanksgiving, no meeting

12. Council Liaison Reports

Councilmember Murray’s report included:

- November 19 missed the Diversity, Equity and Inclusion Commission meeting, DEIC appointed 11 Community Ambassadors for new program

Councilmember Paige’s report included:

- November 12 City Manager meeting
- November 14 City branding team meeting
- November 19 Council Executive Session

Councilmember Ryan’s report included:

- November 12 Law Enforcement Officer/Firefighter Disability/Retirement Board meeting
- November 14 City branding team meeting
- November 18 Arts Advisory Commission meeting
- November 19 Council Executive Session

Councilmember Sonmore’s report included:

- November 17 Fiscal Sustainability Task Force meeting
- November 12 Law Enforcement Officer/Firefighter Disability/Retirement Board meeting

- November 12 Lodging Tax Advisory Committee meeting
- November 18 Recreation and Park Advisory Committee meeting
- November 19 Council Executive Session

Councilmember Woodard's report included:

- November 11 Lynnwood, Everett, and Shoreline Veterans Day services
- November 14 City Manager meeting
- November 19 Council Executive Session
- November 20 WA State Auditor entrance exam for the city

Mayor Pro Tem Wahl's report included:

- November 14 City branding team meeting
- November 18 Snohomish County Tomorrow Exploratory Committee meeting
- November 19 South County Cities Collaborators meeting
- November 19 Council Executive Session
- November 20 Council Subcommittee interviews for Planning Commission vacancy

Mayor Matsumoto Wright's report included:

- November 7 Seashore Transportation Forum meeting
- November 8 MLT Library Randal Gravelle book discussion Mountlake Terrace: Four Square Miles
- November 11 Mountlake Terrace Veterans Day event
- November 19 South County Cities Collaborators meeting
- November 19 Council Executive Session
- November 20 Council Subcommittee interviews for Planning Commission vacancy

13. New Business

- Councilmember Sonmore requested council consider restarting some commissions and increasing size of existing commissions. Sonmore also commented on the impact of all the visitors during the World Cup next summer.

A motion to make the Diversity, Equity and Inclusion Commission its own line-item in the budget was made by Councilmember Sonmore and seconded.

Discussion: The City Manager and council discussed that this would need to be seconded, and another budget amendment made, boards and commissions had one-time money from ARPA, and Diversity, Equity and Inclusion Commission was written out of the ARPA funding.

A motion to extend the meeting until 10:15 pm was made by Mayor Pro Tem Wahl and seconded.
Motion carried 7-0.

- Councilmember Woodard commented on appreciation for Councilmember Ryan's idea to save money by not sending all councilmembers to events and kudos to the city regarding communication to residents regarding water leak.

Discussion on motion to make the Diversity, Equity and Inclusion Commission its own line-item: This item deserves full discussion with more background information, intent and amount, ARPA budget money, and future council discussion to consider putting this line item in the budget.

Councilmember Sonmore withdrew the motion to make the Diversity, Equity and Inclusion Commission its own line-item, and the seconded was withdrawn.

14. Adjournment

Mayor Matsumoto Wright adjourned the meeting at 10:03 p.m.

These minutes are subject to approval at the next City Council meeting.



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Betz, Parks and Recreation Director

Meeting Date: December 4, 2025

Subject: Agreement with Recreation Conservation Office for Evergreen Playfield #4

Required Reviews:

Jennifer Joki	Created/Initiated - 11/24/2025
Jeff Betz	Approved - 11/24/2025
Sirke Salminen	Approved - 11/24/2025
Hillary Evans	Approved - 11/24/2025
Carolyn Hope	Final Approval - 11/25/2025

Council Goal(s):

Growing our Vibrant Community

Responsible Governance to Ensure Desired Level of Service

Legislative History:

On April 4, 2024 the council reviewed a resolution to apply for Youth Athletic Facilities funding for Evergreen Playfield #4 and on April 11, 2024 the council approved the resolution.

Subject Summary:

Every two years the Washington State Recreation Conservation Office (RCO) issues a call for park projects to be funded through various grant programs that range in scope from small local parks to larger projects in state parks.

Mountlake Terrace has a long history of funding park projects through the RCO, including grant funding over the last few years for Ballinger Park and the Evergreen Playfield Complex.

Previous applications netted the city two Aquatic Land Enhancement Account grants (ALEA), four Youth Athletic Facility grants (YAF), two Washington Wildlife Recreation Program grants (WWRP), two Land Water Conservation Fund grants (LWCF), and one Local Park Maintenance grant (LPM) totaling over \$4.4 million in park grant funding.

RCO's application process requires City Council approval to apply for funding, which was accomplished via resolution in April 2024. RCO grants rarely fund an entire project; instead, RCO requires the applicant to also put funding toward the project (referred to as a "local match"). The scope of this project includes installing a new LED lighting system at Evergreen Playfield #4. The project elements include 5 new pole/LED heads and an additional LED head

placed on an existing pole servicing E-5. The lighting system would utilize conduit and remote lighting systems installed last year at E-5. This would complete the field lighting on Evergreen Playfield #4 and #5 so it can be utilized at night for two ballfields or one soccer field. This is one of the identified projects in the Capital Improvement Program (CIP) as well as the Recreation and Park Open Space Master Plan (adopted 1/2022). It was prioritized in the planning process through community meetings, facilities analysis, and population projections to expand our service to the community and comply with urban growth requirements identified in the Comprehensive Plan. This field is located just north of Terrace Park School. The total project cost is estimated to be \$653,000 with the RCO grant covering half of that amount and the city's matchin funds coming from the CIP. The contracted deadline to complete the project is December 31, 2027.

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	Capital Improvement Program
Expenditure:	N/A
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

Board/Commission Meeting

If "Other," please specify:

Board/Commission Recommendation:

The Recreation and Park Advisory Commission reviewed this project application in 2024.

Staff Recommendation:

Staff recommends the City Council vote to authorize the City Manager to sign the grant agreement with the Washington State Recreation and Conservation Office for Evergreen Playfield #4. This can be accomplished by adding it to the Consent Agenda on December 4, 2025.

Council Motion:

N/A

Attachments:

1. Evergreen Playfield No. 4 Lighting Improvement Agreement (Draft)

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

PARTIES OF THE AGREEMENT

This Recreation and Conservation Office Grant Agreement (Agreement) is entered into between the State of Washington by and through the Recreation and Conservation Funding Board (RCFB or funding board) and the Recreation and Conservation Office (RCO), P.O. Box 40917, Olympia, Washington 98504-0917 and City of Mountlake Terrace (Sponsor, and primary Sponsor), 23204 58th Avenue West, Mountlake Terrace, WA 98043, and shall be binding on the agents and all persons acting by or through the parties.

All Sponsors are equally and independently subject to all the conditions of this Agreement except those conditions that expressly apply only to the primary Sponsor.

Prior to and during the Period of Performance, per the Applicant Resolution/Authorizations submitted by all Sponsors (and on file with the RCO), the identified Authorized Representative(s)/Agent(s) have full authority to legally bind the Sponsor(s) regarding all matters related to the project identified above, including but not limited to, full authority to: (1) sign a grant application for grant assistance, (2) enter into this Agreement on behalf of the Sponsor(s), including indemnification, as provided therein, (3) enter any amendments thereto on behalf of Sponsor(s), and (4) make any decisions and submissions required with respect to the project. Agreements and amendments must be signed by the Authorized Representative/Agent(s) of all Sponsors, unless otherwise allowed in the AMENDMENTS TO AGREEMENT Section.

- A. During the Period of Performance, in order for a Sponsor to change its Authorized Representative/Agent as identified on the original signed Applicant Resolution/Authorization the Sponsor must provide the RCO a new Applicant Resolution/Authorization signed by its governing body or a written delegation of authority to sign in lieu of originally authorized Representative/Agency(s). Unless a new Applicant Resolution/Authorization has been provided, the RCO shall proceed on the basis that the person who is listed as the Authorized Representative in the last Resolution/Authorization that RCO has received is the person with authority to bind the Sponsor to the Agreement (including any amendments thereto) and decisions related to implementation of the Agreement.
- B. Amendments After the Period of Performance. RCO reserves the right to request and Sponsor has the obligation to provide, authorizations and documents that demonstrate any signatory to an amendment has the authority to legally bind the Sponsor as described in the above Sections.

For the purposes of this Agreement, as well as for grant management purposes with RCO, only the primary Sponsor may act as a fiscal agent to obtain reimbursements (See PROJECT REIMBURSEMENTS Section).

PURPOSE OF AGREEMENT

This Agreement sets out the terms and conditions by which a grant is made from the State Building Construction Account of the State of Washington. The grant is administered by the Recreation and Conservation Office (RCO).

DESCRIPTION OF PROJECT

The City of Mountlake Terrace will use this grant to add new ballfield lighting to Evergreen Playfield #4 at the Evergreen Playfield Complex. Lighting this field will allow for extended play and improved safety. The primary recreation opportunities provided by this project are baseball, softball, and soccer.

PERIOD OF PERFORMANCE

The period of performance begins on October 1, 2025 (project start date) and ends on December 31, 2027 (project end date). No allowable cost incurred before or after this period is eligible for reimbursement unless specifically provided for by written amendment or addendum to this Agreement, or specifically provided for by applicable RCWs, WACs, and any applicable RCO manuals as of the effective date of this Agreement.

The RCO reserves the right to summarily dismiss any request to amend this Agreement if not made at least 60 days before the project end date.

STANDARD TERMS AND CONDITIONS INCORPORATED

The Standard Terms and Conditions of the Recreation and Conservation Office attached hereto are incorporated by reference as part of this Agreement.

LONG-TERM OBLIGATIONS

For this development project, the Sponsor’s long-term obligations for the project area shall be for 20 years from project completion, or as otherwise provided for in this Agreement, or as approved by the funding board or RCO.

PROJECT FUNDING

The total grant award provided for this project shall not exceed \$326,500.00. The RCO shall not pay any amount beyond that approved for grant funding of the project and within the percentage as identified below. The Sponsor shall be responsible for all total project costs that exceed this amount. The minimum matching share provided by the Sponsor shall be as indicated below:

	Percentage	Dollar Amount	Source of Funding
RCFB - YAF - Large	50.00%	\$326,500.00	State
Project Sponsor	50.00%	\$326,500.00	
Total Project Cost	100.00%	\$653,000.00	

At the direction of the legislature and RCO best practices, sponsors must utilize the project funds in a timely and efficient manner in accordance with the project milestones set forth in this Agreement. Projects not aptly progressing towards completion may have funding rescinded.

RIGHTS AND OBLIGATIONS INTERPRETED IN LIGHT OF RELATED DOCUMENTS

All rights and obligations of the parties under this Agreement are further specified in and shall be interpreted in light of the Sponsor’s application and the project summary and eligible scope activities under which the Agreement has been approved and/or amended as well as documents produced in the course of administering the Agreement, including the eligible scope activities, the milestones report, progress reports, and the final report. Provided, to the extent that information contained in such documents is irreconcilably in conflict with the Agreement, such information shall not be used to vary the terms of the Agreement, unless the terms in the Agreement are shown to be subject to an unintended error or omission. “Agreement” as used here and elsewhere in this document, unless otherwise specifically stated, has the meaning set forth in the definitions of the Standard Terms and Conditions.

AMENDMENTS TO AGREEMENT

Except as provided herein, no amendment (including without limitation, deletions) of this Agreement will be effective unless set forth in writing signed by all parties. Exception: extensions of the Period of Performance and minor scope adjustments need only be signed by RCO’s director or designee and consented to in writing (including email) by the Sponsor’s Authorized Representative/Agent or Sponsor’s designated point of contact for the implementation of the Agreement (who may be a person other than the Authorized Agent/Representative), unless otherwise provided for in an amendment. This exception does not apply to a federal government Sponsor or a Sponsor that requests and enters into a formal amendment for extensions or minor scope adjustments.

It is the responsibility of a Sponsor to ensure that any person who signs an amendment on its behalf is duly authorized to do so.

Unless otherwise expressly stated in an amendment, any amendment to this Agreement shall be deemed to include all current federal, state, and local government laws and rules, and policies applicable and active and published in the applicable RCO manuals or on the RCO website in effect as of the effective date of the amendment, without limitation to the subject matter of the amendment. Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone. However, any such amendment, unless expressly stated, shall not extend or reduce the long-term obligation term.

COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND POLICIES

This Agreement is governed by, and the sponsor shall comply with, all applicable state and federal laws and regulations, applicable RCO manuals as identified below, Exhibits, and any applicable federal program and accounting rules effective as of the date of this Agreement or as of the effective date of an amendment, unless otherwise provided in the amendment. Provided, any update in law, rule, policy or a manual that is incorporated as a result of an amendment shall apply only prospectively and shall not require that an act previously done in compliance with existing requirements be redone unless otherwise expressly stated in the amendment.

For the purpose of this Agreement, WAC Title 286, RCFB policies shall apply as terms of this Agreement.

For the purpose of this Agreement, the following RCO manuals are deemed applicable and shall apply as terms of this Agreement:

- Development Projects - Manual 4
- Long Term Obligations - Manual 7
- Reimbursements - Manual 8
- Youth Athletic Facilities - Manual 17

SPECIAL CONDITIONS

CONTROL AND TENURE

RCO and Sponsor acknowledge that the Interlocal Cooperation Agreement (ILA) between the Sponsor and the landowner, Edmonds School District, for the Evergreen Playfield #4 property dated August 7, 2018 (amended April 12, 2022, and March 21, 2023) does not conform to the Recreation and Conservation Funding Board's control and tenure policies because it is revocable at will by Edmonds School District at the end of each five-year period. Should the ILA be terminated, or the property be recaptured for a purpose(s) that restricts, limits, or precludes recreational use at the project area, prior to 20 years after RCO's final reimbursement for the project, the entire project area will be deemed a conversion under and subject to the LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS section of the Standard Terms and Conditions of this Agreement and the Sponsor will be responsible for remedying the conversion.

SPECIAL CONDITIONS - CULTURAL RESOURCES

CONDITION APPLIES TO THE FOLLOWING AREA(S): Evergreen Playfield #4

State - RCO Lead: Survey required, may proceed with Geotech/soils: This agreement requires compliance with Executive Order 21-02. RCO has completed initial consultation for this project and a cultural resources survey is required. The cultural resources survey must include documentation of any above or below ground archaeological resources as well as any possible historic (over 45 years of age) structures or buildings in the project area on appropriate Washington State forms. This includes completing an Historic Property Inventory form for the sports complex itself (constructed in 1976). Geotechnical borings, investigations, and/or test pits as well as wetland delineation may occur prior to or during the cultural resources survey if that work is monitored by professional cultural resources specialist. The documentation of any monitored work must be included in the cultural resources survey report. The Sponsor must submit the results of the cultural resources survey to RCO and receive a notice of cultural resources completion. Project actions started without approval will be considered a breach of contract. If archaeological or historic materials are discovered while conducting project activities, work in the immediate vicinity must stop and the Sponsor must ensure compliance with the provisions found in this agreement. All cultural resources work must meet reporting guidelines outlined by the Department of Archaeology and Historic Preservation. Any changes to the Area of Potential Effect or scope of work must be communicated with the RCO grant manager immediately. The changes may trigger additional cultural resources review, consultation, and requirements.

AGREEMENT CONTACTS

The parties will provide all written communications and notices under this Agreement to either or both the mail address and/or the email address listed below:

Sponsor Project Contact

Donnelle Dayao
Parks Project Manager
23204 58th Ave W
Mountlake Terrace, WA 98043
ddayao@mltwa.gov

RCO Contact

Rachelle Lim
Outdoor Grants Manager
PO Box 40917
Olympia, WA 98504-0917
rachelle.lim@rco.wa.gov

These addresses and contacts shall be effective until receipt by one party from the other of a written notice of any change. Unless otherwise provided for in this Agreement, decisions relating to the Agreement must be made by the Authorized Representative/Agent, who may or may not be the Project Contact for purposes of notices and communications.

ENTIRE AGREEMENT

This Agreement, with all amendments and attachments, constitutes the entire Agreement of the parties. No other understandings, oral or otherwise, regarding this Agreement shall exist or bind any of the parties.

EFFECTIVE DATE

Unless otherwise provided for in this Agreement, this Agreement, for Project 24-1748, shall become effective and binding on the date signed by both the sponsor and the RCO's authorized representative, whichever is later (Effective Date). Reimbursements for eligible and allowable costs incurred within the period of performance identified in the PERIOD OF PERFORMANCE Section are allowed only when this Agreement is fully executed and an original is received by RCO.

The Sponsor has read, fully understands, and agrees to be bound by all terms and conditions as set forth in this Agreement and the STANDARD TERMS AND CONDITIONS OF THE RCO GRANT AGREEMENT. The signatories listed below represent and warrant their authority to bind the parties to this Agreement.

City of Mountlake Terrace**By:** _____**Date:** _____**Name (printed):** _____**Title:** _____**State of Washington Recreation and Conservation Office****On behalf of the Recreation and Conservation Funding Board (RCFB or funding board)****By:** _____**Date:** _____

Megan Duffy
Director
Recreation and Conservation Office

Pre-approved as to form:

By: _____**Date:** 01/31/2025

Assistant Attorney General

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Eligible Scope Activities

ELIGIBLE SCOPE ACTIVITIES

Development Metrics

Worksite #1, Evergreen Playfield #4

Athletic Fields

Baseball field development

Number of baseball fields:	0 new, 0 renovated
Number of baseball fields with lighting:	0 new, 1 renovated
Number of baseball fields by surface type:	
Natural	1
Synthetic	0

Site Preparation

General site preparation

Cultural Resources

Cultural resources

Permits

Obtain permits

Architectural & Engineering

Architectural & Engineering (A&E)

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Project Milestones

PROJECT MILESTONE REPORT

Complete	Milestone	Target Date	Comments/Description
	Project Start	10/01/2025	
	Design Initiated	12/01/2025	
	Progress Report Due	12/31/2025	
	Cultural Resources Study	02/01/2026	Cultural Resources Survey Report Required. Includes geotech monitoring and recording arch. sites and built environment (structures, sports fields) over 45 years old in APE on Site/Isolate Forms or HPI Forms. See CR Special Condition for details.
	Cultural Resources Study	02/01/2026	One or more Historic Property Inventory Forms (for the Playfield Complex itself) should be completed on WISAARD and also added to the report.
	Cultural Resources Complete	05/31/2026	Cultural Resources work is complete when either an IDP has been provided by the CR Unit and signed by the Sponsor, or the final Monitoring Report has been submitted and accepted by DAHP (if applicable).
	60% Plans to RCO	05/31/2026	
	Progress Report Due	06/30/2026	
	Annual Project Billing Due	07/31/2026	
	Applied for Permits	11/30/2026	
	Progress Report Due	12/31/2026	
	SEPA/NEPA Completed	12/31/2026	
	All Bid Docs/Plans to RCO	01/31/2027	
	RCO Notice to Proceed	02/28/2027	Receive Notice to Proceed from RCO prior to any ground disturbance.
	Bid Awarded/Contractor Hired	04/30/2027	
	Construction Started	06/01/2027	
	Progress Report Due	06/30/2027	
	50% Construction Complete	07/01/2027	
	Annual Project Billing Due	07/31/2027	
	90% Construction Complete	08/01/2027	
	Funding Acknowl Sign Posted	08/31/2027	
	Construction Complete	09/30/2027	
	RCO Final Inspection	10/31/2027	
	Final Billing Due	12/01/2027	
	Final Report Due	12/15/2027	
	Agreement End Date	12/31/2027	

Project Sponsor: City of Mountlake Terrace
Project Title: Evergreen Playfield #4 Lighting Improvement

Project Number: 24-1748D
Approval Date: 07/23/2025

Standard Terms and Conditions of the Recreation and Conservation Office

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STANDARD TERMS AND CONDITIONS EFFECTIVE DATE

This document sets forth the Standard Terms and Conditions of the Recreation and Conservation Office as of 07/08/2025.

CITATIONS, HEADINGS AND DEFINITIONS

- A. Any citations referencing specific documents refer to the current version on the effective date of this Agreement or the effective date of any amendment thereto.
- B. Headings used in this Agreement are for reference purposes only and shall not be considered a substantive part of this Agreement.
- C. Definitions. As used throughout this Agreement, the following terms shall have the meaning set forth below:

Agreement, terms of the Agreement, or project agreement – The document entitled “RCO GRANT AGREEMENT” accepted by all parties to the present project and transaction, including without limitation the Standard Terms and Conditions of the RCO Grant Agreement, all exhibits, attachments, addendums, amendments, and applicable manuals, and any intergovernmental agreements, and/or other documents that are incorporated into the Agreement subject to any limitations on their effect under this Agreement.

applicable manual(s), manual – A manual designated in this Agreement to apply as terms of this Agreement, subject (if applicable) to substitution of the “RCO director” for the term “board” in those manuals where the project is not approved by or funded by the referenced board, or a predecessor to the board.

applicable WAC(s) – Designated chapters or provisions of the Washington Administrative Code that apply by their terms to the type of grant in question or are deemed under this Agreement to apply as terms of the Agreement, subject to substitution of the “RCO director” for the term “board” or “agency” in those cases where the RCO has contracted to or been delegated to administer the grant program in question.

applicant – Any party, prior to becoming a Sponsor, who meets the qualifying standards/eligibility requirements for the grant application or request for funds in question.

application – The documents and other materials that an applicant submits to the RCO to support the applicant's request for grant funds; this includes materials required for the “Application” in the RCO's automated project information system, and other documents as noted on the application checklist including but not limited to legal opinions, maps, plans, evaluation presentations and scripts.

Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor's signature. This person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

C.F.R. – Code of Federal Regulations

completed project or project completion – The status of a project when all of the following have occurred:

- The grant funded project has been inspected by the RCO and the RCO has determined that all scopes of work to implement the project have been completed satisfactorily.
- A final project report is submitted to and accepted by RCO.
- Any needed amendments to the Agreement have been entered by the Sponsor and RCO and have been delivered to the RCO.
- A final reimbursement request has been delivered to and paid by RCO.
- Documents affecting property rights (including RCO's as may apply) and any applicable notice of grant, have been recorded (as may apply).

contractor – An entity that receives a contract from a Sponsor related to performance of work or another obligation under this Agreement.

conversion – A conversion occurs 1) when facilities acquired, developed, renovated or restored within the project area are changed to a use other than that for which funds were approved, without obtaining prior written formal RCO or board approval, 2) when property interests are conveyed to a third party not otherwise eligible to receive grants in the program from which funding was approved without obtaining prior written formal RCO or board approval, or 3) when obligations to operate and maintain the funded property are not complied with after reasonable opportunity to cure.

Cultural Resources – Archaeological or historic archaeological sites, historic buildings/structures, and cultural or sacred places.

development project – A project that results in the construction of, or work resulting in, new elements, including but not limited to structures, facilities, and/or materials to enhance outdoor recreation resources. A development project may also involve activities that redevelop or renovate an existing facility, and these may occur exclusively in the project or in combination with new construction. For projects in the Boating Facilities Program, the term “development project” includes all of the above and may also include those activities that are defined as maintenance in 50 C.F.R 86.

director – The chief executive officer of the Recreation and Conservation Office or that person’s designee.

effective date – The date when the signatures of all parties to this agreement are present in the agreement.

equipment – Tangible personal property (including information technology systems) having a useful service life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Sponsor or \$5,000 (2 C.F.R. Part 200 (as updated)).

funding board or board – The Washington State Recreation and Conservation Funding Board, or the Washington State Salmon Recovery Funding Board. Or both as may apply.

Funding Entity – the entity that approves the project that is the subject to this Agreement.

grant program – The source of the grant funds received. May be an account in the state treasury, or a grant category within a larger grant program, or a federal source.

long-term compliance period – The term of years, beginning on the end date of the agreement, when long-term obligations exist for the Sponsor. The start date and end date of the compliance period may also be prescribed by RCO per the Agreement.

long-term obligations – Sponsor’s obligations after the project end date, as specified in the Agreement and manuals and other exhibits as may apply.

landowner agreement – An agreement that is required between a Sponsor and landowner for projects located on land not owned, or otherwise controlled, by the Sponsor.

match or matching share – The portion of the total project cost provided by the Sponsor.

milestone – An important event with a defined date to track an activity related to implementation of a funded project and monitor significant stages of project accomplishment.

Office – Means the Recreation and Conservation Office or RCO.

pass-through entity – A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (2 CFR 200 (as updated)). If this Agreement is a federal subaward, RCO is the pass-through entity.

period of performance – The period beginning on the project start date and ending on the project end date.

pre-agreement cost – A project cost incurred before the period of performance.

primary Sponsor – The Sponsor who is not a secondary Sponsor and who is specifically identified in the Agreement as the entity to which RCO grants funds to and authorizes and requires to administer the grant. Administration includes but is not limited to acting as the fiscal agent for the grant (e.g. requesting and accepting reimbursements, submitting reports). Primary Sponsor includes its officers, employees, agents and successors.

project – The undertaking that is funded by this Agreement either in whole or in part with funds administered by RCO.

project area - A geographic area that delineates a grant assisted site which is subject to project agreement requirements.

project completion or completed project – The status of a project when all of the following have occurred:

- The grant funded project has been inspected by the RCO and the RCO has determined that all scopes of work to implement the project have been completed satisfactorily.
- A final project report is submitted to and accepted by RCO.
- Any needed amendments to the Agreement have been entered by the Sponsor and RCO and have been delivered to the RCO.
- A final reimbursement request has been delivered to and paid by RCO.

- Documents affecting property rights (including RCO's as may apply) and any applicable notice of grant, have been recorded (as may apply).

project cost – The total allowable costs incurred under this Agreement and all required match share and voluntary committed matching share, including third-party contributions (see also 2 C.F.R. Part 200 (as updated)) for federally funded projects).

project end date – The specific date identified in the Agreement on which the period of performance ends, as may be changed by amendment. This date is not the end date for any long-term obligations.

project start date – The specific date identified in the Agreement on which the period of performance starts.

RCFB – Recreation and Conservation Funding Board

RCO – Recreation and Conservation Office – The state agency that administers the grant that is the subject of this Agreement. RCO includes the director and staff.

RCW – Revised Code of Washington

reimbursement – RCO's payment of funds from eligible and allowable costs that have already been paid by the Sponsor per the terms of the Agreement.

renovation project – A project intended to improve an existing site or structure in order to increase its useful service life beyond current expectations or functions. This does not include maintenance activities to maintain the facility for its originally expected useful service life.

secondary Sponsor – One of two or more Sponsors who is not a primary Sponsor. Only the primary Sponsor may be the fiscal agent for the project.

Sponsor – A Sponsor is an organization that is listed in and has signed this Agreement.

Sponsor Authorized Representative/Agent – A Sponsor's agent (employee, political appointee, elected person, etc.) authorized to be the signatory of this Agreement and any amendments requiring a Sponsor signature. This person has the signature authority to bind the Sponsor to this Agreement, grant, and project.

subaward – Funds allocated to the RCO from another organization, for which RCO makes available to or assigns to another organization via this Agreement. Also, a subaward may be an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of any award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal or other program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Also see 2 C.F.R. Part 200 (as updated). For federal subawards, a subaward is for the purpose of carrying out a portion of a Federal award and creates a federal assistance relationship with the subrecipient (2 C.F.R. Part 200 (as updated)). If this Agreement is a federal subaward, the subaward amount is the grant program amount in the Project Funding Section.

subrecipient – Subrecipient means an entity that receives a subaward. For non-federal entities receiving federal funds, a subrecipient is an entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency (2 C.F.R. Part 200 (as updated)). If this Agreement is a federal subaward, the Sponsor is the subrecipient.

tribal consultation – Outreach, and consultation with one or more federally recognized tribes (or a partnership or coalition or consortium of such tribes, or a private tribal enterprise) whose rights will or may be significantly affected by the proposed project. This includes sharing with potentially-affected tribes the scope of work in the grant and potential impacts to natural areas, natural resources, and the built environment by the project. It also includes responding to any tribal request from such tribes and considering tribal recommendations for project implementation which may include not proceeding with parts of the project, altering the project concept and design, or relocating the project or not implementing the project, all of which RCO shall have the final approval of.

useful service life – Period during which a built asset, equipment, or fixture is expected to be useable for the purpose it was acquired, installed, developed, and/or renovated, or restored per this Agreement.

WAC – Washington Administrative Code.

PERFORMANCE BY THE SPONSOR

The Sponsor shall undertake the project as described in this Agreement, and in accordance with the Sponsor's proposed goals and objectives described in the application or documents submitted with the application, all as finally approved by the RCO (to include any RCO approved changes or amendments thereto). All submitted documents are incorporated by this reference as if fully set forth herein.

Timely completion of the project and submission of required documents, including progress and final reports, is important. Failure to meet critical milestones or complete the project, as set out in this Agreement, is a material breach of the Agreement.

ASSIGNMENT

Neither this Agreement, nor any claim arising under this Agreement, shall be transferred or assigned by the Sponsor without prior written approval of the RCO. Sponsor shall not sell, give, or otherwise assign to another party any property right, or alter a conveyance (see below) for the project area acquired with this grant without prior approval of the RCO.

RESPONSIBILITY FOR PROJECT

Although RCO administers the grant that is the subject of this Agreement, the project itself remains the sole responsibility of the Sponsor. The RCO and Funding Entity (if different from the RCO) undertakes no responsibilities to the Sponsor, or to any third party, other than as is expressly set out in this Agreement.

The responsibility for the implementation of the project is solely that of the Sponsor, as is the responsibility for any claim or suit of any nature by any third party related in any way to the project. When a project has more than one Sponsor, any and all Sponsors are equally responsible for the project and all post-completion stewardship responsibilities and long-term obligations unless otherwise stated in this Agreement.

The RCO, its employees, assigns, consultants and contractors, and members of any funding board or advisory committee or other RCO grant review individual or body, have no responsibility for reviewing, approving, overseeing or supervising design, construction, or safety of the project and leaves such review, approval, oversight and supervision exclusively to the Sponsor and others with expertise or authority. In this respect, the RCO, its employees, assigns, consultants and contractors, and any funding board or advisory committee or other RCO grant review individual or body will act only to confirm at a general, lay person, and nontechnical level, solely for the purpose of project eligibility and payment and not for safety or suitability, that the project apparently is proceeding or has been completed as per the Agreement.

INDEMNIFICATION

The Sponsor shall defend, indemnify, and hold the State and its officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the actual or alleged acts, errors, omissions or negligence in connection with this Agreement (including without limitation all work or activities thereunder), or the breach of any obligation under this Agreement by the Sponsor or the Sponsor's agents, employees, contractors, subcontractors, or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable.

Provided that nothing herein shall require a Sponsor to defend or indemnify the State against and hold harmless the State from claims, demands or suits based solely upon the negligence of the State, its employees and/or agents for whom the State is vicariously liable.

Provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the Sponsor or the Sponsor's agents or employees, and (b) the State, or its employees or agents the indemnity obligation shall be valid and enforceable only to the extent of the Sponsor's negligence or its agents, or employees.

As part of its obligations provided above, the Sponsor specifically assumes potential liability for actions brought by the Sponsor's own employees or its agents against the State and, solely for the purpose of this indemnification and defense, the Sponsor specifically waives any immunity under the state industrial insurance law, RCW Title 51. Sponsor's waiver of immunity under this provision extends only to claims against Sponsor by Indemnitee RCO, and does not include, or extend to, any claims by Sponsor's employees directly against Sponsor.

Sponsor shall ensure that any agreement relating to this project involving any contractors, subcontractors and/or vendors of any tier shall require that the contracting entity indemnify, defend, waive RCW 51 immunity, and otherwise protect the State as provided herein as if it were the Sponsor. This shall not apply to a contractor or subcontractor is solely donating its services to the project without compensation or other substantial consideration.

The Sponsor shall also defend, indemnify, and hold the State and its officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions by the Sponsor or the Sponsor's agents, employees, contractors, subcontractors or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable, in performance of the work under this Agreement or arising out of any use in connection with the Agreement of methods, processes, designs, information or other items furnished or

communicated to the State, its agents, officers and employees pursuant to the Agreement. Provided, this indemnity shall not apply to any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions resulting from the State's, its agents', officers' and employees' failure to comply with specific written instructions regarding use provided to the State, its agents, officers and employees by the Sponsor, its agents, employees, contractors, subcontractors or vendors, of any tier, or any other persons for whom the Sponsor may be legally liable.

The funding board and RCO are included within the term State, as are all other agencies, departments, boards, councils, committees, divisions, bureaus, offices, societies, or other entities of state government.

INDEPENDENT CAPACITY OF THE SPONSOR

The Sponsor and its employees or agents performing under this Agreement are not officers, employees or agents of the RCO or Funding Entity. The Sponsor will not hold itself out as nor claim to be an officer, employee or agent of the RCO or the Funding Entity, or of the state of Washington, nor will the Sponsor make any claim of right, privilege or benefit which would accrue to an employee under RCW 41.06.

The Sponsor is responsible for withholding and/or paying employment taxes, insurance, or deductions of any kind required by federal, state, and/or local laws.

CONFLICT OF INTEREST

Notwithstanding any determination by the Executive Ethics Board or other tribunal, RCO may, in its sole discretion, by written notice to the Sponsor terminate this Agreement if it is found after due notice and examination by RCO that there is a violation of the Ethics in Public Service Act, RCW 42.52; or any similar statute involving the Sponsor in the procurement of, or performance under, this Agreement.

In the event this Agreement is terminated as provided herein, RCO shall be entitled to pursue the same remedies against the Sponsor as it could pursue in the event of a breach of the Agreement by the Sponsor. The rights and remedies of RCO provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

COMPLIANCE WITH APPLICABLE LAW

In implementing the Agreement, the Sponsor shall comply with all applicable federal, state, and local laws (including without limitation all applicable ordinances, codes, rules, and regulations). Such compliance includes, without any limitation as to other applicable laws, the following laws:

- A. **Nondiscrimination Laws.** The Sponsor shall comply with all applicable federal, state, and local nondiscrimination laws and/or policies, including but not limited to: the Americans with Disabilities Act; Civil Rights Act; and the Age Discrimination Employment Act (if applicable). In the event of the Sponsor's noncompliance or refusal to comply with any nondiscrimination law or policy, the Agreement may be rescinded, cancelled, or terminated in whole or in part, and the Sponsor may be declared ineligible for further grant awards from the RCO or Funding Entity. The Sponsor is responsible for any and all costs or liability arising from the Sponsor's failure to so comply with applicable law. Except where a nondiscrimination clause required by a federal funding agency is used, the Sponsor shall insert the following nondiscrimination clause in each contract for construction of this project: "During the performance of this contract, the contractor agrees to comply with all federal and state nondiscrimination laws, regulations and policies."
- B. **Secular Use of Funds.** No funds awarded under this grant may be used to pay for any religious activities, worship, or instruction, or for lands and facilities for religious activities, worship, or instruction. Religious activities, worship, or instruction may be a minor use of the grant supported recreation and conservation land or facility.
- C. **Wages and Job Safety.** The Sponsor agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington or other jurisdiction which affect wages and job safety. The Sponsor agrees when state prevailing wage laws (RCW 39.12) are applicable, to comply with such laws, to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this contract, and to file a statement of intent to pay prevailing wage with the Washington State Department of Labor and Industries as required by RCW 39.12.40. The Sponsor also agrees to comply with the provisions of the rules and regulations of the Washington State Department of Labor and Industries.
 - 1) Pursuant to RCW 39.12.040(1)(a), all contractors and subcontractors shall submit to Sponsor a statement of intent to pay prevailing wages if the need to pay prevailing wages is required by law. If a contractor or subcontractor intends to pay other than prevailing wages, it must provide the Sponsor with an affirmative statement of the contractor's or subcontractor's intent. Unless required by law, the Sponsor is not required to investigate a statement regarding prevailing wage provided by a contractor or subcontractor.
 - 2) Exception, Service Organizations of Trail and Environmental Projects (RCW 79A.35.130). If allowed by state and federal law and rules, participants in conservation corps programs offered by a nonprofit organization

affiliated with a national service organization established under the authority of the national and community service trust act of 1993, P.L. 103-82, are exempt from provisions related to rates of compensation while performing environmental and trail maintenance work provided: (1) The nonprofit organization must be registered as a nonprofit corporation pursuant to RCW 24.03; (2) The nonprofit organization's management and administrative headquarters must be located in Washington; (3) Participants in the program must spend at least fifteen percent of their time in the program on education and training activities; and (4) Participants in the program must receive a stipend or living allowance as authorized by federal or state law. Participants are exempt from provisions related to rates of compensation only for environmental and trail maintenance work conducted pursuant to the conservation corps program.

- D. **Restrictions on Grant Use.** No part of any funds provided under this grant shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, or for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the U.S. Congress or any state legislature. No part of any funds provided under this grant shall be used to pay the salary or expenses of any Sponsor, or agent acting for such Sponsor, related to any activity designed to influence legislation or appropriations pending before the U.S. Congress or any state legislature.
- E. **Debarment and Certification.** By signing the Agreement with RCO, the Sponsor certifies that neither it nor its principals nor any other lower tier participant are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by Washington State Labor and Industries. Further, the Sponsor agrees not to enter into any arrangements or contracts related to this Agreement with any party that is on Washington State Department of Labor and Industries' "Debarred Contractor List."

ARCHAEOLOGICAL AND CULTURAL RESOURCES

- A. **Project Review.** RCO facilitates the review of projects for potential impacts to archaeology and cultural resources, except as those listed below. The Sponsor shall follow RCO guidance and directives to assist it with such review as may apply.
- 1) **Projects occurring on State/Federal Lands:** Archaeological and cultural resources compliance for projects occurring on State or Federal Agency owned or managed lands, will be the responsibility of the respective agency, regardless of sponsoring entity type. Prior to ground disturbing work or alteration of a potentially historic or culturally significant structure, or release of final payments on an acquisition, the Sponsor must provide RCO all documentation acknowledging and demonstrating that the applicable archaeological and cultural resources responsibilities of such state or federal landowner or manager has been conducted.
- B. **Termination.** RCO retains the right to terminate a project due to anticipated or actual impacts to archaeology and cultural resources.
- C. **Notice To Proceed.** No work shall commence in the project area until RCO has provided a notice of cultural resources completion. RCO may require on-site monitoring for impacts to archaeology and cultural resources during any demolition, construction, land clearing, restoration, or repair work, and may direct that work stop to minimize, mitigate, or avoid impacts to archaeology and cultural resource impacts or concerns. All cultural resources requirements for non ground disturbing projects (such as acquisition or planning projects) must be met prior to final reimbursement.
- D. **Compliance and Indemnification.** At all times, the Sponsor shall take reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic resources in the project area, and comply with any RCO direction for such minimization and mitigation. All federal or state cultural resources requirements under Governor's Executive Order 21-02 and the National Historic Preservation Act, and the State Environmental Policy Act and the National Environmental Policy Act, and any local laws that may apply, must be completed prior to the start of any work on the project site. The Sponsor must agree to indemnify and hold harmless the State of Washington in relation to any claim related to historical or cultural artifacts discovered, disturbed, or damaged due to the project funded under this Agreement. Sponsor shall comply with RCW 27.53, RCW 27.44.055, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting cultural resources and human remains.
- E. **Costs associated with project review and evaluation of archeology and cultural resources** are eligible for reimbursement under this agreement. Costs that exceed the budget grant amount shall be the responsibility of the Sponsor.
- F. **Inadvertent Discovery Plan.** The Sponsor shall request, review, and be bound by the RCO Inadvertent Discovery Plan, and:
- 1) Keep the IDP at the project site.
- 2) Make the IDP readily available to anyone working at the project site.
- 3) Discuss the IDP with staff and contractors working at the project site.

- 4) Implement the IDP when cultural resources or human remains are found at the project site.

G. Inadvertent Discovery

- 1) If any archaeological or historic resources are found while conducting work under this Agreement, the Sponsor shall immediately stop work and notify RCO, the Department of Archaeology and Historic Preservation at (360) 586-3064, and any affected Tribe, and stop any activity that may cause further disturbance to the archeological or historic resources.
- 2) If any human remains are found while conducting work under this Agreement, Sponsor shall immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, and then RCO, all in the most expeditious manner, and stop any activity that may cause disturbance to the remains. Sponsor shall secure the area of the find will and protect the remains from further disturbance until the State provides a new notice to proceed.
 - a) Any human remains discovered shall not be touched, moved, or further disturbed unless directed by the Department of Archaeology and Historic Preservation (DAHP).
 - b) The county medical examiner/coroner will assume jurisdiction over the human skeletal remains and make a determination of whether those remains are forensic or non-forensic. If the county medical examiner/coroner determines the remains are non-forensic, then they will report that finding to the Department of Archaeology and Historic Preservation (DAHP) who will then take jurisdiction over the remains. The DAHP will notify any appropriate cemeteries and all affected tribes of the find. The State Physical Anthropologist will make a determination of whether the remains are Indian or Non-Indian and report that finding to any appropriate cemeteries and the affected tribes. The DAHP will then handle all consultation with the affected parties as to the future preservation, excavation, and disposition of the remains.

RECORDS

- A. **Digital Records.** If requested by RCO, the Sponsor must provide a digital file(s) of the project property and funded project site in a format specified by the RCO.
- B. **Maintenance and Retention.** The Sponsor shall maintain books, records, documents, data and other records relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. Sponsor shall retain such records for a period of nine years from the date RCO deems the project complete, as defined in the PROJECT REIMBURSEMENTS Section. If any litigation, claim or audit is started before the expiration of the nine (9) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- C. **Access to Records and Data.** At no additional cost, the records relating to the Agreement, including materials generated under the Agreement, shall be subject at all reasonable times to inspection, review or audit by RCO, personnel duly authorized by RCO, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement. This includes access to all information that supports the costs submitted for payment under the grant and all findings, conclusions, and recommendations of the Sponsor's reports, including computer models and methodology for those models.
- D. **Public Records.** Sponsor acknowledges that the RCO is subject to RCW 42.56 and that this Agreement and any records Sponsor submits or has submitted to the State shall be a public record as defined in RCW 42.56. RCO administers public records requests per WAC 286-06 and 420-04 (which ever applies). Additionally, the Sponsor agrees to disclose any information in regards to the expenditure of that funding as if the project sponsor were subject to the requirements of chapter 42.56 RCW. By submitting any record to the State, Sponsor understands that the State may be requested to disclose or copy that record under the state public records law, currently codified at RCW 42.56. The Sponsor warrants that it possesses such legal rights as are necessary to permit the State to disclose and copy such record to respond to a request under state public records laws. The Sponsor hereby agrees to release the State from any claims arising out of allowing such review or copying pursuant to a public records act request, and to indemnify against any claims arising from allowing such review or copying and pay the reasonable cost of state's defense of such claims.

PROJECT FUNDING

- A. **Authority.** This Agreement and funding is made available to Sponsor through the RCO.
- B. **Additional Amounts.** The RCO or Funding Entity shall not be obligated to pay any amount beyond the dollar amount as identified in this Agreement, unless an additional amount has been approved in advance by the RCO director and incorporated by written amendment into this Agreement.

- C. **Before the Agreement.** No expenditure made, or obligation incurred, by the Sponsor before the project start date shall be eligible for grant funds, in whole or in part, unless specifically provided for by the RCO director, such as a waiver of retroactivity or program specific eligible pre-Agreement costs. For reimbursements of such costs, this Agreement must be fully executed and an original received by RCO. The dollar amounts identified in this Agreement may be reduced as necessary to exclude any such expenditure from reimbursement.
- D. **After the Period of Performance.** No expenditure made, or obligation incurred, following the period of performance shall be eligible, in whole or in part, for grant funds hereunder. In addition to any remedy the RCO or Funding Entity may have under this Agreement, the grant amounts identified in this Agreement shall be reduced to exclude any such expenditure from participation.

PROJECT REIMBURSEMENTS

- A. **Reimbursement Basis.** This Agreement is administered on a reimbursement basis per WAC 286-13 and/or 420-12, whichever has been designated to apply. Only the primary Sponsor may request reimbursement for eligible and allowable costs incurred during the period of performance. The primary Sponsor may request reimbursement only after (1) this Agreement has been fully executed and (2) the Sponsor has remitted payment to its vendors. RCO will authorize disbursement of project funds only on a reimbursable basis at the percentage as defined in the PROJECT FUNDING Section. Reimbursement shall not be approved for any expenditure not incurred by the Sponsor, or for a donation used as part of its matching share. RCO does not reimburse for donations. All reimbursement requests must include proper documentation of expenditures as required by RCO.
- B. **Reimbursement Request Frequency.** The primary Sponsor is required to submit a reimbursement request to RCO, at a minimum for each project at least once a year for reimbursable activities occurring between July 1 and June 30 or as identified in the milestones. Sponsors must refer to the most recent applicable RCO manuals and this Agreement regarding reimbursement requirements.
- C. **Compliance and Payment.** The obligation of RCO to pay any amount(s) under this Agreement is expressly conditioned on strict compliance with the terms of this Agreement and other agreements between RCO and the Sponsor.
- D. **Conditions for Payment of Retainage.** RCO reserves the right to withhold disbursement of the total amount of the grant to the Sponsor until the following has occurred:
 - 1) RCO has accepted the project as a completed project, which acceptance shall not be unreasonably withheld.
 - 2) On-site signs are in place (if applicable); Any other required documents and media are complete and submitted to RCO; Grant related fiscal transactions are complete, and
 - 3) RCO has accepted a final boundary map of the project area for which the Agreement terms will apply in the future.

RECOVERY OF PAYMENTS

- A. **Recovery for Noncompliance.** In the event that the Sponsor fails to expend funds under this Agreement in accordance with state and federal laws, and/or the provisions of the Agreement, fails to meet its percentage of the project total, and/or fails to comply with any of the terms and conditions of the Agreement, RCO reserves the right to recover grant award funds in the amount equivalent to the extent of noncompliance in addition to any other remedies available at law or in equity.
- B. **Return of Overpayments.** The Sponsor shall reimburse RCO for any overpayment or erroneous payments made under the Agreement. Repayment by the Sponsor of such funds under this recovery provision shall occur within 30 days of demand by RCO. Interest shall accrue at the rate of twelve percent (12%) per annum from the time the Sponsor received such overpayment. Unless the overpayment is due to an error of RCO, the payment shall be due and owing on the date that the Sponsor receives the overpayment from the RCO. If the payment is due to an error of RCO, it shall be due and owing 30 days after demand by RCO for refund.

COVENANT AGAINST CONTINGENT FEES

The Sponsor warrants that no person or selling agent has been employed or retained to solicit or secure this Agreement on an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the Sponsor for the purpose of securing business. RCO shall have the right, in the event of breach of this clause by the Sponsor, to terminate this Agreement and to be reimbursed by Sponsor for any grant funds paid to Sponsor (even if such funds have been subsequently paid to an agent), without liability to RCO or, in RCO's discretion, to deduct from the Agreement grant amount or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

INCOME (AND FEES) AND USE OF INCOME

See WAC 286-13-110 for additional requirements for projects funded from the RCFB.

- A. **Compatible source.** The source of any income generated in a funded project or project area must be compatible with the funding source and the Agreement and any applicable manuals, RCWs, and WACs.
- B. **Use of Income.** Subject to any limitations contained in applicable state or federal law, any needed approvals of RCO, and applicable rules and policies, income or fees generated at a project work site (including entrance, utility corridor permit, cattle grazing, timber harvesting, farming, rent, franchise fees, ecosystem services, carbon offsets sequestration, etc.) during or after the reimbursement period cited in the Agreement, must be used to offset:
 - 1) The Sponsor's matching resources;
 - 2) The project's total cost;
 - 3) The expense of operation, maintenance, stewardship, monitoring, and/or repair of the facility or program assisted by the grant funding;
 - 4) The expense of operation, maintenance, stewardship, monitoring, and/or repair of other similar units in the Sponsor's system;
 - 5) Capital expenses for similar acquisition and/or development and renovation; and/or
 - 6) Other purposes explicitly approved by RCO or otherwise provided for in this agreement.
- C. **Fees.** User and/or other fees may be charged in connection with land acquired or facilities developed, maintained, renovated, or restored and shall be consistent with the:
 - 1) Grant program laws, rules, and applicable manuals;
 - 2) Value of any service(s) furnished;
 - 3) Value of any opportunities furnished; and
 - 4) Prevailing range of public fees in the state for the activity involved.

PROCUREMENT REQUIREMENTS

- A. **Procurement Requirements.** If the Sponsor has, or is required to have, a procurement process that follows applicable state and/or federal law or procurement rules and principles, it must be followed, documented, and retained. If no such process exists, the Sponsor must follow these minimum procedures:
 - 1) Publish a notice to the public requesting bids/proposals for the project;
 - 2) Specify in the notice the date for submittal of bids/proposals;
 - 3) Specify in the notice the general procedure and criteria for selection; and
 - 4) Sponsor must contract or hire from within its bid pool. If bids are unacceptable the process needs to be repeated until a suitable bid is selected.
 - 5) Comply with the same legal standards regarding unlawful discrimination based upon race, gender, ethnicity, sex, or sex-orientation that are applicable to state agencies in selecting a bidder or proposer.

Alternatively, Sponsor may choose a bid from a bidding cooperative if authorized to do so.

This procedure creates no rights for the benefit of third parties, including any proposers, and may not be enforced or subject to review of any kind or manner by any entity other than the RCO. Sponsors may be required to certify to the RCO that they have followed any applicable state and/or federal procedures or the above minimum procedure where state or federal procedures do not apply.

TREATMENT OF EQUIPMENT AND ASSETS

Equipment shall be used and managed only for the purpose of this Agreement, unless otherwise provided herein or in the applicable manuals, or approved by RCO in writing.

- A. **Discontinued Use.** Equipment obtained under this Agreement shall remain in the possession of the Sponsor for the duration of the project, or RULES of applicable grant assisted program. When the Sponsor discontinues use of the

equipment for the purpose for which it was funded, RCO may require the Sponsor to deliver the equipment to RCO, or to dispose of the equipment according to RCO published policies.

- B. **Loss or Damage.** The Sponsor shall be responsible for any loss or damage to equipment.

RIGHT OF INSPECTION

The Sponsor shall provide right of access to the project to RCO, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, long-term obligations, compliance, and/or quality assurance under this Agreement. If a landowner agreement or other form of control and tenure limits access to the project area, it must include (or be amended to include) the RCO's right to inspect and access lands acquired or developed with this funding assistance.

STEWARDSHIP AND MONITORING

Sponsor agrees to perform monitoring and stewardship functions as stated in the applicable WACs and manuals, this Agreement, or as otherwise directed by RCO consistent with the existing laws and applicable manuals. Sponsor further agrees to utilize, where applicable and financially feasible, any monitoring protocols recommended by the RCO; provided that RCO does not represent that any monitoring it may recommend will be adequate to reasonably assure project performance or safety. It is the sole responsibility of the Sponsor to perform such additional monitoring as may be adequate for such purposes.

PREFERENCES FOR RESIDENTS

Sponsors shall not express a preference for users of grant assisted projects on the basis of residence (including preferential reservation, membership, and/or permit systems) except that reasonable differences in admission and other fees may be maintained on the basis of residence. Fees for nonresidents must not exceed twice the fee imposed on residents. Where there is no fee for residents but a fee is charged to nonresidents, the nonresident fee shall not exceed the amount that would be imposed on residents at comparable state or local public facilities.

ACKNOWLEDGMENT AND SIGNS

- A. **Publications.** The Sponsor shall include language which acknowledges the funding contribution of the applicable grant program to this project in any release or other publication developed or modified for, or referring to, the project during the project period and in the future.
- B. **Signs.**
- 1) During the period of performance through the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations on the project area that acknowledge the applicable grant program's funding contribution, unless waived by the director; and
 - 2) During the period of long-term obligation, the Sponsor shall post openly visible signs or other appropriate media at entrances and other locations to notify the public of the availability of the site for reasonable public access.
- C. **Ceremonies.** The Sponsor shall notify RCO no later than two weeks before a dedication ceremony for this project. The Sponsor shall verbally acknowledge the applicable grant program's funding contribution at all dedication ceremonies and in all advertisements and mailings thereof, and any and all of its related digital media publications.

PROVISIONS APPLYING TO DEVELOPMENT, MAINTENANCE, RENOVATION, AND RESTORATION PROJECTS

The following provisions shall be in force:

- A. **Operations and Maintenance.** Properties, structures, and facilities developed, maintained, or operated with the assistance of money granted per this Agreement and within the project area shall be built, operated, and maintained according to applicable regulations, laws, building codes, and health and public safety standards to assure a reasonably safe condition and to prevent premature deterioration. It is the Sponsor's sole responsibility to ensure the same are operated and maintained in a safe and operable condition. The RCO does not conduct safety inspections or employ or train staff for that purpose.
- B. **Document Review and Approval.** Prior to commencing construction or finalizing the design, the Sponsor agrees to submit one copy of all construction and restoration plans and specifications to RCO for review solely for compliance with the scope of work to be identified in the Agreement. RCO does not review for, and disclaims any responsibility to review for safety, suitability, engineering, compliance with code, or any matters other than the scope so identified. Although RCO staff may provide tentative guidance to a Sponsor on matters related to site accessibility by persons with a disability, it is the Sponsor's responsibility to confirm that all legal requirements for accessibility are met even if

the RCO guidance would not meet such requirements.

- 1) Change orders that impact the amount of funding or changes to the scope of the project as described to and approved by the RCO must receive prior written approval of the RCO.
- C. **Control and Tenure.** The Sponsor must provide documentation that shows appropriate tenure and term (such as long-term lease, perpetual or long-term easement, or perpetual or long-term fee simple ownership, or landowner agreement or interagency agreement for the land proposed for construction, renovation, or restoration. The documentation must meet current RCO requirements identified in this Agreement as of the effective date of this Agreement unless otherwise provided in any applicable manual, RCW, WAC, or as approved by the RCO.
- D. **Use of Best Management Practices.** Sponsors are encouraged to use best management practices including those developed as part of the Washington State Aquatic Habitat Guidelines (AHG) Program. AHG documents include "Integrated Streambank Protection Guidelines", 2002; "Land Use Planning for Salmon, Steelhead and Trout: A land use planner's guide to salmonid habitat protection and recovery", 2009", "Protecting Nearshore Habitat and Functions in Puget Sound", 2010; "Stream Habitat Restoration Guidelines", 2012; "Water Crossing Design Guidelines", 2013; and "Marine Shoreline Design Guidelines", 2014. These documents, along with new and updated guidance documents, and other information are available on the AHG Web site. Sponsors are also encouraged to use best management practices developed by the Washington Invasive Species Council (WISC) described in "Reducing Accidental Introductions of Invasive Species" which is available on the WISC Web site.
- E. At no time shall the Sponsor design, construct, or operate this grant funded project in a way that unreasonably puts the public, itself, or others at risk of injury or property damage. The Sponsor agrees and acknowledges that the Sponsor is solely responsible for safety and risk associated with the project, that RCO does not have expertise, capacity, or a mission to review, monitor, or inspect for safety and risk, that no expectation exists that RCO will do so, and that RCO is in no way responsible for any risks associated with the project.

LONG-TERM OBLIGATIONS OF THE PROJECTS AND SPONSORS

- A. **Long-Term Obligations.** This section applies to completed projects only.
- B. **Perpetuity.** For acquisition, development, and restoration projects, or a combination thereof, unless otherwise allowed by applicable manual, policy, program rules, or this Agreement, or approved in writing by RCO. The RCO requires that the project area continue to function for the purposes for which these grant funds were approved, in perpetuity.
- C. **Conversion.** The Sponsor shall not at any time convert any real property (including any interest therein) or facility acquired, developed, renovated, and/ or restored pursuant to this Agreement, unless provided for in applicable statutes, rules, and policies. Conversion includes, but is not limited to, putting such property (or a portion of it) to uses other than those purposes for which funds were approved or transferring such property to another entity without prior approval via a written amendment to the Agreement. All real property or facilities acquired, developed, renovated, and/or restored with funding assistance shall remain in the same ownership and in public use/access status in perpetuity unless otherwise expressly provided in the Agreement or applicable policies or unless a transfer or change in use is approved by the RCO through an amendment. Failure to comply with these obligations is a conversion. Further, if the project is subject to operation and or maintenance obligations, the failure to comply with such obligations, without cure after a reasonable period as determined by the RCO, is a conversion. Determination of whether a conversion has occurred shall be based upon all terms of the Agreement, and all applicable state or federal laws or regulation.
- 1) When a conversion has been determined to have occurred, the Sponsor shall remedy the conversion as set forth in this Agreement (with incorporated documents) and as required by all applicable policies, manuals, WACs and laws that exist at the time the remedy is implemented or the right to the remedy is established by a court or other decision-making body, and the RCO may pursue all remedies as allowed by the Agreement or law.

CONSTRUCTION, OPERATION, USE, AND MAINTENANCE OF ASSISTED PROJECTS

The following provisions shall be in force for this agreement:

- A. **Property and facility operation and maintenance.** Sponsor must ensure that properties or facilities assisted with the grant funds, including undeveloped sites, are built, operated, used, and maintained:
- 1) According to applicable federal, state, and local laws and regulations, including public health standards and building codes;
 - 2) In a reasonably safe condition for the project's intended use;

- 3) Throughout its estimated useful service life so as to prevent undue deterioration;
 - 4) In compliance with all federal and state nondiscrimination laws, regulations and policies.
- B. **Open to the public.** Unless otherwise specifically provided for in the Agreement, and in compliance with applicable statutes, rules, and applicable WACs and manuals, facilities must be open and accessible to the general public, and must:
- 1) Be constructed, maintained, and operated to meet or exceed the minimum requirements of the most current guidelines or rules, local or state codes, Uniform Federal Accessibility Standards, guidelines, or rules, including but not limited to: the International Building Code, the Americans with Disabilities Act, and the Architectural Barriers Act, as amended and updated.
 - 2) Appear attractive and inviting to the public except for brief installation, construction, or maintenance periods.
 - 3) Be available for appropriate use by the general public at reasonable hours and times of the year, according to the type of area or facility, unless otherwise stated in RCO manuals or, by a decision of the RCO director in writing. Sponsor shall notify the public of the availability for use by posting and updating that information on its website and by maintaining at entrances and/or other locations openly visible signs with such information.

ORDER OF PRECEDENCE

This Agreement is entered into, pursuant to, and under the authority granted by applicable federal and state laws. The provisions of the Agreement shall be construed to conform to those laws. In the event of a direct and irreconcilable conflict between the terms of this Agreement and any applicable statute, rule, or policy or procedure, the conflict shall be resolved by giving precedence in the following order:

- A. Federal law and binding executive orders;
- B. Code of federal regulations;
- C. Terms and conditions of a grant award to the state from the federal government;
- D. Federal grant program policies and procedures adopted by a federal agency that are required to be applied by federal law;
- E. State Constitution, RCW, and WAC;
- F. Agreement Terms and Conditions and Applicable Manuals;
- G. Applicable deed restrictions, and/or governing documents.

LIMITATION OF AUTHORITY

Only RCO's Director or RCO's delegate authorized in writing (delegation to be made prior to action) shall have the authority to alter, amend, modify, or waive any clause or condition of this Agreement; provided that any such alteration, amendment, modification, or waiver of any clause or condition of this Agreement is not effective or binding unless made as a written amendment to this Agreement and signed by the RCO Director or delegate.

WAIVER OF DEFAULT

Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of the Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Agreement unless stated to be such in writing, signed by the director, or the director's designee, and attached as an amendment to the original Agreement.

APPLICATION REPRESENTATIONS – MISREPRESENTATIONS OR INACCURACY OR BREACH

The Funding Entity (if different from RCO) and RCO rely on the Sponsor's application in making its determinations as to eligibility for, selection for, and scope of, funding grants. Any misrepresentation, error or inaccuracy in any part of the application may be deemed a breach of this Agreement.

SPECIFIC PERFORMANCE

RCO may, at its discretion, enforce this Agreement by the remedy of specific performance, which means Sponsors' completion of the project and/or its completion of long-term obligations as described in this Agreement. However, the remedy

of specific performance shall not be the sole or exclusive remedy available to RCO. No remedy available to the RCO shall be deemed exclusive. The RCO may elect to exercise any, a combination of, or all of the remedies available to it under this Agreement, or under any provision of law, common law, or equity, including but not limited to seeking full or partial repayment of the grant amount paid and damages.

TERMINATION AND SUSPENSION

The RCO requires strict compliance by the Sponsor with all the terms of this Agreement including, but not limited to, the requirements of the applicable statutes, rules, and RCO policies, and with the representations of the Sponsor in its application for a grant as finally approved by RCO. For federal awards, notification of termination will comply with 2 C.F.R. § 200 (as updated).

A. For Cause.

- 1) The RCO director may suspend or terminate the obligation to provide funding to the Sponsor under this Agreement:
 - a) If the Sponsor breaches any of the Sponsor's obligations under this Agreement;
 - b) If the Sponsor fails to make progress satisfactory to the RCO director toward completion of the project by the completion date set out in this Agreement. Included in progress is adherence to milestones and other defined deadlines; or
 - c) If the primary and secondary Sponsor(s) cannot mutually agree on the process and actions needed to implement the project;
- 2) Prior to termination, the RCO shall notify the Sponsor in writing of the opportunity to cure. If corrective action is not taken within 30 days or such other time period that the director approves in writing, the Agreement may be terminated. In the event of termination, the Sponsor shall be liable for damages or other relief as authorized by law and/or this Agreement.
- 3) RCO reserves the right to suspend all or part of the Agreement, withhold further payments, or prohibit the Sponsor from incurring additional obligations of funds during the investigation of any alleged breach and pending corrective action by the Sponsor, or a decision by the RCO to terminate the Contract.

B. For Convenience. Except as otherwise provided in this Agreement, RCO may, by ten (10) days written notice, beginning on the second day after the mailing, terminate this Agreement, in whole or in part when it is in the best interest of the state. If this Agreement is so terminated, RCO shall be liable only for payment required under the terms of this Agreement prior to the effective date of termination. A claimed termination for cause shall be deemed to be a "Termination for Convenience" if it is determined that:

- 1) The Sponsor was not in default; or
- 2) Failure to perform was outside Sponsor's control, fault or negligence.

C. Rights and Remedies of the RCO.

- 1) The rights and remedies of RCO provided in this Agreement are not exclusive and are in addition to any other rights and remedies provided by law.
- 2) In the event this Agreement is terminated by the director, after any portion of the grant amount has been paid to the Sponsor under this Agreement due to Sponsor's breach of the Agreement or other violation of law, the director may require that any amount paid be repaid to RCO for redeposit into the account from which the funds were derived. However, any repayment shall be limited to the extent repayment would be inequitable and represent a manifest injustice in circumstances where the project will fulfill its fundamental purpose for substantially the entire period of performance and of long-term obligation.

D. Non Availability of Funds. The obligation of the RCO to make payments is contingent on the availability of state and federal funds through legislative appropriation and state allotment. If amounts sufficient to fund the grant made under this Agreement are not appropriated to RCO for expenditure for this Agreement in any biennial fiscal period, RCO shall not be obligated to pay any remaining unpaid portion of this grant unless and until the necessary action by the Legislature or the Office of Financial Management occurs. If RCO participation is suspended under this section for a continuous period of one year, RCO's obligation to provide any future funding under this Agreement shall terminate. Termination of the Agreement under this section is not subject to appeal by the Sponsor.

- 1) **Suspension:** The obligation of the RCO to manage contract terms and make payments is contingent upon the state appropriating state and federal funding each biennium. In the event the state is unable to appropriate such funds by the first day of each new biennium RCO reserves the right to suspend the Agreement, with ten (10) days written notice, until such time funds are appropriated. Suspension will mean

all work related to the contract must cease until such time funds are obligated to RCO and the RCO provides notice to continue work.

- 2) **No Waiver.** The failure or neglect of RCO to require strict compliance with any term of this Agreement or to pursue a remedy provided by this Agreement or by law shall not act as or be construed as a waiver of any right to fully enforce all rights and obligations set forth in this Agreement and in applicable state or federal law and regulations.

DISPUTE HEARING

Except as may otherwise be provided in this Agreement, when a dispute arises between the Sponsor and the RCO, which cannot be resolved, either party may request a dispute hearing according to the process set out in this section. Either party's request for a dispute hearing must be in writing and clearly state:

- A. The disputed issues;
- B. The relative positions of the parties;
- C. The Sponsor's name, address, project title, and the assigned project number.

In order for this section to apply to the resolution of any specific dispute or disputes, the other party must agree in writing that the procedure under this section shall be used to resolve those specific issues. The dispute shall be heard by a panel of three persons consisting of one person chosen by the Sponsor, one person chosen by the director, and a third person chosen by the two persons initially appointed. If a third person cannot be agreed on, the persons chosen by the Sponsor and director shall be dismissed and an alternate person chosen by the Sponsor, and one by the director shall be appointed and they shall agree on a third person. This process shall be repeated until a three person panel is established.

Any hearing under this section shall be informal, with the specific processes to be determined by the disputes panel according to the nature and complexity of the issues involved. The process may be solely based on written material if the parties so agree. The disputes panel shall be governed by the provisions of this Agreement in deciding the disputes.

The parties shall be bound by the majority decision of the dispute panelists, unless the remedy directed by that panel is beyond the authority of either or both parties to perform, as necessary, or is otherwise unlawful.

Request for a disputes hearing under this section by either party shall be delivered or mailed to the other party. The request shall be delivered or mailed within thirty (30) days of the date the requesting party has received notice of the action or position of the other party which it wishes to dispute. The written agreement to use the process under this section for resolution of those issues shall be delivered or mailed by the receiving party to the requesting party within thirty (30) days of receipt by the receiving party of the request.

All costs associated with the implementation of this process shall be shared equally by the parties.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own costs and attorneys' fees.

GOVERNING LAW/VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the State of Washington. In the event of a lawsuit involving this Agreement, venue shall be in Thurston County Superior Court if legally proper; otherwise venue shall be in the Superior Court of a county where the project is situated, if venue there is legally proper, and if not, in a county where venue is legally proper. The Sponsor, by execution of this Agreement acknowledges the jurisdiction of the courts of the State of Washington and agrees to venue as set forth above.

SEVERABILITY

The provisions of this Agreement are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

END OF STANDARD TERMS AND CONDITIONS

This is the end of the Standard Terms and Conditions of the Agreement.



STAFF REPORT

To: Mountlake Terrace City Council

From: Gary Schimek, Public Works Director

Meeting Date: December 4, 2025

Subject: On-Call Engineering Agreement Amendment with Parametrix for the 2.5 MG Water Tank Recoating Project

Required Reviews:

Jennifer Joki	Created/Initiated - 11/24/2025
Gary Schimek	Approved - 11/24/2025
Sirke Salminen	Approved - 11/24/2025
Hillary Evans	Approved - 11/24/2025
Carolyn Hope	Final Approval - 11/25/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service
Environmental Sustainability and Resiliency

Legislative History:

In 2024, the city council approved a Water Fund Capital Improvement Project called 645 Zone, 2.5 MG Reservoir Recoating & Seismic Retrofit. This project is in the approved Water Utility Capital Improvement Program for a budget of \$5,013,904. There is \$501,391 approved for use in 2025 for this project.

Also in 2024, the city entered into an On-Call Engineering and Environmental Services Agreement with Parametrix. They have been working on the 645 Zone, 2.5 MG Reservoir Recoating & Seismic Retrofit project.

On June 5, 2025, the City Council approved an amendment to this on-call agreement for an additional \$100,000, for a total of \$200,000.

Subject Summary:

Parametrix is working on the planning and engineering for the 2.5 MG Water Tower Seismic Retrofit/Recoating Project. The scope for work order #4 includes the seismic upgrade and recoating with lead abatement and removal of contaminated soil. The fee for WO #4 is \$376,764.94 with an additional proposed management reserve fund of \$23,235.06, for a total of \$400,000.00, which will exceed the current contract amount. Staff are proposing approval of amendment #2 to the on-call agreement in the amount of \$400,000 for a total of \$600,000.

Financial/Budget Impacts:

Budget Amendment Required? NO o

Budget and Sources:	On-Call Engineering and Environmental Services
Expenditure:	\$400,000.00
New Appropriation Required + Sources:	\$400,000.00 Water Fund

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends Council vote to approve amendment #2 to the on-call agreement to increase the total contract amount to \$600,000 and authorize to approve and execute WO #4 in an amount not-to-exceed \$400,000.

Council Motion:

N/A

Attachments:

1. Parametrix On-Call Agreement Supplement 2
2. WO 4_Parametrix On-Call_Water Tower Retrofit



Supplement Number 2 On-Call Engineering and Environmental Services Agreement	Organization Name and Address: Parametrix, Inc. 1019 39th Ave SE, Ste. 100 Puyallup, WA 98374		
Original Agreement Number N/A	Execution Date 12/23/2024	Completion Date 12/31/2026	
Project Title On-Call Engineering and Environmental Services	Original Amount Authorized		\$100,000.00
	Amount Previous Supplements		\$100,000.00
	Amount This Supplement		\$400,000.00
	New Maximum Amount Payable		\$600,000.00

The City of Mountlake Terrace desires to supplement the agreement entered into with Parametrix, Inc. and executed on 12/23/2024.

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section V, Payment Provisions shall be amended to include new **Maximum Amount Payable to \$600,000.00.**

II

The original agreement, Exhibit E, Sub-consultant Cost Computations shall be amended to add **Peterson Structural Engineers as an approved sub-consultant** with fee schedule (Attachment A).

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Parametrix, Inc.

By: City of Mountlake Terrace

Cindy Clark Date
Transportation Division Manager

Jeff Niten, City Manager Date

PETERSON STRUCTURAL ENGINEERS

2025 Hourly Rates

Principal-in-Charge	\$305
Principal	\$290
Senior Associate	\$275
Associate	\$266
Senior Project Manager	\$260
Senior Structural Engineer	\$260
Project Manager	\$242
Structural Engineer	\$242
Associate Project Manager	\$228
Senior Project Engineer	\$216
Project Engineer	\$208
Staff Engineer	\$202
Staff Designer	\$196
CADD Drafting	\$161
Administrative	\$150

- *Vehicle mileage will be billed at current U.S. General Services Administration allowable rates and periodically adjusted according to federal updates*
- *Direct expenses will be billed at cost plus 10%*
- *Hourly rates are typically revised annually January 1st (fiscal/calendar year)*



On-Call Services Work Order Agreement

Work Order Number:

4

Original On-Call Agreement Title: Agreement End date: 12/31/2026		
Consultant Organization: Parametrix, Inc.	Work Order Title: Water Tower Seismic Retrofit/Recoating PM & Engineering	
Consultant Project Manager: Yammie Ho	Agency Project Manager: Man Truong	
Work Order Anticipated Schedule:	Start Date: 12/1/2025	End Date: 12/31/2026

Brief Description of Work: Provide engineering and project management services for seismic retrofit and recoating the 2.5 MG (large) water tank facing I-5. The project scope includes engineering design support and management throughout the design phase and bidding process.

A. Maximum Amount Payable Under Agreement	\$600,000.00
B. Amount Not to Exceed This Work Order	\$400,000.00
C. Amounts Authorized Prior Work Orders	\$134,554.31
D. Total Amount Authorized $(B+C)$	\$534,554.31
E. Contract Amount Remaining $(A-D)$	\$65,445.69

All terms and conditions of the original Agreement are in full effect for this Work Order. The details of the work to be performed are described in the **Scope of Work** (Exhibit A) and **Fee Proposal** (Exhibit B) of \$376,764.94, attached and incorporated herein. This Work Order #4 also includes \$23,235.06 in management reserve funds. Total amount invoiced cannot exceed the amount authorized by this Work Order (Item "B" above).

Approvals:

Agency Project Manager Recommendation:

Consultant Approval:

Man Truong, PE

Date

Cindy Clark, Transportation
Division Manager

Date

Gary Schimek
PW Director

Date

Work Order Completion Date _____

By signing below, I attest that the work performed under this Work Order Agreement has been satisfied.

Project Manager:

Consultant Approval:

Signature

Date

Signature

Date

City of Mountlake Terrace
On-Call Engineering and Environmental Services
WO#4 Additional Services for Water Tower

Introduction

In WO#3, the City of Mountlake Terrace (City), requested Parametrix to provide project management and engineering services for exterior recoating and support for the City's artistic painting to the City's 2.5 MG water storage tank (649 Pressure Zone (PZ) Reservoir). The City has requested Parametrix to expand this scope of work to include additional services, including seismic retrofit improvements, interior recoating, tank appurtenance upgrades, and lead abatement support.

Schedule

WO#3 is anticipated to be completed by May 2026. The additional services described under WO#4 will extend the overall project completion to September 2026. However, WO#3 will still conclude in May 2026 as planned.

Task 01 – Project Management

Description of Tasks

The objective of this task is to provide additional project management to support the extended project duration and subconsultant's work.

These services are in addition to and concurrent with the project management tasks described in WO#3.

This task includes general management functions that include the following:

- Project Planning – Document and communicate the extended scope of work, budget, and schedule with the project team. Coordinate the project team and document issues throughout the project. One (1) in-person coordination additional to WO#3 will be included.
- Up to eight (8) virtual project management check-ins between Consultant's team and the city project manager. These check-ins are in addition to those provided under WO#3 and will be no more than one (1) hour each.
- Include one (1) additional iteration of schedule update reflecting these additional services.
- Manage overall scope, schedule, and budget with the extended effort, in addition to the ongoing project management provided under WO#3.
- Management for additional tasks and subconsultant work.
- Monthly Progress Reports – Prepare a monthly invoice for services performed by Parametrix under this Work Order, in addition to the monthly reporting requirements of WO#3.

Assumptions

- Four (4) months of project management, additional to WO#3. Budget assumes in-person project management coordination meeting (1 hour long). Up to three (3) consultant staff will attend.
- Budget assumes up to (3) consultant staff will attend additional check-in meetings, virtually.

Deliverables

- Monthly progress reports enclosed with invoices.
- Project Schedule update
- Coordination and check-in meeting agendas and notes. Electronic (PDF) copies of the meeting notes will be provided to all attendees.
- Miscellaneous correspondence to document project management issues.

Task 02 – Topographic Survey and Scanning-LiDAR

Descriptions of Tasks

Parametrix will perform a topographic survey within the limits shown on **Figure A** below to support seismic retrofit and other tank upgrades as listed in Task 04. Storm and sanitary structures to be located shall include one structure upstream and downstream of the property. Contours will be at 1-foot intervals, or as required, and based on the NAVD 88.

Parametrix will utilize a combination of Total station, 3D laser scanning, and LiDAR survey equipment to conduct this survey. LiDAR will be utilized to capture top of tank features and as-built. 3D laser scanning will be utilized to capture exterior of tank, conventional survey methods utilized for the topographic survey mapping.



Topographic elements consist of information shown on a map which depicts the horizontal and vertical positions of natural and/or fabricated features and existing terrain surfaces. The topographic mapping will include evidence of, including but not limited to, the following improvements:

- Buildings
- Curbs
- Sidewalks/paths
- Driveways/curb cuts
- Pavement delineation between concrete and asphalt
- Retaining walls, bulkheads, and fences – materials and heights
- Underground utility location paint marks set by others if visible at time of the field survey
- Storm drainage and storm drain structures
- Sanitary sewer manholes and/or septic tank/drain field areas as identified to our field survey crew by the Client

- Electrical power vaults and associated surface features
- Overhead wires, guy wires
- Natural gas
- Cable or fiber optic pedestals
- Meters or utility connects to existing buildings
- Water valve boxes
- Fire hydrants
- Telephone pedestals
- Signage
- Ponds
- Street lighting
- Significant trees with drip lines (6 inches or larger as measured 4.5 feet above the ground).

Assumptions

This proposal is based on the following assumptions and/or receiving the following site-specific information.

- Parametrix will be provided reasonable access to all areas requiring surveys. Rights of Entry will not be required for this project.
- For safety reasons, our survey crews are not allowed to enter subsurface vaults. Our work will be conducted from the surface, using measure-down techniques. Crews will also not open any structure covers in excess of 80 pounds.
- All electronic mapping standards will be based on Parametrix drafting standards.
- Parametrix field crews may need to perform minor brushing with machetes to conduct this survey and has client's permission to do so.
- It is assumed that the City will provide locate City's owned underground utilities on the site prior to the field survey work. This scope of work does not include the cost of an independent utility-locating service to identify the location of existing underground utilities.
- No boundary resolution will be conducted for this survey.
- Unless otherwise specified by the client, horizontal datum shall be North American Datum (NAD) 83/11, Washington Coordinate System, North Zone, and vertical datum shall be North American Vertical Datum of 1988 (NAVD 88).

Deliverables

- An electronic drawing file of the Topographic Survey and 3D scanning data in AutoCAD Civil 3D 2024 format in one drawing file.

Task 03 – Permitting Support

Description of Tasks

The objective for this task is to support the City with the necessary permits for the project and respond to any comments received during permit review.

The following tasks will be performed:

- Attend preapplication meeting

- Prepare draft and final SEPA Checklist.
- Prepare draft and final building permit form.
- Prepare draft and final civil site construction permit form.
- Prepare Department of Health (DOH) Project Approval Application Form
- Submit permit applications listed above on behalf of the City.

Assumptions

- Up to two (2) consultant staff will be present for the pre-application meeting for an assumed two (2) hours. This includes coordination to develop and finalize an agenda, supporting documents, and meeting summaries.
- Information obtained at the pre-application meeting will be used to inform this task. Should the preapplication meeting require more permits and reports than assumed, a contract amendment may be authorized by the City.
- It is assumed that traffic and drainage reports will not be needed as part of the civil site construction permits and SEPA checklist. Any site disturbance will be less than 1 acre and would not require the Construction Stormwater General Permit (CSWGP). A Right-of-Way Use Permit is not anticipated as part of the construction.
- The City will review the draft SEPA checklist as part of the 60% deliverables. Then it will be revised and resubmitted for 90% deliverables.
- Permit fees will be paid directly by the City to other City departments and agency.
- It is assumed that permitting specific to lead abatement activities will not be required for this project. Lead abatement will be addressed in the project specifications and construction methodology to ensure compliance with applicable safety and environmental regulations.

Deliverables

- SEPA checklist: draft and final.
- Draft and final Building Permit Application Form.
- Draft and final Civil Site Construction Permit Application Form
- Draft and final DOH Project Approval Application Form
- Permit Drawings: Permit applications may require supporting design drawings such as site plans, general arrangement plans, and typical details. These drawings will be based on and coordinated with the design documents prepared under Task 04 – Engineering for Tank Interior Recoating and Upgrades. No separate or additional drawing sets are anticipated for permitting.
- Coordination and Submittal Package: Parametrix will compile and submit all permit applications and supporting documents on behalf of the City, incorporating City review comments on draft versions prior to final submittal.

Task 04 – Additional Engineering Services for Tank Recoating and Upgrades

Description of Tasks

This task provides engineering design services to address high-priority improvements identified in the 2024 RH2 Tank Assessment, focused on protecting the tank's structural integrity and extending its service life. Specifically, this work includes development of full PS&E-level design documents for interior recoating and critical upgrades to mechanical and electrical appurtenances, including structural and operational enhancements such as interior coating replacement, mechanical connection upgrades, corrosion protection, and valve actuator integration with telemetry systems.

These services are in addition to and concurrent with Work Order #3, which focuses on exterior recoating and improvements to the tank vent.

Work under this task will result in complete, biddable contract documents (plans, specifications, and cost estimates) integrating these new elements into the overall project design.

Coordination with Related Tasks

This task builds directly upon the design work completed under Work Order 3 and will be closely coordinated with Task 05 – Construction Phasing Feasibility and Temporary Supply System and Task 06 – Structural Engineering Services.

Findings and design elements developed under Task 05 (temporary supply and phasing) and Task 06 (structural retrofit design by PSE) will be incorporated into the overall PS&E package prepared through this task. Parametrix will manage coordination among disciplines, subconsultants, and the City to ensure that the temporary system, structural design, and recoating improvements are fully integrated and consistent across all contract documents.

Subtask 04.01 – Engineering for Tank Interior Recoating and Upgrades

Work included under work order #4 (This Scope)

WO#4 covers the following additional improvements and related design work:

- Interior recoating of the tank
- Installation of double-ball expansion joints with concrete thrust blocks
- Cathodic protection system
- Installation of seismic valve actuators and coordination for telemetry/controls integration with the City's telemetry consultant
- Addition of a 36-inch maintenance hole

Work continuing under work order #3 (For context only)

The following elements are already being addressed under WO#3 and are not included in this scope:

- Recoating of exterior
- Replacement of vent shroud and screen

- Roof slip/fall protection improvements
- Technical support to define the limits and extent of the City's anticipated mural

Engineering Activities (Phased Design Approach)

Engineering support will include preparation of plans, specifications & Engineer's Estimates (PS&E) through the following design milestones:

- 30% Design Phase: Review previous study documents and establish design basis for the added improvements. Revise existing 30% plans to incorporate approximately five (5) additional sheets addressing the new improvements, including interior recoating, inlet/outlet modifications, cathodic protection, valve actuators, and maintenance hole. Prepare preliminary cost estimate and draft specification list.
- 60% Design Phase: Advance drawings and develop specifications. Prepare updated cost estimate and conduct internal quality control (QC) review. Address City comments on 30% submittal and revise plans, specifications, and estimate accordingly.
- 90% Design Phase: Refine drawings, specifications and cost estimate based on City review of 60% design. Conduct formal QC review and incorporate feedback from City reviewers.
- Bid-Ready (Ad Copy): Finalize plans, specifications, and cost estimate suitable for advertisement. Perform final QC review, incorporate City's final comments, and prepare the Engineer's Opinion of Probable Construction Cost.

Temporary supply system drawings and specifications developed under Task 05 – Construction Phasing Feasibility & Temporary Supply System will be incorporated into the overall PS&E package prepared through this task but are excluded from the sheet count identified above.

Each design milestone corresponds with Parametrix's internal level-of-effort estimate; however, the City's budget management will be based on the overall task total ("Engineering for Tank Interior Recoating and Upgrades").

Subtask 04.02 – Design of Optional Improvements

This subtask includes optional, lower priority improvements identified in the 2024 RH2 report. These elements may be incorporated into the project as bid alternates depending on funding availability and City preference. Optional improvements include:

- Design for a new water sampling station
- Coordinate new valve actuators and associated controls across the 649 Zone and existing 570 Reservoir telemetry systems. This includes verifying whether existing tanks on site are equipped with actuators integrated into telemetry, and, if not, providing design support for new actuator installation and coordinating operations between existing and new systems with the City's SCADA integrator
- One (1) additional plan sheet for the water sampling station detail and 570 zone actuator locations.
- Additional specifications for the water sampling station and the actuator coordination

Subtask 04.03 – Bidding Support

Provide engineering support during the bidding and procurement phase following completion of the bid-ready PS&E documents. Services include:

- Responding to Contractor Requests for Information (RFIs) during the bid period.
- Preparing and issuing addenda, as needed, to clarify design intent.
- Participating in one (1) in-person pre-bid meeting with one (1) Parametrix staff member in attendance.
- Reviewing bid tabulation and preparing a recommendation of award letter.

Assumptions

- Applicable Standards: Plans and reports prepared as part of this task will be developed in accordance with the latest edition and amendments to the following documents, as of the date this Agreement is signed:
 - City of Mountlake Terrace Standards
 - 2024 Engineering Development Manual
 - 2024 Engineering Details & Specifications
 - CAD Standards Version 3.2
 - Other Standards and Publications
 - Washington State Department of Health Water System Design Manual
 - American Water Works Association (AWWA)
- Design Milestones: Project deliverables will include PS&E submittals at 30%, 60%, 90%, and 100% (or Ad Copy) stages. Revised 30% package will include draft specification list, design plans, and cost estimate. Specifications will be prepared in CSI specification format beginning at 60%.
- Project cost estimates will be prepared at 30%, 60%, and 90% and will be Class 3 level per the Association for the Advancement of Cost Engineering International (AACEI), typical for design development with an expected accuracy range of approximately -20% to +30%. For 100%, PDF and MS Excel format Engineer's Opinion of Probable Construction Cost (EOPCC) will be used for bidding and bid tab.
- Final PS&E documents will be duly stamped and sealed, ready to print, and will include complete specifications with all appendices and drawing sets in PDF format. Editable specification files will also be provided in MS Word format.
- SCADA/Telemetry Coordination: Coordination with the City's SCADA integrator, Technical Systems, Inc. (TSI), will be required to ensure compatibility of new valve actuators and controls across the 649 Zone, 570 Reservoir, and other tanks as applicable. Parametrix will support coordination and design integration; TSI will perform programming and field implementation under a separate City contract.
- The project is not federally funded.
- No underground utility relocation or adjustment is anticipated as part of the project.
- Traffic control plans (TCPs) are not anticipated. If needed, the Contractor will provide TCPs before construction.
- This task is limited to engineering support through bidding and excludes any environmental permitting, laboratory testing, or construction-phase services.

- All permitting activities are included under Task 03 – Permitting Support, which covers SEPA, Department of Health (DOH), building, and civil site construction permit preparation and submittal.
- This task includes design-level coordination only, such as providing technical information or drawing updates to support permit review comments received under Task 03, if applicable.
- No additional permits are anticipated as a result of the interior recoating and upgrade work defined under this task.
- The bid period is anticipated to last up to four (4) weeks. Up to five (5) RFIs, ten (10) bidder questions, and one (1) addendum are assumed for this effort. Addenda will be limited to minor clarifications and will not require redesign.
- The City will serve as the formal point of contact for bidders and will issue all bid documents and addenda. Parametrix will prepare responses to bidder questions and RFIs and provide addendum content to the City for official distribution.

Deliverables

- Plans, Specifications, and Engineer's Estimate (PS&E) submittals at 30%, 60%, 90%, and Bid-Ready milestones, each including:
 - Electronic copy (PDF) of drawing set (22 by 34 inches).
 - Project cost estimate in MS Excel and PDF format.
 - Specifications set in PDF and MS Word format.
- Final PS&E documents stamped and sealed, ready for advertisement.
- Optional Improvements: One (1) additional plan sheet and specification updates for the water sampling station and actuator coordination (if included).
- Bidding Support Deliverables: Responses to bidder questions, issued addenda (PDF), pre-bid meeting notes, and bid tabulation with recommendation of award letter (PDF).

Task 05 – Construction Phasing Feasibility & Temporary Supply System

Description of Tasks

Construction of the 649 PZ reservoir requires that the reservoir be offline for an extended duration (likely several months). The 649 zone is supplied by a pump station that pumps water from the 570 PZ into the 649 PZ and uses the 649 PZ reservoir water level to control the 640 PZ pump station. There are no other reservoirs in the 649 PZ and removing this reservoir from the system results in the need for continuous pumping at variable speed such that an acceptable pressure range can be maintained within the service area of the 649 PZ. Other features can be utilized, such as hydropneumatic tank(s) and pressure relief valve(s) to augment the variable speed pumping and better maintain acceptable pressure in the 649 PZ. The level of redundancy for the pumps, control valves, and power supply need to be considered to offset the loss of gravity storage by taking the reservoir offline.

The following tasks will be performed:

- Review of Existing Infrastructure and Hydraulic Demands
 - Review as-builts of the water system piping associated with the reservoir complex, the 570 to 649 zone pump station, and the intertie(s) control valves between the 570 and 649 zones.
 - Determine the performance (flow and head) of the 570 to 649 zone pump station, and the intertie(s) control valves between the 570 and 649 zones.
- Temporary Supply System Concept Development and Technical Memorandum (TM)
 - Identify a pressure range for the 570 and 649 zones in the vicinity of the reservoirs
 - Identify flow demand for the 649 zone during the anticipated 649 reservoir outage. These demands will include a normal flow condition range and the maximum flow required for meeting domestic flow and a fire flow condition.
 - Develop simple concepts for meeting the 649 zone demands while the reservoir is offline. These concepts are anticipated to include; operating the existing pump station with modified controls, deploying a temporary pumping system at the existing 4-inch zone intertie developed to accommodate pumping, utilizing existing intertie control valves in a pressure relief mode, and constructing a new 12-inch intertie between the zones for a temporary pumping system.
 - Determine levels of redundancy for temporary pumps, valves, and power supply associated with the temporary supply system.
 - Prepare a Technical Memorandum (TM) documenting design criteria, hydraulic assumptions, and conceptual configurations for City review.
- Review Meeting 1 – Concept Evaluation
 - Conduct a review meeting 1 with the City to discuss the acceptable system pressures, flows, and temporary concepts for supplying the 649 zone while the reservoir is offline.
- Supply System Refinement, Hydraulic Model Coordination, and Updated TM
 - Refine the concept with commercially available rental pumping systems or purchased equipment to better determine the performance of standby supply concepts.
 - Coordinate the verification of the performance of the concepts with the calibrated system model currently being calibrated by RH2 Engineering.
 - Update the TM based on refinements of the equipment and verification from the hydraulic modeling.
 - Conduct a review meeting 2 with the City to discuss the refined temporary supply system.
- Engineer's Opinion of Probable Construction Cost (EOPCC)
 - Prepare cost estimates at the 60 % and 90 % design stages at Class 3 level per AACEI (– 20 % to +30 % accuracy).
 - Provide a final Engineer's Opinion of Probable Construction Cost (EOPCC) at the 100% (Bid-Ready) stage for the selected temporary supply system concept.
- Incorporate temporary supply system into plans and specs
 - Prepare drawing details and specifications at the 60%, 90%, and 100% level. These temporary system drawings and specifications will be incorporated into the overall PS&E

set prepared under Task 04 – Additional Engineering Services for Tank Recoating and Upgrades.

- Approximately four (4) plan sheets are anticipated, including general layout, piping and pumping schematic, electrical/control diagram, and site details.
- Incorporate the selected temporary supply system into the construction documents either as performance specifications for a contractor designed and implemented system or as designed features that will be detailed in the construction documents. This may also be a combination of some permanent features that will be constructed to facilitate a contractor designed and implemented system.
- **Quality Control (QC)**
 - Perform internal quality-control reviews at each design milestone to ensure design consistency and integration with the overall PS&E package.
- **Construction Procurement Assistance**
 - Provide construction procurement assistance related to temporary supply system.
 - It is anticipated that the temporary system will be contractor-provided and bid as part of the overall construction contract.
 - Parametrix's effort assumed to include preparation of performance specifications and responses to bidder inquiries.

Coordination with Related Tasks

This task will be closely coordinated with Task 04 – Additional Engineering Services for Tank Recoating and Upgrades and Task 06 – Structural Engineering Services. The temporary supply system developed under this task will be incorporated into the overall PS&E package prepared under Task 04 to ensure consistent design integration and bidding. Parametrix will coordinate with the City and subconsultants to align design assumptions, schedule, and deliverables.

Assumptions

- The City will provide as-built information, pump performance data, and control valve performance for the existing equipment associated with the 649 zone pump stations and interties.
- The City will participate in 2 virtual review meetings of a 2-hour duration for considering temporary supply systems. Up to three (3) staff will attend.
- The City will contract directly with RH2 Engineering to evaluate the selected temporary supply system with the hydraulic model and help facilitate coordination between RH2 and PMX.
- The temporary supply system design is anticipated to require approximately four (4) plan sheets for inclusion in the overall PS&E set (general layout, piping and pumping schematic, electrical/control diagram, and site details).
- **Procurement Assumption:** It is assumed for budgeting purposes that the temporary supply system will be contractor-provided and bid as part of the overall construction contract. Parametrix's support will be limited to preparing performance specifications and bid-phase clarifications. Should the City elect to directly procure or rent temporary system components, additional coordination may be required under a future amendment.

- Project cost estimates for 30%, 60%, and 90% will be Class 3, consistent with Task 04.
- For 100%, the Engineer's Opinion of Probable Construction Cost (EOPCC) will be provided in both PDF and MS Excel formats for bidding and bid tabulation. Note: this estimate is specific to the temporary supply system and distinct from the total project cost estimate.
- Duly stamped and sealed specifications with all appendices, including drawings sets in PDF and MS Word format. This must be formatted and ready to print.

Deliverables

- A concept-level temporary supply system TM.
- Minutes for the review meetings.
- Plans, Specifications & Estimate (PS&E) contract documents for each milestone associated with the temporary standby system.

Task 06 – Structural Engineering Services

Description of Tasks

The objective of this task is to provide structural engineering services for the seismic retrofit design of the 649 reservoir to meet current code requirements.

Parametrix will team with PSE for structural engineering services. A detailed proposal, prepared by PSE, is included in Exhibit B.

The following tasks will be performed:

- Document Review: Review available documentation, including the 2024 RH2 report, original and retrofit drawings (if available), and the new geotechnical study to confirm assumptions used in the 2024 analysis. Snow load assumptions will be verified per ASCE 7-22.
- Existing Anchor Exploration Coordination: Assist with the coordination of field verification for existing seismic anchor embedment. A 3rd party contractor will be engaged by the City to complete this work. If anchor depth is found inadequate to meet current code, strengthening design will be scoped separately.
- On-site Visit – PSE is to visit on-site to review the current condition and confirm observations found by RH2. This on-site visit should be coordinated with anchor exploration.
- Retrofit and Upgrade Design – Design retrofit and upgrades to meet the requirements of AWWA D110-21, ASCE 7-22, and 2024/2021 IBC.
 - Shell Strengthening
 - Foundation Retrofit
 - Manway Design
- Structural Drawings – Prepare structural drawings documenting geometry, construction details, and minimum material properties at the 30%, 60%, 90%, and Final stages, with one round of review comment incorporation per phase. Drawings will be stamped by a Washington-licensed Structural Engineer suitable for bid and permit submittal.
- Structural Calculations – Generate structural calculations to document project assumptions and demonstrate code compliance.

- Structural Specifications – Generate structural specifications in 6-digit CSI format. Specifications will only be provided for the technical work within PSE’s scope of work.
- Bid and Permit Support – Provide support for bid and permit review phases for coordination, response to questions, and clarifications needed.
- PSE will perform internal quality control (QC) reviews for all structural design deliverables. Parametrix will conduct quality assurance (QA) reviews at each milestone to ensure consistency with other project elements, coordination with overall PS&E documents, and alignment with the City’s expectations.

Coordination with Related Tasks

This task will be closely coordinated with Task 04 – Additional Engineering Services for Tank Recoating and Upgrades and Task 05 – Construction Phasing Feasibility and Temporary Supply System. Structural drawings, calculations, and specifications developed by PSE will be incorporated into the overall PS&E package prepared under Task 04 to ensure design consistency and alignment with the temporary supply and recoating improvements. Parametrix will manage coordination between PSE, other design disciplines, and the City.

Assumptions

- Analysis completed by RH2 is accurate and acceptable to base the design on the findings within the study.
- Geotechnical report confirming the values and assumptions made by RH2 will be provided by the City based on provisions found in ASCE7-22. PSE reserves the right to revise the scope and fee based on the recommendations found within this report.
- The City will verify with the City’s Building Official if a site-specific geotechnical report is required for the project due to local requirements.
- Retrofit work will be limited to increasing foundation capacity and measures to prevent shell plate buckling. Additional work will include assistance with verifying existing anchor embedment depth and adding a 36-inch diameter manway to the tank.
- The foundation is assumed to be shallow spread footing construction. Design of deep foundations or piers is excluded.
- PSE will prepare a preliminary list of structural specification sections at the 30 % milestone, develop draft technical specifications at 60%, and finalize specifications by the bid/permit (Final) submittal.
- The structural design effort is anticipated to produce up to ten (10) structural sheets, including plan, elevation, section, and detail drawings, for incorporation into the overall PS&E set under Task 04.
- Parametrix will consolidate City comments and transmit them to PSE. PSE will prepare written responses to each review comment for Parametrix review before submittal to the City. Coordination meetings will occur at the 60% and 90% design milestones to review comments and resolve outstanding issues.
- Structural drawings, calculations, and specifications will be integrated into the overall PS&E set prepared under Task 04 for bidding and permit submittal.

Deliverables

- Structural drawings assume 30/60/90/Ad Copy for client and owner review, with one round of review comment incorporation per phase.
- Structural drawings will be sized/formatted consistent with Task 04 (22×34 PDF; CAD native files at Bid-Ready if requested)
- Structural cost-estimating support at 30%, 60%, 90%, and Final milestones, coordinated with Parametrix's project-wide estimates under Task 04.
- Structural calculations will be submitted with the final/permit level documents.

Budget

The detailed project budget is provided in Exhibit A, attached to this scope.

MLT WO#4 Additional Services for Water Tower

3.0346

Fully Burdened Billing Rates:					Sr Engineer	Sr Engineer	Sr Consultant	Sr Engineer	Engineer IV	Engineer I	Sr Designer	Sr Designer	Project Control Specialist	Sr Contract Administrator	Sr Project Accountant	Publications Supervisor	Survey Supervisor	Surveyor III	Surveyor I	Technical Lead	Sr Surveyor	Surveyor III
Task	Subtask	Description	Labor Dollars	Labor Hours	\$260.64	\$237.46	\$300.30	\$205.53	\$188.99	\$118.08	\$188.15	\$204.90	\$130.67	\$189.33	\$126.24	\$147.42	\$252.33	\$136.56	\$80.42	\$142.05	\$202.26	\$132.07
01		Project Management	\$37,397.32	180	43	58	0	0	30	15	0	0	12	10	12	0	0	0	0	0	0	0
02		Topographic Survey and Scanning-LiDar	\$17,455.69	128	0	0	0	0	4	0	0	0	0	0	0	0	12	20	30	20	2	40
03		Permitting Support	\$14,445.33	95	5	8	0	0	22	60	0	0	0	0	0	0	0	0	0	0	0	0
04		Additional Engineering Services for Tank Recoating and Upgrades	\$179,678.57	1,061	9	70	38	0	188	354	312	0	0	0	0	90	0	0	0	0	0	0
	01	Engineering for Tank Interior Recoating and Upgrades	\$162,312.44	974																		
	02	Design of Optional Improvements	\$6,253.83	36		4			8	8	12					4						
	03	Bidding Support	\$11,112.31	51	1	16	12		12	10												
05		Construction Phasing Feasibility & Temporary Supply System	\$55,358.27	314	4	54	12	0	86	110	16	16	0	0	0	16	0	0	0	0	0	0
06		Structural Engineering Services	\$8,804.16	42	2	4	0	32	4	0	0	0	0	0	0	0	0	0	0	0	0	0
Labor Totals:				1,820	63	194	50	32	334	539	328	16	12	10	12	106	12	20	30	20	2	40
Totals:			\$313,139.34		\$16,420.43	\$46,066.75	\$15,015.20	\$6,577.07	\$63,124.29	\$63,643.12	\$61,711.63	\$3,278.34	\$1,568.04	\$1,893.29	\$1,514.87	\$15,626.61	\$3,027.92	\$2,731.14	\$2,412.51	\$2,840.99	\$404.51	\$5,282.63

Subconsultants	
Peterson Structural Engineering	\$61,974.00 (incl \$100 expenses)
Subconsultants Total:	\$61,974.00

Other Direct Expenses		QTY
Survey Equipment (\$200/Use)	\$400.00	2
Mileage - \$0.70/mile	\$1,251.60	1788
Other Direct Expenses Total:	\$1,651.60	

Project Total	\$376,764.94
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12121 Harbour Reach Dr.
Suite 110
Mukilteo, WA 98275
425.300.9075

September 26, 2025

Yammie Ho
c/o Parametrix
1019 39th Ave SE, Suite 100
Puyallup, WA 98374
(253) 604-6600

Project #: 2505-0012

RE: Mountlake Terrace 2.5MG Seismic Retrofit – Scope and Fee Proposal

Dear Yammie-

Thank you for the opportunity to provide structural engineering services for retrofit design of a steel reservoir located in Mountlake Terrace, WA. Based on previous conversations and document review, Peterson Structural Engineers, Inc. (PSE) understands that you require retrofit design to meet current code requirements.

Project Background & Summary

PSE understands that the existing Mountlake Terrace 649 pressure zone reservoir is a 2.5MG steel tank. The tank was originally constructed in 1971 and is 138-feet tall with 58-foot diameter. Anchor retrofits appear to have been completed previously but there is no record of the details for these retrofits. PSE understands that this retrofit work will be based on analysis completed by RH2 in April 2024 but includes a formal geotechnical study to confirm values used in that analysis.

Project Assumptions

PSE assumes that the analysis completed by RH2 has been completed accurately and that it is acceptable to base our design on the findings contained within that study. PSE will confirm this assumption but not complete a full independent analysis. Discrepancies, if any, will be brought to the attention of the project team. The geotechnical report being completed for this project will be used to confirm values and assumptions made by RH2 in 2024 based on provisions found in ASCE7-22. PSE anticipates that retrofit work will be limited to increasing foundation capacity and measures to prevent shell plate buckling. Additional work will include assistance with verifying existing anchor embedment depth and adding a 36-in diameter manway to the tank.

PSE understands that a geotechnical study is being completed by others as part of this retrofit project. PSE reserves the right to revise our scope and fee proposal as required by the recommendations within the potential report. If a geotechnical report/investigation is not provided by the Owner, it is the Owner's sole responsibility to ensure that the existing subgrade is consistent with the code allowable values and design assumptions. In addition, it is the Owner's responsibility to verify with the Building Official if a Site-Specific Geotechnical report is required for the project site due to local requirements. We have assumed that the foundations will be shallow spread footings. We have not included any time or expense for the design of deep foundations or piers. If

foundation improvements for shallow foundations are not possible and deep foundations are required, we will revise our assumed scope and fees accordingly before proceeding.

Proposed Project Scope

PSE proposes the following scope of work:

1. **Document Review** – Detailed review of pertinent documentation related to the subject reservoir. Documents include the 2024 RH2 report, original drawings, any retrofit drawings that are made available and the current geotechnical study being completed to confirm assumptions made in the 2024 analysis. Any significant questions or deviations from standard approach will be brought forward to the project team's attention.
 - a. **Note 1:** If the geotechnical report currently being completed identifies capacities that are significantly lower or demands that are significantly higher than assumed in the RH2 April 2024 report, PSE reserves the right to revise this scope to bring the tank up to compliant levels.
 - b. **Note 2:** Based on a cursory review, it does not appear that updated snow loads required by provisions of ASCE7-22 were considered during the 2024 analysis. PSE will confirm the magnitude of the snow load assumed and compare it to requirements found in ASCE7-22. PSE will notify the project team if a significant discrepancy exists and additional scope is warranted.
2. **Project Management and Coordination** – On-going internal and external project coordination and management.
 - a. **Kick-off Meeting** – Attendance and participation by the PSE Project Manager at (1) project kick-off meeting to be held in-person in Mountlake Terrace, WA.
 - b. **Recurring Meetings and Coordination** – Attendance and participation in up to (8) virtual project team coordination meetings. Assumes meeting duration of 1-hour with one PSE employee in attendance. Includes on-going internal and external project team coordination.
3. **Existing Anchor Exploration Coordination** – Assist with coordination required to field verify existing seismic anchor embedment depth. It appears that the existing anchorage was installed as part of a prior retrofit project in the early 2000's but no documentation is available that shows embedment depth. A 3rd party contractor will be engaged (by others) to complete this work, and PSE will help coordinate the exploration.
 - a. **Note:** If the anchor depth is found to be inadequate to meet building code requirements, strengthening and retrofit will be scoped separately.
4. **On-Site Visit** – PSE to perform (1) on-site visit to review the current condition of the tank and confirm general condition is similar as to what was observed during the 2024 assessment. PSE assumes the owner will provide safe access to areas under investigation. PSE assumes this on-site visit will be coordinated with the anchor exploration plan.
5. **Retrofit and Upgrade Design** – Design the following retrofit and upgrades to meet requirements of AWWA D110-21, ASCE 7-22 and the 2024/2021 IBC.
 - a. **Shell Strengthening** – Design reinforcing to prevent shell buckling vulnerability.
 - b. **Foundation Retrofit** – Foundation retrofits to keep bearing pressures within allowable limits.

- c. **Manway Design** – PSE understands the owner wishes to include a new 36-inch diameter manway as part of this work.
6. **Structural Drawings** – Generate structural drawings to document the overall geometry, details of construction, minimum material properties and construction criteria. PSE assumes 30/60/90/Final phasing for client and owner review, with one round of review comment incorporation per phase. The drawings will be stamped by a Structural Engineer licensed in the State of Washington and appropriate for permit, bid and construction.
7. **Structural Calculations** – Generate structural calculations to document project assumptions and demonstrate compliance with applicable building code, assumed to be 2021/2024 IBC with Washington State Building Code amendments. The calculations will be submitted with the final/permit level documents. The calculations will be stamped by a Structural Engineer licensed in the State of Washington and appropriate for permit review.
8. **Structural Specification** – Generate structural specifications in 6-digit CSI format. Specifications will be technical specifications only and germane to PSE's scope of work. Front end specifications are assumed to be by others. List of anticipated structural specifications will be generated for the 30 percent review level and progressed to final by the bid/permit level document delivery.
9. **Cost Estimating Support** – Provide support for cost estimating, limited to structural scope/bid items at the 30/60/90 and final submittal phases.
10. **Bid and Permit Support** – Up to (14) hours of time for both bid and permit review phases (28-hours total) for coordination and response to questions and clarifications raised during the permit and bid review periods.

Exclusions from Proposed Project Scope

Items specifically excluded from this proposal include, independent full structural analysis to verify findings of the 2024 RH2 report, client-initiated design changes after PSE has begun design, design and/or construction schedules, front end project specifications, temporary and/or permanent fencing design, project meetings (except as outlined above), site civil (including but not limited to grading, drainage improvements, utility protection and ancillary piping), architectural (including but not limited to egress, clearances, waterproofing and flashing), and mechanical/electrical/plumbing element design and coordination. Construction support is also specifically excluded at this time.

Proposed Fee and Schedule

Based upon the scope above, we have generated a fee estimate as follows:

- Task Items 1-10: \$61,824 with estimated project expenses of \$150, for a total of **\$61,974**.

Project expenses will be billed at cost plus 10%. Invoices will be submitted at the beginning of the month for structural services performed in the previous month. Should revisions to this scope and fee proposal be affected by pending information or scope changes, we will appraise you of that situation before proceeding.

Parametrix

Please note that the fee stated above is based solely on an estimate of the time to be expended to complete the scope defined above. Changes or additions to the defined scope could result in additional fees. PSE will require an amended PO/TO or alternate client official notification before beginning work on design changes or modifications.

PSE estimates that project deliverables will be available for review timeframe for submitting deliverables business days after receiving a Task Order (TO)/Purchase Order (PO) and receipt of all outstanding documents/information. This delivery timeline is an estimate based on our current workload. The actual project timeline is dependent on the date that PSE receives all required notices and documents.

The above proposal has been generated assuming that the structural engineering services are to be initiated within a six-month period from the proposal date and substantially completed within twelve months of the proposal date. If the schedule of work exceeds the projected time, we reserve the right to revise our fee estimate accordingly.

Electronic Communications

Contract approval will serve as acknowledgment and agreement to receive electronic communications via emails, text messages, and other electronic communications related to this project. To opt out of email, text message or other electronic communications, inform your PSE contact in writing.

Contract Approval

If the proposal is acceptable, please provide a Task Order and contract terms for review and signature. Thank you again for including us and we look forward to working with you on this project. Please call if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill" followed by a stylized surname.

Bill Sandbo
Principal
Peterson Structural Engineers, Inc.

Sent via email to Yammie Ho on 9/26/2025 <YHo@parametrix.com>

PETERSON STRUCTURAL ENGINEERS

2025 Hourly Rates

Principal-in-Charge	\$305
Principal	\$290
Senior Associate	\$275
Associate	\$266
Senior Project Manager	\$260
Senior Structural Engineer	\$260
Project Manager	\$242
Structural Engineer	\$242
Associate Project Manager	\$228
Senior Project Engineer	\$216
Project Engineer	\$208
Staff Engineer	\$202
Staff Designer	\$196
CADD Drafting	\$161
Administrative	\$150

- *Vehicle mileage will be billed at current U.S. General Services Administration allowable rates and periodically adjusted according to federal updates*
- *Direct expenses will be billed at cost plus 10%*
- *Hourly rates are typically revised annually January 1st (fiscal/calendar year)*



12121 Harbour Reach Drive
Suite 110
Mukilteo, WA 98275
(425) 300-9075

Mountlake Terrace 2.5MG Retrofit

DATE: 9/26/2025

FILE: 2505-0012

ATTENTION: Yammie Ho, PE

PREPARED BY: Bill Sandbo, PE, SE

Project Phase: All

Scope of Work (by task)	PSE RATES					TOTAL HOURS	TOTAL COST
	\$290	\$260	\$242	\$208	\$161		
	Principal	Senior Project Manager	Project Manager	Project Engineer	Drafter		
1 Document Review	2	0	4	8	0	14	\$ 3,212
2 Project Management - kick-off	0	0	3	0	0	3	\$ 726
2 Project Management - on-going	4	0	16	2	0	22	\$ 5,448
3 Existing Anchor Exploration Coordination	0	0	8	8	0	16	\$ 3,600
4 On-Site Visit	0	0	6	2	0	8	\$ 1,868
5a Design - Shell Strengthening	0	0	5	20	0	25	\$ 5,370
5b Design - Foundation Retrofit	1	0	5	24	0	30	\$ 6,492
5c Design - Manway Design	0	0	2	12	0	14	\$ 2,980
6 Structural Drawings	2	0	8	16	24	50	\$ 9,708
7 Structural Calculation	2	0	7	20	0	29	\$ 6,434
8 Structural Specification	1	0	12	4	0	17	\$ 4,026
9 Cost Estimating Support	0	0	8	16	0	24	\$ 5,264
10 Bid and Permit Support	4	0	16	8	0	28	\$ 6,696
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
	0	0	0	0	0	0	\$ -
TOTALS	16	0	100	140	24	280	\$ 61,824
Projected Phase Expenses (markup not included) =							\$ 150
Total of Itemized Phase =							\$ 61,974



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Niten, City Manager

Meeting Date: December 4, 2025

Subject: Interlocal Agreement with Snohomish County Regional Narcotics Task Force (2026-2027)

Required Reviews:

Jennifer Joki	Created/Initiated - 11/25/2025
Scott King	Approved - 11/25/2025
Sirke Salminen	Approved - 11/26/2025
Hillary Evans	Approved - 11/26/2025
Carolyn Hope	Final Approval - 11/26/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

NA

Subject Summary:

The 2026–2027 Interlocal Agreement Establishing the Snohomish Regional Drug Task Force (SRDTF) is a two-year cooperative pact (January 1, 2026 – December 31, 2027, with two optional two-year auto-extensions) among Snohomish County and 19 municipal corporations (including the City of Mountlake Terrace) plus the Washington State Patrol. It continues a long-standing multi-jurisdictional drug task force to combat mid- to upper-level drug trafficking through shared intelligence, investigations, arrests, prosecutions, and asset forfeiture.

Snohomish County administers the Task Force, manages grants/funding, and holds all assets in its name. The Task Force is not a separate legal entity. Governance is by an Executive Board (votes weighted by full-time personnel contributed), chaired by the Snohomish County Sheriff. Budgets are population-based, with annual reporting and strict rules on federal/state forfeiture proceeds.

Mountlake Terrace: Costs & Responsibilities

Financial Cost (2026)

- Population (April 1, 2025): 24,240
- Percentage of Total Population: 2.82%
- 2026 Allocation to SRDTF: \$6,606.00
 - Due to Snohomish County by March 1, 2026
 - Must be in addition to existing drug enforcement funding (no supplanting)

Responsibilities

1. Funding Obligation
 - Pay \$6,606 in 2026 (population-proportional share of \$234,271 total budget).
 - Budget increases >3% year-over-year require Executive Board approval.
2. Personnel (If Contributing)
 - Currently no full-time personnel assigned (Mountlake Terrace is a Participating but non-Contributing Jurisdiction).
 - If Mountlake Terrace later assigns ≥ 1 full-time officer:
 - Officer remains city employee; city pays all salaries/benefits.
 - Gains Executive Board voting rights (votes = number of officers) after 3 months.
 - Task Force Commander may provide input on selection.
3. Grant & Compliance Duties
 - Provide documentation for federal/state grants.
 - Make records available for audits.
 - Comply with federal equitable-sharing rules.
4. Asset Forfeiture
 - All Task Force-related forfeitures must be referred to SRDTF.
 - Federal: Proceeds generally retained by County for Task Force use; Mountlake Terrace may file individual claim only if a case yields $\geq \$300,000$ net and the city participated.
 - State: Excess proceeds (after Task Force needs) distributed only to Contributing Jurisdictions — Mountlake Terrace currently ineligible unless it assigns personnel.
5. Liability & Withdrawal
 - Indemnifies other parties for its own negligence.
 - May withdraw with 30 days' written notice, retaining rights to pre-withdrawal forfeitures and any equipment it provided.

Bottom Line: Mountlake Terrace is a Participating (non-contributing) Jurisdiction — pays \$6,606 in 2026, assigns no personnel, has no direct Executive Board voting power (eligible only for the single rotating “At-Large” seat), and receives no share of excess state forfeiture proceeds unless it begins contributing officers. Its primary role is financial support in exchange for full access to Task Force resources within city limits. Its role is primarily financial support with minimal operational involvement unless it opts to contribute officers.

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	Police
Expenditure:	Contractual
New Appropriation Required + Sources:	No

Additional Financial Information:

NA

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

NA

Staff Recommendation:

Staff recommends the City Council vote to authorize the City Manager to sign the interlocal agreement with Snohomish Regional Drug Taskforce. This can be accomplished by adding it to the December 4, 2025 meeting consent agenda.

Council Motion:

N/A

Attachments:

1. Interlocal Agreement 2026-2027 SRDTF

INTERLOCAL AGREEMENT FOR SNOHOMISH REGIONAL DRUG TASK FORCE COOPERATION

This INTERLOCAL AGREEMENT FOR THE SNOHOMISH REGIONAL DRUG TASK FORCE COOPERATION (this “Agreement”) is made and entered into by and between SNOHOMISH COUNTY, a political subdivision of the State of Washington, and the following Municipal Corporations, municipal corporations of the State of Washington, and the State of Washington (collectively referred to as “Participating Jurisdiction”).

City of Arlington	City of Mill Creek
City of Bothell	City of Monroe
City of Brier	City of Mountlake Terrace
City of Darrington	City of Mukilteo
City of Edmonds	City of Snohomish
City of Everett	City of Stanwood
City of Gold Bar	City of Sultan
City of Granite Falls	Washington State Patrol
City of Index	
City of Lake Stevens	
City of Lynnwood	
City of Marysville	

RECITALS

- A. The Participating Agencies are public agencies as defined by Chapter 39.34 RCW and Chapter 10.93 RCW, and are authorized to enter interlocal agreements to provide for joint or cooperative actions to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and
- B. Drug trafficking and related crime occur throughout Snohomish County and the surrounding region. This criminal activity requires specially trained and equipped investigators and staff creating the demand for a coordinated regional response. The Participating Agencies believe these investigations and activities are most economically served by the formation of a regional drug task force (hereinafter Task Force)
- C. Through this Agreement the Participating Agencies intend to combine their respective investigative personnel to form a regional Task Force. The regional Task Force shall be specially structured, trained, and equipped to conduct drug trafficking and related criminal investigations within each Participating Agency's jurisdiction and the surrounding region.
- D. The Participating Agencies desire to achieve increased operational efficiencies and economies of scale by providing a mechanism for the sharing of material, personnel, knowledge, equipment, and training, all as more fully described by, and pursuant to the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the respective agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participating Agencies agree as follows:

1. DEFINITIONS

- 1.1 Participating Jurisdiction- Participating Jurisdiction means any municipal corporation, political subdivision of the state, or department or division of the state of Washington, that is a party to this agreement.
- 1.2 Contributing Jurisdiction- Contributing Jurisdiction means a Participating Jurisdiction that assigns at least one full-time employee to the Task Force.

2. TERM

2.1 Initial Term

The initial term of this Agreement shall govern the parties' performance beginning on January 1, 2026, ("Effective Date") and continuing for two (2) years from the Effective Date of this Agreement, provided however that the parties' obligations after December 31, 2026, are contingent upon local legislative appropriation of the necessary funds for this specific purpose per each parties' Charter and applicable law. As provided by RCW 39.34.040, this Agreement shall not take effect unless and until it has (i) been duly executed by the parties, and (ii) either filed with the Snohomish County Auditor or posted on one of the party's Interlocal Agreements webpages or other electronically retrievable public source.

2.2 Extensions

The term of this Agreement may be extended for up to two (2) additional terms of two (2) year terms (respectively, "First Additional Term" and "Second Additional Term"). Extension of the Agreement shall be automatic unless one of the parties provides written notice of withdrawal/termination as more fully described in Section 15 of this Agreement.

3. ESTABLISHMENT AND PURPOSE OF THE SNOHOMISH REGIONAL DRUG TASK FORCE

3.0 The purpose of the Task Force is to formally structure and jointly coordinate selected law enforcement activities, resources, and functions to disrupt illegal drug trafficking systems and to remove traffickers through a cooperative program of investigation, prosecution, and asset forfeiture. The parties do not intend this Agreement to create a separate legal entity subject to suit.

3.1 Task Force goals are to:

- a. Reduce the number of drug traffickers in Snohomish County through professional investigation, apprehension, and conviction.
- b. Efficiently attack, disrupt, and prosecute individual(s) and organized mid to upper-level drug traffickers who do not recognize jurisdictional boundaries or limitations, and by doing so, impact drug trafficking organizations.
- c. Enhance drug enforcement cooperation and coordination through multi-agency investigations, training of local jurisdictions, and the sharing of resources and information; and
- d. Address these issues with the foremost consideration of safety for both law enforcement and the community.

3.2 The Task Force will implement operations, including but not limited to the following.

- a. Development of intelligence,
- b. Target identification,
- c. Investigation,
- d. Arrest of Suspects,
- e. Successful prosecution of offenders, and

f. Asset forfeiture/disposition.

4. SNOHOMISH REGIONAL DRUG TASK FORCE EXECUTIVE BOARD

4.1 The parties hereby create the Snohomish Regional Drug Task Force Board (hereinafter referred to as the “Board”) to provide oversight and direction to the Task Force. Board members shall be comprised of the Chief of Police from each Contributing Jurisdiction. One “at-large” Chief of Police will be selected by a majority vote from the remaining Participating Jurisdictions.

Additional members of the Board shall be the Snohomish County Prosecutor, the City of Everett Attorney, and the Executive Director of the Northwest High-Intensity Drug Trafficking Area (“HIDTA”) Program. If a Participating Jurisdiction that has no personnel assigned to the Task Force as of the effective date of this Agreement assigns full-time personnel to the Task Force, the Chief of Police from that agency will be added as an Executive Board member after the full-time personnel has been assigned to the Task Force for three months.

4.2 The Snohomish County Sheriff shall serve as Chair of the Board.

4.3 The Board may adopt bylaws which include procedures for the appointment of alternate members to attend Board meetings in the absence of members. At the meetings, alternate members shall have the same rights as the appointing Board member. The Board shall have decision-making authority and will approve changes to standard operating procedures (“SOP”). The Board shall also evaluate the Task Force's performance and review the annual budget.

4.4 Voting

a. Any action taken by the Board under this Agreement shall be based on a simple majority of votes, weighted as described in (b), of Board members or alternate members present at the respective meeting.

b. Board member votes shall be allocated according to the number of full-time personnel the Contributing Jurisdiction contributes to the Task Force at the time of the vote. For example, if

the Snohomish County Sheriff provides six employees and the City of Lynnwood provides three, the Snohomish County Sheriff has six votes, and the City of Lynnwood has three. The At-large Chief of Police, the Snohomish County Prosecutor, the City of Everett City Attorney, and the Executive Director of the Northwest HIDTA have one vote each.

5. TASK FORCE ORGANIZATION

5.1 The Task Force shall be organized according to the chart contained as Exhibit A, incorporated herein by this reference. Assigned Task Force personnel typically consist of a Task Force Commander, Lieutenant, Sergeants, Detectives or Agents, Deputy Prosecutor, and support personnel.

Task Force personnel shall be directed in their duties by the Task Force Commander (“Commander”). The Commander is an employee of Snohomish County. The selection of the Commander shall be conducted per Exhibit B, incorporated herein by this reference. Appointment and removal of the Commander remains at the sole discretion of the Snohomish County Sheriff. Should the Sheriff choose to remove the Commander without cause, the Board must be consulted before action is taken.

5.2 Exhibit C, incorporated by this reference, sets forth the personnel currently assigned to the Task Force by each Contributing Jurisdiction. Nothing in this Agreement shall restrict the ability of any Contributing Jurisdiction to reassign personnel now or later assigned to the Task Force.

5.3 Contributing Jurisdiction Employees: Any employee assigned to the Task Force by a Contributing Jurisdiction shall remain, and be considered, an employee of the assigning Contributing Jurisdiction. Each Contributing Jurisdiction shall pay all costs associated with its employees when assigned to the Task Force. All rights,

duties, and obligations of the employer and the employee shall remain with the Contributing Jurisdiction. Each Contributing Jurisdiction shall be responsible for ensuring compliance with all applicable laws, collective bargaining agreements, and/or civil service rules and regulations applicable to its employees. When a Participating or Contributing Jurisdiction considers assigning a new or replacement personnel to the Task Force, the Task Force Commander may be allowed to give input regarding the selection.

5.4 Employees assigned to the Task Force are subject to and responsible for following the published Task Force policies and procedures. In the event of conflicting policies between the Task Force and the employing agency, the employing agency policy takes precedence.

5.5 At the Commander's discretion employees from Contributing Jurisdictions may be selected to fill any of the following positions: Detection Canine Handler, Financial Investigations, and Technology Investigation.

5.6 The Task Force will follow a management system for shared coordination and direction of personnel, financial, equipment, and technical resources, as stated in this Agreement.

6. DEVELOPMENT AND REVIEW OF STANDARD OPERATING PROCEDURES

The Commander will develop and maintain all policies and standard operating procedures of the Task Force to be presented to the Board at any regular Board meeting. The Board maintains the responsibility to review and approve by affirmative vote before implementation. However, in the event of a change to policy in keeping with the best industry and safety standards or pursuant to a change in law, statute, or

code, the Commander may authorize the implementation of the change with notice given to the Board. The update to the policy must be voted upon at the next regularly scheduled meeting of the Board.

7. BUDGET AND FINANCE

7.1 The 2026 Task Force budget is attached as Exhibit D, incorporated herein by reference. Each Participating Jurisdiction shall contribute funding to the Task Force as specified in Exhibit D.

7.2 The Sheriff's Office will annually review and revise the Task Force budget to provide a sufficient level of funding and total resource obligation for the following calendar year. The Task Force budget will be allocated to each Participating Jurisdiction on a proportional basis. Each Participating Jurisdiction's proportional share will be based on the Participating Jurisdiction's average population, as determined by the Washington State Office of Financial Management. Proposed increases to the Task Force budget exceeding 3% of any Participating Jurisdiction's funding obligation from the prior year must first be approved by the Board. Any special assessments to Participating Jurisdictions must be first approved by the Board.

7.3 Following the closure of each annual budget and not later than June 30 of each year, the Task Force Commander must submit a report to each Participating Jurisdiction reflecting a budget summary of all revenues from the previous year including the total amount of spending required to operate the Task Force, a summary of state and federal forfeitures and total receipts from the previous year.

7.4 No later than July 1 of each year, the Sheriff shall provide notice to each Participating Jurisdiction of the subsequent year's proposed Task Force budget, and each Participating Jurisdiction's proportional share.

7.5 Snohomish County shall maintain designated financial accounts to support Task Force operations. Except as modified by Section 7, all revenues collected or generated by or for the Task Force shall be forwarded to the Snohomish County Treasurer and placed in the designated accounts. All real or personal property of the Task Force will be held in Snohomish County's name for the benefit of the Task Force.

7.6 Each Participating Jurisdiction agrees to provide funding that is no less than the amount indicated in Exhibit D and to pay its funding share to Snohomish County as administrator of Task Force funds no later than March 1, of the year in which the funding is due.

7.7 Each Participating Jurisdiction agrees that the funding it contributes shall be provided in addition to that currently appropriated to drug enforcement activities and that no Task Force activity will supplant or replace any existing drug enforcement activities.

7.8 The Task Force shall reimburse Contributing Jurisdictions for actual overtime costs up to the annual federal overtime maximum for overtime work published by the U.S. Office of Personnel Management for overtime performed by a Contributing Jurisdiction detective(s) assigned to the Task Force. The Task Force's obligation to reimburse a Contributing Jurisdiction for overtime costs is contingent on the Task Force receiving federal funding for such purpose. If the Task Force does not receive federal funding for overtime, or the federal funding for overtime is depleted, any overtime compensation shall be the responsibility of the employing agency. A contributing Jurisdiction seeking reimbursement for overtime costs shall submit a properly executed voucher to the Sheriff's Office within 90-days of the accrual of the overtime.

8. GENERAL ADMINISTRATION

8.1 Each Participating Jurisdiction agrees to provide Snohomish County with any documentation necessary to apply for, receive, or comply with any applicable grant requirements.

8.2 By executing this Agreement, each Participating Jurisdiction agrees to make any certified or other assurances required by any applicable grant agreement that is within its particular control and agrees to make all its records related to the Task Force available for inspection if required as a condition of receipt of grant funding.

8.3 Snohomish County is granted the authority to execute on behalf of the Participating Jurisdictions all agreements and contracts signed as approved by the Task Force Executive Board, by and through its Chair, including but not limited to all contracts for professional services. Agreements and contracts executed in this manner shall have the same legal effect as if they were executed by each Participating Jurisdiction. All Task Force contracts and agreements executed on behalf of Participating Jurisdictions under this Agreement must first be approved on motion of the Task Force Executive Board. By executing this Agreement, each Participating Jurisdiction agrees that, to administer the assets and resources available to the Task Force, no such agreement or contract may impose or waive liability concerning a Participating Jurisdiction in a manner that is inconsistent with the hold harmless provision in Section 12 of this Agreement.

8.4 Any dispute arising under this Agreement will be forwarded to the Task Force Executive Board for resolution. The determination made by the Executive Board shall be final and conclusive between the parties. This provision shall not apply to issues of indemnity and liability governed by the hold harmless provision in Section 13 of this Agreement.

9. ASSET FOFEITURE

9.1 The Participating Jurisdictions shall refer all potential asset forfeitures initiated or investigated by personnel assigned to the Task Force during the pendency of this Agreement to the Task Force for disposition at the discretion of the Task Force Executive Board or prosecuting authority (Prosecuting Attorney or United States Attorney). Any such referred asset forfeiture

that is pursued in state court will be prosecuted in the name of Snohomish County, on behalf of the Task Force and its Participating Jurisdictions.

9.2 The Task Force Commander, under the direction of the Task Force Executive Board, shall manage the acquisition and disposition of assets seized or forfeited as a result of this Agreement in compliance with state and federal law and Task Force procedures.

9.3 Federal Forfeiture.

- a. For purposes of receipt and processing of federal equitable sharing distributions, Snohomish County shall be designated as the fiduciary agency for the Task Force.
- b. Participating Jurisdictions must comply with federal Equitable Sharing Program guidelines and reporting requirements, including the requirements contained in the Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement, published by the Department of Justice and the Department of the Treasury.
- c. Snohomish County will submit request(s) to the federal government, on behalf of the Task Force, to obtain equitable sharing related to federal forfeitures.
- d. Participating Jurisdictions agree and understand that all proceeds from federal forfeitures of seized assets, which may be awarded to the County on behalf of the Task Force, will be retained by the County for Task Force operations and expenses.
- e. Except as allowed by Section 9.3(g), Participating Jurisdictions will not submit individual equitable sharing requests, nor will Participating Jurisdictions receive shared federal funds from Snohomish County.
- f. The Task Force may only use proceeds from federal seizures and forfeitures for law enforcement purposes, as defined by the United States Department of Justice.

g. If the Task Force initiates or participates in an investigation that results in a federal forfeiture of \$300,000 or more in net proceeds, each Participating Jurisdiction that participated in the investigation may file an individual request for equitable sharing under its agency code. The parties intend that each Participating Jurisdiction's equitable share will be the Participating Jurisdiction's Task Force participation percent at the time of the investigation, provided, however, the SCSO is entitled to claim an additional twenty-five percent (25%) to account for Task Force operation/administrative expenses. The parties acknowledge, however, that final determination of a Participating Jurisdiction's receipt and percentage allocation of federal forfeiture proceeds is within the discretionary authority of the Department of the Treasury or the Department of Justice, as applicable.

h. The Task Force Commander will notify an eligible Participating Agency of a federal forfeiture meeting the threshold outlined in Section 9.3(g) within 15 days of the forfeiture. A Participating Jurisdiction seeking an individual equitable share of the federal forfeiture must file its request no later than 45 days following the forfeiture unless an exemption applies.

9.4 State Forfeiture.

a. The net monetary proceeds of each state asset forfeiture made by the Task Force shall be retained by the County for Task Force operations and expenses. If proceeds from state asset forfeitures exceed the amount necessary for Task Force operations and expenses, the excess state forfeiture proceeds shall be distributed to Contributing Jurisdictions in accordance with each Contributing Jurisdiction's participation percentage, listed in Exhibit D.

b. The Task Force may retain funds in an amount up to \$250,000 from the net proceeds of vehicle seizures for the acquisition of Task Force vehicles and related fleet costs.

c. Any Participating Jurisdiction receiving a distribution of assets forfeited under RCW

69.50.505 shall use such assets in accordance with RCW 69.50.505

10. EQUIPMENT REQUIREMENTS, MAINTENANCE AND OPERATION

For purposes of this Agreement, the term “Equipment” shall refer to any materials, tools, machinery, equipment, supplies, facilities, or other personal property used in performing Task Force operations.

10.1 If any Equipment is acquired with grant funds, the Participating Jurisdictions agree that the Task Force will use that equipment only for specified law enforcement purposes for the term of the grant.

10.2 Personnel assigned to the Task Force may use Equipment that is provided or acquired for Task Force purposes, as directed by the Task Force Commander.

10.3 Upon termination of the Task Force, any Equipment provided to the Task Force by a Participating Jurisdiction will be returned to that jurisdiction.

10.4 Upon termination of the Task Force, any Equipment acquired by the Task Force will be disposed of in accordance with applicable federal, state, or local requirements or this Agreement.

11. COVENANT TO COOPERATE

Each Participating Agency covenants to the other parties that it shall use good faith efforts to cooperate with the other parties in implementing the intent and furthering the goals of this Agreement.

12. COMPLIANCE WITH LAWS

The Participating Agencies shall exercise their rights and perform their respective obligations under this Agreement in full compliance with all applicable laws, ordinances, rules and regulations of any public authority having jurisdiction.

13. INDEMNIFICATION

Each party hereto agrees to save, indemnify, defend and hold the other parties harmless from any allegations, complaints, or claims of wrongful and/or negligent acts or omissions, by said party and/or its officers, agents, or employees to the fullest extent allowed by law. In the case of allegations, complaints, or claims against more than one party, any damages allowed shall be levied in proportion to the percentage of fault attributable to each party, and each party shall have the right to seek contribution from each of the other parties in proportion to the percentage of fault attributable to each of the other parties. Moreover, the parties agree to cooperate and jointly defend any such matter to the extent allowed by law. A jurisdiction that has withdrawn assumes no responsibility for the actions of the remaining members arising after the date of withdrawal but shall remain liable for claims of loss or liability arising prior to the effective date of withdrawal.

Industrial Insurance. For purposes of indemnification only, the parties, by mutual negotiation, hereby waive, as respects the other parties, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW.

14. NOTIFICATION OF LAWSUITS

In the event that a lawsuit is brought against a Participating Agency, including its officers or employees, relating to its Task Force participation, performance or activities, it shall be the duty of that party to notify the other parties that said lawsuit has been initiated.

All claims against the state, or against the state's officers, employees, or volunteers, acting in such capacity, for damages arising out of tortious conduct, must be presented to the Office of Risk Management. A claim is deemed presented when the claim form is delivered in

person or by regular mail, registered mail, or certified mail, with return receipt requested, or as an attachment to email or by fax, to the office of risk management. All claims for damages must be presented on the standard tort claim form that is maintained by the office of risk management.

15. WITHDRAWAL/TERMINATION

15.1 Notwithstanding any provisions of this Agreement, any party may withdraw from the Agreement by providing written notice of such withdrawal to all other parties, specifying the effective date thereof at least thirty (30) days prior to such date. A withdrawing party may take with it any Equipment it has provided to the Task Force and shall be entitled to distributions under Section 10.3 of this Agreement with respect to asset forfeitures the Participating Jurisdiction participated in before the effective date of withdrawal.

15.2 If there is a reduction in funds by the source of those funds, and if such funds are the basis of this agreement, Snohomish County may unilaterally terminate all or part of the agreement or may reduce its scope of work and budget.

16. RECORDS

16.1 All records relating to the performance of this Agreement shall be available for full inspection and copying by any Participating Agency. Records maintenance and retention shall be in accordance with the Standard Operating Procedures.

16.2 Each Participating Agency shall be responsible for retaining and producing the records it creates, owns, or uses, in accordance with applicable public records access and retention laws and regulations. Nothing in this section is intended to require a party to collect or produce records that are not prepared, owned, used, or retained by that agency as defined by the Public Records Act (Chapter 42.56 RCW).

17. NOTICES/ADMINISTRATOR

Any notice required or permitted to be given under this Agreement shall be in writing and shall specifically refer to this Agreement and be sent by (i) United States registered mail, return receipt requested, (ii) any nationally recognized overnight carrier or express mail service (such as FedEx or UPS) that provides receipts to indicate delivery, (iii) by personal service, or by electronic e-mail (with proof of receipt). All such communications shall be addressed to the appropriate Administrator of this Agreement as follows:

To the County:

Snohomish County Sheriff
Drug Task Force Commander
3000 Rockefeller Ave. M/S 706
Everett WA, 98201

If sent by electronic email to:

Email: SSH-TFCommander@snoco.org

Notices given to a Participating Jurisdiction will be addressed to the Chief of Police of the participating jurisdiction or as designated by the Participating Jurisdiction.

Any party hereto may, by reasonable notice to the other parties, designate such other address, or electronic email address, for the giving of notices as deemed necessary. All notices shall be deemed given on the day each notice is personally delivered, transmitted by electronic email, or delivered by overnight courier service, or on the third business day following the day such notice is mailed if mailed within accordance of this section.

Any party hereto may, by reasonable notice to the other parties, designate such other address, or telephone number for the giving of notices as deemed necessary. All notices shall be deemed given on the day each such notice is personally delivered, transmitted

by facsimile (with evidence of receipt), or delivered by overnight courier service, or on the third business day following the day such notice is mailed if mailed in accordance with this Section.

18. MISCELLANEOUS

18.1 Entire Agreement

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any and all prior oral or written agreements between the parties regarding the subject matter contained herein. This Agreement may not be modified or amended in any manner except by a written document signed by the party against whom such modification is sought to be enforced.

18.2 Governing Law and Venue

This Agreement shall be governed by and enforced in accordance with the laws of the State of Washington. The venue of any action arising out of this Agreement shall be in the Superior Court of the State of Washington, in and for Snohomish County.

18.3 Interpretation

This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against any of the parties hereto. The captions and headings in this Agreement are used only for convenience and are not intended to affect the interpretation of the provisions of this Agreement. This Agreement shall be construed so that wherever applicable the use of the singular number shall include the plural number, and vice versa, and the use of any gender shall be applicable to all genders.

18.4 Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect, to the extent permitted by law.

18.5 No Waiver

A party's forbearance or delay in exercising any right or remedy with respect to a Default by another party under this Agreement shall not constitute a waiver of the Default at issue. Nor shall a waiver by any party of any particular Default constitute a waiver of any other Default or any similar future Default.

18.6 Warranty of Authority

Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign this Agreement.

18.7 Execution in Counterparts

This Agreement may be reproduced in any number of original counterparts. Each party need sign only one counterpart and when the signature pages are all assembled with one original counterpart, that compilation constitutes a fully executed and effective agreement among all the Participating Jurisdictions. In the event that fewer than all named parties execute this Agreement, the Agreement, once filed or posted as specified in Section 3.0, shall be effective as between the parties that have executed the Agreement to the same extent as if no other parties had been named.

18.8 Modification

Participating Jurisdictions here to reserve the right to amend this Agreement in the future from time to time as may be mutually agreed upon. No such amendment shall be effective unless written and signed by all then-contributing Participating Jurisdictions with the same formality as this Agreement.

18.9 Nondiscrimination

There shall be no discrimination against any employee or against any applicant for such employment because of race, color, religion, handicap, marital status, political affiliation, sex, age, or national origin. This provision shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training.

SNOHOMISH COUNTY:

Snohomish County, a political subdivision
of the State of Washington

By _____
Name: _____
Title: _____

Recommended for approval:

By Susanna Johnson Digitally signed by Susanna Johnson
Date: 2025.11.05 08:08:21 -08'00'
Name: Susanna Johnson
Title: Snohomish County Sheriff

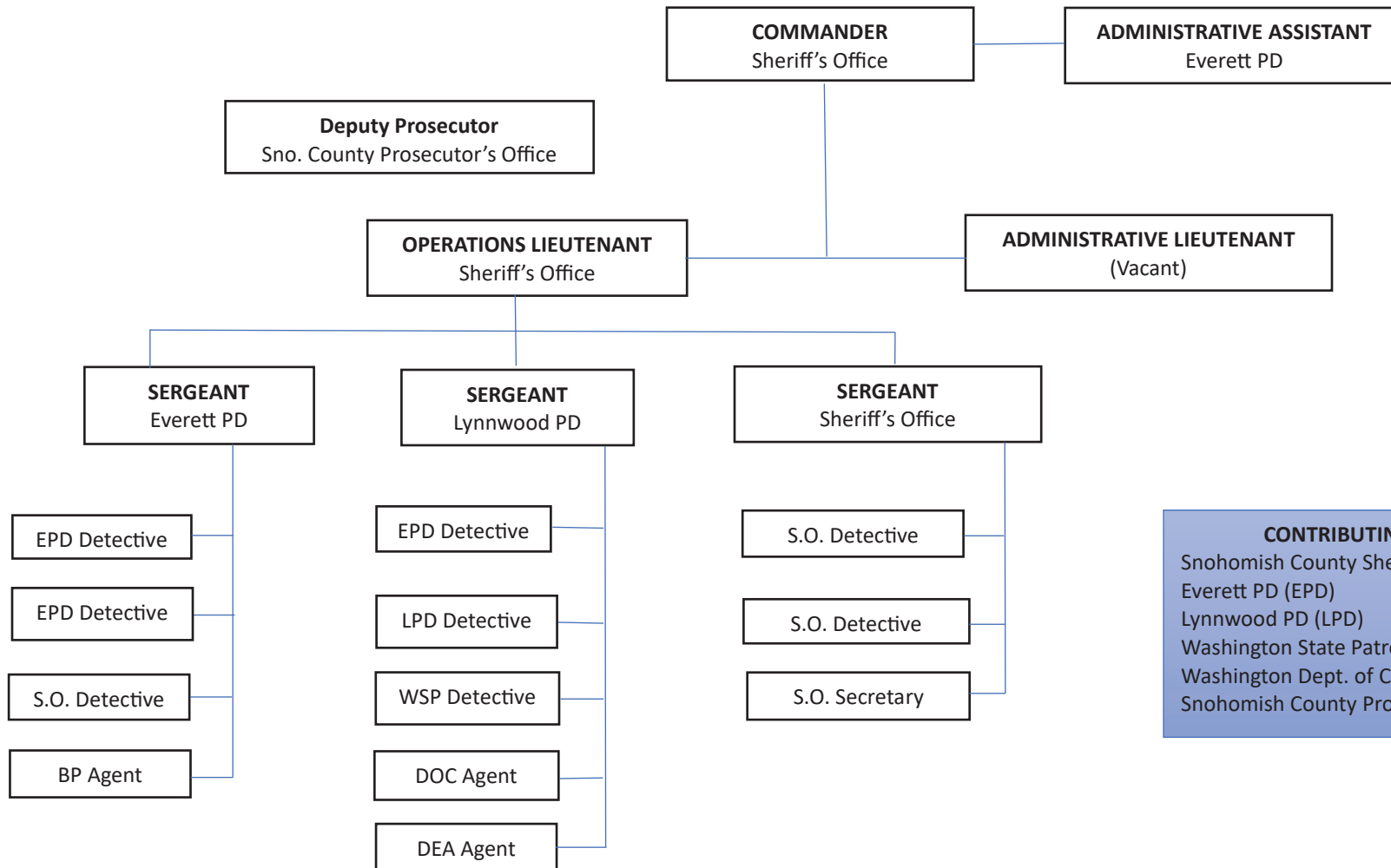
Approved as to Form:

Deputy Prosecuting Attorney

**SNOHOMISH REGIONAL DRUG TASK FORCE INTER-LOCAL AGREEMENT
EXHIBIT A (January 01, 2026)**

SRDTF Executive Board

Snohomish County Sheriff (Chair), Everett Police Chief (Asst. Chair), Lynnwood Police Chief, Lake Steven Police Chief (At-Large), Director of NW-HIDTA,
Snohomish County Prosecuting Attorney, City of Everett City Attorney



CONTRIBUTING JURISDICTIONS:

Snohomish County Sheriff's Office (S.O.)
Everett PD (EPD)
Lynnwood PD (LPD)
Washington State Patrol (WSP)
Washington Dept. of Corrections (DOC)
Snohomish County Prosecutor's Office

EXHIBIT B

Snohomish Regional Drug Task Force

Commander Selection

The Drug Task Force Commander is a management exempt (“at will”) employee of the Sheriff’s Office.

With the objective of selecting the best possible candidate for the position of Drug Task Force Commander, and ensuring the best fit into the organization, the Executive Board will recommend to the Sheriff three candidates to be considered for the position of Drug Task Force Commander. Candidates for the Drug Task Force Commander position must demonstrate a strong leadership skill set, the ability to build consensus, and direct the efforts of a multi-agency team to achieve established goals. He or she must meet the performance objectives set by the Executive Board and the Sheriff. The Sheriff will select the Drug Task Force Commander from the Executive Board’s three recommended candidates.

The Drug Task Force Commander’s initial commitment of service is four years, with the option of a year by year extension after that period. The Sheriff shall consult with the Executive Board before authorizing any extension of the Drug Task Force Commander’s service commitment.

EXHIBIT C

Snohomish Regional Drug Task Force

Personnel Assigned by Jurisdiction

January 1, 2026 – December 31, 2026

EVERETT POLICE DEPARTMENT

1 Sergeant
1 Detective
1 Detective
1 Detective
1 Detective
1 Detective
1 Detective
1 Support Personnel

FUNDING

Everett PD
Everett PD
Everett PD
Everett PD
Everett PD- Vacant
Everett PD - Vacant
Everett PD - Vacant
Everett PD

SNOHOMISH COUNTY SHERIFF'S OFFICE

1 Task Force Commander
1 Lieutenant
1 Sergeant
1 Detective
1 Detective
1 Detective
1 Detective
1 Detective
1 Detective
1 Support Staff

FUNDING

Snohomish County Sheriff
Snohomish County Sheriff
Snohomish County Sheriff
Snohomish County Sheriff
Snohomish County Sheriff
Snohomish County Sheriff
Snohomish County Sheriff - Vacant
Snohomish County Sheriff - Vacant
Snohomish County Sheriff - Vacant
Snohomish County Sheriff

LYNNWOOD POLICE DEPARTMENT

1 Sergeant
1 Detective

FUNDING

Lynnwood PD
Lynnwood PD

SNOHOMISH COUNTY PROSECUTOR'S OFFICE **FUNDING**

1 Deputy Prosecutor

Snohomish County Prosecutor

STATE OF WASHINGTON**FUNDING**

1 Detective

Washington State Patrol

1 Agent

Department of Corrections

Agency	Participants	E-Board Vote	Pcnt.	Notes
Everett PD	5	5	38.5%	
Snoh Co Sheriff's Off	6	6	46%	
Lynnwood PD	2	2	15.5%	
WSP	1	1		Fr. 10% WaSt Tx
DOC	1	1		Fr. 10% WaSt Tx
SC Pros Atty	1	1		
Evt City Atty	1	1		
NWHIDTA Dir	0	1		
At Large PD	0	1		
TOTALS	17.5	19	100%	

EXHIBIT D

Snohomish Regional Drug & Gang Task Force

[April 1, 2025, Population of Cities, Towns and Counties \(wa.gov\)](#)

JURISDICTION	POPULATION April 1, 2025	PERCENTAGE	2026 ALLOCATION AMOUNT
Arlington	23,080	2.64%	\$ 6,185.00
Bothell	20,420	2.34%	\$ 5,482.00
Brier	6,630	0.76%	\$ 1,780.00
Darrington	1,520	0.17%	\$ 398.00
Edmonds	43,510	4.98%	\$ 11,667.00
Everett	114,700	13.13%	\$ 30,760.00
Gold Bar	2,350	0.27%	\$ 633.00
Granite Falls	4,775	0.55%	\$ 1,288.00
Index	170	0.02%	\$ 47.00
Lake Stevens	42,180	4.82%	\$ 11,292.00
Lynnwood	42,540	4.87%	\$ 11,409.00
Marysville	74,640	8.65%	\$ 20,264.00
Mill Creek	21,630	2.48%	\$ 5,810.00
Monroe	20,960	2.40%	\$ 5,623.00
Mountlake Terrace	24,240	2.82%	\$ 6,606.00
Mukilteo	21,600	2.47%	\$ 5,786.00
Snohomish	10,500	1.20%	\$ 2,811.00
Stanwood	8,950	1.02%	\$ 2,390.00
Sultan	7,405	0.85%	\$ 1,991.00
Snohomish County	380,600	43.56%	\$ 102,049.00
TOTALS:	873,800	100%	\$ 234,271.00

Increase to TF Commanders' Salary
2026 COLA increase of 5.00%
Increase to TF Analyst Salary
2026 COLA increase of 5.00%



STAFF REPORT

To: Mountlake Terrace City Council
From: Jeff Betz, Parks and Recreation Director, Celina Williams
Meeting Date: December 4, 2025
Subject: Recognition of Eagle Scouts

Required Reviews:

Jennifer Joki	Created/Initiated - 11/25/2025
Jeff Betz	Approved - 11/25/2025
Carolyn Hope	Final Approval - 11/25/2025

Council Goal(s):

Legislative History:

Subject Summary:

Financial/Budget Impacts:

Budget Amendment Required? _____

Budget and Sources:	
Expenditure:	
New Appropriation Required + Sources:	

Additional Financial Information:

Community Notifications:

City Council Agenda
If "Other," please specify:

Board/Commission Recommendation:

Staff Recommendation:

Council Motion:

Attachments:

1. Scout recognition 12.4.25



CITY OF
**MOUNTLAKE
TERRACE**



Eagle Scout Recognition for Christian Johnson and Eoin Ritter

City Council Meeting: December 4, 2025

PROJECT LOCATIONS



TERRACE CREEK OVERLOOK RESTORATION

CHRISTIAN JOHNSON



TERRACE CREEK OVERLOOK RESTORATION



THANK YOU, CHRISTIAN!

TERRACE CREEK PARK TRAIL IMPROVEMENT

EOIN RITTER



TERRACE CREEK PARK TRAIL UPDATE

EOIN RITTER



Before



After

THANK YOU, EOIN!

**COMBINED, EAGLE SCOUTS HAVE
VOLUNTEERED OVER 400 HOURS WITH
MLT THIS YEAR!**

**Thank you Christian and
Eoin!**





Mountlake Terrace Housing Action Plan

City Council Public Hearing

December 2025



- HAP updates since 11/13 work session
- Housing Action Plan overview
 - ◆ Housing Action Plan Context
 - ◆ Housing Needs & Opportunities
 - ◆ Action Sheet Details
- Overview of HAP actions
 - ◆ HAP action sheet details
 - ◆ Summary of HAP actions by implementation timeframe
- Questions & Discussion

HAP Updates Since 11/13 Work Session

- **Added Action 5.13:** Maintain ongoing engagement with the development community, using these relationships to coordinate introductions and inform policy development.
- Added mitigating junk fees as a tenant protection strategy to **Action 3.3.**
- Added regional coordination as a strategy for advocating for funding opportunities to **Action 5.2.**
- Added inviting CLTs to provide information about their model as an implementation opportunity for **Action 4.1** and **Action 5.5.**

Housing Action Plan Overview

- Housing Action Plan Context
- Housing Needs And Opportunities
- Housing Action Plan Actions
- Appendices:
 - ◆ Comprehensive Plan Information Sources
 - ◆ Community Engagement Summary
 - ◆ Development Feasibility Analysis Findings
 - ◆ Policies And Actions Crosswalk

Translates the Housing Element into a set of concrete actions, including:

- Identifying steps the City can take to increase **housing options and affordability**.
- Building on recent zoning updates and ongoing work for **consistency between policy direction and implementation**.
- Identifying **programs, partnerships, and strategies** to support housing stability and choice.
- Helping the City make informed decisions about **what to implement first**, based on feasibility, capacity, and community priorities.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

Housing Needs and Opportunities

Several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, helped inform the HAP.

Across these sources, a few policy priorities emerged:

- ◆ **Supporting housing production**
- ◆ **Investing in centers**
- ◆ **Incentivizing affordable units**
- ◆ **Increasing housing diversity**
- ◆ **Preventing displacement**

These priorities helped to organize the actions into **implementation timeframes**, including which Housing Element policies offered the greatest potential for near-term implementation.

In the HAP, action sheets include:

- ◆ Implementation timeframe
- ◆ Action type
- ◆ Staff capacity needed for implementation and maintenance
- ◆ Rationale
- ◆ Supporting Housing Element policies
- ◆ Current policy or process
- ◆ Implementation considerations
- ◆ Additional context: relevant data, legislation, engagement themes, or analysis findings

2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured home parks as a source of affordable housing.

COMP PLAN POLICIES

- **HO-1.7:** Supporting alternative access to homeownership
- **HO-4.1:** Mitigating displacement risk
- **HO-4.2:** Preserving affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



Overview of HAP Actions by Implementation Timeframe

Completed Actions	Near-Term Actions	Mid-Term Actions	Long-Term Actions	Ongoing Actions
0.1 Update residential zones to support middle housing 0.2 Offer density bonuses for sustainability 0.3 Update land uses to plan for 2044 targets.	2.1 Update subarea plans 2.2 Review Town Center standards 2.3 Update the Mobile Home Park code 2.4 Update PSH and emergency housing allowances 2.5 Clarify definitions for alternative housing types 2.6 Amend building code to reduce barriers to home repairs 2.7 Adopt future state building code amendments 2.8 Update middle housing permitting processes 2.9 Amend affordable housing permit processes 2.10 Offer a property tax exemption for affordable ADUs	3.1 Waive or reduce impact fee for affordable housing 3.2 Offer density bonuses for affordable housing in Gateway and Neighborhood Mixed Use 3.3 Expand tenant protection strategies and resources 3.4 Adopt a 12-year MFTE program in R-2 3.5 Adopt an 8-year MFTE program in R-3 3.6 Adopt a 12-year MFTE program in R-3 3.7 Expand the 12-year Town Center MFTE program to Gateway and Neighborhood Mixed Use 3.8 Consider phasing out the 8-year MFTE program in Town Center	4.1 Encourage affordable homeownership units to be stewarded by a CLT 4.2 Consider transferring or leasing City-owned property to a mission-driven developer 4.3 Target public investments to attract development 4.4 Pursue funding for infrastructure improvements for at-risk affordable housing	5.1 Participate in regional housing efforts 5.2 Engage the County on affordable housing funding 5.3 Support applications for public affordable housing funds 5.4 Support development on religious properties 5.5 Establish relationships with CLTs 5.6 Host educational community workshops 5.7 Provide permitting assistance 5.8 Support opportunities to purchase manufactured home communities 5.9 Enforce maintenance of investment properties 5.10 Legislature advocacy 5.11 Monitor development trends 5.12 Monitor at-risk affordable housing units 5.13 Maintain ongoing engagement with the development community
In-Progress Actions				
1.1 Update permitting forms for middle housing 1.2 Simplify ADU permitting requirements 1.3 Update impact fees to per-square-foot 1.4 Update Gateway and Neighborhood Mixed Use zones 1.5 Provide materials on the development process				

Completed Actions

#	Action	Goal
0.1	Update zoning and design standards in residential zones to promote middle housing in alignment with House Bill 1110 .	Housing diversity
0.2	Offer density bonuses for environmentally sustainable building practices.	Housing diversity
0.3	Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production

In-Progress Actions

#	Action	Goal
1.1	Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
1.2	Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
1.3	Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
1.4	Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
1.5	Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production

Near-Term Actions

#	Action	Goal
2.1	Review and update subarea plans to reflect the Comprehensive Plan designations and support the City's housing goals.	Investing in centers
2.2	Review Town Center zoning and design standards and consider adjustments as needed to support residential development.	Investing in centers
2.3	Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
2.4	Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
2.5	Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
2.6	Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
2.7	Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production
2.8	Simplify the permit review process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
2.9	Amend the permit review process for projects with income-restricted affordable housing units to help expedite affordable housing production.	Affordable units
2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units

Mid-Term Actions

#	Action	Goal
3.1	Waive or reduce impact fees for affordable housing.	Affordable units
3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
3.3	Expand tenant protection strategies or provide information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce displacement risk and housing instability.	Anti-displacement
3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units.	Affordable units
3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
3.6	Adopt a 12-year MFTE program in R-3 in the middle housing affordable housing density bonus requirements to incentivize participation.	Affordable units
3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option to only offer the 12-year program.	Affordable units

Long-Term Actions

#	Action	Goal
4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in the priority growth areas identified in the Comprehensive Plan.	Investing in centers
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement

Ongoing Actions

#	Action	Goal
5.1	Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives.	Housing production
5.2	Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
5.3	Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
5.4	Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
5.5	Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
5.6	Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
5.7	Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the process.	Housing production
5.8	Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce displacement.	Anti-displacement
5.9	Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Invest in centers
5.10	When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production
5.12	Monitor regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production
5.13	Maintain ongoing engagement with the development community , using these relationships to coordinate introductions and inform policy development.	Housing production



Questions & Discussion



November 2025

DRAFT Mountlake Terrace Housing Action Plan

Prepared for: The City of Mountlake Terrace

ECOnorthwest

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Executive Summary

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions, providing staff and elected officials with a clear roadmap for implementation.** In total, this HAP consists of 43 actions. Some actions may support multiple Housing Element policies, while multiple actions might be needed to address certain policies.

HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more housing opportunities that are affordable to residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the **stability of existing residents**.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers**.

In addition to the policy direction from the Housing Element, additional engagement and analysis conducted as part of developing this HAP have helped inform the recommended actions and priorities. **Across these sources, a few clear priorities emerged:**

- ♦ **Support housing production:** By 2044, Mountlake Terrace will need to accommodate an additional 13,424 residents and 7,683 housing units.
- ♦ **Incentivize affordable units:** While Mountlake Terrace will need housing units across the income spectrum to support its 2044 population, roughly one-third of new housing units will need to be affordable to households earning less than 50% of the area median income.
- ♦ **Increase housing diversity:** Community members expressed strong interest in smaller and alternative housing types, such as accessory dwelling units and other forms of middle housing, which can be more attainable than traditional single-family detached homes. Residents also shared a need for housing types that can support the housing needs of different household types, including seniors and residents with disabilities.
- ♦ **Invest in centers:** As the City grows, continuing to focus growth in Town Center and other mixed-use areas can support walkability, amenity access, and efficient infrastructure use.
- ♦ **Prevent displacement:** As the City grows and continues to attract development, both homeowners and renters share concerns about rising housing costs.

The following pages contain the full list of HAP actions organized by implementation timeframe. The list includes recently completed and in-progress efforts to show the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps Mountlake Terrace can take to meet its housing goals. Each action also indicates the primary housing priority it supports, demonstrating how



the actions collectively advance the City's overall housing strategy. For more details, each action number links to the corresponding action sheet with full information.



Exhibit 1: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing in accordance with House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
	2.7 Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production



	#	Action	Goal
Near-Term	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a community land trust to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
	4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers



#	Action	Goal
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
Ongoing	5.1 Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
	5.2 Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
	5.3 Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
	5.4 Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
	5.5 Establish relationships with community land trusts or other organizations that support alternative homeownership models.	Affordable units
	5.6 Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
	5.7 Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
	5.8 Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
	5.9 Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
	5.10 When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
	5.11 Monitor land capacity and development trends , and update development regulations if needed.	Housing production
	5.12 Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production



#	Action	Goal
5.13	Maintain ongoing engagement with the development community , using these relationships to coordinate introductions and inform policy development.	Housing production



1. Housing Action Plan Context

Housing Action Plan Purpose

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions to provide staff and elected officials with a clear roadmap for implementation.**

Specifically, this HAP is intended to:

- ◆ Identify actionable steps the City can take to increase housing options and affordability.
- ◆ Build on recent zoning updates and ongoing work to ensure consistency between policy direction and implementation.
- ◆ Identify programs, partnerships, and strategies that go beyond land use regulations to support housing stability and choice.
- ◆ Help the City make informed decisions about what to implement first, based on feasibility, capacity, and community priorities.

In total, this HAP consists of 43 actions the City can take to implement its Housing Element. Each action identifies the primary Housing Element policies it supports. Some actions may support multiple policies, and multiple actions may be needed to address a given policy. The HAP actions are organized by implementation timeframe and include descriptions of the current policy or practice, supporting analysis findings, and implementation considerations.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

» For a full crosswalk of policies and actions, see [Appendix D: Policies and Actions Crosswalk](#).



Developing the Housing Action Plan

This Housing Action Plan was developed through a structured process that connects engagement, analysis, policy priorities, and implementation.

This process included:



Comprehensive Plan Review: The project team began by thoroughly reviewing Mountlake Terrace's Comprehensive Plan and supporting materials, including the Housing Element Background Analysis.

» For a full description of Comprehensive Plan sources, see [Appendix A: Comprehensive Plan Sources](#).

Engagement and Analysis: The project team conducted a mix of qualitative and quantitative analyses, engaged with development professionals and the broader community, and conducted a feasibility analysis to assess the impact of specific incentives on development outcomes.

» For a full summary of engagement and analysis findings, see [Appendix B: Community Engagement Summary](#) and [Appendix C: Development Feasibility Analysis Findings](#).

Identifying Policy Priorities: Findings from the Comprehensive Plan review, community engagement, and feasibility analysis informed the identification of Mountlake Terrace's key housing needs and opportunities. The project team used these findings to determine which Comprehensive Plan housing policies offered the greatest potential for near-term implementation and to organize the Housing Action Plan actions by implementation timeframe.

» For a summary of policy priorities and key findings, see [Section 2. Housing Needs & Opportunities](#).

Developing and Refining HAP Actions: The project team identified specific actions the City can take to implement the Housing Element and organized them into a preliminary implementation sequence, including in-progress, near-term, mid-term, long-term, and ongoing actions. Through discussions with City staff, the Planning Commission, and the City Council, the project team refined the draft actions and their implementation timeframes to align with available resources within the context of the broader HAP and other ongoing projects.

» For the full list of actions, see [Section 3. Housing Action Plan Actions](#).



2. Housing Needs & Opportunities

Housing Priorities

While the Housing Element is the basis for the HAP, several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, also helped to inform, develop, and prioritize the HAP actions. **Across these sources, a few clear priorities emerged: supporting housing production, investing in centers, incentivizing affordable units, increasing housing diversity, and preventing displacement.** Each of these themes is discussed in greater detail below, including any relevant Housing Element policies.

Support Housing Production

- **HO-1.1 Encourage opportunities to accommodate a population of at least 34,710 by 2044 and meet the housing needs of all income levels.**
- **HO-2.5 Plan for and monitor housing needs at all income levels.**

As part of updating its Comprehensive Plan, Mountlake Terrace must plan to accommodate its 2044 growth targets, assigned by Snohomish County. By 2044, the City will need to plan for:

- ◆ An additional 7,683 housing units, for a total of 16,816 units.
- ◆ An additional 13,424 residents, for a total of 34,710 residents.

To support this growth, the City updated its land use designations in the Comprehensive Plan to allow for higher densities and greater housing capacity in appropriate areas. However, the City will likely need to take additional steps to encourage the development of various housing types and scales to ensure that the updated density allowances result in additional units.

Exhibit 2 shows the City’s 2044 housing targets by income level served. While the City will need to

Exhibit 2: Mountlake Terrace 2044 Housing Targets by Household Type and Area Median Income (AMI)

HOUSING TYPE OR INCOME LEVEL SERVED	ADDITIONAL UNITS NEEDED
Emergency Housing	475
Permanent Supportive Housing	764
0% to 30% Area Median Income	1,224
30% to 50% AMI	1,265
50% to 80% AMI	375
80% to 100% AMI	226
100% to 120% AMI	1,171
Over 120% AMI	2,657
Total	7,682

Source: Mountlake Terrace Comprehensive Plan



plan for units across the income spectrum, roughly a third, or approximately 2,500 units, will need to be affordable to households earning below 50% of the area median income (AMI).

Invest in Centers

- **HO-5.1 Explore strategies to increase the ability of all residents to live in varied neighborhoods to reduce disparities in access to transit, open space, schools, jobs, and other amenities.**
- **HO-5.4 Facilitate housing opportunities in high amenity areas.**

As the City expands, focusing on growth in the Town Center and other mixed-use areas can promote walkability, access to amenities, and efficient infrastructure use. During community engagement, residents supported concentrating density near transit and amenities, and the Comprehensive Plan identifies centers as priority areas for new housing and investment, where infrastructure and services can most effectively support additional growth.

Incentivize Affordable Units

There is a lack of affordable housing for lower-income households.

- **HO-2.3 Pursue opportunities for partnerships to develop affordable housing.**

As of 2023, roughly a third (34%) of Mountlake Terrace renters were earning below 50% of the AMI. However, only 16% of the City's housing units are affordable to households at this income level. As a result, nearly half (43%) of Mountlake Terrace renters were cost-burdened, spending more than 30% of their gross income on housing costs. This is exacerbated for lower-income households: over three-quarters (77%) of households earning under 30% are cost-burdened, and roughly 65% are severely cost-burdened, spending over 50% of their gross incomes on housing costs. During community engagement, residents raised concerns about housing affordability and the need for income-restricted housing units.

Housing choices are limited for many Mountlake Terrace employees.

- **HO-5.2 Promote workforce housing for people who live and work in the community.**

Many Mountlake Terrace employees, particularly those working in retail or service industries, may not be able to afford to live in the City. Workers in these sectors in Mountlake Terrace earn an annual wage equivalent to roughly 30% of the AMI. There are very few units available at this price, resulting in many employees commuting in from lower-cost areas outside the City.

Additional incentives may be needed to make affordable housing feasible.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**



For projects considering the Residential Affordability Program density bonus, feasibility analysis indicates that the additional units may not outweigh the cost of providing the units to households earning 60% of the AMI or below. For projects serving households earning below 30% of the AMI, traditional subsidies alone are often not enough to make housing financially feasible. Local governments can help close this gap through strategies like providing publicly owned or discounted land, offering long-term ground leases, and reducing or waiving development fees. Additional tools, like expedited permitting, utility connection discounts, infrastructure support, and partnerships with nonprofit or faith-based housing developers, can further lower costs and improve project viability.

Increase Housing Diversity

Homeownership is increasingly out of reach for residents, but certain housing types can be more attainable.

- **HO-2.4 Advocate for the state legislature to expand opportunities for home ownership of different housing types through the condominium process.**

The median home sales price in Mountlake Terrace more than tripled from \$185,000 in 2012 to \$595,000 in 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.¹ Even fewer households would be able to afford a newly constructed home, which typically sells above the median home sales price.

However, while the median single-family home sales price was close to the overall median in 2023, condominiums (condos) and townhomes were less expensive. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, townhome sale prices ranged from roughly \$500,000 to \$800,000, and condo sale prices ranged from approximately \$300,000 to \$500,000. Of the homes sold for less than \$300,000 in 2023, the majority were mobile or manufactured homes, and the remainder were condos.²

Residents advocated for a broader range of housing types in Mountlake Terrace.

- **HO-1.2 Update zoning and design standards to accommodate a diverse range of housing types.**
- **HO-1.3 Encourage innovative housing types to provide more housing variety.**
- **HO-5.3 Provide opportunities for diverse housing types to be integrated into existing neighborhoods.**

During community engagement, residents expressed strong support for increasing housing diversity in Mountlake Terrace. Many noted that the current housing stock is dominated by single-family homes, leaving few options for seniors, young adults, or families seeking smaller

¹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.

² Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



or more affordable homes. Participants emphasized that offering a wider range of housing types could allow residents to stay in the community as their needs and incomes change.

Many residents are interested in adding an accessory dwelling unit (ADU) to their home.

- **HO-1.6 Implement processes to assist with the conversion of existing homes to middle housing.**

Residents are enthusiastic about ADUs, both as a tool to increase revenue for homeowners and as an opportunity to add more affordable housing in the City. They also identified ADUs as a good option for seniors wanting to downsize or move into a single-story home. Many residents shared that they were interested in adding at least one ADU to their properties and were excited about the updates to the middle housing code updates intended to reduce barriers to ADU development. However, since many interested residents did not have development experience, they indicated that additional guidance or resources would be helpful.

There is community interest in alternative homeownership models.

- **HO-1.7 Support alternative access to homeownership opportunities.**

Residents are interested in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, and affordability covenants that can offer more attainable, long-term opportunities for homeownership.

There is an increasing need for accessible housing and special housing types.

- **HO-3.4 Provide opportunities for a range of special housing types at various income levels.**
- **HO-3.5 Consider incentives for new developments to create accessible housing units.**

A quarter (26%) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.³ Both residents and development professionals noted the need for increased housing options to support older residents as the community ages, including special housing types like assisted living and opportunities for aging in place.

Certain middle housing types are likely infeasible without additional incentives under current market conditions.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**

Feasibility analysis indicates that for-sale, fee-simple development types, such as duplexes or townhomes, are the most likely middle housing types to be developed in residential zones.

³ Mountlake Terrace Vision 2044 Comprehensive Plan, page 381.



Without additional incentives, stacked products like fourplexes, sixplexes, and small apartments or condos are likely infeasible under current market conditions.

Prevent Displacement

Residents are concerned about rising housing costs and displacement risk.

-
- **HO-4.1 Implement strategies to mitigate displacement risks.**
 - **HO-4.4 Support efforts to retain residents during redevelopment.**

As the City grows and continues to attract new development, both homeowners and renters expressed concerns about rising housing costs. Residents noted that increasing demand, driven in part by regional growth and new amenities such as the Light Rail station, has made it more difficult for many households to afford to live in Mountlake Terrace. Participants emphasized the need for strategies that preserve affordability, support cost-burdened households, and provide a range of housing options to keep the community accessible to people of all income levels.

Home repairs and rehabilitation may be needed to preserve the City's older housing stock.

-
- **Explore strategies to preserve existing housing that is affordable to low- and moderate-income households.**

Just under three-quarters (69%) of Mountlake Terrace's housing stock was built prior to 1980, with over half (52%) of units built prior to 1970. In comparison, less than a quarter (22%) of the housing in Snohomish County overall was built during the same period.⁴ As the City's housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

Connecting Needs to Implementation

The above priorities informed how the City organized and sequenced the HAP actions. Building on the needs and opportunities identified, the project team worked closely with City staff to evaluate how each action could address those priorities in practice. The team also collaborated with staff to assess the effort and resources required, including staff time, funding, and coordination requirements, and weighed these factors against each action's potential impact. Incorporating feedback from the Planning Commission and City Council, this process helped the City balance practicality with ambition, focusing first on actions that could be implemented relatively efficiently while laying the groundwork for larger, more complex initiatives. Near-term actions are intended to maintain momentum and deliver visible progress, while mid- and long-term actions address broader challenges that require additional planning or capacity. Mid-term actions generally represent strategies that can be advanced once current work is complete or additional capacity is available, whereas long-term actions are larger undertakings that will depend on new funding sources, partnerships, or policy

⁴ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



development. For these longer-term efforts, the HAP also identifies initial steps the City can begin now to build momentum and position itself for successful implementation in the years ahead.

The following section presents the full list of actions, organized by timeframe, to guide Mountlake Terrace's phased and coordinated implementation of its Vision 2044 housing goals. This list includes recently completed and in-progress efforts to demonstrate the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps the City can take to meet its housing goals.



3. Housing Action Plan Actions

Overview of Actions

Overall, the Housing Action Plan includes 43 actions that the City can take over the next decade to achieve its housing goals, varying in scale, complexity, and resource requirements. Because City staff, funding, and capacity are limited, actions are organized by implementation timeframe to help decision-makers focus on what can be achieved first and plan for future efforts. Using the policy priorities identified in the previous section, we organized the actions into implementation timeframes:

1. **Completed Actions:** Actions taken since the 2024 Comprehensive Plan adoption.
2. **In-Progress Actions:** Efforts the City is currently undertaking.
3. **Near-Term Actions (1–3 years):** High-priority actions that can be implemented relatively quickly and leverage recent code updates and policy momentum.
4. **Mid-Term Actions (3–5 years):** More complex actions that require additional study or coordination.
5. **Long-Term Actions (5–10 years):** Forward-looking efforts that depend on additional resources or partnerships,
6. **Ongoing Actions:** Partnerships, monitoring, and advocacy activities that the City will continue regularly.

HOUSING ACTION PLAN NAVIGATION

Below, Exhibit 3 provides a brief description of each action and the primary housing priority it supports. **The corresponding action number links to the action’s page with complete details, including:**

- ♦ **Action type:** The action’s implementation category (e.g., “regulatory change”).
- ♦ **Staff capacity:** A relative estimate of the staff time needed to implement and maintain the action.
- ♦ **Action rationale:** Why the action is important and how it advances the City’s goals.
- ♦ **Supporting Housing Element policies:** The primary policies the action is implementing.
- ♦ **Current policy:** A summary of the City’s current approach to provide context for how the action modifies or builds on current efforts.
- ♦ **Implementation considerations:** Recommended next steps for implementation. For mid-term, long-term, and ongoing actions, only immediate next steps are provided to account for changing conditions prior to full implementation.
- ♦ **Additional context:** Where applicable, relevant data, legislation, engagement themes, or analysis findings to support the action.



Exhibit 3: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing in accordance with House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement



	#	Action	Goal
Near-Term	2.7	Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production
	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a community land trust to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units



#	Action	Goal
4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
Ongoing	5.1 Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
	5.2 Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
	5.3 Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
	5.4 Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
	5.5 Establish relationships with community land trusts or other organizations that support alternative homeownership models.	Affordable units
	5.6 Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
	5.7 Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
	5.8 Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
	5.9 Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
	5.10 When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production



#	Action	Goal
5.12	Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production
5.13	Maintain ongoing engagement with the development community , using these relationships to coordinate introductions and inform policy development.	Housing production



0. Completed Actions

0.1 UPDATE ZONING AND DESIGN STANDARDS IN RESIDENTIAL ZONES TO PROMOTE MIDDLE HOUSING.

Action Type: Regulatory change Goal: Housing diversity Staff Capacity: High		
CURRENT POLICY	COMP PLAN POLICIES	
The 2025 residential code update supports a range of diverse housing types, with an emphasis on supporting middle housing, in alignment with House Bill 1110.	◆ HO-1.2: Update zoning standards to support diverse housing types ◆ HO-1.3: Encourage innovative housing types ◆ HO-1.5: Implement incentives for housing production at all income levels ◆ HO-1.6: Support conversion of homes to middle housing	

0.2 OFFER DENSITY BONUSES FOR ENVIRONMENTALLY SUSTAINABLE BUILDING PRACTICES.

Action Type: Regulatory change Goal: Housing diversity Staff Capacity: Low		
CURRENT POLICY	COMP PLAN POLICIES	
The 2025 residential code update provides increased lot coverage, FAR, and height, as well as setback reductions, in exchange for sustainability certification and on-site tree retention.	◆ HO-1.4: Encourage innovative materials and environmentally sustainable building practices	

0.3 REVIEW AND UPDATE LAND USE REGULATIONS TO INCREASE RESIDENTIAL CAPACITY TO ACCOMMODATE THE CITY’S 2044 HOUSING TARGETS.

Action Type: Regulatory change Goal: Housing diversity Staff Capacity: High		
CURRENT POLICY	COMP PLAN POLICIES	
The 2024 Comprehensive Plan land use map updates increased allowed residential densities to provide enough development capacity to meet its 2044 housing allocation targets.	◆ HO-1.1: Accommodate population target ◆ HO-2.5: Plan for housing needs at all income levels	

1. In-Progress Actions

1.1 UPDATE PERMITTING PROCEDURES TO REFLECT UPDATED HOUSING TYPES IN RESIDENTIAL ZONES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Updating the permitting forms to include the newly allowed housing types will both help clarify permitting procedures and allow the City to better track development patterns.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encourage innovative housing types
- ◆ **HO-2.1:** Provide resources on regulations and permitting

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2025 middle housing code amendment (see Action 0.1) allowed new housing types in its residential zones. The City is currently updating its permit types and forms to reflect these changes to clarify permit requirements and better track development patterns.

1.2 SIMPLIFY ADU PERMITTING REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Simplifying ADU permitting requirements would make it easier for homeowners to add an accessory dwelling unit by reducing confusion, lowering costs, and shortening review timelines. A clearer, more straightforward process would lower barriers for residents and support ADU production.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encourage innovative housing types
- ◆ **HO-1.6:** Support conversion of homes to middle housing
- ◆ **HO-2.1:** Provide resources on regulations and permitting

CURRENT POLICY & IMMEDIATE NEXT STEPS

Previously, ADU permitting was a Type B Administrative decision made by the Director, which required providing notice to nearby properties and could be appealed to the Hearing Examiner. The City is currently updating ADU permitting requirements to a building-permit-only process with no separate land-use action, the same process as for single-detached units and duplexes.

ADDITIONAL CONTEXT

Community engagement: Many residents and development professionals were interested in building ADUs, but shared that permitting processes could be a barrier to development. In general, development professionals emphasized the importance of fast and predictable permitting for development feasibility.



1.3 UPDATE IMPACT FEE ASSESSMENTS TO A PER-SQUARE-FOOT OR PER-BEDROOM CALCULATION.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Updating impact fee assessments to a per-square-foot or per-bedroom calculation could create a fairer system that better reflects the size and impact of different housing types. This impact fee update would comply with state legislation that requires local impact fees to reflect the proportionate impact of new units.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encourage innovative housing types
- ◆ **HO-1.6:** Support conversion of homes to middle housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently imposes impact fees for parks and transportation. The City is currently updating its impact fee structure to a per-square-foot or per-bedroom model, to be completed by 2026.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to exempt or reduce impact fees for low-income housing (under 80% AMI). This statute also requires that local impact fee schedules reflect the proportionate impact of new housing units, including multifamily and condo units. This impact is based on the square footage, number of bedrooms, or trips generated by the housing unit, allowing for a proportionally lower impact fee for smaller units.

1.4 UPDATE DEVELOPMENT REGULATIONS IN THE GATEWAY AND NEIGHBORHOOD MIXED USE LAND USE AREAS.

Action Type: Regulatory change

Goal: Investing in centers

Staff Capacity: Medium

The Comprehensive Plan identifies these areas as important locations for accommodating future residential growth. Amending these regulations to better support a range of housing types and affordability levels would expand housing options near transit and amenities, advancing the City's long-term strategy of focusing density in mixed-use centers.

COMP PLAN POLICIES

- ◆ **HO-1.2:** Update zoning standards to support diverse housing types
- ◆ **HO-5.1:** Support equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2024 Comprehensive Plan established these new mixed-use land designations: the Gateway land use area is currently the Freeway/ Tourist zone, and the Neighborhood Mixed Use land use areas are primarily zoned as Commercial Business. The City is currently updating the zoning in these areas, with plans for adoption by 2026.



1.5 PROVIDE EDUCATIONAL MATERIALS ON THE DEVELOPMENT PROCESS AND REQUIREMENTS.

Action Type: Technical assistance

Goal: Housing production

Staff Capacity: Medium

Providing educational materials on the development process would give residents and developers clearer guidance on how to navigate the City's development requirements. Accessible information could help homeowners and small-scale developers understand requirements upfront, reduce uncertainty, and avoid delays or added costs during permitting and construction, supporting more successful housing projects in the community.

COMP PLAN POLICIES

- ◆ **HO-1.6:** Support conversion of homes to middle housing
- ◆ **HO-2.1:** Provide resources on regulations and permitting
- ◆ **HO-2.2:** Coordinate with regional partners on informational materials

CURRENT POLICY & IMMEDIATE NEXT STEPS

Submittal checklists for different types of land use and building permits are available but are not yet updated to reflect the 2025 residential code updates (see Action 0.3). The City is currently updating these checklists and creating additional guidance for development.

ADDITIONAL CONTEXT

Community engagement: Both development professionals and residents, particularly those without much development experience, shared that additional guidance or resources would be helpful for navigating City requirements. As the City updates its code, developers shared that continuing to provide clear explanations and requirements would help save time and money in permitting, increasing development feasibility.



2. Near-Term Actions

2.1 REVIEW AND UPDATE SUBAREA PLANS TO ALIGN WITH AND SUPPORT THE CITY'S HOUSING GOALS.

Action Type: PlanningGoal: Invest in centersStaff Capacity: Medium

Establishing or updating subarea plans in alignment with the Comprehensive Plan would ensure they align with the City’s housing goals and provide guidance for future zoning updates and investments. Without specific subarea plans, implementation of the Comprehensive Plan land use vision is limited to citywide policies and zoning, which may not capture the unique opportunities or challenges of each neighborhood.

COMP PLAN POLICIES

- HO-1.1: Accommodate 2044 population target
- HO-5.4: Facilitating housing opportunities near amenities

CURRENT POLICY

The 2024 Comprehensive Plan identified six subareas, establishing boundaries and intended land uses for each. Currently, the Gateway, Cascade View, Cedar Terrace, and Lake Ballinger subareas do not yet have specific subarea plans. Previous subarea plans for the Town Center (2019) and Melody Hill (2006) subareas may also need updates to reflect the new framework.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to begin reviewing individual subarea plans in 2026.

2.2 REVIEW TOWN CENTER ZONING AND DESIGN STANDARDS AND MAKE ADJUSTMENTS AS NEEDED TO SUPPORT DEVELOPMENT.

Action Type: Regulatory changeGoal: Invest in centersStaff Capacity: Medium

Reviewing Town Center zoning and design standards alongside development outcomes can help the City evaluate how well existing policies support the desired outcomes and make adjustments that reflect new opportunities created by Light Rail service, changing community needs, and ongoing investment.

COMP PLAN POLICIES

- HO-5.4: Facilitate housing opportunities near amenities

CURRENT POLICY

The Town Center subarea plan and regulations were last updated in 2019 to prepare for the Light Rail station, focusing on encouraging transit-oriented development, updating dimensional standards, and improving pedestrian connections in the station area.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to update the Town Center development regulations in 2026.



2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured homes as a source of affordable housing.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Support alternative access to homeownership
- ♦ **HO-4.1:** Mitigate displacement risk
- ♦ **HO-4.2:** Preserve affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- ♦ **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- ♦ **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged



from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



2.4 UPDATE PERMITTED USE TABLES TO ALLOW PERMANENT SUPPORTIVE HOUSING AND EMERGENCY HOUSING TO COMPLY WITH STATE LEGISLATIVE REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

The Growth Management Act requires cities to plan for permanent supportive housing and emergency housing targets, in part by allowing these housing types in designated zones. However, Mountlake Terrace's code does not currently list permanent supportive housing, transitional housing, or most forms of emergency housing in its permitted use tables.

COMP PLAN POLICIES

- ♦ **HO-3.1:** Support permanent supportive housing
- ♦ **HO-3.3:** Reduce barriers to emergency housing and shelters
- ♦ **HO-3.4:** Provide opportunities for special housing types

CURRENT POLICY

According to the Comprehensive Plan, Mountlake Terrace currently has no permanent supportive housing units or emergency housing units. To meet its 2044 housing targets, the City will need to plan for 764 permanent supportive housing units and 475 emergency housing units.⁶

Permanent supportive housing is not currently listed in the City's permitted uses tables; the closest equivalents are residential care facilities, group home institutions, and youth shelters. Emergency housing and shelters are also not listed in the City's permitted use tables, except for youth shelters, which are listed as conditional uses in residential zones.

IMPLEMENTATION CONSIDERATIONS

Update the City's permitted use tables to comply with state legislation by explicitly allowing emergency housing, emergency shelter, permanent supportive housing, and transitional housing in any zones where hotels are permitted, and by also allowing permanent supportive housing and transitional housing in any zones where residential dwelling units are permitted.

ADDITIONAL CONTEXT

Relevant legislation: Per [RCW 35.21.683](#) and [RCW 35A.21.430](#), city code must allow permanent supportive and transitional housing in any zones in which residential dwelling units or hotels are allowed, including traditional single-family detached housing zones. Cities may also not prohibit indoor emergency shelters and indoor emergency housing in any zones where hotels are permitted. Even if a jurisdiction does not permit hotels in any zone, it must still allow the siting of a sufficient number of indoor emergency shelter beds and/or emergency housing units to meet its 2044 housing targets.

⁶ Mountlake Terrace Vision 2044 Comprehensive Plan, page 395.



2.5 CLARIFY APPLICABLE REGULATIONS AND ENSURE CONSISTENT DEFINITIONS FOR SMALL AND ALTERNATIVE HOUSING TYPES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Accessory dwelling units and tiny homes can provide housing that often meets the needs of multigenerational households, young adults, and seniors. Clear and consistent definitions for small and alternative housing types, such as tiny homes, modular units, manufactured homes, and ADUs, will help residents, builders, and staff understand what is permitted and under what conditions. Clarifying requirements can encourage innovation in small-scale housing by supporting the development of creative, lower-cost housing options, which is especially important as new construction methods and housing models emerge that may not fit neatly into existing zoning or building code categories.

COMP PLAN POLICIES

- ♦ **HO-1.3:** Encourage innovative housing types
- ♦ **HO-1.6:** Support conversion of homes to middle housing
- ♦ **HO-1.7:** Support alternative access to homeownership

CURRENT POLICY

Tiny homes, modular housing, manufactured homes, and mobile homes fall under different state and federal regulatory frameworks depending on how they are constructed and placed. Currently, Mountlake Terrace code Chapter 19.15 Definitions defines "manufactured home", "factory-built/modular housing" and "accessory structure", and Chapter 15.30 Mobile Homes defines "mobile home". However, definitions could be updated to align zoning and building regulations, clearly distinguish between types, and ensure these definitions are reflected in the permitted use tables.

IMPLEMENTATION CONSIDERATIONS

Review zoning and building code provisions for tiny homes, modular housing, manufactured homes, and ADUs to identify gaps and inconsistencies. Following review, update code definitions to align with zoning and building regulations, clearly distinguish between movable units, modular homes on permanent foundations, and recreational vehicles, and ensure these definitions are reflected in the permitted use tables.



2.6 ADOPT BUILDING CODE AMENDMENTS TO REDUCE BARRIERS TO HOME REPAIR AND REHABILITATION.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Many buildings in Mountlake Terrace, particularly those that are older and in the most need of repair, have relatively low assessed values. Because the building code requires full compliance with modern standards when repairs exceed 50 percent of a building’s assessed value, even modest projects can cross the threshold. This can make essential repairs financially infeasible for property owners, discouraging reinvestment and leaving older homes vulnerable to continued deterioration or loss.

COMP PLAN POLICIES

- ◆ **HO-4.1:** Mitigate displacement risk
- ◆ **HO-4.2:** Preserve low-income housing

CURRENT POLICY

Per the City’s building code section §15.05.070(C), any building that has additions, alterations, or repairs that exceed 50 percent of the assessed building value over a certain time period must be fully updated to comply with the life safety requirements of new buildings.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions to balance the feasibility of repairs with health and safety protections. This could include developing alternatives to the current 50 percent rule, such as raising the threshold or capping required life-safety upgrades at no more than 10 percent of the total project costs. The City could also consider exempting certain project types from full code compliance, such as repairs to manufactured or mobile homes, energy-efficiency upgrades, accessibility improvements, weatherization projects, or health and safety repairs that do not involve expanding building size or changing occupancy.

ADDITIONAL CONTEXT

Local data: According to the Comprehensive Plan, just over half (52%) of Mountlake Terrace’s housing was built before 1970, compared to less than a quarter (22%) of the housing in Snohomish County overall.⁷ As the City’s housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

EXAMPLE

- » **Seattle, WA:** In September 2025, Seattle updated its building code (Ordinance 127299) to help reactivate vacant storefronts by amending its substantial alterations threshold, which requires full building upgrades to meet current fire or life safety standards. These updates include exempting buildings of less than 7,000 square feet from these requirements.

⁷ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



2.7 MONITOR, SUPPORT, AND ADOPT FUTURE WASHINGTON BUILDING CODE AMENDMENTS THAT COULD SUPPORT MORE EFFECTIVE BUILDING PRACTICES.

Action Type: Regulatory change

Goal: Housing production

Staff Capacity: Low

Monitoring and considering the adoption of future state building code amendments passed by the State Building Code Council (SBCC) can help ensure that local building regulations support innovation, reduce unnecessary barriers, and align with the City's land use regulations. In particular, the SBCC is currently considering updates that could increase the feasibility of middle housing, which could pair with the City's recent land use and permitting updates to support its housing diversity goals.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encourage innovative housing types
- ◆ **HO-1.5:** Implement incentives for housing production at all income levels.
- ◆ **HO-5.3:** Support diverse infill housing

CURRENT POLICY

In Washington, the SBCC updates and modifies the State Building Code, which is based on international building codes. The code is revised every three years, and the legislature can direct the SBCC to add additional amendments. After the SBCC adopts a new code provision or optional amendment, local jurisdictions must adopt it through an ordinance for it to be effective locally. If local jurisdictions adopt alternatives to the state code, the local building codes must meet or exceed state code requirements.

IMPLEMENTATION CONSIDERATIONS

Monitor updates from the SBCC and proactively align local ordinances with new state code provisions, including the upcoming code adoptions in July and November 2026. Once the SBCC formally adopts these new code provisions, review the adopted text and draft an ordinance for City Council public hearing and adoption.

The City should continue tracking future SBCC amendments that support innovative, cost-effective, and efficient building practices, and revise local regulations as needed to meet or exceed state standards.

ADDITIONAL CONTEXT

Relevant legislation: Currently, the SBCC is considering updated building code amendments that could improve the feasibility of middle housing. In 2023, Senate Bill 5491 directed the SBCC to convene a technical advisory group (TAG) to recommend amendments to the Washington building code. These amendments would allow multifamily structures up to six stories to be served by a single exit stairway, with the goal of adoption by the SBCC by July 2026. In 2024, House Bill 2071 also directed the SBCC to form a TAG to recommend how to apply the Washington State Residential Code to multiplex housing up to six units, with the goal of adoption by November 2026.



2.8 SIMPLIFY THE PERMITTING PROCESS FOR MIDDLE HOUSING TO BE MORE INTUITIVE FOR HOMEOWNERS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Homeowners and small-scale builders can encounter barriers when navigating the permitting process for middle housing. Simplifying review procedures and providing clearer guidance can reduce costs, shorten timelines, and make it easier for residents to build small-scale housing types.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implement incentives for housing production at all income levels.
- ♦ **HO-2.1:** Provide resources on regulations and permitting

CURRENT POLICY

Currently, certain housing types, including single detached units (SDUs), duplexes, and ADUs, are reviewed through a building-permit-only process. Other small residential projects with fewer than 10 units require a Type A Ministerial land use permit procedure, and projects with at least 10 units require a Type C Quasi-judicial land use permit procedure.

IMPLEMENTATION CONSIDERATIONS

The City could evaluate opportunities to simplify middle housing permitting by expanding the use of a building-permit-only process for small-scale projects, similar to what is currently used for SDUs, duplexes, and ADUs (see Action 1.2). This could include consolidating review steps, limiting land use procedures, and clarifying which middle housing types qualify for ministerial review.

ADDITIONAL CONTEXT

Community engagement: Interviewed developers emphasized the importance of fast and predictable permitting for development feasibility.

EXAMPLES

- » **Seattle, WA:** The City launched citywide permitting reform via the introduction of PACT (Permitting and Customer Trust Team). This team ensures that permits are completed within no more than two review cycles, provided basic safety/zoning conditions are met. They also make sure that there are no new corrections or interpretations post-initial approval, unless they involve life-safety concerns. This initiative aims to cut housing review times by approximately 50%.



2.9 SIMPLIFY THE PERMIT REVIEW PROCESS FOR PROJECTS WITH INCOME-RESTRICTED HOUSING UNITS.

Action Type: Regulatory change

Goal: Affordable units

Staff Capacity: Low

By streamlining the permit review process, the City can make approvals for income-restricted housing more efficient and predictable. This could help developers stay on schedule, meet funding and construction deadlines, and deliver affordable housing more quickly.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implement incentives for housing production at all income levels.
- ◆ **HO-4.1:** Mitigate displacement risk

CURRENT POLICY

Permitting procedure types are defined in Chapter 18.05. Currently, there is no difference in permitting procedures between income-restricted and market-rate housing. Development projects under ten units must follow a Type A ministerial procedure, while projects with ten units or more must follow a Type C quasi-judicial procedure, including a public hearing.

IMPLEMENTATION CONSIDERATIONS

The City could revise Chapter 18.05 to allow projects that include a qualifying share of income-restricted housing units to follow a simpler permitting process. For example, projects that reserve a certain portion of units for very low-income households (earning 50% or less of the area median income) could be eligible for a Type A land use decision, regardless of the total number of units.

ANALYSIS FINDINGS

Local data: During community engagement, residents emphasized the need for more affordable housing in the City. Nearly half of Mountlake Terrace renters (43%) are cost-burdened, and roughly a third (34%) are very low-income. To support its projected 2044 population, the City will need to add approximately 2,500 units affordable to households earning 50% of the AMI and below.

EXAMPLES

- » **Tacoma, WA:** Projects that provide 10 or more total housing units with 20% of the units reserved as affordable can join the Tacoma Affordable Housing Permit Program to receive priority review. Eligible projects are fast-tracked for site development and building permits, with a designated Affordable Housing Project Coordinator who helps coordinate review. Fee waivers are also available for nonprofit-led affordable housing projects.
- » **Kenmore, WA:** The Kenmore Affordable Housing Special Permit Review Process offers an expedited review process for development projects of any size that include housing affordable to low-income or very-low-income households ([Ord. 21-0521](#)).



2.10 OFFER A PROPERTY TAX EXEMPTION FOR ADUS RENTED TO LOW-INCOME HOUSEHOLDS.

Action Type: Financial Incentive

Goal: Affordable units

Staff Capacity: High

Even when homeowners are interested in offering affordable rentals, development costs can make projects financially challenging and discourage the creation of ADUs that serve lower-income residents. A property tax exemption for ADUs rented to low-income households could both reduce barriers for homeowners and increase the availability of affordable ADUs.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implement incentives for housing production at all income levels.
- ◆ **HO-1.6:** Develop processes to convert homes to middle housing.

CURRENT POLICY

The City does not currently have any property tax incentive options associated with ADUs.

IMPLEMENTATION CONSIDERATIONS

To implement the ADU property tax exemption under SB 5529, the City would need to adopt an ordinance opting into the program and defining local standards, such as rent limits and minimum lease terms. The City would also need to coordinate with the Snohomish County Assessor to manage applications and reporting. Additionally, it would need to establish an approach to managing program compliance, such as working with a partner organization or establishing relationships with property management companies to screen and income-qualify applicants. To encourage participation, the City could provide educational materials to help homeowners understand program requirements and criteria.

ADDITIONAL CONTEXT

Community engagement: Residents expressed enthusiasm for ADUs as a tool to increase homeowners' revenue and as an opportunity to add more attainable housing in the City.

Relevant legislation: Senate Bill 5529 (2025) created an optional exemption that allows cities to waive property taxes on the assessed value of detached ADU improvements when they are rented at or below 60% of AMI.



3. Mid-Term Actions

3.1 WAIVE OR REDUCE IMPACT FEES FOR AFFORDABLE HOUSING.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Low

By lowering upfront development costs, impact-fee reductions or exemptions can help fill the financing gap that often makes affordable housing infeasible to build.

COMP PLAN POLICIES

- ◆ **HO-4.1:** Mitigate displacement risk

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently offer impact fee exemptions or reductions for any type of residential development, but does offer them for low-income childcare facilities. The City could start by reviewing its existing residential impact fee structure, assessing the fiscal implications of providing full or partial waivers for affordable housing developments, and coordinating with relevant departments to evaluate potential revenue impacts.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to reduce or waive impact fees for affordable housing.

3.2 OFFER DENSITY BONUSES FOR INCOME-RESTRICTED HOUSING IN THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Regulatory change

Goal: Invest in centers

Staff Capacity: Low

In Gateway and Neighborhood Mixed Use zones, where the Comprehensive Plan envisions new housing and mixed-use development near transit and services, density bonuses could help encourage affordable housing production in high-amenity areas. By increasing the number of affordable units, the City can support more equitable access to these amenities.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implement incentives for housing production at all incomes
- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.4:** Facilitate housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently does not offer density bonuses tied to affordable housing in Gateway or Neighborhood Mixed Use zones. Following the completion of the zoning update in these zones (see Action 1.4), staff should monitor development patterns and any feedback from developers interested in developing affordable units. Building on this information, staff should work with the Planning Commission and the City Council to calibrate a potential bonus with City goals and current market conditions. If the City is interested in offering MFTE in these zones, aligning this bonus with MFTE program requirements could create an additional incentive to participate.



3.3 EXPAND TENANT PROTECTION STRATEGIES TO REDUCE THE RISK OF DISPLACEMENT AND HOUSING INSTABILITY FOR RENTERS.

Action Type: Technical Assistance

Goal: Invest in centers

Staff Capacity: Medium

Mountlake Terrace renters can face financial pressures and displacement risk from rising costs, rent increases, multifamily apartment fees, limited affordable options, and redevelopment. While state law provides baseline protections, such as just-cause eviction and relocation assistance for manufactured home park closures, cities can also adopt local strategies to address community needs.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigate displacement risk
- ♦ **HO-4.3:** Promote the Rental Housing Safety Inspection Program
- ♦ **HO-4.4:** Retain existing residents

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently offers the Rental Housing Safety Inspection program. For additional tenant protections, the City could pursue a phased approach, beginning with more accessible steps and gradually building toward stronger protections. These protections could include:

- ♦ **Tenant information and outreach:** Advertising City, County, and state tenant resources and statutes on the City's website, including the Rental Safety Inspection Program.
- ♦ **Relocation assistance:** Adopting a relocation assistance ordinance for tenants displaced by redevelopment or substantial rehabilitation.
- ♦ **Tenant organizing protections:** Adopting a local ordinance protecting tenant organizing to ensure renters can advocate for their rights without retaliation.
- ♦ **Phasing development:** Exploring opportunities for development agreements that phase development to minimize resident displacement.
- ♦ **Junk fees:** Adopt a local ordinance to prohibit or limit certain fees, such as lease signing fees, lease renewal fees, pet screening fees, monthly pest control fees, convenience or service fees for paying rent and/or utilities, valet garbage fees, and inspection fees.

ADDITIONAL CONTEXT

Community engagement: At the Community Workshop, there was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing.

EXAMPLES

- » **Woodinville, WA:** The City of Woodinville extended the notice period to 120 days for rent increases greater than 3% and 180 days for increases greater than 10% (Ord. 8.16.030).
- » **Olympia, WA:** The City of Olympia passed a set of renter protections including a requirement for landlords to provide relocation assistance equal to two and a half months rent if rent increases more than 7% within one year or if tenants must move due to habitability concerns (Ord. 5.82.040).



» **Tacoma, WA:** The City of Tacoma also passed a ballot initiative that lowers the cap on late fees from \$75 to \$10 and prohibits move-in fees that exceed the first month's rent (Ord. 1.100.040).

3.4 ADOPT A 12-YEAR MFTE PROGRAM IN R-2 FOR PROJECTS USING THE RESIDENTIAL AFFORDABILITY PROGRAM DENSITY BONUS.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Under current market conditions, six-unit projects using the Residential Affordability Program density bonus are less financially viable than four-unit projects permitted by right. Combining this density bonus with a Multifamily Tax Exemption (MFTE) program could make these six-unit projects more feasible than four-unit projects. While townhomes and duplexes are still likely to be the most common middle housing types in R-2, MFTE could encourage developers to participate in the program.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implement incentives for housing production at all incomes
- ♦ **HO-5.1:** Support equitable access to varied neighborhoods
- ♦ **HO-5.2:** Promote workforce housing
- ♦ **HO-5.3:** Support diverse infill housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mountlake Terrace currently offers an MFTE program only in the Town Center, where rental units must be affordable at 80% AMI or below. In the R-2 zone, property owners may build up to four units by right, or up to six units if they provide affordable housing through the City's Residential Affordability Program, which requires income-restricted rental units to be affordable to households earning 60% of the AMI.

The City should consider eligibility criteria for the program, and align requirements with the Residential Affordability Program, including depth of affordability (60% AMI for rentals) and number of required units (five or six, with one or two being affordable).

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ♦ **Tax exemption impact on development feasibility:** Under current market conditions, for-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in the R-2 zone. Additionally, under current market conditions, sixplexes with two bonus affordable units are less financially feasible than fourplexes (allowed by right in R-2). While still less feasible than duplexes or townhomes, sixplexes using the 12-year MFTE program (with 20% of units at 60% of the AMI) are more feasible than fourplexes, creating an incentive to add units.
- ♦ **Tax exemption impact on City revenues:** Among the housing types allowed in R-2, a sixplex not using MFTE would generate the highest revenue from property taxes and sales tax on construction over 20 years. However, after accounting for utility and sales tax revenues associated with additional households, sixplexes built with MFTE could still produce more revenue than other middle housing options, even with the tax exemption.



» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.5 ADOPT AN 8-YEAR MFTE PROGRAM IN R-3 FOR STACKS WITH AT LEAST TEN UNITS TO INCENTIVIZE ACCESSIBLE UNITS.

Action Type: Financial incentive

Goal: Special needs housing

Staff Capacity: Medium

Stacked multiplex developments are required to set aside a certain share of units as accessible under the building code. However, without additional incentives, side-by-side development (such as townhomes) will generally be more feasible than stacked units. While townhomes would likely be more feasible than stacks, MFTE would still increase stacks' feasibility and offer an incentive.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implement incentives for housing production at all incomes
- ◆ **HO-3.5:** Incentivize accessible housing units
- ◆ **HO-5.1:** Support equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

For multifamily buildings with elevators, the Washington State Building Code requires 5% of units to be Type A accessible in buildings with more than ten dwellings and all units to be Type B accessible in buildings with more than four dwellings. For multifamily buildings without elevators, these requirements apply only to ground-floor units. These requirements do not apply to multistory units, such as townhomes.

The City should consider eligibility criteria for the program and set requirements to maximize accessible units in participating buildings. To ensure buildings include Type A accessible units, the City could limit eligibility to buildings with more than ten units or set a program requirement that all participating buildings must include a certain share of Type A units.

ADDITIONAL CONTEXT

Local data: There is likely demand for accessible units in the City: a quarter (26 percent) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.
- ◆ **Tax exemption impact on City revenues:** As previously noted, townhomes would likely generate the highest revenue over 20 years. Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would generate roughly \$47,000 less revenue for the City over 20 years. If the same multiplex prototype uses the 8-year MFTE program, it will generate roughly \$73,000 less than the townhome prototype over the 20 years, or \$12,200 per accessible unit.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.6 ADOPT A 12-YEAR MFTE PROGRAM IN R-3 IN ALIGNMENT WITH THE RESIDENTIAL AFFORDABILITY PROGRAM.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

While townhomes would likely still be more feasible than stacked development, offering MFTE would increase the feasibility of stacks. In addition to the income-restricted units required for the 12-year program, stacks also tend to have smaller units than other forms of middle housing, often resulting in lower overall prices.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implement incentives for housing production at all incomes
- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promote workforce housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

In the R-3 zone, the number of units allowed by right is primarily determined by floor area ratio (FAR). All buildings with at least six units are limited to an FAR of 1.4, with a bonus FAR of 0.5 for stacks. For projects opting into the Residential Affordability Program, buildings may have an FAR of 2.4 if at least 20% of units are affordable at 60% AMI (for rentals) for 50 years.

The City should consider eligibility criteria for the program and align requirements with the Residential Affordability program. The City could also consider combining this 12-year program with additional accessibility requirements (see Action 3.5).

ANALYSIS FINDINGS

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered. However, both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) would improve development feasibility for stacked development, with a greater increase from the 12-year program.
- ◆ **Tax exemption impact on City revenues:** If stacked development used the Residential Affordability Program density bonus to include additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). In the fiscal analysis, the multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit, when compared to the 12-unit townhome prototype.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.7 EXPAND THE 12-YEAR TOWN CENTER MFTE PROGRAM TO THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Financial incentive

Goal: Invest in centers

Staff Capacity: Medium

The updated mixed-use land use areas will provide more opportunities for residential development at higher densities. However, feasibility analysis suggests that under current market conditions, multifamily and mixed-use development may be infeasible in these areas without additional incentives.

COMP PLAN POLICIES

- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing
- ◆ **HO-5.4:** Facilitate housing opportunities in high amenity areas

CURRENT POLICY & IMMEDIATE NEXT STEPS

In 2022, the City Council re-established the City's MFTE program, adopting both an 8-year and a 12-year program (20% of units at 80% AMI) in the Town Center subarea. To date, five projects have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects. In 2024, the Council authorized an optional 12-year extension for projects using the 12-year program.

The City should consider eligibility criteria for the potential program expansion, including the expanded target area, number and depth of affordable units, and any additional requirements for public benefits or considerations for development in these zones.

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, development could be feasible with an 8-year or 12-year MFTE program, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.
- ◆ **Tax exemption impact on City revenues:** If the podium development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over 20 years, after accounting for additional revenues such as construction and resident sales taxes, utility taxes, and shared state revenues. Because the Gateway and Neighborhood Mixed Use zones currently have fewer amenities than the Town Center zone, additional incentives may be needed in these zones to catalyze development.



» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).

3.8 CONTINUE OFFERING MFTE IN TOWN CENTER, BUT CONSIDER PHASING OUT THE 8-YEAR OPTION.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Feasibility analysis suggests that the 8-year and 12-year programs (at 80% AMI) have an equivalent effect on feasibility, and focusing incentives on the 12-year program could help the City strengthen the incentive for affordable housing in Town Center. However, there are tradeoffs for both programs that the City should consider.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Support equitable access to varied neighborhoods
- ♦ **HO-5.2:** Promote workforce housing
- ♦ **HO-5.4:** Facilitate housing opportunities in high amenity areas

CURRENT POLICY & IMMEDIATE NEXT STEPS

To date, five projects in Town Center have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects.

The City should consider the tradeoffs of both the 8-year and 12-year programs in the context of its policy goals. While the 8-year and 12-year programs have a similar impact on project feasibility, the 12-year program would generate less revenue for the City than the 8-year program. However, the 12-year program would include 20% affordable units. Current affordable units (at 80% AMI) are similar to current market rate rents but could limit rent increases for those units as market rents rise.

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ♦ **Affordable and market-rate rents:** For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.
- ♦ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, the 8-year and 12-year MFTE programs have a similar positive impact on feasibility, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but it could be less of an incentive than the 8-year program.
- ♦ **Tax exemption impact on City revenues:** In the fiscal analysis, the City's revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the program's duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.



» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings.](#)



4. Long-Term Actions

4.1 ENCOURAGE ANY AFFORDABLE HOMEOWNERSHIP UNITS TO BE STEWARDED BY A COMMUNITY LAND TRUST (CLT).

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Medium

Market-rate developers are generally not structured to manage the long-term administrative requirements of income-restricted homeownership. Partnering with a Community Land Trust (CLT) ensures these homes remain affordable for future buyers by providing ongoing stewardship, compliance monitoring, and homeowner support.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Support alternative access to homeownership
- ♦ **HO-2.3:** Pursue partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There are not currently any income-restricted homeownership units in the City. Additionally, administering income-restricted homeownership programs requires long-term monitoring, compliance, and stewardship to ensure that affordability is maintained across resales. Developers are unlikely to take this on once they sell the unit, and this administration can take significant City staff time. However, if the units are not managed correctly, they can risk losing their affordability covenant.

The City could reach out to CLTs in the broader region to explore opportunities to develop or acquire housing units in Mountlake Terrace (see Action 5.5). Because residents, staff, elected officials, and other stakeholders may be unfamiliar with how CLTs work, the City could invite CLT representatives to present on their model, stewardship approach, and partnership opportunities. The City could also connect developers open to developing affordable homeownership units with any interested CLTs.

ANALYSIS FINDINGS

Local data: Homeownership is increasingly out of reach for many residents. The median home sales price in Mountlake Terrace more than tripled from 2012 to 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.⁸

Community engagement: Market-rate developers shared that they are unlikely to develop income-restricted homeownership units, even with incentives like MFTE, due to the added complexity of financing and administering the units.

⁸ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.



4.2 TRANSFER OR LONG-TERM LEASE CITY REAL-ESTATE HOLDINGS TO A MISSION-DRIVEN DEVELOPER.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: High

Removing the cost of land acquisition can make affordable housing significantly more feasible and strengthen mission-driven developers' competitiveness for public funding, since many state and federal programs prioritize applications with local contributions.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursue partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has not previously contributed land to a development project and does not currently have a process for evaluating properties or making land use decisions for them. To begin, the City could prepare a baseline inventory of City-owned parcels, including zoning, size, and existing uses, and consider if any parcels could be appropriate for future use.

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that providing land or publicly owned property can be an effective non-subsidy incentive, especially for producing deeply affordable housing. Because land costs are often one of the largest expenses in development, offering discounted or no-cost land can significantly reduce the total project cost to help make housing affordable for households earning below 30% AMI financially feasible.

4.3 STRATEGICALLY TARGET PUBLIC INVESTMENTS TO ADD AMENITIES AND ATTRACT DEVELOPMENT.

Action Type: Financial incentive

Goal: Invest in centers

Staff Capacity: High

Public investments in amenities and infrastructure, such as sidewalks, parks, and utility upgrades, can reduce development barriers and make key areas more attractive for housing. By focusing these investments in the priority growth areas identified in Vision 2044, the City can maximize the impact of its resources and help attract housing development near transit and amenities.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Support equitable access to varied neighborhoods
- ♦ **HO-5.4:** Facilitate housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City invests in infrastructure and amenities primarily through its Capital Improvement Program (CIP) and transportation plans, which prioritize projects based on safety, capacity, and maintenance needs. While priority projects support health and safety, the City could add scoring criteria to account for a project's potential impact on development in Gateway, Neighborhood Mixed Use, or other planned growth areas. The City could begin this process during the upcoming updates to its Water, Sewer, Stormwater, and Transportation Plans.



4.4 PURSUE FUNDING FOR INFRASTRUCTURE IMPROVEMENTS THAT COULD ENABLE AT-RISK AFFORDABLE HOUSING PRESERVATION.

Action Type: Partnership

Goal: Anti-displacement

Staff Capacity: High

Many of Mountlake Terrace’s affordable homes are in older buildings or manufactured home communities with aging public infrastructure (such as sewer lines), and the investment needed to update these properties can make it financially infeasible for the Housing Authority of Snohomish County (HASCO) or other mission-driven organizations to acquire and preserve these properties.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigate displacement risk
- ♦ **HO-4.2:** Preserve affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County distributes funding to cities that could potentially cover infrastructure upgrades or repairs, such as Community Development Block Grants (CDBG); however, Mountlake Terrace has not previously received this funding for a project of this type.

The City could coordinate with HASCO to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 5.12). For selected sites, the City could pursue funding for infrastructure improvements from County-managed funding streams, like CDBG or HB 1509 sales tax revenues, while HASCO pursues acquisition financing (see Action 5.2).

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that aging infrastructure, including outdated sewer, water, and utility systems, can be a major barrier to preserving existing affordable housing in Mountlake Terrace. Many older multifamily and manufactured housing communities require substantial infrastructure investment before rehabilitation or acquisition can occur, making preservation projects financially infeasible without public support.



5. Ongoing Actions

5.1 CONTINUE PARTICIPATING IN REGIONAL HOUSING EFFORTS.

Action Type: Partnership

Goal: Housing production

Staff Capacity: Low

Participating in regional housing efforts, including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, can strengthen Mountlake Terrace's role in shaping housing policy and accessing shared resources. These forums provide opportunities to collaborate with neighboring jurisdictions, align on regional strategies, and advocate for local priorities. Active participation would also help the City stay informed about funding opportunities, legislative changes, and best practices.

COMP PLAN POLICIES

- ♦ **HO-2.2:** Coordinate with regional partners on informational materials
- ♦ **HO-2.3:** Pursue partnerships to support affordable housing
- ♦ **HO-4.5:** Build relationships for community development

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mayor Matsumoto-Wright currently represents the City at the Affordable Housing Alliance, and the City has representatives at Snohomish County Tomorrow. However, coordination could be improved to maximize advocacy potential by sharing information and upcoming opportunities with other representatives and relevant City department heads.

5.2 PROACTIVELY ENGAGE SNOHOMISH COUNTY TO CLARIFY PLANS FOR DISTRIBUTING AFFORDABLE HOUSING FUNDING SOURCES.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Medium

Snohomish County distributes funding from various sources to cities, including Mountlake Terrace. Proactively coordinating with the County to understand funding priorities and highlight local opportunities could help the City access resources to support both housing development and other needs, like infrastructure.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursue partnerships to support affordable housing
- ♦ **HO-4.5:** Build relationships for community development

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County Housing and Community Services Division (HCSD) collects and distributes funding to cities, including Mountlake Terrace, through an interlocal agreement, including CDBG, CoC, ESG, HOME, NSP, CHG, AHTF, and EHP funds. The County also has two affordable housing funding sources from sales taxes: in 2024, jurisdictions in Snohomish County collected \$2.18 million via HB1406 sales tax credits, and Snohomish County collected \$22 million via HB1509 sales tax credits. Since its adoption in 2021, the County has not yet begun to distribute the HB1509 funds, which totaled over \$60 million as of 2025. Mountlake Terrace could initiate coordination with HCSD to clarify timelines, eligibility criteria, and funding priorities. Because accessing these layered federal, state, county, and regional funding streams requires sustained coordination, the City could



also work with other South County jurisdictions to jointly identify priorities, share capacity, and pursue subregional opportunities.

5.3 SUPPORT PUBLIC FUNDING APPLICATIONS FOR AFFORDABLE HOUSING PROJECTS THAT ALIGN WITH CITY PRIORITIES.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Many public funding programs for affordable housing consider local government support as part of their evaluation criteria. Providing a letter of support and committing to helping remove local development barriers can signal project readiness and improve the competitiveness of funding applications.

COMP PLAN POLICIES

- ◆ **HO-2.3:** Pursue partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently have a formal policy or mechanism for supporting publicly funded projects, though it has relationships with affordable housing developers. The City could begin by establishing and maintaining regular communication with mission-driven housing developers to anticipate upcoming funding applications and support needs.

ADDITIONAL CONTEXT

Community engagement: Mission-driven developers shared that demonstrating City support can be a significant asset for funding applications.

5.4 SUPPORT AFFORDABLE HOUSING DEVELOPMENT ON PROPERTIES OWNED BY RELIGIOUS ORGANIZATIONS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Religious organizations are eligible for affordable housing density bonuses under state legislation and often own well-located properties with existing infrastructure that can support affordable housing development.

COMP PLAN POLICIES

- ◆ **HO-2.3:** Pursue partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There has been some development interest by religious organizations in Mountlake Terrace, but no projects have been completed to date. To begin, the City could reach out to faith-based organizations to gauge interest in affordable housing development and share relevant development incentives that might apply.

ADDITIONAL CONTEXT

Relevant legislation: Under RCW 36.70A.545, cities must allow density bonuses for affordable housing developments by religious organizations.



5.5 PARTNER WITH COMMUNITY LAND TRUSTS (CLTS) OR OTHER ORGANIZATIONS THAT SUPPORT ALTERNATIVE HOMEOWNERSHIP MODELS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

A community land trust (CLT) is a nonprofit organization that acquires and holds land for the long term to ensure that housing built on it remains permanently affordable, typically by separating land ownership from home ownership and limiting resale prices to keep units accessible to future income-qualified buyers. Building partnerships with CLTs could expand long-term affordable homeownership opportunities in the City while market home sales prices rise.

COMP PLAN POLICIES

- ◆ **HO-1.7:** Support alternative access to homeownership
- ◆ **HO-2.2:** Coordinate with regional partners on informational materials
- ◆ **HO-2.3:** Pursue partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, one CLT (Homes and Home Community Land Trust) is active in Snohomish County, but Mountlake Terrace does not currently have any projects engaged with a CLT.

The City could start by identifying active CLTs in the region and reaching out to explore opportunities and interest in expansion into Mountlake Terrace. Because residents, staff, elected officials, and other stakeholders may be unfamiliar with how CLTs work, the City could invite CLT representatives to present on their model, stewardship approach, and partnership opportunities. The City could also explore whether there are federal resources (such as the HUD Self-Help Homeownership Opportunity Program) or local funding sources (such as an affordable housing fund) that the City could support the CLT in applying for (see Action 5.3). The City could also consider selling or donating land to the CLT (see Action 4.2).

ANALYSIS FINDINGS

Community engagement: In community workshops, there was significant interest in models that ensure long-term affordability through community ownership. Residents referenced tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning.

EXAMPLES

- » **Chelan, WA:** The City of Chelan and Chelan County built a collaborative relationship with the Chelan Valley Housing Trust and provide \$20,000 yearly to fund the CVHT's operations.
- » **Port Angeles, WA:** The Olympic Housing Trust, located in Port Angeles, formed in 2008 in response to Port Angeles' need to revive and dispose of four vacant homes. OHT now partners with the City of Port Townsend and is building the Dundee Hill and Chimacum Commons projects.
- » **Winthrop, WA:** The Methow Valley Housing Trust partnered with the Housing Authority of Okanogan County on a new permanently affordable development with 40 homes and 22 rentals.



5.6 HOST REGULAR EDUCATIONAL COMMUNITY WORKSHOPS ABOUT DEVELOPMENT TO SHARE INFORMATION AND PROVIDE ASSISTANCE.

Action Type: Assistance

Goal: Housing production

Staff Capacity: Medium

Specific workshops could provide information on the development process, such as permit processes, building requirements, and financing. They could also offer space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.

COMP PLAN POLICIES

- ◆ **HO-2.1:** Provide resources on regulations and permitting
- ◆ **HO-2.2:** Coordinate with regional partners on informational materials

CURRENT POLICY & IMPLEMENTATION STEPS

The City already regularly hosts community events on a variety of issues. The City could plan to focus a certain number of these meetings on the development process and reach out to City staff and professionals with a range of expertise to present on specific topics.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that additional resources or information on topics across the development process would be helpful.

5.7 PROVIDE TECHNICAL ASSISTANCE FOR NAVIGATING PERMITTING PROCEDURES AND REQUIREMENTS.

Action Type: Assistance

Goal: Housing production

Staff Capacity: High

Permitting can be especially challenging for homeowners, small-scale builders, and nonprofit housing providers who may not be familiar with the City's processes. Offering guidance can make permitting more efficient and reduce barriers to development.

COMP PLAN POLICIES

- ◆ **HO-2.1:** Provide resources on regulations and permitting

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, residents can schedule a 30-minute in-person or virtual meeting with a City planner. As the City updates its development code, processes, and informational materials, it should continue to allocate staff time for training on current requirements and resources.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that assistance from City staff would help navigate City requirements. As the City updates its code, developers shared that staff availability could help save time and money in permitting, increasing development feasibility.



5.8 SUPPORT OPPORTUNITIES TO PURCHASE MANUFACTURED HOME COMMUNITIES.

Action Type: Assistance

Goal: Anti-displacement

Staff Capacity: Low

Helping residents and partners take advantage of purchase opportunities could help preserve an important source of naturally occurring affordable housing. Facilitating access to technical assistance, outreach, or partnerships would support community stability and reduce the risk of displacement when manufactured home parks are put up for sale.

COMP PLAN POLICIES

- ♦ **HO-2.2:** Coordinate with regional partners on informational materials
- ♦ **HO-2.3:** Pursue partnerships to support affordable housing
- ♦ **HO-4.2:** Preserve affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Recent state legislation requires owners to give notice of the opportunity to compete to purchase when selling a manufactured/mobile home community. Notice needs to be provided to each tenant, tenant organizations, the Department of Commerce, the City, HASCO, and the Washington State Housing Finance Commission. Following notice, tenants have 70 days to form a qualified tenant organization to purchase the community.

The City could plan to provide letters of support, connecting residents with nonprofit housing organizations such as ROC Northwest, or offering technical guidance. The City could also consider adopting stronger protections, such as tenant opportunity-to-purchase or right-of-first-refusal policies (see Action 3.3).

ANALYSIS FINDINGS

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁹

EXAMPLES

- » **Snohomish County:** In June 2024, 200 residents gathered for a forum to discuss rising rent, new rules and managerial conduct amidst the corporate acquisition of their mobile home parks. At this forum, several resource groups for manufactured-home owners were present to describe their work and the viability or non-viability of forming collective purchasing groups. For example, the Washington State Housing Finance Commission program and partnership with ROC (Resident Owned Community) Northwest and ROC USA offers financial tools and guidance for manufactured-housing communities to become self-owned cooperatives.

⁹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



5.9 ENFORCE MAINTENANCE OF INVESTMENT PROPERTIES TO DISINCENTIVIZE VACANT AND DETERIORATING BUILDINGS.

Action Type: Increase enforcement

Goal: Invest in centers

Staff Capacity: High

Some investors are purchasing older homes, delaying maintenance, and holding the properties in deteriorating condition while waiting for redevelopment value to increase, particularly in Town Center. When buildings fall into disrepair, it can discourage investment in nearby properties and lead to the loss of habitable housing. Strengthening code enforcement could discourage speculative disinvestment.

COMP PLAN POLICIES

- ◆ **HO-4.4** Retain existing residents
- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.4:** Facilitate housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has a property maintenance code that levies fees on deteriorating properties. To date, the City has only enforced this code for deteriorating commercial buildings in Town Center. The City should continue to facilitate code enforcement for vacant and deteriorating buildings, including residential development, that do not have active permits. The City should also ensure staff have the capacity and support to implement these efforts.

5.10 ADVOCATE FOR THE STATE LEGISLATURE TO EXPAND OPPORTUNITIES FOR HOME OWNERSHIP OF DIFFERENT HOUSING TYPES THROUGH THE CONDOMINIUM (CONDO) PROCESS.

Action Type: Advocacy

Goal: Housing diversity

Staff Capacity: Low

Condos can be one of the more attainable forms of homeownership for moderate-income households. However, Washington state legislative requirements for condo defect liability often impose barriers to their development. While the City cannot directly impact state legislators, it can provide public support for legislation addressing these barriers.

COMP PLAN POLICIES

- ◆ **HO-1.7:** Support alternative access to homeownership
- ◆ **HO-2.4:** Advocate for expanded homeownership opportunities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently provides public comment on proposed legislation annually. During future legislative cycles, relevant staff or representatives should coordinate with regional advocates or organizations to monitor for and formally support legislation that could reduce barriers to condominium development.

ADDITIONAL CONTEXT

Local data: Condos can be a more attainable form of homeownership. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, condo sales prices ranged from approximately \$300,000 to \$500,000.



5.11 MONITOR LAND CAPACITY AND DEVELOPMENT TRENDS, AND UPDATE DEVELOPMENT REGULATIONS IF NEEDED.

Action Type: Monitoring

Goal: Housing production

Staff Capacity: Low

Monitoring land capacity and development trends will ensure the City is on track to meet Vision 2044 housing targets. Tracking the outcomes of recent and future code changes will also help the City to be responsive and make any necessary changes to support development goals.

COMP PLAN POLICIES

- ◆ **HO-2.5:** Plan for housing needs at all income levels
- ◆ **HO-2.6:** Monitor and reporting on housing supply

CURRENT POLICY & IMMEDIATE NEXT STEPS

As a component of the Growth Management Act, the Buildable Lands program under RCW 36.70A.215 already requires Snohomish County and the cities within it to submit a report reviewing actual development and to determine that they have designated adequate amounts of residential, commercial, and industrial lands to meet the growth needs incorporated in their comprehensive plans.

5.12 MONITOR BOTH REGULATED AND NATURALLY OCCURRING AFFORDABLE HOUSING UNITS AT RISK FOR REDEVELOPMENT.

Action Type: Monitoring

Goal: Anti-displacement

Staff Capacity: Low

Identifying and monitoring both regulated and naturally occurring affordable housing units that are at risk of redevelopment could help the City take proactive steps to preserve these housing options. Tracking both regulated and unregulated units would allow the City to coordinate with property owners and housing partners and to take preservation or tenant-support actions.

COMP PLAN POLICIES

- ◆ **HO-2.5:** Plan for housing needs at all income levels
- ◆ **HO-2.6:** Monitor and reporting on housing supply
- ◆ **HO-4.2:** Preserve affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

PSRC maintains a database of income-restricted affordable housing; the City does not currently have a process for tracking regulated or unsubsidized affordable housing. To begin, the City could coordinate with HASCO and PSRC to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 4.4).

EXAMPLES

- » **Brooklyn Park, MN:** In 2017, the City established the Naturally Occurring Affordable Housing (NOAH) Preservation Program in 2017 to monitor older rental buildings that are still affordable but vulnerable. Working with data partners, the city regularly identifies aging buildings with below-market rents, tracks ownership changes, and proactively invests in preservation strategies.



» [Bellevue, WA](#): The City provides an Affordable Housing Inventory map that identifies affordable properties for prospective residents.



5.13 MAINTAIN ONGOING ENGAGEMENT WITH THE DEVELOPMENT COMMUNITY.

Action Type: Partnership

Goal: Housing production

Staff Capacity: Medium

City staff already maintain strong working relationships with developers and housing partners, regularly engaging them through pre-application meetings, permitting discussions, and project-specific outreach. These conversations provide valuable insight into feasibility, construction costs, and how policy changes interact with real development conditions. Planning Commissioners noted that sharing high-level themes from these interactions more consistently could help ensure that policy decisions benefit from the practical experience of the development community, including nonprofit and mission-driven partners.

COMP PLAN POLICIES

- ◆ **HO-2.2:** Coordinate with regional partners on informational materials
- ◆ **HO-2.3:** Pursue partnerships to support affordable housing
- ◆ **HO-4.5:** Build relationships for community development

CURRENT POLICY & IMMEDIATE NEXT STEPS

City staff regularly interact with developers during pre-application meetings and throughout the permitting process. In addition, most planning efforts led by the City or its consultants already include targeted stakeholder engagement, which typically involves developers, housing providers, and other industry professionals. However, there is not currently a consistent process for sharing developer feedback with the Planning Commission or City Council, and feedback can vary depending on which developers or stakeholders are involved.

Opportunities for facilitating and sharing feedback could include:

- ◆ Leverage existing touch points and provide periodic updates to the Planning Commission, summarizing recurring themes staff are hearing across permitting, pre-application meetings, and project-driven engagement.
- ◆ As staff or consultants conduct interviews, focus groups, or technical work with developers (e.g., feasibility studies, code updates, subarea plans), staff could request periodic engagement summaries and themes to share with the Planning Commission and City Council.
- ◆ Host regular roundtables, such as once or twice a year, aligned with other City outreach or planning milestones. The City could invite a mix of participants, including for-profit builders, nonprofit developers, HASCO, and other specialized partners, to both gather feedback from diverse perspectives and create networking opportunities.
- ◆ Make introductions between developers and community partners when staff become aware of aligned interests or opportunities for collaboration



4. Appendix A: Comprehensive Plan Sources

This HAP is intended to implement the Comprehensive Plan's Housing Element. In addition to the goals and policies, the project team also reviewed:

Housing Element Implementation Strategies: As part of the Housing Element, the City Council selected several priority policies to identify potential implementation steps for. In addition to considering these Council priorities, the project team evaluated and incorporated many of these implementation steps into HAP actions.

Comprehensive Plan Land Use Element: While the HAP focuses on implementing the Housing Element policies, it is also closely linked to the Land Use Element, which establishes where and how future growth can occur by designating densities and development patterns.

Comprehensive Plan Community Engagement: The vision outlined in the Comprehensive Plan reflects the community's priorities, gathered through extensive engagement and analysis throughout the comprehensive planning process. The Comprehensive Plan project team used various methods to engage the community, including open houses, public meetings, surveys, interviews, and targeted outreach to groups that may not have been fully represented in previous planning efforts. These groups included people of color impacted by discriminatory housing practices, individuals with disabilities, those experiencing cost burdens, and people with lived experience of homelessness. The Comprehensive Plan also incorporated input from the City Council, the Planning Commission, a Comprehensive Plan Advisory Group, city staff, and other community partners to create a shared vision and build consensus around the Plan's goals and policies.

» For a full description of community engagement in the comprehensive planning process, see Appendix A in the [Mountlake Terrace Comprehensive Plan](#).

Housing Element Background Analysis: In addition to community engagement, the Comprehensive Plan's Housing Element goals and policies are informed by supplemental analyses, including a housing needs assessment, a residential land capacity analysis, and a policy analysis of potentially racially disparate impacts.

» For the full Housing Element Background Analysis, see Appendix C in the [Mountlake Terrace Comprehensive Plan](#).



5. Appendix B: Community Engagement Summary

The Mountlake Terrace Housing Action Plan (HAP) approach combined broad-based community engagement with targeted stakeholder interviews to ensure that recommendations are both equitable and actionable. Together, these activities provided a comprehensive understanding of local housing needs, development challenges, and community priorities.

Key Themes from Community Workshop

The in-person community workshop, held at Mountlake Terrace City Hall from 6–8 PM, was designed as an open house to:

- ◆ Introduce the Housing Action Plan (HAP) and its objectives.
- ◆ Present alternative zoning amendment scenarios and assumptions.
- ◆ Collect community feedback on housing needs, challenges, and priorities.
- ◆ Ensure transparency in the code amendment and policy development process.

The event featured informational boards and visual displays, sticky-note comment activities, and provided free food, drinks, and childcare to encourage broader participation. Feedback themes from residents, developers, and advocates included:

High Interest in ADUs: Community members expressed strong support for allowing more accessory dwelling units (ADUs), including the possibility of permitting two ADUs per lot. Residents see ADUs as both a tool for expanding affordable housing options and a means of generating household income. However, some participants expressed frustration with existing regulations that they found overly complex and restrictive, particularly aesthetic design requirements that may be difficult to meet given Mountlake Terrace’s diverse housing stock. Several attendees brought their own ADU design plans to the workshop, emphasizing the depth of local interest and readiness.

Anti-Displacement Concerns: Many attendees raised concerns about rising housing costs and the potential for displacement of renters and low-income residents. There was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing. Participants also emphasized the importance of equitable development and ensuring that housing policies protect the most vulnerable members of the community.

Equity in Design Standards: There was significant interest in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning. These strategies were seen as essential for keeping housing affordable



and preventing speculation, with many attendees also calling for policies to limit investor ownership in residential neighborhoods.

Infrastructure Limitations: Participants questioned whether Mountlake Terrace's existing infrastructure could support additional housing development. Concerns were raised about the condition and capacity of older roads, stormwater systems, and public schools. While some welcomed growth, others expressed unease about the potential strain on local services and the risk of declining home values due to increased density.

Walkability and Amenities: Attendees shared a strong desire for neighborhoods that are walkable and close to key amenities such as grocery stores, libraries, parks, and transit. This feedback reflects a preference for compact, mixed-use development that supports everyday needs within walking distance. Walkability was viewed not only as a matter of convenience but also as a way to enhance livability and reduce reliance on cars.

Clarity and Transparency: Residents asked for clearer, more user-friendly development regulations, noting that current rules can be difficult to navigate. There was also a desire for greater transparency in how community input will shape zoning amendments and housing policy decisions. Some attendees expressed interest in learning from other jurisdictions that have successfully implemented similar housing strategies, suggesting that comparative examples could help build public understanding and trust.

Key Themes from Interviews

To complement community feedback with technical and implementation-oriented insight, the City and consultant team conducted a series of interviews with local developers, builders, and other real estate professionals. These conversations focused on zoning flexibility, design standards, financing barriers, and opportunities for regional coordination.

Zoning and Design Updates: Developers emphasized the need for flexible zoning, clear design standards, and a streamlined, transparent permitting process. Suggestions included higher lot coverage, expanded height flexibility, reduced setbacks, additional allowances (such as garage parking reductions, commercial space flexibility, ground-floor human/community services), and optional tree preservation. Developers also called for form-based codes and clearer language on yards, setbacks, and roof pitch.

Incentives: Developers recommended a variety of incentives to produce more diverse and affordable housing, including using Multifamily Tax Exemption tools, providing density bonuses, supporting condo conversions, offering pre-approved ADU plans, and providing letters of support for housing project grant applications with City commitments toward land use flexibility and fast-track permitting. Developers pointed to policies in Edmonds and Everett as models for implementing these recommendations.

Partnerships: Developers discussed potential partnership pathways for the City to support housing production. One interviewee suggested a countywide partnership to lobby for a ballot measure and to share regional revenues. Others mentioned participating in regional



organizations, such as the Alliance for Housing Affordability, which convenes all Snohomish County cities to provide research, technical assistance, and political space to support local housing action. Snohomish County Tomorrow also provides a formal venue to coordinate on housing targets and land use.

Advocacy: Developers also suggested that the City engage in state and county-level advocacy. For example, the City could lobby for policy changes such as condominium reform to enable small ownership models. At the county level, the City could monitor Snohomish County's allocation of \$20 million in HB 1590 funding and advocate for the county to invest some of those dollars in activities aligned with the City's goals.



6. Appendix C: Development Feasibility Analysis Findings

The project team tested the impact of the 8-year and 12-year MFTE program in three scenarios:

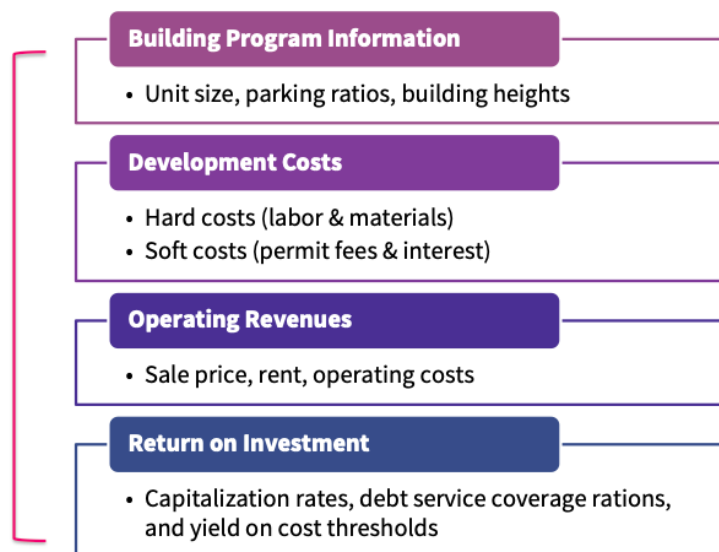
1. **Middle housing development in the R-2 zone**, including duplexes, townhomes, fourplexes, and sixplexes.
2. **Middle housing development in the R-3 zone**, including townhomes and multiplexes.
3. **Podium development in mixed-use zones**.

This analysis has two components: an assessment of the program's impact on development feasibility and the impact on City revenues.

Feasibility Analysis

To evaluate the financial viability of the proposed development prototypes, we used a range of inputs necessary for financial pro forma modeling (displayed on the right) to calculate the residual land value for each prototype.

Residual Land Value (RLV) is a strong indicator metric of the relative likelihood that development will occur for both rental and ownership products, demonstrating whether a developer can purchase land and whether there is a market incentive for investment. RLV is calculated as the remainder between a development's value and the cost it takes for development, as shown in the graphic below.



The value of a development project is projected somewhat differently for rental or ownership products. For rental properties, the value is reflected in its Net Operating Income (NOI), which is the property's annual rental income (from residential or commercial tenants), and any additional revenue after accounting for vacancy rates and operating costs (such as property management and maintenance). For ownership products, the value is the Net Sales Proceeds after broker fees.



Development costs are a combination of hard costs (like construction and labor for new construction) and soft costs (including impact fees, design, overhead expenses, and more). If the value of a development is higher than the total costs, this remainder is the RLV.

Feasibility Analysis Assumptions

ECO tested the impact of various MFTE program options across eight prototypical development types. A summary of development specifications for each prototype is shown in the table below.

Exhibit 4: Prototype Building Program Specifications

	Duplex	Town-homes (4)	Fourplex	Town-homes (6)	Sixplex	Market-rate stack	Stack w/ affordable units ¹⁰	Podium
Tenure	For-sale	For-sale	Rental	For-sale	Rental	Rental	Rental	Rental
Lot size (sf)	7,200	7,200	7,200	7,200	7,200	14,400	14,400	48,720
Units	2	4	4	6	6	12	15	240
Density (units/acre)	12	24	24	36	36	36	45	215
Floors	2	3	2	3	3	3	3	6
Parking ratio	2.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8
Average net unit size (sf)	1,900	1,550	975	1,150	900	900	700	1,000
Unit mix	100% 3-bedroom	100% 3-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	60% 1-bedrooms, 40% 2-bedrooms	10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms

Source: ECOnorthwest

Cost and revenue assumptions for each prototype are shown below.

Exhibit 5: Development Cost and Operating Revenue Assumptions

	Duplex	Townhomes (4)	Fourplex	Townhomes (6)	Sixplex	Market-rate stack	Stack w/ affordable units	Podium
Construction costs psf	\$189	\$255	\$251	\$255	\$252	\$242	\$234	\$251
Total costs psf	\$265	\$360	\$375	\$349	\$376	\$361	\$345	\$383
Annual rents psf	..	..	\$18	..	\$18	\$20	\$20	\$22
Sales price	\$837,000	\$748,000	..	\$616,000	..	..	..	..

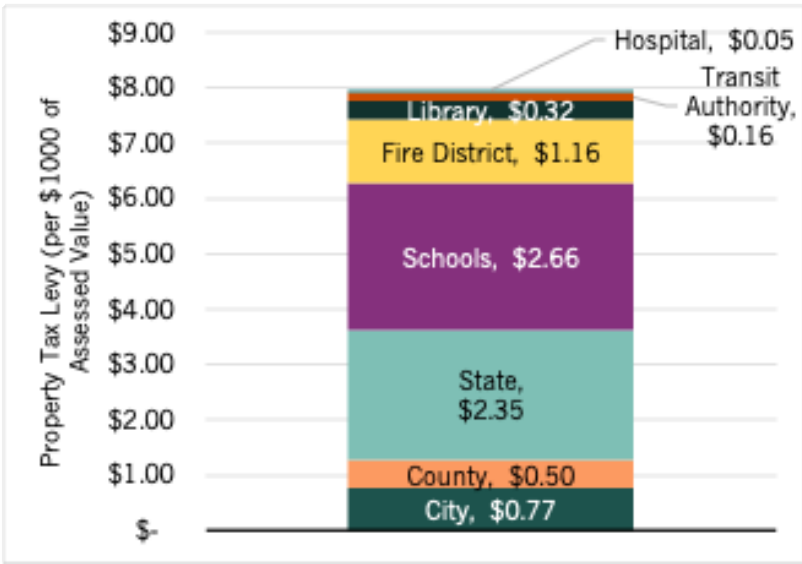
¹⁰ For the site and prototype modeled, the limiting factor for the number of units was the number of parking stalls that could fit on the site. While the site could fit a building with higher floor area ratio (which increases with the affordable housing density bonus), it could not accommodate additional parking stalls at the required 1:1 parking ratio for market-rate units. However, because there is no required parking for affordable units, a developer could theoretically add additional units with no dedicated off-street parking stalls. However, this would likely depend on the site's proximity to transit or on-street parking opportunities.



Fiscal Analysis Assumptions

In addition to understanding the feasibility of an MFTE program, the City is concerned with the fiscal impacts of offering a tax exemption. MFTE exempts the residential portion of the project’s assessed value from property taxation for a period of eight or twelve years. At the end of the exemption period, the project’s residential value returns to the tax rolls. When property taxes are paid, Mountlake Terrace retains only a portion (roughly 9.7%, or \$0.77 per \$1,000 of assessed property value) of property taxes paid, with the rest going to other overlapping taxing districts (shown in Exhibit 6 to the right). Additionally, the exemption interacts with the levy calculation process and there are two key issues that we highlight in the callout box on the next page.

Exhibit 6: Tax Districts in Mountlake Terrace



Source: Snohomish County Assessor’s Office

We also accounted for other revenues generated for the City by development and additional households:

- ◆ **Sales tax on construction:** 1% of sales revenue goes to the City.¹¹
- ◆ **Utility taxes on additional customers:** Includes water, electric, gas, sewer, stormwater, solid waste, cable, and telephone. Estimated at roughly \$1,850 total per resident annually based on the Mountlake Terrace 2025-2026 municipal budget.¹²
- ◆ **Sales taxes on resident purchases:** 1% of sales revenue goes to the City.¹³
- ◆ **Shared state revenues based on total residents:** Estimated at ~\$35 per resident annually based on 2025-2026 municipal budget

These revenue sources come from the additional residents, not just additional units; MFTE will not change the City’s growth projections, but it could make development more feasible or

¹¹ The project generates sales tax from one-time spending from the construction of the project (which is taxable as a retail event in Washington) and
¹² Utility taxes are technically a business and occupation tax paid by the utility provider, however, all providers collect the tax as part of utility bills to consumers.
¹³ This includes sales tax from e-commerce deliveries to households (since the retail event is recorded at the place of delivery).



allow different types or locations of development to occur earlier than the market might currently support.



PROPERTY TAX EXEMPTION INTERACTION WITH LEVY CALCULATIONS

Due to the exemption process interacting with the levy calculation process, there are two issues that should be highlighted.

Assessed Value Tax Exemption and Property Tax Burden Shift

The first is a well-known issue: the MFTE programs function like any other exemption or special valuation program in the state. Since the property tax is “budget-based” in Washington, the application of the MFTE shifts the property tax burden to other taxpayers. This is due to the budget-based property tax for regular levies being fixed by statute, specifically, the levy amount (i.e., the amount collected) being restrained by what is commonly known as the limit factor. The limit factor limits levy collection to the lesser of 1% or the implicit price deflator (which is almost always 1%), plus the addition of certain add-ons (the most prominent being the addition of the amount of new construction value times the levy rate in the preceding year). The result means that this “fixed” amount of the levy collection is distributed to a relatively smaller assessed value base because of the exempt MFTE valuation, resulting in a fractionally higher levy rate being applied to all other properties with non-exempt valuations.

New Construction Valuation and Maximum Allowable Levy

The second issue is less understood but also revolves around the state’s budget-based system for regular levies. As stated above, regular levies are governed by the limit factor of 1%. In practice, this means that almost all regular levies are growing at this 1% limit plus an amount of the new construction add-on value, as long as a jurisdiction is not bumping up against its statutory rate limit, something that rarely occurs.

The specific issue relates to the timing of when a county assessor assesses a project during construction to when a project is certified for MFTE exemption. Because the MFTE is recorded at the certificate of occupancy (when the project is complete), a county assessor will assess a project during construction based on a percent complete basis, resulting in a portion of a project’s new construction value making it onto the tax rolls, resulting in some impact to the city’s levy.

Some jurisdictions have elected not to take the limit factor-derived maximum allowable levy and have chosen to “bank” that capacity against their highest lawful levy. In these cases, the MFTE will not have an immediate impact on property tax collections since the jurisdiction has chosen not to include this amount in its annual budget. However, the long-term effect is a fractionally lower amount of banked capacity.

Analysis Findings

Findings for both feasibility and fiscal analyses are discussed by scenario below.

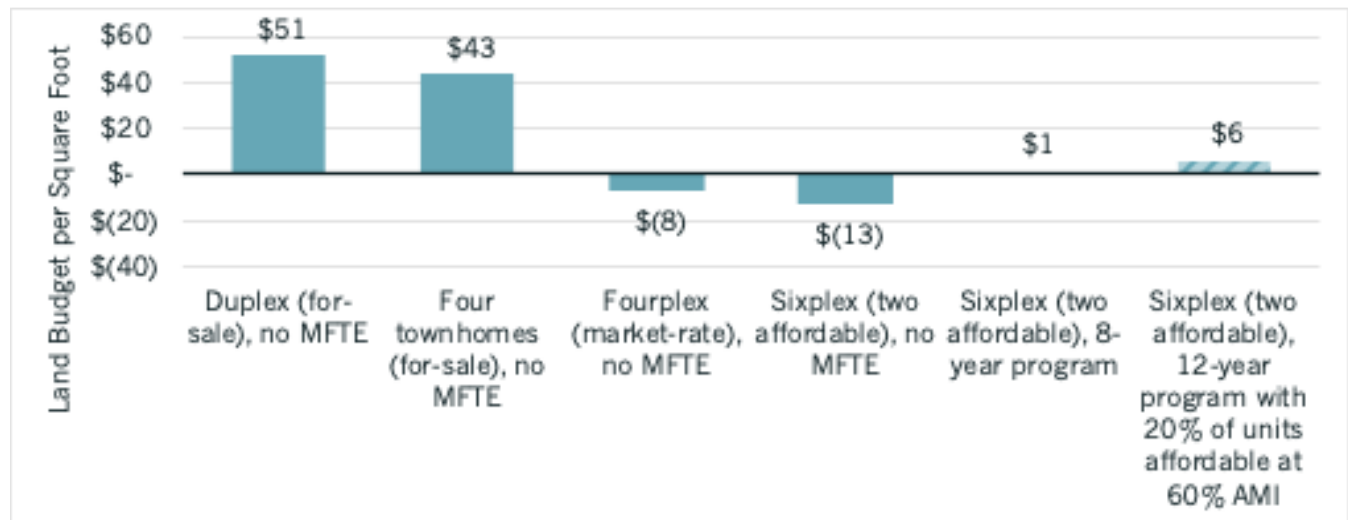
Middle Housing in R-2

FEASIBILITY ANALYSIS

For-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in R-2.

- ◆ Sixplexes (including two affordable units) are less feasible than fourplexes (allowed by right).
- ◆ With the 12-year MFTE program (with 20% of units at 60% of the AMI), sixplexes are more feasible than fourplexes, though still much less feasible than duplexes or townhomes.

Exhibit 7: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

FISCAL ANALYSIS

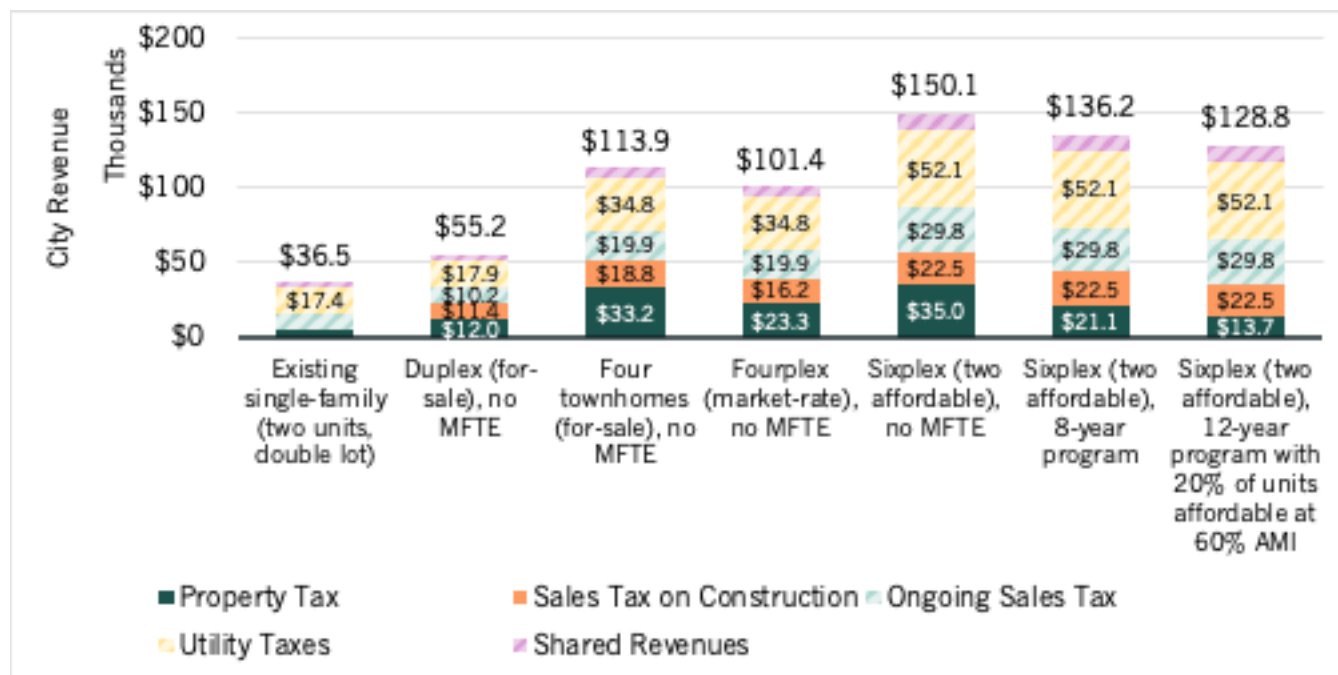
Over a 20-year period, a sixplex not using MFTE would result in the highest revenue from property taxes and sales tax on construction.

- ◆ When other revenues linked to households are accounted for, sixplexes could still produce more revenue than other middle housing options (even with MFTE) because they accommodate more households.
- ◆ Compared to a sixplex not using MFTE, a sixplex using the 12-year program would generate approximately \$21,300 less revenue over a 20-year period, or \$10,150 per affordable unit.
- ◆ If other revenues are not accounted for, a sixplex not using MFTE would still generate the highest revenues of the prototypes below, but a four-pack of townhomes would generate more revenue than a sixplex using either the 8-year or 12-year MFTE program.



- ◆ New middle housing construction would generate more revenue for the City than existing single-family dwellings.

Exhibit 8: 20-Year City Revenues for Middle Housing in R-2 by Source, 2025 to 2044



Source: EConorthwest

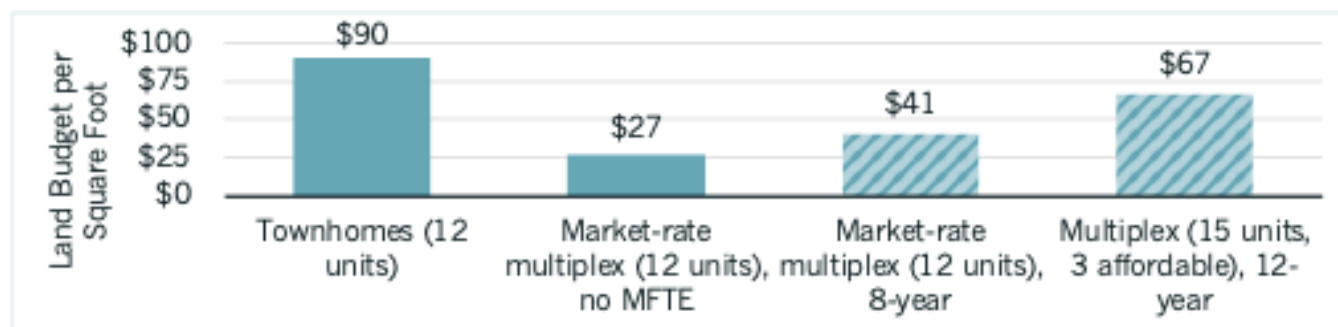
Middle Housing in R-3

FEASIBILITY ANALYSIS

Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.

- ◆ Under current market conditions, the townhome prototype is much more feasible than the multiplex prototype.
- ◆ Both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) improve development feasibility, with a greater increase from the 12-year program including three additional affordable units.

Exhibit 9: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

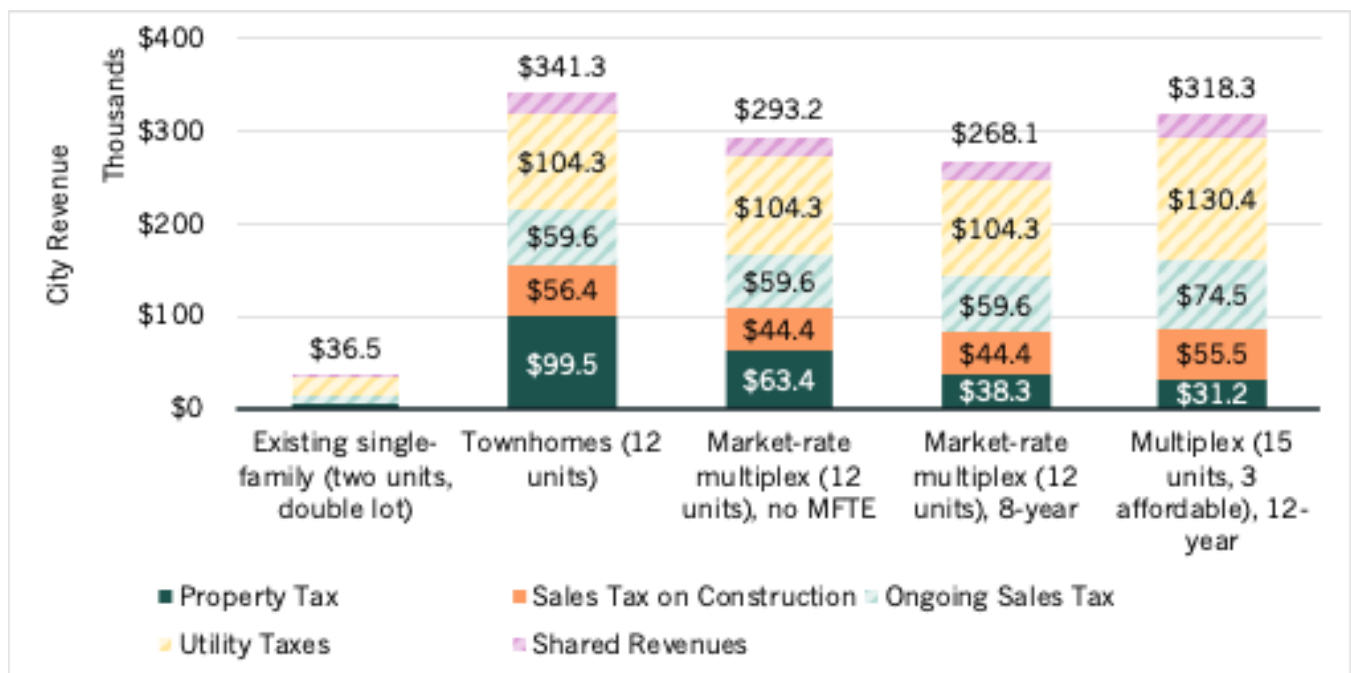


FISCAL ANALYSIS

Over a 20-year period, townhomes will likely produce the most revenue for the City on a per-unit basis compared to other housing types. However, either the 8-year or the 12-year program could have other associated public benefits (such as affordability or accessibility).

- ◆ Of the housing types allowed in R-3, townhomes will likely produce the highest revenue over a 20-year period due to generally having a higher per-unit assessed value than multiplexes.
- ◆ Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would each generate roughly \$48,100 less revenue for the City than the townhome prototype over a 20-year period. If the multiplex prototype uses the 8-year MFTE program, it would generate roughly \$73,200 less than the townhome prototype over the 20-year period, or \$12,200 per accessible unit.
- ◆ If the multiplex prototype used the Residential Affordability Program density bonus to include three additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). Compared to the 12-unit townhome prototype, the 15-unit multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit.

Exhibit 10: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



Source: ECONorthwest

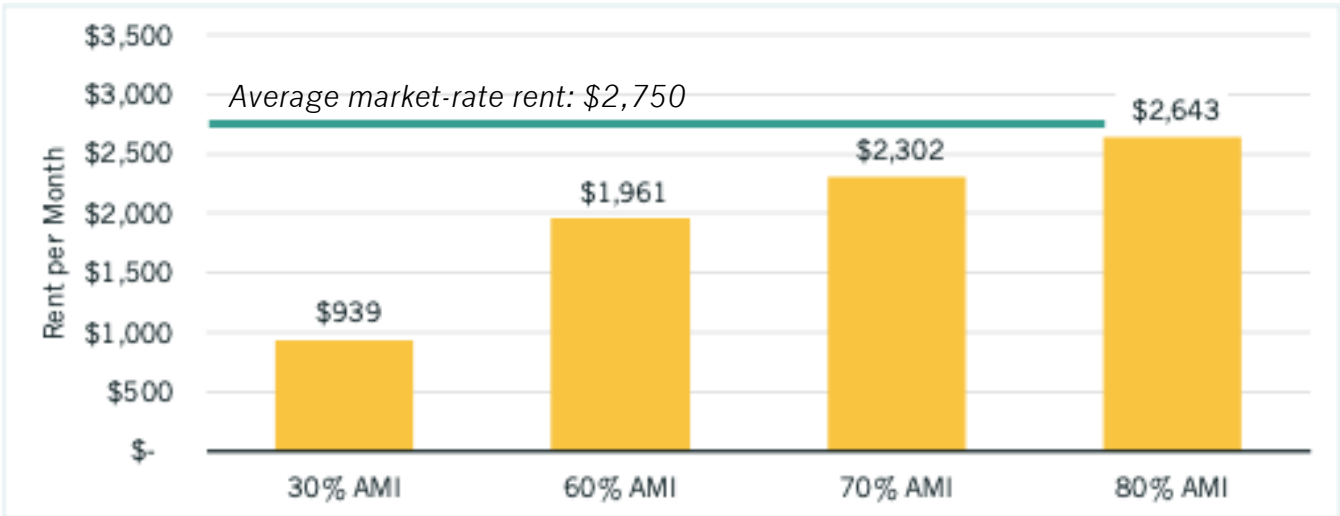


Podium Development in Mixed Use Zones

Affordable rents at 80% AMI are similar to current market-rate rents.

- For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.

Exhibit 11: Affordable and Market-Rate Rents, Mountlake Terrace, 2025



Source: Department of Housing and Urban Development (HUD), Seattle-Bellevue Metropolitan Area (includes MLT). Rents shown as a blended average of unit sizes consistent with recent Town Center developments: 10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms.

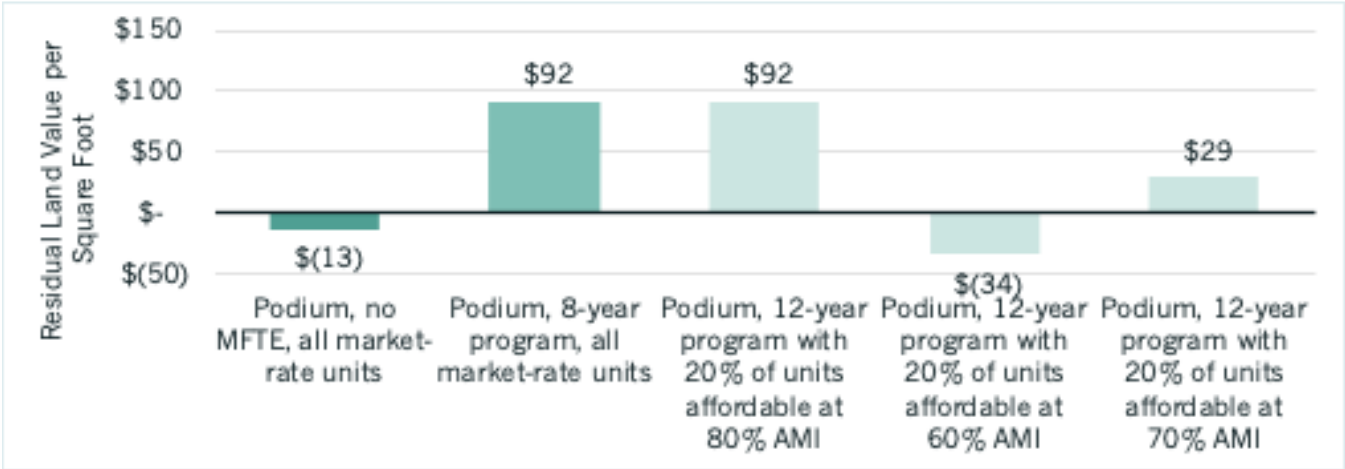
FEASIBILITY ANALYSIS

Without the MFTE program, larger podium development is likely not feasible under current market conditions.

- While the 240-unit podium prototype is likely infeasible under current market conditions, it likely would be with either the 8-year or 12-year MFTE program. The 8-year and 12-year MFTE programs have a similar impact on prototype feasibility.
- For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.



Exhibit 12: Feasibility Results for Podium Development Prototype, 2025



Source: EConorthwest

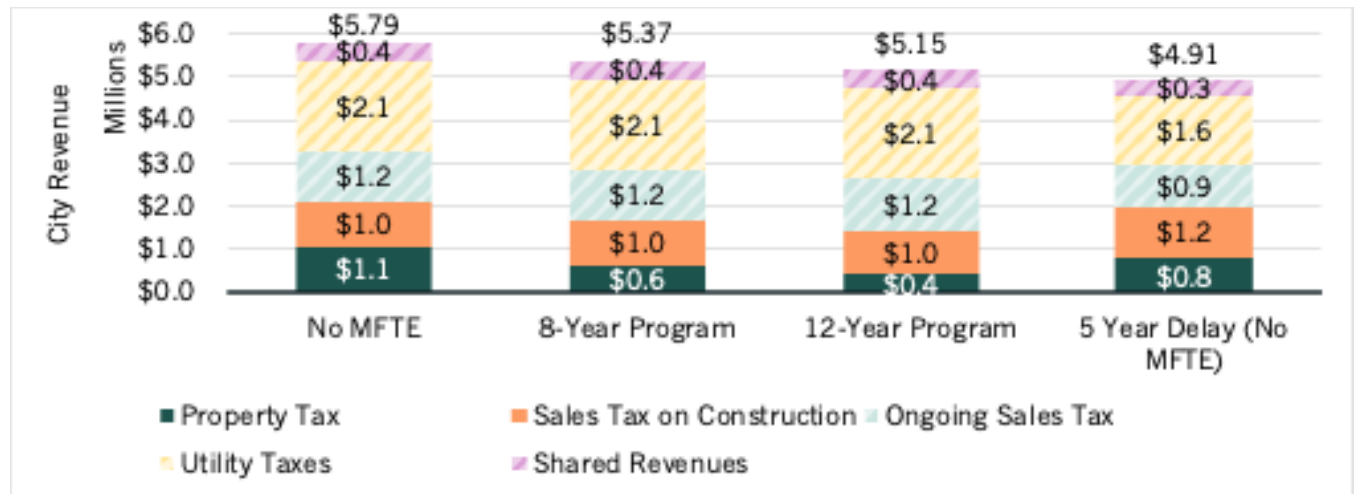
FISCAL ANALYSIS

If the development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over a 20-year period when all potential revenues are accounted for.

- ◆ Taking into account resident sales taxes, utility taxes, and shared revenues, a 5-year delay in construction could cost the City more than the 8-year or 12-year MFTE program over a 20-year period. Over a 20-year period, the 240-unit podium prototype with a 2030 start date would produce roughly \$88,000 less revenue than the prototype with a 2025 start date. The prototype with the 8-year program would generate \$42,000 less revenue, while the 12-year program would generate \$64,000 less revenue compared to the market-rate prototype with the 2025 start date.
- ◆ The 12-year program would result in 20% affordable units in the development. Compared to the prototype with the 8-year program, the City’s revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the program’s duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.



Exhibit 13: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



Source: ECONorthwest

7. Appendix D: Policies and Actions Crosswalk

	Completed			In-Progress					Near-Term										Mid-Term								Long-Term				Ongoing													
--	0.1	0.2	0.3	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	2.10	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	4.1	4.2	4.3	4.4	5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.9	5.10	5.11	5.12	5.13	
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* Darker colors denote primary policies supported; lighter colors denote secondary policies supported.



CITY OF MOUNTLAKE TERRACE

ORDINANCE NO. XXXX

**A RESOLUTION OF THE CITY OF MOUNTLAKE TERRACE, WASHINGTON,
ADOPTING A HOUSING ACTION PLAN; PROVIDING FOR SEVERABILITY;
AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City Council has previously adopted its Vision 2044 Comprehensive Plan pursuant to the Growth Management Act, Ch. 36.70A RCW, which includes a housing element; and

WHEREAS, the purpose of the Housing Action Plan is to develop specific actions that are aligned with the goals, policies, and potential implementation strategies from the Comprehensive Plan Housing Element; and

WHEREAS, pursuant to RCW 36.70A.600, the goal of a Housing Action Plan is to encourage construction of additional affordable and market rate housing in greater variety of housing types and prices accessible to a greater variety of incomes; and

WHEREAS, the City, with support from consultants, conducted community engagement—including focus groups, stakeholder interviews, and an open house—and completed a Development Feasibility Analysis, providing a comprehensive understanding of housing needs, development challenges, and community priorities; and

WHEREAS, on March 26, 2025, the City held a open house Housing Action plan; and

WHEREAS, on March 10, March 24, July 28, September 22, October 27, and November 10, 2025 the Planning Commission held meetings to consider the Housing Action Plan, and recommended adoption of the Housing Action Plan; and

WHEREAS, the City Council previously discussed the Housing Action Plan on August 14, 2025 at its regular meeting; and

WHEREAS, the City Council finds that adequate affordable housing is key to ensuring a vibrant community with a desirable quality of life; and

WHEREAS, on , December 4, 2025 the City Council held a public hearing on the Housing Action Plan and find it is in the best interest of the City.

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

Section 1. Adopting Housing Action Plan. The City of Mountlake Terrace Housing Action Plan, attached hereto as Attachment A and incorporated herein by reference, is hereby adopted.

Section 2. Corrections. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener/clerical errors, references, numbering, section/subsection numbers and any references thereto.

Section 3. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance is declared unconstitutional or invalid for any reason, such invalidity shall not affect the validity or effectiveness of the remaining portions of this ordinance.

Section 4. Summary, Publication, and Effective Date. This Ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after its adoption and publication as required by law.

PASSED by the City Council on XXXX XX, 2025

SIGNED in authentication of its passage on XXXX XX, 2025

AUTHENTICATION:

Kyoko Matsumoto Wright, Mayor

ATTEST:

Jennifer Joki, City Clerk

APPROVED AS TO FORM:

Hillary J. Evans, City Attorney



November 2025

DRAFT Mountlake Terrace Housing Action Plan

Prepared for: The City of Mountlake Terrace

ECOnorthwest

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Executive Summary

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions, providing staff and elected officials with a clear roadmap for implementation.** In total, this HAP consists of 42 actions. Some actions may support multiple Housing Element policies, while multiple actions might be needed to address certain policies.

In addition to the policy direction from the Housing Element, additional engagement and analysis conducted as part of developing this HAP have helped inform the recommended actions and priorities. **Across these sources, a few clear priorities emerged:**

- ♦ **Supporting housing production:** By 2044, Mountlake Terrace will need to accommodate an additional 13,424 residents and 7,683 housing units.
- ♦ **Incentivizing affordable units:** While Mountlake Terrace will need housing units across the income spectrum to support its 2044 population, roughly one-third of new housing units will need to be affordable to households earning less than 50% of the area median income.
- ♦ **Increasing housing diversity:** Community members expressed strong interest in smaller and alternative housing types, such as accessory dwelling units and other forms of middle housing, which can be more attainable than traditional single-family homes. Residents also shared a need for housing types that can support the housing needs of different household types, including seniors and residents with disabilities.
- ♦ **Investing in centers:** As the City grows, continuing to focus growth in Town Center and other mixed-use areas can support walkability, amenity access, and efficient infrastructure use.
- ♦ **Preventing displacement:** As the City grows and continues to attract development, both homeowners and renters shared concerns about rising housing costs in the City.

The following pages contain the full list of HAP actions organized by implementation timeframe. The list includes recently completed and in-progress efforts to show the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps Mountlake Terrace can take to meet its housing goals. Each action also indicates the primary housing priority it supports, demonstrating how

HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more housing opportunities that are affordable to residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the **stability of existing residents**.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers**.



the actions collectively advance the City's overall housing strategy. For more details, each action number links to the corresponding action sheet with full information.

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Exhibit 1: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing per House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
	2.7 Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production



	#	Action	Goal
Near-Term	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
	4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers



#	Action	Goal
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
Ongoing	5.1 Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
	5.2 Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
	5.3 Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
	5.4 Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
	5.5 Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
	5.6 Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
	5.7 Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
	5.8 Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
	5.9 Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
	5.10 When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
	5.11 Monitor land capacity and development trends , and update development regulations if needed.	Housing production
	5.12 Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production



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1. Housing Action Plan Context

Housing Action Plan Purpose

The City's updated Comprehensive Plan, adopted in 2024, sets goals and policies for several key areas, including housing, to guide future growth and development over the next two decades. In particular, the City's Housing Element includes 27 housing policies that together support five overarching goals: expanding housing diversity, supporting regional collaboration, addressing special needs housing, preventing displacement, and focusing growth near services and transit. **This Housing Action Plan (HAP) translates the Housing Element into a set of concrete actions to provide staff and elected officials with a clear roadmap for implementation.**

Specifically, this HAP is intended to:

- ◆ Identify actionable steps the City can take to increase housing options and affordability.
- ◆ Build on recent zoning updates and ongoing work to ensure consistency between policy direction and implementation.
- ◆ Identify programs, partnerships, and strategies that go beyond land use regulations to support housing stability and choice.
- ◆ Help the City make informed decisions about what to implement first, based on feasibility, capacity, and community priorities.

In total, this HAP consists of 42 actions the City can take to implement its Housing Element. Each action identifies the primary Housing Element policies it supports. Some actions may support multiple policies, and multiple actions may be needed to address a given policy. The HAP actions are organized by implementation timeframe and include descriptions of the current policy or practice, supporting analysis findings, and implementation considerations.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

» For a full crosswalk of policies and actions, see [Appendix D: Policies and Actions Crosswalk](#).



Developing the Housing Action Plan

This Housing Action Plan was developed through a structured process that connects engagement, analysis, policy priorities, and implementation.



This process included:

Comprehensive Plan Review: The project team began by thoroughly reviewing Mountlake Terrace's Comprehensive Plan and supporting materials, including the Housing Element Background Analysis.

» For a full description of Comprehensive Plan sources, see [Appendix A: Comprehensive Plan Sources](#).

Engagement and Analysis: The project team conducted a mix of qualitative and quantitative analyses, engaging with development professionals and the broader community, and performing a feasibility analysis to test the impact of certain incentives on development outcomes.

» For a full summary of engagement and analysis findings, see [Appendix B: Community Engagement Summary](#) and [Appendix C: Development Feasibility Analysis Findings](#).

Identifying Policy Priorities: Findings from the Comprehensive Plan review, community engagement, and feasibility analysis informed the identification of Mountlake Terrace's key housing needs and opportunities. The project team used these findings to determine which Comprehensive Plan housing policies offered the greatest potential for near-term implementation and used these priorities to help organize the Housing Action Plan actions by implementation timeframe.

» For a summary of policy priorities and key findings, see [Section 2. Housing Needs & Opportunities](#).

Developing and Refining HAP Actions: The project team identified specific actions the City can take to implement the Housing Element and organized them into a preliminary sequence for implementation, including in-progress, near-term, mid-term, long-term, and ongoing actions. Through discussions with City staff, the Planning Commission, and the City Council, the project team refined the draft actions and their implementation timeframes to align with available resources within the context of the broader HAP and other ongoing projects.

» For the full list of actions, see [Section 3. Housing Action Plan Actions](#).



2. Housing Needs & Opportunities

Housing Priorities

While the Housing Element is the basis for the HAP, several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, also helped to inform, develop, and prioritize the HAP actions. **Across these sources, a few clear priorities emerged: supporting housing production, investing in centers, incentivizing affordable units, increasing housing diversity, and preventing displacement.** Each of these themes is discussed in greater detail below, including any relevant Housing Element policies.

Supporting Housing Production

- **HO-1.1 Encourage opportunities to accommodate a population of at least 34,710 by 2044 and meet the housing needs of all income levels.**
- **HO-2.5 Plan for and monitor housing needs at all income levels.**

As part of updating its Comprehensive Plan, Mountlake Terrace must plan to accommodate its 2044 growth targets, assigned by Snohomish County. By 2044, the City will need to plan for:

- ◆ An additional 7,683 housing units, for a total of 16,816 units.
- ◆ An additional 13,424 residents, for a total of 34,710 residents.

To support this growth, the City updated its land use designations in the Comprehensive Plan to allow for higher densities and greater housing capacity in appropriate areas. However, the City will likely need to take additional steps to encourage the development of various housing types and scales to ensure that the updated density allowances result in additional units.

Exhibit 2 shows the City’s 2044 housing targets by income level served. While the City will need to plan for units across the income spectrum, roughly a third,

Exhibit 2: Mountlake Terrace 2044 Housing Targets

HOUSING TYPE OR INCOME LEVEL SERVED	ADDITIONAL UNITS NEEDED
Emergency Housing	475
Permanent Supportive Housing	764
0% to 30% AMI	1,224
30% to 50% AMI	1,265
50% to 80% AMI	375
80% to 100% AMI	226
100% to 120% AMI	1,171
Over 120% AMI	2,657
Total	7,682

Source: Mountlake Terrace Comprehensive Plan



or approximately 2,500 units, will need to be affordable to households earning below 50% of the area median income (AMI).

Investing in Centers

- **HO-5.1 Explore strategies to increase the ability of all residents to live in varied neighborhoods to reduce disparities in access to transit, open space, schools, jobs, and other amenities.**
- **HO-5.4 Facilitate housing opportunities in high amenity areas.**

As the City expands, focusing on growth in the Town Center and other mixed-use areas can promote walkability, access to amenities, and efficient infrastructure use. During community engagement, residents supported concentrating density near transit and amenities, and the Comprehensive Plan identifies centers as priority areas for new housing and investment, where infrastructure and services can most effectively support additional growth.

Incentivizing Affordable Units

There is a lack of affordable housing for lower-income households.

- **HO-2.3 Pursue opportunities for partnerships to develop affordable housing.**

As of 2023, roughly a third (34%) of Mountlake Terrace renters were earning below 50% of the AMI. However, only 16% of the City's housing units are affordable to households at this income level. As a result, nearly half (43%) of Mountlake Terrace renters were cost-burdened, spending more than 30% of their gross income on housing costs. This is exacerbated for lower-income households: over three-quarters (77%) of households earning under 30% are cost-burdened, and roughly 65% are severely cost-burdened, spending over 50% of their gross incomes on housing costs. During community engagement, residents raised concerns about housing affordability and the need for income-restricted housing units.

Housing choices are limited for many Mountlake Terrace employees.

- **HO-5.2 Promote workforce housing for people who live and work in the community.**

Many Mountlake Terrace employees, particularly those working in retail or service industries, may not be able to afford to live in the City. Workers in these sectors in Mountlake Terrace earn an annual wage equivalent to roughly 30% of the AMI. There are very few units available at this price, resulting in many employees commuting in from lower-cost areas outside the City.

Additional incentives may be needed to make affordable housing feasible.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**



For projects considering the Residential Affordability Program density bonus, feasibility analysis indicates that the additional units may not outweigh the cost of providing the units to households earning 60% of the AMI or below. For projects serving households earning below 30% of the AMI, traditional subsidies alone are often not enough to make housing financially feasible. Local governments can help close this gap through strategies like providing publicly owned or discounted land, offering long-term ground leases, and reducing or waiving development fees. Additional tools, like expedited permitting, utility connection discounts, infrastructure support, and partnerships with nonprofit or faith-based housing developers, can further lower costs and improve project viability.

Increasing Housing Diversity

Homeownership is increasingly out of reach for residents, but certain housing types can be more attainable.

- **HO-2.4 Advocate for the state legislature to expand opportunities for home ownership of different housing types through the condominium process.**

The median home sales price in Mountlake Terrace more than tripled from \$185,000 in 2012 to \$595,000 in 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.¹ Even fewer households would be able to afford a newly constructed home, which typically sells above the median home sales price.

However, while the median single-family home sales price was close to the overall median in 2023, condominiums (condos) and townhomes were less expensive. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, townhome sale prices ranged from roughly \$500,000 to \$800,000, and condo sale prices ranged from approximately \$300,000 to \$500,000. Of the homes sold for less than \$300,000 in 2023, the majority were mobile or manufactured homes, and the remainder were condos.²

Residents advocated for a broader range of housing types in Mountlake Terrace.

- **HO-1.2 Update zoning and design standards to accommodate a diverse range of housing types.**
- **HO-1.3 Encourage innovative housing types to provide more housing variety.**
- **HO-5.3 Provide opportunities for diverse housing types to be integrated into existing neighborhoods.**

During community engagement, residents expressed strong support for increasing housing diversity in Mountlake Terrace. Many noted that the current housing stock is dominated by single-family homes, leaving few options for seniors, young adults, or families seeking smaller

¹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.

² Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



or more affordable homes. Participants emphasized that offering a wider range of housing types could allow residents to stay in the community as their needs and incomes change.

Many residents are interested in adding an accessory dwelling unit (ADU) to their home.

- **HO-1.6 Implement processes to assist with the conversion of existing homes to middle housing.**

Residents are enthusiastic about ADUs, both as a tool to increase revenue for homeowners and as an opportunity to add more affordable housing in the City. They also identified ADUs as a good option for seniors wanting to downsize or move into a single-story home. Many residents shared that they were interested in adding at least one ADU to their properties and were excited about the updates to the middle housing code updates intended to reduce barriers to ADU development. However, since many interested residents did not have development experience, they indicated that additional guidance or resources would be helpful.

There is community interest in alternative homeownership models.

- **HO-1.7 Support alternative access to homeownership opportunities.**

Residents are interested in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, and affordability covenants that can offer more attainable, long-term opportunities for homeownership.

There is an increasing need for accessible housing and special housing types.

- **HO-3.4 Provide opportunities for a range of special housing types at various income levels.**
- **HO-3.5 Consider incentives for new developments to create accessible housing units.**

A quarter (26%) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.³ Both residents and development professionals noted the need for increased housing options to support older residents as the community ages, including special housing types like assisted living and opportunities for aging in place.

Certain middle housing types are likely infeasible without additional incentives under current market conditions.

- **HO-1.5 Implement creative solutions to encourage housing production at all income levels.**

Feasibility analysis indicates that for-sale, fee-simple development types, such as duplexes or townhomes, are the most likely middle housing types to be developed in residential zones.

³ Mountlake Terrace Vision 2044 Comprehensive Plan, page 381.



Without additional incentives, stacked products like fourplexes, sixplexes, and small apartments or condos are likely infeasible under current market conditions.

Preventing Displacement

Residents are concerned about rising housing costs and displacement risk.

-
- **HO-4.1 Implement strategies to mitigate displacement risks.**
 - **HO-4.4 Support efforts to retain residents during redevelopment.**

As the City grows and continues to attract new development, both homeowners and renters expressed concerns about rising housing costs. Residents noted that increasing demand, driven in part by regional growth and new amenities such as the Light Rail station, has made it more difficult for many households to afford to live in Mountlake Terrace. Participants emphasized the need for strategies that preserve affordability, support cost-burdened households, and provide a range of housing options to keep the community accessible to people of all income levels.

Home repairs and rehabilitation may be needed to preserve the City's older housing stock.

-
- **Explore strategies to preserve existing housing that is affordable to low- and moderate-income households.**

Just under three-quarters (69%) of Mountlake Terrace's housing stock was built prior to 1980, with over half (52%) of units built prior to 1970. In comparison, less than a quarter (22%) of the housing in Snohomish County overall was built during the same period.⁴ As the City's housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

Connecting Needs to Implementation

The above priorities informed how the City organized and sequenced the HAP actions. Building on the needs and opportunities identified, the project team worked closely with City staff to evaluate how each action could address those priorities in practice. The team also collaborated with staff to assess the effort and resources required, including staff time, funding, and coordination requirements, and weighed these factors against each action's potential impact. Incorporating feedback from the Planning Commission and City Council, this process helped the City balance practicality with ambition, focusing first on actions that could be implemented relatively efficiently while laying the groundwork for larger, more complex initiatives. Near-term actions are intended to maintain momentum and deliver visible progress, while mid- and long-term actions address broader challenges that require additional planning or capacity. Mid-term actions generally represent strategies that can be advanced once current work is complete or additional capacity is available, whereas long-term actions are larger undertakings that will depend on new funding sources, partnerships, or policy

⁴ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



development. For these longer-term efforts, the HAP also identifies initial steps the City can begin now to build momentum and position itself for successful implementation in the years ahead.

The following section presents the full list of actions, organized by timeframe, to guide Mountlake Terrace's phased and coordinated implementation of its Vision 2044 housing goals. This list includes recently completed and in-progress efforts to demonstrate the City's progress since adopting the Comprehensive Plan, as well as near-term, mid-term, long-term, and ongoing actions that outline the next steps the City can take to meet its housing goals.

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3. Housing Action Plan Actions

Overview of Actions

Overall, the Housing Action Plan includes 42 actions that the City can take over the next decade to achieve its housing goals, varying in scale, complexity, and resource requirements. Because City staff, funding, and capacity are limited, actions are organized by implementation timeframe to help decision-makers focus on what can be achieved first and plan for future efforts. Using the policy priorities identified in the previous section, we organized the actions into implementation timeframes:

1. **Completed Actions:** Actions taken since the 2024 Comprehensive Plan adoption.
2. **In-Progress Actions:** Efforts the City is currently undertaking.
3. **Near-Term Actions (1–3 years):** High-priority actions that can be implemented relatively quickly and leverage recent code updates and policy momentum.
4. **Mid-Term Actions (3–5 years):** More complex actions that require additional study or coordination.
5. **Long-Term Actions (5–10 years):** Forward-looking efforts that depend on additional resources or partnerships,
6. **Ongoing Actions:** Partnerships, monitoring, and advocacy activities that the City will continue regularly.

HOUSING ACTION PLAN NAVIGATION

Below, Exhibit 3 provides a brief description of each action and the primary housing priority it supports. **The corresponding action number links to the action's page with complete details, including:**

- ♦ **Action type:** The action's implementation category (e.g., "regulatory change").
- ♦ **Staff capacity:** A relative estimate of the staff time needed to implement and maintain the action.
- ♦ **Action rationale:** Why the action is important and how it advances the City's goals.
- ♦ **Supporting Housing Element policies:** The primary policies the action is implementing.
- ♦ **Current policy:** A summary of the City's current approach to provide context for how the action modifies or builds on current efforts.
- ♦ **Implementation considerations:** Recommended next steps for implementation. For mid-term, long-term, and ongoing actions, only immediate next steps are provided to account for changing conditions prior to full implementation.
- ♦ **Additional context:** Where applicable, relevant data, legislation, engagement themes, or analysis findings to support the action.



Exhibit 3: Mountlake Terrace Housing Action Plan Actions

#	Action	Goal
Completed	0.1 Update zoning and design standards in residential zones to promote middle housing per House Bill 1110 .	Housing diversity
	0.2 Offer density bonuses for environmentally sustainable building practices.	Housing diversity
	0.3 Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production
In-Progress	1.1 Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
	1.2 Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
	1.3 Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
	1.4 Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
	1.5 Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production
Near-Term	2.1 Review and update subarea plans to reflect the Vision 2044 designations and support the City's housing goals.	Investing in centers
	2.2 Review Town Center zoning and design standards and adjust as needed to support residential development.	Investing in centers
	2.3 Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
	2.4 Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
	2.5 Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
	2.6 Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
	2.7 Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production



	#	Action	Goal
Near-Term	2.8	Simplify the permitting process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
	2.9	Simplify the permit review process for projects with income-restricted housing units to help expedite affordable housing production.	Affordable units
	2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units
Mid-Term	3.1	Waive or reduce impact fees for affordable housing .	Affordable units
	3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
	3.3	Expand tenant protection strategies or providing information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce the risk of displacement and housing instability.	Anti-displacement
	3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units to incentivize mixed-income development.	Affordable units
	3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
	3.6	Adopt a 12-year MFTE program in R-3 in alignment with the middle housing affordable housing density bonus requirements to incentivize mixed-income development.	Affordable units
	3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
	3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option .	Affordable units
Long-Term	4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
	4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
	4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in priority growth areas.	Investing in centers



#	Action	Goal
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement
5.1	Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives of different groups.	Housing production
5.2	Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
5.3	Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
5.4	Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
5.5	Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
5.6	Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
5.7	Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the development process.	Housing production
5.8	Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce the risk of displacement.	Anti-displacement
5.9	Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Investing in centers
5.10	When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production
5.12	Monitor both regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production

Ongoing



0. Completed Actions

0.1 UPDATE ZONING AND DESIGN STANDARDS IN RESIDENTIAL ZONES TO PROMOTE MIDDLE HOUSING.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: High

CURRENT POLICY

The 2025 residential code update supports a range of diverse housing types, with an emphasis on supporting middle housing, in alignment with House Bill 1110.

COMP PLAN POLICIES

- ◆ **HO-1.2:** Updating zoning standards to support diverse housing types
- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-1.5:** Implementing incentives for housing production at all income levels
- ◆ **HO-1.6:** Supporting conversion of homes to middle housing

0.2 OFFER DENSITY BONUSES FOR ENVIRONMENTALLY SUSTAINABLE BUILDING PRACTICES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

CURRENT POLICY

The 2025 residential code update provides increased lot coverage, FAR, and height, as well as setback reductions, in exchange for sustainability certification and on-site tree retention.

COMP PLAN POLICIES

- ◆ **HO-1.4:** Encouraging innovative materials and environmentally sustainable building practices

0.3 REVIEW AND UPDATE LAND USE REGULATIONS TO INCREASE RESIDENTIAL CAPACITY TO ACCOMMODATE THE CITY'S 2044 HOUSING TARGETS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: High

CURRENT POLICY

The 2024 Comprehensive Plan land use map updates increased allowed residential densities to provide enough development capacity to meet its 2044 housing allocation targets.

COMP PLAN POLICIES

- ◆ **HO-1.1:** Accommodating population target
- ◆ **HO-2.5:** Planning for housing needs at all income levels



1. In-Progress Actions

1.1 UPDATE PERMITTING PROCEDURES TO REFLECT UPDATED HOUSING TYPES IN RESIDENTIAL ZONES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Updating the permitting forms to include the newly allowed housing types will both help clarify permitting procedures and allow the City to better track development patterns.

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2025 middle housing code amendment (see Action 0.1) allowed new housing types in its residential zones. The City is currently updating its permit types and forms to reflect these changes to clarify permit requirements and better track development patterns.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-2.1:** Providing resources on regulations and permitting

1.2 SIMPLIFY ADU PERMITTING REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Simplifying ADU permitting requirements would make it easier for homeowners to add an accessory dwelling unit by reducing confusion, lowering costs, and shortening review timelines. A clearer, more straightforward process would lower barriers for residents and support ADU production.

CURRENT POLICY & IMMEDIATE NEXT STEPS

Previously, ADU permitting was a Type B Administrative decision made by the Director, which required providing notice to nearby properties and could be appealed to the Hearing Examiner. The City is currently in the process of updating ADU permitting requirements to a building-permit-only process with no separate land use action, the same as SDUs and duplexes.

COMP PLAN POLICIES

- ◆ **HO-1.3:** Encouraging innovative housing types
- ◆ **HO-1.6:** Supporting conversion of homes to middle housing
- ◆ **HO-2.1:** Providing resources on regulations and permitting

ADDITIONAL CONTEXT

Community engagement: Many residents and development professionals were interested in building ADUs, but shared that permitting processes could be a barrier to development. In general, development professionals emphasized the importance of fast and predictable permitting for development feasibility.



1.3 UPDATE IMPACT FEE ASSESSMENTS TO A PER-SQUARE-FOOT OR PER-BEDROOM CALCULATION.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Updating impact fee assessments to a per-square-foot or per-bedroom calculation could create a fairer system that better reflects the size and impact of different housing types. This impact fee update would comply with state legislation that requires local impact fees to reflect the proportionate impact of new units.

- COMP PLAN POLICIES
- HO-1.3: Encouraging innovative housing types
 - HO-1.6: Supporting conversion of homes to middle housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently imposes impact fees for parks and transportation. The City is currently updating its impact fee structure to a per-square-foot or per-bedroom model, to be completed by 2026.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to exempt or reduce impact fees for low-income housing (under 80% AMI). This statute also requires that local impact fee schedules reflect the proportionate impact of new housing units, including multifamily and condo units. This impact is based on the square footage, number of bedrooms, or trips generated by the housing unit, allowing for a proportionally lower impact fee for smaller units.

1.4 UPDATE DEVELOPMENT REGULATIONS IN THE GATEWAY AND NEIGHBORHOOD MIXED USE LAND USE AREAS.

Action Type: Regulatory change

Goal: Investing in centers

Staff Capacity: Medium

The Comprehensive Plan identifies these areas as important locations for accommodating future residential growth. Amending these regulations to better support a range of housing types and affordability levels would expand housing options near transit and amenities, advancing the City’s long-term strategy of focusing density in mixed-use centers.

- COMP PLAN POLICIES
- HO-1.2: Updating zoning standards to support diverse housing types
 - HO-5.1: Supporting equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

The 2024 Comprehensive Plan established these new mixed-use land designations: the Gateway land use area is currently the Freeway/ Tourist zone, and the Neighborhood Mixed Use land use areas are primarily zoned as Commercial Business. The City is currently updating the zoning in these areas, with plans for adoption by 2026.

1.5 PROVIDE EDUCATIONAL MATERIALS ON THE DEVELOPMENT PROCESS AND REQUIREMENTS.

Action Type: Technical assistance

Goal: Housing production

Staff Capacity: Medium

Providing educational materials on the development process would give residents and developers clearer guidance on how to navigate the City's development requirements. Accessible information could help homeowners and small-scale developers understand requirements upfront, reduce uncertainty, and avoid delays or added costs during permitting and construction, supporting more successful housing projects in the community.

- COMP PLAN POLICIES
- ♦ **HO-1.6:** Supporting conversion of homes to middle housing
 - ♦ **HO-2.1:** Providing resources on regulations and permitting
 - ♦ **HO-2.2:** Coordinating with regional partners on informational materials

CURRENT POLICY & IMMEDIATE NEXT STEPS

Submittal checklists for different types of land use and building permits are available but are not yet updated to reflect the 2025 residential code updates (see Action 0.3). The City is currently updating these checklists and creating additional guidance for development.

ADDITIONAL CONTEXT

Community engagement: Both development professionals and residents, particularly those without much development experience, shared that additional guidance or resources would be helpful for navigating City requirements. As the City updates its code, developers shared that continuing to provide clear explanations and requirements would help save time and money in permitting, increasing development feasibility.



2. Near-Term Actions

2.1 REVIEW AND UPDATE SUBAREA PLANS TO ALIGN WITH AND SUPPORT THE CITY'S HOUSING GOALS.

Action Type: PlanningGoal: Invest in centersStaff Capacity: Medium

Establishing or updating subarea plans in alignment with the Comprehensive Plan would ensure they align with the City's housing goals and provide guidance for future zoning updates and investments. Without specific subarea plans, implementation of the Comprehensive Plan land use vision is limited to citywide policies and zoning, which may not capture the unique opportunities or challenges of each neighborhood.

COMP PLAN POLICIES

- HO-1.1: Accommodate 2044 population target
- HO-5.4: Facilitating housing opportunities near amenities

CURRENT POLICY

The 2024 Comprehensive Plan identified six subareas, establishing boundaries and intended land uses for each. Currently, the Gateway, Cascade View, Cedar Terrace, and Lake Ballinger subareas do not yet have specific subarea plans. Previous subarea plans for the Town Center (2019) and Melody Hill (2006) subareas may also need updates to reflect the new framework.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to begin reviewing individual subarea plans in 2026.

2.2 REVIEW TOWN CENTER ZONING AND DESIGN STANDARDS AND MAKE ADJUSTMENTS AS NEEDED TO SUPPORT DEVELOPMENT.

Action Type: Regulatory changeGoal: Invest in centersStaff Capacity: Medium

Reviewing Town Center zoning and design standards alongside development outcomes can help the City evaluate how well existing policies support the desired outcomes and make adjustments that reflect new opportunities created by Light Rail service, changing community needs, and ongoing investment.

COMP PLAN POLICIES

- HO-5.4: Facilitating housing opportunities near amenities

CURRENT POLICY

The Town Center subarea plan and regulations were last updated in 2019 to prepare for the Light Rail station, focusing on encouraging transit-oriented development, updating dimensional standards, and improving pedestrian connections in the station area.

IMPLEMENTATION CONSIDERATIONS

The City is currently planning to update the Town Center development regulations in 2026.



2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured home parks as a source of affordable housing.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Supporting alternative access to homeownership
- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- ♦ **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- ♦ **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged



from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

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⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



2.4 UPDATE PERMITTED USE TABLES TO ALLOW PERMANENT SUPPORTIVE HOUSING AND EMERGENCY HOUSING TO COMPLY WITH STATE LEGISLATIVE REQUIREMENTS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

The Growth Management Act requires cities to plan for permanent supportive housing and emergency housing targets, in part by allowing these housing types in designated zones. However, Mountlake Terrace's code does not currently list permanent supportive housing, transitional housing, or most forms of emergency housing in its permitted use tables.

COMP PLAN POLICIES

- ♦ **HO-3.1:** Supporting permanent supportive housing
- ♦ **HO-3.3:** Reducing barriers to emergency housing and shelters
- ♦ **HO-3.4:** Providing opportunities for special housing types

CURRENT POLICY

According to the Comprehensive Plan, Mountlake Terrace currently has no permanent supportive housing units or emergency housing units. To meet its 2044 housing targets, the City will need to plan for 764 permanent supportive housing units and 475 emergency housing units.⁶

Permanent supportive housing is not currently listed in the City's permitted uses tables; the closest equivalents are residential care facilities, group home institutions, and youth shelters. Emergency housing and shelters are also not listed in the City's permitted use tables, except for youth shelters, which are listed as conditional uses in residential zones.

IMPLEMENTATION CONSIDERATIONS

Update the City's permitted use tables to comply with state legislation by explicitly allowing emergency housing, emergency shelter, permanent supportive housing, and transitional housing in any zones where hotels are permitted, and by also allowing permanent supportive housing and transitional housing in any zones where residential dwelling units are permitted.

ADDITIONAL CONTEXT

Relevant legislation: Per [RCW 35.21.683](#) and [RCW 35A.21.430](#), city code must allow permanent supportive and transitional housing in any zones in which residential dwelling units or hotels are allowed, including traditional single-family detached housing zones. Cities may also not prohibit indoor emergency shelters and indoor emergency housing in any zones where hotels are permitted. Even if a jurisdiction does not permit hotels in any zone, it must still allow the siting of a sufficient number of indoor emergency shelter beds and/or emergency housing units to meet its 2044 housing targets.

⁶ Mountlake Terrace Vision 2044 Comprehensive Plan, page 395.



2.5 CLARIFY APPLICABLE REGULATIONS AND ENSURE CONSISTENT DEFINITIONS FOR SMALL AND ALTERNATIVE HOUSING TYPES.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Low

Clear and consistent definitions for small and alternative housing types, such as tiny homes, modular units, manufactured homes, and ADUs, will help residents, builders, and staff understand what is permitted and under what conditions. Clarifying requirements can encourage innovation in small-scale housing by supporting the development of creative, lower-cost housing options, which is especially important as new construction methods and housing models emerge that may not fit neatly into existing zoning or building code categories.

COMP PLAN POLICIES

- ♦ **HO-1.3:** Encourage innovative housing types
- ♦ **HO-1.6:** Support conversion of homes to middle housing
- ♦ **HO-1.7:** Support alternative access to homeownership

CURRENT POLICY

Tiny homes, modular housing, manufactured homes, and mobile homes fall under different state and federal regulatory frameworks depending on how they are constructed and placed. Currently, Mountlake Terrace code Chapter 19.15 Definitions defines "manufactured home", "factory-built/modular housing" and "accessory structure", and Chapter 15.30 Mobile Homes defines "mobile home". However, definitions could be updated to align zoning and building regulations, clearly distinguish between types, and ensure these definitions are reflected in the permitted use tables.

IMPLEMENTATION CONSIDERATIONS

Review zoning and building code provisions for tiny homes, modular housing, manufactured homes, and ADUs to identify gaps and inconsistencies. Following review, update code definitions to align with zoning and building regulations, clearly distinguish between movable units, modular homes on permanent foundations, and recreational vehicles, and ensure these definitions are reflected in the permitted use tables.



2.6 ADOPT BUILDING CODE AMENDMENTS TO REDUCE BARRIERS TO HOME REPAIR AND REHABILITATION.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Many buildings in Mountlake Terrace, particularly those that are older and in the most need of repair, have relatively low assessed values. Because the building code requires full compliance with modern standards when repairs exceed 50 percent of a building's assessed value, even modest projects can cross the threshold. This can make essential repairs financially infeasible for property owners, discouraging reinvestment and leaving older homes vulnerable to continued deterioration or loss.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving low-income housing

CURRENT POLICY

Per the City's building code section §15.05.070(C), any building that has additions, alterations, or repairs that exceed 50 percent of the assessed building value over a certain time period must be fully updated to comply with the life safety requirements of new buildings.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions to balance the feasibility of repairs with health and safety protections. This could include developing alternatives to the current 50 percent rule, such as raising the threshold or capping required life-safety upgrades at no more than 10 percent of the total project costs. The City could also consider exempting certain project types from full code compliance, such as repairs to manufactured or mobile homes, energy-efficiency upgrades, accessibility improvements, weatherization projects, or health and safety repairs that do not involve expanding building size or changing occupancy.

ADDITIONAL CONTEXT

Local data: According to the Comprehensive Plan, just over half (52%) of Mountlake Terrace's housing was built before 1970, compared to less than a quarter (22%) of the housing in Snohomish County overall.⁷ As the City's housing stock ages, it will likely need more frequent repairs to remain safe and habitable.

⁷ Mountlake Terrace Vision 2044 Comprehensive Plan, page 366.



EXAMPLE

» **Seattle, WA:** In September 2025, Seattle updated its building code to help reactivate vacant storefronts by amending its substantial alterations threshold, which requires full building upgrades to meet current fire or life safety standards. These updates include exempting buildings of less than 7,000 square feet from these requirements.

2.7 MONITOR, SUPPORT, AND ADOPT FUTURE WASHINGTON BUILDING CODE AMENDMENTS THAT COULD SUPPORT MORE EFFECTIVE BUILDING PRACTICES.

Action Type: Regulatory change

Goal: Housing production

Staff Capacity: Low

Monitoring and considering the adoption of future state building code amendments passed by the State Building Code Council (SBCC) can help ensure that local building regulations support innovation, reduce unnecessary barriers, and align with the City's land use regulations. In particular, the SBCC is currently considering updates that could increase the feasibility of middle housing, which could pair with the City's recent land use and permitting updates to support its housing diversity goals.

COMP PLAN POLICIES

- ♦ **HO-1.3:** Encouraging innovative housing types
- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-5.3:** Supporting diverse infill housing

CURRENT POLICY

In Washington, the SBCC updates and modifies the State Building Code, which is based on international building codes. The code is revised every three years, and the legislature can direct the SBCC to add additional amendments. After the SBCC adopts a new code provision or optional amendment, local jurisdictions must adopt it through an ordinance for it to be effective locally. If local jurisdictions adopt alternatives to the state code, the local building codes must meet or exceed state code requirements.

IMPLEMENTATION CONSIDERATIONS

Monitor updates from the SBCC and proactively align local ordinances with new state code provisions, including the upcoming code adoptions in July and November 2026. Once the SBCC formally adopts these new code provisions, review the adopted text and draft an ordinance for City Council public hearing and adoption.

The City should continue tracking future SBCC amendments that support innovative, cost-effective, and efficient building practices, and revise local regulations as needed to meet or exceed state standards.



ADDITIONAL CONTEXT

Relevant legislation: Currently, the SBCC is considering updated building code amendments that could improve the feasibility of middle housing. In 2023, Senate Bill 5491 directed the SBCC to convene a technical advisory group (TAG) to recommend amendments to the Washington building code. These amendments would allow multifamily structures up to six stories to be served by a single exit stairway, with the goal of adoption by the SBCC by July 2026. In 2024, House Bill 2071 also directed the SBCC to form a TAG to recommend how to apply the Washington State Residential Code to multiplex housing up to six units, with the goal of adoption by November 2026.

2.8 SIMPLIFY THE PERMITTING PROCESS FOR MIDDLE HOUSING TO BE MORE INTUITIVE FOR HOMEOWNERS.

Action Type: Regulatory change

Goal: Housing diversity

Staff Capacity: Medium

Homeowners and small-scale builders can encounter barriers when navigating the permitting process for middle housing. Simplifying review procedures and providing clearer guidance can reduce costs, shorten timelines, and make it easier for residents to build small-scale housing types.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ◆ **HO-2.1:** Providing resources on regulations and permitting

CURRENT POLICY

Currently, certain housing types, including single detached units (SDUs), duplexes, and ADUs, are reviewed through a building-permit-only process. Other small residential projects with fewer than 10 units require a Type A Ministerial land use permit procedure, and projects with at least 10 units require a Type C Quasi-judicial land use permit procedure.

IMPLEMENTATION CONSIDERATIONS

The City could evaluate opportunities to simplify middle housing permitting by expanding the use of a building-permit-only process for small-scale projects, similar to what is currently used for SDUs, duplexes, and ADUs (see Action 1.2). This could include consolidating review steps, limiting land use procedures, and clarifying which middle housing types qualify for ministerial review.

ADDITIONAL CONTEXT

Community engagement: Developers emphasized the importance of fast and predictable permitting for development feasibility.



EXAMPLES

- » [Seattle, WA](#): Launched citywide permitting reform via the introduction of PACT (a Permitting and Customer Trust Team). This team ensures that permits are completed within no more than two review cycles, provided basic safety/zoning conditions are met. They also make sure that there are no new corrections or interpretations post-initial approval, unless they involve life-safety concerns. This initiative aims to cut housing review times by approximately 50%.

DRAFT



2.9 SIMPLIFY THE PERMIT REVIEW PROCESS FOR PROJECTS WITH INCOME-RESTRICTED HOUSING UNITS.

Action Type: Regulatory change

Goal: Affordable units

Staff Capacity: Low

By streamlining the permit review process, the City can make approvals for income-restricted housing more efficient and predictable. This could help developers stay on schedule, meet funding and construction deadlines, and deliver affordable housing more quickly.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-4.1:** Mitigating displacement risk

CURRENT POLICY

Permitting procedure types are defined in Chapter 18.05. Currently, there is no difference in permitting procedures between income-restricted and market-rate housing. Development projects under ten units must follow a Type A ministerial procedure, while projects with ten units or more must follow a Type C quasi-judicial procedure, including a public hearing.

IMPLEMENTATION CONSIDERATIONS

The City could revise Chapter 18.05 to allow projects that include a qualifying share of income-restricted housing units to follow a simpler permitting process. For example, projects that reserve a certain portion of units for very low-income households (earning 50% or less of the area median income) could be eligible for a Type A land use decision, regardless of the total number of units.

ANALYSIS FINDINGS

Local data: During community engagement, residents emphasized the need for more affordable housing in the City. Nearly half of Mountlake Terrace renters (43%) are cost-burdened, and roughly a third (34%) are very low-income. To support its projected 2044 population, the City will need to add approximately 2,500 units affordable at 50% of the AMI and below.

EXAMPLES

- » **Tacoma Affordable Housing Permit Program:** Projects that provide 10 or more total housing units with 20% of the units reserved as affordable can join the program to receive priority review. Eligible projects are fast-tracked for site development and building permits, with a designated Affordable Housing Project Coordinator who helps coordinate review. Fee waivers are also available for nonprofit-led affordable housing projects.
- » **Kenmore Affordable Housing Special Permit Review Process:** Offers a special review process for developments including low-income or very-low-income housing. Developments of any size providing this type of housing will be eligible for expedited review. Development standards, for the most part, should not be waived with the special review process.



2.10 OFFER A PROPERTY TAX EXEMPTION FOR ADUS RENTED TO LOW-INCOME HOUSEHOLDS.

Action Type: Financial Incentive

Goal: Affordable units

Staff Capacity: High

Even when homeowners are interested in offering affordable rentals, development costs can make projects financially challenging and discourage the creation of ADUs that serve lower-income residents. A property tax exemption for ADUs rented to low-income households could both reduce barriers for homeowners and increase the availability of affordable ADUs.

COMP PLAN POLICIES

- ♦ **HO-1.5:** Implementing incentives for housing production at all income levels.
- ♦ **HO-1.6:** Develop process to convert homes to middle housing.

CURRENT POLICY

The City does not currently have any property tax incentive options associated with ADUs.

IMPLEMENTATION CONSIDERATIONS

To implement the ADU property tax exemption under SB 5529, the City would need to adopt an ordinance opting into the program, including defining local standards such as rent limits and minimum lease terms. The City would also need to coordinate with the Snohomish County Assessor to manage applications and reporting. Additionally, it would need to set up an approach for managing program compliance, such as working with a partner organization or establishing relationships with property management companies to screen and income-qualify applicants. To encourage participation, the City could provide educational materials to help homeowners understand program requirements and criteria.

ADDITIONAL CONTEXT

Community engagement: Residents shared enthusiasm for ADUs both as a tool for increasing revenue for homeowners and as an opportunity to add more attainable housing in the City.

Relevant legislation: Senate Bill 5529 (2025) created an optional exemption that allows cities to waive property taxes on the assessed value of detached ADU improvements when they are rented at or below 60% of AMI.

EXAMPLES

- » **King County and Pierce County, WA:** Both counties offer ADU property tax exemptions for ADUs that rent to low-income households.



3. Mid-Term Actions

3.1 WAIVE OR REDUCE IMPACT FEES FOR AFFORDABLE HOUSING.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Low

Reducing or eliminating impact fees can supplement the funding gap needed for developers to produce affordable housing.

COMP PLAN POLICIES

- ◆ **HO-4.1:** Mitigating displacement risk

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently offer impact fee exemptions or reductions for any type of residential development, but does offer them for low-income childcare facilities. The City could start by reviewing its existing residential impact fee structure and assessing the fiscal implications of providing full or partial waivers for affordable housing developments, coordinating with relevant departments to evaluate potential revenue impacts.

ADDITIONAL CONTEXT

Relevant legislation: RCW 82.02.060 allows local governments to reduce or waive impact fees for affordable housing.

3.2 OFFER DENSITY BONUSES FOR INCOME-RESTRICTED HOUSING IN THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Regulatory change

Goal: Invest in centers

Staff Capacity: Low

In Gateway and Neighborhood Mixed Use zones, where the Comprehensive Plan envisions new housing and mixed-use development near transit and services, density bonuses could help encourage affordable housing production in high-amenity areas. By increasing affordable units, the City can support more equitable access to these amenities.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently does not offer density bonuses tied to affordable housing in Gateway or Neighborhood Mixed Use zones. Following the completion of the zoning update in these zones (see Action 1.4), staff should monitor development patterns and any feedback from developers interested in developing affordable units. Building on this information, staff should work with the Planning Commission and the City Council to calibrate a potential bonus with City goals and current market conditions. If the City is interested in offering MFTE in these zones, aligning this bonus with MFTE program requirements could create an additional incentive to participate.



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3.3 EXPAND TENANT PROTECTION STRATEGIES TO REDUCE THE RISK OF DISPLACEMENT AND HOUSING INSTABILITY FOR RENTERS.

Action Type: Technical Assistance

Goal: Anti-displacement

Staff Capacity: Medium

Mountlake Terrace renters can face pressures from rising costs, limited affordable options, and the risk of displacement due to redevelopment or rent increases. While state law provides baseline protections like just cause eviction and relocation assistance for manufactured home park closures, cities can also adopt local strategies to address community needs.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.3:** Promoting the Rental Housing Safety Inspection Program
- ♦ **HO-4.4:** Retaining existing residents

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently offers the Rental Housing Safety Inspection program. For additional tenant protections, the City could pursue a phased approach, beginning with more accessible steps and building toward stronger protections over time. These protections could include:

- ♦ **Tenant information and outreach:** Advertising existing City, County, and state tenant resources on the City's website, including the Rental Safety Inspection Program.
- ♦ **Relocation assistance:** Adopting a relocation assistance ordinance for tenants displaced by redevelopment or substantial rehabilitation.
- ♦ **Tenant organizing protections:** Adopting a local ordinance protecting tenant organizing to ensure renters can advocate for their rights without retaliation.
- ♦ **Phasing development:** Exploring opportunities for development agreements that phase development to minimize resident displacement.

ADDITIONAL CONTEXT

Community engagement: At the Community Workshop, there was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing.

EXAMPLES

- » **Notice Period:** The City of Woodinville extended the notice period to 120 days for rent increases greater than 3% and 180 days for increases greater than 10%.
- » **Relocation Assistance:** The City of Olympia passed a set of renter protections that includes a requirement for landlords to provide relocation assistance equal to two and a half months' rent if they are facing a rent increase of more than 7% within a 12-month period or if they must move due to habitability concerns.
- » **Late Fee Caps:** The City of Tacoma also passed a ballot initiative that lowers the cap on late fees from \$75 to \$10 and prohibits move-in fees that exceed the first month's rent.



3.4 ADOPT A 12-YEAR MFTE PROGRAM IN R-2 FOR PROJECTS USING THE RESIDENTIAL AFFORDABILITY PROGRAM DENSITY BONUS.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Under current market conditions, six-unit projects using the Residential Affordability Program density bonus are less financially viable than four-unit projects permitted by right. Combining this density bonus with a Multifamily Tax Exemption (MFTE) program could make these six-unit projects more feasible than four-unit projects. While townhomes and duplexes are still likely to be the most common middle housing types in R-2, MFTE could encourage developers to participate in the program.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing
- ◆ **HO-5.3:** Supporting diverse infill housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mountlake Terrace currently offers an MFTE program only in the Town Center, where rental units must be affordable at 80% AMI or below. In the R-2 zone, property owners may build up to four units by right, or up to six units if they provide affordable housing through the City's Residential Affordability Program, which requires income-restricted rental units to be affordable to households earning 60% of the AMI.

The City should consider eligibility criteria for the program, and align requirements with the Residential Affordability Program, including depth of affordability (60% AMI for rentals) and number of required units (five or six, with one or two being affordable).

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Under current market conditions, for-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in the R-2 zone. Additionally, under current market conditions, sixplexes with two bonus affordable units are less financially feasible than fourplexes (allowed by right in R-2). While still less feasible than duplexes or townhomes, sixplexes using the 12-year MFTE program (with 20% of units at 60% of the AMI) are more feasible than fourplexes, creating an incentive to add units.
- ◆ **Tax exemption impact on City revenues:** Among the housing types allowed in R-2, a sixplex not using MFTE would generate the highest revenue from property taxes and sales tax on construction over 20 years. However, after accounting for utility and sales tax revenues associated with additional households, sixplexes built with MFTE could still produce more revenue than other middle housing options, even with the tax exemption.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.5 ADOPT AN 8-YEAR MFTE PROGRAM IN R-3 FOR STACKS WITH AT LEAST TEN UNITS TO INCENTIVIZE ACCESSIBLE UNITS.

Action Type: Financial incentive

Goal: Special needs housing

Staff Capacity: Medium

Stacked multiplex developments are required to set aside a certain share of units as accessible under the building code. However, without additional incentives, side-by-side development (such as townhomes) will generally be more feasible than stacked units. While townhomes would likely be more feasible than stacks, MFTE would still increase stacks' feasibility and offer an incentive.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-3.5:** Incentivizing accessible housing units
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods

CURRENT POLICY & IMMEDIATE NEXT STEPS

For multifamily buildings with elevators, the Washington State Building Code requires 5% of units to be Type A accessible in buildings with more than ten dwellings and all units to be Type B accessible in buildings with more than four dwellings. For multifamily buildings without elevators, these requirements apply only to ground-floor units. These requirements do not apply to multistory units like townhomes.

The City should consider eligibility criteria for the program and set requirements to maximize accessible units in participating buildings. To ensure buildings include Type A accessible units, the City could limit eligibility to buildings with more than ten units or set a program requirement that all participating buildings must include a certain share of Type A units.

ADDITIONAL CONTEXT

Local data: There is likely demand for accessible units in the City: a quarter (26 percent) of Mountlake Terrace households include someone with a disability. The share of seniors in the community is also increasing, with roughly one in ten households being a senior living alone.

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.
- ◆ **Tax exemption impact on City revenues:** As previously noted, townhomes would likely generate the highest revenue over 20 years. Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would generate roughly \$47,000 less revenue for the City over 20 years. If the same multiplex prototype uses the 8-year MFTE program, it will generate roughly \$73,000 less than the townhome prototype over the 20 years, or \$12,200 per accessible unit.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.6 ADOPT A 12-YEAR MFTE PROGRAM IN R-3 IN ALIGNMENT WITH THE RESIDENTIAL AFFORDABILITY PROGRAM.

Action Type: Financial incentive Goal: Affordable units Staff Capacity: Medium

While townhomes would likely still be more feasible than stacked development, offering MFTE would increase the feasibility of stacks. In addition to the income-restricted units required for the 12-year program, stacks also tend to have smaller units than other forms of middle housing, often resulting in lower overall prices.

COMP PLAN POLICIES

- ◆ **HO-1.5:** Implementing incentives for housing production at all incomes
- ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

In the R-3 zone, the number of units allowed by right is primarily determined by floor area ratio (FAR). All buildings with at least six units are limited to an FAR of 1.4, with a bonus FAR of 0.5 for stacks. For projects opting into the Residential Affordability Program, buildings may have an FAR of 2.4 if at least 20% of units are affordable at 60% AMI (for rentals) for 50 years.

The City should consider eligibility criteria for the program and align requirements with the Residential Affordability program. The City could also consider combining this 12-year program with additional accessibility requirements (see Action 3.5).

ANALYSIS FINDINGS

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered. However, both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) would improve development feasibility for stacked development, with a greater increase from the 12-year program.
- ◆ **Tax exemption impact on City revenues:** If stacked development used the Residential Affordability Program density bonus to include additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). In the fiscal analysis, the multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit, when compared to the 12-unit townhome prototype.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).



3.7 EXPAND THE 12-YEAR TOWN CENTER MFTE PROGRAM TO THE GATEWAY AND NEIGHBORHOOD MIXED USE ZONES.

Action Type: Financial incentive **Goal:** Invest in centers **Staff Capacity:** Medium

The updated mixed-use land use areas will provide more opportunities for residential development at higher densities. However, feasibility analysis suggests that under current market conditions, multifamily and mixed-use development may be infeasible in these areas without additional incentives.

CURRENT POLICY & IMMEDIATE NEXT STEPS

In 2022, the City Council re-established the City's MFTE program, adopting both an 8-year and a 12-year program (20% of units at 80% AMI) in the Town Center subarea. To date, five projects have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects. In 2024, the Council authorized an optional 12-year extension for projects using the 12-year program.

The City should consider eligibility criteria for the potential program expansion, including the expanded target area, number and depth of affordable units, and any additional requirements for public benefits or considerations for development in these zones.

COMP PLAN POLICIES

- ◆ **HO-5.1:** Support equitable access to varied neighborhoods
- ◆ **HO-5.2:** Promoting workforce housing
- ◆ **HO-5.4:** Facilitate housing opportunities in high amenity areas

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ◆ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, development could be feasible with an 8-year or 12-year MFTE program, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.
- ◆ **Tax exemption impact on City revenues:** If the podium development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over 20 years, after accounting for additional revenues such as construction and resident sales taxes, utility taxes, and shared state revenues. Because the Gateway and Neighborhood Mixed Use zones currently have fewer amenities than the Town Center zone, additional incentives may be needed in these zones to catalyze development.



» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings](#).

3.8 CONTINUE OFFERING MFTE IN TOWN CENTER, BUT CONSIDER PHASING OUT THE 8-YEAR OPTION.

Action Type: Financial incentive

Goal: Affordable units

Staff Capacity: Medium

Feasibility analysis suggests that the 8-year and 12-year program (at 80% AMI) have an equivalent effect on feasibility, and focusing incentives on the 12-year program could help the City strengthen the incentive for affordable housing in Town Center. However, there are tradeoffs for both programs that the City should consider.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Support equitable access to varied neighborhoods
- ♦ **HO-5.2:** Promoting workforce housing
- ♦ **HO-5.4:** Facilitate housing opportunities in high amenity areas

CURRENT POLICY & IMMEDIATE NEXT STEPS

In Town Center to date, five projects have used the 8-year program, and one is currently applying for the 12-year program, with potential interest from up to three other projects.

The City should consider the tradeoffs of both the 8-year and the 12-year program in the context of its policy goals. While the 8-year and 12-year programs have a similar impact on project feasibility, the 12-year program would generate less revenue for the City than the 8-year program. However, the 12-year program would include 20% affordable units. Current affordable units (at 80% AMI) are similar to current market rate rents but could limit rent increases for those units as market rents rise.

ADDITIONAL CONTEXT

Feasibility and fiscal analysis results:

- ♦ **Affordable and market-rate rents:** For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.
- ♦ **Tax exemption impact on development feasibility:** Market-rate podium development is likely infeasible under current market conditions. However, the 8-year and 12-year MFTE programs have a similar positive impact on feasibility, assuming the 12-year program required 20% of units to be affordable to households earning 80% of the AMI or below. For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be enough to make development feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.
- ♦ **Tax exemption impact on City revenues:** In the fiscal analysis, the City's revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the



program's duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.

» For full analysis results, see [Appendix C: Development Feasibility Analysis Findings.](#)

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4. Long-Term Actions

4.1 ENCOURAGE ANY AFFORDABLE HOMEOWNERSHIP UNITS TO BE STEWARDED BY A COMMUNITY LAND TRUST (CLT).

Action Type: Partnership	Goal: Affordable units	Staff Capacity: Medium
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Market-rate developers are generally not structured to manage the long-term administrative requirements of income-restricted homeownership. Partnering with a Community Land Trust (CLT) ensures these homes remain affordable for future buyers by providing ongoing stewardship, compliance monitoring, and homeowner support.

COMP PLAN POLICIES

- HO-1.7: Supporting alternative access to homeownership
- HO-2.3: Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There are not currently any income-restricted homeownership units in the City. Additionally, administering income-restricted homeownership programs requires long-term monitoring, compliance, and stewardship to ensure that affordability is maintained across resales. Developers are unlikely to take this on once they sell the unit, and this administration can take significant City staff time. However, if the units are not managed correctly, they can risk losing their affordability covenant.

The City could reach out to CLTs in the broader region to explore opportunities for developing or acquiring housing units in Mountlake Terrace (see Action 5.5). The City could also connect developers open to developing affordable homeownership units with any interested CLTs.

ANALYSIS FINDINGS

Local data: Homeownership is increasingly out of reach for many residents. The median home sales price in Mountlake Terrace more than tripled from 2012 to 2023. As of 2023, a household would need to earn slightly above the area median income (\$146,500) to afford the median home price, qualifying less than 20% of Mountlake Terrace households.⁸

Community engagement: Market-rate developers shared that they are unlikely to develop income-restricted homeownership units, even with incentives like MFTE, due to the additional complexity of financing and administering the units.

⁸ Mountlake Terrace Vision 2044 Comprehensive Plan, page 392.



4.2 TRANSFER OR LONG-TERM LEASE CITY REAL-ESTATE HOLDINGS TO A MISSION-DRIVEN DEVELOPER.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: High

Removing the cost of land acquisition can make affordable housing significantly more feasible and strengthen mission-driven developers' competitiveness for public funding, since many state and federal programs prioritize applications with local contributions.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has not previously contributed land to a development project and does not currently have a process for evaluating properties or making land use decisions for them. To begin, the City could prepare a baseline inventory of City-owned parcels, including zoning, size, and existing uses, and consider if any parcels could be appropriate for future use.

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that providing land or publicly owned property can be an effective non-subsidy incentive, especially for producing deeply affordable housing. Because land costs are often one of the largest expenses in development, offering discounted or no-cost land can significantly reduce the total project cost to help make housing affordable for households earning below 30% AMI financially feasible.

4.3 STRATEGICALLY TARGET PUBLIC INVESTMENTS TO ADD AMENITIES AND ATTRACT DEVELOPMENT.

Action Type: Financial incentive

Goal: Invest in centers

Staff Capacity: High

Public investments in amenities and infrastructure, such as sidewalks, parks, and utility upgrades, can reduce development barriers and make key areas more attractive for housing. By focusing these investments in the priority growth areas identified in Vision 2044, the City can maximize the impact of its resources and help attract housing development near transit and amenities.

COMP PLAN POLICIES

- ♦ **HO-5.1:** Supporting equitable access to varied neighborhoods
- ♦ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City invests in infrastructure and amenities primarily through its Capital Improvement Program (CIP) and transportation plans, which prioritize projects based on safety, capacity, and maintenance needs. While priority projects support health and safety, the City could add scoring criteria to consider the project's potential impact on development in Gateway, Neighborhood Mixed Use, or other planned growth areas. The City could begin this process during its upcoming Water, Sewer, Stormwater, and Transportation Plan updates.



4.4 PURSUE FUNDING FOR INFRASTRUCTURE IMPROVEMENTS THAT COULD ENABLE AT-RISK AFFORDABLE HOUSING PRESERVATION.

Action Type: Partnership

Goal: Anti-displacement

Staff Capacity: High

Many of Mountlake Terrace's affordable homes are in older buildings or manufactured home communities with aging public infrastructure (such as sewer lines), and the investment needed to update these properties can make it financially infeasible for the Housing Authority of Snohomish County (HASCO) or other mission-driven organizations to acquire and preserve these properties.

COMP PLAN POLICIES

- ♦ **HO-4.1:** Mitigating displacement risk
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County distributes funding to cities that could potentially cover infrastructure upgrades or repairs, such as Community Development Block Grants (CDBG); however, Mountlake Terrace has not previously received this funding for a project of this type.

The City could coordinate with HASCO to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 5.12). For selected sites, the City could pursue funding for infrastructure improvements from County-managed funding streams, like CDBG or HB 1509 sales tax revenues, while HASCO pursues acquisition financing (see Action 5.2).

ANALYSIS FINDINGS

Community engagement: Mission-driven developers shared that aging infrastructure, including outdated sewer, water, and utility systems, can be a major barrier to preserving existing affordable housing in Mountlake Terrace. Many older multifamily and manufactured housing communities require substantial infrastructure investment before rehabilitation or acquisition can occur, making preservation projects financially infeasible without public support.



5. Ongoing Actions

5.1 CONTINUE PARTICIPATING IN REGIONAL HOUSING EFFORTS.

Action Type: Partnership	Goal: Housing production	Staff Capacity: Low
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Participating in regional housing efforts, including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, can strengthen Mountlake Terrace’s role in shaping housing policy and accessing shared resources. These forums provide opportunities to collaborate with neighboring jurisdictions, align on regional strategies, and advocate for local priorities. Active participation would also help the City stay informed about funding opportunities, legislative changes, and best practices.

COMP PLAN POLICIES

- ◆ **HO-2.2:** Coordinating with regional partners on informational materials
- ◆ **HO-2.3:** Pursuing partnerships to support affordable housing
- ◆ **HO-4.5:** Building relationships for community development

CURRENT POLICY & IMMEDIATE NEXT STEPS

Mayor Matsumoto-Wright currently represents the City at the Affordable Housing Alliance, and the City has representatives at Snohomish County Tomorrow. However, coordination could be improved to maximize advocacy potential by sharing information and upcoming opportunities with other representatives and relevant City department heads.

5.2 PROACTIVELY ENGAGE SNOHOMISH COUNTY TO CLARIFY PLANS FOR DISTRIBUTING AFFORDABLE HOUSING FUNDING SOURCES.

Action Type: Partnership	Goal: Affordable units	Staff Capacity: Medium
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Snohomish County distributes a variety of funding sources to cities, including Mountlake Terrace. Proactively coordinating with the County to understand funding priorities and highlight local opportunities could help the City access resources that support both housing development and other needs, like infrastructure.

COMP PLAN POLICIES

- ◆ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Snohomish County Housing and Community Services Division collects and distributes funding to local cities, including Mountlake Terrace, through an interlocal agreement (the Snohomish County Consortia), including CDBG, CoC, ESG, HOME, NSP, CHG, AHTF, and EHP funds. The County also has two affordable housing funding sources from sales taxes: HB1509 and HB1406. In 2024, 12 jurisdictions in Snohomish County collected \$2.18 million through HB1406 sales tax credits, and Snohomish County collected \$22 million through HB1509 sales tax. Since its adoption in 2021, the County has not yet begun to distribute the HB1509 funds, which totaled over \$60 million as of 2025. City staff or elected officials could initiate coordination with Snohomish County Housing and Community Services staff to clarify timelines, eligibility criteria, and priorities for distributing available housing and infrastructure funds.



5.3 SUPPORT PUBLIC FUNDING APPLICATIONS FOR AFFORDABLE HOUSING PROJECTS THAT ALIGN WITH CITY PRIORITIES.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Many public funding programs for affordable housing consider local government support as part of their evaluation criteria. Providing a letter of support and committing to helping remove local development barriers can signal project readiness and improve the competitiveness of funding applications.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City does not currently have a formal policy or mechanism for supporting publicly funded projects, though it has relationships with affordable housing developers. The City could begin by establishing and maintaining regular communication with mission-driven housing developers to anticipate upcoming funding applications and support needs.

ADDITIONAL CONTEXT

Community engagement: Mission-driven developers shared that demonstrating City support can be a significant asset for funding applications.

5.4 SUPPORT AFFORDABLE HOUSING DEVELOPMENT ON PROPERTIES OWNED BY RELIGIOUS ORGANIZATIONS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

Religious organizations are eligible for affordable housing density bonuses under state legislation and often own well-located properties with existing infrastructure that can support affordable housing development.

COMP PLAN POLICIES

- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

There has been some development interest by religious organizations in Mountlake Terrace, but no projects have been completed to date. To begin, the City could reach out to faith-based organizations to gauge interest in affordable housing development and share relevant development incentives that might apply.

ADDITIONAL CONTEXT

Relevant legislation: Under RCW 36.70A.545, cities must allow density bonuses for affordable housing developments by religious organizations.



5.5 PARTNER WITH COMMUNITY LAND TRUSTS (CLTS) OR OTHER ORGANIZATIONS THAT SUPPORT ALTERNATIVE HOMEOWNERSHIP MODELS.

Action Type: Partnership

Goal: Affordable units

Staff Capacity: Low

A community land trust (CLT) is a nonprofit organization that acquires and holds land for the long term to ensure that housing built on it remains permanently affordable, typically by separating ownership of the land from ownership of the home and limiting resale prices to keep units accessible for future income-qualified buyers. Building partnerships with CLTs could expand long-term affordable homeownership opportunities in the City while market home sales prices rise.

COMP PLAN POLICIES

- ♦ **HO-1.7:** Supporting alternative access to homeownership
- ♦ **HO-2.2:** Coordinating with regional partners on informational materials
- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, one CLT (Homes and Home Community Land Trust) is active in Snohomish County, but Mountlake Terrace does not currently have any projects engaged with a CLT.

The City could start by identifying active CLTs in the region and reaching out to explore opportunities and interest in expansion into Mountlake Terrace. The City could also explore whether there are federal resources (such as the HUD Self-Help Homeownership Opportunity Program) or local funding sources, such as an affordable housing fund, that the City could support the CLT in applying for (see Action 5.3). Barring funding availability, the City could consider selling or donating surplus or unused land to the CLT (see Action 4.2).

ANALYSIS FINDINGS

Community engagement: In community workshops, there was significant interest in models that ensure long-term affordability through community ownership. Residents referenced tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning.

EXAMPLES

- » [The City of Chelan and Chelan County](#) built a collaborative relationship with the Chelan Valley Housing Trust and provide \$20,000 yearly to fund the CVHT's operations.
- » [The Olympic Housing Trust](#), located in Port Angeles, formed in 2008 in response to Port Angeles' need to revive and dispose of four vacant homes. OHT now partners with the City of Port Townsend and is building the Dundee Hill and Chimacum Commons projects.
- » [The Methow Valley Housing Trust](#) in Winthrop partnered with the Housing Authority of Okanogan County to create new permanent affordable development containing 40 homes and 22 rental units.



5.6 HOST REGULAR EDUCATIONAL COMMUNITY WORKSHOPS ABOUT DEVELOPMENT TO SHARE INFORMATION AND PROVIDE ASSISTANCE.

Action Type: Assistance

Goal: Housing production

Staff Capacity: Medium

Specific workshops could provide information on the development process, such as permit processes, building requirements, and financing. They could also offer space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.

COMP PLAN POLICIES

- ♦ **HO-2.1:** Providing resources on regulations and permitting
- ♦ **HO-2.2:** Coordinating with regional partners on informational materials

CURRENT POLICY & IMPLEMENTATION STEPS

The City already regularly hosts community events on a variety of issues. The City could plan to focus a certain number of these meetings on the development process and reach out to City staff and professionals with a range of expertise to present on specific topics.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that additional resources or information on topics across the development process would be helpful.

5.7 PROVIDE TECHNICAL ASSISTANCE FOR NAVIGATING PERMITTING PROCEDURES AND REQUIREMENTS.

Action Type: Assistance

Goal: Housing production

Staff Capacity: High

Permitting can be especially challenging for homeowners, small-scale builders, and nonprofit housing providers who may not be familiar with the City's processes. Offering guidance can make permitting more efficient and reduce barriers to development.

COMP PLAN POLICIES

- ♦ **HO-2.1:** Providing resources on regulations and permitting

CURRENT POLICY & IMMEDIATE NEXT STEPS

Currently, residents can schedule a 30-minute in-person or virtual meeting with a City planner. As the City updates its development code, processes, and informational materials, it should continue to allocate staff time for training on current requirements and resources.

ANALYSIS FINDINGS

Community engagement: Both development professionals and residents, particularly those with limited development experience, shared that assistance from City staff would help navigate City requirements. As the City updates its code, developers shared that staff availability could help save time and money in permitting, increasing development feasibility.



5.8 SUPPORT OPPORTUNITIES TO PURCHASE MANUFACTURED HOME COMMUNITIES.

Action Type: Assistance

Goal: Anti-displacement

Staff Capacity: Low

Helping residents and partners take advantage of purchase opportunities could help preserve an important source of naturally occurring affordable housing. Facilitating access to technical assistance, outreach, or partnerships would support community stability and reduce the risk of displacement when manufactured home parks are put up for sale.

COMP PLAN POLICIES

- ♦ **HO-2.2:** Coordinating with regional partners on informational materials
- ♦ **HO-2.3:** Pursuing partnerships to support affordable housing.
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

Recent state legislation requires owners to give notice of the opportunity to compete to purchase when selling a manufactured/mobile home community. Notice needs to be provided to each tenant, tenant organizations, the Department of Commerce, the City, HASCO, and the Washington State Housing Finance Commission. Following notice, tenants have 70 days to form a qualified tenant organization to purchase the community.

The City could plan to provide letters of support, connecting residents with nonprofit housing organizations such as ROC Northwest, or offering technical guidance. The City could also consider adopting stronger protections, like tenant opportunity to purchase or right of first refusal policies (see Action 3.3).

ANALYSIS FINDINGS

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace in 2023 were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁹

EXAMPLES

» **Snohomish County:** In June 2024, 200 residents gathered for a forum to discuss rising rent, new rules and managerial conduct amidst the corporate acquisition of their mobile home parks. At this forum, several resource groups for manufactured-home owners were present to describe their work and the viability or non-viability of forming collective purchasing groups. For example, the Washington State Housing Finance Commission program and partnership with ROC (Resident Owned Community) Northwest and ROC USA offers financial tools and guidance for manufactured-housing communities to become self-owned cooperatives.

⁹ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



5.9 ENFORCE MAINTENANCE OF INVESTMENT PROPERTIES TO DISINCENTIVIZE VACANT AND DETERIORATING BUILDINGS.

Action Type: Increase enforcement **Goal:** Invest in centers **Staff Capacity:** High

Some investors are purchasing older homes, delaying maintenance, and holding the properties in deteriorating condition while waiting for redevelopment value to increase, particularly in Town Center. When buildings fall into disrepair, it can discourage investment in nearby properties and lead to the loss of habitable housing. Strengthening code enforcement could discourage speculative disinvestment.

- COMP PLAN POLICIES
- ◆ **HO-4.4** Retaining existing residents
 - ◆ **HO-5.1:** Supporting equitable access to varied neighborhoods
 - ◆ **HO-5.4:** Facilitating housing opportunities near amenities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City has a property maintenance code that levies fees on deteriorating properties. To date, the City has only enforced this code for deteriorating commercial buildings in Town Center. The City should continue to facilitate code enforcement for vacant and deteriorating buildings, including residential development, that do not have active permits. The City should also ensure staff have the capacity and support to implement these efforts.

5.10 ADVOCATE FOR THE STATE LEGISLATURE TO EXPAND OPPORTUNITIES FOR HOME OWNERSHIP OF DIFFERENT HOUSING TYPES THROUGH THE CONDOMINIUM (CONDO) PROCESS.

Action Type: Advocacy **Goal:** Housing diversity **Staff Capacity:** Low

Condos can be one of the more attainable forms of homeownership for moderate-income households. However, Washington state legislative requirements for condos defect liability often impose barriers to their development. While the City cannot directly impact state legislators, it can provide public support for legislation addressing these barriers.

- COMP PLAN POLICIES
- ◆ **HO-1.7:** Supporting alternative access to homeownership
 - ◆ **HO-2.4:** Advocating for expanded homeownership opportunities

CURRENT POLICY & IMMEDIATE NEXT STEPS

The City currently provides public comment on proposed legislation annually. During future legislative cycles, relevant staff or representatives should coordinate with regional advocates or organizations to monitor for and formally support legislation that could reduce barriers to condominium development.

ADDITIONAL CONTEXT

Local data: Condos can be a more attainable form of homeownership. While single-family home prices in 2023 ranged from roughly \$400,000 to over \$1,000,000, condo sales prices ranged from approximately \$300,000 to \$500,000.

5.11 MONITOR LAND CAPACITY AND DEVELOPMENT TRENDS, AND UPDATE DEVELOPMENT REGULATIONS IF NEEDED.

Action Type: Advocacy

Goal: Housing production

Staff Capacity: Low

Monitoring land capacity and development trends will ensure the City is on track to meet Vision 2044 housing targets. Tracking outcomes of recent and future code changes will also allow the City to be responsive in making any changes needed to support development goals.

COMP PLAN POLICIES

- ♦ **HO-2.5:** Planning for housing needs at all income levels
- ♦ **HO-2.6:** Monitoring and reporting on housing supply

CURRENT POLICY & IMMEDIATE NEXT STEPS

As a component of the Growth Management Act, the Buildable Lands program under RCW 36.70A.215 already requires Snohomish County and the cities within it to submit a report reviewing actual development and to determine that they have designated adequate amounts of residential, commercial, and industrial lands to meet the growth needs incorporated in their comprehensive plans.

5.12 MONITOR BOTH REGULATED AND NATURALLY OCCURRING AFFORDABLE HOUSING UNITS AT RISK FOR REDEVELOPMENT.

Identifying and monitoring both regulated and naturally occurring affordable housing units that are at risk of redevelopment could help the City take proactive steps to preserve these housing options. Tracking both regulated and unregulated units would allow the City to coordinate with property owners and housing partners and take actions for preservation and/or tenant support.

COMP PLAN POLICIES

- ♦ **HO-2.5:** Planning for housing needs at all income levels
- ♦ **HO-2.6:** Monitoring and reporting on housing supply
- ♦ **HO-4.2:** Preserving affordable housing

CURRENT POLICY & IMMEDIATE NEXT STEPS

PSRC maintains a database of income-restricted affordable housing; the City does not currently have a process for tracking regulated or unsubsidized affordable housing. To begin, the City could coordinate with HASCO and PSRC to create a shared list of older affordable properties and manufactured home communities where infrastructure upgrades are major barriers to reinvestment and preservation (see Action 4.4).

EXAMPLES

- » **Brooklyn Park, Minnesota:** In 2017, the City established the NOAH Preservation Program in 2017 to monitor older rental buildings that are still affordable but vulnerable. Working with data partners, the city regularly identifies aging buildings with below-market rents, tracks ownership changes, and proactively invests in preservation strategies.
- » **Bellevue:** The City provides an Affordable Housing Inventory map that identifies NOAH properties for prospective residents.



4. Appendix A: Comprehensive Plan Sources

This HAP is intended to implement the Comprehensive Plan's Housing Element. In addition to the goals and policies, the project team also reviewed:

Housing Element Implementation Strategies: As part of the Housing Element, the City Council selected several priority policies to identify potential implementation steps for. In addition to considering these Council priorities, the project team evaluated and incorporated many of these implementation steps into HAP actions.

Comprehensive Plan Land Use Element: While the HAP focuses on implementing the Housing Element policies, it is also closely linked to the Land Use Element, which establishes where and how future growth can occur by designating densities and development patterns.

Comprehensive Plan Community Engagement: The vision outlined in the Comprehensive Plan reflects the community's priorities, gathered through extensive engagement and analysis throughout the comprehensive planning process. The Comprehensive Plan project team used various methods to engage the community, including open houses, public meetings, surveys, interviews, and targeted outreach to groups that may not have been fully represented in previous planning efforts. These groups included people of color impacted by discriminatory housing practices, individuals with disabilities, those experiencing cost burdens, and people with lived experience of homelessness. The Comprehensive Plan also incorporated input from the City Council, the Planning Commission, a Comprehensive Plan Advisory Group, city staff, and other community partners to create a shared vision and build consensus around the Plan's goals and policies.

» For a full description of community engagement in the comprehensive planning process, see Appendix A in the [Mountlake Terrace Comprehensive Plan](#).

Housing Element Background Analysis: In addition to community engagement, the Comprehensive Plan's Housing Element goals and policies are informed by supplemental analyses, including a housing needs assessment, a residential land capacity analysis, and a policy analysis of potentially racially disparate impacts.

» For the full Housing Element Background Analysis, see Appendix C in the [Mountlake Terrace Comprehensive Plan](#).



5. Appendix B: Community Engagement Summary

Approach

The approach to developing the Mountlake Terrace Housing Action Plan (HAP) combined broad-based community engagement with targeted stakeholder interviews to ensure that recommendations are both equitable and implementable. Together, these activities provided a multidimensional understanding of local housing needs, development challenges, and community priorities.

Key Themes from Community Workshop

The in-person community workshop, held at Mountlake Terrace City Hall from 6–8 PM, was designed as an open house to:

- 1) Introduce the Housing Action Plan (HAP) and its objectives.
- 2) Present alternative zoning amendment scenarios and assumptions.
- 3) Collect community feedback on housing needs, challenges, and priorities.
- 4) Ensure transparency in the code amendment and policy development process.

The event featured informational boards and visual displays, sticky-note comment activities, and provided free food, drinks, and childcare to encourage broader participation. Feedback themes from residents, developers, and advocates included:

High Interest in ADUs	Anti-Displacement	Equity in Design Standards	Infrastructure Limitations	Walkability and Amenities
Residents shared enthusiasm for ADUs as affordable and income-generating options, but noted that regulations are confusing and overly restrictive.	Attendees voiced support for strategies such as tenant protections, rental assistance, and acquisition of naturally occurring affordable housing.	Some highlighted that design requirements for ADUs often do not reflect the existing housing variety in MLT.	Concerns were raised about whether aging roads and schools could support population growth.	Participants emphasized the need for walkable neighborhoods connected to libraries, groceries, and transit.

High Interest in ADUs: Community members expressed strong support for allowing more accessory dwelling units (ADUs), including the possibility of permitting two ADUs per lot. Residents see ADUs as both a tool for expanding affordable housing options and a means of generating household income. However, participants shared frustrations about existing regulations being overly complex and restrictive, particularly aesthetic design requirements



that are difficult to meet given Mountlake Terrace's diverse housing stock. Several attendees brought their own ADU design plans to the workshop, emphasizing the depth of local interest and readiness.

Anti-Displacement Concerns: Many attendees raised concerns about rising housing costs and the potential for displacement of renters and low-income residents. There was broad support for anti-displacement strategies, including enhanced tenant protections, rental assistance, relocation support, and public acquisition of naturally occurring affordable housing. Participants also emphasized the importance of equitable development and ensuring that housing policies protect the most vulnerable members of the community.

Equity in Design Standards: There was significant interest in models that ensure long-term affordability through community ownership. Participants supported tools such as community land trusts, housing cooperatives, lease-purchase models, affordability covenants, and inclusionary zoning. These strategies were seen as essential for keeping housing affordable and preventing speculation, with many attendees also calling for policies to limit investor ownership in residential neighborhoods.

Infrastructure Limitations: Participants questioned whether Mountlake Terrace's existing infrastructure could support additional housing development. Concerns were raised about the condition and capacity of older roads, stormwater systems, and public schools. While some welcomed growth, others expressed unease about the potential strain on local services and the risk of declining home values due to increased density.

Walkability and Amenities: Attendees shared a strong desire for neighborhoods that are walkable and close to key amenities such as grocery stores, libraries, parks, and transit. This feedback reflects a preference for compact, mixed-use development that supports everyday needs within walking distance. Walkability was viewed not only as a matter of convenience but also as a way to enhance livability and reduce reliance on cars.

Clarity and Transparency: Residents asked for clearer and more user-friendly development regulations, noting that current rules can be difficult to navigate. There was also a desire for greater transparency in how community input will shape zoning amendments and housing policy decisions. Some attendees expressed interest in learning from other jurisdictions that have successfully implemented similar housing strategies, suggesting that comparative examples could help build public understanding and trust.

Key Themes from Interviews

To complement community feedback with technical and implementation-oriented insight, the City and consultant team conducted a series of interviews with local developers, builders, and other real estate professionals. These conversations focused on zoning flexibility, design standards, financing barriers, and opportunities for regional coordination.



Zoning and Design Updates	Incentives	Partnerships	Advocacy
Developers emphasized the need for flexible zoning, clear design standards, and a streamlined, transparent permitting process.	Interviews brought to light a variety of potential incentives to produce more diverse and affordable housing, including MFTE and density bonuses.	Interviewees suggested different partnership pathways with regional and county organizations to support housing action.	Developers also suggested that the City engage in state and county-level advocacy for policy change and financial investments.

Zoning and Design Updates: Developers emphasized the need for flexible zoning, clear design standards, and a streamlined, transparent permitting process. Suggestions included higher lot coverage, expanded height flexibility, reduced setbacks, more allowances (garages, parking reductions, commercial space flexibility, ground floor human/community services), and optional tree preservation. Developers also called for form-based codes and clearer language on yards, setbacks, and roof pitch.

Incentives: Developers recommended a variety of incentives to produce more diverse and affordable housing, including using Multifamily Tax Exemption tools, providing density bonuses, supporting condo conversions, offering pre-approved ADU plans, and providing letters of support for housing project grant applications with City commitments toward land use flexibility and fast-track permitting. Developers pointed to policies in Edmonds and Everett as models for implementing these recommendations.

Partnerships: Developers discussed potential partnership pathways for the City to support housing production. One interviewee suggested a countywide partnership to lobby for a ballot measure and share revenues regionally. Others mentioned joining regional organizations like the Alliance for Housing Affordability, which convenes all Snohomish County cities to provide research, technical assistance, and political space to support local housing action. Snohomish County Tomorrow also provides a formal venue to coordinate on housing targets and land use.

Advocacy: Developers also suggested that the City engage in state and county-level advocacy. For example, the City could lobby for policy changes such as condominium reform to enable small ownership models. At the county level, the City could monitor Snohomish County's allocation of \$20 million in HB 1590 funding and advocate for the county to invest some of those dollars into activities that are aligned with the City's goals.



6. Appendix C: Development Feasibility Analysis Findings

The project team tested the impact of the 8-year and 12-year MFTE program in three scenarios:

1. **Middle housing development in the R-2 zone**, including duplexes, townhomes, fourplexes, and sixplexes.
2. **Middle housing development in the R-3 zone**, including townhomes and multiplexes.
3. **Podium development in mixed-use zones**.

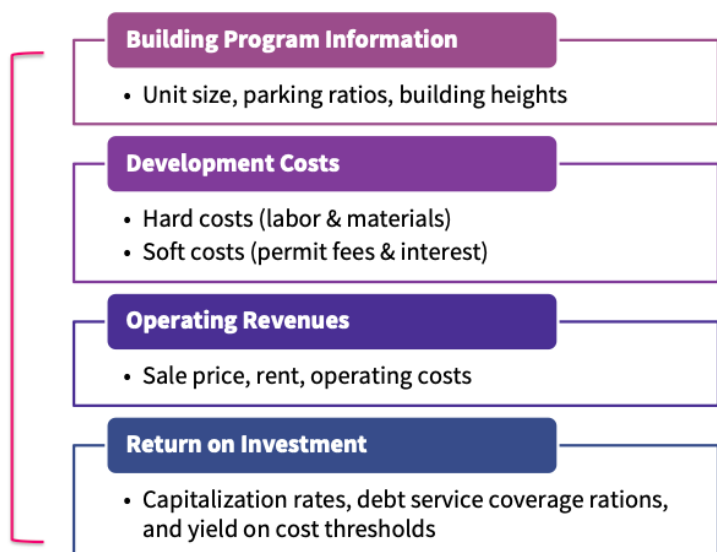
This analysis has two components: an assessment of the program's impact on development feasibility and the impact on City revenues.

Feasibility Analysis

To evaluate the financial viability of the proposed development prototypes, we used a range of inputs necessary for financial pro forma modeling (displayed on the right) to calculate the residual land value for each prototype.

Residual Land Value (RLV) is a strong indicator metric of the relative likelihood that development will occur for both rental and ownership products, demonstrating whether a developer can purchase land and whether there is a market incentive for investment. RLV is calculated as the remainder between a development's value and the cost it takes for development, as shown in the graphic below.

The value of a development project is projected somewhat differently for rental or ownership products. For rental properties, the value is reflected in its Net Operating Income (NOI), which is the property's annual rental income (from residential or commercial tenants), and any additional revenue after accounting for vacancy rates and operating costs (such as property management and maintenance). For ownership products, the value is the Net Sales Proceeds after broker fees.



Development costs are a combination of hard costs (like construction and labor for new construction) and soft costs (including impact fees, design, overhead expenses, and more). If the value of a development is higher than the total costs, this remainder is the RLV.

Feasibility Analysis Assumptions

ECO tested the impact of various MFTE program options across eight prototypical development types. A summary of development specifications for each prototype is shown in the table below.

Exhibit 4: Prototype Building Program Specifications

	Duplex	Town-homes (4)	Fourplex	Town-homes (6)	Sixplex	Market-rate stack	Stack w/ affordable units ¹⁰	Podium
Tenure	For-sale	For-sale	Rental	For-sale	Rental	Rental	Rental	Rental
Lot size (sf)	7,200	7,200	7,200	7,200	7,200	14,400	14,400	48,720
Units	2	4	4	6	6	12	15	240
Density (units/acre)	12	24	24	36	36	36	45	215
Floors	2	3	2	3	3	3	3	6
Parking ratio	2.0	1.0	1.0	1.0	1.0	1.0	0.8	0.8
Average net unit size (sf)	1,900	1,550	975	1,150	900	900	700	1,000
Unit mix	100% 3-bedroom	100% 3-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	100% 2-bedroom	60% 1-bedrooms, 40% 2-bedrooms	10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms

Source: ECOnorthwest

Cost and revenue assumptions for each prototype are shown below.

Exhibit 5: Development Cost and Operating Revenue Assumptions

	Duplex	Townhomes (4)	Fourplex	Townhomes (6)	Sixplex	Market-rate stack	Stack w/ affordable units	Podium
Construction costs psf	\$189	\$255	\$251	\$255	\$252	\$242	\$234	\$251
Total costs psf	\$265	\$360	\$375	\$349	\$376	\$361	\$345	\$383
Annual rents psf	..	..	\$18	..	\$18	\$20	\$20	\$22
Sales price	\$837,000	\$748,000	..	\$616,000	..	..	..	..

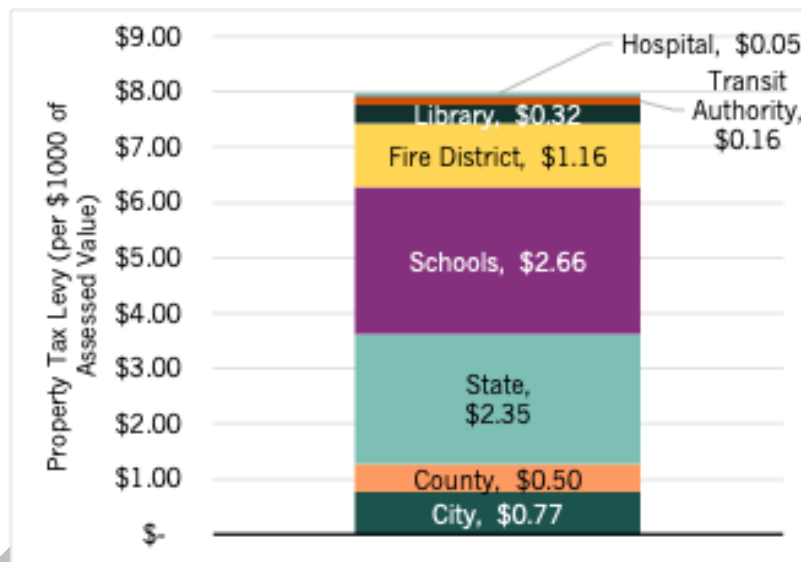
¹⁰ For the site and prototype modeled, the limiting factor for the number of units was the number of parking stalls that could fit on the site. While the site could fit a building with higher floor area ratio (which increases with the affordable housing density bonus), it could not accommodate additional parking stalls at the required 1:1 parking ratio for market-rate units. However, because there is no required parking for affordable units, a developer could theoretically add additional units with no dedicated off-street parking stalls. However, this would likely depend on the site's proximity to transit or on-street parking opportunities.



Fiscal Analysis Assumptions

In addition to understanding the feasibility of an MFTE program, the City is concerned with the fiscal impacts of offering a tax exemption. MFTE exempts the residential portion of the project's assessed value from property taxation for a period of eight or twelve years. At the end of the exemption period, the project's residential value returns to the tax rolls. When property taxes are paid, Mountlake Terrace retains only a portion (roughly 9.7%, or \$0.77 per \$1,000 of assessed property value) of property taxes paid, with the rest going to other overlapping taxing districts (shown in Exhibit 6 to the right). Additionally, the exemption interacts with the levy calculation process and there are two key issues that we highlight in the callout box on the next page.

Exhibit 6: Tax Districts in Mountlake Terrace



Source: Snohomish County Assessor's Office

We also accounted for other revenues generated for the City by development and additional households:

- ◆ **Sales tax on construction:** 1% of sales revenue goes to the City.¹¹
- ◆ **Utility taxes on additional customers:** Includes water, electric, gas, sewer, stormwater, solid waste, cable, and telephone. Estimated at roughly \$1,850 total per resident annually based on the Mountlake Terrace 2025-2026 municipal budget.¹²
- ◆ **Sales taxes on resident purchases:** 1% of sales revenue goes to the City.¹³
- ◆ **Shared state revenues based on total residents:** Estimated at ~\$35 per resident annually based on 2025-2026 municipal budget

These revenue sources come from the additional residents, not just additional units; MFTE will not change the City's growth projections, but it could make development more feasible or

¹¹ The project generates sales tax from one-time spending from the construction of the project (which is taxable as a retail event in Washington) and

¹² Utility taxes are technically a business and occupation tax paid by the utility provider, however, all providers collect the tax as part of utility bills to consumers.

¹³ This includes sales tax from e-commerce deliveries to households (since the retail event is recorded at the place of delivery).

allow different types or locations of development to occur earlier than the market might currently support.

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PROPERTY TAX EXEMPTION INTERACTION WITH LEVY CALCULATIONS

Due to the exemption process interacting with the levy calculation process, there are two issues that should be highlighted.

Assessed Value Tax Exemption and Property Tax Burden Shift

The first is a well-known issue: the MFTE programs function like any other exemption or special valuation program in the state. Since the property tax is “budget-based” in Washington, the application of the MFTE shifts the property tax burden to other taxpayers. This is due to the budget-based property tax for regular levies being fixed by statute, specifically, the levy amount (i.e., the amount collected) being restrained by what is commonly known as the limit factor. The limit factor limits levy collection to the lesser of 1% or the implicit price deflator (which is almost always 1%), plus the addition of certain add-ons (the most prominent being the addition of the amount of new construction value times the levy rate in the preceding year). The result means that this “fixed” amount of the levy collection is distributed to a relatively smaller assessed value base because of the exempt MFTE valuation, resulting in a fractionally higher levy rate being applied to all other properties with non-exempt valuations.

New Construction Valuation and Maximum Allowable Levy

The second issue is less understood but also revolves around the state’s budget-based system for regular levies. As stated above, regular levies are governed by the limit factor of 1%. In practice, this means that almost all regular levies are growing at this 1% limit plus an amount of the new construction add-on value, as long as a jurisdiction is not bumping up against its statutory rate limit, something that rarely occurs.

The specific issue relates to the timing of when a county assessor assesses a project during construction to when a project is certified for MFTE exemption. Because the MFTE is recorded at the certificate of occupancy (when the project is complete), a county assessor will assess a project during construction based on a percent complete basis, resulting in a portion of a project’s new construction value making it onto the tax rolls, resulting in some impact to the city’s levy.

Some jurisdictions have elected not to take the limit factor-derived maximum allowable levy and have chosen to “bank” that capacity against their highest lawful levy. In these cases, the MFTE will not have an immediate impact on property tax collections since the jurisdiction has chosen not to include this amount in its annual budget. However, the long-term effect is a fractionally lower amount of banked capacity.



Analysis Findings

Findings for both feasibility and fiscal analyses are discussed by scenario below.

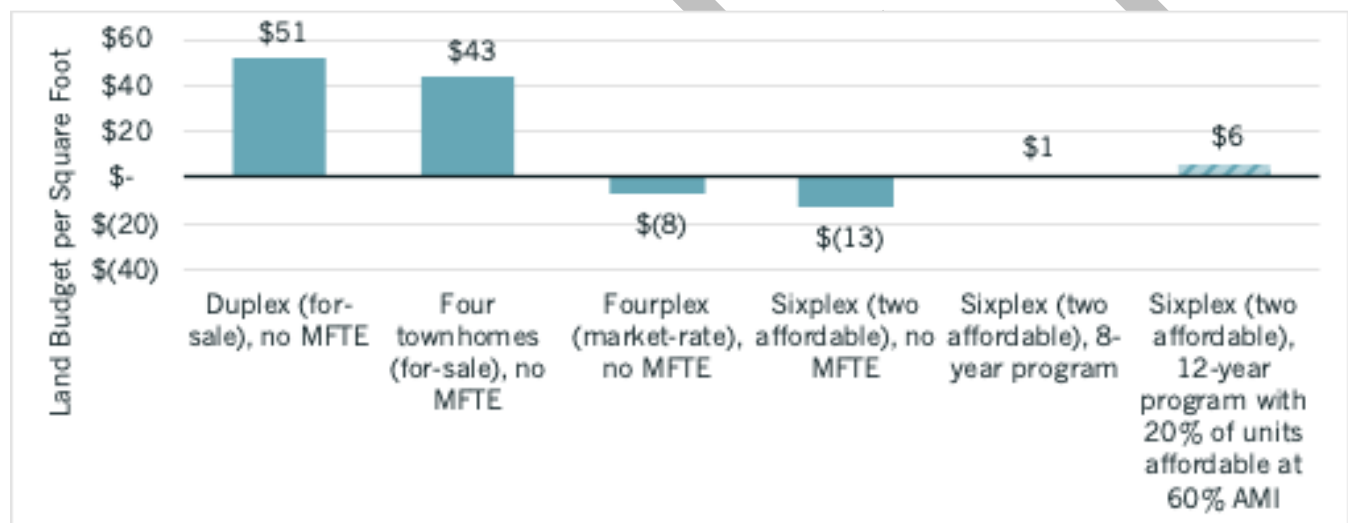
Middle Housing in R-2

FEASIBILITY ANALYSIS

For-sale middle housing, such as duplexes or townhomes, is more likely to be developed than fourplexes or sixplexes in R-2.

- ◆ Sixplexes (including two affordable units) are less feasible than fourplexes (allowed by right).
- ◆ With the 12-year MFTE program (with 20% of units at 60% of the AMI), sixplexes are more feasible than fourplexes, though still much less feasible than duplexes or townhomes.

Exhibit 7: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

FISCAL ANALYSIS

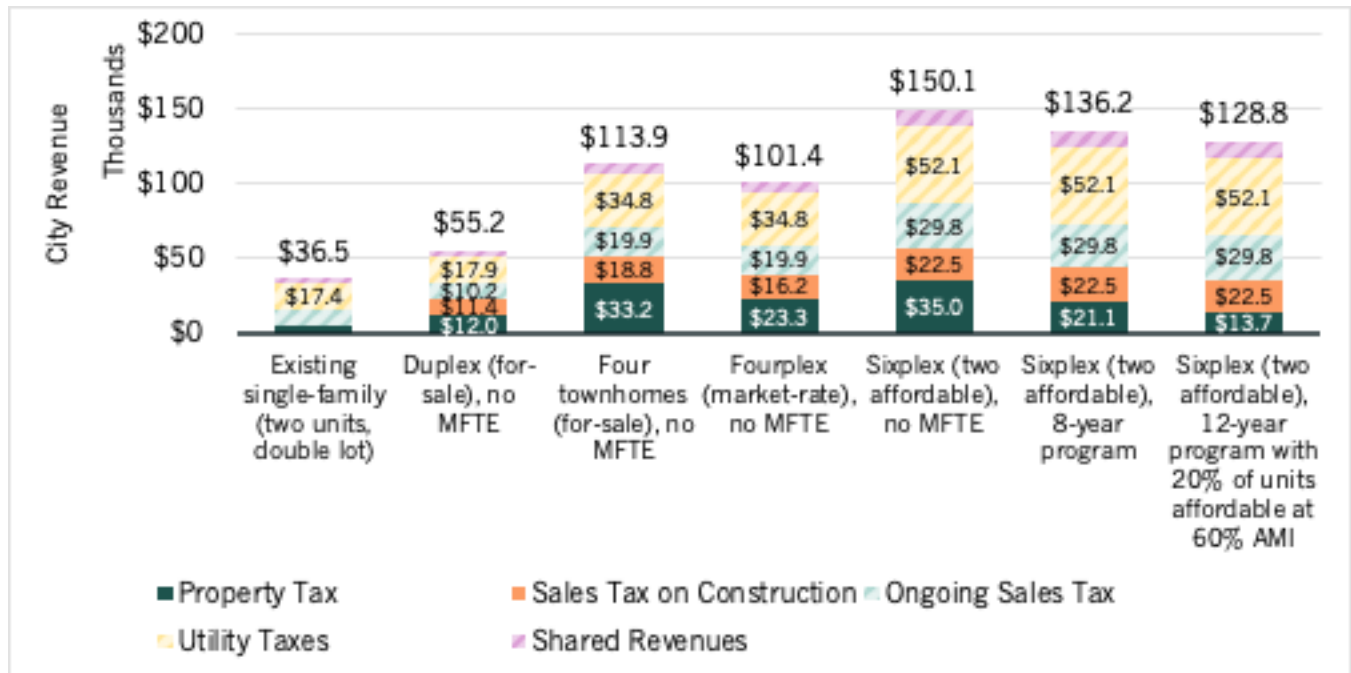
Over a 20-year period, a sixplex not using MFTE would result in the highest revenue from property taxes and sales tax on construction.

- ◆ When other revenues linked to households are accounted for, sixplexes could still produce more revenue than other middle housing options (even with MFTE) because they accommodate more households.
- ◆ Compared to a sixplex not using MFTE, a sixplex using the 12-year program would generate approximately \$21,300 less revenue over a 20-year period, or \$10,150 per affordable unit.
- ◆ If other revenues are not accounted for, a sixplex not using MFTE would still generate the highest revenues of the prototypes below, but a four-pack of townhomes would generate more revenue than a sixplex using either the 8-year or 12-year MFTE program.



- ◆ New middle housing construction would generate more revenue for the City than existing single-family dwellings.

Exhibit 8: 20-Year City Revenues for Middle Housing in R-2 by Source, 2025 to 2044



Source: EConorthwest

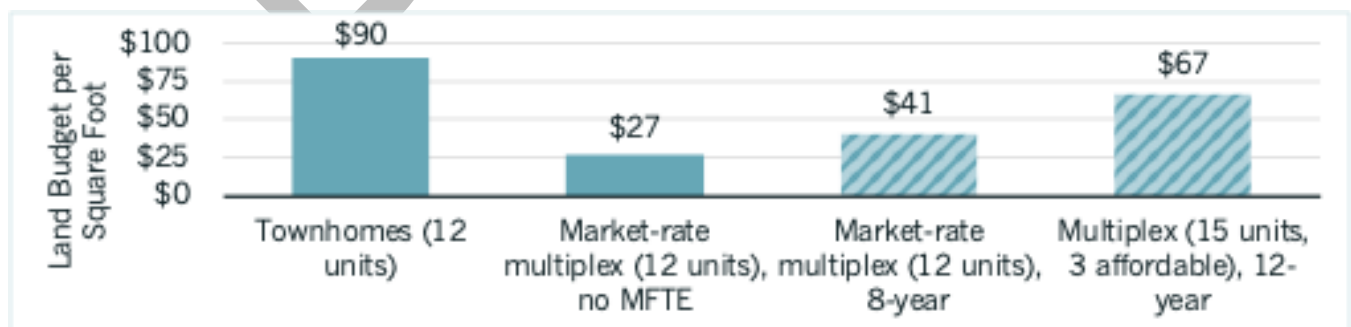
Middle Housing in R-3

FEASIBILITY ANALYSIS

Townhomes are the most likely middle housing type to be developed in the R-3 zone, especially if MFTE is not offered.

- ◆ Under current market conditions, the townhome prototype is much more feasible than the multiplex prototype.
- ◆ Both the 8-year and the 12-year program (with 20% of units affordable at 60% AMI) improve development feasibility, with a greater increase from the 12-year program including three additional affordable units.

Exhibit 9: Feasibility Results for Middle Housing in R-2, 2025



Source: EConorthwest

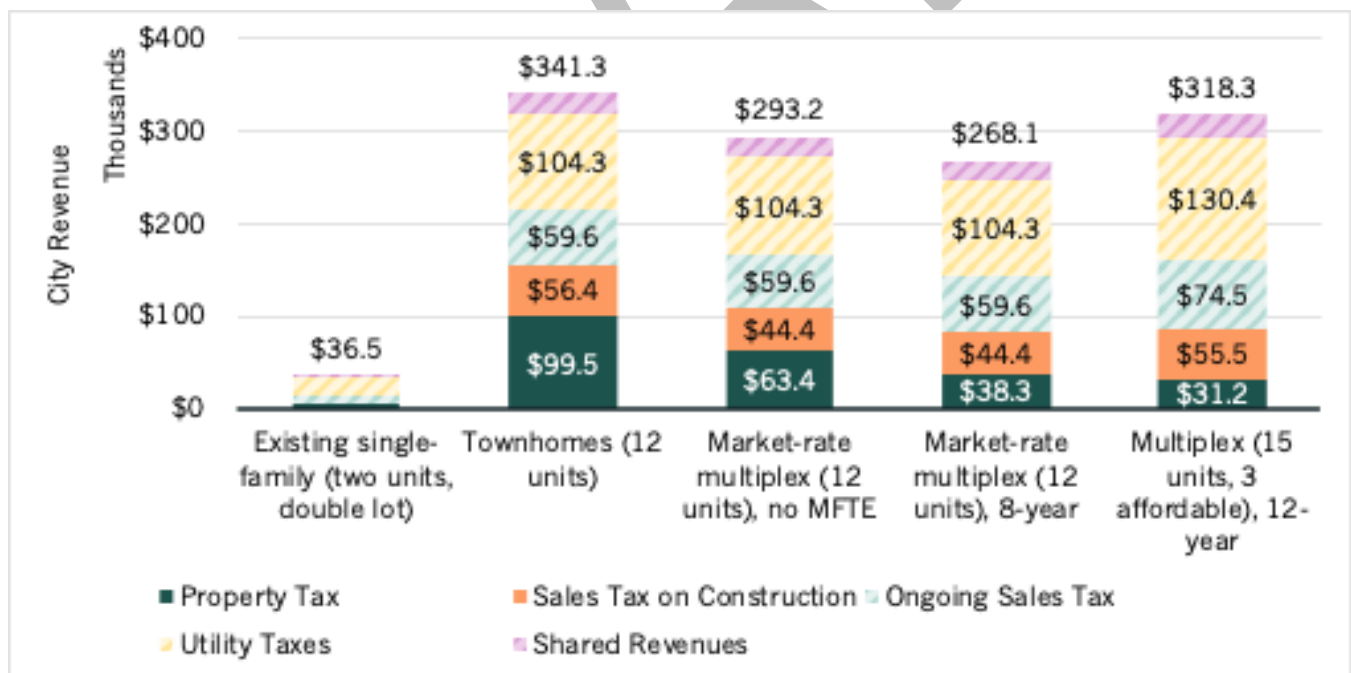


FISCAL ANALYSIS

Over a 20-year period, townhomes will likely produce the most revenue for the City on a per-unit basis compared to other housing types. However, either the 8-year or the 12-year program could have other associated public benefits (such as affordability or accessibility).

- ◆ Of the housing types allowed in R-3, townhomes will likely produce the highest revenue over a 20-year period due to generally having a higher per-unit assessed value than multiplexes.
- ◆ Comparing a 12-unit townhome prototype to a 12-unit multiplex prototype (without MFTE), the multiplex prototype would each generate roughly \$48,100 less revenue for the City than the townhome prototype over a 20-year period. If the multiplex prototype uses the 8-year MFTE program, it would generate roughly \$73,200 less than the townhome prototype over the 20-year period, or \$12,200 per accessible unit.
- ◆ If the multiplex prototype used the Residential Affordability Program density bonus to include three additional units, these units could potentially offset the costs of the tax exemption after accounting for other revenues linked to additional households (such as household sales and utility taxes). Compared to the 12-unit townhome prototype, the 15-unit multiplex prototype using the 12-year program would generate roughly \$23,000 less in revenue over a 20-year period, or \$7,700 per affordable unit.

Exhibit 10: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



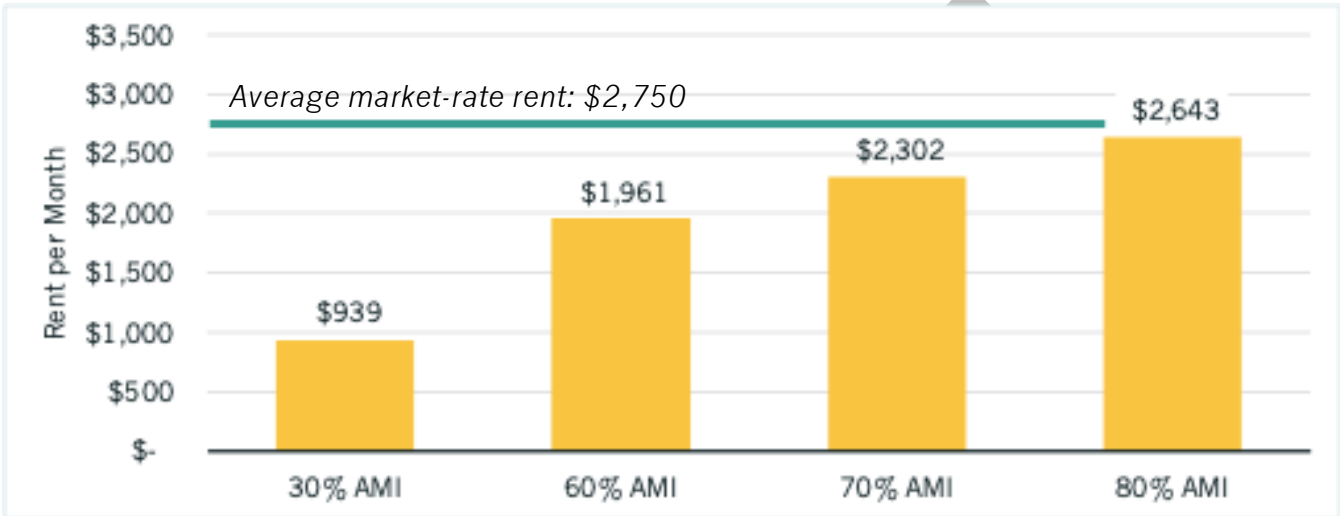
Source: ECONorthwest

Podium Development in Mixed Use Zones

Affordable rents at 80% AMI are similar to current market-rate rents.

- For podium development, rents affordable at 80% AMI are roughly 96% of current market-rate rents. Rents affordable at 70% AMI are roughly 84% of current market rates, while those at 60% AMI are about 71%.

Exhibit 11: Affordable and Market-Rate Rents, Mountlake Terrace, 2025



Source: Department of Housing and Urban Development (HUD), Seattle-Bellevue Metropolitan Area (includes MLT). Rents shown as a blended average of unit sizes consistent with recent Town Center developments: 10% studios, 30% 1-bedrooms, 50% 2-bedrooms, 10% 3-bedrooms.

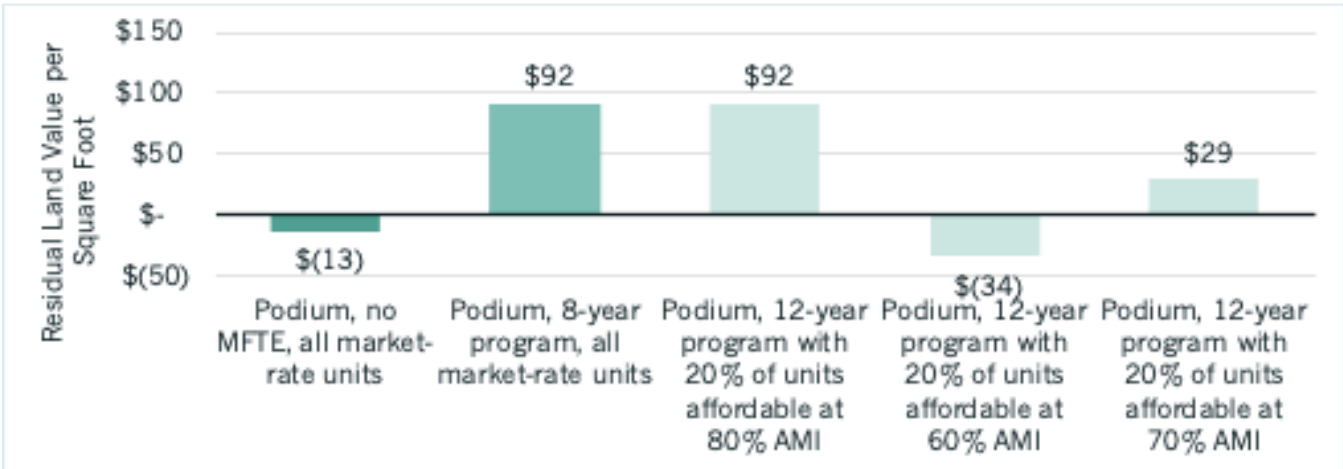
FEASIBILITY ANALYSIS

Without the MFTE program, larger podium development is likely not feasible under current market conditions.

- While the 240-unit podium prototype is likely infeasible under current market conditions, it likely would be with either the 8-year or 12-year MFTE program. The 8-year and 12-year MFTE programs have a similar impact on prototype feasibility.
- For podium development, which typically has higher market rents per square foot than smaller middle housing development, a 60% AMI requirement for the 12-year program is likely too low to make development pencil. A 70% AMI requirement for the program could be feasible under certain circumstances (e.g., if land could be acquired at a lower price), but would likely be less of an incentive than the 8-year program.



Exhibit 12: Feasibility Results for Podium Development Prototype, 2025



Source: EConorthwest

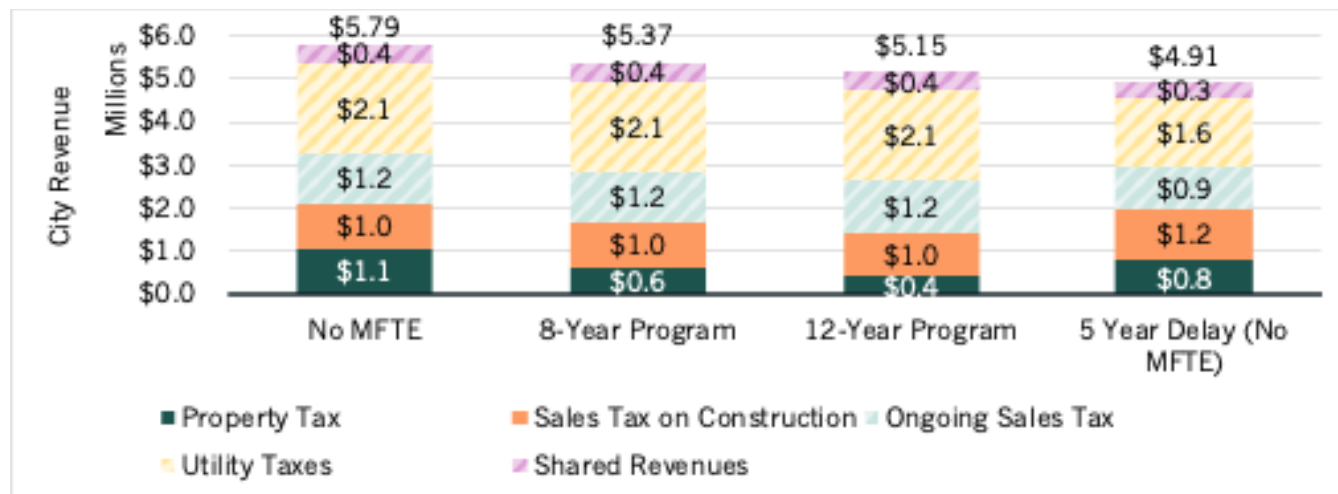
FISCAL ANALYSIS

If the development were feasible today, the City would earn the highest revenue by not offering a tax exemption. However, a 5-year delay in construction could cost the City more than an MFTE incentive over a 20-year period when all potential revenues are accounted for.

- ◆ Taking into account resident sales taxes, utility taxes, and shared revenues, a 5-year delay in construction could cost the City more than the 8-year or 12-year MFTE program over a 20-year period. Over a 20-year period, the 240-unit podium prototype with a 2030 start date would produce roughly \$88,000 less revenue than the prototype with a 2025 start date. The prototype with the 8-year program would generate \$42,000 less revenue, while the 12-year program would generate \$64,000 less revenue compared to the market-rate prototype with the 2025 start date.
- ◆ The 12-year program would result in 20% affordable units in the development. Compared to the prototype with the 8-year program, the City's revenue with the 12-year program would decrease by roughly \$13,500 total per affordable unit over the program's duration, compared to development without MFTE (built in 2025), or \$4,700 per affordable unit compared to the 8-year program.



Exhibit 13: 20-Year City Revenues for Middle Housing in R-3 by Source, 2025 to 2044



Source: EConorthwest

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Mountlake Terrace **Draft Housing Action Plan**

City Council Work Session

November 2025



- Housing Action Plan overview
 - ◆ Housing Action Plan Context
 - ◆ Housing Needs & Opportunities
- Overview of HAP actions
 - ◆ HAP action sheet details
 - ◆ Summary of HAP actions by implementation timeframe
- Discussion on HAP draft
- Next steps

Housing Action Plan Overview

- Housing Action Plan Context
- Housing Needs And Opportunities
- Housing Action Plan Actions
- Appendices:
 - ◆ Comprehensive Plan Information Sources
 - ◆ Community Engagement Summary
 - ◆ Development Feasibility Analysis Findings
 - ◆ Policies And Actions Crosswalk

Translates the Housing Element into a set of concrete actions, including:

- Identifying steps the City can take to increase **housing options and affordability**.
- Building on recent zoning updates and ongoing work for **consistency between policy direction and implementation**.
- Identifying **programs, partnerships, and strategies** to support housing stability and choice.
- Helping the City make informed decisions about **what to implement first**, based on feasibility, capacity, and community priorities.

MOUNTLAKE TERRACE HOUSING ELEMENT GOALS

- » Promote **diverse and innovative housing types** to create more ownership and rental housing opportunities that are affordable to current and future residents.
- » Be an **active regional partner** in the education and collaboration of housing production.
- » Support housing options for **special needs** populations.
- » Protect the stability of existing residents through **anti-displacement** measures.
- » Promote housing development **near Town Center, mixed-use, and neighborhood centers** to increase access to jobs, goods, and services.

Housing Needs and Opportunities

Several inputs, including community engagement, feasibility analysis, and prior City analyses and planning documents, helped inform the HAP.

Across these sources, a few policy priorities emerged:

- ◆ Supporting housing production
- ◆ Investing in centers
- ◆ Incentivizing affordable units
- ◆ Increasing housing diversity
- ◆ Preventing displacement

These priorities helped to organize the actions into **implementation timeframes**, including which Housing Element policies offered the greatest potential for near-term implementation.

In the HAP, action sheets include:

- ◆ Implementation timeframe
- ◆ Action type
- ◆ Staff capacity needed for implementation and maintenance
- ◆ Rationale
- ◆ Supporting Housing Element policies
- ◆ Current policy or process
- ◆ Implementation considerations
- ◆ Additional context: relevant data, legislation, engagement themes, or analysis findings

2.3 UPDATE MOBILE HOME PARK REGULATIONS.

Action Type: Regulatory change

Goal: Anti-displacement

Staff Capacity: Low

Modernizing the City's regulations for manufactured home parks would help ensure they reflect current housing types and community needs. Current dimensional standards were written for smaller homes, making it difficult to replace older units with modern manufactured homes. Additionally, repair provisions and broader building code requirements can create added hurdles for substantial upgrades. Revising these standards could help preserve manufactured home parks as a source of affordable housing.

COMP PLAN POLICIES

- **HO-1.7:** Supporting alternative access to homeownership
- **HO-4.1:** Mitigating displacement risk
- **HO-4.2:** Preserving affordable housing

CURRENT POLICY

Standards for Mountlake Terrace's mobile home parks are primarily regulated by Chapter 15.30 in the City's building code. These regulations, last updated in 1994, include dimensional standards that do not align well with modern manufactured housing. For example, lot size, setback, and spacing requirements were designed for smaller homes, making it difficult to replace older units with modern, HUD-certified models. In the same chapter, repair provisions require homes to be maintained in a safe condition (§15.30.170). However, building code section §15.05.070 requires full compliance with new construction standards if repairs exceed 50 percent of a unit's assessed value. Because manufactured homes can have a relatively low assessed value, even minor repairs can exceed this threshold and require full compliance.

IMPLEMENTATION CONSIDERATIONS

Review the current code and draft revisions that balance reinvestment feasibility with health and safety protections, including:

- **Dimensional standards:** Reevaluate lot size, setback, spacing, and coverage requirements (§15.30.050) to ensure they accommodate modern HUD-certified manufactured homes. Consider providing flexibility if dimensional standards cannot be met, provided health and safety requirements are satisfied.
- **Building code requirements:** Examine how the "50 percent rule" in §15.05.070(C) affects manufactured home rehabilitation and consider amendments or exceptions for manufactured and mobile homes to reduce unintended barriers.

ADDITIONAL CONTEXT

Local data: Manufactured homes can be an opportunity for homeownership for lower-income households. In 2023, the majority of homes sold for less than \$300,000 in Mountlake Terrace were mobile or manufactured homes, while single-family home sales prices ranged from roughly \$400,000 to over \$1,000,000, with a median sales price of just under \$600,000.⁵

⁵ Mountlake Terrace Vision 2044 Comprehensive Plan, page 389.



Overview of HAP Actions by Implementation Timeframe

Completed Actions	Near-Term Actions	Mid-Term Actions	Long-Term Actions	Ongoing Actions
0.1 Update residential zones to support middle housing 0.2 Offer density bonuses for sustainability 0.3 Update land uses to plan for 2044 targets.	2.1 Update subarea plans 2.2 Review Town Center standards 2.3 Update the Mobile Home Park code 2.4 Update PSH and emergency housing allowances 2.5 Clarify definitions for alternative housing types 2.6 Amend building code to reduce barriers to home repairs 2.7 Adopt future state building code amendments 2.8 Update middle housing permitting processes 2.9 Amend affordable housing permit processes 2.10 Offer a property tax exemption for affordable ADUs	3.1 Waive or reduce impact fee for affordable housing 3.2 Offer density bonuses for affordable housing in Gateway and Neighborhood Mixed Use 3.3 Expand tenant protection strategies and resources 3.4 Adopt a 12-year MFTE program in R-2 3.5 Adopt an 8-year MFTE program in R-3 3.6 Adopt a 12-year MFTE program in R-3 3.7 Expand the 12-year Town Center MFTE program to Gateway and Neighborhood Mixed Use 3.8 Consider phasing out the 8-year MFTE program in Town Center	4.1 Encourage affordable homeownership units to be stewarded by a CLT 4.2 Consider transferring or leasing City-owned property to a mission-driven developer 4.3 Target public investments to attract development 4.4 Pursue funding for infrastructure improvements for at-risk affordable housing	5.1 Participate in regional housing efforts 5.2 Engage the County on affordable housing funding 5.3 Support applications for public affordable housing funds 5.4 Support development on religious properties 5.5 Establish relationships with CLTs 5.6 Host educational community workshops 5.7 Provide permitting assistance 5.8 Support opportunities to purchase manufactured home communities 5.9 Enforce maintenance of investment properties 5.10 Legislature advocacy 5.11 Monitor development trends 5.12 Monitor at-risk affordable housing units
In-Progress Actions 1.1 Update permitting forms for middle housing 1.2 Simplify ADU permitting requirements 1.3 Update impact fees to per-square-foot 1.4 Update Gateway and Neighborhood Mixed Use zones 1.5 Provide materials on the development process				

Completed Actions

#	Action	Goal
0.1	Update zoning and design standards in residential zones to promote middle housing in alignment with House Bill 1110 .	Housing diversity
0.2	Offer density bonuses for environmentally sustainable building practices.	Housing diversity
0.3	Review and update land use regulations to provide increased residential capacity to accommodate the City's 2044 housing targets.	Housing production

In-Progress Actions

#	Action	Goal
1.1	Update permitting forms to reflect recently updated allowances for middle housing types to clarify permitting procedures and better track development patterns.	Housing diversity
1.2	Simplify ADU permitting requirements by updating to a building-permit-only process (similar to single-family and duplex requirements) to make ADU development more accessible and reduce time and costs.	Housing diversity
1.3	Update impact fee assessments to a per-square-foot calculation to be proportional to unit sizes in alignment with state legislation and encourage smaller housing production.	Housing diversity
1.4	Update development regulations for zones in the Gateway and Neighborhood Mixed Use land use areas to promote residential and mixed-use development affordable at all income levels.	Investing in centers
1.5	Provide educational materials on the development process , including permits, building considerations, and financing to give residents and developers clearer guidance on how to navigate the City's requirements.	Housing production

Near-Term Actions

#	Action	Goal
2.1	Review and update subarea plans to reflect the Comprehensive Plan designations and support the City's housing goals.	Investing in centers
2.2	Review Town Center zoning and design standards and consider adjustments as needed to support residential development.	Investing in centers
2.3	Review and update Mobile Home Park standards to remove barriers to replacing and updating aging units.	Anti-displacement
2.4	Update permitted use tables for permanent supportive housing and emergency housing to expand where these uses are allowed, in alignment with state legislation.	Housing diversity
2.5	Clarify regulations and definitions for small and alternative housing types , such as tiny homes, modular units, and ADUs.	Housing diversity
2.6	Adopt building code amendments to reduce barriers to home repair and rehabilitation.	Anti-displacement
2.7	Monitor, support, and adopt future Washington building code amendments that could support more effective building practices, including the upcoming 2026 updates for multifamily housing.	Housing production
2.8	Simplify the permit review process for middle housing to be more intuitive for homeowners and reduce development time and costs.	Housing diversity
2.9	Amend the permit review process for projects with income-restricted affordable housing units to help expedite affordable housing production.	Affordable units
2.10	Offer a property tax exemption for ADUs rented to low-income households (below 60% AMI) to offer an incentive for ADU production and expand the supply of affordable rental options.	Affordable units

Mid-Term Regulatory Changes

#	Action	Goal
3.1	Waive or reduce impact fees for affordable housing.	Affordable units
3.2	Adopt density bonuses for income-restricted housing in the Gateway and Neighborhood Mixed Use zones to encourage affordable housing development near amenities and centers.	Investing in centers
3.3	Expand tenant protection strategies or provide information or resources (such as the Rental Safety Inspection Program) to support lower-income renters to reduce displacement risk and housing instability.	Anti-displacement
3.4	Adopt a 12-year MFTE program in R-2 for projects in alignment with the middle housing affordable housing density bonus requirements for projects building five or six units.	Affordable units
3.5	Adopt an 8-year MFTE program in R-3 for stacked housing development with at least ten units to incentivize accessible units.	Housing diversity
3.6	Adopt a 12-year MFTE program in R-3 in the middle housing affordable housing density bonus requirements to incentivize participation.	Affordable units
3.7	Expand the 12-year Town Center MFTE program to the Gateway and Neighborhood Mixed Use zones.	Investing in centers
3.8	Continue offering MFTE in Town Center, but consider phasing out the 8-year option to only offer the 12-year program.	Affordable units

Long-Term Actions

#	Action	Goal
4.1	Encourage any affordable homeownership units developed through the middle housing density bonus option or MFTE to be stewarded by a CLT to encourage long-term affordability.	Affordable units
4.2	Survey the City's existing real estate holdings and consider transferring property or providing a long-term lease to a mission-driven developer to support project feasibility and competitiveness for public funding.	Affordable units
4.3	Strategically target public investments to add amenities (such as sidewalks or parks) and improve infrastructure to incentivize development near transit and amenities and in the priority growth areas identified in the Comprehensive Plan.	Investing in centers
4.4	Pursue funding for infrastructure improvements, such as utility upgrades, that could improve feasibility for mission-driven organizations to acquire and preserve at-risk affordable housing .	Anti-displacement

Ongoing Partnerships

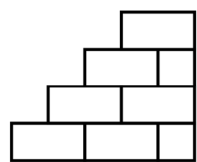
#	Action	Goal
5.1	Continue participating in regional housing efforts , including the Affordable Housing Alliance, Housing Consortium, and Snohomish County Tomorrow, and increase coordination between representatives.	Housing production
5.2	Proactively engage Snohomish County to clarify plans for distributing affordable housing funding (such as HOME funds or local sales tax revenues) and encourage investment in Mountlake Terrace to support housing development and related needs, such as infrastructure.	Affordable units
5.3	Support applications for public affordable housing funds (such as HOME or LIHTC) for projects that align with City priorities.	Affordable units
5.4	Pursue opportunities to support development on properties owned by religious organizations , which are eligible for density bonuses for affordable housing per state legislation.	Affordable units
5.5	Establish relationships with community land trusts (CLTs) or other organizations that support alternative homeownership models.	Affordable units
5.6	Host educational community workshops (such as information on permits, building requirements, or financing) to provide space for participants to ask questions and receive direct support, helping property owners and small developers feel more confident in pursuing housing projects.	Housing production
5.7	Provide assistance for navigating permitting procedures and requirements to make permitting more efficient and reduce barriers to development, especially for those less familiar with the process.	Housing production
5.8	Support opportunities to purchase manufactured home communities by facilitating access to technical assistance, outreach, or partnerships, to help support community stability and reduce displacement.	Anti-displacement
5.9	Enforce maintenance of investment properties to disincentivize vacant and/or deteriorating buildings in the Town Center and encourage housing occupation.	Invest in centers
5.10	When the City is providing public comment on proposed legislation, advocate for the state legislature to expand opportunities for home ownership of different housing types through condominiums.	Housing diversity
5.11	Monitor land capacity and development trends , and update development regulations if needed.	Housing production
5.12	Monitor regulated and naturally occurring affordable housing units that are at risk of redevelopment.	Housing production

Next Steps

- CC work session on HAP draft - **today**
- CC public hearing - 12/4

Let's Feed Our Community with a Food Forest and Community Garden at Ballinger Park!

Proposed by:



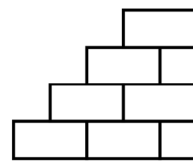
Mountlake Terrace
Community Foundation

FFAB@mltcf.org



WHAT is Mountlake Terrace Community Foundation

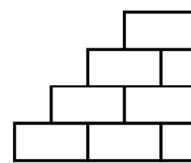
The MLTCF exists to
strengthen and build the
Mountlake Terrace
community



Mountlake Terrace
Community Foundation

WHAT is Mountlake Terrace Community Foundation

MLTCF is now focused
on starting a food forest
at Ballinger Park



Mountlake Terrace
Community Foundation



MLTCF Board: Audrey Meyer

Audrey has lived in Mountlake Terrace for 17 years and is passionate about the intersection of environmental stewardship, social justice, and community. She has been deeply involved in local parks, serving as vice chair of RPAC, co-leading The Ivy League Adopt-A-Park group, participating in the stakeholder group for the 2024 tree code update, and contributing to the development of the city's first Urban Forest Management Plan.

Audrey holds a BA in social work and later returned to school to earn an associate degree in Restoration Horticulture, along with additional studies in sustainable agriculture, including food forests. She has operated her own gardening business for the past 10 years. Audrey joined MLTCF with the goal of bringing a community food forest to Mountlake Terrace.

MLTCF Board: Robyn Rice

Robyn Rice has been a resident of MLT since 2013. Professionally, she is a fisheries biologist and works in natural resource management. Robyn's fascination with nature and ecosystem interactions has shaped both her career and personal interests.

Having grown food with her father from a young age, Robyn has been excited about establishing a community garden at Ballinger Park since the public meetings for the development of the Ballinger Park Master Plan. Since 2019, she has been actively involved in the development of the Ballinger Organic Garden, including founding the BOG Free Seed Library and organizing annual seed swaps. Robyn joined the MLTCF Board to support food growing opportunities within the community.





MLTCF Board: Susan Kuhn

Susan Kuhn has been a resident in Mountlake Terrace for thirty-two years.

Susan has always loved the natural beauty of Mountlake Terrace and was delighted to find its open and inclusive community. Susan is currently retired. In her working years Susan did a variety of jobs - school bus driver, dispatcher at the Seattle Times, and a United Way representative.

In recent years Susan has contributed to the city's advancement of tree protection by participating in the creation of a new city tree code and the urban forest plan. Currently, Susan is a member of the Neighborhood Parks Improvement Subcommittee and an active member of the Ivy League. Susan joined the MLTCF in 2025 to help advance the plan for a food forest in Lake Ballinger Park.

MLTCF Board: Brent Meyer

Brent Meyer has been a resident of Mountlake Terrace since 2008. Brent is an IT Manager Snohomish County 911 where he manages the Application Team that is responsible to support the mission critical systems at the 911 center.

Brent joined MLTCF in early 2025. He joined MLTCF to work with other board members to help grow community in Mountlake Terrace. Brent has worked with an experienced gardener to transfer his yard from all grass to a landscape filled with edible and native plants. He is on the MLT Fiscal Sustainability Task Force, and co-leads The Ivy League Adopt-A-Park volunteer group.



WHAT IS A FOOD FOREST?

...a.k.a. forest garden...

Edible plants organized
to mimic the ecosystems
and patterns found in
nature



Cascadia Cornucopia Food Forest

LAYERS OF A FOOD FOREST

1. Canopy

Large Fruit & Nut Trees

2. Low Tree Layer

Dwarf Fruit Trees

3. Shrub Layer

Berry Bushes & useful Shrubs

4. Herbaceous

Flowers, Herbs & Vegetables

5. Soil Surface

Low-Growing Ground Covers

6. Root Layer

Fungi and Root Vegetables

7. Vertical Layer

Vines & Espaliers

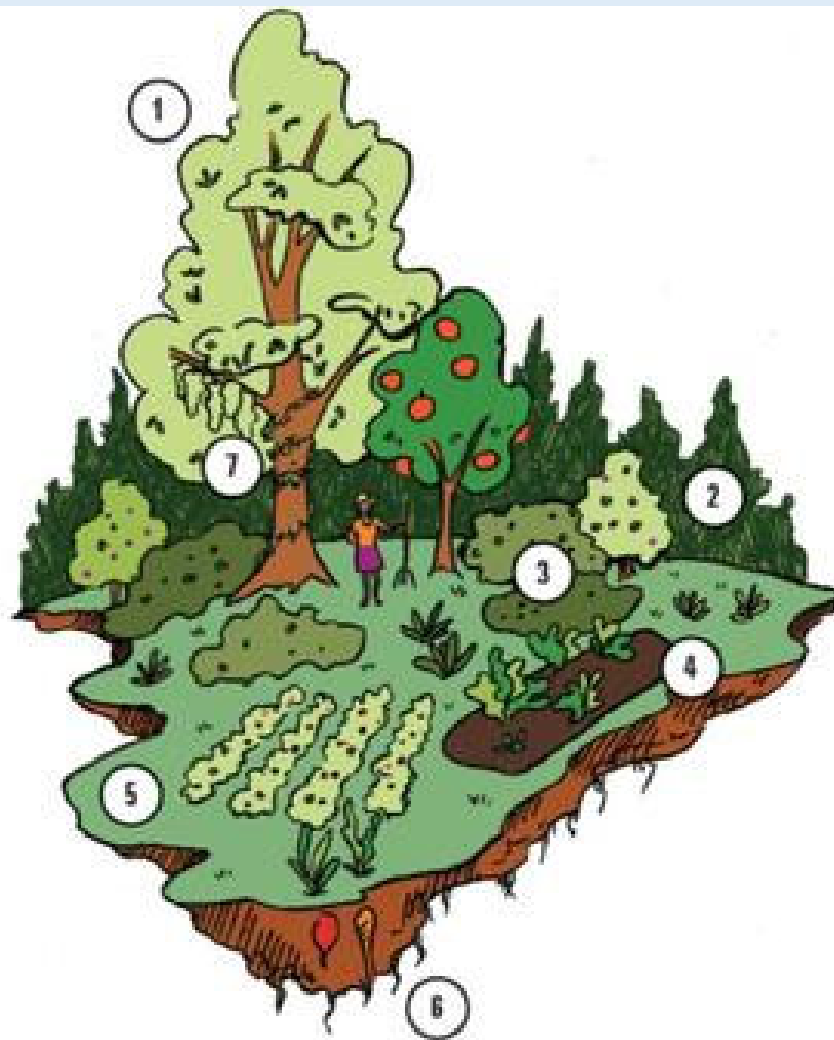
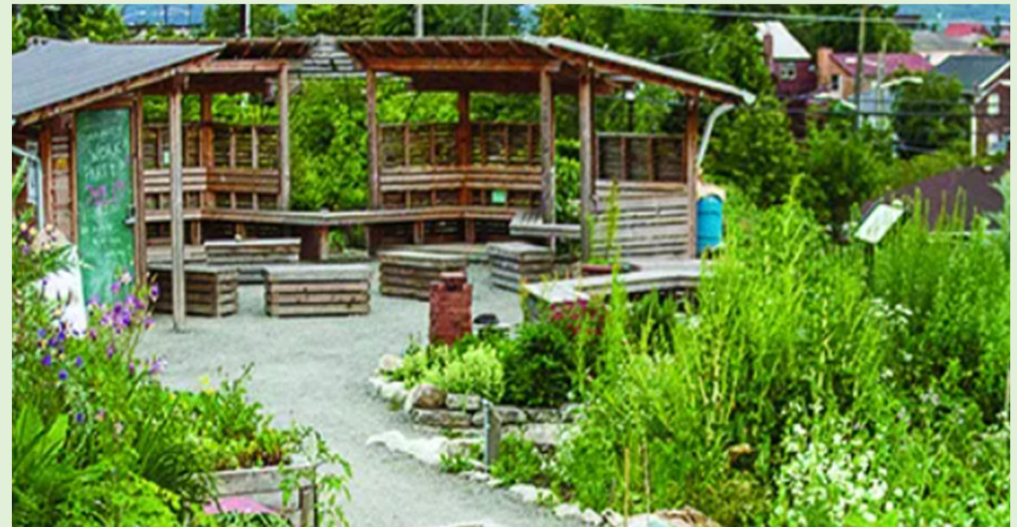


Illustration by Corey Jameson Design
For Fair Amount Food Forest

Benefits of a food forest:

- Wildlife habitat
- Resilient biodiversity
- Abundance of food and medicinal yields
- Carbon sequestration
- Increased tree canopy
- Healthy and stable soils
- Runoff reduction and rainwater infiltration
- Local food security via “Open Harvest”
- Community gathering and all ages education



Beacon Food Forest Gathering Space

WHAT IS OPEN HARVEST?



Center for Alternative Technology

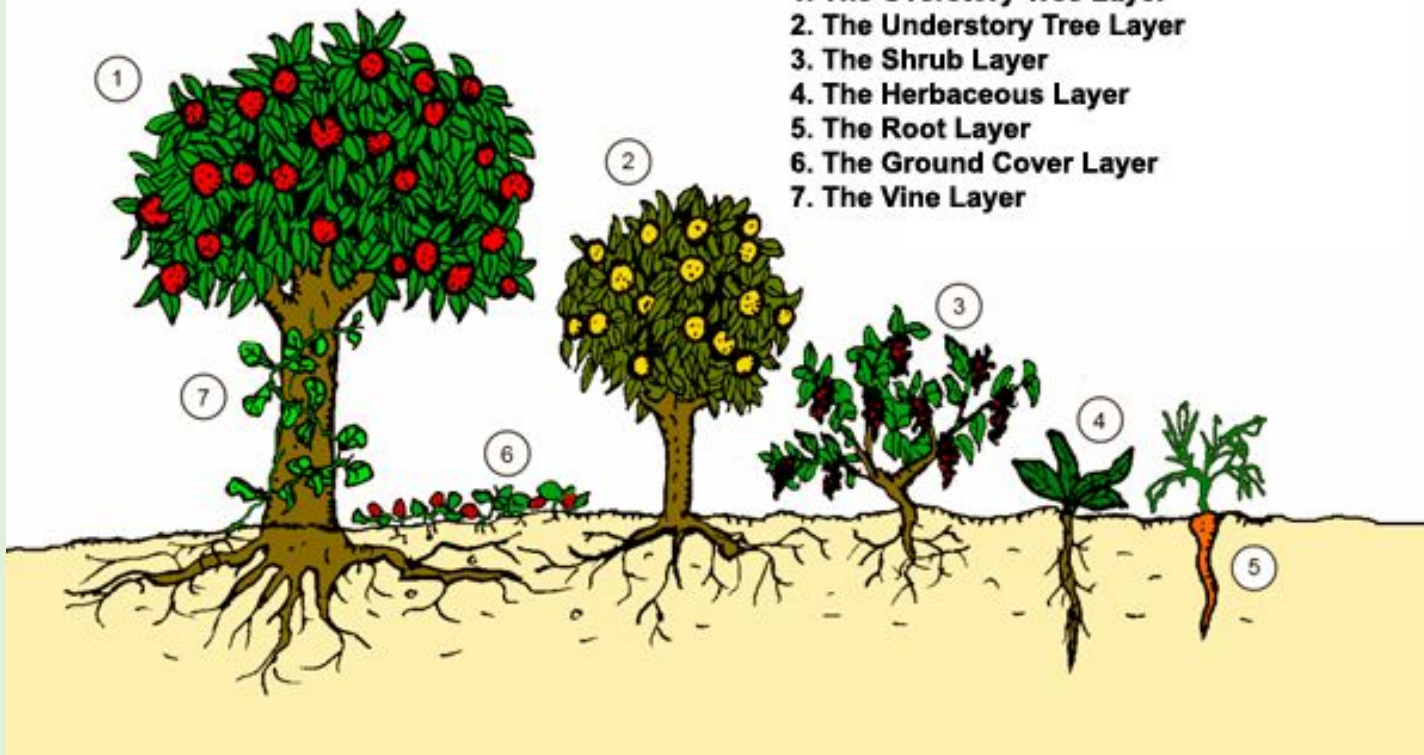
An open harvest site allows anyone to forage from the site freely.

Take only what you need, leave some for others.

Open harvest helps eliminate food waste and prevents fallen fruit that could attract pests.

The Seven Layers of Every Forest

1. The Overstory Tree Layer
2. The Understory Tree Layer
3. The Shrub Layer
4. The Herbaceous Layer
5. The Root Layer
6. The Ground Cover Layer
7. The Vine Layer



Credit: Permaculture a Beginner's Guide
by Graham Burnett

1. Overstory/Canopy Layer: Large Fruit and Nut Trees (30' tall when mature)



Garry Oak



Walnut



Dogwood

2. Understory/Low Tree Layer: Dwarf Fruit Trees (10-30' tall when mature)



Pear

Mulberry



Cherry

Apple



Plum

2. (cont.) Understory/Low Tree: Dwarf Fruit Trees



Native Chokecherry



Native
Osoberry



Hazelnut



Native Beaked
Hazelnut

3. Shrub Layer: Berries, etc. (Up to 10')



Blueberry

Native Evergreen Huckleberry



Thornless,
Non-invasive
Blackberry
And
Raspberry



3. (cont.) Shrub Layer: Berries, etc.



Native Blackcap
Raspberry

Native Gooseberry



Native Elderberry



Native Red
flowering currant

3. (cont.) Shrub Layer: Berries, etc.



Fig



Currants



Honeyberry/
Haskap

4. Herbaceous Layer: Perennial and Annual Flowers, Herbs, Vegetables

Bring pollinators, deter pests, build soil, and medicinal plants



Asparagus



Kale



Rhubarb

4. (cont.) Herbaceous Layer: Flowers, Herbs, Vegetables



Sage



Rosemary



Thyme



Chives



Comfrey



Lavender

4. (cont.) Herbaceous: Flowers, Herbs, Vegetables



Yarrow



Marigold



Echinacea



Calendula



Sweet alyssum



Lupine

5. Ground Cover Layer: Creepers

Prevent weeds and soil loss



Creeping thyme



Native Kinnickinick



Creeping rosemary



Strawberry



Oregano



Stonecrop

6. Underground/Root Layer:

Aerate soil



Native
Nodding Onion



Onion



Ginger



Potato



Garlic

7. Vine Layer:

Can use other layers as supports



Grape



Pole Bean



Jasmine



Hops



Kiwi

BONUS:

Mushrooms and Fungus

Mycelial layer to help strong root systems



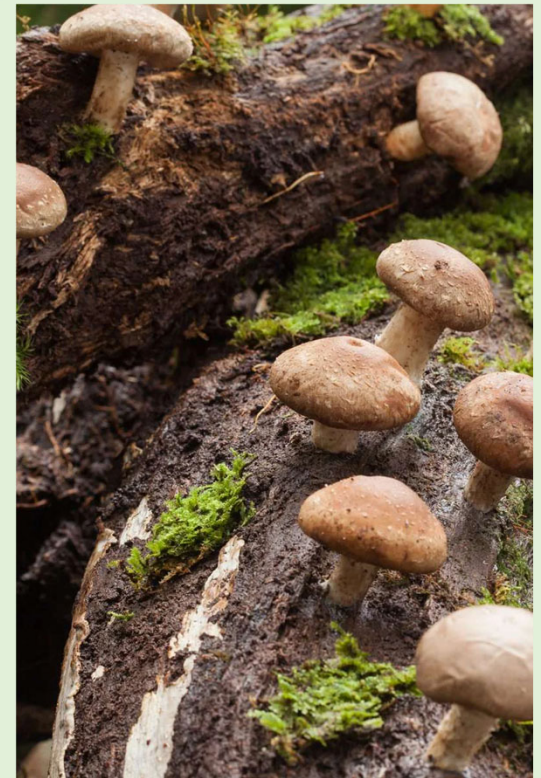
Lion's Mane



Wine Cap



Oyster



Shiitake

WHAT IS A GUILD?

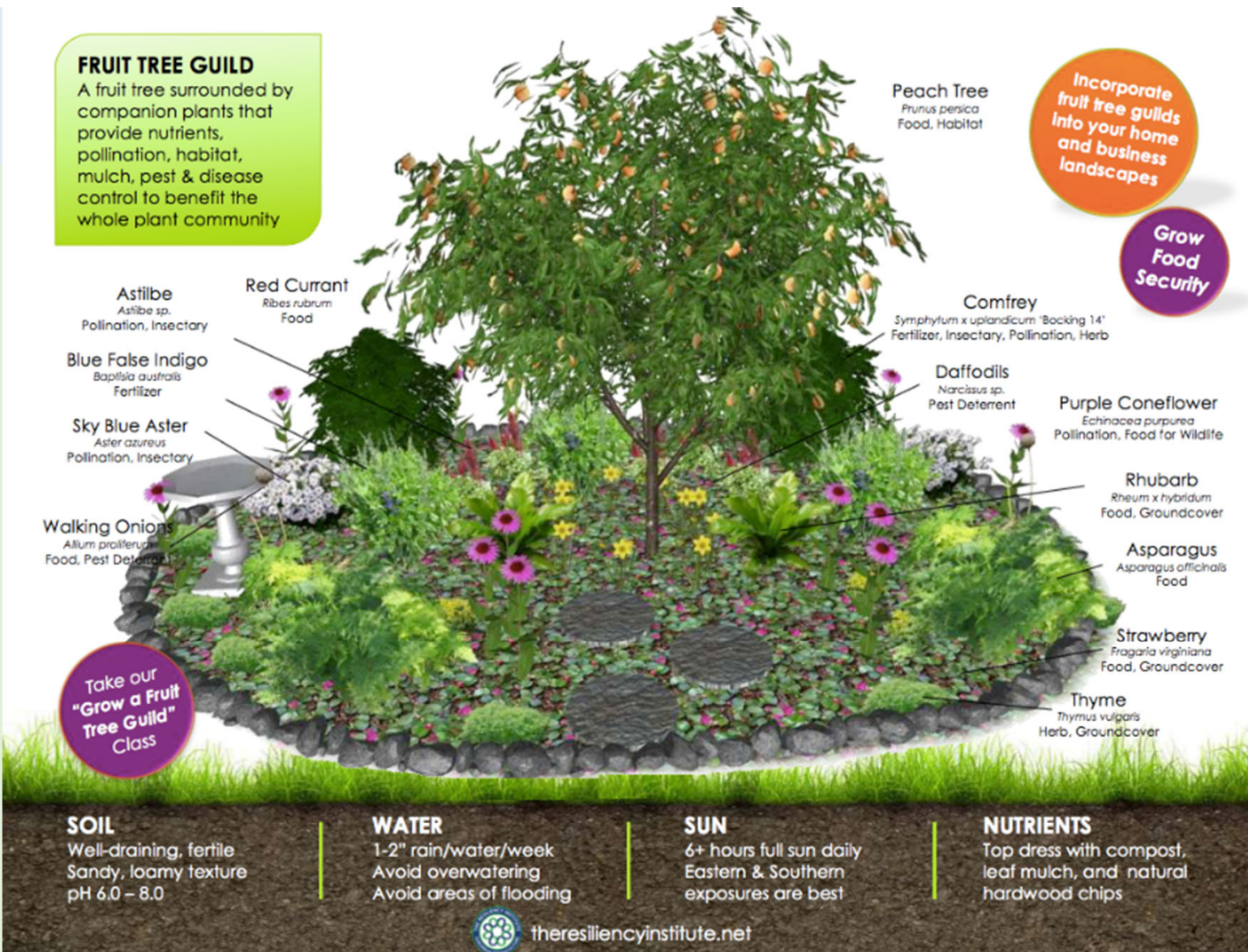
*Cascadia
Cornucopia
Food Forest*



- Building blocks of food forests
- Together the plants produce more than they would alone
- Plants provide different services to the guild
- Reduces work by the plants doing work for the gardener

FRUIT TREE GUILD

A fruit tree surrounded by companion plants that provide nutrients, pollination, habitat, mulch, pest & disease control to benefit the whole plant community



WHAT IS A GUILD?



Meyer Home Food Forest



Types of Guild Roles:

- Target crops
- Fortress plants
- Nitrogen fixers
- Insectary Plants
- Mulch makers
- Ground covers
- Pest Repellents

WHY a Food Forest at Ballinger (FFAB)?



Vision Statement

The Food Forest at Ballinger serves as a vibrant sanctuary for the **community** where we cultivate a diversity of perennial food plants. Through **education**, collaboration, and **sustainable** practices, we empower everyone to grow, share, and celebrate the abundance of our shared resources. Here we inspire a lasting stewardship of the environment, develop meaningful relationships, and ignite a passion for growing food that expands possibilities for a healthier, more resilient future.

Mission Statement

The Food Forest at Ballinger is a volunteer-driven community food-growing space that nurtures a diverse ecosystem of perennial foods. We empower individuals to open harvest, explore nature, and learn sustainable gardening practices, all while promoting **food security**, environmental stewardship, and community connection.

WHY a Food Forest?



Addresses Food Insecurity

- When everyone can harvest, there is no possibility of stigma
- Empowers through teaching and actively harvesting and selecting

Environmental Benefits

- Diversity
- Water-wise
- Organic
- Mimics nature

Educates

- Sustainable Gardening Practices
- Healthy Eating
- Tree Guilds can be replicated in home gardens

Builds Community

- Sharing food breaks down barriers.
- Physical activity through gardening is a great ice breaker!

Mountlake Terrace Vision 2044

Comprehensive Plan

Recreation, Parks and Open Space Element



Purpose Statement

Promote connectivity and opportunities for community while enhancing and expanding parks and recreation facilities.

Introduction

The Recreation, Parks, and Open Space Element is dedicated to enhancing the quality of life for all residents by fostering accessible, diverse, and sustainable recreational opportunities. A brief overview of the existing parks and recreation infrastructure has been included to provide context for the goals and policies that the City wants to pursue. By aligning with the stated goals and policies, the City aims to create a vibrant, healthy, and connected community that ensures the natural and recreational resources are preserved and enhanced for generations to come.

Mountlake Terrace Vision 2044 Comprehensive Plan Recreation, Parks and Open Space Element

The City has several ongoing recreation improvement projects with more information being available on a dedicated webpage on the City website.

The updated Recreation, Parks, and Open Space Element builds from the 2022 RPOS Master Plan which had several unique goals and objectives which were incorporated into this updated element.

1. Encourage and support public involvement in recreation and park issues.
2. Decrease barriers and increase opportunities for participation of underrepresented communities and diverse populations to reflect the demographics of Mountlake Terrace.
3. Provide fun and diverse recreational opportunities that support the health, wellness, lifelong play, active lifestyles and engagement of all community members.
4. Acquire, develop, and manage the City's park sites and facilities to ensure the safety and enjoyment of users, maximize recreational experience and minimize maintenance and operational costs.

5. Promote active lifestyles by providing more trail connections and coordinating with other jurisdictions and providers to create a seamless system.

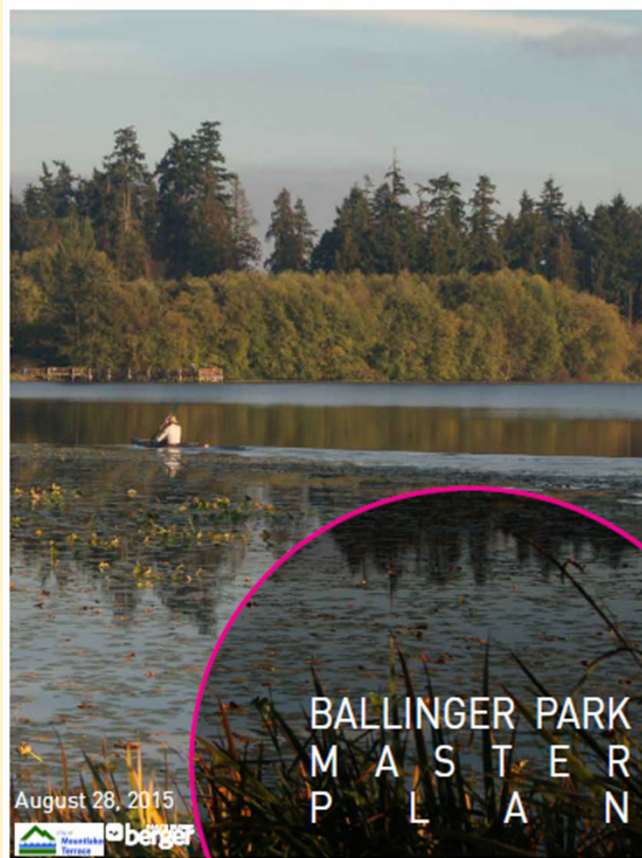
6. Provide a recreation and parks system that is efficient to maintain and operate, provides an elevated level of user comfort, safety, and aesthetic quality, and protects capital investments.

The 2022 RPOS Master Plan details projected level of service by acreage through to 2021. It is assumed based on the data contained within that report that the City's potential demand for parkland acreage relatable to today's existing level of service would be held constant. It was not suggested that a higher level of service would be necessary.



Ballinger Park Master Plan

August 28, 2015



- Complementary to Recreation, Parks and Open Space Master Plan
- 3 Community Meetings
- Adopted by Council on September 8, 2015
- Identifies growing areas as part of the Community Terrace Zone

Ballinger Park Master Plan

August 28, 2015



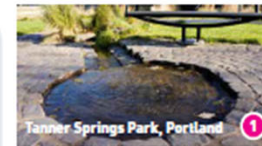
24

community terrace
the formal entry and gathering place!

BALLINGER PARK MASTER PLAN

discover!

- 1 The **Entry Runnel** is charged with water intercepted from springs across the street and the parking lot, feeding an **enhanced wetland**.
- 2 The enhanced wetland acts as a filter and treatment area for parking lot runoff, cleaning the water before it enters the ponds.
- 3 **Community Gardens** welcome people into the park. An associated shed is for gardeners to use. It is envisioned these would be developed after a user group is identified.
- 4 A **native plant orchard** showcases native plants you can grow at home!
- 5 A **paved terrace** allows for expanded use of the building, allowing events to spill outside for larger gatherings.
- 6 The **formal green** is adapted as part of the flex space adjacent to the Clubhouse.
- 7 Modified **parking** lot in area of former maintenance facility allows space for the dechannelization of **Hall Creek**. A new path on the west side of the Clubhouse provides additional pedestrian access to the park.



WHO will install and maintain it?

VOLUNTEERS from the community!

Partnership of Mountlake Terrace Community Foundation with Mountlake Terrace Parks

In collaboration with:

- **MLT Parks Department**
- **BOG**
- **Ballinger Center**
- **Edmonds College Horticulture Classes**
- **Snohomish Conservation District**

We would also like to collaborate with:

Edmonds School District, Seattle and Snohomish County Fruit Society, Beacon Food Forest, Concern for Neighbors Foodbank.

Planning: Information Gathering

MLTCF Board Members have worked with:

- Parks Department, Jeff Betz and Celina Williams
- Recreation and Parks Advisory Commission (RPAC)
- Snohomish Conservation District, Agroforestry Program, Whit Barrett
- Cascadia Cornucopia Food Forest, Tyson Kemper
- Oregon State University Food Forest Program
- Site meetings with Marni Swart, Growing Roots Together, and Cheryl Wheeler, UW Green Square Project



Planning: Touring food forests

- Beacon Food Forest
- Cascadia Cornucopia
- Shark Gardens
- Meadowbrook Food Forest
- The Nut Grove at Feral Farm
- Cousin Larry's in Santa Maria, CA



Shark Gardens

Planning: Outreach in 2025

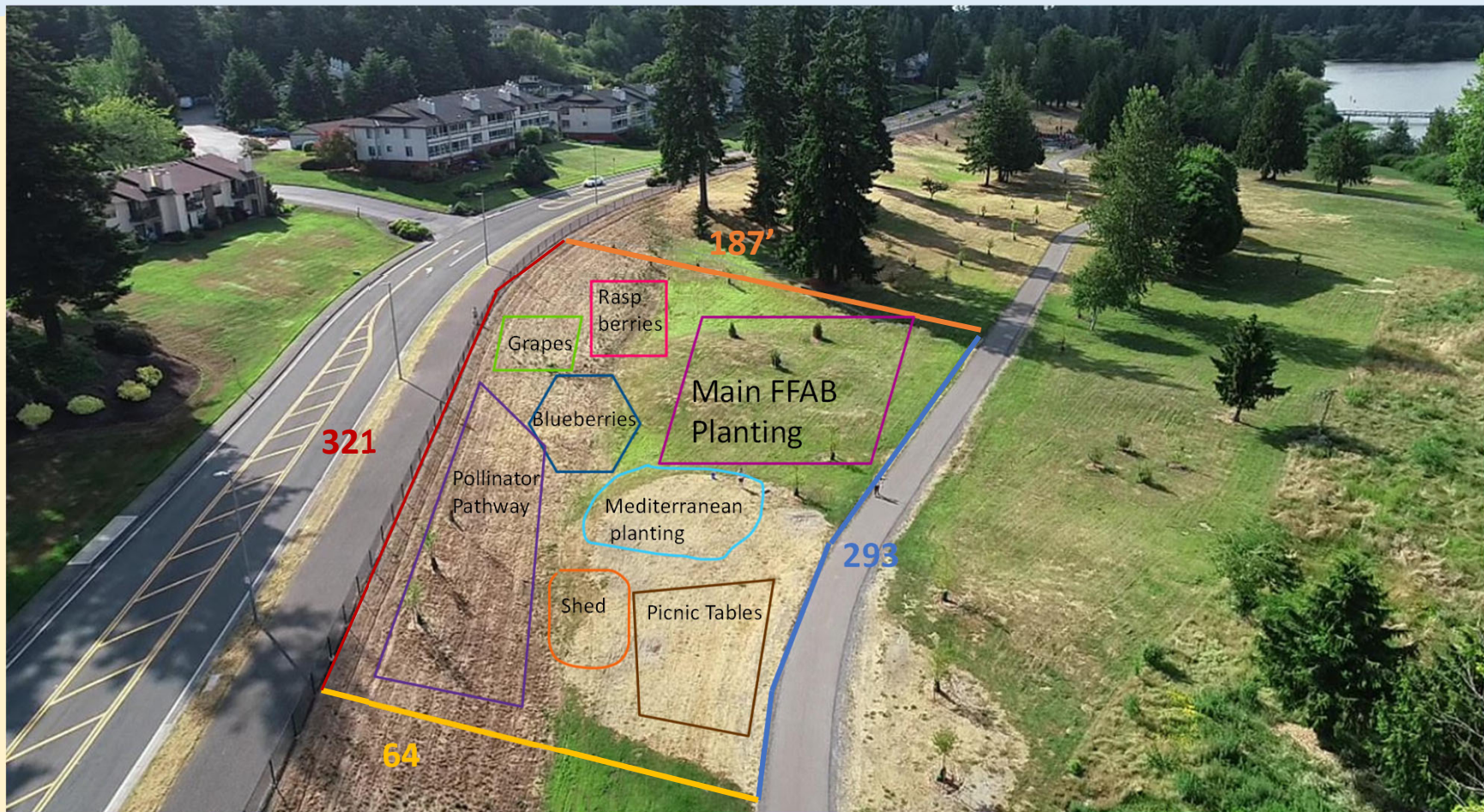
- 2 RPAC Presentations
- 2 BOG Seed Swaps at MLT Library
- 2025 National Night Out
- Food Forest “Open House”
- BOG and The Ivy League volunteer email list



Planning: Site Plan



Planning: Draft Site Plan



FFAB Growing Space (includes communal area)

COMMUNITY GARDEN vs FOOD FOREST

Food Forest

- Grow food
- Grow community
- **Ecosystem-based perennials**
- **Communal growing with open harvest**

Community Garden

- Grow food
- Grow community
- **Diet-based annuals**
- **Ownership of a plot**

WHAT IS A COMMUNITY GARDEN?



Licton Springs Community Garden

...a.k.a. P-Patch or
allotment...

Community-managed
areas where gardeners
use small plots of land to
grow food, flowers, and
herbs

Benefits of a community garden:

- Community engagement
- Environmental ethic
- Access to local, organic food
- Feeding the hungry
- Connection between growing and eating food
- Ability to grow cultural foods that may not be available locally



BOG end of season harvest 2019

WHY the Ballinger Organic Garden (BOG)?



Mission Statement

The mission for the BOG is to empower people to grow and eat healthy, organic, local food and enhance community connections. We envision a garden where everyone can come to learn, grow, and contribute to food security and the community.

HOW DOES IT WORK?

- Gardeners “rent” plots in spring, paying monthly or annual dues
- Gardeners plant, water, manage, and harvest from their own plot
- At the end of the season, the plots are reset for the next growing season

WHO will install and maintain it?

VOLUNTEERS from the community, and BOG Gardeners

**Partnership of Mountlake Terrace Community Foundation with
Mountlake Terrace Parks**

In collaboration with:

- **MLT Parks Department**
- **FFAB**
- **Ballinger Center**
- **Edmonds College Horticulture Classes**
- **Snohomish Conservation District**

We would also like to collaborate with:

Edmonds School District, Snohomish County Master Gardeners, Beacon Food Forest, Seattle Department of Neighborhoods, Concern for Neighbors Foodbank.

Planning: community garden tours

- Bitter Lake
- Haller Lake
- Jackson Park
- Licton Springs
- Picardo Farm
- Meadowbrook
- Beacon Food Forest



Haller Lake Community Garden

Community Engagement since 2018

- Work parties
 - 8 events over 3 years
- Social Media Outreach
 - 640 followers
- Table at National Night Out (3 years)
- Publish monthly garden “to do” lists
- Seed and Plant swaps
 - Typically 2-3 events per year with attendance of 40-60 people each
- BOG Free Seed Library
 - Maintained with donations from community and 10 seed companies

Planning: Draft Site Plan



BOG Growing Space (43 4'x8' raised beds with large open area between trees)

Costs: Food Forest



Plants	\$3,000
Irrigation	\$3,300
Compost	\$3,100
Signage	\$1,500
Public Art	\$2,000
Tools	\$1,300
<i>subtotal</i>	<i>\$14,200</i>

Costs: Community Garden



Raised Beds	\$23,000
Irrigation	\$700
Fencing	\$1,000
Signage	\$1,200
Cedar Chips	\$3,400
<i>subtotal</i>	<i>\$29,300</i>

Costs: Community Areas



Shed	\$2,600
Picnic Tables	\$8,000
Benches	\$3,600
<i>subtotal</i>	<i>\$14,200</i>

Costs: Food Growing Areas



<i>Food Forest</i>	<i>\$14,200</i>
<i>Community Garden</i>	<i>\$29,300</i>
<i>Common Areas</i>	<i>\$14,200</i>
<i>TOTAL</i>	<i>\$57,700</i>

Probable Cost of Construction

Project: Ballinger Park Master Plan
Description: Preliminary estimate

Date: 2015.08.28

Quantity	Unit	Unit Cost	Total
Creek Restoration Subtotal			1,688,438.00
Direct Construction Costs (Subtotal)			1,688,438.00
Design Contingency (20%)			\$337,687.60
Project Subtotal			\$2,026,125.60
General Conditions (8%)			\$162,090.05
Subtotal			\$2,188,215.65
Contractor Overhead (5%)			\$109,410.78
Subtotal			\$2,297,626.43
Contractor Profit (6%)			\$137,857.59
TOTAL Construction Contract Amount (Low)			\$2,435,484.02
TOTAL Construction Contract Amount (High)			\$2,800,806.62
Phase 2 Design fees (Low 10% - High 14%)			\$340,967.76
			\$392,112.93

Phase 3

Main Entry and Clubhouse			
TESC and perimeter fencing	1	Allow	20,000.00
Runnel	220	LF	100.00
Rain garden excavation	8,100	SF	0.50
Rain Garden Planting - Shrubs	8,000	SF	3.00
Feature Park Trees in meadow	12	EA	375.00
Hardscaped terrace plaza	8,700	SF	7.00
Stone bands	510	LF	12.00
Maintenance Building Demo	1	EA	5,000.00
Parking Lot Asphalt Removal	3,400	SF	1.75
Parking lot repaving	32,200	SF	3.75
Creek Meander Excavation	5,600	SF	0.50
Creek Meander Planting (Shrubs)	10,900	SF	4.50
Community Garden	15,800	SF	8.00
Imported topsoils	500	CY	45.00
Imported mulch	250	CY	45.00
Garden Shed	1	EA	20,000.00
Orchard Trees	27	EA	350
Irrigation (assumes modification of existing)	25000	SF	0.85
Main Entry and Clubhouse Subtotal			535,970.00

Direct Construction Costs (Subtotal)		535,970.00
Design Contingency (20%)		\$107,194.00
Project Subtotal		\$643,164.00
General Conditions (8%)		\$51,453.12
Subtotal		\$694,617.12
Contractor Overhead (5%)		\$34,730.86
Subtotal		\$729,347.98

Estimates from 2015 Ballinger Park Master Plan (P 77)

Total Cost in Master Plan
(2015 Dollars):

\$230,850

(2025 Dollars):

~\$315,500

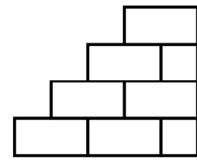


Costs: Fundraising/Donations

The MLTCF is actively looking into sources for funding and donations.

- Grants
- Community Donations
- Fundraising Events
- Adopt-a-Plant





Mountlake Terrace
Community Foundation

Thank you!

Volunteer Meeting:

Monday, December 8 at 6 PM

Large Meeting Room at MLT Library.

Snacks and beverages provided.

Food Forest at Ballinger (FFAB): ffab@mltcf.org

Ballinger Organic Garden (BOG): themltbog@gmail.com

www.facebook.com/MLTCommunityFoundation

www.facebook.com/MLTBOG



STAFF REPORT

To: Mountlake Terrace City Council

From: Jeff Niten, City Manager

Meeting Date: December 4, 2025

Subject: Review Professional Services Agreement for Federal Lobbyist

Required Reviews:

Jennifer Joki	Created/Initiated - 11/25/2025
Sirke Salminen	Approved - 11/26/2025
Hillary Evans	Approved - 11/26/2025
Carolyn Hope	Final Approval - 11/26/2025

Council Goal(s):

Responsible Governance to Ensure Desired Level of Service

Legislative History:

The city has contracted with the Johnston Group since 2007 and City Council approved the current contract with the Johnston Group in January 2024.

Subject Summary:

Since 2007, the City of Mountlake Terrace has contracted with The Johnston Group to provide federal lobbying services as part of the City Council's strategy of securing federal funds for various projects such as Main Street and Ballinger Park. Since initially contracting with the Johnston Group, the city has received over \$10 million in direct federal funding tied to the firm's work. Help with seeking federal funding continues to be key to implementing the Town Center vision.

On October 23, 2025, Jake Johnston attended the City Council meeting to provide a legislative update, and to discuss Federal legislative strategy with Council. The proposed scope will remain largely unchanged and is focused on securing funding for our Main St. project and funding for our library roof capital project.

The two year extension maintains the provisions of the current contract and increases compensation by 3% in 2026 and 3% in 2027. At the current monthly retainer rate of \$4,961 a two-year extension with a 3% increase in each year would result in a monthly retainer of \$5,110 in 2026 and \$5,265 in 2027.

Financial/Budget Impacts:

Budget Amendment Required? No

Budget and Sources:	Professional Services
Expenditure:	\$5,110 monthly in 2026 and \$5,265 monthly in 2027.
New Appropriation Required + Sources:	N/A

Additional Financial Information:

N/A

Community Notifications:

City Council Agenda

If "Other," please specify:

Board/Commission Recommendation:

N/A

Staff Recommendation:

Staff recommends the City Council vote to authorize the City Manager to sign the professional services agreement with Johnston Group, Federal Lobbyist. This can be accomplished by adding it to the Consent Agenda on December 18, 2025.

Council Motion:

N/A

Attachments:

1. Professional Services Agreement Johnston Group (Draft)
2. Email Johnston Group Agreement Extension

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

This Amendment to the Professional Services Agreement ("Amendment") between the CITY OF MOUNTLAKE TERRACE, WASHINGTON (hereinafter referred to as "Client"), and THE JOHNSTON GROUP (hereinafter referred to as "the Consultant") amends the Professional Services Agreement entered into between the parties on January 25th, 2024 ("Agreement").

WHEREAS, the Client entered into an Agreement with Consultant for Consultant's provision of professional services to the City;

WHEREAS, the parties desire to extend the term of the Agreement and amend compensation;

NOW, THEREFORE, in consideration of the mutual benefits and conditions set forth below, and for other good and valuable consideration, the parties hereto agree as follows:

1. Section 1 of Agreement (Term), Amended. Section 1 of the Agreement (Term) is hereby amended to read as follows:

The term of this Agreement shall commence upon the effective date of this Agreement and shall expire on December 31, 2027, unless terminated earlier in accordance herewith. This agreement may be terminated by either party at any time upon thirty (30) business days' written notification to the other party. If Client terminates the Agreement, Client will compensate Consultant in accordance with the terms and provisions of this Agreement for its services through the date of termination.

2. Section 3 of Agreement (Compensation), Amended. Section 3 of the Agreement (Term) is hereby amended to read as follows:

Client will compensate Consultant for services rendered for a fixed monthly charge of \$5,110 in 2026 and \$5,265 in 2027, billable monthly in arrears, not to exceed an annual total of \$61,320.00 in 2026 BS and \$63,180.00 in 2027. Such payment shall be full compensation for work performed or services rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete the work specified in Appendix A, Scope of Services, with the exception of transportation and lodging connected to City-approved trips to Washington, D.C. Expenses will be billed to Client at cost and in arrears. Whenever possible, the Johnston Group will combine client travel to Washington, D.C. to further reduce costs.

Client will be billed no more often than monthly. Client will review and approve or disapprove all invoices. Client will pay Consultant by wire transfer or check within thirty (30) days of the receipt of a

Client-approved invoice. A finance charge of one percent (1%) per month [twelve percent (12%) per annum] will accrue on any unpaid balance on a Client-approved invoice outstanding for more than forty-five (45) days.

A new Appendix A is attached hereto.

3. Full Force and Effect. All other terms and conditions in the Agreement remain in full force and effect as provided therein.

CITY OF MOUNTLAKE TERRACE

THE JOHNSTON GROUP, LLC

By: _____

Jeff Niten, City Manager

By: _____

Jake Johnson, President

Date: _____

Date: _____

Approved as to form:

Hillary J. Evans, City Attorney

From: [Jeff Niten](#)
To: [Jennifer Joki](#)
Subject: FW: Johnston Group Contract Extension
Date: Thursday, November 20, 2025 8:38:32 AM

Attach this to the Federal Lobbyist contract extension item on the Dec. 4 Council meeting.



Jeff Niten, City Manager
City of Mountlake Terrace, Washington
23204 58th Avenue W.
Mountlake Terrace, WA 98043
425.744.6208 Office
425.967.2091 Mobile

From: Jake Johnston <jake@johnstongr.com>
Sent: Tuesday, September 30, 2025 5:49 PM
To: Jeff Niten <JNiten@mltwa.gov>
Subject: Johnston Group Contract Extension

**** External Email ****

Do not click on links or open attachments unless you recognize the sender and are expecting this email. Be cautious and look for signs of phishing attempts.

Hi Jeff –

Thank you for the call today. Let me know if you or anyone else at the City has questions as the shutdown continues.

I'm also writing to request a continuance of our contract which expires at the end of this year. Working with the City of Mountlake Terrace is a privilege and I'm very excited to continue our work together to bring funding to the City and change federal policy surrounding grant awards.

Our existing contract was a two year engagement starting in 2024 at a current monthly retainer rate of \$4,961. I'd propose a two year extension with a 3% increase in each year and all other terms remaining the same. That would result in a monthly retainer of \$5,110 in 2026 and \$5,265 in 2027.

I'm happy to discuss any proposal that continues our work together and meets the needs of the City. Thank you for the great partnership over the past many years and the opportunity to continue our work in the years ahead.

Jake

Jake Johnston

jake@johnstongr.com

(206) 240-3133

JOHNSTON | GROUP