



LYNNWOOD
WASHINGTON

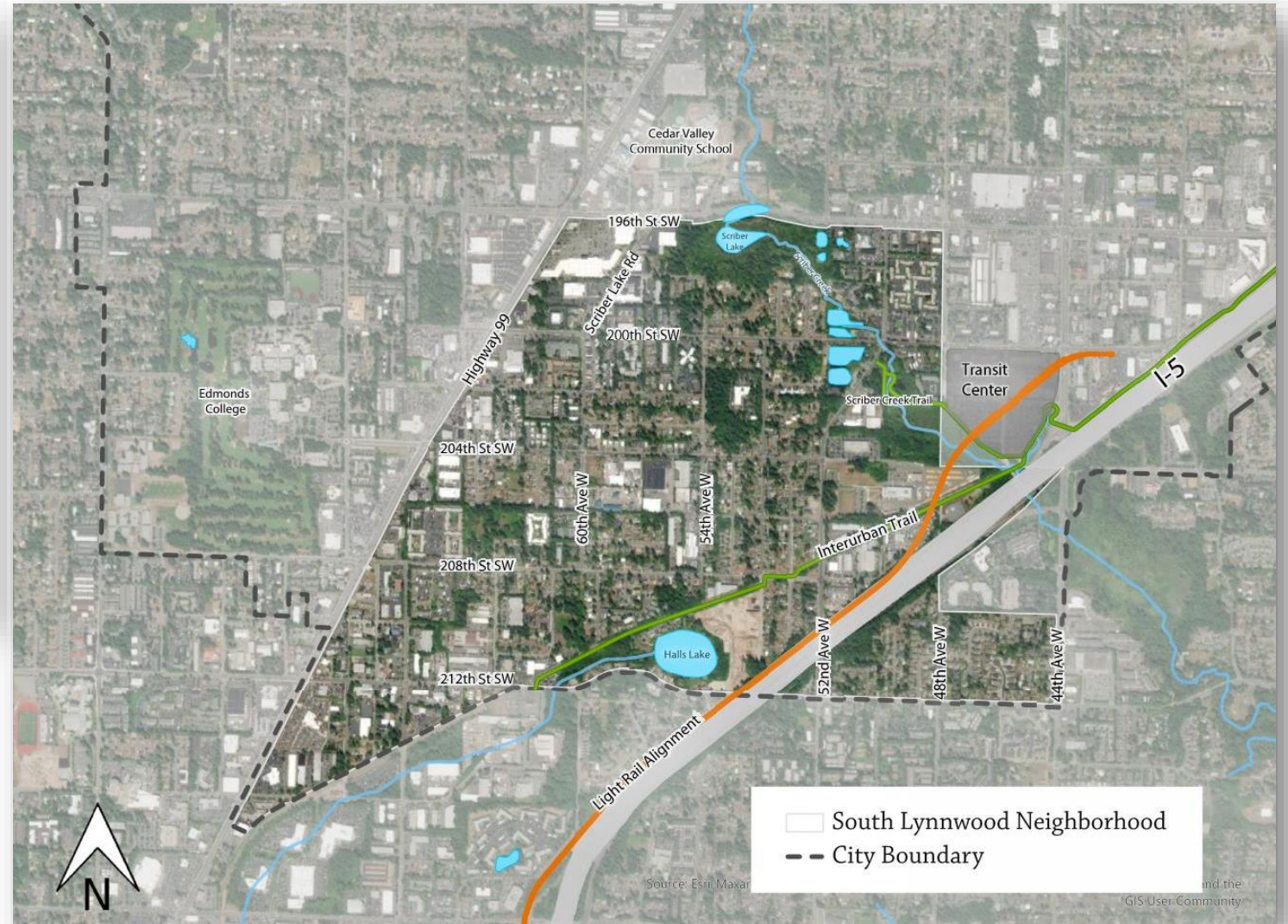
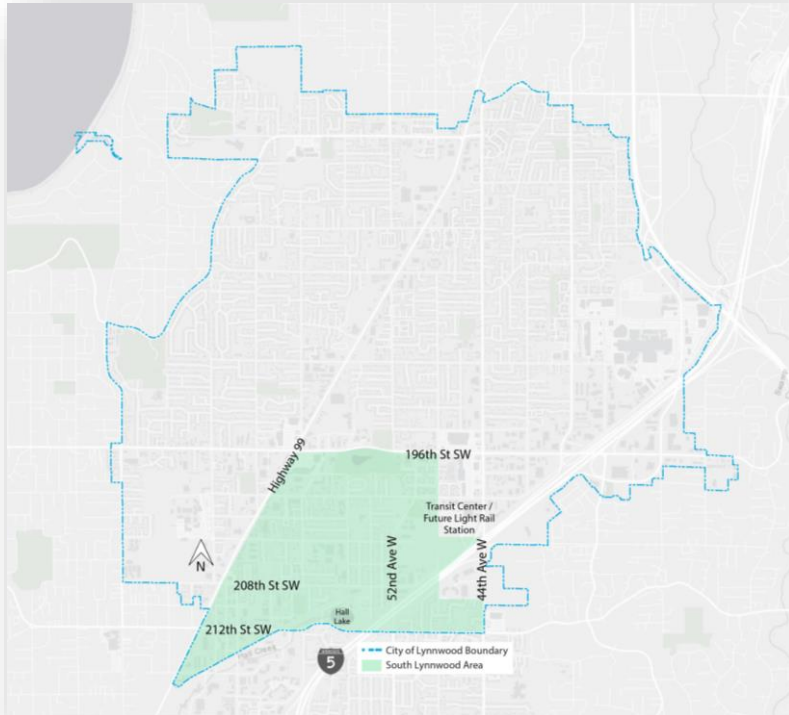
A great deal more

South Lynnwood Neighborhood Plan

City Council
March 29, 2021

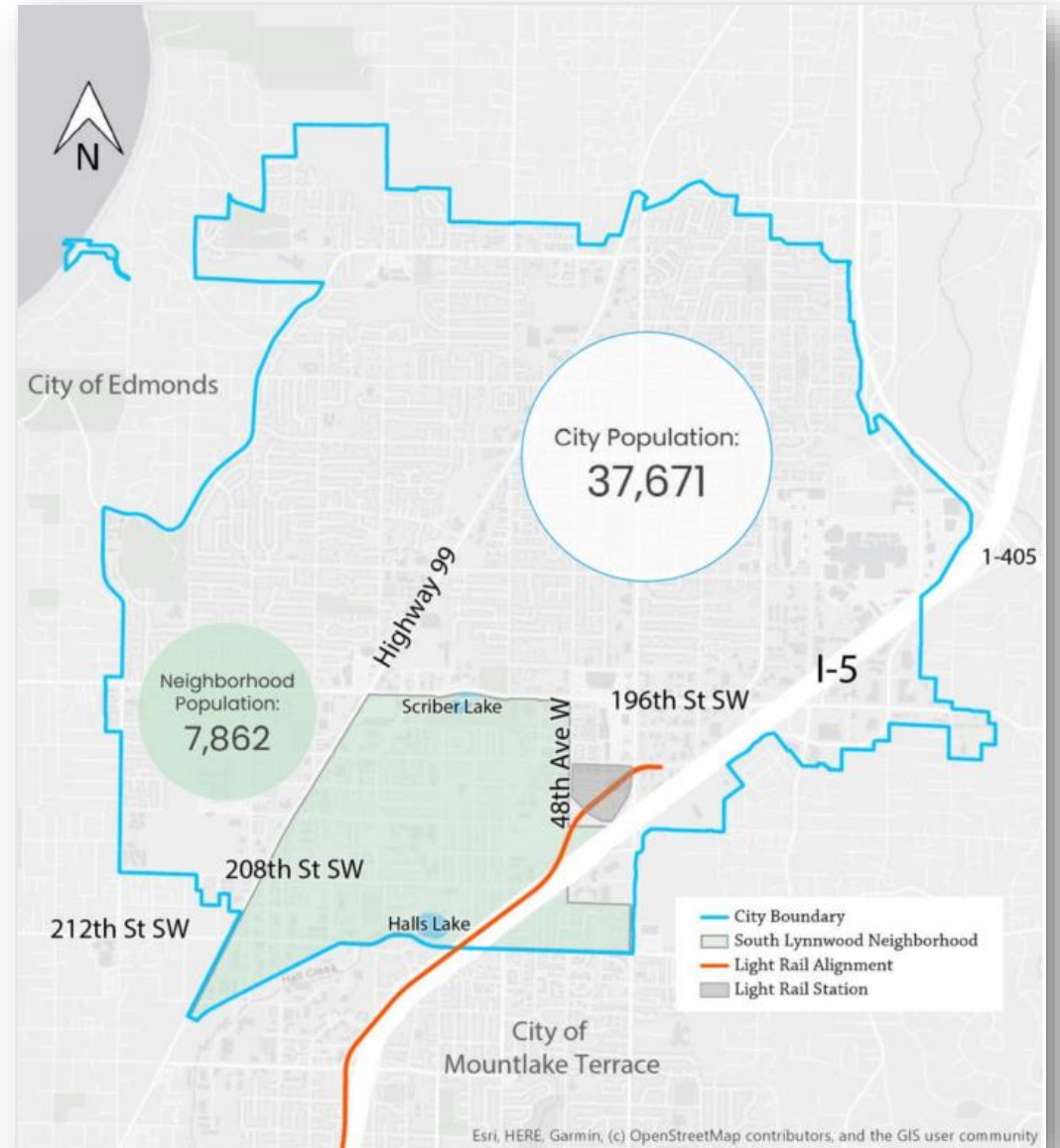
Ashley Winchell, AICP, Community Planning Manager
Erik Bagwell, EcoNorthwest

Where is South Lynnwood?



Who lives in South Lynnwood?

Race	South Lynnwood	Lynnwood
White	51%	55%
Black	7%	7%
Native American	1%	0%
Asian	11%	17%
Pacific Islander	0%	1%
Other	0%	0%
Multi-Racial	4%	7%
Hispanic	25%	13%



Plan Purpose



- Culturally rich place to live
- Support and grow businesses
- Ease transition to higher density areas
- Identify areas appropriate for redevelopment
- Protect residents against displacement
- Allow for residents to stay in South Lynnwood



Future Condition Statements



Residents, businesses, and community partners **work together** to create a vibrant community which **celebrates diversity**.



Households, families, community partners, and businesses are **preserved and stable**.



A healthy neighborhood which is home to **safe walking networks, parks, open spaces, and gathering places**.



Economic development progresses through **employment opportunities** and **access to social services**.



South Lynnwood – Industrial & Heavy Commercial

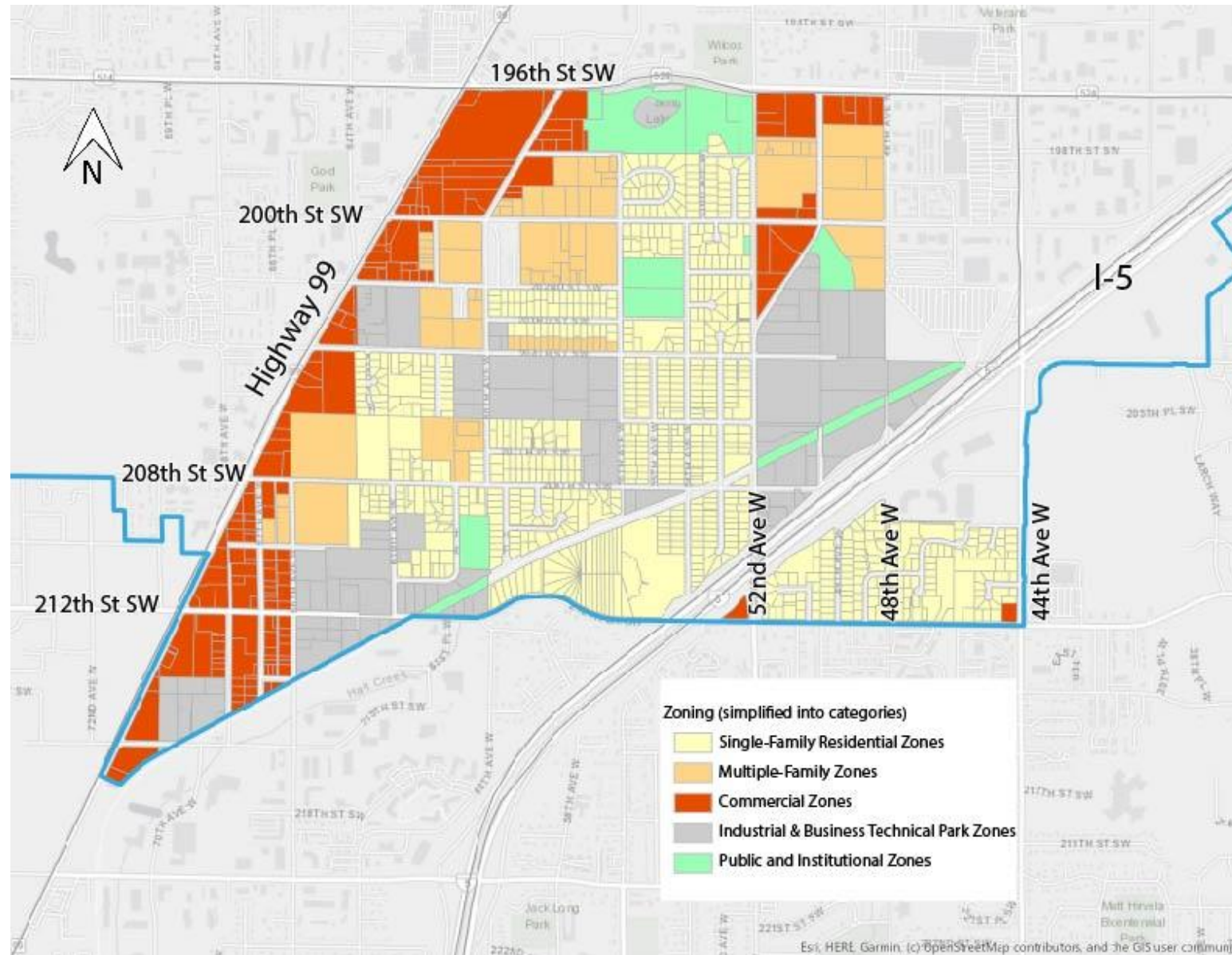


South Lynnwood - Residential

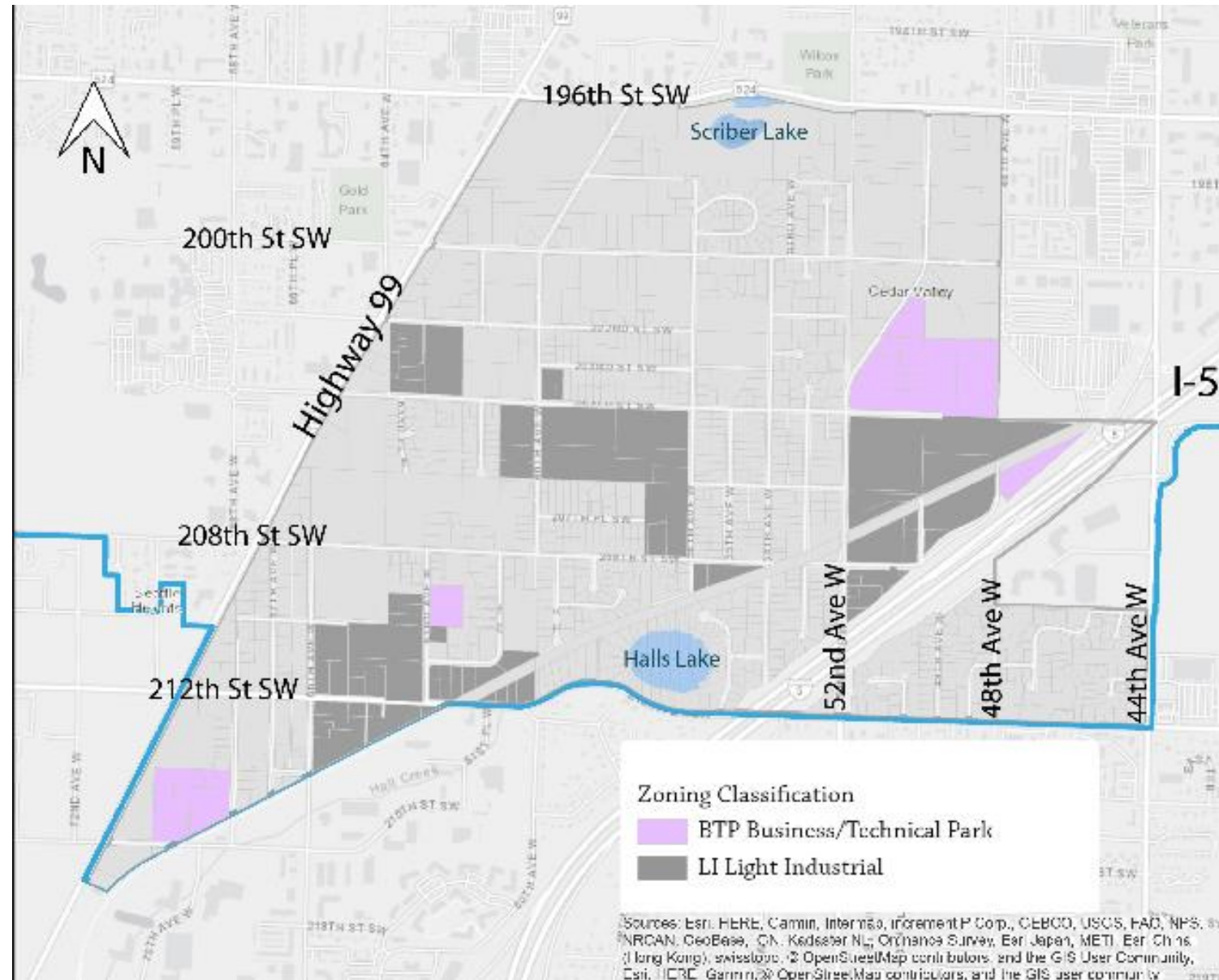


Market Analysis and Development Finance:
South Lynnwood Neighborhood

South Lynnwood Neighborhood Zoning



Zones where Light Industrial uses are allowed



Industrial land uses are important

- Preservation of industrial land provides economic development opportunities
 - Lower cost facilities enable new businesses and potentially innovative industries to grow and expand
- Support more diverse enterprises (thus a more diverse community)
- Provide access to good paying job opportunities
- Needed to facilitate local public services (recycling and waste vehicles need to be stored somewhere)

- Heavy Industrial:
 - Manufacturing, production, or storage that involve large undertakings (e.g. steel production or big equipment manufacturing)
 - Needs large areas of land and is high cost, and has high barriers to entry
- Light Industrial:
 - Less environmentally disruptive
 - More consumer oriented than business-oriented
 - Produce small consumer goods or provide consumer services

Most industrial uses operate in two zones

- **Business and Technical Park (BTP)**

- Primarily intended for business and technical parks and utilized for tracts considered difficult to develop
- Permits a variety of uses: Office, wholesale, manufacturing, and research development

- **Light Industrial (LI)**

- Allows light manufacturing and wholesaling activities with little retail contact
- Permits more uses than BTP (e.g. athletic facilities, automotive repair, and food processing, packaging and distribution)

- **General Commercial Zone**

- Some industrial uses exist in this zone
- Warehouses, automotive repair, and Litho Craft (large format printing services)

A variety of businesses operate in the industrial zones

- Most industrial businesses in the subarea are in the Light Industrial (LI) and Business and Technical Park (BTP) zoned parcels

Business Activity	Number of businesses	Rentable Square Feet
Manufacturing	10	269,467
Office	8	177,524
Trades	7	92,966
Auto Repair	4	21,302
Professional Services	3	23,747
Towing	2	21,357
Warehouse	2	29,866
Auto Parts Retailer	2	27,768
Mobile Home Park	2	N/A
Distribution	1	43,029
Flex	1	3,060
Fiber Optic Cable Supplier	1	19,860
Metal Fabrication	1	9,120
Fuel Tank Cleaning	1	3,320
Auto Parts and Supplies	1	50,000
Glass Fabrication	1	13,680
Sound and Communication Systems	1	10,172
Food Distribution and Packaging	1	24,218
Food Processing	1	10,355

Business activities support high paying jobs

The sectors within the BTP and LI zones represent some of the highest paying industries in Snohomish County.

Snohomish County Businesses, Employment and Wages by Sector

Industry	Employment	Percent of Total Employment	Establishment Count	Average Annual Wages
Information	3,640	0.8%	377	\$109,044
Manufacturing	57,834	12.5%	775	\$95,836
Goods-producing	82,754	17.9%	4,279	\$84,708
Financial activities	12,735	2.8%	1,613	\$80,756
Professional and business services	27,025	5.9%	3,520	\$68,588
Construction	23,107	5.0%	3,292	\$57,772
Education and health services	33,617	7.3%	5,327	\$53,352
Service-providing	148,854	32.3%	17,533	\$53,144
Trade, transportation, and utilities	44,815	9.7%	3,265	\$47,112
Natural resources and mining	1,813	0.4%	212	\$44,356
Other services	6,093	1.3%	1,559	\$34,580
Leisure and hospitality	20,929	4.5%	1,872	\$20,644
Total	442,287	100%	4,905	\$62,491

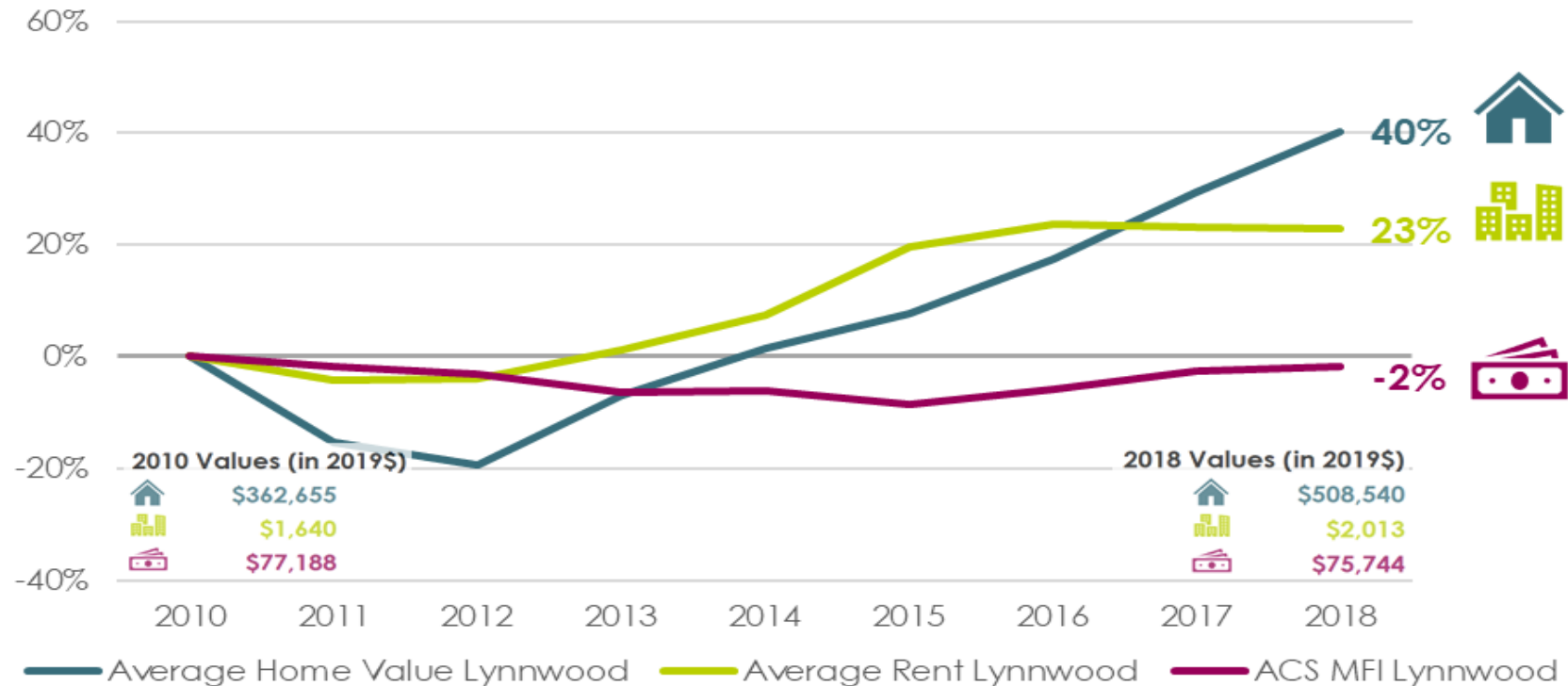
Source: QCEW Snohomish County, June 2020

Challenges of industrial land preservation

- Aging buildings (average building age 40 years) will require renovations soon
- Low rents (avg. \$12.32 /sf) and low vacancy rate (1%) make renovations difficult
- Population growth and light rail add pressure to rezone / redevelop for other uses
- Prioritizing the preservation of industrial areas = limits land opportunities to build needed housing

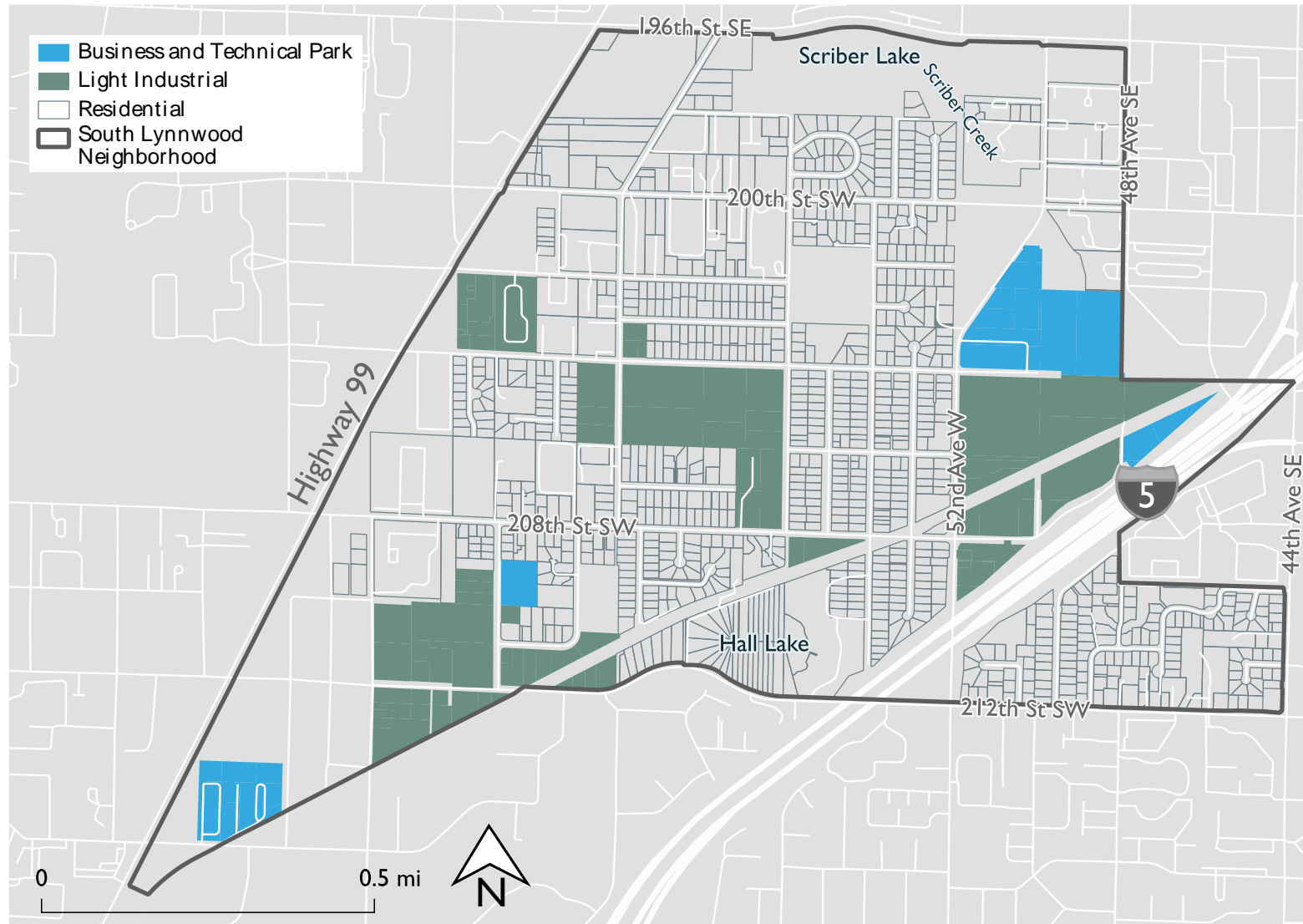
Housing costs have risen faster than incomes

Since 2010 Lynnwood home values increased by 40% and rents grew 23% when accounting for inflation. During the same time period, incomes in the City of Lynnwood decreased 2% when adjusted for inflation.



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

Industrial areas are adjacent to residential



Development can be a challenging process



 City Agency

 Developer

Notes

Times frames are approximate and represent larger projects (50 or more units)

Time frames would be shorter for smaller developments

What is housing affordability?

Definition: Housing costs no more than 30% of Income

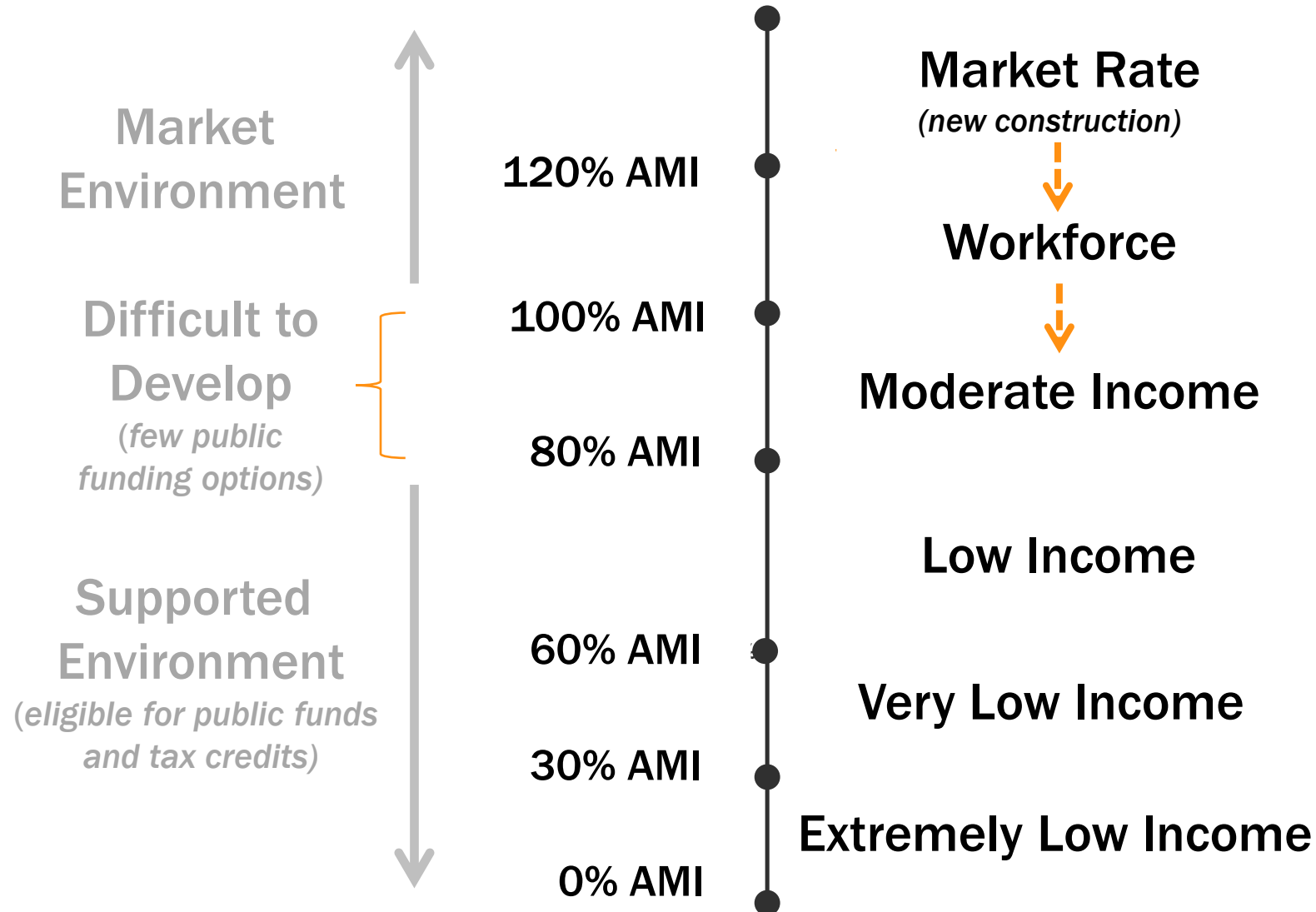
Example:

- Household income: \$4,500/month (\$54,000/year)
- 3-person household (2-bed unit) – qualifies as 50% AMI

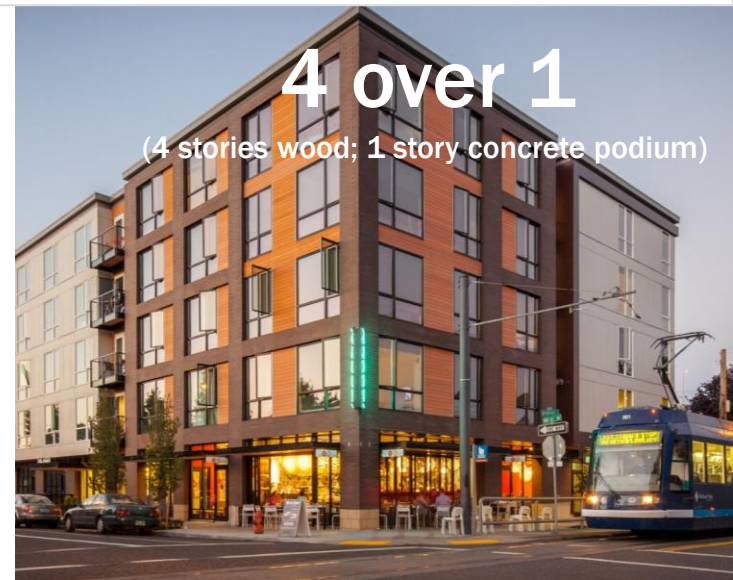
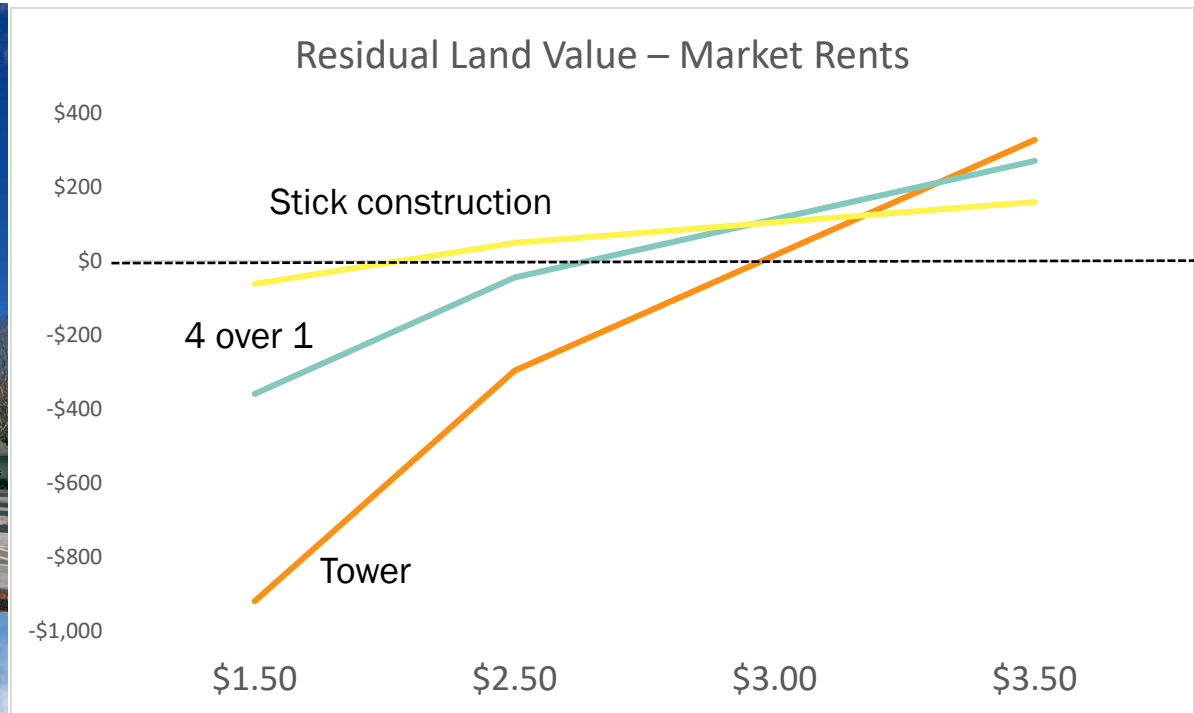
Housing Costs (rent or mortgage + utilities)

- | | |
|-------------------|---|
| ▪ \$1300 /month | Less than 30% of income |
| ▪ \$1,500 / month | More than 30% of income (cost burdened) |
| ▪ \$2,250 / month | 50% of Income (severely cost burdened) |

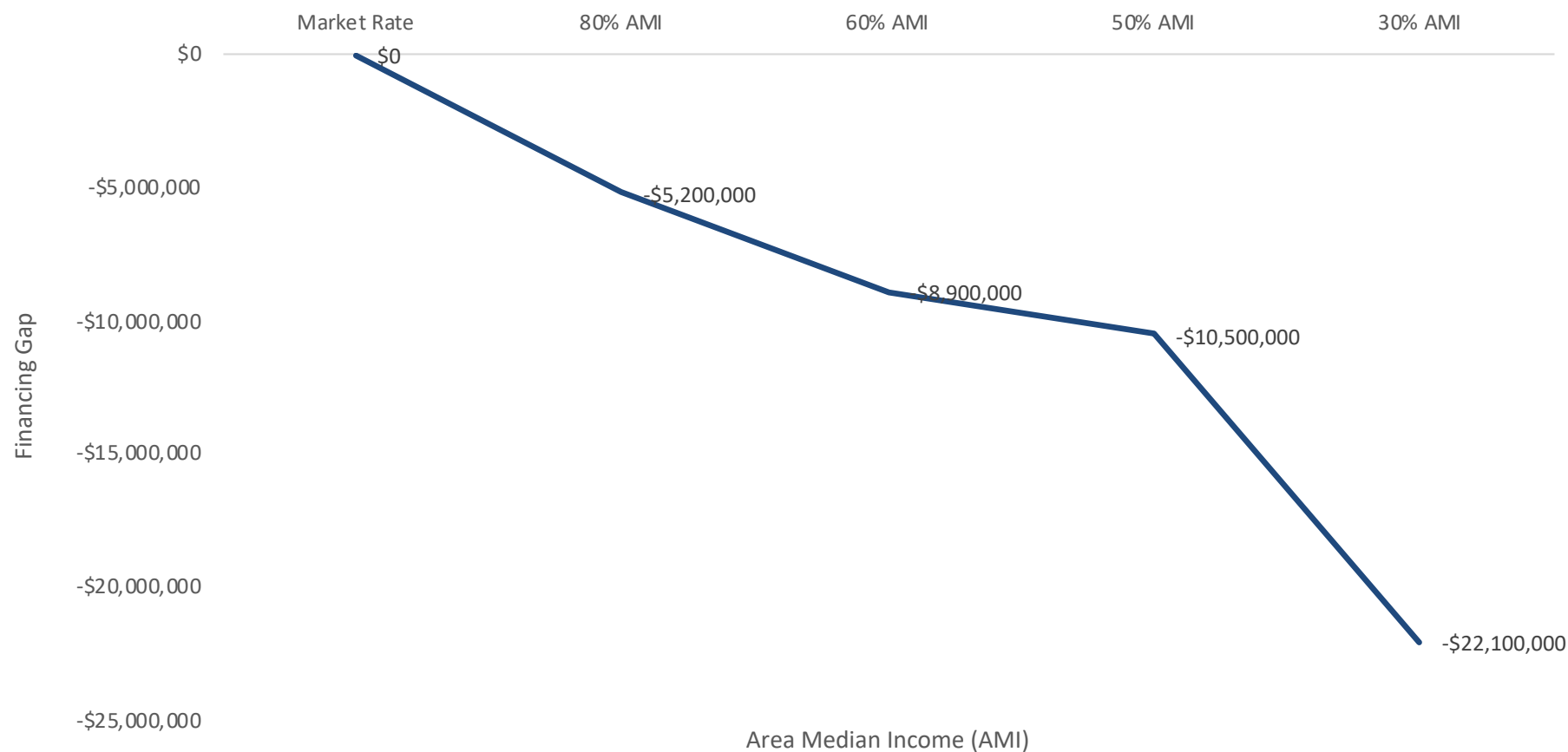
The market builds higher end housing



Construction type affects feasibility for all development



Filling financing gaps is needed for affordable housing

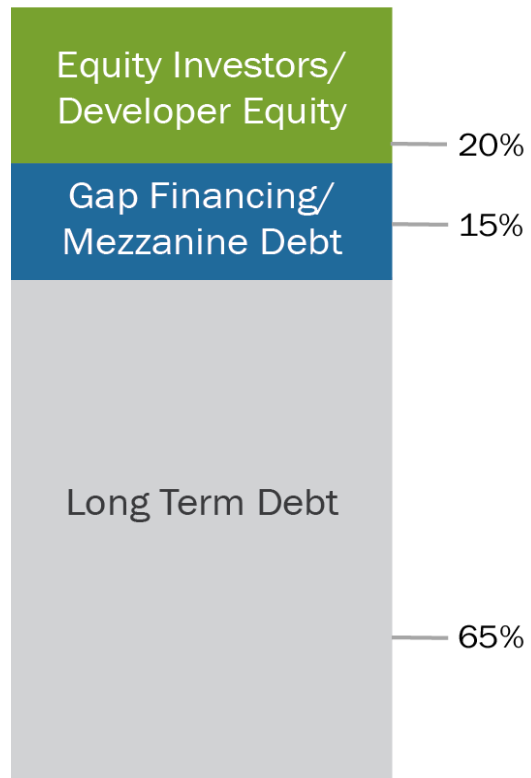


*Assumes the development of a 120-unit apartment complex (100% wood frame construction)

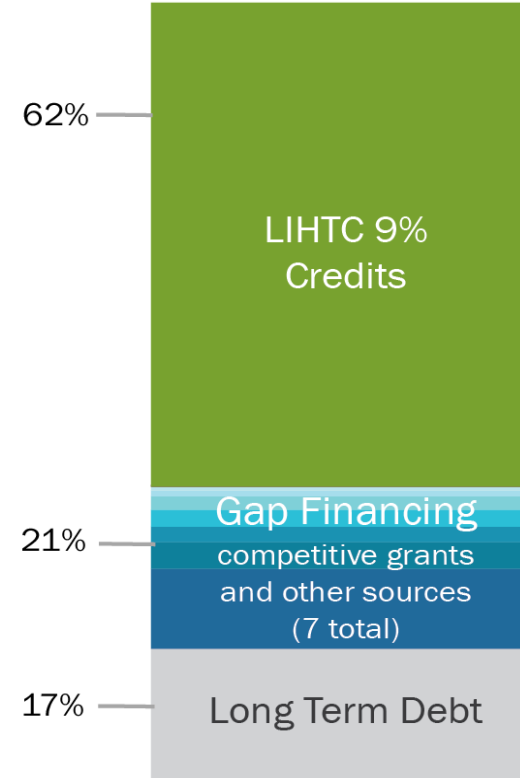
** All units set to the target AMI

Market Rate and Affordable Housing Capital Stacks

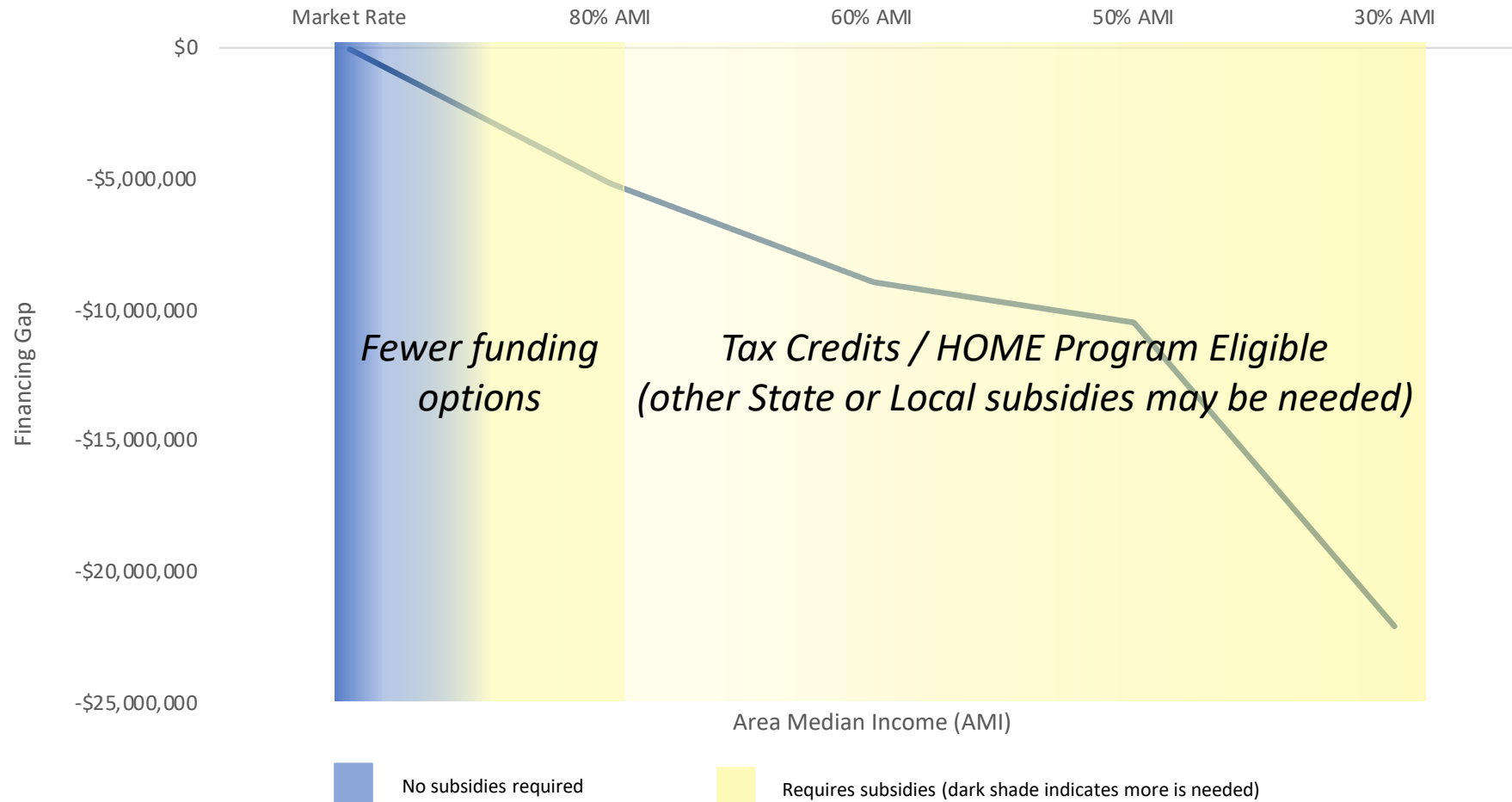
Market Funding Sources



Affordable Housing Funding Sources



Deeper affordability requires more funding sources



Housing Density Comes in a Variety of Forms

- Middle housing offers housing types for various household sizes and life stages.
- Traditionally public funding programs, local policies, and costs have disincentivized middle housing production (resulting in less housing type variety)
- Public subsidy programs also want to maximize the number of units produced.

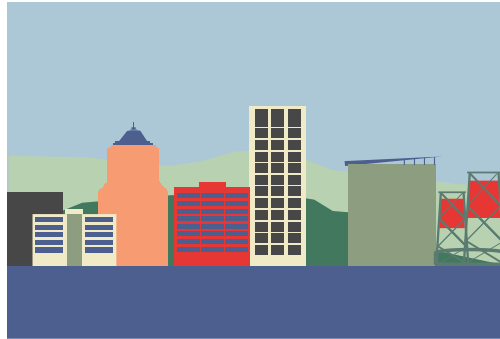


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South Lynnwood Neighborhood Plan Schedule

