City of Kenmore - 18120 68th Avenue NE - P.O. Box 82607 - Kenmore, WA 98028
Phone: 425-398-8900 - Fax: 425-481-3236 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
REVISED City Council Special Meeting Agenda
7:00 p.m., Monday, January 29, 2018
Kenmore City Hall, Council Chambers
18120 68th Ave. NE, Kenmore, WA 98028

If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. You may also stop by City Hall at 18120 68th Avenue NE, Kenmore. Council agendas are also available on our website at www.kenmorewa.gov.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. PRESENTATION

A. Northshore School District - School Levy and Bond Measure (Three Measures) for February 13, 2018 Election

Consideration of Resolution #18-308 that Expresses Support for Northshore School District No. 417:

Proposition No. 1:
Replacement for Educational Programs and Operations Levy
The Board of Directors of Northshore School District adopted Resolution No. 762 authorizing a renewal educational levy. To continue high quality academic programs that are eligible activities and not state funded, this proposition authorizes the District to levy the excess taxes, on all taxable property within the District.

Proposition No. 2:
The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to acquire, construct and equip a new 30 classroom building, a new K-5 school on the District's Maltby site, a new Inglemoor High School performance and instructional building, upgrade safety and security, make building and capital improvements, to issue $275,000,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually

to repay the bonds, as described in Resolution No. 763.

Proposition No. 3:
The Board of Directors of Northshore School District No. 417 adopted Resolution No. 764 concerning a proposition for capital levies. To ensure all students have access to technology to prepare for careers of tomorrow, modernize technology systems, and train students and staff, the District shall levy the excess levies in place of an expiring levy on all taxable property within the District.
Agenda Item
Northshore School District Presentation

VI. CITIZEN COMMENT ON RESOLUTION #18-308 SUPPORTING NORTHSHORE SCHOOL DISTRICT No. 417 PROPOSITION 1-3

VII. PROCLAMATION

A. Childrens Dental Health Month, February 2018
Proclamation

VIII. CITIZEN COMMENTS

A. This is an opportunity to express your views on issues that are important to you and to the community. Please limit your comments to three (3) minutes.

IX. CONSENT AGENDA

A. Special City Council Meeting Minutes of December 21, 2017
Minutes

B. Ordinance No. 18-0455 Amending Section 17.25.030 of the Kenmore Municipal Code Relating to Final Plat Approval
Agenda Item

C. Approve a Regional Coalition for Housing (ARCH) 2018 Administrative Budget and Work Program
Agenda Item

X. BUSINESS AGENDA

A. Resolution No. 18-307Authorizing the Duly-Appointed Administering Agency for ARCH to Execute all Documents Necessary to Enter into Agreements for the Funding of Affordable Housing Projects, as Recommended by the ARCH Executive Board, Utilizing Funds from the City's Housing Trust Fund - Nancy Ousley, Assistant City Manager
Agenda Item

B. Provide Direction for New Sick Leave Policy Provisions for Part Time and Temporary Employees - Joanne Gregory, Finance and Administration Director
Agenda Item

XI. STAFF REPORT

XII. COUNCILMEMBER REPORTS & COMMENTS & INITIATIVES

XIII. ADJOURNMENT

Upcoming Meetings:

A. No Meeting on Monday, February 5, 2018
Monday, February 12, 2018 - Regular Council Meeting
Monday, February 26, 2018 - Regular Council Meeting

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Proposed Resolution No. 18-308 Expressing Support for Northshore School District's Proposition 1, Replacement for Educational Programs & Operations Levy; Proposition 2, Issuance of General Obligation (Capital Projects) Bonds; Proposition 3, Renewal of Capital Projects (Technology) Levy	For Council Meeting Agenda of: January 29, 2018 Department: City Manager Prepared by: Janet Quinn/Kelly Chelin Initial & Date Approved by Department Head: ____ Approved by City Attorney: RK by email 1/24/18 Approved by Finance Director: ____ Approved by City Manager: RAK 1-24-18
Proposed Council Action/Motion: Adopt Resolution No. 18-308	Exhibits/Attachments: 1) City of Kenmore Resolution No. 18-308 2) Northshore School District Resolution No. 762 3) Northshore School District Resolution No. 763 4) Northshore School District Resolution No. 764 5) City of Kenmore Resolution No. 13-228

INFORMATION/BACKGROUND:

The Northshore School District is submitting these three measures to voters for the February 13, 2018 election. Northshore School District voters approved similar measures in 2002, 2006, 2010 and 2014, which were supported by the Kenmore City Council. The passage of these measures will help maintain daily operations and educational programs, ensure all students have access to technology to prepare for careers of tomorrow, upgrade safety and security at all school buildings, construct new buildings to accommodate growth, and make building a capital improvement.

Over the past six years the Northshore School District has grown by 10%, or 2,000 new students, and projections show that growth will continue with the addition of 1500 to 1700 students in the next six years.

Over the past two years, parents, community members, students, and district staff have worked together to develop a long-term plan to address this growth, and these three measures are in support of the Strategic Plan's main Goals of:

1. Success in the Early Years;
2. Responsible, Resilient, Empathetic Learners;
3. Growth for Every Student, Elimination of Outcome and Opportunity Gaps;
4. Innovative, Creative, Critical Thinkers;
5. Ready for Lifelong Success after Graduation.

Citizens for Northshore Schools Committee is requesting that the Kenmore City Council pass Resolution 18-308 in support of these measures.

As required by RCW 42.17A.555, the City Council must allow opponents and supporters of the proposed resolution and ballot propositions an approximately equal opportunity to express their views on the resolution and ballot propositions. This opportunity is not an official public hearing, but a call for comments on the proposed resolution and ballot propositions.

CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 18-308

A RESOLUTION OF THE CITY OF KENMORE, WASHINGTON, EXPRESSING THE CITY COUNCIL'S SUPPORT FOR THE NORTHSHORE SCHOOL DISTRICT NO. 417 REPLACEMENT FOR EDUCATIONAL PROGRAMS & OPERATIONS LEVY (PROPOSITION NO. 1); THE DISTRICT GENERAL OBLIGATION BONDS--$275,000,000 PROPOSITION (PROPOSITION NO. 2); AND THE DISTRICT RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY (PROPOSITION NO. 3).

WHEREAS, the Northshore School District operates Kenmore's public schools and is submitting the three propositions identified in the title of this Resolution to the voters at the February 13, 2018 special election; and

WHEREAS, Northshore School District voters approved similar propositions in 2002, 2006, 2010 and 2014 which were supported by the Kenmore City Council; and

WHEREAS, the Replacement for Educational Programs and Operations Levy (Proposition No. 1) will help maintain daily operations and educational programs; the Renewal Capital Projects (Technology) Levy continues the District's commitment to technology training and infrastructure; and the General Obligation Bonds-$275,000,000 (capital projects) will help ease overcrowding now, while also planning for future growth of the District; and

WHEREAS, these three propositions will help the District meet the following key goals in the District's current Strategic Plan:

- Success in the Early Years
- Responsible, Resilient, Empathetic Learners
- Growth for Every Student, Elimination of Outcome and Opportunity Gaps
- Innovative, Creative, Critical Thinkers
- Ready for Lifelong Success after Graduation

and;

WHEREAS, the estimated annual tax rate for the three propositions for Northshore property owners is $3.89 combined per $1,000 of assessed value; and

WHEREAS, the estimated tax rate is projected to decrease over the four years of collection; and

WHEREAS, the quality of education provided by the District is an important asset to the Kenmore community and often a key reason that families are drawn to Kenmore; and

WHEREAS, the Board of Directors of the District adopted Resolution No. 762 authorizing a proposition for the Replacement for Educational Programs and Operations Levy substantially in the following form:

The Board of Directors of Northshore School District adopted Resolution No. 762 authorizing a renewal educational enrichment levy. To continue high quality academic programs that are eligible activities and not state funded, this proposition authorizes the District to levy the following excess taxes, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount Up To
2019	$1.50	$57,000,000
2020	$1.50	$58,000,000
2021	$1.50	$59,000,000
2022	$1.50	$60,000,000

all as provided in Resolution #762 and subject to legal limits on levy amounts and rates at the time of levy. Should this proposition be approved?

YES .... ☐

NO... ☐

and;

WHEREAS, the Board of Directors of the District adopted Resolution No. 763 authorizing a proposition for the General Obligation Bonds-$275,000,000 substantially in the following form:

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $275,000,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to acquire, construct and equip a new 30 classroom building, a new K-5 school on the District's Maltby site, a new Inglemoor High School performance and instructional building, upgrade safety and security, make building and capital improvements, to issue $275,000,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution# 763. Should this proposition be:

APPROVED?..☐

REJECTED? ....☐

and;

WHEREAS, the Board of Directors of the District adopted Resolution No. 764 authorizing a proposition for Renewal Capital Projects (Technology) Levy substantially in the following form:

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 764 concerning a proposition for capital levies. To ensure all students have access to technology to prepare for careers of tomorrow, modernize technology systems, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2019	$0.51	$ 15,500,000
2020	$0.50	$ 15,500,000
2021	$0.48	$ 15,500,000
2022	$0.47	$ 15,500,000

all as provided in Resolution# 764. Should this proposition be approved?

YES .... ☐

NO .... ☐

and;

WHEREAS, pursuant to RCW 42.17A.555, the City Council may express collective support for a ballot proposition; and

WHEREAS, as required by RCW 42.17A555, the agenda for the City Council's special meeting on January 29, 2018 included the titles and numbers of the District's three propositions described above, and an item for citizen comment on the three propositions described above; and

WHEREAS, at the City Council's special meeting on January 29, 2018, the City Council and members of the public were afforded an opportunity to express their views on the three ballot propositions described above and the City Council's support for or opposition to them;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

<u>Section 1</u>. The City Council supports the following three propositions that the Northshore School District has placed before the voters at the February 13, 2018 special election:

1. Replacement for Educational Programs and Operations Levy (Proposition No. 1), authorized by District Resolution No. 762.

2. General Obligation Bonds--$275,000,000 (Proposition No. 2), authorized by District Resolution No. 763.

3. Renewal Capital Projects (Technology) Levy (Proposition No. 3), authorized by District Resolution No. 764.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A SPECIAL MEETING THEREOF THIS 29TH DAY OF JANUARY 2018.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

APPROVED AS TO FORM:

Rod Kaseguma, City Attorney

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS LEVY

RESOLUTION NO. 762

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 13, 2018, of the proposition of whether excess taxes should be levied in the amount of up to $57,000,000 in 2018 for collection in 2019, in the amount of up to $58,000,000 in 2019 for collection in 2020, in the amount of up to $59,000,000 in 2020 for collection in 2021 and in the amount of up to $60,000,000 in 2021 for collection in 2022, said excess taxes to pay part of the cost of eligible activities in support of the District.

ADOPTED OCTOBER 23, 2017

PREPARED BY:

K&L GATES LLP
Seattle, Washington

RESOLUTION NO. 762

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 13, 2018, of the proposition of whether excess taxes should be levied in the amount of up to $57,000,000 in 2018 for collection in 2019, in the amount of up to $58,000,000 in 2019 for collection in 2020, in the amount of up to $59,000,000 in 2020 for collection in 2021 and in the amount of up to $60,000,000 in 2021 for collection in 2022, said excess taxes to pay part of the cost of eligible activities in support of the District.

WHEREAS, Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), for the past four years has had in effect a maintenance and operations levy in order to enable the District to pay for its educational programs and services, including teaching, classroom materials, technology, extracurricular activities, buildings and transportation; and

WHEREAS, the current maintenance and operations levies expire this year; and

WHEREAS, the money in and to be paid into the General Fund of the District during the 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 school years will be insufficient to enable the District to pay for eligible activities for students attending District schools; and

WHEREAS, the existing authority for the imposition of local tax levies and use of local revenues (including the proceeds of tax levies) has been modified by Chapter 13, Laws of 2017 (65th Legislature, Third Special Session) and may be modified in the future by the State Legislature; and

WHEREAS, in order to properly provide for such maintenance and operations and such educational needs, the Board of Directors of the District deems it necessary to levy the following taxes upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

A. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $57,000,000, said levy to be made in 2018 for collection in 2019;

B. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $58,000,000, said levy to be made in 2019 for collection in 2020;

C. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $59,000,000, said levy to be made in 2020 for collection in 2021; and

D. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $60,000,000, said levy to be made in 2021 for collection in 2022.

WHEREAS, the Constitution and laws of the State of Washington require that the question of whether or not such excess taxes may be levied must be submitted to the qualified electors of the District for their ratification or rejection;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON, as follows:

Section 1. The following taxes for the District's General Fund should be levied upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

A. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $57,000,000, said levy to be made in 2018 for collection in 2019;

B. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $58,000,000, said levy to be made in 2019 for collection in 2020;

C. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $59,000,000, said levy to be made in 2020 for collection in 2021; and

D. A tax of approximately $1.50 per thousand dollars of assessed valuation to provide up to $60,000,000, said levy to be made in 2021 for collection in 2022.

The estimated levy rate depends upon the final dollar amount of assessed value of the property within the District. At this time, based upon information provided by the King and

Snohomish County Assessors' offices, the estimated levy rate for the 2018 levy is $1.50 per thousand dollars of assessed valuation, the estimated levy rate for the 2019 levy is $1.50 per thousand dollars of assessed valuation, the estimated levy rate for the 2020 levy is $1.50 per thousand dollars of assessed valuation, and the estimated levy rate for the 2021 levy is $1.50 per thousand dollars of assessed valuation. The exact levy rate shall be adjusted based upon the actual assessed value of the property within the District and the legal limit of the levy amount at the time of the levy.

Upon approval by the voters of the proposition substantially in the form set forth below, the District may use the proceeds of said levies during the 2018-2019, 2019-2020, 2020-2021, 2021-2022 and 2022-2023 school years by incurring an indebtedness by the issuance of short term obligations against the General Fund of the District, as authorized by Chapter 39.50 RCW, and may expend the proceeds of said levies to pay such part of the eligible activities of the District during such school years as may be authorized or allowed by law for the use of excess levy funds.

Section 2. It is hereby found and declared that the best interests of the District require the submission to the qualified electors of the District of the proposition of whether or not the District shall levy such excess tax for their ratification or rejection at a special election to be held therein on February 13, 2018.

King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to call and conduct said special election to be held within the District on said date and to submit to the qualified electors of the District the proposition substantially in the form hereinafter set forth.

The Secretary of the Board of Directors is hereby authorized and directed to certify said proposition (Proposition 1) substantially in the following form:

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS LEVY

The Board of Directors of Northshore School District adopted Resolution No. 762 authorizing a renewal educational enrichment levy. To continue high quality academic programs that are eligible activities and not state funded, this proposition authorizes the District to levy the following excess taxes, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount Up To
2019	$1.50	$57,000,000
2020	$1.50	$58,000,000
2021	$1.50	$59,000,000
2022	$1.50	$60,000,000

all as provided in Resolution #762 and subject to legal limits on levy amounts and rates at the time of levy. Should this proposition be approved?

YES .... ☐

NO .... ☐

The Secretary of the Board of Directors of the District is hereby directed to deliver a certified copy of this resolution to King County Elections and a courtesy copy to the Snohomish County Auditor.

Section 3. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the District's Executive Director, Business Services (Lydia Sellie), telephone: 425.408.7630; email: lsellie@nsd.org; and (b) special counsel, K&L Gates LLP, telephone: 206.370.7801; email: cynthia.weed@klgates.com, as the individuals to whom the Auditor shall provide such notice. The

Executive Director, Business Services is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 4. Voters' Pamphlet. Pursuant to authority granted by RCW 29A.32.220, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 13, 2018 election and requests that King County Elections prepare and publish a voters' pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting thereof, held on the 23rd day of October, 2017.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, (the "District") and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 762 of the Board (the "Resolution"), duly adopted at a regular meeting thereof held on the 23rd day of October, 2017.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2017.

Secretary, Board of Directors

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OFFICIAL BALLOT

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS LEVY

The Board of Directors of Northshore School District adopted Resolution No. 762 authorizing a renewal educational enrichment levy. To continue high quality academic programs that are eligible activities and not state funded, this proposition authorizes the District to levy the following excess taxes, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount Up To
2019	$1.50	$57,000,000
2020	$1.50	$58,000,000
2021	$1.50	$59,000,000
2022	$1.50	$60,000,000

all as provided in Resolution #762 and subject to legal limits on levy amounts and rates at the time of levy. Should this proposition be approved?

YES .... ☐

NO....................................... ☐

NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

NOTICE IS HEREBY GIVEN that on Tuesday, February 13, 2018, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

REPLACEMENT FOR EDUCATIONAL PROGRAMS AND OPERATIONS LEVY

The Board of Directors of Northshore School District adopted Resolution No. 762 authorizing a renewal educational enrichment levy. To continue high quality academic programs that are eligible activities and not state funded, this proposition authorizes the District to levy the following excess taxes, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount Up To
2019	$1.50	$57,000,000
2020	$1.50	$58,000,000
2021	$1.50	$59,000,000
2022	$1.50	$60,000,000

all as provided in Resolution #762 and subject to legal limits on levy amounts and rates at the time of levy. Should this proposition be approved?

YES .... ☐

NO .... ☐

Director of Elections
King County Elections

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

GENERAL OBLIGATION BONDS

RESOLUTION NO. 763

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the district at a special election to be held therein on February 13, 2018, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of $275,000,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds to acquire, construct, equip, modernize and make other capital improvements to the facilities of the District and authorizing the Superintendent and/or Executive Director, Business Services to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

ADOPTED OCTOBER 23, 2017

PREPARED BY:

K&L GATES LLP
Seattle, Washington

NORTHSHORE SCHOOL DISTRICT NO. 417
KING COUNTY, WASHINGTON

GENERAL OBLIGATION BONDS
RESOLUTION NO. 763

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* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 763

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the District at a special election to be held therein on February 13, 2018, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of $275,000,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds to acquire, construct, equip, modernize and make other capital improvements to the facilities of the District and authorizing the Superintendent and/or Executive Director, Business Services to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

WHEREAS, improvements to school facilities are needed in Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), in order to provide the students of the District with safe, adequate and efficient educational facilities; and

WHEREAS, in order to provide part of the funds to enable the District to acquire, construct, equip, modernize and make necessary capital improvements to its facilities, it is deemed necessary and advisable that the District issue and sell its unlimited tax levy general obligation bonds in the principal amount of $275,000,000 (the "Bonds"); and

WHEREAS, the Constitution and laws of the State of Washington (including RCW 28A.530.010 and RCW 84.52.056) provide that the question of whether or not such Bonds may be issued and sold for such purposes and taxes levied to pay such Bonds must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, in RCW ch. 39.98 (the "Credit Enhancement Act"), the State Legislature established a credit enhancement program (the "Program") for voter-approved school district general obligation bonds; and

WHEREAS, Section 39.98.040 of the Credit Enhancement Act authorizes the state treasurer to make a determination that a school district is eligible for participation in the Program if the state treasurer determines that the District is eligible under rules adopted by the state finance committee; and

WHEREAS, the District may elect to participate in the Program upon an administrative determination that it is cost-effective;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON, as follows:

Section 1. Findings. This Board of Directors (the "Board") hereby finds and declares that the best interest of the students and other residents of the District require the District to carry out the plans hereinafter provided at the time or times and in the order deemed most necessary and advisable by the Board.

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- ☐ Plan, develop, construct and equip a new flexible use 30 classroom building to be located between Canyon Creek Elementary School and Skyview Middle School;
- ☐ Plan, develop, construct and equip a new K-5 school facility on the District's Maltby site;
- ☐ Plan, develop, construct and equip an accessible performing arts and instructional building at Inglemoor High School and improve traffic circulation;
- ☐ Plan, develop and implement safety and security upgrades and improvements to District facilities;

- ☐ Plan, identify and implement accessibility accommodations;
- ☐ Plan, develop and implement improvements to outdoor instructional spaces including playfields, tracks, tennis courts and athletic fields; and
- ☐ Plan, develop and implement other needed building improvements, including, but not limited to classroom modifications, to enable District facilities to meet instructional program needs.

The cost of all necessary architectural, engineering, and other consulting services, inspection and testing, administrative and relocation expenses, on and off-site utilities, site acquisition, related improvements and other costs incurred in connection with the making of the foregoing Improvements shall be deemed a part of the costs of such Improvements. Such Improvements shall be complete with all necessary furniture, and equipment and appurtenances.

The District shall determine the application of available moneys so as to accomplish, as nearly as may be, all of the Improvements described or provided for in this section. The District shall determine the exact extent and specifications for construction of structures or other improvements.

If the Board determines that it has become impractical to accomplish any of such Improvements or portions thereof by reason of state or local circumstances, including changed conditions, incompatible development, lack of additional state funding, or costs substantially in excess of those estimated, the District shall not be required to accomplish such Improvements and may apply the Bond proceeds or any portion thereof to other portions of the Improvements, to other capital improvements, or to payment of principal of or interest on the Bonds, as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

In the event that the proceeds of sale of the Bonds, plus any other moneys of the District legally available, are insufficient to accomplish all of the Improvements provided by this section, the District shall use the available funds for paying the cost of those Improvements for which the Bonds were approved deemed by the Board most necessary and in the best interest of the District.

If available funds are sufficient from the proceeds of Bonds authorized for the above purposes, and state or local circumstances require, the District shall use such funds to pay the principal of or interest on the Bonds or acquire, construct, equip, modernize and make other capital improvements to the facilities of the District, all as the Board of Directors may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020.

It is anticipated that the District may receive funds from the State of Washington pursuant to Chapter 28A.525 RCW. The District intends to apply such funds to the completion of the Improvements described in Section 2. Such funds may also be applied to pay costs of the Improvements, to pay the principal of or interest on the bonds provided for herein or to make other capital improvements to the facilities of the District as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

Section 3. Authorization of Bonds. For the purpose of providing part of the funds necessary to pay the cost of the Improvements described in Section 2 hereof and/or to reimburse the District for such costs to the extent that District funds have been used for such purposes, together with incidental costs and costs related to the sale and issuance of the Bonds, the District shall issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed $275,000,000. The balance of the cost of such Improvements shall be paid out of any moneys which the District now has or may later have on hand which are legally available for such purposes, including impact fees, and out of possible state or federal grants of money. None of the Bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose. Such Bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the District as required by the Constitution and laws of the State of Washington or exceeding the amount permitted by the Constitution and laws of the State of Washington.

Section 4. Details of Bonds. The Bonds provided for in Section 3 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Board and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the Bonds are sold, and shall mature in such amounts and at such times within a maximum term of twenty (20) years from date of issue, but may mature at an earlier date or dates, as authorized by this Board and as provided by law. Said Bonds shall be general obligations of the District and, unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made upon all the taxable property within the District without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of said Bonds shall be as hereafter fixed by resolution of the Board of Directors. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the District may issue short term obligations as authorized and provided by Chapter 39.50 RCW. The proceeds of such Bonds may be used to redeem and retire short term obligations or to reimburse the District for expenditures previously made for such Improvements.

Section 5. Election. It is hereby found and declared that the best interests of the District requires the submission to the qualified electors of the District of the proposition of whether the

District shall issue the Bonds at a special election to be held on February 13, 2018. King County Elections, as *ex officio* supervisor of elections in King County, Washington is hereby requested to call and conduct the special election to be held within the District and to submit to the qualified electors of the District the proposition set forth below. The Secretary of the Board is hereby authorized and directed to certify the proposition (Proposition 2) to said officials in the following form:

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $275,000,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to acquire, construct and equip a new 30 classroom building, a new K-5 school on the District's Maltby site, a new Inglemoor High School performance and instructional building, upgrade safety and security, make building and capital improvements, to issue $275,000,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution# 763. Should this proposition be:

APPROVED?.. ☐

REJECTED? .... ☐

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to King County Elections and a courtesy copy to the Snohomish County Auditor.

Section 6. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the District's Executive Director, Business Services (Lydia Sellie), telephone: 425.408.7630; email: lsellie@nsd.org; and (b) special counsel, K&L Gates LLP, telephone: 206.370.7801; email: cynthia.weed@klgates.com, as the individuals to whom the Auditor shall provide such notice. The

Executive Director, Business Services is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 7. Voters' Pamphlet Pursuant to authority granted by RCW 29A.32.220, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 13, 2018 election and requests that King County Elections prepare and publish a voters' pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

Section 8. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board of Directors hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Superintendent and/or Executive Director, Business Services is hereby authorized (following voter approval) to submit such applications, resolutions and certifications as shall be required by the State Treasurer in reviewing the District's request for participation.

Section 9. Severability. In the event that any provision of this resolution shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this resolution or the Bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 10. Effective Date This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting held this 23rd day of October, 2017.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

By Amy Cast
President and Director

Director

Director

Sandy K. Hayes
Director

Ken Smith
Director

ATTEST:

Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 763 of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the 23rd day of October, 2017.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2017.

Secretary, Board of Directors

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OFFICIAL BALLOT

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $275,000,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to acquire, construct and equip a new 30 classroom building, a new K-5 school on the District's Maltby site, a new Inglemoor High School performance and instructional building, upgrade safety and security, make building and capital improvements, to issue $275,000,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution# 763. Should this proposition be:

APPROVED?.. ☐

REJECTED? .... ☐

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NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

NOTICE IS HEREBY GIVEN that on Tuesday, February 13, 2018, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $275,000,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to acquire, construct and equip a new 30 classroom building, a new K-5 school on the District's Maltby site, a new Inglemoor High School performance and instructional building, upgrade safety and security, make building and capital improvements, to issue $275,000,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution# 763. Should this proposition be:

APPROVED?..☐

REJECTED? ....☐

Director of Elections
King County Elections

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

RENEWAL SCHOOL TECHNOLOGY LEVY

RESOLUTION NO. 764

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 13, 2018, of a proposition to authorize the District to levy an additional tax to provide a total of $62,000,000 for the District's Capital Projects Fund for technology improvements, equipment and training, such levies to be made for four years commencing in 2018 for collection in the school years from 2018-2019 through 2022-2023.

ADOPTED OCTOBER 23, 2017

Prepared by:

K&L GATES LLP
Seattle, Washington

RESOLUTION NO. 764

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 13, 2018, of a proposition to authorize the District to levy an additional tax to provide a total of $62,000,000 for the District's Capital Projects Fund for technology improvements, equipment and training, such levies to be made for four years commencing in 2018 for collection in the school years from 2018-2019 through 2022-2023.

WHEREAS, the educational facilities of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), including technology facilities are in need of modernization, improvements and expansion to meet the current and future educational needs for its students; and

WHEREAS, funds available to the District will be insufficient to enable the District to implement such projects; and

WHEREAS, in order to support the cost of these projects as found necessary by the Board of Directors, it is deemed advisable that the District levy a tax upon all the taxable property within the District in excess of the annual tax the District is permitted by law to levy without a vote of the people, such levy to be made for four years commencing in 2018 for collection in the school years from 2018-2019 through 2022-2023, inclusive, as authorized by Article VII, Section 2 of the State Constitution and RCW 84.52.053; and

WHEREAS, the question of whether or not such excess tax may be levied must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, the conditions here and above set forth require the holding of a special election in the District;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON as follows:

Section 1. Finding. It is hereby found and declared that the welfare of the students and other residents of the District requires the District to carry out the improvements hereinafter provided.

Section 2. Authorization of Improvements. The District shall modernize and expand its educational facilities through the acquisition and installation of technology systems, facilities and projects, including acquiring hardware, licensing software, and online applications and training related to the foregoing as an integral part of the District's technology systems, facilities, or projects; and, as guided by the District's strategic plan for equity in education, funds to provide capacity to purchase sufficient computing devices so students have access to technology when and where they need it; and the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services, and ongoing training related to the installation and integration of these products or services, and shall make other capital expenditures as found necessary by the Board of Directors.

The District may repay any obligations hereafter incurred for the foregoing purposes.

If available funds are sufficient, the District shall acquire, construct, equip and make other capital improvements to the facilities of the District, all as the Board of Directors finds necessary; provided that such funds may be used only to support the construction, modernization, replacement, and remodeling of school facilities or implementation of the District's technology facilities and communications plan.

If the District shall determine that it has become impracticable to accomplish any of such improvements or portions thereof by reason of changed conditions or needs, incompatible development, costs substantially in excess of those estimated, or acquisition by a superior governmental authority, the District shall not be required to accomplish such improvement and may apply levy proceeds as set forth in this section. If any or all of the improvements have been completed, or their completion duly provided for, or their completion found to be impractical, the District may apply the levy proceeds or any portion thereof to other portions of the improvements or to other capital purposes of the District, as the District in its discretion shall determine. Notwithstanding any provision of this resolution to the contrary, levy proceeds may only be used to support the construction, modernization or remodeling of school facilities or implementation of the District's technology facilities plan. The District hereby further confirms that the District will allocate and designate District resources for internal audit processes to assure that levy proceeds will be spent for permitted purposes.

Section 3. Authorization of Levies. It is hereby found and declared that best interests of the District require the submission to the qualified electors of the District of the proposition whether the District shall make the Capital Projects Fund levies for their ratification or rejection at a special election to be held on February 13, 2018. For the purpose of providing funds necessary for the needs described in Section 2 above, King County Elections, as *ex officio* supervisor of elections in King County, is hereby requested to call and conduct such special election to be held within the District on such day and to submit to the qualified electors of the District for their approval or rejection, a proposition providing for tax levies for the Capital Projects Fund for four years, commencing in 2018, producing dollar amounts at estimated tax rates per thousand dollars of assessed value to produce such amounts, in excess of the maximum amount tax levy permitted by law to be levied within the District without a vote of the electors, all as follows:

A. $15,500,000, said levy to be made in 2018 for collection in 2019;

B. $15,500,000, said levy to be made in 2019 for collection in 2020;

C. $15,500,000, said levy to be made in 2020 for collection in 2021; and

D. $15,500,000, said levy to be made in 2021 for collection in 2022.

The estimated levy rate depends upon the final dollar amount of assessed value of the property within the District. At this time, based upon information provided by the King and Snohomish County Assessors' offices, the estimated levy rate for the 2018 levy is $0.51 per thousand dollars of assessed valuation, the estimated levy rate for the 2019 levy is $0.50 per thousand dollars of assessed valuation, the estimated levy rate for the 2020 levy is $0.48 per thousand dollars of assessed valuation and the estimated levy rate for the 2021 levy is $0.47 per thousand dollars of assessed valuation. The exact levy rate shall be adjusted based upon the actual assessed value of the property within the District at the time of the levy.

<u>Section 4</u>. <u>Approval of Form of Ballot</u>. King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to call and conduct said special election to be held within the District on said date and to submit to the qualified electors of the District the proposition substantially in the form hereinafter set forth.

The Secretary of the Board is hereby authorized and directed to certify the proposition (Proposition 3) to King County Elections in substantially the following form:

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 764 concerning a proposition for capital levies. To ensure all students have access to technology to prepare for careers of tomorrow, modernize technology systems, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2019	$0.51	$ 15,500,000
2020	$0.50	$ 15,500,000
2021	$0.48	$ 15,500,000
2022	$0.47	$ 15,500,000

all as provided in Resolution# 764. Should this proposition be approved?

YES .... ☐

NO .... ☐

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to King County Elections and a courtesy copy to the Snohomish County Auditor.

Section 5. Notices Relating to Ballot Title. For purposes of receiving notice of the exact language of the ballot title required by RCW 29A.36.080, the Board hereby designates (a) the District's Executive Director, Business Services (Lydia Sellie), telephone: 425.408.7630; email: lsellie@nsd.org; and (b) special counsel, K&L Gates LLP, telephone: 206.370.7801; email: cynthia.weed@klgates.com, as the individuals to whom the Auditor shall provide such notice. The Executive Director, Business Services is authorized to approve changes to the ballot title, if any, deemed necessary by the Auditor or the King County Prosecuting Attorney.

Section 6. Voters' Pamphlet. Pursuant to authority granted by RCW 29A.32.220, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 13, 2018 election and requests that King County Elections prepare and publish a voters' pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting thereof, held this 23rd day of October, 2017.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

Amy Cast
President and Director

Director

Director

Sandy R. Hayes
Director

Director

ATTEST:

Secretary, Board of Directors

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CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 764 of the Board (the "Resolution"), duly adopted at a regular meeting thereof held on the 23rd day of October, 2017.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of October, 2017.

Secretary, Board of Directors

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OFFICIAL BALLOT

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 764 concerning a proposition for capital levies. To ensure all students have access to technology to prepare for careers of tomorrow, modernize technology systems, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2019	$0.51	$ 15,500,000
2020	$0.50	$ 15,500,000
2021	$0.48	$ 15,500,000
2022	$0.47	$ 15,500,000

all as provided in Resolution# 764. Should this proposition be approved?

YES .... ☐

NO .... ☐

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NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 13, 2018

NOTICE IS HEREBY GIVEN that on Tuesday, February 13, 2018, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 764 concerning a proposition for capital levies. To ensure all students have access to technology to prepare for careers of tomorrow, modernize technology systems, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2019	$0.51	$ 15,500,000
2020	$0.50	$ 15,500,000
2021	$0.48	$ 15,500,000
2022	$0.47	$ 15,500,000

all as provided in Resolution# 764. Should this proposition be approved?

YES .... ☐

NO .... ☐

Director of Elections
King County Elections

CITY OF KENMORE
WASHINGTON
RESOLUTION NO. 13-228

A RESOLUTION OF THE CITY OF KENMORE, WASHINGTON, EXPRESSING SUPPORT FOR NORTHSHORE SCHOOL DISTRICT NO. 417:

PROPOSITION NO. 1 – NORTHSHORE SCHOOL DISTRICT NO. 417 RENEWAL EDUCATION OPERATIONS SUPPORT LEVY. THIS LEVY WOULD RENEW THE CURRENT FOUR YEAR LEVY THAT EXPIRES IN 2014 AND WOULD PROVIDE UP TO $48.5 MILLION IN 2015, $49.5 MILLION IN 2016, $50.5 MILLION IN 2017, AND $51.5 MILLION IN 2018. THIS LEVY PROVIDES APPROXIMATELY 23% OF THE DISTRICT'S BUDGET FOR DAILY OPERATIONS AND EDUCATIONAL PROGRAMS.

PROPOSITION NO. 2 – NORTHSHORE SCHOOL DISTRICT NO. 417 GENERAL OBLIGATION BONDS. THIS PROPOSITION AUTHORIZES THE DISTRICT TO ISSUE $177.5 MILLION IN GENERAL OBLIGATION BONDS MATURING WITHIN A MAXIMUM TERM OF 20 YEARS, TO BE USED TO BUILD A NEW HIGH SCHOOL, MODERNIZE SCHOOLS AND FIELDS, MAKE IMPROVEMENTS TO MEET HEALTH, SAFETY, AND ADA MANDATES, ACQUIRE SITES, UPGRADE TECHNOLOGY INFRASTRUCTURE AND MAKE NECESSARY CAPITAL IMPROVEMENTS.

PROPOSITION NO. 3 – NORTHSHORE SCHOOL DISTRICT NO. 417 RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY. THIS LEVY WOULD REPLACE THE CURRENT LEVY THAT EXPIRES IN 2014 AND WOULD PROVIDE $8 MILLION EACH YEAR 2015-2018. THE FUNDS WOULD ADVANCE STUDENT LEARNING, MODERNIZE TECHNOLOGY SYSTEMS AND EQUIPMENT, AND TRAIN STUDENTS AND STAFF.

WHEREAS, THE Northshore School District is submitting three measures to voters for the February 11, 2014 election; and

WHEREAS, Northshore School District voters approved similar measures in 2002, 2006 and 2010 which were supported by the Kenmore City Council; and

WHEREAS, the Educational Support Levy will help maintain daily operations and educational programs; the School Technology Levy continues the District's commitment to technology training and infrastructure; and the Capital Projects Bond will replace worn out roofs, boilers, heating and ventilation systems; and

WHEREAS, the estimated tax rate for the three measures for Northshore property owners is $4.98 per $1000 of assessed value; and

WHEREAS, the estimated tax rate is projected to decrease over the four years of collection; and

WHEREAS, the quality of education provided by the Northshore School District is an important asset to the Kenmore community and often a key reason that families are drawn to the City,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, HAVING HELD A PUBLIC COMMENT PERIOD ON NOVEMBER 25, 2013 TO AFFORD THE PUBLIC APPROXIMATELY EQUAL OPPORTUNITY FOR THE EXPRESSION OF AN OPPOSING VIEW, SUPPORTS THE NORTHSHORE SCHOOL DISTRICT LEVY AND BOND PROPOSALS.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, AT A REGULAR MEETING THEREOF THIS 25th DAY OF November, 2013.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Patty Safrin

Patty Safrin, City Clerk

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

RENEWAL EDUCATIONAL MAINTENANCE AND OPERATIONS LEVY

RESOLUTION NO. 685

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 11, 2014, of the proposition of whether excess taxes should be levied of $48,500,000 in 2014 for collection in 2015, $49,500,000 in 2015 for collection in 2016, $50,500,000 in 2016 for collection in 2017, and $51,500,000 in 2017 for collection in 2018, said excess taxes to pay part of the educational maintenance and operations support of the District.

ADOPTED October 8, 2013

PREPARED BY:

K&L GATES LLP
Seattle, Washington

RESOLUTION NO. 685

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 11, 2014, of the proposition of whether excess taxes should be levied of $48,500,000 in 2014 for collection in 2015, $49,500,000 in 2015 for collection in 2016, $50,500,000 in 2016 for collection in 2017, and $51,500,000 in 2017 for collection in 2018, said excess taxes to pay part of the educational maintenance and operations support of the District.

WHEREAS, Northshore School District No. 417, King and Snohomish Counties, Washington (the “District”), for the past four years has had in effect a maintenance and operations levy in order to enable the District to pay for its educational programs and services, including teaching, classroom materials, technology, extracurricular activities, buildings and transportation; and

WHEREAS, the current maintenance and operations levies expire this year; and

WHEREAS, the money in and to be paid into the General Fund of the District during the 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 school years will be insufficient to enable the District to pay for necessary maintenance and operations and to properly meet the educational needs of the students attending District schools; and

WHEREAS, in order to properly provide for such maintenance and operations and such educational needs, the Board of Directors of the District deems it necessary to levy the following taxes upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

A. A tax of approximately $2.42 per thousand dollars of assessed valuation to provide $48,500,000, said levy to be made in 2014 for collection in 2015;

B. A tax of approximately $2.40 per thousand dollars of assessed valuation to provide $49,500,000, said levy to be made in 2015 for collection in 2016;

C. A tax of approximately $2.37 per thousand dollars of assessed valuation to provide $50,500,000, said levy to be made in 2016 for collection in 2017; and

D. A tax of approximately $2.35 per thousand dollars of assessed valuation to provide $51,500,000, said levy to be made in 2017 for collection in 2018.

WHEREAS, the Constitution and laws of the State of Washington require that the question of whether or not such excess taxes may be levied must be submitted to the qualified electors of the District for their ratification or rejection;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON, as follows:

Section 1. The following taxes for the District's General Fund should be levied upon all of the taxable property within the District in excess of the maximum annual tax levy permitted by law to be levied within the District without a vote of the electors:

A. $48,500,000, said levy to be made in 2014 for collection in 2015;

B. $49,500,000, said levy to be made in 2015 for collection in 2016;

C. $50,500,000, said levy to be made in 2016 for collection in 2017; and

D. $51,500,000, said levy to be made in 2017 for collection in 2018.

The estimated levy rate depends upon the final dollar amount of assessed value of the property within the District. At this time, based upon information provided by the King County Assessor's office, the estimated levy rate for the 2014 levy is $2.42 per thousand dollars of assessed valuation, the estimated levy rate for the 2015 levy is $2.40 per thousand dollars of assessed valuation, the estimated levy rate for the 2016 levy is $2.37 per thousand dollars of assessed valuation; and the estimated levy rate for the 2017 levy is $2.35 per thousand dollars of assessed valuation. The exact levy rate shall be adjusted based upon the actual assessed value of the property within the District at the time of the levy. Upon approval by the voters of the proposition substantially in the form set forth below, the District may use the proceeds of said levies during the 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019 school years by incurring an indebtedness by the issuance of short term obligations against the General Fund of the District, as authorized by Chapter 39.50 RCW, and may expend the proceeds of said levies to pay such part of the general expenses of maintenance and operations of the District during such school years as may be authorized or allowed by law for the use of excess levy funds.

Section 2. It is hereby found and declared that the best interests of the District require the submission to the qualified electors of the District of the proposition of whether or not the District shall levy such excess tax for their ratification or rejection at a special election to be held therein on February 11, 2014.

King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to call and conduct said special election to be held by all mail-in ballot, within the District on said date and to submit to the qualified electors of the District the proposition (Proposition No. 1) substantially in the form hereinafter set forth. The Secretary of the Board of Directors is hereby authorized and directed to certify said proposition substantially in the following form:

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL EDUCATION OPERATIONS SUPPORT LEVY

The Board of Directors of Northshore School District adopted Resolution No. 685 authorizing a renewal educational maintenance levy. To continue meeting educational needs of students and to support District educational maintenance and operation expenses, this proposition authorizes the District to levy the following excess taxes, replacing an expiring levy, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$2.42	$48,500,000
2016	$2.40	$49,500,000
2017	$2.37	$50,500,000
2018	$2.35	$51,500,000

all as provided in Resolution No. 685. Should this proposition be approved?

YES .... ☐

NO .... ☐

The Secretary of the Board of Directors of the District is hereby directed to deliver a certified copy of this resolution to King County Elections.

Section 3. Voter's Pamphlet. Pursuant to authority granted by RCW 29.81A.010, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 11, 2014 election and requests that King County Elections prepare and publish a voter's pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting thereof, held on the 8th day of October, 2013.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

____
President and Director

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Director

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Director

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Director

____
Director

ATTEST:

____
Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, (the "District") and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 685 of the Board (the "Resolution"), duly adopted at a regular meeting thereof held on the 8th day of October, 2013.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of October, 2013.

____

Secretary, Board of Directors

O F F I C I A L B A L L O T

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word “YES”; to vote against the following proposition, place a cross (X) in the square opposite the word “NO.”

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL EDUCATION OPERATIONS SUPPORT LEVY

The Board of Directors Northshore School District adopted Resolution No. 685 authorizing a renewal educational maintenance levy. To continue meeting educational needs of students and to support District educational maintenance and operation expenses, this proposition authorizes the District to levy the following excess taxes, replacing an expiring levy, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$2.42	$48,500,000
2016	$2.40	$49,500,000
2017	$2.37	$50,500,000
2018	$2.35	$51,500,000

all as provided in Resolution No. 685. Should this proposition be approved?

YES .... ☐

NO .... ☐

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NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

NOTICE IS HEREBY GIVEN that on Tuesday, February 11, 2014, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 1

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL EDUCATION OPERATIONS SUPPORT LEVY

The Board of Directors of Northshore School District adopted Resolution No. 685 authorizing a renewal educational maintenance levy. To continue meeting educational needs of students and to support District educational maintenance and operation expenses, this proposition authorizes the District to levy the following excess taxes, replacing an expiring levy, on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$2.42	$48,500,000
2016	$2.40	$49,500,000
2017	$2.37	$50,500,000
2018	$2.35	$51,500,000

all as provided in Resolution No. 685. Should this proposition be approved?

YES .... ☐

NO .... ☐

Director of Elections
King County Elections

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

GENERAL OBLIGATION BONDS

RESOLUTION NO. 686

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the district at a special election to be held therein on February 11, 2014, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of $177,500,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds to acquire, construct, equip, modernize and make other capital improvements to the facilities of the District and authorizing the Superintendent and/or Executive Director, Business Services to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

ADOPTED OCTOBER 8, 2013

PREPARED BY:

K&L GATES LLP
Seattle, Washington

NORTHSHORE SCHOOL DISTRICT NO. 417
KING COUNTY, WASHINGTON

GENERAL OBLIGATION BONDS
RESOLUTION NO. 686

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* This Table of Contents and the cover page are not a part of the following resolution and are included only for the convenience of the reader.

RESOLUTION NO. 686

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the District at a special election to be held therein on February 11, 2014, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of $177,500,000, or so much thereof as may be issued under the laws governing the indebtedness of school districts for the purpose of providing funds to acquire, construct, equip, modernize and make other capital improvements to the facilities of the District and authorizing the Superintendent and/or Executive Director, Business Services to submit a request for eligibility for the Washington State School District Credit Enhancement Program.

WHEREAS, improvements to school facilities are needed in Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), in order to provide the students of the District with safe, adequate and efficient educational facilities; and

WHEREAS, in order to provide part of the funds to enable the District to acquire, construct, equip, modernize and make necessary capital improvements to its facilities, it is deemed necessary and advisable that the District issue and sell its unlimited tax levy general obligation bonds in the principal amount of $177,500,000 (the "Bonds"); and

WHEREAS, the Constitution and laws of the State of Washington (including RCW 28A.530.010 and RCW 84.52.056) provide that the question of whether or not such Bonds may be issued and sold for such purposes and taxes levied to pay such Bonds must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, in RCW ch. 39.98 (the "Credit Enhancement Act"), the State Legislature established a credit enhancement program (the "Program") for voter-approved school district general obligation bonds; and

WHEREAS, Section 39.98.040 of the Credit Enhancement Act authorizes the state treasurer to make a determination that a school district is eligible for participation in the Program if the state treasurer determines that the District is eligible under rules adopted by the state finance committee; and

WHEREAS, the District may elect to participate in the Program upon an administrative determination that it is cost-effective;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON, as follows:

Section 1. Findings . This Board of Directors (the "Board") hereby finds and declares that the best interest of the students and other residents of the District require the District to carry out the plans hereinafter provided at the time or times and in the order deemed most necessary and advisable by the Board.

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- Plan, develop, construct and equip a new comprehensive high school;
- Complete Woodinville High School Phase III modernization;
- Make improvements to District facilities to modernize or replace core building components including but not limited to the following: mechanical systems, flooring, building controls, roofing, boilers, circulation, security, casework and seismic upgrades;
- Acquire portables and other temporary facilities to house students and staff;

- Make improvements to District facilities to meet current ADA (Americans with Disabilities Act), site and building code and other regulatory requirements;
- Make improvements to District facilities to provide for incorporation and modernization of systems of technology and associated equipment including, but not limited to bandwidth/network infrastructure, technology capacity upgrades, and large systems implementations;
- Improvements to buildings to improve energy efficiency;
- Improvements to playfields and gymnasiums, including but not limited to tracks, tennis courts, athletic fields and artificial turf; and
- Make other special project improvements, including, but not limited to classroom modifications, to enable District facilities to meet instructional program needs.

The cost of all necessary architectural, engineering, and other consulting services, inspection and testing, administrative and relocation expenses, on and off-site utilities, site acquisition, related improvements and other costs incurred in connection with the making of the foregoing Improvements shall be deemed a part of the costs of such Improvements. Such Improvements shall be complete with all necessary furniture, and equipment and appurtenances.

The District shall determine the application of available moneys so as to accomplish, as nearly as may be, all of the Improvements described or provided for in this section. The District shall determine the exact extent and specifications for construction of structures or other improvements.

If the Board determines that it has become impractical to accomplish any of such Improvements or portions thereof by reason of state or local circumstances, including changed conditions, incompatible development, lack of additional state funding, or costs substantially in excess of those estimated, the District shall not be required to accomplish such Improvements and may apply the Bond proceeds or any portion thereof to other portions of the Improvements, to other capital improvements, or to payment of principal of or interest on the Bonds, as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

In the event that the proceeds of sale of the Bonds, plus any other moneys of the District legally available, are insufficient to accomplish all of the Improvements provided by this section, the District shall use the available funds for paying the cost of those Improvements for which the Bonds were approved deemed by the Board most necessary and in the best interest of the District.

If available funds are sufficient from the proceeds of Bonds authorized for the above purposes, and state or local circumstances require, the District shall use such funds to pay the principal of or interest on the Bonds or acquire, construct, equip, modernize and make other capital improvements to the facilities of the District, all as the Board of Directors may determine, after holding a public hearing thereon pursuant to RCW 28A.530.020.

It is anticipated that the District may receive funds from the State of Washington pursuant to Chapter 28A.525 RCW. The District intends to apply such funds to the completion of the Improvements described in Section 2. Such funds may also be applied to pay the principal of or interest on the bonds provided for herein or to make other capital improvements to the facilities of the District as the Board may determine after holding a public hearing thereon pursuant to RCW 28A.530.020.

<u>Section 3</u>. <u>Authorization of Bonds</u>. For the purpose of providing part of the funds necessary to pay the cost of the Improvements described in Section 2 hereof and/or to reimburse the District for such costs to the extent that District funds have been used for such purposes,

together with incidental costs and costs related to the sale and issuance of the Bonds, the District shall issue and sell its unlimited tax levy general obligation bonds in the principal amount of not to exceed $177,500,000. The balance of the cost of such Improvements shall be paid out of any moneys which the District now has or may later have on hand which are legally available for such purposes, including impact fees, and out of possible state or federal grants of money. None of the Bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose. Such Bonds shall be issued in an amount not exceeding the amount approved by the qualified electors of the District as required by the Constitution and laws of the State of Washington or exceeding the amount permitted by the Constitution and laws of the State of Washington.

Section 4. Details of Bonds. The Bonds provided for in Section 3 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Board and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the Bonds are sold, and shall mature in such amounts and at such times within a maximum term of twenty (20) years from date of issue, but may mature at an earlier date or dates, as authorized by this Board and as provided by law. Said Bonds shall be general obligations of the District and, unless paid from other sources, both principal thereof and interest thereon shall be payable out of annual tax levies to be made upon all the taxable property within the District without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of said Bonds shall be as hereafter fixed by resolution of the Board of Directors. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the District may issue short term obligations as authorized and provided by Chapter 39.50 RCW. The proceeds of such Bonds may be used to redeem and retire short term obligations or to reimburse the District for expenditures previously made for such Improvements.

Section 5. Election. It is hereby found and declared that the best interests of the District requires the submission to the qualified electors of the District of the proposition of whether the District shall issue the Bonds at a special election to be held on February 11, 2014. King County Elections, as *ex officio* supervisor of elections in King County, Washington is hereby requested to call and conduct the special election to be held within the District and to submit to the qualified electors of the District the proposition set forth below. The Secretary of the Board is hereby authorized and directed to certify the proposition (Proposition 2) to said officials in the following form:

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $177,500,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to build a new high school, modernize schools and fields, make improvements to meet health, safety, and ADA mandates, acquire sites, upgrade technology infrastructure and make necessary capital improvements, to issue $177,500,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution No. 686. Should this proposition be:

APPROVED?... ☐

REJECTED? .... ☐

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to King County Elections.

Section 6. Voter's Pamphlet Pursuant to authority granted by RCW 29.81A.010, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 11, 2014 election and requests that King County Elections prepare and publish a voter's pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

Section 7. Request for Eligibility for the Credit Enhancement Program. In preparation for the issuance and sale of the Bonds after approval by the voters, the Board of Directors hereby requests that the State Treasurer issue a certificate of eligibility in favor of the District for participation by the District in the Program with respect to the Bonds. The Superintendent and/or Executive Director, Business Services is hereby authorized (following voter approval) to submit such applications, resolutions and certifications as shall be required by the State Treasurer in reviewing the District's request for participation.

Section 8. Severability. In the event that any provision of this resolution shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this resolution or the Bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 9. Effective Date This resolution shall become effective immediately upon its adoption.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting held this 8th day of October, 2013.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

By ____
President and Director

____
Director

____
Director

____
Director

____
Director

ATTEST:

____
Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 686 of the Board (herein called the "Resolution"), duly adopted at a regular meeting thereof held on the 8th day of October, 2013.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of October, 2013.

____

Secretary, Board of Directors

O F F I C I A L B A L L O T

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $177,500,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to build a new high school, modernize schools and fields, make improvements to meet health, safety, and ADA mandates, acquire sites, upgrade technology infrastructure and make necessary capital improvements, to issue $177,500,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution No. 686. Should this proposition be:

APPROVED?..☐

REJECTED? ....☐

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NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

NOTICE IS HEREBY GIVEN that on Tuesday, February 11, 2014, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 2

NORTHSHORE SCHOOL DISTRICT NO. 417
GENERAL OBLIGATION BONDS - $177,500,000

The Board of Directors of Northshore School District No. 417 approved a proposition for bonds. This proposition authorizes the District to build a new high school, modernize schools and fields, make improvements to meet health, safety, and ADA mandates, acquire sites, upgrade technology infrastructure and make necessary capital improvements, to issue $177,500,000 of general obligation bonds maturing within a maximum term of 20 years, and to levy excess property taxes annually to repay the bonds, as described in Resolution No. 686. Should this proposition be:

APPROVED?.. ☐

REJECTED? .... ☐

____
Director of Elections
King County Elections

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

RENEWAL SCHOOL TECHNOLOGY LEVY

RESOLUTION NO. 687

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 11, 2014, of a proposition to authorize the District to levy an additional tax to provide a total of $32,000,000 for the District's Capital Projects Fund for technology improvements, equipment and training, such levies to be made for four years commencing in 2014 for collection in the school years from 2014-2015 through 2018-2019.

ADOPTED OCTOBER 8, 2013

Prepared by:

K&L GATES LLP
Seattle, Washington

RESOLUTION NO. 687

A RESOLUTION of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, providing for the submission to the qualified electors of the District at a special election to be held therein on February 11, 2014, of a proposition to authorize the District to levy an additional tax to provide a total of $32,000,000 for the District's Capital Projects Fund for technology improvements, equipment and training, such levies to be made for four years commencing in 2014 for collection in the school years from 2014-2015 through 2018-2019.

WHEREAS, the educational facilities of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), including technology facilities are in need of modernization, improvements and expansion to meet the current and future educational needs for its students; and

WHEREAS, funds available to the District will be insufficient to enable the District to implement such projects; and

WHEREAS, in order to support the cost of these projects as found necessary by the Board of Directors, it is deemed advisable that the District levy a tax upon all the taxable property within the District in excess of the annual tax the District is permitted by law to levy without a vote of the people, such levy to be made for four years commencing in 2014 for collection in the school years from 2014-2015 through 2018-2019, inclusive, as authorized by Article VII, Section 2 of the State Constitution and RCW 84.52.053; and

WHEREAS, the question of whether or not such excess tax may be levied must be submitted to the qualified electors of the District for their ratification or rejection; and

WHEREAS, the conditions here and above set forth require the holding of a special election in the District;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NORTHSHORE SCHOOL DISTRICT NO. 417, KING AND SNOHOMISH COUNTIES, WASHINGTON as follows:

Section 1. Finding. It is hereby found and declared that the welfare of the students and other residents of the District requires the District to carry out the improvements hereinafter provided.

Section 2. Authorization of Improvements. The District shall modernize and expand its educational facilities through the acquisition and installation of technology systems, facilities and projects, including acquiring hardware, licensing software, and online applications and training related to the foregoing as an integral part of the District's technology systems, facilities, or projects; and the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services, and ongoing training related to the installation and integration of these products or services, and shall make other capital expenditures as found necessary by the Board of Directors.

The District may repay any obligations hereafter incurred for the foregoing purposes.

If available funds are sufficient, the District shall acquire, construct, equip and make other capital improvements to the facilities of the District, all as the Board of Directors finds necessary; provided that such funds may be used only to support the construction, modernization, replacement, and remodeling of school facilities or implementation of the District's technology facilities plan.

If the District shall determine that it has become impracticable to accomplish any of such improvements or portions thereof by reason of changed conditions or needs, incompatible development, costs substantially in excess of those estimated, or acquisition by a superior governmental authority, the District shall not be required to accomplish such improvement and may apply levy proceeds as set forth in this section. If any or all of the improvements have been completed, or their completion duly provided for, or their completion found to be impractical, the District may apply the levy proceeds or any portion thereof to other portions of the improvements or to other capital purposes of the District, as the District in its discretion shall determine. Notwithstanding any provision of this resolution to the contrary, levy proceeds may only be used to support the construction, modernization or remodeling of school facilities or implementation of the District's technology facilities plan.

Section 3. Authorization of Levies. It is hereby found and declared that best interests of the District require the submission to the qualified electors of the District of the proposition whether the District shall make the Capital Projects Fund levies for their ratification or rejection at a special election to be held on February 11, 2014. For the purpose of providing funds necessary for the needs described in Section 2 above, King County Elections, as *ex officio* supervisor of elections in King County, is hereby requested to call and conduct such special election to be held within the District on such day and to submit to the qualified electors of the District for their approval or rejection, a proposition providing for tax levies for the Capital Projects Fund for four years, commencing in 2014, producing dollar amounts at estimated tax rates per thousand dollars of assessed value to produce such amounts, in excess of the maximum amount tax levy permitted by law to be levied within the District without a vote of the electors, all as follows:

A. $8,000,000, said levy to be made in 2014 for collection in 2015;

B. $8,000,000, said levy to be made in 2015 for collection in 2016;

C. $8,000,000, said levy to be made in 2016 for collection in 2017; and

D. $8,000,000, said levy to be made in 2017 for collection in 2018.

The estimated levy rate depends upon the final dollar amount of assessed value of the property within the District. At this time, based upon information provided by the County Assessor's office, the estimated levy rate for the 2014 levy is $0.40 per thousand dollars of assessed valuation, the estimated levy rate for the 2015 levy is $0.39 per thousand dollars of assessed valuation, the estimated levy rate for the 2016 levy is $0.38 per thousand dollars of assessed valuation and the estimated levy rate for the 2017 levy is $0.37 per thousand dollars of assessed valuation. The exact levy rate shall be adjusted based upon the actual assessed value of the property within the District at the time of the levy.

Section 4. Approval of Form of Ballot. The District requests King County Elections, as *ex officio* supervisor of elections, call and conduct the special election to be held by all mail-in ballot within the District and to submit to the voters of the District the proposition (Proposition 3) set forth below. The Secretary of the Board is hereby authorized and directed to certify the proposition to King County Elections in substantially the following form:

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 687 concerning a proposition for capital levies. In order to advance student learning, modernize technology systems and equipment, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$0.40	$ 8,000,000
2016	$0.39	$ 8,000,000
2017	$0.38	$ 8,000,000
2018	$0.37	$ 8,000,000

all as provided in Resolution No. 687. Should this proposition be approved?

YES .... ☐

NO .... ☐

The Secretary of the Board of Directors is hereby authorized to deliver a certified copy of this resolution to King County Elections.

Section 5. Voter's Pamphlet. Pursuant to authority granted by RCW 29.81A.010, the Board of Directors hereby authorizes the District's participation in the local voters' pamphlet for the February 11, 2014 election and requests that King County Elections prepare and publish a voter's pamphlet for this proposition. The District understands and agrees that it will be required to pay its proportionate share of the expenses of the voters' pamphlet.

ADOPTED by the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington, at a regular meeting thereof, held this 8th day of October, 2013.

NORTHSHORE SCHOOL DISTRICT NO. 417,
KING AND SNOHOMISH COUNTIES,
WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors

CERTIFICATE

I, the undersigned, Secretary of the Board of Directors of Northshore School District No. 417, King and Snohomish Counties, Washington (the "District"), and keeper of the records of the Board of Directors (the "Board"), DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 687 of the Board (the "Resolution"), duly adopted at a regular meeting thereof held on the 8th day of October, 2013.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Board voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of October, 2013.

____

Secretary, Board of Directors

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OFFICIAL BALLOT

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "YES"; to vote against the following proposition, place a cross (X) in the square opposite the word "NO."

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 687 concerning a proposition for capital levies. In order to advance student learning, modernize technology systems and equipment, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$0.40	$ 8,000,000
2016	$0.39	$ 8,000,000
2017	$0.38	$ 8,000,000
2018	$0.37	$ 8,000,000

all as provided in Resolution No. 687. Should this proposition be approved?

YES...................................... ☐

NO....................................... ☐

P:\20287_CMW\20287_A8N 09/17/13

NOTICE OF SPECIAL ELECTION

NORTHSHORE SCHOOL DISTRICT NO. 417
KING AND SNOHOMISH COUNTIES, WASHINGTON

February 11, 2014

NOTICE IS HEREBY GIVEN that on Tuesday, February 11, 2014, a special election will be held by all mail-in ballot in the above-named school district for the submission to the qualified electors of said school district of the following proposition:

PROPOSITION NO. 3

NORTHSHORE SCHOOL DISTRICT NO. 417

RENEWAL CAPITAL PROJECTS (TECHNOLOGY) LEVY

The Board of Directors of Northshore School District No. 417 adopted Resolution No. 687 concerning a proposition for capital levies. In order to advance student learning, modernize technology systems and equipment, and train students and staff, the District shall levy the following excess levies in place of an expiring levy on all taxable property within the District:

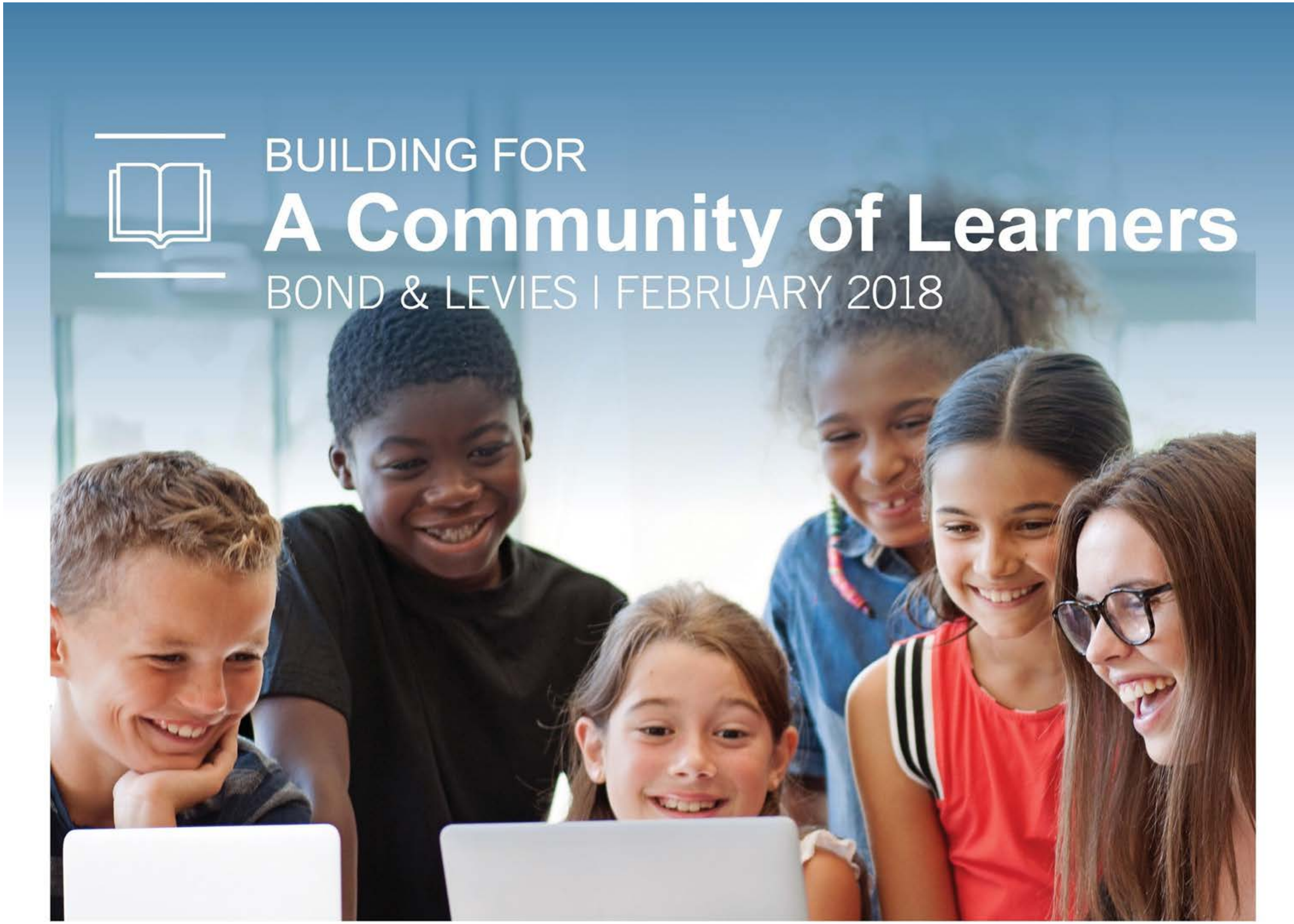
Collection Years	Approximate Levy Rate/$1,000 Assessed Value	Levy Amount
2015	$0.40	$ 8,000,000
2016	$0.39	$ 8,000,000
2017	$0.38	$ 8,000,000
2018	$0.37	$ 8,000,000

all as provided in Resolution No. 687. Should this proposition be approved?

YES .... ☐

NO .... ☐

Director of Elections
King County Elections


BUILDING FOR
A Community of Learners
BOND & LEVIES | FEBRUARY 2018

District Overview

We're growing: current enrollment 22,000 students

- Our school district has grown more than 10 percent over the last six years

Our students are achieving

- Our extended high school graduation rate is 94.6 percent
- Our reputation in excellence is attracting new families and bringing back alumni

Our community is supportive

- We are grateful for the past school funding support and appreciate our dedicated, faithful and supportive parents, staff, students and community

BUILDING FOR

A Community of Learners

The bond and levies support our Strategic Plan goals:

- Success in early years
- Creating responsible, resilient, empathetic learners
- Growth for every student
- Innovative, creative, critical thinkers
- Ready for lifelong success after graduation

BUILDING FOR

A Community of Learners

Northshore School District is asking our community to consider three measures in the February 13, 2018 election:

BUILDING ON ACADEMIC SUCCESS
with our

Prop 1: Renewal of Educational Programs and Operations Levy

BUILDING FOR GROWTH
with our

Prop 2: Capital Projects Bond

BUILDING FOR THE FUTURE
with our

Prop 3: Renewal of the Technology Levy

Northshore School District

Promises made, promises kept

Successfully completed projects include:

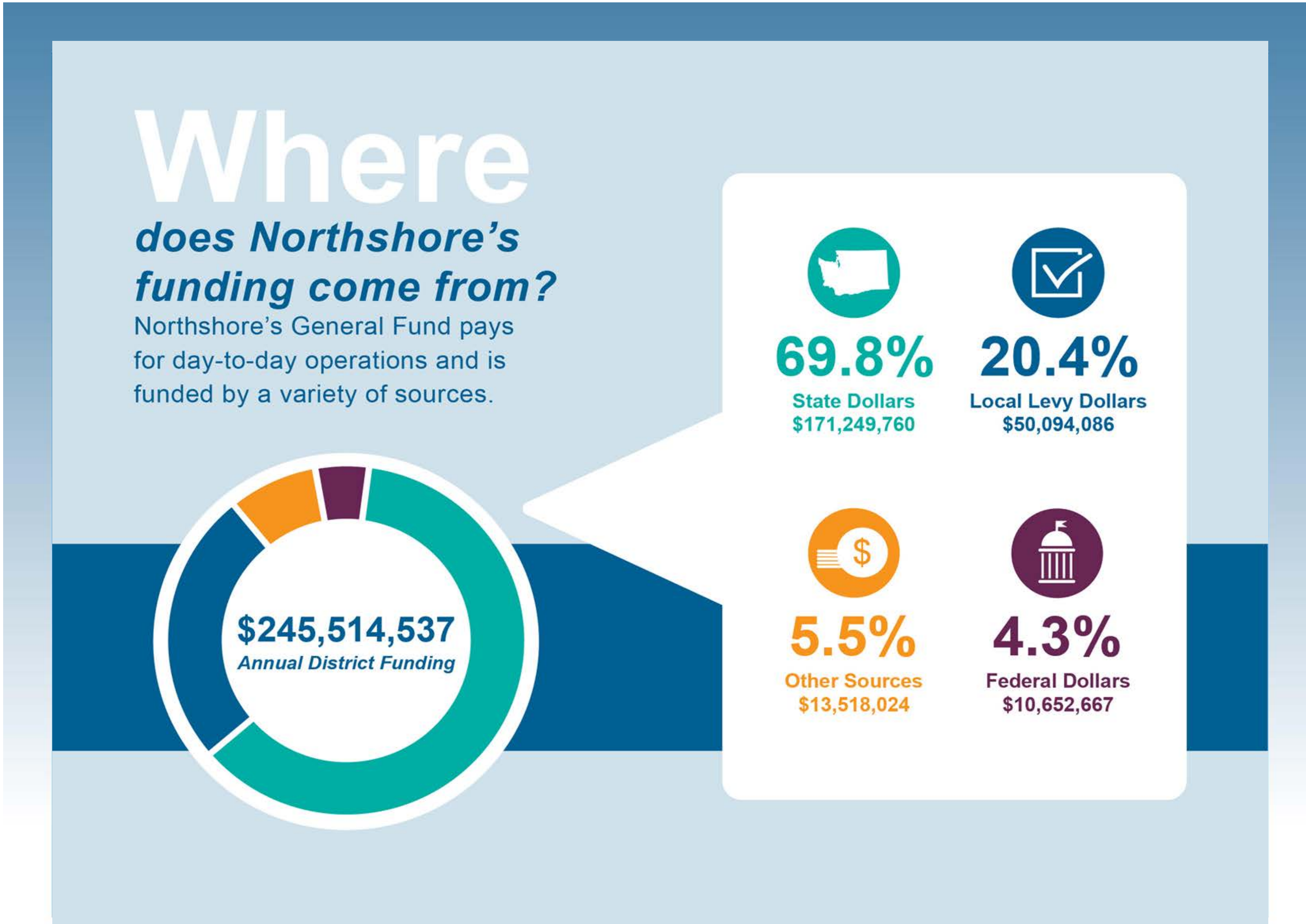
- North Creek High School, opened in 2017
- Remodel of Woodinville High School
- More access to computing devices for students across the district

Thank you for your trust

Voters of our 2014 capital projects bond, EP&O levy and technology levy

Northshore School District is proud to be an excellent steward of public dollars in ensuring our students receive a high quality education.

Northshore School District


Where
does Northshore's funding come from?
Northshore's General Fund pays for day-to-day operations and is funded by a variety of sources.
$245,514,537
Annual District Funding
69.8%
State Dollars
$171,249,760
20.4%
Local Levy Dollars
$50,094,086
5.5%
Other Sources
$13,518,024
4.3%
Federal Dollars
$10,652,667


Bonds are for building.
Levies are for learning.
Did you know?
Our school district boasts an 84 percent voter registration rate, but only 29 percent of those registered voted in the Feb. 2014 election.
Today
VOTE
Northshore School District

Levies are for Learning & Bonds are for Building

LEVIES

- Need 50 percent voter approval (plus one)
- Used for educational programs, teacher salaries, innovative programs not paid for by the state.
- District collects roughly the same amount over the life of the four-year levy.

BONDS

- Need 60 percent voter approval
- Bonds sold to give district enough funding up front for major capital projects, such as building new schools, major renovations or additions.
- Paid back over 20 years at a stable rate to the taxpayers.

Northshore School District

BUILDING FOR ACADEMIC SUCCESS

Renewal of Educational Programs & Operations Levy

Prop. 1

BUILDING ON ACADEMIC SUCCESS

Educational Programs & Operations Levy

Renewing our levy funds:

- Day to day operations of the district – 20 percent of our budget
- Special education
- Academic support for advanced learners
- Interventions for struggling learners
- Extra-curricular activities
- Basic education requirements not funded by the state (like 24-credit high school graduation requirement)
- Transportation costs beyond what the state will fund

Prop. 1

Northshore School District

BUILDING ON ACADEMIC SUCCESS

Educational Programs & Operations Levy

The District recommends a **$234 million** replacement EP&O levy, which replaces the current four-year levy.

For a house valued at $600,000 that means:

WHAT YOU PAY NOW:

$1.93/$1,000 a year per $1000 of assessed value **$1,158/year**

WHAT YOU WOULD PAY:

Average of $1.82 a year per $1000 of assessed value or **$1,092/year**

Prop. 1

Northshore School District


BUILDING FOR GROWTH
Capital Projects
Bond
Prop. 2
Northshore
School District

BUILDING FOR GROWTH

Capital Projects Bond

What is on the bond?

- Safety and security upgrades at every school
- New K-5 school at Maltby Road site
- 30-classroom flexible use building and improved traffic flow at Skyview Middle and Canyon Creek Elementary campus
- A performing arts and instructional building and improved traffic flow at Inglemoor High School
- Building improvement projects, such as HVAC, gutters, roofs, flooring
- Outdoor instructional space, such as playfields, tennis courts, athletics

Prop. 2

Northshore School District

BUILDING FOR GROWTH

Capital Projects Bond

The Capital Projects Bond would generate:
$275 million over four years

For a house valued at $600,000 that means:

WHAT YOU PAY NOW:
Tax rate of $1.78
a year per $1000 of
assessed value
= $1,068/year

WHAT YOU WOULD PAY:
Tax rate of $1.59
a year per $1000 of
assessed value
= $954/year

Prop. 2

Northshore School District


BUILDING FOR THE FUTURE
Renewal of Tech Levy
Prop. 3
Northshore School District

BUILDING FOR GROWTH

Tech Levy

What is on the tech levy?

- Funding to provide 1:1 access to computers/tablets for all grades, which might look like:
  - K-5 graders accessing cart of devices in their room
  - 6-12 graders assigned a device to take to classes
  - Assistive technology for students with special needs
  - The district will engage parents to determine an implementation strategy
- Teacher training for classroom technology use
- Continued student training for online safety, digital citizenship
- Technology to improve district communications to families

Prop. 3

Northshore School District

BUILDING FOR GROWTH

Tech Levy

Technology Levy would generate $62 million over four years

For a house valued at $600,000 that means:

WHAT YOU PAY NOW:

$.30 per $1,000 of assessed value or **$180/year**

WHAT YOU WOULD PAY:

$0.48 per $1,000 of assessed value or **$288/year** *(estimated average)*

Prop. 3

Northshore School District

Total cost for all three measures

	CURRENT TAX RATE *(per $1,000 assessed of property value)*	NEW ESTIMATED TAX RATE *(per $1,000 assessed of property value)*	TOTAL GENERATED
Educational Programs and Operations Levy	$1.93	$1.82	**$234 M**
Capital Projects Bond	$1.78	$1.59	**$275 M**
Technology Levy	$0.30	$0.48	**$62 M**
	$4.01	**$3.89**	

Rate is per $1,000 of assessed value

Northshore School District

Summary of our Feb. 13, 2018 levies and bond measures

Bonds are for buildings, levies are for learning

- The levy will help fund day-to-day operations of the district, as well as improve student technology access
- The bond will help ease overcrowding by adding capacity.
- We are asking voters to consider two levy renewals and one capital bond ask in the Feb. 13, 2018 election
- This funding helps bridge the gap between what the state funds and what Northshore provides to students.

Northshore School District

FOR MORE
Information

Visit: www.nsd.org/2018bondlevies

Download: our Northshore School District app (app store or Google Play)

Email: bondlevy@nsd.org

REMEMBER TO VOTE BY

FEBRUARY 13, 2018

Northshore School District

City of Kenmore, Washington
Proclamation

WHEREAS, the future is, to a large measure, dependent on the good health of our children and families; and

WHEREAS, the City of Kenmore has a strong commitment to all children in our community; and

WHEREAS, good oral health is a vital part of a child's overall health; and

WHEREAS, nearly 50% of school-age children in our area currently have dental disease; and

WHEREAS, good oral health contributes to better nutrition, improved ability to concentrate and improved school attendance; and

WHEREAS, the American Dental Association has observed February as National Children's Dental Health Month since 1949,

WHEREAS, the children of our community are being invited to participate in the 2018 Give Kids a Smile program and receive free preventive care at the University of Washington Center for Pediatric Dentistry on February 20,

BE IT RESOLVED, that I, Mayor David Baker of the City of Kenmore, thereby proclaim the month of February, 2018 as:

"Children's Dental Health Month"

in the City of Kenmore, and I urge all citizens and community organizations to join with the City Council in this observance.

IN WITNESS WHEREOF, signed this 29th day of January, 2018.

Signed: ______________________________
David Baker, Mayor

***Attested*:** ______________________________
Kelly M. Chelin, City Clerk

City of Kenmore, Washington
City Council Special Meeting Minutes
December 21, 2017

CALL SPECIAL MEETING TO ORDER — The Kenmore City Council meeting was called to order by Mayor Baker at 10:30 a.m.

Councilmembers present:
Mayor David Baker
Deputy Mayor Allan Van Ness (via phone)
Councilmember Laurie Sperry (via phone)
Councilmember Brent Smith

Staff present:
Joanne Gregory, Finance and Administration Director
Kelly Chelin, City Clerk

CONSENT AGENDA
Total Checks #38457 through #38555 in the Amount of $724,321.58.
Total Payroll/Taxes/Flexible Spending and Health Savings Account Electronic Deposits Dated 11/24/2017 in the Amount of $95,662.64.
Total Retroactive Payroll Direct Deposit Dated: 11/29/2017 in the Amount of $587.82.
Total Wires and Other Electronic Transfers: $999,325.00 (Bond Payment).

Total Checks #38556 through 38678 in the Amount of $1,759,701.62.
Total Payroll/Taxes/Flexible Spending and Health Savings Account Electronic Deposits Dated 12/08/2017 in the Amount of $96,525.85.
Total Payroll Check #10084 Dated 12/08/2017 in the Amount of $198.56.

Regular Council Meeting Minutes of November 6, 2017, November 13, 2017 and November 27, 2017.

Cancel January 8, 2018 Regular Council Meeting Due to the Council Retreat on January 5-6, 2018.

MOTION: **Councilmember Smith made a motion to approve the consent agenda, Mayor Baker seconded the motion. The motion passed 4-0.**

ADJOURNMENT
Mayor Baker adjourned the meeting at 10:32 a.m.

David Baker, Mayor

ATTEST:

Kelly M. Chelin, City Clerk

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Ordinance No. 18-0455, Relating to Final Plat Approval	**For Council Meeting Agenda of:** January 29, 2018 **Department:** Development Services **Prepared by:** Bryan Hampson
Proposed Council Action/Motion: Motion to Adopt Ordinance No. 18-0455, Amending Section 17.25.030 of the Kenmore Municipal Code, and Establish an Effective Date	Initial & Date **Approved by Department Head:** BH 1/17/18 **Approved by City Attorney:** ✓ RK **Approved by Finance Director:** ✓ Jone **Approved by City Manager:** RK **Exhibits/Attachments:** #1: Ordinance No. 18-0455, Amending Final Plat Approval process #2: Washington State Senate Bill 5674

INFORMATION/BACKGROUND:

Final short plats (less than 10 lots) and formal subdivisions ("long plats", 10 or more lots) are currently processed differently, in accordance with our current regulations and prior State laws. In 2017, Washington State Legislatures amended State law that required the county, city, or town legislative bodies (City Council) to be the ones that approved final long plats. Senate Bill 5674 allows the City Council to delegate formal subdivision approval to the Development Services Director.

At the final plat approval stage, the process is essentially administrative. The preliminary plat approval requirements, such as infrastructure are in and all building and environmental issues are resolved. Currently Development Services staff schedules the final long plat on the soonest available City Council's Consent Agenda, which could be 3-4 weeks at the soonest.

Adoption of Ordinance No. 18-0455 provides the City an opportunity to expedite the final plat process for long plats. Doing so would benefit the property owner, simplify the final plat process, and achieve the same result: a plat built to the standards of the Kenmore Municipal Code and preliminary decision.

This Ordinance does not change any other subdivision or environmental requirements, the public process, or the ability to appeal.

ATTACHMENT #2

CERTIFICATION OF ENROLLMENT

SENATE BILL 5674

Chapter 161, Laws of 2017

65th Legislature
2017 Regular Session

LAND SUBDIVISIONS--FINAL PLAT APPROVAL--DELEGATION

EFFECTIVE DATE: 7/23/2017

Passed by the Senate March 3, 2017
Yeas 44 Nays 0

CYRUS HABIB

President of the Senate

Passed by the House April 12, 2017
Yeas 55 Nays 43

FRANK CHOPP

Speaker of the House of Representatives

Approved April 27, 2017 11:21 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5674** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 27, 2017

Secretary of State
State of Washington

SENATE BILL 5674

Passed Legislature - 2017 Regular Session

State of Washington **65th Legislature** **2017 Regular Session**

By Senators Palumbo and Fain

Read first time 02/02/17. Referred to Committee on Local Government.

AN ACT Relating to the final approval of subdivisions of land; and amending RCW 58.17.100, 58.17.170, and 58.17.190.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 58.17.100 and 1995 c 347 s 428 are each amended to read as follows:

If a city, town or county has established a planning commission or planning agency in accordance with state law or local charter, such commission or agency shall review all preliminary plats and make recommendations thereon to the city, town or county legislative body to assure conformance of the proposed subdivision to the general purposes of the comprehensive plan and to planning standards and specifications as adopted by the city, town or county. Reports of the planning commission or agency shall be advisory only: PROVIDED, That the legislative body of the city, town or county may, by ordinance, assign to such commission or agency, or any department official or group of officials, such administrative functions, powers and duties as may be appropriate, including the holding of hearings, and recommendations for approval or disapproval of preliminary plats of proposed subdivisions.

Such recommendation shall be submitted to the legislative body not later than fourteen days following action by the hearing body.

Upon receipt of the recommendation on any preliminary plat the legislative body shall at its next public meeting set the date for the public meeting where it shall consider the recommendations of the hearing body and may adopt or reject the recommendations of such hearing body based on the record established at the public hearing. If, after considering the matter at a public meeting, the legislative body deems a change in the planning commission's or planning agency's recommendation approving or disapproving any preliminary plat is necessary, the legislative body shall adopt its own recommendations and approve or disapprove the preliminary plat.

Every decision or recommendation made under this section shall be in writing and shall include findings of fact and conclusions to support the decision or recommendation.

A record of all public meetings and public hearings shall be kept by the appropriate city, town or county authority and shall be open to public inspection.

Sole authority to ((~~approve final plats, and to~~)) adopt or amend platting ordinances shall reside in the legislative bodies. The legislative authorities of cities, towns, and counties may by ordinance delegate final plat approval to an established planning commission or agency, or to such other administrative personnel in accordance with state law or local charter.

Sec. 2. RCW 58.17.170 and 2013 c 16 s 2 are each amended to read as follows:

(1) When the legislative body of the city, town, or county, or such other agency as authorized by RCW 58.17.100, finds that the subdivision proposed for final plat approval conforms to all terms of the preliminary plat approval, and that said subdivision meets the requirements of this chapter, other applicable state laws, and any local ordinances adopted under this chapter which were in effect at the time of preliminary plat approval, it shall suitably inscribe and execute its written approval on the face of the plat. The original of said final plat shall be filed for record with the county auditor. One reproducible copy shall be furnished to the city, town, or county engineer. One paper copy shall be filed with the county assessor. Paper copies shall be provided to such other agencies as may be required by ordinance.

(2)(a) Except as provided by (b) of this subsection, any lots in a final plat filed for record shall be a valid land use notwithstanding any change in zoning laws for a period of seven years from the date of filing if the date of filing is on or before December 31, 2014, and for a period of five years from the date of filing if the date of filing is on or after January 1, 2015.

(b) Any lots in a final plat filed for record shall be a valid land use notwithstanding any change in zoning laws for a period of ten years from the date of filing if the project is not subject to requirements adopted under chapter 90.58 RCW and the date of filing is on or before December 31, 2007.

(3)(a) Except as provided by (b) of this subsection, a subdivision shall be governed by the terms of approval of the final plat, and the statutes, ordinances, and regulations in effect at the time of approval under RCW 58.17.150 (1) and (3) for a period of seven years after final plat approval if the date of final plat approval is on or before December 31, 2014, and for a period of five years after final plat approval if the date of final plat approval is on or after January 1, 2015, unless the legislative body finds that a change in conditions creates a serious threat to the public health or safety in the subdivision.

(b) A subdivision shall be governed by the terms of approval of the final plat, and the statutes, ordinances, and regulations in effect at the time of approval under RCW 58.17.150 (1) and (3) for a period of ten years after final plat approval if the project is not subject to requirements adopted under chapter 90.58 RCW and the date of final plat approval is on or before December 31, 2007, unless the legislative body finds that a change in conditions creates a serious threat to the public health or safety in the subdivision.

Sec. 3. RCW 58.17.190 and 1969 ex.s. c 271 s 19 are each amended to read as follows:

The county auditor shall refuse to accept any plat for filing until approval of the plat has been given by the appropriate legislative body, or such other agency as authorized by RCW 58.17.100. Should a plat or dedication be filed without such approval, the prosecuting attorney of the county in which the plat is filed shall apply for a writ of mandate in the name of and on behalf of the legislative body required to approve same, directing the auditor and assessor to remove from their files or records the unapproved plat, or dedication of record.

Passed by the Senate March 3, 2017.
Passed by the House April 12, 2017.
Approved by the Governor April 27, 2017.
Filed in Office of Secretary of State April 27, 2017.

--- **END** ---

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 18-0455

AN ORDINANCE OF THE CITY OF KENMMORE, WASHINGTON; RELATING TO FINAL PLAT AND FINAL SHORT PLAT APPROVAL; AMENDING SECTION 17.25.030 OF THE KENMORE MUNICIPAL CODE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Section 1 of SB 5674, adopted by the State Legislature in the 2017 Legislative Session, amends RCW 58.17.100 to allow the legislative authorities of cities to, by ordinance, delegate final plat approval to administrative personnel; and

WHEREAS, the City Council desires to delegate final plat approval to the development services director; and

WHEREAS, RCW 58.17.060 requires the legislative authorities of cities to adopt regulations and procedures regarding the summary approval of short plats;

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

Section 1. Amendment. Section 17.25.030 of the Kenmore Municipal Code is amended to read as follows:

17.25.030 Final plat and final short plat review.

A. After the *development engineer* has approved the required *improvements* and the applicant has posted all required *financial guarantees*, the applicant shall submit to the *department*:

1. A *final plat* or *final short plat*, surveyed and signed by a land surveyor; and

2. A complete *final plat* or *final short plat* application on the form approved by the *department*, together with all other required forms and documents.

B. After review of the application and any other submitted forms and documents, the *city manager* may approve the *final plat* or *final short plat*.

C. Upon approval by the *city manager*, he or she shall inscribe and execute his or her written approval on the face of the *final plat* or *final short plat*. Thereafter, the applicant shall record the original *final plat* or *final short plat* with the county records and elections division, file one reproducible copy with the *department*, and file one paper copy with the county assessor.

D. A typewritten copy of protective deed covenants shall accompany the *final plat* or *final short plat*, if applicable.

Section 2. Effective Date. This Ordinance, or a summary thereof consisting of the title, shall be published in the official newspaper of the City. It shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 29th DAY OF January, 2018.

CITY OF KENMORE

David Baker, Mayor

ATTEST/AUTHENTICATED:

Kelly Chelin, City Clerk

Approved as to form:

Rod Kaseguma, City Attorney

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
ORDINANCE NO.:
DATE OF PUBLICATION:
EFFECTIVE DATE:

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: A Regional Coalition for Housing (ARCH) 2018 Administrative Budget and Work Program Proposed Council Action/Motion: Motion to Approve the ARCH 2018 Administrative Budget and Work Program	For Council Meeting Agenda of: 29 January 2018 Department: Executive Prepared by: Nancy Ousley, Assistant City Manager Initial & Date Approved by Department Head: NKO 19 Jan 2018 Approved by City Attorney: Approved by Finance Director: Jane 1/22/18 Approved by City Manager: RK Exhibits/Attachments: 1. 2018 ARCH Administrative Budget and Work Program

Expenditure Required $28,771	Amount Budgeted $56,414 for 2017-2018	Appropriation Required $

INFORMATION/BACKGROUND:

A Regional Coalition for Housing (ARCH) is comprised of fifteen East King County cities and King County. Through the technical assistance to its members on housing policy and plan development, combined with ARCH Housing Trust Fund investments, ARCH helps local jurisdictions meet the obligations of the Growth Management Act to provide for housing opportunities that are affordable to a wide range of incomes. The City of Kenmore approved an Amended and Restated Interlocal Agreement with ARCH in March 2010 (Contract No. 10-C866).

Under the terms of the ARCH Interlocal Agreement, each member jurisdiction must annually approve the ARCH Administrative Budget. Each member jurisdiction contributes annually to ARCH to provide administrative and technical support for the organization's housing activities. The ARCH Executive Board has approved the Administrative Budget (see Attachment) and has forwarded it to members for approval. This year's ARCH proposed administrative budget is $699,324, an increase of 3.48% from the 2017 approved budget. Kenmore's share of the ARCH Administrative Budget is $28,771, which is a 2.5% increase from the 2017 share of $28,069.

Under the terms of the ARCH Interlocal Agreement, each member jurisdiction must annually approve the ARCH Work Program. The ARCH Executive Board has approved the 2018 Work Program (see Attachment) and forwarded to the members for approval.

Staff recommends Council approval of the ARCH 2018 Administrative Budget and Work Program.

FISCAL CONSIDERATION:

The total Kenmore share of ARCH administrative costs for 2017-2018 is $56,840, which is $426 over the amount budgeted in the General Fund for 2015-2016.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Consistent with ARCH Interlocal Agreement and 2017-2018 Budget.

2018 ARCH Administrative Budget

12/15/2017 Final

I. ANNUAL OPERATING EXPENSES

Item		2017 Budget		2018 Budget		Change Budget	Percent Change
Staffing *							
Sub-total	$	617,676	$	629,035	$	11,359	2%
Rent	$	23,250	$	23,700	$	450	2%
Utlities		Incl^		Incl^		Incl^	Incl^
Telephone	$	4,375	$	4,375	$	-	0%
Operating							
Travel/Training	$	2,000	$	2,000	$	-	0%
Auto Mileage	$	3,150	$	3,245	$	95	3%
Copier Costs	$	1,750	$	1,750	$	-	0%
Office Supplies	$	2,750	$	2,800	$	50	2%
Office Equipment Service	$	1,900	$	2,000	$	100	5%
Fax/Postage	$	825	$	825	$	-	0%
Periodical/Membership	$	3,800	$	3,914	$	114	3%
Misc. (e.g. events,etc.)	$	1,680	$	1,680	$	-	0%
Insurance	$	10,000	$	9,900	$	(100)	-1%
Equipment Replacement	$	2,000	$	2,000	$	-	
Organization Admin**	$	650	$	12,100	$	11,450	
Sub-total	$	30,505	$	42,214	$	11,709	38%
TOTAL	$	675,806	$	699,324	$	23,518	3.48%

* Actual salary increases based on Bellevue's approved Cost of Living Adjustment

** In 2018 includes $11,450 IT service fee to Bellevue

III. ARCH ADMINISTRATIVE BUDGET: RESOURCE DISTRIBUTION

A. Cash Contributions		2017		2018	Change		Percent Change
							2.50%
Bellevue	$	7,209	$	0	$	(7,208)	
Bothell	$	55,410	$	56,795	$	1,385	
Issaquah	$	42,601	$	43,666	$	1,065	
King County	$	45,673	$	46,815	$	1,142	
Kirkland	$	108,366	$	111,075	$	2,709	
Mercer Island	$	31,400	$	32,185	$	785	
Newcastle	$	14,108	$	14,460	$	353	
Redmond	$	74,039	$	75,890	$	1,851	
Woodinville	$	14,572	$	14,936	$	364	
Beaux Arts Village	$	1,649	$	1,690	$	41	
Clyde Hill	$	3,951	$	4,050	$	99	
Hunts Point	$	1,649	$	1,690	$	41	
Medina	$	3,977	$	4,077	$	99	
Yarrow Point	$	1,649	$	1,690	$	41	
Sammamish	$	69,346	$	78,014	$	8,668	
Kenmore	$	28,069	$	28,771	$	702	
Other	$	4,200	$	4,200	$	-	
TOTAL	$	507,866	$	520,004	$	12,137.73	

B. In-Kind Contributions		2017		2018	Change		Percent Change
Bellevue	$	167,943	$	179,531	$	11,587	
TOTAL	$	167,943	$	179,531	$	11,587	

C. Total Contributions		2017		2018	Change		Percent Change
Bellevue	$	175,152	$	179,531	$	4,379	2.5%
Bothell	$	55,410	$	56,795	$	1,385	2.5%
Issaquah	$	42,601	$	43,666	$	1,065	2.5%
King County	$	45,673	$	46,815	$	1,142	2.5%
Kirkland	$	108,366	$	111,075	$	2,709	2.5%
Mercer Island	$	31,400	$	32,185	$	785	2.5%
Newcastle	$	14,108	$	14,460	$	353	2.5%
Redmond	$	74,039	$	75,890	$	1,851	2.5%
Woodinville	$	14,572	$	14,936	$	364	2.5%
Beaux Arts Village	$	1,649	$	1,690	$	41	2.5%
Clyde Hill	$	3,951	$	4,050	$	99	2.5%
Hunts Point	$	1,649	$	1,690	$	41	2.5%
Medina	$	3,977	$	4,077	$	99	2.5%
Yarrow Point	$	1,649	$	1,690	$	41	2.5%
Sammamish	$	69,346	$	78,014	$	8,668	12.5%
Kenmore	$	28,069	$	28,771	$	702	2.5%
Other	$	4,200	$	4,200	$	-	
TOTAL REVENUE	$	675,810	$	699,535	$	23,724.85	3.5%
TOTAL COSTS	$	675,806	$	699,324	$	23,517.72	3.5%
BALANCE	$	4	$	211			

Final 12-15-17

ARCH WORK PROGRAM: 2018

I. PROJECT ASSISTANCE

A. Oversight of Local Monetary Assistance

ARCH Trust Fund. Review applications and make recommendations for requests of local monetary funds through the ARCH Housing Trust Fund process. Includes helping to coordinate the application process and use of funds for various programs.

Objective: Allocation of $1,500,000 or more through the ARCH Housing Trust Fund Process, and create or preserve a minimum of 75 units.

For the 'Parity Program', provide updated annual information to members, and achieve the base line goal for levels of direct assistance. Evaluate the appropriateness of updating goals under the Parity Program

Provide a variety of types of affordable housing as well as meet other funding priorities as specified in the ARCH Trust Fund Criteria.

Centralized Trust Fund System. Monitor centralized trust fund process including:

- Produce regular monitoring reports for the ARCH Trust Fund account.
- Work with Administrating Agency (Bellevue) to prepare contracts and distribute funds for awarded projects.
- Monitor funded projects including evaluating performance and tracking loan payments. Includes monitoring for long term sustainability of previously funded projects.

Objective: Monitor ongoing financial activities of the ARCH Trust Fund account and provide updated information to members.

Develop sustainable strategies for the HTF to meet local housing goals and preserve publicly assisted affordable housing.

King County / State Funding Programs. Review and provide input to other funders for Eastside projects that apply for County (HOF, RAHP, HOME, TOD etc.) and State (Tax Credit, State Housing Trust Fund) funds. Includes providing input to the King County JRC Consortium on behalf of participating Eastside jurisdictions. Assist N/E consortium members with evaluating and making a recommendation to the County regarding CDBG allocations to affordable housing.

Objective: In consultation with County, local staff and housing providers, seek to have funds allocated on a countywide basis by the County and State allocated proportionately throughout the County including the ARCH Sphere of Influence.

B. Special Initiatives This includes a range of activities where ARCH staff assist local staff with specific projects. Activities can range from feasibility analysis, assisting with requests for proposals, to preparation of legal documents (e.g. contracts, covenants). Following are either existing initiatives or initiatives likely to emerge:

Long-Term Funding Strategy. Continue work on a long-term funding strategy for the ARCH Trust Fund. Work in 2018 is expected to focus on working with councils to review and consent to the inflationary/technical update the Parity Goals, to further discussion regarding an additional aspirational goal, and work on state legislature to expand tools available to cities.

Transit Center Sites. Assist cities with advancing and coordinating projects seeking King County TOD funds and work with Sound Transit and King County Housing staff to develop opportunities for affordable housing along transit corridors.

Surplus Property/Underdeveloped Property. Assist as needed member cities' evaluation of potentially surplus public property or underutilized private property (e.g. faith community properties) for suitability of affordable housing. Currently identified opportunities include:

- Continue to explore opportunities for catalyst projects in transit oriented neighborhoods such as Bel-Red, Overlake, Issaquah, Kirkland and central Mercer Island that include affordable housing and other features that help implement neighborhood plan objectives.

Winter Shelter. Support efforts by Eastside shelter providers, Human Services Forum, and cities to develop an East King County sub-regional strategic approach to shelter and related services for homeless adults and families. In 2018, for the men's and shelter, expected work will include continued community outreach, additional site identification and feasibility and potentially structuring land conveyance documents. For the women/family shelter efforts are expected to focus around finalizing concept and design, securing funding and potentially start of construction.

Objective: Identify one or more specific sites in East King County to be made available for housing and member jurisdictions to develop a long-term strategy for addressing shelter for homeless persons and families.

HUD Assisted Housing. Continue to monitor and actively pursue efforts to preserve existing HUD and other assisted affordable housing.

Objective: Preserve existing federally assisted affordable housing in East King County and prevent from converting to market rate housing.

II. HOUSING POLICY PLANNING

Work items in this section fall into the following basic areas of activity:

- Work with individual members on local planning efforts.
- Efforts coordinated through ARCH that benefits multiple members of ARCH.
- Track legislation that increases tools available to cities to create affordable housing.
- Participation in regional workgroups that impact local housing efforts.

A. Local Planning Activities

Housing Background Information. On an annual basis, ARCH will continue to provide updated housing data information as available. This updated housing information is available to members and will be incorporated into ARCH education fliers and an updated Housing 101 report.

Objective: On a regular basis, conduct education sessions for new local officials and staffs on local housing conditions and programs, and hold annual discussion with member councils on recent housing trends and efforts.

Continue to keep member jurisdictions and the broader community aware of local housing conditions to assist in their efforts to evaluate current and future efforts to meet local housing objectives. Include research on recent housing trends, and responses to these trends.

Housing Elements / Housing Strategy Plans. ARCH staff has worked with a number of members to prepare a Housing Strategy Plan to identify and prioritize strategies to implement Housing Element policies. In 2018, ARCH staff will continue assisting members develop and implement local Strategy Plans. Cities anticipated to complete Strategy Plans in 2018 include Kirkland, Bothell, Sammamish and Woodinville. Cities with completed Housing Strategies, with anticipated implementation efforts in 2018 include Bellevue, Issaquah, Kenmore and Redmond (see individual cities below for more detail)

Objective: Assist with preparation and/or implementation of Housing Strategy plans for members that include such a policy in their Housing Element.

Accessory Dwelling Units (ADUs). Several ARCH members have expressed interest in evaluating current ADU regulations and explore other ways to increase availability of ADUs. ARCH staff will assist with convening interested ARCH member cities to evaluate existing ADU regulations and other related issues (e.g. permitting costs, community awareness) that could impact creation of ADUs.

Housing Vouchers. Continue work to pursue opportunities to use KCHA administered Housing Choice Section 8 vouchers in affordable housing created through local incentive program located in private market multifamily developments.

Impact Fee Waivers. In response to revisions of state law allowing impact fee waivers for affordable housing, support as needed ARCH member cities' review and adoption of local legislation to implement state authority to grant impact fee waivers.

Local Housing Efforts. ARCH staff will continue to assist local staffs in local efforts to update land use, zoning and other codes in order to implement Comprehensive Plan policies. Following are specifically identified areas that ARCH will assist local staff.

Objective: Assist local staff with completion of the following updates of local codes and specific plans:

Bellevue

Assist City with implementation of Phase One tasks of Bellevue's Affordable

Housing Strategy, including:

- Review of MFTE to increase participation by developers of new housing;
- Increase development potential on suitable land owned by public agencies, faith based groups, and non-profits housing entities;
- Assist with items for Wilburton and East Main Plans, including: affordable housing density incentives;
- Develop affordable housing on suitable public lands in proximity to transit hubs including 130th TOD parcels and TOD parcels at the OMFE;
- Advocate for legislative actions that expand state and local funding tools and other opportunities to increase affordable housing;
- Pursue opportunities to use KCHA administered Housing Choice Section 8 vouchers in new market multifamily development.

Assist City staff with implementing administrative procedures for the Bel-Red, Eastgate, and Downtown land use incentive program and citywide Multifamily Tax Exemption program.

Assist in Neighborhood Planning to consider more affordable housing types on a neighborhood-by-neighborhood basis, such as small lot neighborhood infill and detached accessory dwelling units

Bothell

Assist city with finalizing its update to its Housing Strategy Plan.

Assist city with evaluating and potentially implementing affordable housing provisions related to zoning and other code amendments.

Assist city staff with work related to affordable housing component of the city's LIFT program in their downtown areas. Includes assisting with any reporting requirements and potentially exploring additional opportunities for affordable housing on city owned properties in the downtown revitalization area.

Assist city staff with evaluating the updated state legislation regarding impact fee waivers for affordable housing, and explore potential revisions to local regulations related to impact fee waivers for affordable housing.

Clyde Hill

Assist City with rental of City's affordable rental unit.

Issaquah

Assist City with a Housing Strategy Plan, including preparing the annual Affordable Housing Report Card/Analysis.

Assist City staff with evaluating and as needed implementing development standards and regulations related to the housing policies adopted in the Central Issaquah Plan and Central Issaquah Standards, including inclusionary zoning.

As needed, assist City staff with administration and/or revisions of the affordable housing provisions of local development agreements (e.g. Issaquah Highlands, Talus, and Rowley)

Assist with evaluating and strategizing sequencing potential projects/ opportunities such as those near transit facilities, including coordination with potentially utilizing the King County TOD funds.

Assist with initial work on high priority strategies identified in the Housing Strategy Work Plan including: removing barriers to ADU development; facilitating development of a TOD (including the potential for MFTE); amending codes to increase allowed diverse housing types such as SROs and cottage housing; and lobbying the state to mitigate/offset condominium development deterrents.

Kenmore

Assist Planning Commission and Council in implementing a high priority item identified in the Housing Strategy Plan. Starting in 2017 and continuing in 2018 this item is identified as measures to preserve existing affordable housing, specifically manufactured housing communities.

Continue to assist with technical questions and negotiating agreements where affordable housing is proposed including the TOD overlay.

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations and/or using the multifamily tax exemption program.

Kirkland

Assist City with an update to their Housing Strategy Plan.

Assist with the implementation of at least one high priority item identified in the updated Housing Strategy Plan.

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations and/or using the optional multifamily tax exemption program.

Assist City staff with housing issues that come before Council Planning and Economic Development Committee and resulting initiatives.

Assist City staff with affordable housing preservation efforts and initiatives.

Mercer Island

Assist City with a Housing Strategy Plan.

As needed, assist City staff with components of residential development standards review that are associated with housing stock diversity.

As needed, assist City staff with administering affordable housing provisions associated with the land use incentive and tax exemption programs for Town

Center.

Provide project support for Town Center development projects that include affordable housing.

Newcastle

Assist City with a Housing Strategy Plan.

Assist with agreements for any project that would include an affordable housing requirement, including those related to the Community Business Center.

Assist staff with outreach effort related to ADUs.

Redmond

Continue to assist with negotiating and administering the provision of affordable housing in developments required to provide affordable housing units pursuant to city regulations.

Assist City staff with implementing the property tax incentive program for affordable housing, as allowed under RCW 84.14.

Continue to assist with strategies to increase the level of affordability for new housing in Overlake and Southeast Redmond as part of the development of master plans and development agreements, including exploring ways to leverage other resources.

Assist with the promotion of affordable housing and other programs available to Redmond residents and developers, e.g., Accessory Dwelling Units (ADUs) (see above).

As follow up to the City's adoption of Section 8 anti-discrimination ordinance, assist with education outreach efforts to landlords regarding the Section 8 program and potentially other initiatives to support use of this program in cooperation with other jurisdictions.

Assist with the implementation of other high priority items identified in the Strategic Housing Plan and the Affordable Housing Strategies Work Plan of June, 2016, such as encouraging public/private partnerships to promote the development of affordable housing in urban centers.

Assist with carrying out implementation strategies that result from the investigation of emerging housing markets and East Link Corridor housing strategies for affordable housing in station areas as described below under regional issues.

Sammamish

Assist City with an update to their Housing Strategy Plan.

Assist City staff with implementation of affordability provisions for site donated to

Habitat.

Evaluate Strategy Plan to assess if work should commence on any priority strategies (e.g. Senior Housing opportunities).

Assist City staff with implementation of Town Center affordable housing provisions

Woodinville

Assist City staff with a Housing Strategy Plan.

Assist with review and any update of affordable housing and accessory dwelling unit programs and regulations.

Assist City staff and Planning Commission with evaluating and developing incentives for affordable housing as provided for in the Downtown/Little Bear Creek Master Plan area.

As needed, assist City staff with components of residential development standards review that are associated with housing stock diversity.

Yarrow Point

Assist Planning Commission and Council with a review and potential update of current ADU regulations, and assist with effort to increase public awareness of local provisions.

King County See Regional/Planning Activities below.

Ongoing monitoring of affordable housing in the Northridge/Blakely Ridge and Redmond Ridge Phase II affordable housing development agreements.

General Assistance. In the past, there have been numerous situations where members have had requests for support on issues not explicitly listed in the Work Program. Requests range from technical clarifications, to assisting with negotiating agreements for specific development proposals, to more substantial assistance on unforeseen planning initiatives. ARCH sees this as a valuable service to its members and will continue to accommodate such requests to the extent they do not jeopardize active work program items.

B. Regional/Countywide Planning Activities

PSRC – Growing Transit Communities (GTC)). PSRC in a partnership with public and private agencies from the Central Puget Sound region with a HUD Sustainable Communities Planning Grant completed a regional GTC strategy plan. Several ARCH members and ARCH are participating in follow-up efforts coordinated by the GTC Advisory Committee. ARCH staff will assist member jurisdictions to evaluate and implement GTC strategies relevant to their respective communities. Some specific activities for individual members are described above in the Local Housing Efforts section.

Countywide Planning Policies (CPP) for Affordable Housing. The Growth Management

Planning Council adopted updated CPPs for housing. This also included several follow-up work program items to begin implementation of some of the policies. ARCH staff will assist the regional work group on these follow-up work program items (e.g. identifying and collecting key regional data for monitoring progress).

Legislative Items. ARCH staff will track state and federal legislative items that relate to affordable housing that could impact members' ability to address affordable housing. As needed, staff will report back to the Executive Board and members, and when directed coordinate with other organizations (e.g. AWC, SCA, , WLIHA, HDC) to contact legislators regarding proposed legislation.

King County Regional Affordable Housing Task Force. ARCH will participate in the Staff Working Group to explore countywide affordable housing initiatives, including potential funding program and keep ARCH Executive Board and members apprised of the Task Force's work.

All Home/ Eastside Homeless Advisory Committee (EHAC). Anticipated work of the All Home in the coming year includes continued coordinated allocation of resources, and initiating several specific initiatives (e.g., coordinated entry and assessment for all populations). Role for ARCH staff is expected to include participating in the All Home Funders group and its efforts to coordinate funding, and inform ARCH members and the general public of All Home/EHAC activities. Also continue to participate in efforts to implement homeless efforts within East King County through EHAC.

Objective: Keep member jurisdictions informed of significant regional issues and pending legislation that could affect providing housing in East King County.

Ensure that perspectives of communities in East King County are addressed in regional housing activities, including All Home and Growing Transit Communities.

Have one or more specific local programs initiated as part of the All Home Community Strategic Plan.

III. HOUSING PROGRAM IMPLEMENTATION

Monitoring Affordable Rental Housing. Administer ongoing compliance of affordability requirements. This includes affordable rental housing created through direct assistance (e.g. Trust Fund allocation, land donations) from member jurisdictions, and through land use incentives. For Trust Fund projects also require monitoring of project cash flow related to loans made by jurisdictions to projects, and also long-term sustainability monitoring.

Objective: Ensure projects are in compliance with affordability requirements and maintained as assets for residents, owners and broader community, which involve collecting annual reports from projects, screening information for compliance, and preparing summary reports for local staffs. To the extent possible this work shall:

- Minimize efforts by both owners and public jurisdictions.
- Coordinate ARCH's monitoring efforts with efforts by other funding sources such as using shared monitoring reports.

- Utilize similar documents and methods for monitoring developments throughout East King County.
- Establish working relationship with other public organizations that can help assess how well properties are maintained and operated (e.g. code compliance, police, and schools).

Monitoring Affordable Ownership Housing. As more price restricted homes are created, monitoring of affordable ownership housing created through local land use regulations is becoming of increased importance. In addition, ARCH will continue to monitor general trends with ownership units, enforcement of covenant provisions (e.g. leasing homes, foreclosure), and as necessary evaluate and if warranted, complete revisions to the ownership covenants. This effort will include convening member planning and legal staff to review potential revisions, consulting with King County and other local ownership programs, and seeking approval from Secondary Market lenders (e.g. FHA, Fannie Mae) of any potential revisions. Also continue to maintain a list of households potentially interested in affordable ownership housing.

Objective: Oversee resale of affordable ownership homes. Address issues related to ongoing compliance with program requirements (e.g. leasing homes, foreclosures).

Complete revisions to the affordability covenant and administrative procedures to better protect against potential loss of long term affordability.

Information for Public on Affordable Housing. Maintain lists of affordable housing in East King County (rental and ownership), and making that information available to people looking for affordable housing.

Objective: Maximize awareness of affordable housing opportunities in East King County through the ARCH web site, public flyers and other means to assist persons looking for affordable housing.

Relocation Plans. Assist as necessary with preparing relocation plans and coordinate monitoring procedures for developments required to prepare relocation plans pursuant to local or state funding or regulatory requirements.

Objective: Maximize efforts to ensure that existing households are not unreasonably displaced as a result of the financing or development of new or existing housing.

IV. SUPPORT/EDUCATION/ADMINISTRATIVE ACTIVITIES

Education/Outreach. Education efforts should tie into efforts related to public outreach/input on regional housing issues (see Local Planning Activities). However, much of ARCH's outreach/education work will occur through work with individual members on local housing efforts.

As part of Housing 101, in addition to the Housing 101 workbook and related brochures, conduct some type of specific education event. In 2018, Housing 101 will focus on entail a more 'classroom' type event for council members and commissioners and potentially also a tour.

Objective: Develop education tools to inform councils, staffs and the broader community of current housing conditions, and of successful efforts achieved in recent years.

Be a resource for members to assist with outreach and education activities on affordable housing associated with local planning efforts.

Conduct specific education events for ARCH member staff, commissioners and council members.

Create outreach tools/efforts that inform the broader community of affordable housing resources available to residents.

Media coverage on at least six topics related to affordable housing in East King County related to work done by Cities/ARCH and articles in local city newsletters.

ARCH Web Site. Update on a regular basis information on the ARCH website, including information related to senior housing opportunities. Add new section to the website that provides information on all ARCH member affordable incentive programs and fair housing information

Objective: Maintain the ARCH web site and update the community outreach portion by incorporating information from Housing 101 East King County, as well as updated annual information, and links to other sites with relevant housing information (e.g. All Home, HDC).

Advice to Interested Groups. Provide short-term technical assistance to community groups, faith communities and developers interested in community housing efforts. Meet with groups and provide suggestions on ways they could become more involved. In 2018, undertake an effort to educate realtors about local Affordable Ownership program.

Objective: Increase awareness of existing funding programs by potential users.

Increase opportunities for private developers and Realtors working in partnership with local communities on innovative/affordable housing.

Assist community based groups who want to provide housing information to the broader community by assisting with preparing background information.

Make presentations, including housing tours, to at least 10 community organizations.

Administrative Procedures. Maintain administrative procedures that efficiently provide services to both members of ARCH and community organizations utilizing programs administered through ARCH. Prepare quarterly budget performance and work program progress reports, including Trust Fund monitoring reports. Prepare the Annual Budget and Work Program. Work with Executive Board to develop multi-year strategy for the ARCH Administrative Budget. Staff the Executive and Citizen Advisory Boards.

Objective: Maintain a cost effective administrative budget for ARCH, and keep expenses within budget. Administrative costs should be equitably allocated among ARCH's members.

Maintain membership on the ARCH Citizen Advisory Board that includes broad geographic representation and a wide range of housing and community perspectives.

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic:	For Council Meeting Agenda of: January 29, 2018
Resolution No. 18-307 authorizing the duly authorized administrative agency for A Regional Coalition for Housing (ARCH) to execute all documents necessary to fund housing projects recommended by the ARCH Executive Board, utilizing funds from the City's Housing Trust Fund contributions	Department: Executive Prepared by: Nancy Ousley, Assistant City Manager Initial & Date Approved by Department Head: NKO 22 Jan 2018 Approved by City Attorney: Approved by Finance Director: 1/23/18 Approved by City Manager: RJK
Proposed Council Action/Motion: Approve Resolution No. 18-307	Exhibits/Attachments: 1. Resolution No. 18-307 with Exhibit A, January 11, 2018 Memo from ARCH Executive Board RE: Fall 2017 Housing Trust Fund Recommendation

Expenditure Required $0	Amount Budgeted $60,000 for 2017-2018	Appropriation Required $ N/A

INFORMATION/BACKGROUND:
Pursuant to the Amended and Restated Interlocal Agreement with ARCH, which was approved by the Kenmore City Council in 2010 (Contract No. 10-C866), the City of Bellevue keeps in trust and administers the accumulated funds annually set aside for the Housing Trust Fund by the City of Kenmore.

The ARCH Executive Board Fall 2015 Housing Trust Fund recommendation (see Exhibit A of Attachment 1) includes funding for five projects, for a total of $4,608,000, with an additional contingency award of up to $850,000 with forward commitment of 2018 round funds. The actual funding amount for the projects will depend on final action by the member jurisdiction City Councils. The requested funding contribution from the City of Kenmore's Trust Fund contributions is $100,679 in 2017 funds for four projects: Catholic Community Services Kirkland Shelter; Congregations for the Homeless Men's Homes; Imagine Housing Esterra Park Block 6B in Redmond; and King County Housing Authority Trailhead in Issaquah. An additional investment of $18,094 in 2018 funds is recommended as part of the additional contingency award of $850,000 for the Esterra Park project mentioned above.

Staff recommends Council approval of Resolution No. 18-307, providing authorization for the duly appointed administering agency (City of Bellevue) to execute all documents necessary to enter into agreements for the funding of an affordable housing projects in the amount of $118,773 as recommended by the ARCH Executive Board, utilizing funds from the City's Housing Trust Fund contributions.

This action has no budgetary impact as the funds have already been budgeted and contributed. The City's Housing Trust Fund cash balance at the end of 2017 is $100,727. This does not count the $30,000 contribution for 2018 as included in the adopted 2017-2018 City of Kenmore Budget.

FISCAL CONSIDERATION: The City of Kenmore 2017-2018 Budget includes $60,000 in the General Fund as a commitment to the ARCH Housing Trust Fund.
COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Support Affordable Housing

CITY OF KENMORE, WASHINGTON

RESOLUTION NO. 18-307

A RESOLUTION authorizing the duly-appointed Administering agency for ARCH to execute all documents necessary to enter into Agreements for the funding of affordable housing projects, as recommended by the ARCH Executive Board, utilizing funds from the City's Housing Trust Fund.

WHEREAS, A Regional Coalition for Housing (ARCH) was created by interlocal agreement to help coordinate the efforts of Eastside cities to provide affordable housing; and

WHEREAS, the ARCH Executive Board has recommended that the City of Kenmore participate in the funding of certain affordable housing projects and programs hereinafter described; and

WHEREAS, the ARCH Executive Board has developed a number of recommended conditions to ensure that the City's affordable housing funds are used for their intended purpose and that projects maintain their affordability over time; and

WHEREAS, in March, 2010 the City Council approved Contract No. 10-C866 the Amended and Restated Interlocal Agreement for ARCH; and

WHEREAS, the City Council desires to use $118,773 from City funds as designated below to finance the projects recommended by the ARCH Executive Board; now, therefore,

THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council authorizes the duly-appointed administering agency of ARCH pursuant to the Amended and Restated Interlocal Agreement for ARCH to execute all documents and take all necessary actions to enter into Agreements on behalf of the City to fund Catholic Community Services/The Sophia Way's Kirkland Shelter, Congregations For the Homeless Men's Home, Imagine Housing's Esterra Block 6B Apartments and KCHA's Trailhead Apartments in a combined total amount not to exceed $118,773.

Section 2. The Agreements entered into pursuant to Section 1 of this resolution shall include terms and conditions to ensure that the City's funds are used for their intended purpose and that the projects maintain affordability over time. In determining what conditions should be included in the Agreements, the duly-appointed administering agency of ARCH shall be guided by the recommendations set forth in the ARCH

Executive Board's memorandum of January 11, 2018, a copy of which is attached hereto as Exhibit A.

PASSED by the City Council of the City of KENMORE this 29 day of January, 2018, and signed in authentication of its passage this _____ day of January, 2018.

____

David Baker, Mayor

Attest:

____

Kelly Chelin, City Clerk

A Regional Coalition for Housing

Together Center Campus
16225 NE 87th Street, Suite A-3 ♦ Redmond, Washington 98052
(425) 861-3677 ♦Fax: (425) 861-4553 ♦ WEBSITE: www.archhousing.org

MEMORANDUM DRAFT

TO: City of Bellevue Council Members
City of Bothell Council Members
City of Clyde Hill Council Members
Town of Hunts Point Council Members
City of Issaquah Council Members
City of Kenmore Council Members
City of Kirkland Council Members
City of Medina Council Members
City of Mercer Island Council Members
City of Newcastle Council Members
City of Redmond Council Members
City of Sammamish Council Members
City of Woodinville Council Members
Town of Yarrow Point Council Members

FROM: Emily Moon, Chair, and ARCH Executive Board

DATE: January 11, 2018

RE: Fall 2017 Housing Trust Fund (HTF) Recommendation

The ARCH Executive Board and Citizen Advisory Board (CAB) have completed their review of the five applications for the Fall 2017 Housing Trust Fund round. The Executive Board and CAB recommends funding for five projects. Recommendations total $4,608,000 with an additional contingency award of up to $850,000 with forward commitment of 2018 round funds as summarized in the attached table, Proposed Funding Sources. The actual amount will depend on final action by the City Councils.

Following is a summary of the applications, the recommendation and rationale, and proposed contract conditions for the five proposals recommended for funding at this time. Also enclosed is an evaluation matrix for each proposal, an economic summary for the five projects recommended for funding, funding leveraging chart, project summary table, and a summary of funded projects to date.

1. Catholic Community Services with Sophia Way, Kirkland Shelter

Funding Request: $1,124,000 (Secured Grant)
98 Beds (50 Family; 48 Unaccompanied Women)
Note: Project proposal also includes approximately $1.3 million of other Kirkland Resources (e.g. REET, In-Lieu fees, fee waivers)

Exec Board Recommendation: $1,224,000 (Secured Grant) as follows:
$719,594 CDGB Funds
$504,406 City General Funds:
(includes contingency award of up to $100,000)
See attached Funding Chart for distribution of City Funds

Project Summary:
Catholic Community Services of Western Washington (CCS) with the Sophia Way is proposing development of a permanent winter shelter for unaccompanied women and families. This facility will replace the temporarily located winter shelters and day centers that have served women and families and operated by Sophia Way and CCS.

The shelter is proposed as a low barrier shelter which means few requirements on the shelter guests other than they don't pose a danger to other guests. East King County shelter has evolved from severe weather, to winter shelter at temporary locations identified yearly. This application takes the project a next step to a permanent location better located for shelter guests (transit access, near services) and providing features unavailable in temporary locations (e.g. laundry, storage, etc.). As presented in the application the operating budget assumes 24/7/365 operations with full services, however, the operators are also providing budgets that incrementally increase operations from current levels of service to full time service for both day services and shelter. This could allow for increased level of operation from current level depending upon the level of funding support from public and private sources.

The proposal is a new 19,075 square foot building housing two separate shelters and day centers located on separate floors. The women's shelter is sized to house 48 women; the family shelter will house families comprising a total of up to 50 persons. The day center spaces will accommodate private case management, food preparation and service, computer lab and storage of belongings and pets,

The property is located on a portion of the Salt House Church, located in the Rose Hill area of Kirkland several blocks south of 85th Street, a central transportation and retail corridor. Surrounding uses include residential uses on two sides, Lake Washington High School, and a cemetery. The City proposes to acquire the site and to make it available for the project per a long-term lease.

Funding Rationale:

The CAB and Executive Board supported the intent of this application for the following reasons:

- Provides shelter in a permanent location, and could move to full time operation with additional operating and services funding
- Helps implement a vision regarding a more comprehensive approach to shelter and related services to assist homeless that has been part of ARCH member cities work program for several years and endorsed by All-Home.
- Operators are respected, and have been successful for eight years of operation in serving this population in a winter shelter
- Site is available for use. Outreach has already occurred for the existing day center operating at the site. Shelter has also been touched on in this outreach effort
- City Council has been supportive and already committed significant funds to the project

- Operators are committed to raising $1.2 million through capital campaign and a coalition of local faith organizations (New Bethlehem project) have committed to assisting the project and already successfully assisted the existing day center on-site
- City land ownership structure provides more long-term stability to the long-term use of the facility for proposed or similar use.

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. The funding commitment shall continue for twelve (12) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. ARCH staff will consider a twelve-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding net of the capital campaign has been secured or is likely to be secured within a reasonable period of time, and that there is a means to cover the gap in capital campaign contributions not yet collected.

2. Funds shall be used by City and applicant toward land acquisition (lease), off-site utilities, construction and construction contingency, permits and fees, professional costs and other soft costs. Funds may not be used for any other purpose unless City or Administering Agency has given written authorization for the alternate use. Prior to spending of City resources set aside for construction contingency Agency must obtain approval in advance by City staff or ARCH staff. If after the completion of the project there are budget line items with unexpended balances, the public funders shall approve adjustments to the project capital sources, including, potentially, reductions in public fund grant amounts. Any portion of funding that is CDBG funding will be limited to acquisition and professional costs.

3. As part of the funding award, $100,000 is a contingency award subject to final approval of the ARCH Executive Board. Prior to consideration by the Executive Board of a contingency award, the applicant will provide updated project design, including updated site related costs, updated development and operating budgets, project schedule for review by the ARCH CAB and final approval by the ARCH Executive Board for the final amount and uses of contingency award. If awarded, all or some portion of the contingency award will be used for construction contingency.

4. The Applicant shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by City staff or ARCH staff. If the Applicant is unable to adhere to the budgets, City or ARCH must be immediately notified and (a) new budget(s) shall be submitted by the Applicant for City staff or ARCH staff's approval. Unless approved by the Executive Board, the development budget will include a minimum of $1.2 million from private sources raised by the applicants. The City shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Applicant. Failure to adhere to the budgets, either original or as amended may result in withdrawal of the City's commitment of funds.

5. The Applicant shall submit evidence of funding commitments from all proposed public sources. The agencies will demonstrate fundraising commitments or committed organization resources sufficient for the private fundraising component of the budget. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Applicant shall immediately notify City staff or ARCH staff, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City staff or ARCH staff review and approval. Upon approval of the ARCH Executive Board, prior to evidence of other funding commitments, up to $700,000 of CDBG funding commitments may be spent on eligible land acquisition or predevelopment expenses.

6. Funds will be in the form of a secured grant.

7. A covenant is recorded ensuring affordability for at least 50 years, with 50% AMI affordability. So long as the property operates as a low-barrier shelter, no income testing will be required and the property will be assumed to meet the affordability requirements. In the event that the property is ever used for long term residential, residents will need to be screened for income eligibility.

8. Unless approved by the ARCH Executive Board, the award is made contingent on a reduction of $700,000 in public sources (from the project application budget). This may be achieved through a combination of value engineering and redesign, additional private capital support or other means.

9. The project will be designed to be operational full time, however it will be allowed to operate part time, so long as a minimum level of service is comparable to existing shelter/day center programs (November through March for shelter services, and year-round day services for a minimum of 32 hours per week). Prior to release of funds, agencies shall submit a plan for City staff or ARCH staff review and approval, outlining a financing plan for initial level of services and plans to expand services to full time, including efforts to seek support from the broader community, and how services will be incrementally increased as operating funding assistance is increased.

10. Prior to release of funds, Agency shall provide a plan to City Human Services Staff and ARCH staff for review and approval for retaining operations at Sophia's Place.

11. Submit for review and approval by ARCH and City Human Services' staff a management and services provision plan that includes how management and services for this property and types of services and programs that will be available for the shelter guests. Recognizing that there is limited parking on the site and it is shared with the church, the plan shall also address how parking will be managed on an ongoing basis, and alternative transportation options for shelter guests. The plan shall also include management procedures to address management and operation of the premises; community and neighbor relations procedures as well as annual monitoring procedure requirements.

12. In the event that any operating support funding levels will be reduced, the Agency shall inform City Human Services and ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to the homeless clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by City staff or ARCH staff.

2. Congregations For the Homeless, Men's Homes

Funding Request:	$450,000 (Secured Grant) 18 Beds in 3 homes
Exec Board Recommendation:	$150,000 (Secured Grant) 1 home (5 or 6 beds) See attached Funding Chart for distribution of City Funds

Project Summary:
Congregations for the Homeless (CFH) plans to acquire and remodel three homes each to contain six bedrooms when completed. Each home would serve as group living for six homeless men referred through Coordinated Entry and/or graduating out of CFH's other programs. Since 2006 CFH has operated ten such homes on the Eastside in leased homes. Being able to buy the homes would reduce the risk of losing houses and would ensure housing would be available to help those exiting homelessness for decades to come.

Similar to applications for group homes or adult family homes serving the developmentally disabled, no properties have yet been identified, but with funding made available, the agency will look for suitable homes to acquire and remodel as necessary to accommodate the persons to be housed. The homes acquired will probably be dated, requiring some modernization in kitchens and baths and with electrical and mechanical systems. They may also not have 6 bedrooms to begin with, but would have the space to create them.

This project helps "widen the opening of the back door", freeing up space within the shelters for homeless coming off the streets, while further preparing the men for success in their long-term ability to live independently. The agency reports a 90% success rate of men graduating through the rotating shelter and then through such group living situations into independent living.

Funding Rationale:

The CAB and Executive Board supported this application for one home for the following reasons:

- Agency with proven track record of graduating men out of homelessness through a stepped approach
- Agency already has 11-year history of operating these types of homes
- Uses loan, in kind and capital campaign to leverage public funds both on the capital and operating side.
- Ownership offers more certainty of tenure
- Homes could return to residential market if no longer able to operate/no longer needed

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. For the first home, the funding commitment shall continue for twelve (12) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. ARCH staff will consider a six-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion.

2. Prior to searching for a home, the Applicant shall submit evidence of funding commitments from all proposed public and private sources for each home. The Agency will demonstrate fundraising commitments or committed organization resources sufficient for the private fundraising component of the budget.

3. Funds shall be used by the Agency toward acquisition costs. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use. If circumstances make 6 bedrooms infeasible, the homes' bedrooms may be reduced to no less than five bedrooms, with a proportionate reduction in funding through the ARCH Trust Fund.

4. Prior to searching for a home, CFH shall provide an updated budget that accounts for updated Voucher income, and shall submit to City staff or ARCH staff for approval siting criteria for homes (e.g. specific requirements for transit access, amount of off-street parking, etc.) Unless otherwise approved by City staff or ARCH staff the Agency shall only purchase unoccupied homes or owner-occupied homes in order to not trigger local and federal relocation regulations. Homes shall conform to jurisdictional requirements regarding number of unrelated individuals living together.

5. Prior to closing, the Agency shall submit an appraisal by a qualified appraiser. The appraisal shall be equal to or greater than the purchase price.

6. Funds will be in the form of a secured grant with no repayment, so long as affordability and target population is maintained.

7. A covenant is recorded ensuring affordability for at least 50 years, with five or six beds for homeless individuals 30% of area median income or in the event a Voucher is available for the home, those who qualify for Section 8 assistance at move in.

8. Unless otherwise approved by City staff or ARCH staff the development budget shall include:
   - The maximum price for acquisition and construction cost combined shall not exceed $940,000. In the event that total acquisition and rehab costs, including contingency, exceeds this amount, additional costs shall be covered by private sources from the applicant.
   - Developer fee shall not exceed $37,000.

9. Reserves will be funded out of operations at $2,500 for the first year with an annual increase of 3.5% per year for replacement reserves.

10. All cash flow after payment of operating expenses shall be placed into a project reserve account that can be used by the applicant for project related operating, maintenance or services expenses. Any other use of these reserves funds must be approved by City staff or ARCH staff.

11. In the event that any operating support funding levels will be reduced, the Agency shall inform City and ARCH Staff about the impacts the proposed reduction will have on the budget and plan for services to the homeless clients, and what steps shall be taken to address the impacts. A new budget or services plan must be approved by City staff or ARCH staff

12. The Agency will notify City staff or ARCH staff when they enter into an option or purchase and sale agreement for any home, providing information on the location of the home and terms for acquiring the home. The Agency will document that the home complies with City occupancy requirements, and is consistent with the Agency siting criteria. No home considered for acquisition will be within two blocks of another home owned by Agency unless otherwise approved by City staff or ARCH staff.

13. Prior to closing on a home, an individualized outreach plan will be submitted to City staff or ARCH staff for review and approval. The outreach plan will include provisions such as:
    - Provide written notification to neighbors upon mutual acceptance of the Purchase and Sales Agreement to include CFH's intention to purchase the house, description of the project, and contact number;
    - Provide an opportunity for neighbors to individually and/or as a group to meet with CFH and the service provider regarding the project; such as having an Open House after the tenants move-in and include invitations to the neighbors.

14. Once a home is selected the Agency shall include City staff or ARCH staff in the inspection of the property and development of the final scope of work for the rehab. The final scope of work for the basic construction budget shall include, at a minimum, all work necessary for any correction of substandard health and safety conditions. Any remodel work proposed will be assessed for impact on long term value of the home in the event the home is resold on the private market. Prior to start of construction, the Agency shall submit the final scope of work for City staff or ARCH Staff approval, along with evidence that construction costs have been confirmed by a qualified contractor and are within the basic construction budget. All uses of construction contingency funds must be approved by City staff or ARCH staff prior to authorization to proceed with such work.

15. Prior to release of funds, the Agency shall submit to City or ARCH staff for review and approval drafts of all documents related to the provision of services to residents and management of the property, including form of lease agreement with residents. These documents shall at a minimum address: tenant selection procedures through coordinated entry; management procedures to address tenant needs; services provided for or required of tenants, including helping residents to increase their income and be able to move to other housing ; rules for maintaining residency, management and operation of the premises; how parking will be managed; community and neighbor relations procedures; a summary of City's affordability requirements as well as annual monitoring procedure requirements.

3. Imagine Housing Esterra Park Block 6B

Funding Request: $984,000 (Deferred, Contingent Loan)
Note: In addition to the $500,000 awarded in 2016 round
124 affordable rental units/6 unrestricted rental units
Note: Project proposal also includes $4 million of other Redmond resources (e.g. In-lieu funds)

Exec Board Recommendation: $1,234,000 (Deferred, Contingent Loan): 2017 Funds
(In addition to the $500,000 awarded in 2016 round)
$850,000 Contingency award from 2018 General Funds
Minimum 126 affordable rental units/up to 4 unrestricted rental units
See attached Funding Chart for distribution of City Funds

Project Summary:
Imagine Housing (IH), is proposing a 130-unit family rental project funded as two components linked by amenity space to a for-profit developed component on the same parcel. The Imagine Housing project is comprised of an approximately 50 unit (48 affordable units) 9% Tax Credit portion serving 30%, 40% and 60% AMI households and an 80 unit (78 affordable units) 4% Tax Credit portion serving 50% and 60% AMI households. The proposal includes a request to King County to allocate 8 and potentially up to 16 Section 8 vouchers. The proposal responds to availability of King County TOD funding. There will be set asides for homeless and disabled including 2 units to serve developmentally disabled.

The site is in the Redmond area of Bel-Red adjacent to the Overlake Transit Center and less than a half mile away from the Overlake light rail station.

The proposed affordable building is five levels of wood construction over two levels of concrete construction, amenity space, a roof garden, and an 11,500 square foot YMCA operated childcare facility for up to 125 children. Imagine is co-developing the property with Pryde + Johnson, a private developer, who will be building a 9 story, 126-unit residential structure on the same concrete podium. The market rate development will share structured parking and share residential amenity space with the affordable development.

This project received a $500,000 predevelopment funding commitment from ARCH member cities in the 2016 funding round. The project has subsequently been revised substantially to reduce the amount requested from King County, and to create a partnership with a for-profit developer to develop half the site separately. In addition to the predevelopment commitment, Redmond enacted Multi-Family Tax Exemptions (MFTE) for Affordable Housing and created a mechanism for alternative compliance under MFTE which is helping provide additional funding resources to support the project and reduce the funding request to King County.

Funding Rationale:
The CAB and Executive Board supported this application and recommends funding with conditions listed below for the following reasons:

- Over the past year, project achieved conditions associated with the Cities' predevelopment funding commitment (e.g. Approaches to significantly reduce the request to public funders, including a childcare center, updated budgets, progress on incorporating social investment strategy).

- Experienced applicant
- Development targets range of lower income family households including set asides for homeless and disabled.
- Would increase range of affordability and number of affordable units within the master planned development
- Site has access to transit, shopping and is within a major employment area
- Incorporates a child development center and shared outdoor courtyard
- Project leverages a substantial amount of Tax Credit equity
- City provided additional resources from in-lieu payments from another private project as tools to help realize the project while reducing the need for other public funding support
- Utilizes County TOD funds
- Imagine was successful in finding a for-profit development partner to utilize half the lot

Proposed Conditions:

Note: These conditions replace the funding conditions associated with the predevelopment funding award made during the 2016 Trust Fund application round.

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. The funding commitment shall continue for eighteen (18) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

2. Funds shall be used by the Agency for acquisition, bridge and permanent loan fees, professional services costs, construction and construction contingency. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use. Prior to spending of City resources designated aside for construction contingency Agency must obtain approval in advance by City staff or ARCH staff. If after the completion of the project there are budget line items with unexpended balances, the public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan amounts. Upon Executive Board approval, up to $250,000 of the funding award may be used for land option payments prior to meeting all the funding conditions required for the balance of funds.

3. As part of the $1,234.000 funding award, $250,000 is a contingency award, subject to final approval of the ARCH Executive Board. Prior to consideration by the Executive Board of a contingency award, the applicant will provide updated project design, including updated site related costs, updated development and operating budgets, project schedule for review by the ARCH CAB and final approval

by the ARCH Executive Board for the final amount and uses of contingency award. If awarded, all or some portion of the contingency award will be used for construction contingency.

4. In addition to the $1,234,000 funding award, up to an additional $850,000 as a contingency award subject to final approval of the ARCH Executive Board. Prior to consideration by the Executive Board of a contingency award, the applicant will provide updated project design, including updated site related costs, updated development and operating budgets, project schedule for review by the ARCH CAB and final approval by the ARCH Executive Board for the final amount and uses of contingency award. If awarded, all or some portion of the contingency award will be used for construction contingency.

5. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources and available cash flow. Final loan terms shall be determined prior to release of funds and must be approved by City staff or ARCH Staff. Based on the preliminary development budget, it is anticipated that loan payments will be based on a set repayment schedule, and begin after repayment of deferred developer fee and impact investment loan (approximately year 10), with 1% interest. The terms will also include a provision for the Agency to a deferment of a payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by City staff or ARCH Staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.

6. The net developer fee shall be established at the time of finalizing the Contract Budget based on the ARCH Net Developer Fee formula for each Tax Credit component. Net developer fee is defined as that portion of the developer fee paid out of capital funding sources and does not include the deferred portion which is paid out of cash flow from operations after being placed in service.

7. Until such time as any deferred developer fee structured into the sources is fully repaid, all cash flow after payment of operating expenses and debt service, shall be used to repay the deferred developer fee or project reserves as approved by City staff or ARCH Staff.

8. A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Affordability levels will be defined using the requirements for tax credits, and utility costs will be based on King County Housing Authority allowances, unless otherwise approved by City staff or ARCH staff. (The matrix is subject to change dependent on final design and funding, but shall generally reflect the following)

Median Income Level	Studio	1 Bedrm	2 Bedrm	3 Bedrm	Total
Extremely Low Income 30% AMI	7	8	6 (5)**	3 (3)**	24
Very Low Income 31-40% AMI	3	4	4	1	12
Low Income 41 – 50%	3	17	1	0	21
Moderate Income 50-60% AMI	5	51	14	1	71

Total	18	82	25	5	128 *

* 2 of the 2 or 3 bedroom units will serve households including developmentally disabled individuals.

* There will be a total of up to 130 units and up to 4 of units can have unrestricted rents. The final contract will update the affordability chart to account for the non-restricted units which will be approved by City staff or ARCH staff.

** 8 units will be supported with project-based Section 8 vouchers to serve homeless households.

9. Based on the availability of adequate support services, up to 50% of the units in the 9% Tax Credit portion of the project (approximately up to 50 units) may be set aside for occupancy by households for households transitioning out of homelessness unless otherwise approved by City or Administering Agency. Should rental subsidy or services funding no longer be available for homeless, and project operations are jeopardized, developer shall notify funders and may be relieved from the requirement to set aside units until such time as funding again is available.

10. Submit documentation of the City's approval of the parking provisions.

11. Submit for review the agreements between owners and leased childcare space including information on capital funding, lease terms and management.

12. Submit for City staff or ARCH staff approval a management and services plan which includes sharing of physical space and services among the various components including the 4 percent and 9 percent tax credit portions of the affordable housing, the market-rate development and the childcare space, parking management which will address issues such as: coordination of parking between different components of the project, including any shared parking and managing overall amount of cars relative to available parking. It shall also include how the Agency will do local targeted marketing outreach such as local, media business and community organizations.

4. King County Housing Authority Trailhead

Funding Request: $2,000,000 (Deferred, Contingent Loan)
155 affordable rental units
Note: Project proposal also includes approximately $2.7 million of other Issaquah resources (fee waivers)

Exec Board Recommendation: $2,000,000 (Deferred, Contingent Loan)
See attached Funding Chart for distribution of City Funds

Project Summary:
King County Housing Authority (KCHA) was selected through City of Issaquah RFP process for developing a city identified site in Central Issaquah. KCHA is proposing to build The Trailhead, 155 units of affordable TOD (transit Oriented Development) housing in Central Issaquah. The Trailhead is a part of

the larger Central Issaquah TOD Project, which KCHA is undertaking in partnership with Spectrum Development Solutions. It is located on a site adjacent to the Issaquah Transit Center located in Central Issaquah. In addition to The Trailhead, the Central Issaquah TOD Project will also include 200 units of market rate and affordable units to be developed by Spectrum, a new child care center, an adult family home for persons with special needs, community space and commercial space for supportive services.

The Trailhead will offer studio, 1-bedroom, 2-bedroom and 3-bedroom apartments affordable to families earning less than 60% of the area median income immediately adjacent to a hub for frequent, all-day transit service. Twenty-four of the units will be supported by Section 8.

The completed development will serve as a mixed-use, mixed-income catalyst project for the whole neighborhood, an area targeted by the City for redevelopment. The property is within walking distance of shopping, public transportation, employment and services.

The Trailhead will be located in the north tower of the Central Issaquah TOD Development. The tower will be five stories of wood-frame construction over ground floor commercial and underground parking. Residential amenities, including an exercise space, a community room, business center, bike facilities and a children's playground, will be shared between The Trailhead and the Spectrum residential development. The site will feature a mid-block pedestrian connector to the Issaquah Transit Center, a new public plaza in the southwest corner of the site, a new street with pedestrian and bike lanes along the east side of the site, and an enhanced wetland along the west side.

Funding Rationale:
The CAB and Executive Board supported this application and recommends funding with conditions listed below for the following reasons:

- Creates 155 units affordable to households at or below 50% and 60% of area median income, with 24 at 40% of median income that will be supported with vouchers
- Meets City of Issaquah goals for area
- Experienced applicant
- Site has convenient access to transit, shopping, services and is are located downtown
- Takes advantage of King County TOD funds being made available in the current round

Proposed Conditions:

Standard Conditions: Refer to list of standard conditions found at end of this memo

Special Conditions:

1. The funding commitment shall continue for twenty-four (24) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to ARCH staff no later than sixty (60) days prior to the expiration date. At that time, the applicant will provide a status report on progress to date, and expected schedule for start of construction and project completion. ARCH staff will consider up to a 12-month extension only on the basis of documented, meaningful progress in bringing the project to readiness or completion. At a minimum, the applicant will demonstrate that all capital funding has been secured or is likely to be secured within a reasonable period of time.

2. Funds shall be used by the Agency for construction costs, including construction contingency. Funds may not be used for any other purpose unless City staff or ARCH staff has given written authorization for the alternate use. $500,000 of the award is a contingency award subject to final approval of the ARCH Executive Board. By October 2018, KCHA will provide updated project design, including updated site and parking related costs, updated development and operating budgets including terms for the city' s loan and the Agency's subordinate loan, project schedule; and status of other uses on the property for review by the ARCH CAB and final approval by the ARCH Executive Board for the final amount and uses of contingency award.

3. In the event any of the funding award is reserved for construction contingency, that portion must be approved in advance by City staff or ARCH staff. If after the completion of the project there are unexpended contingency balances, the public funders shall approve adjustments to the project capital sources, including potentially reductions in public fund loan balances.

4. Funds will be in the form of a deferred, contingent loan. Loan terms will account for various factors, including loan terms from other fund sources, including the sponsor subordinate loan and available cash flow. It is anticipated the loan terms will include 1% interest, and ability to defer initial payment until certain conditions are met such as repayment of deferred developer fee. Final loan terms shall be determined when the updated budget is provided and reviewed by the Executive Board and prior to release of funds and must be approved by City staff or ARCH staff. The terms may also include a provision for the Agency to a deferment of a payment if certain conditions are met (e.g. low cash flow due to unexpected costs). Any requested deferment of loan payment is subject to approval by City staff or ARCH staff, and any deferred payment would be repaid from future cash flow or at the end of the amortization period.

5. KCHA will provide a sponsor subordinate loan in the approximate amount of $3,840,000. The final amount and terms of repayment will be finalized at the time of review and approval of the contingency portion of the funding commitment. Terms are anticipated to account for available cash flow and repayment of the ARCH loan.

6. Until such time as the any deferred developer fee structured into the sources is fully repaid, all cash flow after payment of operating expenses and debt service, shall be used to repay the deferred developer fee or project reserves as approved by City Staff.

7 A covenant is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Affordability levels will be defined using the requirements for tax credits, and utility costs will be based on King County Housing Authority allowances, unless otherwise approved by City staff or ARCH Staff. (The matrix is subject to change dependent on final design, but shall generally reflect the following:)

Median Income Level	Studio	1 Bedrm	2 Bedrm	3 Bedrm	Total
Section 8 (40% AMI)	0	0	0	24	24
Moderate Income 60% AMI	5	80	40	6	131

Total	4	80	40	30	155

8. Submit documentation of the City's approval of the provision of parking for project.

9. Submit for City staff or ARCH staff approval a management and marketing plan which includes sharing of physical space and services among the various components including tax credit structure, market-rate development, special needs unit and community space and parking management which will address issues such as: coordination of parking between different components of the project, including any shared parking and managing overall amount of cars relative to available parking both through site features (e.g. bike storage) and management practices. It shall also include how the Agency will do local targeted marketing outreach such as local, media business and community organizations.

5. King County Housing Authority Houghton Apartments

Funding Request: $2,827,250 (Secured Grant)
15 Units as Public housing

Exec Board Recommendation: $2,827,250 (Secured Grant) – Using City of Kirkland sources such as In-lieu, REET

Project Summary:
Houghton Apartments is a two-building multi-family property comprising 15 units located in Kirkland which the City of Kirkland acquired in 2015 with short-term financing which must be repaid in 2018. The buildings were constructed in 1967 and 1978, and in need of a fair amount of rehabilitation.

King County Housing Authority is in discussions with the City of Kirkland to purchase the site from the City in order to help the City preserve the fifteen apartment units at this site. KCHA is willing to acquire the site at the City's Loan balance of $4.7 million, which is based on the property's appraised value. The purchase would in part be funded by a swap out of a KCHA-owned commercial property that the City wishes to acquire for a Public Works facility. With the KCHA acquisition, the property will be positioned as public housing, which translates into rents that are 30% of the household's actual income; the rest is subsidized by the federal government.

The property is currently managed by the City of Kirkland and most units are occupied. Rents are reported to be below market-rate. It is expected that some portion of existing tenants will income qualify and be eligible to receive public assistance through the Housing Authority. Any resident not income eligible for public assistance, will be allowed to remain at the property and continue to pay current rents. Upon turnover, those units will be made available for residents eligible for KCHA's public assistance.

Each building at Houghton Court is wood frame construction and some units have wood frame balconies at upper level units. KCHA will do some limited high priority rehabilitation upon acquisition ($150,000), and will be making other significant capital upgrades in the next few years of ownership. KCHA has committed to addressing the issues called out in the Capital Needs Assessment, including roof, window and siding work, replacement of aluminum wiring and interior apartment repairs. In addition, KCHA will make other improvements and upgrades, including enhancement to the building exteriors and landscaping.

Funding Rationale:
The CAB and Executive Board supported this application and recommends funding with conditions listed below for the following reasons:

- Meets Houghton Community Council Objectives
- Preserves 15 existing affordable units at risk of being redeveloped
- Experienced applicant
- Site has convenient access to transit, shopping, services and is are located downtown
- Rents to be limited to 30% of actual household income
- Will result in city in-lieu fees being used in the City and in an area with limited affordable housing, and will result in more affordable units than would have been provided by the projects paying the in-lieu fees.
- Allows city to secure another property for Public Works facility needed by the City of Kirkland.

Proposed Conditions:

Special Conditions (none of the standard conditions applicable):

1. The funding commitment shall continue for six (6) months from the date of Council approval and shall expire thereafter if all conditions are not satisfied. An extension may be requested to City staff no later than sixty (60) days prior to the expiration date. City staff will grant up to a 12-month extension.

2. Funds shall be used by the Agency towards acquisition. Funds may not be used for any other purpose unless city staff has given written authorization for the alternate use.

3. Funds will be in the form of a grant with no repayment, so long as affordability and target population is maintained. The funding shall be secured with a promissory note with the Agency.

4. Existing residents will not be required to relocate. Any residents that are not eligible to receive federal assistance will have future rent increases limited to the lesser of market value, or an annual increase that does not exceed the standard increase as customarily applied on annual basis to rents in KCHA's workforce housing portfolio.

5. Construction work called out in the Capital Needs Assessment shall be carried out within 5 years of acquisition using only federal, HUD funds.

6. A covenant, subordinate to HUD's Declaration of Trust and any other subsequent covenant or regulatory agreement related to federal operating assistance, is recorded ensuring affordability for at least 50 years, with affordability as shown in the following table. Units shall be made available as public housing. In the event the property no longer is public housing or funded through a successor HUD Program, affordability levels will be set at rents not to exceed 60% AMI adjusted for household size with utility costs based on King County Housing Authority allowances, unless otherwise approved by City Staff. Affordability levels may be increased up to 80% of AMI in the event long-term

economic viability of the project is in jeopardy, as reasonably determined by KCHA, and upon City staff approval which shall not be reasonably withheld.

7. Submit monitoring reports quarterly through completion of project as requested, and annually thereafter. So long as the property continues to receive federal operating assistance, a certification by KCHA that federal funds continue to support the operation of the property shall satisfy this annual reporting requirement.

Standard Conditions applicable to all projects (unless superseded by specific conditions for individual project):

1. The Applicant shall provide revised development and operating budgets based upon actual funding commitments, which must be approved by city staff. If the Applicant is unable to adhere to the budgets, City or Administering Agency must be immediately notified and (a) new budget(s) shall be submitted by the Applicant for the City's approval. The City shall not unreasonably withhold its approval to (a) revised budget(s), so long as such new budget(s) does not materially adversely change the Project. This shall be a continuing obligation of the Applicant. Failure to adhere to the budgets, either original or as amended may result in withdrawal of the City's commitment of funds.

2. The Applicant shall submit evidence of funding commitments from all proposed public sources. In the event commitment of funds identified in the application cannot be secured in the time frame identified in the application, the Applicant shall immediately notify City or Administering Agency, and describe the actions it will undertake to secure alternative funding and the timing of those actions subject to City or Administering Agency's review and approval.

3. In the event federal funds are used, and to the extent applicable, federal guidelines must be met, including but not limited to: contractor solicitation, bidding and selection; wage rates; and Endangered Species Act (ESA) requirements. CDBG funds may not be used to repay (bridge) acquisition finance costs.

4. The Applicant shall maintain documentation of any necessary land use approvals and permits required by the city where the projects are located.

5. Submit monitoring reports quarterly through completion of the project, and annually thereafter. Submit a final budget upon project completion. If applicable, submit initial tenant information as required by City or Administering Agency.

ARCH HOUSING TRUST FUND (HTF) APPLICATIONS
2017

Applicant	Recommendation (Grant/Loan)	Housing Type/ # of units/ bdrms	Income Served	Project Location	Duration of benefit	Total cost per unit	HTF cost per affordable unit	Project completion
Catholic Community Services of Western WA with The Sophia Way Women and Family Shelter	$1,224,000 Secured Grant	Homeless Shelter (Individual Women, Families) 98 beds	30% AMI	11920 NE 80th St Kirkland	50 years	$84,061/bed	$12,490/bed	March 2019
Congregations For the Homeless Men's Housing	$150,000 Secured Grant	Homeless men One 5- or 6-bedroom group home	30% AMI	To be determined	50 years	$174,556/bed	$25,000/bed	December 2018
Imagine Housing Esterra	$1,234,000 Contingent Loan (In addition to $500,000 awarded in 2016 round)	Family Rental Housing 130 units (23 homeless units 2 DD units)	24@ 30% 12@40% 21 @ 50% 71 @60% 2@Mkt	156th Ave NE @ NE 27th St Redmond	50 years	$331,838/unit	$9,641/unit	August 2020
King County Housing Authority Trailhead	$2,000,000 Loan	Family Rental Housing 155 units	24 @ 40% 131 @ 60%	1550 NW Newport Way Issaquah	50 years	$429,775/unit	$12,903/unit	March 2021

ARCH HOUSING TRUST FUND, 2017

	CFH Men's Housing		Imagine Housing Esterra - Combined		CCS Shelter		KCHA Trailhead		KCHA Houghton		TOTAL
2016 ARCH Commitment			$500,000								$500,000
2017 ARCH Recommendation											
2017 General Funds	$150,000		$1,234,000		$505,000		$2,000,000				$3,889,000
CDBG					$719,000						$719,000
Sub-total	$150,000		$1,234,000		$1,224,000		$2,000,000		$0		
2018 General Funds			$850,000								
Other City Resources (Estimate) *											
Sut-Total	$4,000		$4,000,000		$1,290,000		$2,710,500		$2,827,250		$10,831,750
* Combination of fee waivers, land sale proceeds, REET, in-lieu fees.											
CITY TOTAL	$ 154,000	15%	$ 6,584,000	15%	$ 2,514,000	31%	$ 4,710,500	7%	$ 2,827,250	60%	$ 16,789,750
King County											
HOF/HOME/2060	$ -		$407,085		$0						$500,000
TOD			$5,592,915				$10,000,000				$15,500,000
Other // Vets/HS	$ 133,333				$2,000,000						$2,133,333
KC TOTAL	$ 133,333	13%	$ 6,000,000	14%	$ 2,000,000	24%	$ 10,000,000	15%	$ -	0%	$ 18,133,333
WA HTF	$133,333		$1,700,000		$2,000,000						$3,833,333
Legislative Earmark					$ 350,000						$350,000
WA TOTAL	$ 133,333	13%	$ 1,700,000	4%	$ 2,350,000	29%	$ -	0%	$ -	0%	$ 4,183,333
Tax Credits	$0	0%	$17,610,000	41%		0%	$19,910,000	30%		0%	$37,651,206
Bonds		0%	$6,615,000	15%		0%	$25,155,000	38%		0%	$31,855,000
Bank Loans	$485,000	46%	$3,523,000	8%		0%		0%		0%	$3,799,951
Deferred Developer Fee		0%	$1,207,000	3%		0%	$3,000,000	5%		0%	$4,229,000
Capital Campaign	$141,667	14%	$0	0%	$1,200,000	15%		0%		0%	$1,341,667
Other		0%	$750,000	2%	$174,000	2%	$3,839,700	6%	$1,915,000	40%	$6,428,700
OTHER TOTAL	$ 626,667	60%	$ 29,705,000	69%	$ 1,374,000	17%	$ 51,904,700	78%	$ 1,915,000	40%	$ 85,305,524
TOTAL RESOURCES	$ 1,047,333	100%	$ 43,139,000	100%	$ 8,238,000	100%	$ 66,615,200	100%	$ 4,742,250	100%	$ 123,577,940

ECONOMIC SUMMARY: **CATHOLIC COMMUNITY SERVICES / KIRKLAND SHELTER**

1. Applicant/Description: New construction of 98 bed shelter and day center for individual homeless women and homeless households

2. Project Location: 11920 NE 80th St, Kirkland

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH / Cities	$1,224,000 Secured Grant Plus ~$1,290,000 Kirkland (e.g. REET, in-kind, fee waivers)	
King County	$2,000,000	To be applied for in 2018
Commerce Trust Fund	$2,350,000	$350,000 Legislative earmark committed; remainder- apply in 2018
Private Debt	$0	
Capital Campaign	$1,200,000	To be raised in 2018
Savings/Other Capital	$174,000	
TOTAL	$8,238,000	

4. Development Budget:

ITEM	TOTAL	PER BED @ 98 units
Acquisition	$605,000	$6,173
Construction	$6,219,500	$63,464
Design	$374,000	$3,816
Consultants	$50,800	$518
Developer fee	$400,000	$4,082
Finance costs	$31,500	$321
Reserves	$0	$0
Permits/Fees/Other	$557,200	$5,685
TOTAL	$8,238,000	$84,061

5. Debt Service Coverage: Secured Grant,

6. Security for City Funds:
- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

ECONOMIC SUMMARY: **Congregations For the Homeless / Men's Homes**

1. Applicant/Description: Acquisition of 1 single family home to serve 5 - 6 homeless men each

2. Project Location: ARCH Sphere of Influence

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH	$150,000	
King County	$133,333	To be applied for in 2018
Commerce Trust Fund	$133,333	To be applied for in 2018
Tax Credits	$0	
Private Debt	$485,000	To be applied for in 2018
Capital Campaign	$141,667	Committed
Other (city permit fees)	$4,0000	Applied for when home identified
TOTAL	$1,047,333	

4. Development Budget:

ITEM	TOTAL	PER BED @ 6 beds
Acquisition	$756,000	$126,000
Construction	$183,000	$30,500
Design	$11,000	$1,833
Consultants	$10,833	$1,806
Developer fee	$37,333	$6,222
Finance costs	$11,500	$1,917
Reserves	$16,000	$2,667
Permits/Fees/Other	$21,667	$3,611
TOTAL	$1,047,333	$174,556

5. Debt Service Coverage: Secured Grant.

6. Security for City Funds:
- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: 1 Section 8 Voucher per home

ECONOMIC SUMMARY: IMAGINE HOUSING / ESTERRA BLOCK 6B

1. Applicant/Description: New construction of 128 affordable plus 2 unrestricted rental units for households including 23 units for the homeless, 2 for developmentally disabled

2. Project Location: 156th Ave NE and NE 27th St, Redmond

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH / Cities	$1,234,000 $500,000 Plus $4,000,000	2017 ARCH Funding Round 2016 ARCH Funding Round City Funds (In-lieu funds)
King County	$6,000,000	Awarded in 2017
Commerce Trust Fund	$1,700,000	To be applied for in 2018
Tax Credits	$17,610,000	To be applied for in 2018
Private Debt	$10,138,000	To be applied for in 2018
Impact Investment	$750,000	To be raised in 2018
Deferred Developer Fee/Other	$1,207,000	Committed
TOTAL	$43,139,000	

4. Development Budget:

ITEM	TOTAL	PER UNIT
Acquisition	$5,617,500	$43,212
Construction	$28,562,300	$219,710
Design / Consultants	$1,001,500	$7,704
Developer fee	$3,057,000	$23,515
Finance costs	$2,417,200	$18,594
Permits/Fees/Reserves/Other	$2,483,500	$19,104
TOTAL	$43,139,000	$331,838

5. Debt Service Coverage: Debt service payments will be finalized upon commitment. Basic terms will include a 50-year amortization, deferral of payments until deferred developer fee is repaid, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: 8 Section 8 Vouchers

ECONOMIC SUMMARY: KING COUNTY HOUSING AUTHORITY / TRAILHEAD

1. Applicant/Description: New construction of 155 affordable rental units for households

2. Project Location: 1550 NW Newport Way, Issaquah

3. Financing Information:

Funding Source	Funding Amount	Commitment
ARCH / City	$2,000,000 Plus $2,710,500	ARCH Trust Fund 2017: City Fee Waivers
King County	$10,000,000	Awarded in 2017
Tax Credits	$19,910,000	To be applied for in 2018
Private Debt	$25,155,000	To be applied for in 2018
KCHA soft debt	$3,839,700	Committed
Deferred Developer Fee/GP Equity/Other	$3,000,000	Committed
TOTAL	$66,615,200	

4. Development Budget:

ITEM	TOTAL	PER UNIT @ 155 units
Acquisition	$3,422,184	$43,884
Construction	$45,588,170	$294,762
Design	$2,925,852	$18,876
Consultants	$2,260,181	$14,582
Developer fee	$6,839,744	$44,127
Finance costs	$2,407,422	$15,532
Permits/Fees/Other	$3,071,616	$19,817
TOTAL	$66,615,169	$429,775

5. Debt Service Coverage: Debt service payments will be finalized upon final funding commitments. Basic terms will include a 50-year amortization, 1% interest, and ability to request a deferral of annual payment to preserve economic integrity of property.

6. Security for City Funds:

- A recorded covenant to ensure affordability and use for targeted population for 50 years.
- A promissory note secured by a deed of trust. The promissory note will require repayment of the loan amount upon non-compliance with any of the loan conditions.

7. Rental Subsidy: 24 Section 8 Vouchers assigned by KCHA

FIGURE 1
ARCH: EAST KING COUNTY TRUST FUND SUMMARY
LIST OF CONTRACTED PROJECTS FUNDED (1993 - 2016)

Project	Location		Owner	Units/Beds	Funding	Pct of Total Allocation	Distribution Target
1. Family Housing							
Andrews Heights Apartments	Bellevue		Imagine Housing	24	$400,000		
Garden Grove Apartments	Bellevue		DASH	18	$180,000		
Overlake Townhomes	Bellevue		Habitat of EKC	10	$120,000		
Glendale Apartments	Bellevue		DASH	82	$300,000		
Wildwood Court Apartments	Bellevue		DASH	36	$270,000		
Somerset Gardents (Kona)	Bellevue		KC Housing Authority	198	$700,000		
Pacific Inn	Bellevue	*	Pacific Inn Assoc. *	118	$600,000		
Eastwood Square	Bellevue		Park Villa LLC	48	$600,000		
Chalet Apts	Bellevue		Imagine Housing	14	$163,333		
Andrew's Glen	Bellevue	**	Imagine Housing	10 /11	$424,687		
August Wilson Place	Bellevue	***	LIHI ***	45	$800,000		
YWCA Family Apartments	Bellevue		YWCA	12	$100,000		
30 Bellevue	Bellevue	**	Imagine Housing	29	$672,865		
Parkway Apartments	Redmond		KC Housing Authority	41	$100,000		
Habitat - Patterson	Redmond	**	Habitat of EKC **	24	$446,629		
Avon Villa Mobile Home Park	Redmond	**	MHCP **	93	$525,000		
Terrace Hills	Redmond		Imagine Housing	18	$442,000		
Village at Overlake Station	Redmond	**	KC Housing Authority **	308	$1,645,375		
Summerwood	Redmond		DASH	166	$1,187,265		
Esterra Park	Redmond		Imagine Housing	125 /240	$500,000		
Coal Creek Terrace	Newcastle	**	Habitat of EKC **	12	$240,837		
Rose Crest (Talus)	Issaquah	**	Imagine Housing **	40	$918,846		
Mine Hill	Issaquah	**	Imagine Housing	28	$482,380		
Clark Street	Issaquah		Imagine Housing	30	$355,000		
Lauren Heights (Iss Highlands)	Issaquah	**	Imagine Housing/SRI **	45	$657,343		
Habitat Issaquah Highlands	Issaquah	**	Habitat of EKC **	10	$318,914		
Issaquah Family Village I	Issaquah	**	YWCA **	87	$4,382,584		
Issaquah Family Village II	Issaquah	**	YWCA **	47	$2,760,000		
Greenbrier Family Apts	Woodinville	**	DASH **	50	$286,892		
Crestline Apartments	Kirkland		Shelter Resources	22	$195,000		
Plum Court	Kirkland		DASH	61 /66	$1,000,000		
Francis Village	Kirkland		Imagine Housing	15	$375,000		
Velocity	Kirkland	**	Imagine Housing **	46	$901,395		
Copper Lantern	Kenmore	**	LIHI **	33	$452,321		
Highland Gardens (Klahanie)	Sammamish		Imagine Housing	54	$291,281		
Habitat Sammamish	Sammamish	**	Habitat of KC ***	10	$972,376		
REDI TOD Land Loan	Various		Various	100 est	$500,000		
Homeowner Downpayment Loan	Various		KC/WSHFC/ARCH	87 est	$615,000		
SUB-TOTAL				**2,196**	**$25,882,324**	54.0%	(56%)
2. Senior Housing							
Cambridge Court	Bellevue		Resurrection Housing	20	$160,000		
Ashwood Court	Bellevue	*	DASH/Shelter Resources *	50	$1,070,000		
Evergreen Court (Assisted Living)	Bellevue		DASH/Shelter Resources	64 /84	$2,480,000		
Bellevue Manor / Harris Manor	Bellevue / Redmond		KC Housing Authority	105	$1,334,749		
Vasa Creek	Bellevue		Shelter Resources	50	$190,000		
Riverside Landing	Bothell	**	Shelter Resources	50	$225,000		
Kirkland Plaza	Kirkland		Imagine Housing	24	$610,000		
Athene (Totem 2)	Kirkland	**	Imagine Housing ***	73	$917,701		
Heron Landing	Kenmore		DASH/Shelter Resources	50	$65,000		
Ellsworth House Apts	Mercer Island		Imagine Housing	59	$900,000		
Providence Senior Housing	Redmond	**	Providence **	74	$2,330,000		
Greenbrier Sr Apts	Woodinville	**	DASH/Shelter Resources **	50	$196,192		
SUB-TOTAL				**669**	**$10,478,642**	21.9%	(19%)

FIGURE 1
ARCH: EAST KING COUNTY TRUST FUND SUMMARY
LIST OF CONTRACTED PROJECTS FUNDED (1993 - 2016)

Project	Location		Owner	Units/Bed's	Funding	Pct of Total Allocation	Distribution Target
3. Homeless/Transitional Housing							
Hopelink Place	Bellevue	**	Hopelink **	20	$500,000		
Chalet	Bellevue		Imagine Housing	4	$46,667		
Kensington Square	Bellevue		Housing at Crossroads	6	$250,000		
Andrew's Glen	Bellevue		Imagine Housing	30	$1,162,500		
August Wilson Place	Bellevue	***	LIHI ***	12	$200,000		
Sophia Place	Bellevue		Sophia Way	20	$250,000		
30 Bellevue	Bellevue	**	Imagine Housing	31	$720,084		
Men's Shelter	TBD		Congregation for Homeless (C	50	$700,000		
Dixie Price Transitional Housing	Redmond		Hopelink	4	$71,750		
Avondale Park	Redmond		Hopelink (EHA)	18	$280,000		
Avondale Park Redevelopment	Redmond	**	Hopelink (EHA) **	60	$1,502,469		
Petter Court	Kirkland		KITH	4	$100,000		
Francis Village	Kirkland		Imagine Housing	45	$1,125,000		
Velocity	Kirkland	**	Imagine Housing ***	12	$225,349		
Athene (Totem 2)	Kirkland	**	Imagine Housing	18	$229,425		
Rose Crest (Talus)	Issaquah	**	Imagine Housing **	10	$229,712		
Lauren Heights (Iss Highlands)	Issaquah	**	SRI **	5	$73,038		
Issaquah Family Village I	Issaquah	**	YWCA **	10	$503,745		
SUB-TOTAL				341	$8,169,739	17.0%	(13%)
4. Special Needs Housing							
My Friends Place	K.C.		EDVP	6 Beds	$65,000		
Stillwater	Redmond		Eastside Mental Health	19 Beds	$187,787		
Foster Care Home	Kirkland		Friends of Youth	4 Beds	$35,000		
FOY New Ground	Kirkland		Friends of Youth	6 Units	$250,000		
DD Group Home 7	Kirkland		Community Living	5 Beds	$100,000		
Youth Haven	Kirkland		Friends of Youth	10 Beds	$332,133		
FOY Transitional Housing	Kirkland	**	Friends of Youth **	10 Beds	$247,603		
FOY Extended Foster Care	Kirkland	**	Friends of Youth **	10 Beds	$112,624		
DD Group Home 4	Redmond		Community Living	5 Beds	$111,261		
DD Group Homes 5 & 6	Redmond/KC (Bothell)		Community Living	10 Beds	$250,000		
United Cerebral Palsy	Bellevue/Redmond		UCP	9 Beds	$25,000		
DD Group Home	Bellevue		Residence East	5 Beds	$40,000		
AIDS Housing	Bellevue/Kirkland		AIDS Housing of WA	10 Units	$130,000		
Harrington House	Bellevue		AHA/CCS	8 Beds	$290,209		
DD Group Home 3	Bellevue		Community Living	5 Beds	$21,000		
Parkview DD Condos III	Bellevue		Parkview	4	$200,000		
30 Bellevue	Bellevue	**	Imagine Housing	2	$47,219		
IERR DD Home	Issaquah		IERR	6 Beds	$50,209		
FFC DD Homes	NE KC		FFC	8 Beds	$300,000		
Oxford House	Bothell		Oxford/Compass Ctr.	8 Beds	$80,000		
Parkview DD Homes VI	Bothell/Bellevue		Parkview	6 Beds	$150,000		
Parkview DD Homes XI	TBD		Parkview	3 Beds	$200,800		
FFC DD Home II	Kirkland		FFC	4 Beds	$168,737		
SUB-TOTAL				163 Beds/Units	$3,394,582	7.1%	(12%)
TOTAL				3,369	$47,925,286	100.0%	
					10%		

* Funded through Bellevue Downtown Program
** Also, includes in-kind contributions (e.g. land, fee waivers, infrastructure improvements)
*** Amount of Fee Waiver still to be finalized

2017 HOUSING TRUST FUND: PROPOSED CITY FUNDING RECOMMENDATIONS AND SOURCES

		PROJECT				
		Imagine Housing Esterra Park	CCS Family/Women Shelter	CFH Men Group Home	KCHA Trailhead (Iss)	TOTAL
Recommendation						
2016 (Approved Commitment)		$ 500,000				
2017 (General funds & CDBG)	*	$ 1,234,000	$ 1,224,000	$ 150,000	$ 2,000,000	$ 4,608,000
2018 General Funds	**	$ 850,000				$ 850,000
Other City Resources (Est.)***		$ 4,000,000	$ 1,290,000	$ 4,000	$ 2,710,000	$ 10,831,250
*** Combination of fee waivers, land sale proceeds, REET, in-lieu fees.						
Individual City Funding						
Sub-Regional CDBG (2017)			$ 222,147			$ 222,147
Bellevue						
2017 General Funds		$ 498,264	$ 203,669	$ 60,567	$ 807,558	$ 1,570,058
2018 General Funds		$ 248,485				$ 248,485
Bothell						
2017 General Funds		$ 15,860	$ 6,483	$ 1,928	$ 25,705	$ 49,976
2018 General Funds		$ 30,156				$ 30,156
Clyde Hill						
2017 General Funds		$ 14,334	$ 5,859	$ 1,742	$ 23,231	$ 45,166
2018 General Funds		$ 15,078				$ 15,078
Hunts Point						
2017 General Funds		$ 1,799	$ 735	$ 219	$ 2,915	$ 5,667
2018 General Funds		$ 1,508				$ 1,508
Issaquah						
2017 General Funds		$ 47,514	$ 19,422	$ 5,776	$ 77,008	$ 149,719
2018 General Funds		$ 60,312				$ 60,312
Kenmore						
2017 General Funds		$ 31,951	$ 13,060	$ 3,884	$ 51,784	$ 100,679
2018 General Funds		$ 18,094				$ 18,094
Kirkland						
CDBG (2017)			$ 276,279			$ 276,279
2017 General Funds		$ 311,243	$ 127,223	$ 37,833	$ 504,446	$ 980,746
2018 General Funds		$ 250,294				$ 250,294
Medina						
2017 General Funds		$ 8,968	$ 3,666	$ 1,090	$ 14,535	$ 28,259
2018 General Funds		$ 7,442				$ 7,442
Mercer Is.						
2017 General Funds		$ 29,799	$ 12,181	$ 3,622	$ 48,297	$ 93,900
2018 General Funds		$ 57,899				$ 57,899
Newcastle						
2017 General Funds		$ 25,461	$ 10,408	$ 3,095	$ 41,266	$ 80,230
2018 General Funds		$ -				$ -
Redmond						
CDBG (2017)			$ 221,168			$ 221,168
2017 General Funds		$ 195,560	$ 79,936	$ 23,771	$ 316,953	$ 616,220
2018 General Funds		$ 90,468				$ 90,468
Sammamish						
2017 General Funds		$ 37,180	$ 15,198	$ 4,519	$ 60,259	$ 117,157
2018 General Funds		$ 60,312				$ 60,312
Woodinville						
2017 General Funds		$ 10,820	$ 4,423	$ 1,315	$ 17,537	$ 34,095
2018 General Funds		$ 7,539				$ 7,539
Yarrow Point						
2017 General Funds		$ 5,247	$ 2,145	$ 638	$ 8,504	$ 16,534
2018 General Funds		$ 2,412				$ 2,412
Individual Cities Total						
CDBG (2017)		$ -	$ 719,594	$ -	$ -	$ 719,594
2017 General Funds		$ 1,234,000	$ 504,406	$ 150,000	$ 2,000,000	$ 3,888,406
2017 Sub-Total		$ 1,234,000	$ 1,224,000	$ 150,000	$ 2,000,000	$ 4,608,000
2018 General Funds		$ 850,000	$ -	$ -	$ -	$ 850,000

* Includes combination of 2017 General Funds, unallocated 2016 General Funds, and interest and loan repayments from 201

** Includes General Funds in 2018 budgets set aside for affordable housing. Does not involve additional allocation to housing

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Sick Leave Policy	For Council Meeting Agenda of: January 29, 2018
	Department: Finance and Administration
	Prepared by: Joanne Gregory
	Initial & Date Approved by Department Head: Jmg 1-19-18 Approved by City Attorney: Approved by Finance Director: Jmg 1-19-18 Approved by City Manager: RAK
Proposed Council Action/Motion: Provide Direction on New Sick Leave Policy Provisions for Part Time and Temporary Employees	Exhibits/Attachments: Attachment A: Kenmore Sick Leave Policy Attachment B: Kenmore Vacation Donation Policy Attachment C: Washington State Department of L&I General FAQs

INFORMATION/BACKGROUND:

Initiative I-1433, passed by the voters of Washington State, became effective January 1, 2018. This initiative requires that employers must provide paid sick leave to their employees which will now include part-time, temporary, and seasonal employees. The minimum elements of the leave such as eligibility, amount of leave available, whether care can be of others (family members), and required documentation, are set by state law although a jurisdiction can provide more generous terms in some cases.

The City currently provides paid sick leave to regular employees working more than 20 hours per week, who accrue this sick leave benefit at the rate of eight (8) hours per month (or prorated if part time) of continuous employment and may use this benefit without a waiting period. There is no cap on the accruals but there is a cap on how many hours can be cashed out upon separation from employment or retirement. This section of the current Personnel Policies is Attachment A.

For the newly eligible temporary and part-time employees, the City can define certain elements such as:

1. Provide the minimum accrual required by law (1 hour of sick leave for every 40 hours worked which includes overtime but not vacation, holiday or sick leave) OR provide a more generous accrual.
   Staff recommends providing the minimum accrual of 1 hour of sick leave for every 40 hours worked.

2. Limit the employee's year end sick leave carryover to 40 hours OR do not institute a limit.
   Staff recommends limiting the carryover for part time and temporary workers to 40 hours.

3. Require a 90-day waiting period for using accrued sick leave OR do not require a waiting period OR require a different waiting period.

Staff recommends not requiring a waiting period. Temporary and part time employees already on staff will be credited with accruals beginning January 1, 2018.

4. Frontload paid sick leave OR do not frontload paid sick leave. This means providing a sick leave bank of hours upon hire or before the employee would have normally accrued the time. The City does not do this for regular full-time employees and staff does not recommend this practice due to administrative complications.
   Staff recommends that paid sick leave not be frontloaded.

5. Provide a pay out of unused sick leave upon separation from employment OR provide a full or partial payout of the value of unused sick leave upon separation from employment.
   Staff recommends that unused sick leave for temporary and part time employees not be paid out upon separation from employment.

6. Allow employees to participate in the City's Vacation Donation (Shared Leave) program OR do not allow this. The current Vacation Donation policy is Attachment B.
   Staff recommends that temporary and part time employees be allowed to participate in the City's Vacation Donation (Shared Leave) program in that they may receive donations of leave from other employees in the defined circumstances.

The City Council is requested to provide direction on the six discretionary elements of the sick leave law listed above, which will only apply to newly eligible temporary and part time employees, so that they may be incorporated into the City's Personnel Policies. Staff recommendation is noted above also.

Other provisions of the state law apply to <u>all</u> employees and include:

- Expanded definitions for authorized use of sick leave (such as for health related closures of school, domestic violence leave, etc.),
- Definitions of family members (foster, de facto parents, etc.),
- Rates of pay when using sick leave (regular rate which is current City practice),
- Increments of use (hours, half hours), same as current City practice,
- Rehires (must reinstate unused accrued sick leave if rehire is within 12 months of separation),
- Retaliation for lawful use of sick leave is prohibited,
- Can require verification for absences exceeding three days (continue City practice).

These are not discretionary to the City and will require amendments to the Personnel Policies and review by legal counsel to ensure they comply with the state law requirements. For further information, see Attachment C for Washington State Department of L&I General FAQs.

After the City Council provides direction on the discretionary elements (1 – 6 above), staff will bring forward amendments to the personnel policies for City Council approval at a Council meeting in February.

<u>COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED</u>:

Provides assurance of regulatory and policy compliance.

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SICK LEAVE

All full-time regular employees accrue sick leave benefits at the rate of eight (8) hours for each calendar month of continuous employment. Regular part-time employees will accrue sick leave benefits on a pro-rata basis according to hours worked. Job-share employees will accrue sick leave benefits as prescribed in Section 3.4.5.

Employees accrue and may use sick leave during their work trial period. Temporary employees are not eligible for sick leave benefits. Employees do not accrue sick leave benefits during a leave without pay.

Sick leave covers situations in which an employee is absent from work due to:

a) Physical injury or illness to the employee.

b) The need to care for the employee's dependents who are ill.

c) Medical or dental appointments for the employee or dependents, provided that the employee must make a reasonable effort to schedule such appointments at times which have the least interference with the work day.

d) Exposure to a contagious disease where on-the-job presence of the employee would jeopardize the health of others.

e) Use of a prescription drug which impairs job performance or safety.

f) Periods of disability and recovery associated with pregnancy, childbirth or nursing.

g) The critical illness of an immediate family member, not to exceed five (5) days.

A department director may require an employee to obtain a doctor's certificate when an employee is absent for a period in excess of three (3) working days. In addition, a department director may recommend and the City Manager may approve the opinion of a second doctor at the City's expense to determine whether the employee suffers from a chronic physical or mental condition which impairs his/her ability to perform the job. Employees who are habitually absent due to chronic incapacity, illness or disability may be terminated if their disability cannot be reasonably accommodated and/or when the employee's absenteeism prevents the orderly and efficient provision of services to the citizens of the City.

Employees who use all their accumulated sick leave and require more time off work due to illness or injury may, with their department director's recommendation and the City Manager's prior approval, take leave without pay, up to a maximum of one hundred and eighty (180) calendar days, if such leave does not interfere with the orderly and efficient provision of services to the citizens of the City.

Employees will be paid for unused sick leave at the rate of 5 hours sick leave = 1 hour pay upon a layoff or resignation in good status (defined in Section 9.5.1) with a maximum amount of 720 paid hours. Employees who leave City employment for reasons other than a layoff or resignation in good status shall not be eligible to receive payment for unused sick leave.

Employees will be paid for unused sick leave at the rate of 2 hours of unused sick leave = 1 hour pay (upon retirement or death) An employee is considered retired if he/she applies for and is granted retirement benefits from PERS, LEOFF, or any other retirement program contributed to by the employee, the City, or both. If this requirement is met, the employee will receive the retirement payout for unused sick leave.

At such time that the City employs 50 or more employees, the City may consider the integration of sick leave policies with Family Medical Leave Act (FMLA) leave policies.

Vacation Donation (Shared Leave)

Intent. The purpose of shared leave is to permit City employees, at no additional employee cost to the City other than the administrative costs of administering the program, to come to the aid of a fellow City employee who is suffering from or has an immediate family member suffering from an extraordinary or severe illness, injury, impairment, or physical or mental conditions which has caused or is likely to cause the employee to take leave without pay or to terminate his or her employment.

A department director, with the City Manager's approval, may permit an employee to receive shared leave if:

a) The employee suffers, or has an immediate family member suffering from, an illness, injury, impairment, or physical or mental condition which is of an extraordinary or severe nature and which has caused, or is likely to cause, the employee to go on leave without pay status or to terminate his or her employment with the City.

b) The employee has depleted or will shortly deplete his or her total of accrued vacation, sick leave, compensatory time, holiday time, and/or other paid leave.

c) Prior to the use of shared leave, the employee has abided by the City's sick leave policy.

d) The employee has diligently pursued and is found to be ineligible for state industrial insurance benefits.

e) The use of shared leave will not significantly increase the City's costs, except for those costs which would otherwise be incurred in the administration of this program or which would otherwise be incurred by the employee's department.

The department director, with the concurrence of the City Manager, shall determine the amount of shared leave, if any, which an employee may receive under this ordinance. The employee shall be required to provide appropriate medical justification and documentation both of the necessity for the leave and the time which the employee can reasonably be expected to be absent due to the condition. To the extent possible, shared leave should be used on a consecutive basis.

Employees may request their department director to approve the transfer of a specified amount of accrued vacation leave to an employee who is authorized to receive shared leave as provided herein. In order to be eligible to donate vacation leave, an employee must have a total of more than 10 days of accrued vacation leave. Transfers shall be in increments of one day of leave. In no event shall a transfer of leave be approved which would result in an employee reducing his or her total vacation leave in a calendar year to less than 10 days. The department director shall not transfer vacation leave in excess of the amount specified in the request. All donations of leave shall be voluntary.

Leave may be transferred from employee(s) from one department to an employee of the same department, or, with the concurrence of both department directors, to an employee of another department.

While an employee is on shared leave, he or she will continue to be classified as a City employee and shall receive the same treatment, in respect to salary and benefits, as the employee would otherwise receive if using vacation leave.

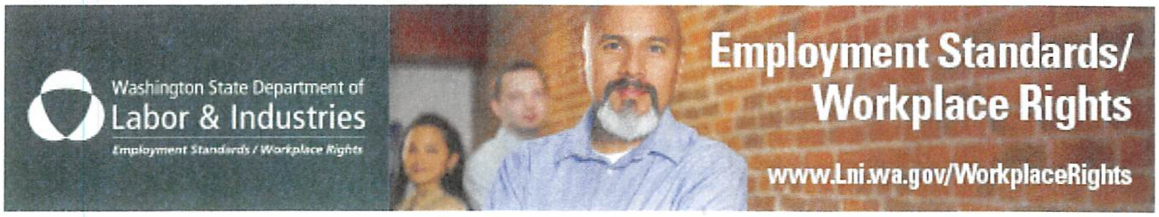
All salary benefit payments made to the employee on a shared leave shall be made by the department employing the person using the shared leave.

The employee's salary rate shall not change as a result of being on shared leave nor, under any circumstances, shall the total of the employee's salary and other benefits, including but not limited to state industrial insurance or any other benefit received as a result of payments by the City to an insurer, health care provider, or pension system, exceed the total of salary and benefits which the employee would have received had he or she been in a regular pay status.

Vacation leave shall be transferred on a dollar-for-dollar basis. The value of the leave shall be determined at the current hourly wage of the transferor and the leave available to the receiving employee shall be calculated at the receiving employee's wage.

Support Services shall be responsible for computing the values of donated leave and shared leave, and shall also be responsible for adjusting the accrued leave balances to show the transferred leave. The Finance Director shall determine the appropriate fund transfers and budget amendments if needed. Records of all leave time transferred shall be maintained in the event any unused time is returned at a later date.

The value of any leave transferred which remains unused shall be returned at its original value to the employee or employees who donated the leave. The department director shall determine when shared leave is no longer needed. To the extent administratively feasible, the unused leave shall be returned on a pro rata basis.



Washington State Department of Labor & Industries
Fraud Prevention & Labor Standards Division
Employment Standards Program
Paid Sick Leave General FAQ

Purpose of this Document

The intention of this document is to help provide guidance on frequently asked questions (FAQ) about the Washington (WA) State Paid Sick Leave requirements. This document is strictly for educational purposes and is not intended to substitute for or replace professional legal counsel. The answers provided below may be subject to change depending on specific circumstances. For more information on the sources referenced in this document, please click on the hyperlinks provided below.

Paid Sick Leave Law Effective Date

When does the paid sick leave law take effect?

The paid sick leave law and all applicable rules go into effect on **January 1, 2018**.

Employers Who are Required to Provide Paid Sick Leave

Are all employers required to provide paid sick leave?

Yes. Almost all employers must provide paid sick leave to their employees, unless the employer only has workers who are exempt from **Chapter 49.46 RCW – Minimum Wage Act**, which includes the paid sick leave requirements.

Employees Who are Eligible for Paid Sick Leave

Are all employees eligible for paid sick leave?

Yes. All workers who meet the definition of "employee" as defined in **Chapter 49.46 RCW – Minimum Wage Act** are eligible to receive paid sick leave. However, some workers may not be eligible because of their job duties and requirements. If a worker is exempt under the definition of employee as listed under **Chapter 49.46 RCW**, then the worker would be exempt from eligibility to receive paid sick leave. An example of an exemption is any individual employed in a bona fide executive, administrative, professional, or outside sales capacity. Exemptions to the paid sick leave law are fact specific. For more information on exemptions to the paid sick leave law, please see **ES.A.1 – Employment Standards Administrative Policy – Minimum Wage Act Applicability** and **RCW 49.46.010(3)(a)-(p)**.

Are there any other exemptions from the requirement to provide paid sick leave?

The following circumstances are some examples of other frequently-asked about scenarios that **do not** have a blanket exemption from the paid sick leave requirements:

- Small businesses or employers with few employees
- An employee's employment status (e.g., part-time, full-time, seasonal, temporary, etc.)
- Student workers
- Substitute teachers
- Collective Bargaining Agreements (CBA) which waive workers' rights or entitlements listed under **Chapter 49.46 RCW**. Please see the **Paid Sick Leave & Collective Bargaining Agreements** section for more information.

Paid Sick Leave Accrual

When do employees begin accruing paid sick leave?

All employees begin accruing paid sick leave for all "hours worked" effective on January 1, 2018.

What is the required accrual rate for paid sick leave?

All employees must accrue at least one hour of paid sick leave for every 40 hours worked.

What is the definition of "hours worked"?

Hours worked is defined as "all hours during which the employee is authorized or required by the employer to be on duty on the employer's premises or at a prescribed work place." For more information about hours worked, please see **ES.C.2 – Employment Standards Administrative Policy – Hours Worked** and **WAC 296-126-002**.

Do employees accrue paid sick leave for overtime hours?

Yes. Overtime (OT) hours are considered hours worked, and must be taken into account for the purposes of paid sick leave accrual.

Is there a set time frame in which employees must perform work to accrue paid sick leave? For example, an employee works less than 40 hours in a week, so they do not accrue one hour of paid sick leave because they did not work 40 hours. Is the employee's hours worked forfeited for accrual purposes because they did not work 40 hours in that week?

No. Paid sick leave accrues continuously based on all hours worked. There is no set time frame (e.g., daily, weekly, monthly, etc.) for which hours worked need to be performed to accrue paid sick leave.

> **Example:** A part-time employee works 30 hours in a week. The employee does not accrue one hour of paid sick leave for that time because they did not work 40 hours. However, the hours worked must still be counted for paid sick leave accrual purposes. The employee works 15 hours of work the following week. The employee would accrue one hour of paid sick leave because they reached 40 hours worked.
>
> The five additional hours of work must still be counted for paid sick leave accrual purposes. When the employee has worked an additional 35 hours, regardless of when the work is performed, that employee would accrue one hour of paid sick leave.

Do employees accrue paid sick leave for hours when they are using leave? For example, would an employee accrue paid sick leave while using paid sick leave?

No. Employers are not required to allow employees to accrue paid sick leave for hours paid when not working. Employees only accrue paid sick leave for hours worked.

> **Example:** Employers are not required to allow employees to accrue paid sick leave during vacation, paid time off (PTO), or while using paid sick leave.

Is there a cap for paid sick leave accrual?

No. There is no cap for paid sick leave accrual. Employees must accrue paid sick leave for all hours worked. However, an employer is not required to allow an employee to carry over more than 40 hours of paid sick leave into the following year. See the Paid Sick Leave Carryover section below.

May employers define "year" for accrual and carryover purposes?

Yes. An employer may define "year" for paid sick leave accrual and carryover purposes. The default definition of year is "calendar year", unless defined by the employer.

A **year** may be defined as a "calendar year, fiscal year, benefit year, employment year, or any other fixed consecutive twelve-month period established by an employer policy or a CBA, and used in the ordinary course of the employer's business for the purpose of calculating wages and benefits." – **WAC 296-128-620(6)**

Paid Sick Leave Usage

When is an employee eligible to use their accrued paid sick leave?

An employee is eligible to use their accrued paid sick leave beginning on the 90th calendar day of their employment.

Note: For employee eligibility for the use of paid sick leave, it is based on calendar days, not work days.

When can employees hired before January 1, 2018 use paid sick leave?

Employees who have 90 calendar days of employment prior to January 1, 2018 will be eligible to use their paid sick leave once they have accrued it and it is available.

For employees hired before January 1, 2018 who did not reach the 90th calendar day of their employment, their previous calendar days of employment prior to the law taking effect must be counted towards their eligibility for the use of paid sick leave.

Example: An employee has 60 calendar days of employment before January 1, 2018. When the law takes effect, the employee would only need an additional 30 calendar days of employment before they are eligible to use their accrued, available paid sick leave.

What are the authorized purposes for which an employee can use their accrued paid sick leave?

An employee may use their accrued paid sick leave for the following purposes:

1. **To care for themselves or a family member** for the following reasons: mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or an employee's need for preventive medical care.

2. **An employee's place of business, or their child's school, or place of care** has been closed by order of a public official for any health-related reason.

   Note: A closure due to weather conditions does not count as an authorized purpose for the usage of paid sick leave.

3. An employee who qualifies for leave under **Chapter 49.76 RCW – Domestic Violence Leave Act**.

What is the definition of a "family member"?

Family member is defined as:

1. **A child** including: a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status.

2. **A parent** including: a biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.

3. **A spouse**

4. **A registered domestic partner**

5. **A grandparent**

6. **A grandchild**

7. **A sibling**

In what increments may employees use paid sick leave?

Employers must allow employees to use paid sick leave in increments consistent with the employer's payroll system and practices for tracking compensation, but not to exceed one hour.

Example: If an employer's normal practice is to track increments of work for the purposes of compensation in 15-minute increments, then an employer must allow employees to use paid sick leave in 15-minute increments.

Is there a cap for the amount of paid sick leave an employee can use?

No. There is no cap for the amount of paid sick leave an employee can use. As long as an employee has available, accrued paid sick leave, the employee must be allowed to use their leave for an authorized purpose listed above.

Rate of Pay for Employees Using Paid Sick Leave

What is the rate of pay that employers are required to provide employees using paid sick leave?

Employers must provide employees using paid sick leave with their "normal hourly compensation".

What is the definition of "normal hourly compensation"?

Normal hourly compensation is defined as "the hourly rate that an employee would have earned for the time during which the employee used paid sick leave." – **WAC 296-128-600(10)**

> **Note:** For employees who use paid sick leave for hours that would have been OT hours if worked, employers are not required to apply OT standards to their normal hourly compensation. In addition, normal hourly compensation does not include tips, gratuities, service charges, holiday pay, or other premium rates, unless the employer or a CBA allows for it.

How does an employer calculate normal hourly compensation for employees who are not paid an hourly rate?

For employees using paid sick leave that are paid other than an hourly rate, employers must apply a reasonable calculation to determine the normal hourly compensation for their employees. Such a calculation must be applied to consistently to all employee of similar status. The Department offers examples of reasonable calculations for determining the rate of pay for employees using paid sick leave that are paid other than an hourly rate under WAC 296-128-670(2)(a)-(d).

> **Example:** For an employee paid partially or wholly on a commission basis, the employer would want to divide the employee's total earnings by the total hours worked in the full pay periods in the prior 90 days of employment.

Paid Sick Leave Carryover

What is the carryover requirement for employees with unused paid sick leave at the end of a year?

Employers must allow employees with 40 hours or less of unused, accrued paid sick leave to carry over their unused paid sick leave into the following year.

> **Example:** An employee accrues and does not use 52 hours of paid sick leave in 2018. The employer caps the employee's carryover of unused, accrued paid sick leave at 40 hours. The employee begins 2019 with 40 hours of paid sick leave. During 2019, the employee accrues 52 hours of paid sick leave in addition to the unused paid sick leave carried over from 2018. If the employee does not use any paid sick leave in 2019, then at the end of 2019 the employee would have a balance of paid sick leave of 92 hours. The employer can choose to cap the employee's carryover of unused, accrued Paid Sick Leave at 40 hours at the end of 2019. If the employer choses to cap the employee's carryover, the employee would begin 2020 with 40 hours of paid sick leave.

Do employees accrue additional paid sick leave if they carried over unused paid sick leave from the prior year?

Yes. Accrual of paid sick leave in the following year is in addition to the carried over paid sick leave hours from the previous year.

> **Example:** An employee carries over 40 hours of unused paid sick leave into 2019 from 2018. During the first week of 2019, the employee accrues one hour of paid sick leave. The one hour of paid sick leave is in addition to the 40 hours of unused paid sick leave carried over from 2018. This means that the employee would have a balance of 41 hours of paid sick leave.
>
> > **Note:** An employer *may* define year for paid sick leave accrual and carryover purposes. Please see the **Paid Sick Leave Accrual** section for more information.

Frontloading Paid Sick Leave

May employers frontload paid sick leave?

Yes. Employers ***may choose*** to frontload paid sick leave.

What are the requirements for an employer who chooses to frontload paid sick leave?

For employers who ***choose*** to frontload paid sick leave to their employees, they must ensure that the frontloaded paid sick leave covers the hours of paid sick leave that their employees are projected to accrue. Frontloaded programs or policies must also be created through a written policy or a CBA addressing the requirements for the use of frontloaded paid sick leave. In addition, frontloaded programs or policies must meet or exceed all requirements of the law.

What happens if an employer does not frontload enough paid sick leave?

If an employer ***chooses*** to frontload paid sick leave to an employee, but the frontloaded paid sick leave is less than the amount the employee was entitled to accrue, the employer must correct the difference no later than 30 days after identifying the discrepancy.

Can an employer request reimbursement from an employee during on-going employment if the employee uses more frontloaded paid sick leave than what they would have accrued?

No. If an employer ***chooses*** to frontload paid sick leave to an employee and an employee uses more frontloaded paid sick leave than what they would have accrued, the employer is not allowed to seek reimbursement from the employee during the course of ongoing employment.

Can an employer request reimbursement from an employee for using more paid sick leave than what they would have accrued and a separation of employment occurs?

Yes. If an employee uses more frontloaded paid sick leave than what they would have accrued and there is a separation of employment, an employer ***may*** deduct from the employee's final wages if a policy or agreement was established prior to allowing for such a deduction. Deductions from an employee's final wages also need to meet the requirements of **RCW 49.48.010** and WAC 296-126-025.

If an employer chooses to frontload paid sick leave, are they required to allow an employee to carry over 40 hours or less of unused paid sick leave?

Yes. Employers who ***choose*** to frontload paid sick leave are not relieved of the paid sick leave carryover provision.

Paid Sick Leave in the Form of Paid Time Off

May employers provide paid sick leave in the form of a paid time off program or policy?

Yes. An employer ***may choose*** to provide paid sick leave in the form of a paid time off (PTO) program or policy.

> **Note:** A **PTO program or policy** means a program or policy that provides employees with one bank of leave that can be used for multiple purposes, including the requirements set forth in the paid sick leave law.

What are the requirements for employers who choose to provide paid sick leave in the form of a PTO program or policy?

For employers who ***choose*** to provide paid sick leave to their employees in the form of a PTO program or policy, they must ensure that their PTO program or policy meets or exceeds all requirements of the law and all applicable rules. Such programs need to be created through a CBA or written policy addressing the requirements for the use of PTO.

Is an employer required to provide additional PTO in the event that an employee uses all their leave for other purposes other than what the law requires?

No. If an employer ***chooses*** to provide paid sick leave in the form of a PTO program or policy, they are not required to provide additional PTO in the event that an employee uses all of their PTO bank, regardless if the employee used it all for purposes not designated.

> **Example:** An employee uses all of their PTO bank to go on vacation. When the employee returns to work, they claim that they are sick and request more PTO to cover the time they will miss. If the employer has met their obligations of providing PTO according to the law and all applicable rules, the employer is not required to provide additional PTO to the employee.

Employee Use of Paid Sick Leave for Unauthorized Purposes

What can an employer do if they can demonstrate that their employee's use of paid sick leave was for an unauthorized purpose under the law?

If an employer can demonstrate that an employee's use of paid sick leave was for an unauthorized purpose, the employer may withhold payment for the paid sick leave used, but may not deduct those hours from an employee's legitimately accrued, unused paid sick leave. If an employer withholds payment for the unauthorized use of paid sick leave, the employer must provide notification to the employee. For more information about employees using paid sick leave for unauthorized purposes, please see WAC 296-128-750.

Paid Sick Leave & Collective Bargaining Agreements

Can a CBA waive an employee's right to paid sick leave?

No. Any agreement between an employee and an employer allowing for the employee to receive less than what is due under **Chapter 49.46 RCW** is unlawful, including the requirement to provide paid sick leave.

Paid Sick Leave & Separation of Employment and Rehiring

Are employers required to pay out unused paid sick leave in the event of a separation of employment?

No. Employers are not required to provide employees with financial or any other type of reimbursement for unused, accrued paid sick leave in the event of a separation of employment.

What happens if an employee is rehired by the same employer?

If an employee is rehired within 12 months of separation, at the same or different business location of the employer, the employer must reinstate any unused accrued paid sick leave from the previous period of employment.

Are employees required to wait an additional 90 calendar days to use their accrued paid sick leave bank if rehired within 12 months?

No. If an employee is rehired within 12 months of separation, at the same or different business location of the employer, the previous calendar days of employment must be counted for purposes of determining the employee's eligibility to use paid sick leave.

Example: An employee has 80 calendar days of employment with an employer prior to separation of employment. The employee is rehired within 12 months of separation. The employee would only need to remain employed 10 more calendar days before they could use their accrued paid sick leave.

Shared Paid Sick Leave

May employers establish a shared paid sick leave program?

Yes. An employer ***may*** establish a shared paid sick leave program in which an employee may choose to donate paid sick leave to a co-worker.

What are the requirements for employers who choose to provide a shared paid sick leave program?

If an employer establishes a shared paid sick leave program, the employer must have a written policy or a CBA which specifies that an employee may donate accrued, unused paid sick leave to a co-worker for purposes authorized under the law. In addition, employers must notify employees of such a policy or agreement prior to allowing an employee to donate or use shared paid sick leave, and must make this information readily available to all employees.