	<p>City Council Study Session Community Wellness Special Focus Area March 22, 2021 - 5:30 PM Virtual AGENDA Watch the meeting LIVE!</p> <p>Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.</p>
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I. CALL TO ORDER

II. Virtual Participation Link

A. Virtual Participation Link

The Auburn City Council Meeting scheduled for Monday, March 22, 2021 at 5:30 p.m. will be held virtually and telephonically. To attend the meeting virtually please click the link or enter the meeting ID into the Zoom app or call into the meeting at the phone number listed below.

Per Governor Inslee's Emergency Proclamation 20-05 and 20-28 et. seq. and Stay Safe-Stay Healthy, the City of Auburn is prohibited from holding in-person meetings at this time.

City of Auburn Resolution No. 5581, designates City of Auburn meeting locations for all Regular, Special and Study Session Meetings of the City Council and of the Committees, Boards and Commissions of the City as Virtual Locations until Washington's Governor authorizes local governments to conduct in-person meetings.

The link to the Virtual Meeting or phone number to listen to the Council Meeting is:

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://zoom.us/j/99281299870>

Or join by phone:

253 215 8782

877 853 5257

Webinar ID: 992 8129 9870

B. Roll Call

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

- A. Police Advisory Committee (PAC) Presentation (O'Neil)(60 Minutes)
- B. Presentation by the King County Sexual Assault Resource Center (KCSARC) (Tate) (15 Minutes)
Executive Director of KCSARC, Mary Ellen Stone, will provide Council with a presentation describing services and funding related to the work performed by the KSCARC
- C. Update from the Junior City Council (Hinman)(10 Minutes)
Junior City Council to give updates on recruitment efforts and Youth Town Hall on April 8, 2021
- D. Ordinance No. 6814 (Thomas)(60 Minutes)
Draft B&O Tax Code
- E. Ordinance No. 6815 (Thomas)(20 Minutes)
An Ordinance amending Ordinance No. 6794, the 2021-2022 Biennial Operating Budget Ordinance, and Ordinance No. 6796, the 2021-2022 Biennial Capital Budget, authorizing amendment to the City of Auburn 2021-2022 Budget as set forth in Schedule "A" and Schedule "B"
- F. Resolution No. 5584 (Martinson)(15 Minutes)
A Resolution authorizing the Mayor and City Clerk to execute an agreement between the City of Auburn and Cayce & Grove for Public Defense Services

IV. COMMUNITY WELLNESS DISCUSSION ITEMS

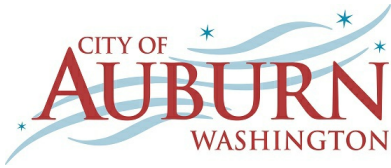
- A. Community Development Block Grant 2020 CAPER (Tate)(15 Minutes)
An overview of the 2020 City of Auburn CDBG Consolidated Annual Performance and Evaluation Report, including CDBG and CDBG-CV funds spent and progress made toward Annual Action Plan service goals

V. OTHER DISCUSSION ITEMS

VI. NEW BUSINESS

VII. ADJOURNMENT

Agendas and minutes are available to the public at the City Clerk's Office, on the City website (<http://www.auburnwa.gov>), and via e-mail. Complete agenda packets are available for review at the City Clerk's Office.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Police Advisory Committee (PAC) Presentation (O'Neil)(60 Minutes)

Date:

March 17, 2021

Department:

Police

Attachments:

[PAC Presentation](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

The Police Advisory Committee (PAC) will share a presentation representing their Petition to City Council.

Reviewed by Council Committees:**Councilmember:****Staff:**

O'Neil

Meeting Date: March 22, 2021

Item Number:

Past-Petition-Progress

Moving Forward

Past

How we got here

- George Floyd, Tamir Rice and Breonna Taylor

Past

How we got here

- George Floyd, Tamir Rice, and Breonna Taylor
- Black Lives Matter Rally in Auburn

Past

How we got here

- George Floyd, Tamir Rice, and Breonna Taylor
- Black Lives Matter Rally in Auburn
- Proposal for productive meetings to avoid probable mayhem

Past

How we got here

- George Floyd, Tamir Rice, and Breonna Taylor
- Black Lives Matter Rally in Auburn
- Proposal for productive meetings to avoid probable mayhem
- Native dancers and Civil Disturbance Unit

Past

How we got here

- George Floyd, Tamir Rice, and Breonna Taylor
- Black Lives Matter Rally in Auburn
- Proposal for productive meetings to avoid probable mayhem
- Native dancers and Civil Disturbance Unit
- Widespread sense of fear and distrust

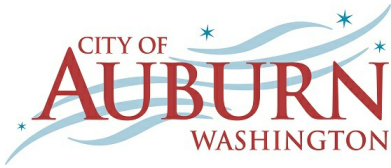
Petition

What we, the people, ask

- To be made safe in our persons, businesses, and property by and from law enforcement
- King county be held responsible for not prosecuting crime
- Implement humane solutions to homelessness and the crime associated with it.

“Time itself is neutral; it can be used either destructively or constructively. More and more I feel that the people of ill will have used time much more effectively than have the people of good will. We will have to repent in this generation not merely for the hateful words and actions of the bad people but for the appalling silence of the good people. Human progress never rolls in on wheels of inevitability; it comes through the tireless efforts of men willing to work to be co-workers with God, and without this hard work, time itself becomes an ally of the forces of social stagnation. We must use time creatively, in the knowledge that the time is always ripe to do right.”

— Martin Luther King Jr., Why We Can't Wait



AGENDA BILL APPROVAL FORM

Agenda Subject:

Presentation by the King County Sexual Assault Resource Center (KCSARC) (Tate)(15 Minutes)

Date:

March 16, 2021

Department:

Community Development

Attachments:

[KCSARC Power Point Presentation](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

KCSARC prepared a Power Point presentation that is included in Council's packet.

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: March 22, 2021

Item Number:



Sexual Assault Services for Auburn Residents

King County Sexual Assault Resource Center
March 22nd, 2021



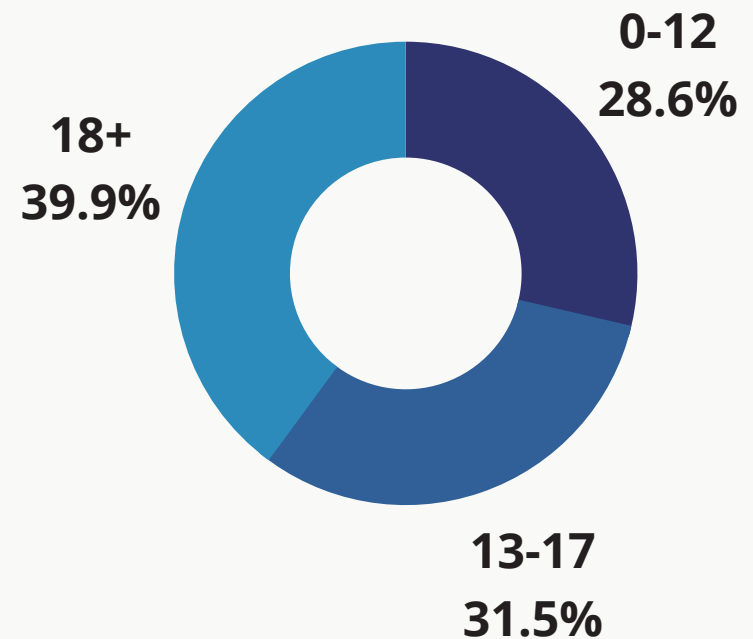
KCSARC has provided a range of services to Auburn residents for over 40 years

KCSARC Client Services City of Auburn 2018

In 2018, KCSARC
served **248** clients
from Auburn.

Total service
hours: **1,772**

CLIENT AGES

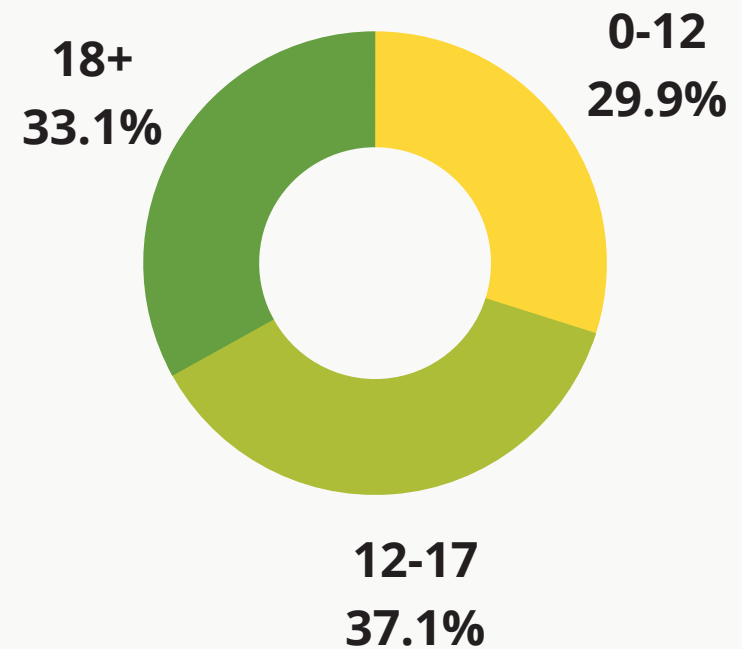


KCSARC Client Services City of Auburn 2019

In 2019, KCSARC
served **253** clients
from Auburn.

Total service
hours: **1,892**

CLIENT AGES

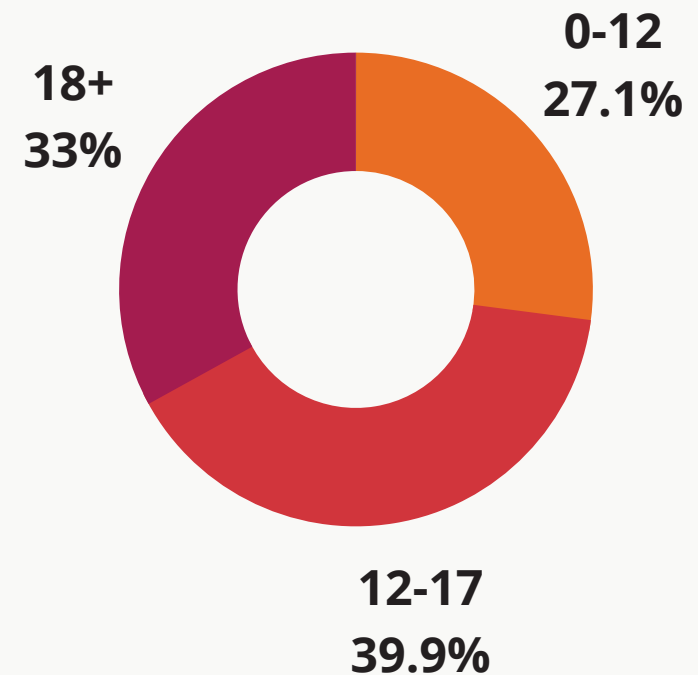


KCSARC Client Services City of Auburn 2020

In 2020, KCSARC
served **219** clients
from Auburn.

Total service
hours: **1,503**

CLIENT AGES



Key Partnerships:

Law enforcement

Medical

Mental health

Unique Services:

Dando Voz for Latinx Community

In 2019, KCSARC provided culturally relevant therapy, legal advocacy, parent education, and referrals to 548 Spanish-speaking clients. - [Video](#)



It's never too late.
For help or information,
call our 24-hour Resource Line:
1.888.99.VOICE
(1.888.998.6423)
www.kcsarc.org/gethelp



King County
Sexual Assault
Resource Center



24-Hour Resource Line

In 2019, KCSARC
answered 3,662 calls
and provided
information, crisis
support, and referrals.



Legal Advocacy

In 2019, KCSARC supported 2,454 individuals through the complex and challenging legal system.



Therapy

In 2019, KCSARC provided trauma-specific, evidence-based therapy to 462 children, teens, and adults to help them recover from trauma.

We know sexual assault impacts people and families in many other ways.



Case Management



Parent Education



Client Support

How we provide services: Pre-Pandemic vs. Now

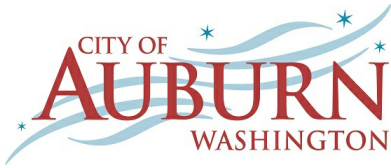
Critical for Services:

Stable Funding

Plan that takes
intersecting needs
into account

Thank you for your continued support!

King County Sexual Assault Resource Center



AGENDA BILL APPROVAL FORM

Agenda Subject:

Update from the Junior City Council (Hinman)(10 Minutes)

Date:

March 17, 2021

Department:

Administration

Attachments:

No Attachments Available

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

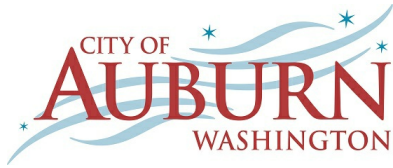
For discussion only.

Background Summary:**Reviewed by Council Committees:****Councilmember:****Staff:**

Hinman

Meeting Date: March 22, 2021

Item Number:



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6814 (Thomas)(60 Minutes)

Date:

March 17, 2021

Department:

Finance

Attachments:

[Draft B&O Tax Code](#)

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background Summary:

In February 2020, BERK Consulting gave the City Council a presentation on the City's General Fund eight-year forecast, and identified some of the fiscal sustainability issues. In March 2020 the council participated in a council retreat where they explored the reasons for the sustainability issues BERK presented. They studied, in depth, several different strategies to remain financially proactive. Based on the Council's analysis, several strategies were identified and were built into the City's 2021-2022 Biennial Budget, which was adopted on November 16, 2020. Strategies imbedded in the budget include: cost recovery analysis, utility rate increases for city utilities, and revenue from a new business and occupation (B&O) tax. While the budget was balanced and adopted with estimated revenue from a B&O tax, a code and related ordinance to actually implement the B&O tax had not been adopted. The Council asked staff to move forward with meeting with the business community and drafting a B&O code for further analysis and review.

This presentation is the Council's second review of the draft B&O code, which incorporate council comments from the February 22, 2021 study session.

Reviewed by Council Committees:**Councilmember:****Staff:**

Thomas

Meeting Date: March 22, 2021

Item Number:

CHAPTER 1
BUSINESS AND OCCUPATION TAX
CODE

SECTION:

- 1.1.1. : Exercise Of Revenue License Power
- 1.1.2. : Administrative Provisions
- 1.1.3. : Definitions
- 1.1.4. : Agency – Sales And Services By Agent, Consignee, Bailee, Factor Or Auctioneer
- 1.1.5. : Imposition Of The Tax – Tax Or Fee Levied; Business License Fee Exemption
- 1.1.6. : Multiple Activities Credit When Activities Take Place In One Or More Cities With Eligible Gross Receipt Taxes
- 1.1.7. : Deductions To Prevent Multiple Taxation Of Manufacturing Activities And Prior To January 1, 2008, Transactions Involving More Than One City With An Eligible Gross Receipts Tax
- 1.1.8. : Assignment Of Gross Income Derived From Intangibles
- 1.1.9. : Allocation And Apportionment Of Income When Activities Take Place In More Than One Jurisdiction
- 1.1.10. : Allocation And Apportionment Of Printing And Publishing Income When Activities Take Place In More Than One Jurisdiction
- 1.1.11. : Exemptions
- 1.1.12. : Deductions
- 1.1.13. : Tax Credits
- 1.1.14. : Tax Part Of Overhead
- 1.1.15. : Administrative Provisions
- 1.1.16. : Severability Clause

1-1-1 EXERCISE OF REVENUE LICENSE POWER:

The provisions of this chapter shall be deemed an exercise of the power of the City to license for revenue. The provisions of this chapter are subject to periodic statutory or administrative rule changes or judicial interpretations of the ordinances or rules. The responsibility rests solely with the licensee or taxpayer to reconfirm tax computation procedures and remain in compliance with the City code.

1-1-2 ADMINISTRATIVE PROVISIONS

The administrative provisions contained in Chapter 1.2 ACC shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

1-1-3 DEFINITIONS:

In construing the provisions of this chapter, the following definitions shall be applied. Words in the singular number shall include the plural, and the plural shall include the singular. In the event that a word, term or phrase defined in this section shall conflict with a word, term or

phrase as defined in this title, this chapter shall control to the extent of the conflict.

A. “Agricultural product”, “farmer”

1. “Agricultural product” means any product of plant cultivation or animal husbandry including, but not limited to: a product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such animal. “Agricultural product” does not include animals intended to be pets.
2. “Farmer” means any person engaged in the business of growing or producing, upon the person’s own lands in which the person has a present right of possession, any agricultural product whatsoever for sale. “Farmer” does not include a person using such products as ingredients in a manufacturing process, or a person growing or producing such products for the person’s own consumption. “Farmer” does not include a person selling any animal or substance obtained therefrom in connection with the person’s business of operating a stockyard or a slaughter or packing house. “Farmer” does not include any person in respect to the business of taking, cultivating, or raising timber.

B. “Artistic or cultural organization,” as used in this chapter means the following:

1. The organization is organized and operated exclusively for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection 10 of this section, for viewing or attendance by the general public.
2. The organization must be a not-for-profit corporation under RCW Chapter [24.03](#).
3. The organization must be managed by a governing board of not less than eight (8) individuals none of whom is a paid employee of the organization or by a corporation under RCW Chapter 24.12.
4. No part of its income may be paid directly or indirectly to its members, stockholders, officers, directors, or trustees except in the form of services rendered by the corporation in accordance with its purposes and bylaws.
5. Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state.
6. Assets of the corporation must be irrevocably dedicated to the activities for which the

exemption is granted and, on the liquidation, dissolution, or abandonment by the corporation, may not inure directly or indirectly to the benefit of any member or individual except a non-profit organization, association, or corporation which also would be entitled to the exemption.

7. The corporation must be duly licensed or certified when licensing or certification is required by law or regulation.
 8. The amounts received that qualify for exemption must be used for the activities for which the exemption is granted.
 9. Services must be available regardless of race, color, national origin, ancestry, religion, age, sex, marital status, sexual orientation, or the presence of any mental or physical disability.
 10. The term “artistic or cultural exhibitions, presentations, or performances or cultural or art education programs” is limited to:
 - a. An exhibition or presentation of works of art or objects of cultural or historical significance, such as those commonly displayed in art or history museums;
 - b. A musical or dramatic performance or series of performances; or
 - c. An educational seminar or program, or series of such programs, offered by the organization to the general public on an artistic, cultural, or historical subject.
- C. “Business” includes all activities engaged in with the purpose of gain, benefit, or advantage to the taxpayer or to another person or class, directly or indirectly.
- D. “Business and occupation tax” or “gross receipts tax” means a tax imposed on or measured by the value of products, the gross income of the business, or the gross proceeds of sales, as the case may be, and that is the legal liability of the business.
- E. “Commercial or industrial use” means the following uses of products, including by-products, by the extractor or manufacturer of the products:
1. Any use as a consumer; and
 2. The manufacturing of products including articles, substances or commodities.
- F. “Delivery” means the transfer of possession of tangible personal property between the seller and the buyer or the buyer’s representative. Delivery to an employee of a buyer is considered delivery to the buyer. Transfer of possession of tangible personal property occurs when the buyer

or the buyer's representative first takes physical control of the property or exercises dominion and control over the property. Dominion and control means the buyer has the ability to possess, use, convey or dispose the property as the buyer chooses. It means the buyer or the buyer's representative has made the final decision to accept or reject the property, and the seller has no further right to possession of the property and the buyer has no right to return the property to the seller, other than under a warranty contract. A buyer does not exercise dominion and control over tangible personal property merely by arranging for shipment of the property from the seller to itself. A buyer's representative is a person, other than an employee of the buyer, who has the buyer's written authorization to receive tangible personal property and take dominion and control by making the final decision to accept or reject the property. Neither a shipping company nor a seller can serve as a buyer's representative. It is immaterial where the contract of sale is negotiated or where the buyer obtains title to the property. Delivery terms and other provisions of the Uniform Commercial Code (RCW Title [62A](#)) do not determine when or where delivery of tangible personal property occurs for purposes of taxation.

G. "Digital automated service", "digital code" and "digital goods" have the same meaning as in RCW 82.04.192, Digital products definition.

H. "Director" means the finance director of the city or any officer, agent or employee of the city designated to act on the director's behalf.

I. "Digital automated service," "digital code," and "digital goods" have the same meaning as in RCW [82.04.192](#), Digital products definitions.

J. "Digital products" means digital goods, digital codes, digital automated services, and the services described in RCW [82.04.050](#)(2)(g) and (6)(b), "Sale at retail," "retail sale."

K. Eligible gross receipts tax:

The term "eligible gross receipts tax" means a tax which:

1. Is imposed on the act or privilege of engaging in business activities within section ACC 1-1-5; and
2. Is measured by the gross volume of business, in terms of gross receipts and is not an income tax or value-added tax (VAT); and
3. Is not, pursuant to law or custom, separately stated from the sales price; and
4. Is not a sales or use tax, business license fee, franchise fee, royalty or severance tax measured by volume or weight, or concession charge, or payment for the use and enjoyment of property, property right or a privilege; and

5. Is a tax imposed by a local jurisdiction, whether within or without the State of Washington, and not by a country, state, province, or any other non-local jurisdiction above the county level.

L. Engaging in business:

1. The term “engaging in business” means commencing, conducting, or continuing in business, and also the exercise of corporate or franchise powers, as well as liquidating a business when the liquidators hold themselves out to the public as conducting such business.

2. This section sets forth examples of activities that constitute engaging in business in the City, and establishes safe harbors for certain activities so that a person who meets the criteria may engage in de minimis business activities in the City without having to register and obtain a business license or pay City business and occupation taxes. The activities listed in this section are illustrative only and are not intended to narrow the definition of “engaging in business” in subsection 1. If an activity is not listed, whether it constitutes engaging in business in the City shall be determined by considering all the facts and circumstances and applicable law.

3. Without being all-inclusive, any one of the following activities conducted within the City by a person, or its employee, agent, representative, independent contractor, broker or another person acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license:

- a. Owning, renting, leasing, maintaining, or having the right to use, or using, tangible personal property, intangible personal property, or real property permanently or temporarily located in the City.
- b. Owning, renting, leasing, using, or maintaining, an office, place of business, or other establishment in the City.
- c. Soliciting sales.
- d. Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance.
- e. Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf.

- f. Installing, constructing, or supervising installation or construction of, real or tangible personal property.
 - g. Soliciting, negotiating, or approving franchise, license, or other similar agreements.
 - h. Collecting current or delinquent accounts.
 - i. Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.
 - j. Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security system services, surveying, and real estate services including the listing of homes and managing real property.
 - k. Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, veterinarians.
 - l. Meeting with customers or potential customers, even when no sales or orders are solicited at the meetings.
 - m. Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the City, acting on its behalf, or for customers or potential customers.
 - n. Investigating, resolving, or otherwise assisting in resolving customer complaints.
 - o. In-store stocking or manipulating products or goods, sold to and owned by a customer, regardless of where sale and delivery of the goods took place.
 - p. Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another person acting on its behalf.
4. If a person, or its employee, agent, representative, independent contractor, broker or another person acting on the person's behalf, engages in no other activities in or with the City but the following, it need not register and obtain a business license and pay tax:
- a. Meeting with suppliers of goods and services as a customer.

- b. Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions.
- c. Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.
- d. Renting tangible or intangible property as a customer when the property is not used in the City.
- e. Attending, but not participating in a “trade show” or “multiple vendor events”. Persons participating at a trade show shall review ACC Chapter 2.23 Special Event Permits.
- f. Conducting advertising through the mail.
- g. Soliciting sales by phone from a location outside the City.

5. A seller located outside the City merely delivering goods into the City by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the City. Such activities do not include those in subsection 4.

6. The City expressly intends that engaging in business includes any activity sufficient to establish nexus for purposes of applying the tax under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts.

M. “Extracting” is the activity engaged in by an extractor and is reportable under the extracting classification.

N. “Extractor” means every person who from that person’s land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or for commercial or industrial use, mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product; or fells, cuts or takes timber, Christmas trees, other than plantation Christmas trees, or other natural products; or takes fish, shellfish, or other sea or inland water foods or products. “Extractor” does not include persons performing under contract the necessary labor or mechanical services for others; or persons meeting the definition of farmer.

O. “Extractor for hire” means a person who performs under contract necessary labor or mechanical services for an extractor.

P. “Gross income of the business” means the value proceeding or accruing by reason of the transaction of the business engaged in and includes gross proceeds of sales, compensation for the rendition of services, gains realized from trading in stocks, bonds, or other evidences of indebtedness, interest, discount, rents, royalties, fees, commissions, dividends, and other emoluments however designated, all without any deduction on account of the cost of tangible property sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.

Q. “Gross proceeds of sales” means the value proceeding or accruing from the sale of tangible personal property, digital goods, digital codes, digital automated services or for other services rendered, without any deduction on account of the cost of property sold, the cost of materials used, labor costs, interest, discount paid, delivery costs, taxes, or any other expense paid or accrued and without any deduction on account of losses.

R. “Inflation Adjustment” shall be an amount equal to the amount and direction of change determined by the Settle-Tacoma- Bremerton Urban Wage Earners and Clerical Workers Consumer Price Index (CPI-W) for each twelve (12)-month period ending on August 31st as published by the United States Department of Labor. To calculate this adjustment, the current rate will be multiplied by one (1) plus or minus, as the case may be, the annual change in the CPI-W.

S. “Manufacturing” means the activity conducted by a manufacturer and is reported under the manufacturing classification.

T. Manufacture, to manufacture:

1. “Manufacturer” means every person who, either directly or by contracting with others for the necessary labor or mechanical services, manufactures for sale or for commercial or industrial use from the person’s own materials or ingredients any products. When the owner of equipment or facilities furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to less than twenty percent (20%) of the total value of all materials or ingredients that become a part of the finished product, the owner of the equipment or facilities will be deemed to be a processor for hire, and not a manufacturer. A business not located in this City that is the owner of materials or ingredients processed for it in this City by a processor for hire shall be deemed to be engaged in business as a manufacturer in this City.

2. “To manufacture” means all activities of a commercial or industrial nature requiring the use of labor or skill, by hand or machinery, to materials or ingredients resulting in a new,

different or useful product for sale or commercial or industrial use, and shall include:

- a. The production of special made or custom made articles;
- b. The production of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;
- c. Crushing and/or blending of rock, sand, stone, gravel, or ore; and
- d. The producing of articles for sale, or for commercial or industrial use from raw materials or prepared materials by giving such materials, articles, and substances of trade or commerce new forms, qualities, properties or combinations including, but not limited to, such activities as making, fabricating, processing, refining, mixing, slaughtering, packing, aging, curing, mild curing, preserving, canning, and the preparing and freezing of fresh fruits and vegetables.

“To manufacture” shall not include the production of digital goods or the production of computer software if the computer software is delivered from the seller to the purchaser by means other than tangible storage media, including the delivery by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser.

U. “Non-profit organization” means a corporation or organization in which no part of the income can be distributed to its members, directors, or officers and that holds a current tax exempt status as provided under Internal Revenue Code Sec. 501(c), or is specifically exempted from the requirement to apply for tax exempt status under Internal Revenue Code Sec. 501(c). Where the term “non-profit organization” is used, it is meant to include a non-profit corporation.

V. “Office” or “place of business” means a fixed location or permanent facility where the regular business of the person is conducted and which is either owned by the person or over which the person exercises legal dominion and control. The regular business of the person is presumed conducted at a location:

1. Whose address the person uses as its business mailing address;
2. Where the place of primary use is shown on a telephone billing of a location containing a telephone line listed in public telephone directory or other similar publication under the business name;
3. Where the person holds itself out to the general public as conducting its regular business through signage or other means; and
4. Where the person is required to obtain any appropriate state and local business license or registration unless they are exempted by law from such requirement.

A vehicle such as a pick-up, van, truck, boat, or other motor vehicle is not an office or place of business. A post office box is not an office or place of business.

If a person has an office or place of business, the person's home is not an office or place of business unless it meets the criteria for office or place of business above. If a person has no office or place of business, the person's home or apartment within the city will be deemed the place of business.

W. "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, co-partnership, joint venture, club, company, joint stock company, business trust, municipal corporation, political subdivision of the State of Washington, corporation, limited liability company, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, non-profit, or otherwise and the United States of America or any of its instrumentalities.

X. "Product" means tangible personal property, including articles, substances, or commodities created, brought forth, extracted, or manufactured by human or mechanical effort. "Byproduct" means any additional product, other than the principal or intended product, which results from extracting or manufacturing activities and which has a market value without regard to whether or no such additional product was an expected or intended result of the extracting or manufacturing activities.

Y. "Processor for hire" means the performance of labor and mechanical services upon materials or ingredients belonging to others so that as a result a new, different or useful product is produced for sale, or commercial or industrial use. A processor for hire is any person who would be a manufacturer if that person were performing the labor and mechanical services upon that person's own materials or ingredients. If a person furnishes, or sells to the customer prior to manufacture, materials or ingredients equal to twenty percent (20%) or more of the total value of all materials or ingredients that become part of the finished product the person will be deemed the manufacturer and not a processor for hire.

Z. "Retailing" means the activity of engaging in making sales at retail and is reported under the retailing classification.

AA. "Retail service" shall include the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:

1. Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, swimming, bungee jumping, ski lifts and tows, basketball, racquet ball,

handball, squash, tennis, batting cages, day trips for sightseeing purposes, and others, when provided to consumers. “Amusement and recreation services” also include the provision of related facilities such as basketball courts, tennis courts, handball courts, swimming pools, and charges made for providing the opportunity to dance. The term “amusement and recreation services” does not include instructional lessons to learn a particular activity such as tennis lessons, swimming lessons, or archery lessons.

2. Abstract, title insurance, and escrow services;
3. Credit bureau services;
4. Automobile parking and storage garage services;
5. Landscape maintenance and horticultural services but excluding (a) horticultural services provided to farmers and (b) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
6. Service charges associated with tickets to professional sporting events; and
7. The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, steam bath services, Turkish bath services, escort services, and dating services.
8. The term shall also include the renting or leasing of tangible personal property to consumers and the rental of equipment with an operator.

BB. Sale, casual or isolated sale:

1. “Sale” means any transfer of the ownership of, title to, right to control, or possession of, property for a valuable consideration and includes any activity classified as a “sale at retail,” “retail sale,” or “retail service.” It includes renting or leasing, conditional sale contracts, leases with option to purchase, and any contract under which possession of the property is given to the purchaser but title is retained by the vendor as security for the payment of the purchase price. It also includes the furnishing of food, drink, or meals for compensation whether consumed upon the premises or not.
2. “Casual or isolated sale” means a sale made by a person who is not engaged in the business of selling the type of property involved on a routine or continuous basis.

CC. Sale at retail, retail sale:

1. “Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including but not limited to, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers, other than a sale to a person who presents a resale certificate under RCW [82.04.470](#), and who:

- a. Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person; or
- b. Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or
- c. Purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or
- d. Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or
- e. Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW [82.04.065](#). The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a “sale at retail” or “retail sale” even though such property is resold or utilized as provided in a through e of this subsection following such use.
- f. Purchases for the purpose of satisfying the person’s obligations under an extended warranty as defined in subsection 7 of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

2. “Sale at retail” or “retail sale” also means every sale of tangible personal property to persons engaged in any business activity which is taxable under this chapter.

3. “Sale at retail” or “retail sale” shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the

following:

- a. The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities, but excluding charges made for the use of coin- operated laundry facilities when such facilities are situated in and for the exclusive use of tenants of an apartment house, rooming house, or mobile home park, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;
- b. The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any tangible personal property, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;
- c. The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;
- d. The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term “janitorial services” shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term “janitorial services” does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;
- e. The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under RCW Chapter [8 2.16](#), Public Utility Tax;
- f. The sale of and charge made for the furnishing of lodging and all other services, except telephone business and cable service, by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the

occupancy of real property for a continuous period of one (1) month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it shall be presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one (1) month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

g. The installing, repairing, altering, or improving of digital goods for consumers;

h. The sale of or charge made for tangible personal property, labor and services to persons taxable under a through g of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a “sale at retail” or “retail sale” even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection shall be construed to modify subsection 1 of this section and nothing contained in subsection 1 of this section shall be construed to modify this subsection.

4. “Sale at retail” or “retail sale” shall also include the providing of competitive telephone service to consumers.

5. “Sale at retail” or “retail sale”:

a. shall also include the sale of prewritten software other than a sale to a person who presents a resale certificate under RCW [82.04.470](#), regardless of the method of delivery to the end user. For purposes of this subsection 5.a the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and use the software. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may characterized by the vendor or by the purchaser.

The term “sale at retail” or “retail sale” does not include the sale of or charge made for:

i. Custom software; or

ii. The customization of prewritten software.

b. i. The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third-party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.

ii. (a) The service described in b.i of this subsection 5 includes the right to access and use prewritten software to perform data processing.

(b) For purposes of this subsection b.ii “data processing” means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.

6. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state, the State of Washington, or the United States of America and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind (public road construction).

7. “Sale at retail” or “retail sale” shall also include the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, “extended warranty” means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term “extended warranty” does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement.

8. “Sale at retail” or “retail sale” shall also include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to RCW Chapter [35.82](#), including the installing, or attaching of any article of tangible personal property, whether or not such personal property becomes a part of the real property by virtue of installation (government contracting).

9. “Sale at retail” or “retail sale” shall not include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States of America, or any of its instrumentality, or a county or city housing authority. The term does not include the sale of services or charges made for cleaning up for the United States of America, or any of its instrumentalities, radioactive waste and other byproducts of weapons production and nuclear research and development. (This should be reported under the service and other classification as defined under ACC Chapter 1-1-5.A.7.)

10. “Sale at retail” or “retail sale” shall not include the sale of or charge made for labor and services rendered for environmental remedial action. (This should be reported under the service and other classification as defined under ACC Chapter 1-1-5.A.7.)

11. “Sale at retail” or “retail sale” shall also include the following sales to consumers of digital goods, digital codes, and digital automated services:

- a. Sales in which the seller has granted the purchaser the right of permanent use;
- b. Sales in which the seller has granted the purchaser a right of use that is less than permanent;
- c. Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and
- d. Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

A retail sale of digital goods, digital codes, or digital automated services under this subsection Y.11 includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.

For purposes of this subsection, “permanent” means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.

12. “Sale at retail” or “retail sale” shall also include the installing, repairing, altering, or improving of digital goods for consumers.

DD. “Sale at wholesale” or “wholesale sale” means any sale of tangible personal property, digital goods, digital codes, digital automated services, prewritten computer software, or services described in subsection Y.5.b.i, “Sale at retail”, which is not a retail sale, and any charge made for labor and services rendered for persons who are not consumers, in respect to real or personal property and retail services, if such charge is expressly defined as a retail sale or retail service when rendered to or for consumers. Sale at wholesale also includes the sale of telephone business to another telecommunications company as defined in RCW [80.04.010](#) for the purpose of resale, as contemplated by RCW 35.21.715.

EE. “Service” means any sale or charge made for personal, business or professional service,

including amounts designated as rents, fees, or admissions, not otherwise included within any other tax classification defined herein; provided that, the term “service” excludes retail or wholesale services.

FF. Software, prewritten software, custom software, customization of canned software, master copies, retained rights

1. *Prewritten software* or *canned software* means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten computer software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than such purchaser. Where a person modifies or enhances computer software of which such person is not the author or creator, the person shall be deemed to be the author or creator only of the person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software; however, where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for the modification or enhancement, the modification or enhancement shall not constitute prewritten computer software.

2. *Custom software* means software created for a single person.

3. *Customization of canned software* means any alteration, modification, or development of applications using or incorporating canned software to specific individualized requirements of a single person. Customization of canned software includes individualized configuration of software to work with other software and computer hardware but does not include routine installation. Customization of canned software does not change the underlying character or taxability of the original canned software.

4. *Master copies* of software means copies of software from which a software developer, author, inventor, publisher, licensor, sublicensor, or distributor makes copies for sale or license. The software encoded on a master copy and the media upon which the software resides are both ingredients of the master copy.

5. *Retained rights* means any and all rights, including intellectual property rights such as those rights arising from copyrights, patents, and trade secret laws, that are owned or are held under contract or license by a software developer, author, inventor, publisher, licensor, sublicensor, or distributor.

6. *Software* means any information, program, or routine, or any set of one or more programs,

routines, or collections of information, used, or intended for use, to convey information that causes one or more computers or pieces of computer-related peripheral equipment, or any combination thereof, to perform a task or set of tasks. “Software” includes the associated documentation, materials, or ingredients, regardless of the media upon which that documentation is provided, that describe the code and its use, operation, and maintenance and that typically are delivered with the code to the consumer. All software is classified as either canned or custom.

GG. “Taxpayer” means any “person”, as defined in subsection T, required to have a business license under this chapter or liable for the collection of any tax or fee under this chapter, or who engages in any business or who performs any act for which a tax or fee is imposed by this chapter.

HH. “Tuition” includes library, laboratory, health service, and other special fees, and amounts charged for room and board by an educational institution when the property or service for which such charges are made is furnished exclusively to the students or faculty of such institution. *Educational institution*, as used in this section, means only those institutions created or generally accredited as such by the state and includes educational programs that such educational institution cosponsors with a nonprofit organization, as defined by the Internal Revenue Code Section 501(c)(3), as hereafter amended, if such educational institution grants college credit for coursework successfully completed through the educational program, or an approved branch campus of a foreign degree-granting institution in compliance with Chapter [28B.90](#) RCW, and in accordance with RCW [82.04.4332](#) or defined as a degree-granting institution under RCW [28B.85.010](#)(3) and accredited by an accrediting association recognized by the United States Secretary of Education, and offering to students an educational program of a general academic nature or those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry, and agriculture, but not including specialty schools, business colleges, other trade schools, or similar institutions.

II. “Value proceeding or accruing” means the consideration, whether money, credits, rights, or other property expressed in terms of money, a person is entitled to receive or which is actually received or accrued. The term shall be applied, in each case, on a cash receipts or accrual basis according to which method of accounting is regularly employed in keeping the books of the taxpayer.

JJ.Value of products:

1. The value of products, including by-products, extracted or manufactured, shall be determined by the gross proceeds derived from the sale of those products, whether such sale is at wholesale or at retail, to which shall be added all subsidies and bonuses received from the purchaser or from any other person with respect to the extraction, manufacture, or sale of such products or by-products by the seller.
2. Where such products, including by-products, are extracted or manufactured for commercial or industrial use; and where such products, including by-products, are shipped, transported or transferred out of the City, or to another person, without prior sale or are sold

under circumstances such that the gross proceeds from the sale are not indicative of the true value of the subject matter of the sale; the value shall correspond as nearly as possible to the gross proceeds from sales in this state of similar products of like quality and character, and in similar quantities by other taxpayers, plus the amount of subsidies or bonuses ordinarily payable by the purchaser or by any third person with respect to the extraction, manufacture, or sale of such products. In the absence of sales of similar products as a guide to value, such value may be determined upon a cost basis. In such cases, there shall be included every item of cost attributable to the particular article or article extracted or manufactured, including direct and indirect overhead costs. The Administrator may prescribe rules for the purpose of ascertaining such values.

3. Notwithstanding subsection 2 above, the value of a product manufactured or produced for purposes of serving as a prototype for the development of a new or improved product shall correspond to (a) the retail selling price of such new or improved product when first offered for sale; or (b) the value of materials incorporated into the prototype in cases in which the new or improved product is not offered for sale.

EE. “Wholesaling” means engaging in the activity of making sales at wholesale, and is reported under the wholesaling classification.

1-1-4 AGENCY – SALES AND SERVICES BY AGENT, CONSIGNEE, BAILEE, FACTOR OR AUCTIONEER:

A. Sales in Own Name – Sales or Purchases as Agent: Consistent with RCW [82.04.480](#), every person, including agents, consignees, bailees, factors or auctioneers having either actual or constructive possession of tangible personal property or having possession of the documents of title, with power to sell such tangible personal property in the person’s own name and actually so selling, shall be deemed the seller of such tangible personal property within the meaning of this chapter. Furthermore, the consignor, bailor, principal, or owner is deemed a seller of such property to the consignee, bailee, factor, or auctioneer.

The burden shall be solely upon the taxpayer in every case to establish the fact that such taxpayer is not engaged in the business of selling tangible personal property but is acting merely as broker or agent in promoting sales or making purchases for a principal. Such claim will be recognized only when the contract or agreement between such persons clearly establishes the relationship of principal and agent and when the following conditions are complied with:

1. The books and records of the broker or agent show the transactions were made in the name and for the account of the principal, and show the name of the actual owner of the property for whom the sale was made, or the actual buyer for whom the purchase was made.
2. The books and records show the amount of the principal’s gross sales, the amount of

commissions and any other incidental income derived by the broker or agent from such sales. The principal's gross sales must not be reflected as the agent's income on any of the agent's books and records. Commissions must be computed according to a set percentage or amount, which is agreed upon in the agency agreement.

3. No ownership rights may be conferred to the agent unless the principal refuses to pay, or refuses to abide by the agency agreement. Sales or purchases of any goods by a person who has any ownership rights in such goods shall be taxed as retail or wholesale sales.

4. Bulk goods sold or purchased on behalf of a principal must not be commingled with goods belonging to another principal or lose their identity as belonging to the particular principal. Sales or purchases of any goods which have been commingled or lost their identity as belonging to the principal shall be taxed as retail or wholesale sales.

B. If the above requirements are not met the consignor, bailor, principal or other shall be deemed a seller of such property to the agent, consignee, bailee, factor or auctioneer.

C. Services in Own Name – Procuring Services as Agent: For purposes of this subsection, an agent is a person who acts under the direction and control of the principal in procuring services on behalf of the principal that the person could not itself render or supply. Amounts received by an agent for the account of its principal as advances or reimbursements are exempted from the measure of the tax only when the agent is not primarily or secondarily liable to pay for the services procured.

Any person who claims to be acting merely as agent in obtaining services for a principal will have such claim recognized only when the contract or agreement between such persons clearly establishes the relationship of principal and agent and when the following conditions are complied with:

1. The books and records of the agent show that the services were obtained in the name and for the account of the principal, and show the actual principal for whom the purchase was made.

2. The books and records show the amount of the service that was obtained for the principal, the amount of commissions and any other income derived by the agent for acting as such. Amounts received from the principal as advances and reimbursements must not be reflected as the agent's income on any of the agent's books and records. Commissions must be computed according to a set percentage or amount, which is agreed upon in the agency agreement.

D. A consignee, bailee, factor, agent or auctioneer, as used in this section, refers to one who has either actual or constructive possession of tangible personal property, the actual ownership of

such property being in another, or one calling for bids on such property. The term “constructive possession” means possession of the power to pass title to tangible personal property of others.

**1-1-5 IMPOSITION OF THE TAX – TAX OR FEE LEVIED; BUSINESS LICENSE FEE
EXEMPTION:**

Except as provided in ACC 1-1-5.C (Tax Thresholds) and 1-1-5.D (Amounts in Excess of Cap), effective January 1, 2022 at 12:01 a.m. there is levied upon and shall be collected from every person a tax for the act or privilege of engaging in business activities in the City of Auburn, whether the person’s office or place of business be within or without the City. The tax shall be in amounts to be determined by application of rates against gross proceeds of sale, gross income of business, or value of products, including by-products, as the case may be, as follows:

A. Gross receipts tax

1. Upon every person engaging within the City in business as an extractor; as to such persons, the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, extracted within the City for sale or for commercial or industrial use, multiplied by the rate of .100 of one percent (.001). The measure of the tax is the value of the products, including by-products, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

2. Upon every person engaging within the City in business as a manufacturer; as to such persons, the amount of the tax with respect to such business shall be equal to the value of the products, including by-products, manufactured within the City, multiplied by the rate of .100 of one percent (.001). The measure of the tax is the value of the products, including by-products, so manufactured, regardless of the place of sale or the fact that deliveries may be made to points outside the City.

3. Upon every person engaging within the City in the business of making sales at wholesale; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of .180 of one percent (.0018).

4. Upon every person engaging within the City in the business of making sales at retail; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of such sales of the business, without regard to the place of delivery of articles, commodities or merchandise sold, multiplied by the rate of .050 of one percent (.00050).

5. Upon every person engaging within the City in the business of (a) printing, (b) both printing and publishing newspapers, magazines, periodicals, books, music, and other printed

items, (c) publishing newspapers, magazines and periodicals, (d) extracting for hire, and (e) processing for hire; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of .100 of one percent (.001).

6. Upon every person engaging within the City in the business of sales of retail services; as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales multiplied by the rate of .150 of one percent (.0015).

7. Upon every other person engaging within the City in any business activity other than or in addition to those enumerated in the above subsections; as to such persons, the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of .100 of one percent (.001). This subsection includes, among others, and without limitation whether or not title to material used in the performance of such business passes to another by accession, merger or other than by outright sale, persons engaged in the business of developing, or producing custom software or of customizing canned software, producing royalties or commissions, and persons engaged in the business of rendering any type of service which does not constitute a sale at retail, a sale at wholesale, or a retail service.

B. Square footage tax

1. Upon every person who leases, owns, occupies, or otherwise maintains a ~~warehouse~~ ~~or~~ outdoor warehouse, within the city for purposes of engaging in business activities in the city there shall be a tax measured by the number of square feet of business warehouse floor space or outdoor warehouse space. The amount of the tax shall be equal to \$0.10 for each quarterly period of a calendar year for each square foot of warehouse or outdoor warehouse floor that is leased, owned, occupied, or otherwise maintained within the city during the reporting period, calculated to the nearest square foot.
2. For purposes of this section, *warehouse* means a building or structure, or any part thereof, in which goods, wares, merchandise, or commodities are received or stored, whether or not for compensation, in furtherance of engaging in business.
3. For purposes of this section, *outdoor warehouse* means an area that is outdoors and is primarily used for the transloading of goods, wares, merchandise, or commodities on property for purposes of switching modes or vehicles of conveyance for the primary purpose of wholesaling, distributing, or reorganizing goods, wares, merchandise, or commodities en route to final destinations of sale or other transaction. Transloading generally involves the transfer of goods from one mode of transportation to another en route to an ultimate destination and, for purposes of the square footage tax, includes areas used for crossdocking, waylaying, temporary embarkment, and other similar activities.

4. For purposes of this section, the square footage of a business warehouse shall be computed by measuring to the inside finish of permanent outer building walls and shall include space used by columns and projections necessary to the building. Square footage shall not include stairs, elevator shafts, flues, pipe shafts, vertical ducts, heating or ventilation shafts, janitor closets, and electrical or utility closets.
5. For purposes of this section, the square footage of an outdoor warehouse shall only include those areas used for the receipt or storage of goods, wares, merchandise, or commodities that are being received and temporarily stored for transloading, whether or not for compensation, in furtherance of engaging in business. Such areas will typically include those areas where goods, wares, merchandise, and commodities, in transit to their ultimate destination, are parked, packaged, or stored after transloading, waylaying, or crossdocking. Square footage shall not include areas used only for employee, customer, or visitor parking, dock high loading areas used primarily for a business warehouse, buildings, areas used only for direct sales or rentals to consumers, landscaped areas, stormwater facilities, maneuvering areas and drive aisles, areas used only for garbage or recycling pickup, rights-of-way, or other areas clearly not used for the temporary storage of goods, wares, merchandise, and commodities in transit. Outdoor areas used for storage of agricultural products or for ancillary storage of materials utilized in, or products resulting from, onsite manufacturing operations are not considered outdoor warehouses.
6. Persons with more than one business warehouse or outdoor warehouse within the city must include all business warehouse floor space and outdoor warehouse space for all locations within the city. When a person rents space to another person, the person occupying the rental space is responsible for the square footage business tax on that rental space only if the renter has exclusive right of possession in the space as against the landlord. Space rented for the storage of goods in a warehouse or outdoor warehouse where no walls or other barriers separate the goods, and where the exclusive right of possession in the space is not held by the person to whom the space is rented, shall be included in the business warehouse floor space of the person that operates the business warehouse, and not by the person renting the warehouse space.
7. If the square footage tax imposed in this subsection (B) is less than or equal to the gross receipts tax imposed in subsection (A) of this section, no square footage tax will be due; if the square footage tax imposed in this subsection (B) exceeds the gross receipts tax imposed in subsection (A) of this section, the taxpayer shall also remit the excess over the gross receipts tax payable under subsection (A) of this section.

C. Gross receipt and square footage tax thresholds

1. Gross receipts threshold: This chapter shall not apply to any person engaging in any one (1) or more business activities which are otherwise taxable pursuant to ACC 1-1-5 .A, whose value of products, including by-products, gross proceeds of sales, and gross income of the business,

less any deductions, as the case may be, from all activities conducted during any calendar year, is less than or equal to the threshold amount of five hundred thousand dollars (\$500,000).

2. Square footage threshold: The square footage tax imposed in subsection (B) of this section shall not apply to any person unless that person's total area of business space within the city exceeds one of the following thresholds:

- a. Four thousand taxable square feet of business warehouse space; or
- b. Two hundred sixty-one thousand three hundred sixty taxable square feet (six acres) of outdoor warehouse space;

If the square footage tax applies, it applies to all business space leased, owned, occupied, or otherwise maintained by the taxpayer during the applicable reporting period.

D. Annual Tax Cap: The gross receipts tax imposed under this chapter shall not exceed one million dollars (\$1,000,000) during any calendar year for the taxes imposed in subsection 1-1-5A.4. The cap set forth in this subsection shall be administratively adjusted by the director on January 1st of each year, beginning on January 1, 2023, to reflect the inflation adjustment, as defined and calculated pursuant to ACC 1-1-3 Q. The amount of the cap so calculated shall be rounded to the nearest ten dollars (\$10).

1-1-6 MULTIPLE ACTIVITIES CREDIT WHEN ACTIVITIES TAKE PLACE IN ONE OR MORE CITIES WITH ELIGIBLE GROSS RECEIPT TAXES:

- A. Persons who engage in business activities that are within the purview of two (2) or more subsections of ACC 1-1-5. A shall be taxable under each applicable subsection.
- B. Notwithstanding any provision to the contrary, if the Administrator finds that the imposition of the City's tax would place an undue burden upon interstate commerce or violate constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City tax to as much of the taxpayer's activities as may be subject to the City's taxing authority.
- C. To take the credit authorized by this section, a taxpayer must be able to document that the amount of tax sought to be credited was paid upon the same gross receipts used in computing the tax against which the credit is applied.
- D. Credit for Persons That Sell in the City Products That They Extract or Manufacture. Persons taxable under the retailing or wholesaling classification with respect to selling products in this City shall be allowed a credit against those taxes for any eligible gross receipts taxes paid (1) with

respect to the manufacturing of the products sold in the City, and (2) with respect to the extracting of the products, or the ingredients used in the products, sold in the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the sale of those products.

E. Credit for persons that manufacture products in the City using ingredients they extract. Persons taxable under the manufacturing classification with respect to manufacturing products in this City shall be allowed a credit against those taxes for any eligible gross receipts tax paid with respect to extracting the ingredients of the products manufactured in the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the manufacturing of those products.

F. Credit for persons that sell within the City products that they print, or publish and print. Persons taxable under the retailing or wholesaling classification with respect to selling products in this City shall be allowed a credit against those taxes for any eligible gross receipts taxes paid with respect to the printing, or the printing and publishing, of the products sold within the City. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to the sale of those products

1-1-7 DEDUCTIONS TO PREVENT MULTIPLE TAXATION OF MANUFACTURING ACTIVITIES AND PRIOR TO JANUARY 1, 2008, TRANSACTIONS INVOLVING MORE THAN ONE CITY WITH AN ELIGIBLE GROSS RECEIPTS TAX:

A. Amounts Subject to an Eligible Gross Receipts Tax in Another City That Also Maintains Nexus Over the Same Activity: For taxes due prior to January 1, 2008, a taxpayer that is subject to an eligible gross receipts tax on the same activity in more than one (1) jurisdiction may be entitled to a deduction as follows:

1. A taxpayer that has paid an eligible gross receipts tax, with respect to a sale of goods or services, to a jurisdiction in which the goods are delivered or the services are provided may deduct an amount equal to the gross receipts used to measure that tax from the measure of the tax owed to the City.
2. Notwithstanding the above, a person that is subject to an eligible gross receipts tax in more than one (1) jurisdiction on the gross income derived from intangibles such as royalties, trademarks, patents, or goodwill shall assign those gross receipts to the jurisdiction where the person is domiciled (its headquarters is located).
3. A taxpayer that has paid an eligible gross receipts tax on the privilege of accepting or executing a contract with another city may deduct an amount equal to the contract price used to measure the tax due to the other city from the measure of the tax owed to the City.

B. Person Manufacturing Products Within and Without: A person manufacturing products within the City using products manufactured by the same person outside the City may deduct from the measure of the manufacturing tax the value of products manufactured outside the City and included in the measure of an eligible gross receipts tax paid to the other jurisdiction with respect to manufacturing such products.

1-1-8 ASSIGNMENT OF GROSS INCOME DERIVED FROM INTANGIBLES:

Gross income derived from the sale of intangibles such as royalties, trademarks, patents, or goodwill shall be assigned to the jurisdiction where the person is domiciled (its headquarters is located).

1-1-9 ALLOCATION AND APPORTIONMENT OF INCOME WHEN ACTIVITIES TAKE PLACE IN MORE THAN ONE JURISDICTION:

Gross income, other than persons subject to the provisions of RCW Chapter [82.14A](#), shall be allocated and apportioned as follows:

- A. Gross income derived from all activities other than those taxed as service or royalties under ACC 1-1-5.A.7 shall be allocated to the location where the activity takes place.
- B. In the case of sales of tangible personal property, the activity takes place where delivery to the buyer occurs.
- C. In the case of sales of digital products, the activity takes place where delivery to the buyer occurs. The delivery of digital products will be deemed to occur at:
 - 1. The seller's place of business if the purchaser receives the digital product at the seller's place of business;
 - 2. If not received at the seller's place of business, the location where the purchaser or the purchaser's donee, designated as such by the purchaser, receives the digital product, including the location indicated by instructions for delivery to the purchaser or donee, known to the seller;
 - 3. If the location where the purchaser or the purchaser's donee receives the digital product is not known, the purchaser's address maintained in the ordinary course of the seller's business when use of this address does not constitute bad faith;
 - 4. If no address for the purchaser is maintained in the ordinary course of the seller's business, the purchaser's address obtained during the consummation of the sale, including the address of a purchaser's payment instrument, if no other address is available, when use

of this address does not constitute bad faith; and

5. If no address for the purchaser is obtained during the consummation of the sale, the address where the digital good or digital code is first made available for transmission by the seller or the address from which the digital automated service or service described in RCW [82.04.050](#)(2)(g) or (6)(b) was provided, disregarding for these purposes any location that merely provided the digital transfer of the product sold.

D. If none of the methods in ACC 1-1-9.C for determining where the delivery of digital products occurs are available after a good faith effort by the taxpayer to apply the methods provided in ACC 1-1-19C.1 through 5, then the City and the taxpayer may mutually agree to employ any other method to effectuate an equitable allocation of income from the sale of digital products. The taxpayer will be responsible for petitioning the City to use an alternative method under ACC 1-1-9.D. The City may employ an alternative method for allocating the income from the sale of digital products if the methods provided in ACC 1-1-9.C.1 through 5 are not available and the taxpayer and the City are unable to mutually agree on an alternative method to effectuate an equitable allocation of income from the sale of digital products.

E. For purposes of ACC 1-1-9.C.1 through 5, the following definitions apply:

1. “Digital automated services,” “digital codes,” and “digital goods” have the same meaning as in RCW [82.04.192](#);
2. “Digital products” means digital goods, digital codes, digital automated services, and the services described in RCW [82.04.050](#) (2)(g) and (6)(c); and
3. “Receive” has the same meaning as in RCW [82.32.730](#).

F. Effective January 1, 2020, gross income derived from activities taxed as services and other activities taxed under ACC 1-1-5.A.7 shall be apportioned to the City by multiplying apportionable income by a fraction, the numerator of which is the payroll factor plus the service-income factor and the denominator of which is two (2).

1. The payroll factor is a fraction, the numerator of which is the total amount paid in the City during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period. Compensation is paid in the City if:
 - a. The individual is primarily assigned within the City;
 - b. The individual is not primarily assigned to any place of business for the tax period and the employee performs fifty percent (50%) or more of his or her service for the tax period in the City; or

- c. The individual is not primarily assigned to any place of business for the tax period, the individual does not perform fifty percent (50%) or more of his or her service in any city and the employee resides in the City.
2. The service income factor is a fraction, the numerator of which is the total service income of the taxpayer in the City during the tax period, and the denominator of which is the total service income of the taxpayer everywhere during the tax period. Service income is in the City if the customer location is in the City.
3. Gross income of the business from engaging in an apportionable activity must be excluded from the denominator of the service income factor if, in respect to such activity, at least some of the activity is performed in the City, and the gross income is attributable under subsection F.2 to a city or unincorporated area of a county within the United States or to a foreign country in which the taxpayer is not taxable. For purposes of this subsection F.3, "not taxable" means that the taxpayer is not subject to a business activities tax by that city or county within the United States or by that foreign country, except that a taxpayer is taxable in a city or county within the United States or in a foreign country in which it would be deemed to have a substantial nexus with the city or county within the United States or with the foreign country under the standards in RCW [35.102.050](#) regardless of whether that city or county within the United States or that foreign country imposes such a tax.
4. If the allocation and apportionment provisions of this subsection F do not fairly represent the extent of the taxpayer's business activity in the City, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:
 - a. Separate accounting;
 - b. The exclusion of any one (1) or more of the factors;
 - c. The inclusion of one (1) or more additional factors that will fairly represent the taxpayer's business activity in the City; or
 - d. The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.
5. The party petitioning for, or the tax administrator requiring, the use of any method to effectuate an equitable allocation and apportionment of the taxpayer's income pursuant to subsection F.4 must prove by a preponderance of the evidence:
 - a. That the allocation and apportionment provisions of this subsection F do not fairly represent the extent of the taxpayer's business activity in the City; and

- b. That the alternative to such provisions is reasonable.

The same burden of proof shall apply whether the taxpayer is petitioning for, or the tax administrator is requiring, the use of an alternative, reasonable method to effectuate an equitable allocation and apportionment of the taxpayer's income.

6. If the tax administrator requires any method to effectuate an equitable allocation and apportionment of the taxpayer's income, the tax administrator cannot impose any civil or criminal penalty with reference to the tax due that is attributable to the taxpayer's reasonable reliance solely on the allocation and apportionment provisions of this subsection F.

7. A taxpayer that has received written permission from the tax administrator to use a reasonable method to effectuate an equitable allocation and apportionment of the taxpayer's income shall not have that permission revoked with respect to transactions and activities that have already occurred unless there has been a material change in, or a material misrepresentation of, the facts provided by the taxpayer upon which the tax administrator reasonably relied in approving a reasonable alternative method.

G. The definitions in this subsection apply throughout this section:

1. "Apportionable income" means the gross income of the business taxable under the service classifications of a city's gross receipts tax, including income received from activities outside the City if the income would be taxable under the service classification if received from activities within the City, less any exemptions or deductions available.

2. "Business activities tax" means a tax measured by the amount of, or economic results of, business activity conducted in a city or county within the United States or within a foreign country. The term includes taxes measured in whole or in part on net income or gross income or receipts. "Business activities tax" does not include a sales tax, use tax, or a similar transaction tax, imposed on the sale or acquisition of goods or services, whether or not denominated a gross receipts tax or a tax imposed on the privilege of doing business.

3. "Compensation" means wages, salaries, commissions, and any other form of remuneration paid to individuals for personal services that are or would be included in the individual's gross income under the federal internal revenue code.

4. "Customer" means a person or entity to whom the taxpayer makes a sale or renders services or from whom the taxpayer otherwise receives gross income of the business.

5. "Customer location" means the following:

- a. For a customer not engaged in business, if the service requires the customer to be physically present, where the service is performed.
- b. For a customer not engaged in business, if the service does not require the customer to be physically present:
 - i. The customer's residence; or
 - ii. If the customer's residence is not known, the customer's billing/mailling address.
- c. For a customer engaged in business:
 - i. Where the services are ordered from;
 - ii. At the customer's billing/mailling address if the location from which the services are ordered is not known; or
 - iii. At the customer's commercial domicile if none of the above are known.

6. "Individual" means any individual who, under the usual common law rules applicable in determining the employer- employee relationship, has the status of an employee of that taxpayer.

7. "Primarily assigned" means the business location of the taxpayer where the individual performs his or her duties.

8. "Service-taxable income" or "service income" means gross income of the business subject to tax under either the service or royalty classification.

9. "Tax period" means the calendar year during which tax liability is accrued. If taxes are reported by a taxpayer on a basis more frequent than once per year, taxpayers shall calculate the factors for the previous calendar year for reporting in the current calendar year and correct the reporting for the previous year when the factors are calculated for that year, but not later than the end of the first quarter of the following year.

H. Assignment or apportionment of revenue under this section shall be made in accordance with and in full compliance with the provisions of the interstate commerce clause of the United States Constitution where applicable.

**1-1-10 ALLOCATION AND APPORTIONMENT OF PRINTING AND PUBLISHING INCOME
WHEN ACTIVITIES TAKE PLACE IN MORE THAN ONE JURISDICTION:**

Notwithstanding RCW [35.102.130](#), effective January 1, 2008, gross income from the activities of printing, and of publishing newspapers, periodicals, or magazines, shall be allocated to the principal place in this state from which the taxpayer's business is directed or managed. As used in this section, the activities of printing, and of publishing newspapers, periodicals, or magazines, have the same meanings as attributed to those terms in RCW [82.04.280](#)(1) by the Department of Revenue.

1-1-11 EXEMPTIONS:

A. Adult Family Homes: This chapter does not apply to adult family homes which are licensed as such, or which are specifically exempt from licensing, under rules of the Washington State Department of Social and Health Services.

B. Day Care Provided By Churches: This chapter shall not apply to amounts derived by a church that is exempt from property tax under RCW [84.36.020](#) from the provision of care for children for periods of less than twenty-four (24) hours.

C. Child Care Resource and Referral Services by Nonprofit Organizations: This chapter does not apply to nonprofit organizations in respect to amounts derived from the provision of child-care resource and referral services.

D. Non-Profit Organizations That are Guarantee Agencies, Issue Debt, or Provide Guarantees for Student Loans: This chapter does not apply to gross income received by non-profit organizations exempt from federal income tax under Internal Revenue Code Section 501(c)(3), that:

1. Are guarantee agencies under the federal guaranteed student loan program or that issue debt to provide or acquire student loans; or
2. Provide guarantees for student loans made through programs other than the federal guaranteed student loan program.

E. Nonprofit Organizations—Credit and Debt Services: This chapter does not apply to nonprofit organizations in respect to amounts derived from provision of the following services:

1. Presenting individual and community credit education programs including credit and debt counseling;
2. Obtaining creditor cooperation allowing a debtor to repay debt in an orderly manner;
3. Establishing and administering negotiated repayment programs for debtors; or
4. Providing advice or assistance to a debtor with regard to 1, 2, or 3, above, of this

subsection E.

F. Certain fraternal and beneficiary organizations: This chapter shall not apply to fraternal benefit societies or fraternal fire insurance associations, as described in Title [48](#) RCW; nor to beneficiary corporations or societies organized under and existing by virtue of RCW Title [24](#), if such beneficiary corporations or societies provide in their bylaws for the payment of death benefits. This exemption is limited, however, to gross income from premiums, fees, assessments, dues or other charges directly attributable to the insurance or death benefits provided by such societies, associations, or corporations.

G. Certain Corporations Furnishing Aid and Relief: This chapter shall not apply to the gross sales or the gross income received by corporations which have been incorporated under any act of the congress of the United States of America and whose principal purposes are to furnish volunteer aid to the United States of America armed force members and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, floods, and other national calamities and to devise and carry on measures for preventing the same.

H. Operation of Sheltered Workshops: This chapter shall not apply to income received from the Department of Social and Health Services for the cost of care, maintenance, support and training of persons with developmental disabilities at nonprofit group training homes as defined by RCW Chapter [71A.22](#) or to the business activities of nonprofit organizations from the operation of sheltered workshops. For the purposes of this subsection, ACC 1-1-11.H, “the operation of sheltered workshops” means performance of business activities of any kind on or off the premises of such nonprofit organizations which are performed for the primary purpose of:

1. Providing gainful employment or rehabilitation services to the handicapped or disabled as an interim step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist; or
2. Providing evaluation and work adjustment services for handicapped or disabled individuals.

I. Investments—Dividends From Subsidiary Corporations: This chapter shall not apply to amounts derived by persons, other than those engaging in banking, loan, security or other financial businesses, from investments or the use of money as such, and also amounts derived as dividends by a parent from its subsidiary corporations.

J. The City of Auburn is exempt from the tax levied by this chapter.

K. Gross Receipts Taxed Under Other Auburn City Code (ACC) Sections: This chapter shall not apply to:

1. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of ACC Chapter 3-88 (Utility Tax); or
2. Any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of ACC Chapter 3-80 (Gambling Tax).

L. Credit Unions: This chapter shall not apply to the gross income of credit unions organized under the laws of this state, any other state, or the United States.

M. International Banking Facilities: This chapter shall not apply to the gross receipts of an international banking facility. As used in this subsection, ACC 1-1-11.M, an “international banking facility” means a facility represented by a set of asset and liability accounts segregated on the books and records of a commercial bank, the principal office of which is located in this state, and which is incorporated and doing business under the laws of the United States of America or of this state, a United States branch or agency of a foreign bank, an Edge corporation organized under Section 25(A) of the Federal Reserve Act, [12](#) United States Code [611](#)-631, or an Agreement corporation having an agreement or undertaking with the Board of Governors of the Federal Reserve System under Section 25 of the Federal Reserve Act, [12](#) United States Code [11 601](#)-604(a), that includes only international banking facility time deposits (as defined in subsection (a)(2) of Section 204.8 of Regulation D ([12](#) CFR Part [204](#)), as promulgated by the Board of Governors of the Federal Reserve System), and international banking facility extensions of credit (as defined in subsection (a)(3) of Section 204.8 of Regulation D).

N. Insurance Business: This chapter shall not apply to amounts received by any person who is an insurer or their appointed insurance producer upon which a tax based on gross premiums is paid to the state pursuant to RCW [48.14.020](#), and provided further, that the provisions of this subsection shall not exempt any bonding company from tax with respect to gross income derived from the completion of any contract as to which it is a surety, or as to any liability as successor to the liability of the defaulting contractor.

O. Farmers – Agriculture: This chapter shall not apply to any farmer in respect to amounts received from selling fruits, vegetables, berries, butter, eggs, fish, milk, poultry, meats or any other agricultural product that is raised, caught, produced or manufactured by such persons. “Agricultural product” does not include animals intended to be pets, marijuana, or marijuana infused products as defined by RCW [69.50.101](#)(t) and (x). “Farmer” does not include any person engaged in the business of growing, producing, processing, selling or distributing marijuana.

P. Athletic Exhibitions: This chapter shall not apply to any person in respect to the business of conducting boxing contests and sparring or wrestling matches and exhibitions for the conduct of which a license must be secured from the State Boxing Commission.

Q. Racing: This chapter shall not apply to any person in respect to the business of conducting race meets for the conduct of which a license must be secured from the Washington State Horse Racing Commission.

R. Ride Sharing: This chapter does not apply to any funds received in the course of commuter ride sharing or ride sharing for persons with special transportation needs in accordance with RCW [46.74.010](#).

S. Employees: This chapter shall not apply to any person in respect to his or her employment in the capacity as an employee or servant as distinguished from that of an independent contractor. For the purposes of this subsection, ACC1-1-11.S the definition of employee shall include those persons that are defined in section 3121(d)(3)(B) of the Internal Revenue Code, as hereafter amended. For purposes of this chapter, a booth renter, as defined by RCW [18.16.020](#), is an independent contractor.

T. Amounts Derived from Sale of Real Estate: This chapter shall not apply to gross proceeds derived from the sale of real estate. This, however, shall not be construed to allow an exemption of amounts received as commissions from the sale of real estate, nor as fees, handling charges, discounts, interest or similar financial charges resulting from, or relating to, real estate transactions. This chapter shall also not apply to amounts received for the rental of real estate if the rental income is derived from a contract to rent for a continuous period of thirty (30) calendar days or longer.

U. Mortgage Brokers' Third-Party Provider Services Trust Accounts: This chapter shall not apply to amounts received from trust accounts to mortgage brokers for the payment of third-party costs if the accounts are operated in a manner consistent with RCW [19.146.050](#) and any rules adopted by the director of financial institutions.

V. Amounts Derived From Manufacturing, Selling or Distributing Motor Vehicle Fuel: This chapter shall not apply to the manufacturing, selling or distributing motor vehicle fuel, as the term "motor vehicle fuel" is defined in RCW [82.38.020](#) and exempt under RCW [82.38.280](#), provided that any fuel not subjected to the state fuel excise tax, or any other applicable deduction or exemption, will be taxable under this chapter.

W. Amounts Derived From Liquor, and the Sale or Distribution of Liquor: This chapter shall not apply to liquor as defined in RCW [66.04.010](#) and exempted in RCW [66.08.120](#).

X. Casual and Isolated Sales: This chapter shall not apply to the gross proceeds derived from casual or isolated sales.

Y. Accommodation Sales: This chapter shall not apply to sales for resale by persons regularly engaged in the business of making retail sales of the type of property so sold to other persons

similarly engaged in the business of selling such property where:

1. The amount paid by the buyer does not exceed the amount paid by the seller to his vendor in the acquisition of the article; and
 2. The sale is made as an accommodation to the buyer to enable the buyer to fill a bona fide existing order of a customer or is made within fourteen (14) calendar days to reimburse in kind a previous accommodation sale by the buyer to the seller.
- Provided, that where the seller holds himself or herself out as being regularly engaged in the business of making sales at wholesale of such property, such sales shall be included in his principal business activity, and not exempt from tax.

Z. Real Estate Brokers and Associated Brokers, Agents, or Salesmen: This chapter does not apply to that portion of a real estate commission assigned to another brokerage office pursuant to the division of revenue between the originating brokerage office and a cooperating brokerage office on a particular transaction. Each brokerage office shall pay the tax upon its respective revenue share of the transaction. Furthermore, where a brokerage office has paid the business and occupation tax on the gross commission earned by that brokerage office, associate brokers, salesmen or agents within the same office shall not be required to pay the tax upon their share of the commission from the same transaction.

AA. Taxes Collected as Trust Funds: This chapter shall not apply to amounts collected by the taxpayer from third-parties to satisfy third party obligations to pay taxes such as the retail sales tax, use tax, commercial parking tax, and admission tax.

BB. Health Maintenance Organization, Health Care Service Contractor, Certified Health Plan: This chapter does not apply to any health maintenance organization, health care service contractor, or certified health plan with respect to premiums or prepayments that are taxable under RCW 48.14.0201.

1-1-12 DEDUCTIONS:

In computing the license fee or tax, there may be deducted from the measure of tax the following items:

A. Membership Fees and Certain Service Fees By Non-Profit Youth Organization: For purposes of this subsection, “non- profit youth organization” means a non-profit organization engaged in character building of youth which is exempt from property tax under RCW [8 4.36.030](#). In computing tax due under this chapter, there may be deducted from the measure of tax all amounts received by a non-profit youth organization:

1. As membership fees or dues, irrespective of the fact that the payment of the

membership fees or dues to the organization may entitle its members, in addition to other rights or privileges, to receive services from the organization or to use the organization's facilities; or

2. From members of the organization for camping and recreational services provided by the organization or for the use of the organization's camping and recreational facilities.

B. Bona-Fide Initiation Fees, Dues, and Certain Charges Received by Non-Profit

Organizations: In computing tax, a non-profit organization may deduct from the measure of tax amounts derived from bona-fide:

1. Initiation fees;
2. Dues;
3. Contributions;
4. Donations;
5. Tuition fees or charges made for operation of non-profit kindergartens;
6. Charges made by a non-profit trade or professional organization for attending or occupying space at a trade show, convention, or educational seminar sponsored by the non-profit trade or professional organization, which trade show, convention, or educational seminar is not open to the general public; and
7. Endowment funds.

Except as specified in subsection A above, this subsection shall not be construed to exempt any non-profit organization, association, or society from tax liability upon selling tangible personal property or upon providing facilities or services for which a special charge is made to members or others. If dues are in exchange for any significant amount of goods or services rendered by the recipient to members without any additional charge to the member, or if the dues are graduated upon the amount of goods or services rendered, the value of such goods or services shall not be considered as a deduction under this subsection.

C. Artistic and Cultural Organizations - Income From Business Activities: In computing tax, there may be deducted from the measure of tax those amounts received by artistic or cultural organizations, as defined in this chapter, which represent:

1. Income derived from business activities conducted by the organization, provided that this deduction does not apply to retail sales made by artistic and cultural organizations;

2. Amounts received from the United States of America or any of its instrumentalities or from the State of Washington or any municipal corporation or subdivision thereof as compensation for; or to support, artistic or cultural exhibitions, performances, or programs provided by an artistic or cultural organization for attendance or viewing by the general public; or
3. Amounts received as tuition charges collected for the privilege of attending artistic or cultural education programs.

D. Artistic or Cultural Organization - Deduction For Tax Under the Manufacturing Classification - Value of Articles For Use In Displaying Art Objects or Presenting Artistic or Cultural Exhibitions, Performances, or Programs: In computing tax, there may be deducted from the measure of tax by persons subject to payment of the tax under the manufacturing classification, the value of articles to the extent manufacturing activities are undertaken by an artistic or cultural organization, as defined in this chapter, solely for the purpose of manufacturing articles for use by the organization in displaying art objects or presenting artistic or cultural exhibitions, performances, or programs for attendance or viewing by the general public.

E. Day Care Activities: In computing tax, there may be deducted from the measure of tax amounts derived from day care activities by any organization organized and operated for charitable, educational, or other purposes which is exempt from taxation pursuant to Internal Revenue Code Section 501(c)(3), provided, however, that amounts derived from selling, altering or repairing tangible personal property shall not be deductible.

F. Compensation from public entities for health or social welfare services – Deduction: In computing tax, there may be deducted from the measure of tax amounts received from the United States or any instrumentality thereof or from the state of Washington or any municipal corporation or political subdivision thereof as compensation for, or to support, health or social welfare services rendered by a health or social welfare organization (as defined in RCW [82.04.431](#)) or by a municipal corporation or political subdivision, except deductions are not allowed under this subsection for amounts that are received under an employee benefit plan. For purposes of this subsection, “employee benefit plan” includes the military benefits program authorized in [10](#) U.S.C. Section [1071](#) et seq., as amended, or amounts payable pursuant thereto.

G. Interest on Investments or Loans Secured By Mortgages or Deeds of Trust: In computing tax, to the extent permitted by RCW Chapter [82.14A](#), there may be deducted from the measure of tax by those engaged in banking, loan, security or other financial businesses, amounts derived from interest received on investments or loans primarily secured by first mortgages or trust deeds on non-transient residential properties.

H. Interest on Obligations of the State, its Political Subdivisions, and Municipal Corporations: In computing tax, there may be deducted from the measure of tax by those engaged in banking,

loan, security or other financial businesses, amounts derived from interest paid on all obligations of the State of Washington, its political subdivisions, and municipal corporations.

I. Interest on Loans to Farmers and Ranchers, Producers or Harvesters of Aquatic Products, or Their Cooperatives: In computing tax, there may be deducted from the measure of tax amounts derived as interest on loans to bona fide farmers and ranchers, producers or harvesters of aquatic products, or their cooperatives by a lending institution which is owned exclusively by its borrowers or members and which is engaged solely in the business of making loans and providing finance-related services to bona fide farmers and ranchers, producers or harvesters of aquatic products, their cooperatives, rural residents for housing, or persons engaged in furnishing farm-related or aquatic-related services to these individuals or entities.

J. Receipts From Tangible Personal Property Delivered Outside the State: In computing tax, there may be deducted from the measure of tax under retailing or wholesaling amounts derived from the sale of tangible personal property that is delivered by the seller to the buyer or the buyer's representative at a location outside the state of Washington.

K. Cash Discount Taken by Purchaser: In computing tax, there may be deducted from the measure of tax the cash discount amounts actually taken by the purchaser. This deduction is not allowed in arriving at the taxable amount under the extracting or manufacturing classifications with respect to articles produced or manufactured, the reported values of which, for the purposes of this tax, have been computed according to the "value of product" provisions.

L. Credit Losses of Accrual Basis Taxpayers: In computing tax, there may be deducted from the measure of tax the amount of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis.

M. Repair, Maintenance, Replacement, Etc., of Residential Structures and Commonly Held Property – Eligible Organizations:

1. In computing tax, there may be deducted from the measure of tax amounts used solely for repair, maintenance, replacement, management, or improvement of the residential structures and commonly held property, but excluding property where fees or charges are made for use by the public who are not guests accompanied by a member, which are derived by:

- a. A cooperative housing association, corporation, or partnership from a person who resides in a structure owned by the cooperative housing association, corporation, or partnership;

- b. An association of owners of property as defined in RCW [64.32.010](#), as now or hereafter amended, from a person who is an apartment owner as defined in RCW [6](#)

[4.32.010](#); or

c. An association of owners of residential property from a person who is a member of the association. “Association of owners of residential property” means any organization of all the owners of residential property in a defined area who all hold the same property in common within the area.

2. For the purposes of this subsection “commonly held property” includes areas required for common access such as reception areas, halls, stairways, parking, etc., and may include recreation rooms, swimming pools and small parks or recreation areas; but is not intended to include more grounds than are normally required in a residential area, or to include such extensive areas as required for golf courses, campgrounds, hiking and riding areas, boating areas, etc.

3. To qualify for the deductions under this subsection:

a. The salary or compensation paid to officers, managers, or employees must be only for actual services rendered and at levels comparable to the salary or compensation of like positions within the county wherein the property is located;

b. Dues, fees, or assessments in excess of amounts needed for the purposes for which the deduction is allowed must be refunded to the members of the association;

c. Assets of the association or organization must be distributable to all members and must not inure to the benefit of any single member or group of members.

N. Radio and Television Broadcasting - Advertising Agency Fees - National, Regional, and Network Advertising - Interstate Allocations: In computing tax, there may be deducted from the measure of tax by radio and television broadcasters amounts representing the following:

1. Advertising agencies’ fees when such fees or allowances are shown as a discount or price reduction in the billing or that the billing is on a net basis, i.e., less the discount;

2. Actual gross receipts from national network, and regional advertising or a “standard deduction” as provided by RCW [82.04.280](#); and

3. Local advertising revenue that represent advertising which is intended to reach potential customers of the advertiser who are located outside the State of Washington. The Administrator may issue a rule that provides detailed guidance as to how these deductions are to be calculated.

O. Constitutional and Statutory Prohibitions: In computing tax, there may be deducted from

the measure of the tax amounts derived from business which the City is prohibited from taxing under the Constitution or laws of the State of Washington or the United States of America.

P. Receipts From The Sale of Tangible Personal Property and Retail Services Delivered Outside the City But Within Washington: Effective January 1, 2008, amounts included in the gross receipts reported on the tax return derived from the sale of tangible personal property delivered to the buyer or the buyer's representative outside the City but within the State of Washington may be deducted from the measure of tax under the retailing, retail services, or wholesaling classification.

Q. Professional Employer Services: In computing the tax, a professional employer organization may deduct from the calculation of gross income the gross income of the business derived from performing professional employer services that is equal to the portion of the fee charged to a client that represents the actual cost of wages and salaries, benefits, workers' compensation, payroll taxes, withholding, or other assessments paid to or on behalf of a covered employee by the professional employer organization under a professional employer agreement.

R. Real Estate Brokers and Associated Brokers, Agents, or Salesmen: This chapter does not apply to that portion of a real estate commission assigned to another brokerage office pursuant to the division of revenue between the originating brokerage office and a cooperating brokerage office on a particular transaction. Each brokerage office shall pay the tax upon its respective revenue share of the transaction. Furthermore, where a brokerage office has paid the business and occupation tax on the gross commission earned by that brokerage office, associate brokers, salesmen or agents within the same office shall not be required to pay the tax upon their share of the commission from the same transaction.

1-1-13 TAX CREDITS:

A. New business tax credit

1. Purpose: The City believes that providing a temporary tax credit relating to new businesses is a meaningful method of fostering such new businesses to establish a solid financial foundation during its start-up process. Further, the City finds that a credit related to the creation of new full-time equivalent ("FTE") employees within the City will benefit other local businesses.
2. There may be credited against the tax imposed by ACC Chapter 1-1-5, the amount up to one thousand dollars (\$1,000) per FTE position in the City of Auburn per quarter. To take the credit authorized by this section, a taxpayer must be able to document all of the following:
 - The taxpayer has not, for any period of time, engaged in business in the City of Auburn within the five (5) years preceding application of the tax credit;
 - The taxpayer employs twenty (20) or more full-time equivalent positions in Auburn.

An FTE position is defined as each one thousand nine hundred and twenty (1,920) worker hours per calendar year; and

- The taxpayer may be required to submit its payroll information and/or other documentation in support of such employee hours worked in the City.
 - The taxpayer must report, on each return filed, the taxpayer's total number of full-time employment positions created and positions currently filled.
 - The taxpayer must employ a minimum of twenty (20) FTE's in each quarter the credit is being applied.
3. The tax credit can be taken for the first twelve (12) consecutive reporting quarters or three (3) reporting years.
 4. This credit is not considered a payment of taxes for purposes of seeking a refund of overpayment of tax pursuant to the provisions contained in ACC Chapter 1-2 Tax Administrative Code, or any other purpose. As such, unused credit amounts will not be refunded, carried over from reporting period(s) to reporting period(s), and will not accrue interest.
 5. The Administrator is authorized to promulgate rules implementing, interpreting, and enforcing the provisions of this section.

B. Auburn business area improvement assessment credit

1. Purpose: Certain businesses operating within the Business Area Improvement (BIA) boundaries, as identified in ACC Chapter 2.98, are subject to an annual assessment. The purpose of the assessment is to enhance trade, economic vitality, and livability within the City of Auburn. The City believes that providing business and occupation tax relief to local businesses that are subject to the BIA assessment helps ensure their continued downtown presence, which contributes towards a vibrant downtown core and further benefits other local businesses not subject to the BIA assessment.
2. There may be credited against the tax imposed by ACC Chapter 1-1-5, an amount equal to the BIA assessment fee paid as imposed by ACC Chapter 2.98.
3. This credit is not considered a payment of taxes for purposes of seeking a refund of overpayment of tax pursuant to the provisions contained in ACC Chapter 1-2 Tax Administrative Code, or any other purpose. As such, unused credit amounts will not be refunded, carried over from reporting period(s) to reporting period(s), and will not accrue interest.

4. The Administrator is authorized to promulgate rules implementing, interpreting, and enforcing the provisions of this section.

1-1-14 TAX PART OF OVERHEAD:

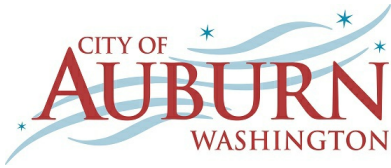
It is not the intention of this chapter that the taxes or fees herein levied upon persons engaging in business be construed as taxes or fees upon the purchasers or customer, but that such taxes or fees shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the cost of doing business of such persons.

1-1-15 ADMINISTRATIVE PROVISIONS

The provisions contained in Chapter 1-2, Tax Administrative Code, shall be fully applicable to the provisions of this chapter except as expressly stated to the contrary herein.

1-1-16 SEVERABILITY CLAUSE:

If any provision of this chapter or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provision to other persons or circumstances shall not be affected.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6815 (Thomas)(20 Minutes)

Date:

March 17, 2021

Department:

Finance

Attachments:

[Transmittal Memo](#)

[Ordinance No. 6815](#)

[Schedule A](#)

[Schedule B](#)

Budget Impact:**Administrative Recommendation:**

For discussion only.

Background Summary:

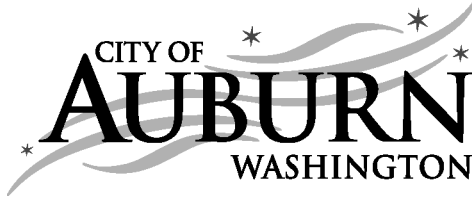
Ordinance No. 6815 (Budget Amendment #1) amends the 2021-2022 Adopted Budget as presented in the attached transmittal memorandum and supporting attachments.

Reviewed by Council Committees:**Councilmember:****Staff:**

Thomas

Meeting Date: March 22, 2021

Item Number:



Interoffice Memorandum

To: City Council
From: Jamie Thomas, Finance Director
CC: Nancy Backus, Mayor
Date: March 17, 2021
Re: Ordinance #6815 – 2021-2022 Budget Amendment #1

Budget Amendment #1 is the first amendment of the City of Auburn's 2021-2022 biennial budget. For details on specific requests to amend the 2021 budget, please refer to the accompanying ***Schedule A, Summary of 2021 Budget Adjustments by Fund***.

The main purpose of the first budget amendment of the year is to carry forward remaining 2020 budget authority for identified programs and costs that were budgeted in 2020 but not completed. The requested unspent budget authority from 2020 to be carried forward into the 2021 budget year for all funds is \$493,500.

Additional items included in this amendment are requests to change FTE counts, accept and expend new grants, change budget authority, fund costs not anticipated in the 2021 budget, and transfer dollars among funds to enable certain amendments.

Full-Time Equivalents (FTEs): This amendment changes the status for the Multimedia Assistant position, increasing the position from 0.60 to 0.75 FTEs. No additional budget is required for this change.

Carry forward of unspent expenditure spending authority from 2020: This amendment enables the completion of various contracts in 2021 by carrying forward unspent resources at the end of 2020. Note that carry forwards in capital funds are not included in this budget amendment due to the adoption of multi-year capital budget, as approved in Ordinance No. 6682. Totals requested to be carried forward by fund are:

• General Fund (Fund 001)	\$ 192,500
• Drug Forfeiture Fund (Fund 117)	10,000
• Capital Improvements Fund (Fund 328)	150,000
• Innovation & Technology Fund (Fund 518)	<u>141,000</u>
TOTAL	\$ 493,500

Grants: New grants and carry-forwards of existing grants in this budget amendment total \$1,097,000 and include:

• General Fund (Fund 001)	\$ 114,900
• Housing & Community Development Fund (Fund 119)	952,100
• Capital Improvements Fund (Fund 328)	<u>30,000</u>
TOTAL	\$ 1,097,000

Expenditure Funding Adjustments: Expenditure funding adjustment requests included in this budget amendment revise the spending authority for existing programs. Total expenditure funding adjustment requests equal \$535,000, and include:

- Increase budget for the Diversity, Equity and Inclusion (DEI) program: This amendment increases 2021 estimated expenditures by \$150,000 to hire a consultant to provide anti-racism, anti-bias, diversity, equity, and inclusion training for City staff.
- Increase budget to repair/replace a portion of the Community Center parking lot: This amendment increases the budget for this project. An updated engineer's estimate indicates the project will cost an additional \$100,000 as the pervious concrete has failed in many areas due to weather and heavy use.
- Increase budget for signal systems repair and maintenance: This amendment adds \$75,000 in budget due to large signal pole repairs caused by two recent accidents. The increased budget will cover the repairs and restore our maintenance budget and will be offset by increased insurance recovery revenues from WCIA.
- Increase budget for M Street SE sidewalk improvements (cp2012): This amendment adds \$65,000 to cover additional construction costs related to directional boring for the street lighting system, increased traffic control requirements, and the restoration of private property.

New Funding Requests: Requests for new funding included in this budget amendment add spending authority for new programs and unexpected expenditures. Total new funding requests equal \$2,683,200, and include:

- Accelerate budget for the lead service line replacement project from 2022 to 2021 (bond-funded) \$ 1,600,000
- Remit fire impact fees to VRFA for new aerial apparatus at Station 13 475,000
- Budget to replace Golf Course turf equipment (\$210,400 paid in) 237,600
- Budget for the design of the Community Court and Resource Center 118,000
- Funding for four seasonal staff to provide litter control services 81,000
- Budget to replace brine equipment for de-icing (fully paid in) 52,000

Transfers: Transfers between funds to accomplish specific budget amendment requests total \$2,052,700.

The following table summarizes the current and revised budget as a result of this amendment.

Table 1: 2021 Budget as Amended

2021 Adopted Budget	\$ 349,664,951
Budget Amendment #1 (Ord #6815)	<u>3,718,200</u>
Budget as Amended	\$ 353,383,151

Attachments:

- ❖ 1. Proposed Ordinance #6815 (budget adjustment #1)
- ❖ 2. Summary of proposed 2021 budget adjustments by fund and department (Schedule A)
- ❖ 3. Summary of proposed changes to adopted 2021 budget by fund (Schedule B)

ORDINANCE NO. 6815

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AMENDING ORDINANCE NO. 6794, THE 2021-2022 BIENNIAL OPERATING BUDGET ORDINANCE, AND ORDINANCE NO. 6796, THE 2021-2022 BIENNIAL CAPITAL BUDGET, AUTHORIZING AMENDMENT TO THE CITY OF AUBURN 2021-2022 BUDGET AS SET FORTH IN SCHEDULE "A" AND SCHEDULE "B"

WHEREAS, the Auburn City Council at its regular meeting of November 16, 2020, adopted Ordinance Nos. 6794 and 6796, which adopted the City of Auburn 2021-2022 Biennial budget; and

WHEREAS, the City of Auburn deems it necessary to appropriate additional funds to the various funds of the 2021 budget as outlined in this Ordinance (BA#1); and

WHEREAS, this Ordinance has been approved by one more than the majority of all councilpersons in accordance with RCW 35A.34.200.

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

Section 1. Amendment of the 2021-2022 Biennial Budget. The 2021-2022 Biennial Budget of the City of Auburn is amended pursuant to Chapter 35A.34 RCW, to reflect the revenues and expenditures as shown on Schedule "A" attached hereto and incorporated herein by reference. The Mayor of the City of Auburn, Washington is hereby authorized to utilize revenue and expenditure amounts shown on said Schedule "A" and Schedule "B". A copy of said Schedule "A" and Schedule "B" is on file with the City Clerk and available for public inspection.

Section 2. Implementation. The Mayor is authorized to implement those administrative procedures necessary to carry out the directives of this legislation.

Section 3. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of the application of it to any person or circumstance, will not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 4. Effective date. This Ordinance will take effect and be in force five days from and after its passage, approval, and publication as provided by law.

INTRODUCED: _____

PASSED: _____

APPROVED: _____

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney

Published: _____

Schedule A
Summary of 2021 Budget Adjustments by Fund
Budget Amendment #1 (Ordinance #6815)

	Beg. Fund Balance	2021 Revenues	2021 Expenditures	Ending Fund Balance
General Fund (#001)				
2021 Adopted Budget	19,948,152	72,870,710	82,294,077	10,524,785
BA#1 (Ordinance #6815, Proposed):	192,500	189,900	822,600	(440,200)
Human Resources Department:				
Additional funding to construct, build out, and furnish the Community Court	-	-	118,000	(118,000)
Budget for follow-up survey to the McGrath organizational assessment of the APD	-	-	25,000	(25,000)
Increase budget for the Diversity, Equity and Inclusion (DEI) program	-	-	150,000	(150,000)
City Attorney's Office:				
Incr budget to respond to civil judgments, subpoenas, and public record requests	-	-	25,000	(25,000)
Add budget for design of the Auburn Community Resource Center (ACRC)	-	-	32,000	(32,000)
Community Development Department:				
Carry fwd grant funding for the Increasing Residential Building Capacity program	-	49,900	49,900	-
Carry forward funding for the façade improvement program	30,500	-	30,500	-
C/F CDBG-Coronavirus grant and Human Services budget and receive 2021 grant	13,000	-	13,000	-
Public Works Department:				
Increase budget for signal systems repair and maintenance	-	75,000	75,000	-
Increase funding for M&O Facility Master Plan (cp2107)	-	-	22,500	(22,500)
Parks Department:				
Carry forward budget to replace the fire suppression systems at the Senior Center	45,000	-	45,000	-
Funding to repair and refinish the gym floor at the Community Center	-	-	40,600	(40,600)
True up budget for 2021 KC VSHSL grant funding for the Senior Resources Hub	-	10,800	10,800	-
KC Conservation District grant for the Auburn International Farmers' Market	-	15,000	15,000	-
4Culture grant for the Auburn Arts Alley project	-	23,000	23,000	-
4Culture for Local Arts Agency grant for arts programming	-	12,600	12,600	-
4Culture Historic Preservation Sustained Support grant for City-owned landmarks	-	3,600	3,600	-
Replace and increase budget for turf equipment replacement at the Golf Course	-	-	27,100	(27,100)
Carry forward KC VSHSL grant funds for the Senior Centers and Resources Hub	104,000	-	104,000	-
Revised 2021 Budget - Fund 001	20,140,652	73,060,610	83,116,677	10,084,585

Schedule A
Summary of 2021 Budget Adjustments by Fund
Budget Amendment #1 (Ordinance #6815)

	Beg. Fund Balance	2021 Revenues	2021 Expenditures	Ending Fund Balance
Arterial Street Fund (#102)				
2021 Adopted Budget	1,015,159	4,948,080	5,535,930	427,309
BA#1 (Ordinance #6815, Proposed):	-	-	65,000	(65,000)
Increase budget for M Street SE sidewalk improvements (cp2012)	-	-	65,000	(65,000)
Revised 2021 Budget - Fund 102	1,015,159	4,948,080	5,600,930	362,309
Drug Forfeiture Fund (#117)				
2021 Adopted Budget	957,967	147,600	492,994	612,573
BA#1 (Ordinance #6815, Proposed):	10,000	-	32,000	(22,000)
Purchase Spillman Mobile Arrest Form module for records management system	-	-	22,000	(22,000)
Carry forward budget for K-9 purchase (from 2020 BA#8)	10,000	-	10,000	-
Revised 2021 Budget - Fund 117	967,967	147,600	524,994	590,573
Housing & Comm Develop Fund (#119)				
2021 Adopted Budget	42,904	600,000	600,000	42,904
BA#1 (Ordinance #6815, Proposed):	-	952,100	952,100	-
C/F CDBG grant funds, receive 2021 grant, and realign budget to 2021 action plan	-	332,000	332,000	-
C/F CDBG-Coronavirus grant and Human Services budget and receive 2021 grant	-	620,100	620,100	-
Revised 2021 Budget - Fund 119	42,904	1,552,100	1,552,100	42,904
Mitigation Fees Fund (#124)				
2021 Adopted Budget	12,420,562	1,217,560	4,265,480	9,372,642
BA#1 (Ordinance #6815, Proposed):	-	-	475,000	(475,000)
Remit fire impact fees to VRFA for new aerial apparatus at Station 31	-	-	475,000	(475,000)
Revised 2021 Budget - Fund 124	12,420,562	1,217,560	4,740,480	8,897,642
Parks Construction Fund (#321)				
2021 Adopted Budget	819,996	3,095,800	2,883,800	1,031,996
BA#1 (Ordinance #6815, Proposed):	-	100,000	100,000	-
Increase funding to repair/replace a portion of the Community Center parking lot	-	100,000	100,000	-
Revised 2021 Budget - Fund 321	819,996	3,195,800	2,983,800	1,031,996

Schedule A
Summary of 2021 Budget Adjustments by Fund
Budget Amendment #1 (Ordinance #6815)

	Beg. Fund Balance	2021 Revenues	2021 Expenditures	Ending Fund Balance
Capital Improvements Fund (#328)				
2021 Adopted Budget	7,705,844	4,264,180	7,932,720	4,037,304
BA#1 (Ordinance #6815, Proposed):	150,000	30,000	280,000	(100,000)
Carry forward budget to replace the Arts & Cultural Center roof (REET funding)	150,000	-	150,000	-
4Culture Landmarks Capital grant for roof repairs at the Arts & Culture Center	-	30,000	30,000	-
Increase funding to repair/replace a portion of the Community Center parking lot	-	-	100,000	(100,000)
Revised 2021 Budget - Fund 328	7,855,844	4,294,180	8,212,720	3,937,304
Water Fund (#430)				
2021 Adopted Budget	17,088,517	19,149,300	25,067,833	11,169,984
BA#1 (Ordinance #6815, Proposed):	-	-	1,622,500	(1,622,500)
Increase funding for M&O Facility Master Plan (cp2107)	-	-	22,500	(22,500)
Move budget for lead service line replacement project (cp1922) from 2022 to 2021	-	-	1,600,000	(1,600,000)
Revised 2021 Budget - Fund 430	17,088,517	19,149,300	26,690,333	9,547,484
Sewer Fund (#431)				
2021 Adopted Budget	7,837,981	9,670,730	8,507,355	9,001,356
BA#1 (Ordinance #6815, Proposed):	-	-	22,500	(22,500)
Increase funding for M&O Facility Master Plan (cp2107)	-	-	22,500	(22,500)
Revised 2021 Budget - Fund 431	7,837,981	9,670,730	8,529,855	8,978,856
Storm Drainage Fund (#432)				
2021 Adopted Budget	8,943,194	10,686,150	9,366,223	10,263,121
BA#1 (Ordinance #6815, Proposed):	-	-	22,500	(22,500)
Increase funding for M&O Facility Master Plan (cp2107)	-	-	22,500	(22,500)
Revised 2021 Budget - Fund 432	8,943,194	10,686,150	9,388,723	10,240,621

Schedule A
Summary of 2021 Budget Adjustments by Fund
Budget Amendment #1 (Ordinance #6815)

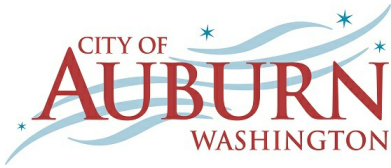
	Beg. Fund Balance	2021 Revenues	2021 Expenditures	Ending Fund Balance
Solid Waste Fund (#434)				
2021 Adopted Budget	5,753,618	16,775,500	16,950,830	5,578,288
BA#1 (Ordinance #6815, Proposed):	-	-	81,000	(81,000)
Provide funding for four seasonal staff to provide litter control services	-	-	81,000	(81,000)
Revised 2021 Budget - Fund 434	5,753,618	16,775,500	17,031,830	5,497,288
Water Capital Fund (#460)				
2021 Adopted Budget	888,139	11,614,710	10,670,410	1,832,439
BA#1 (Ordinance #6815, Proposed):	-	1,600,000	1,600,000	-
Move budget for lead service line replacement project (cp1922) from 2022 to 2021	-	1,600,000	1,600,000	-
Revised 2021 Budget - Fund 460	888,139	13,214,710	12,270,410	1,832,439
Insurance Fund (#501)				
2021 Adopted Budget	1,741,353	12,800	182,900	1,571,253
BA#1 (Ordinance #6815, Proposed):	-	-	30,000	(30,000)
Increase annual WCIA insurance costs to cover actual invoiced amount	-	-	30,000	(30,000)
Revised 2021 Budget - Fund 501	1,741,353	12,800	212,900	1,541,253
Facilities Fund (#505)				
2021 Adopted Budget	986,936	3,713,100	4,076,191	623,845
BA#1 (Ordinance #6815, Proposed):	-	235,600	235,600	-
Carry forward budget to replace the fire suppression systems at the Senior Center	-	45,000	45,000	-
Carry forward budget to replace the Arts & Cultural Center roof (REET funding)	-	150,000	150,000	-
Funding to repair and refinish the gym floor at the Community Center	-	40,600	40,600	-
Revised 2021 Budget - Fund 505	986,936	3,948,700	4,311,791	623,845
Innovation & Technology Fund (#518)				
2021 Adopted Budget	2,597,407	6,724,750	7,372,520	1,949,637
BA#1 (Ordinance #6815, Proposed):	141,000	-	141,000	-
Carry forward budget for ESRI projects and M365 upgrade	141,000	-	141,000	-
Increase Multimedia Assistant position from 0.6 to 0.75 FTEs	-	-	-	-
Revised 2021 Budget - Fund 518	2,738,407	6,724,750	7,513,520	1,949,637

Schedule A
Summary of 2021 Budget Adjustments by Fund
Budget Amendment #1 (Ordinance #6815)

	Beg. Fund Balance	2021 Revenues	2021 Expenditures	Ending Fund Balance
Equipment Rental Capital Fund (#560)				
2021 Adopted Budget	4,104,409	3,046,920	3,248,600	3,902,729
BA#1 (Ordinance #6815, Proposed):	-	117,100	379,600	(262,500)
Replace brine machine (for de-icing) -- fully paid in	-	-	52,000	(52,000)
Replace and increase budget for turf equipment replacement at the Golf Course	-	27,100	237,600	(210,500)
Increase funding for M&O Facility Master Plan (cp2107)	-	90,000	90,000	-
Revised 2021 Budget - Fund 560	4,104,409	3,164,020	3,628,200	3,640,229
Grand Total - All Funds				
2021 Adopted Budget	137,202,931	212,462,020	240,013,180	109,651,771
TOTAL BA#1 (Ordinance #6815, Proposed):	493,500	3,224,700	6,861,400	(3,143,200)
Revised 2021 Budget	137,696,431	215,686,720	246,874,580	106,508,571
		353,383,151		353,383,151

Schedule B
2020 Appropriations by Fund

Fund	2021 Adopted Budget	BA#1 (Ord #6815)	Revised Budget
General Fund (#001)	92,818,862	382,400	93,201,262
Arterial Street Fund (#102)	5,963,239	-	5,963,239
Local Street Fund (#103)	3,682,378	-	3,682,378
Hotel/Motel Tax Fund (#104)	364,386	-	364,386
Arterial Street Preservation Fund (#105)	4,400,354	-	4,400,354
Drug Forfeiture Fund (#117)	1,105,567	10,000	1,115,567
Housing & Comm Develop Fund (#119)	642,904	952,100	1,595,004
Recreation Trails Fund (#120)	87,125	-	87,125
BIA Fund (#121)	152,025	-	152,025
Cumulative Reserve Fund (#122)	6,484,315	-	6,484,315
Mitigation Fees Fund (#124)	13,638,122	-	13,638,122
1998 GO Library Bond Fund (#229)	-	-	-
City Hall Annex 2010 A&B Bond Fund (#230)	1,649,789	-	1,649,789
Local Revitalization 2010 C&D Bond Fund (#231)	607,663	-	607,663
2020 LGTO Refunding Bonds (2010 B&D) Fund (#232)	-	-	-
SCORE Debt Service Fund (#238)	1,366,100	-	1,366,100
LID Guarantee Fund (#249)	1,679	-	1,679
LID 350 Fund (#275)	1,363	-	1,363
Golf/Cemetery 2016 Refunding Fund (#276)	371,000	-	371,000
Parks Construction Fund (#321)	3,915,796	100,000	4,015,796
Capital Improvements Fund (#328)	11,970,024	180,000	12,150,024
Local Revitalization Fund (#330)	245,000	-	245,000
Water Fund (#430)	36,237,817	-	36,237,817
Sewer Fund (#431)	17,508,711	-	17,508,711
Storm Drainage Fund (#432)	19,629,344	-	19,629,344
Sewer Metro Sub Fund (#433)	22,402,086	-	22,402,086
Solid Waste Fund (#434)	22,529,118	-	22,529,118
Airport Fund (#435)	6,096,477	-	6,096,477
Cemetery Fund (#436)	1,709,402	-	1,709,402
Water Capital Fund (#460)	12,502,849	1,600,000	14,102,849
Sewer Capital Fund (#461)	11,524,757	-	11,524,757
Storm Drainage Capital Fund (#462)	11,408,835	-	11,408,835
Airport Capital Fund (#465)	3,020,757	-	3,020,757
Cemetery Capital Fund (#466)	49,783	-	49,783
Insurance Fund (#501)	1,754,153	-	1,754,153
Workers' Comp Fund (#503)	3,521,427	-	3,521,427
Facilities Fund (#505)	4,700,036	235,600	4,935,636
Innovation & Technology Fund (#518)	9,322,157	141,000	9,463,157
Equipment Rental Fund (#550)	4,690,856	-	4,690,856
Equipment Rental Capital Fund (#560)	7,151,329	117,100	7,268,429
IT Capital Fund (#568)	1,125,014	-	1,125,014
Fire Pension Fund (#611)	2,136,941	-	2,136,941
SKHHP Fund (#654)	494,745	-	494,745
Cemetery Endowment Fund (#701)	2,046,766	-	2,046,766
Total	351,031,051	3,718,200	354,749,251



AGENDA BILL APPROVAL FORM

Agenda Subject:

Resolution No. 5584 (Martinson)(15 Minutes)

Date:

March 18, 2021

Department:

Human Resources

Attachments:

[Resolution 5584](#)

[Contract Cayce & Grove Law Offices](#)

Budget Impact:

Current Budget: \$670,000

Proposed Revision: \$0

Revised Budget: \$670,000

Administrative Recommendation:

For discussion only.

Background Summary:

The city has been contracting with Cayce & Grove Law Offices for public defense services since 2013 as required by law. This new contract is essentially an extension of the original contract and subsequent addendums.

Reviewed by Council Committees:

Municipal Services

Councilmember:**Staff:**

Martinson

Meeting Date: March 22, 2021

Item Number:

RESOLUTION NO. 5584

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AN AGREEMENT BETWEEN THE CITY OF AUBURN AND CAYCE & GROVE FOR PUBLIC DEFENSE SERVICES

WHEREAS, RCW 10.101 and the State and Federal Constitutions require effective legal representation for indigent persons in all circumstances where the right to counsel attaches; and

WHEREAS, the King County District Court presides over City of Auburn cases involving indigent persons, and the City provides Public Defense Services to indigent persons in such cases;

WHEREAS, the City of Auburn desires to provide its public defense services by contract; and

WHEREAS, in 2013 the City retained the law firm of Cayce & Grove to provide these services by contract following a published request for proposals;

WHEREAS, Cayce & Grove has provided quality services to the City and to its clients under the agreement, and the City seeks to renew its contract with Cayce & Grove for this purpose.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. The Mayor and City Clerk are hereby authorized to execute the Public Defense Services Contract between the City of Auburn and Cayce & Grove attached as Exhibit 1 to this resolution.

Section 2. That the Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. That this Resolution shall take effect and be in full force upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2021.

CITY OF AUBURN

NANCY BACKUS, MAYOR

ATTEST:

APPROVED AS TO FORM:

Shawn Campbell, MMC, City Clerk

Kendra Comeau, City Attorney

PUBLIC DEFENSE SERVICES CONTRACT
CITY OF AUBURN, WASHINGTON
April 15, 2021 – December 31, 2021

THIS AGREEMENT made and entered into by the City of Auburn; hereinafter referred to as "CITY," and The Law Offices of Cayce & Grove, hereinafter referred to as "PUBLIC DEFENDER," do hereby agree to the following terms and conditions:

I. APPOINTMENT OF DEFENDANTS FOR PUBLIC DEFENSE SERVICES:

A. General.

1. The CITY shall make public defense services available to all persons who qualify after CITY and/or court financial screening pursuant to this agreement and RCW 10.101.020. The PUBLIC DEFENDER will represent these defendants from appointment through trial, sentencing, post-conviction review, and any appeals to Superior court or Washington appellate courts. The PUBLIC DEFENDER will also represent CITY defendants when referred to the City's community court, and during in custody hearings at SCORE jail (whether appointed to represent the in custody defendant or not), unless the representation would violate applicable law or this agreement, or the defendant is represented by a different attorney.

2. Unless screened by a judge, the City shall screen defendants to determine their eligibility for public defense services under this agreement. The screener shall promptly notify the PUBLIC DEFENDER, City and Court of any defendant appointments and shall deliver to all appointed defendants an introduction letter from the PUBLIC DEFENDER that outlines the defendant's responsibilities in the attorney-client relationship in plain, simple, and concise language.

II. RESPONSIBILITIES OF PUBLIC DEFENDER

1. Competent professional services. The PUBLIC DEFENDER shall provide competent professional legal services to the defendants represented in accordance with CrRLJ 3.1 (Standards 14.1 and 14.2.K). The PUBLIC DEFENDER shall comply with the Rules of Professional Conduct (RPC), with City of Auburn Resolution 4849, and with any future public defense standards the CITY may be adopt pursuant to RCW 10.101.030 or other applicable law Any attorney employed and/or associated by the PUBLIC DEFENDER with less than three (3) years of experience shall practice under the direct supervision of any attorney with at least three (3) years' experience. Such experience shall include at least one-third emphasis on criminal defense.

2. Caseloads, monitoring and compliance. The PUBLIC DEFENDER and any individual associate attorneys shall maintain caseloads at a level allowing effective representation for each defendant. Pursuant to the standards imposed by Washington

Supreme Court Order No. 25700-A-1004 (“Order”)^a and CrRLJ 3.1, no PUBLIC DEFENDER attorney shall handle more than four hundred (400) public defense cases annually during the term of this Agreement. This limit applies to the individual attorney for all Courts in which the attorney practices.

The PUBLIC DEFENDER shall prepare and file Certifications of Compliance with the court as required by CrRLJ 3.1 and shall submit a copy of these certifications to the CITY’S Director of Human Resources/Risk Management.

By the 1st day of the month after accepting or concluding a case representation under this agreement the PUBLIC DEFENDER shall file a report with the CITY including the following information:

(a) the name of each defendant representation commenced that month; (b) the criminal cause number(s) for the defendant; (c) the date of appointment; (d) whether the defendant was appointed by the Court or the CITY’s screener; (e) if representation ceased pursuant to paragraph III.5 of this agreement at any time during the process; (f) a listing of all cases in which the defendant has been sentenced or acquitted; and (g) the case count information required by paragraph III.3 of this Agreement. The PUBLIC DEFENDER will meet with the CITY at least quarterly to review these reports.

III. SERVICES PROVIDED BY THE PUBLIC DEFENDER

The PUBLIC DEFENDER shall represent each defendant from the date of appointment (or at in-custody hearings as the case may be), through sentencing and the first appeal of right pursuant to the Rules for Appeal of Decisions of Courts of Limited Jurisdiction (RALJ). The PUBLIC DEFENDER or the CITY may request rescreening of a defendant whose case is on appeal. Appeals shall not be considered new case assignments. In addition, the PUBLIC DEFENDER shall be present at arraignment hearings to provide defendants with legal advice.

1. Case defined. A case is defined as an incident that leads to the CITY filing a criminal complaint(s) naming a person as defendant or respondent, in which the PUBLIC DEFENDER is appointed for representation. Pursuant to CrRLJ 3.1 (Standard 3.3), multiple citations from the same incident are counted as one case. Offenses separated by time and distance warranting severance pursuant to CrRLJ 4.4(b) shall be considered separate cases.

2. Case Count.

(a) Pretrial: Each pretrial case is counted once regardless of subsequent reappointments after a defendant’s pretrial failure to appear (FTA). Cases will be

^a In 2020 the Washington Supreme Court amended Order No. 25700-A-1004 in Order No. 25700-A-1309. These amendments do not materially affect the terms of this agreement.

counted at the first appointment. Cases where the PUBLIC DEFENDER withdraws due to a conflict of interest or to the substitution of a private attorney will be included on a monthly report to the City but not counted as PUBLIC DEFENDER cases;

(b) Post-conviction hearings: Post-conviction cases where defendants FTA and are subsequently reappointed to the PUBLIC DEFENDER will be counted as a case again only once, no matter the number of post-conviction FTA and subsequent counsel appointments

Unless it would violate applicable law or this agreement, the PUBLIC DEFENDER agrees to complete representation commenced for any defendant even if Court proceedings continue beyond the PUBLIC DEFENDER's responsibility for public defense services under this agreement. This does not include post-conviction reviews.

3. The PUBLIC DEFENDER may associate or employ additional or different attorneys to represent defendants at no extra cost to the CITY. Any counsel associated with or employed by the PUBLIC DEFENDER shall have the authority to perform the services in this agreement. All associate counsel shall be admitted to practice in Washington courts, and able to meet the requirements of CrRLJ 3.1 (Standards 14.1 and 14.2.K). Sufficient counsel shall be provided to represent defendants during vacation, illnesses, and case settings in more than one (1) courtroom. No APR 9 legal interns shall be used in representation under this agreement unless agreed to by the CITY in advance.

The PUBLIC DEFENDER agrees to pay each subconsultant under this Agreement for satisfactory performance of its contract no later than forty-five (45) days from the receipt of each payment the consultant receives from the CITY. Any delay or postponement of payment from the above referenced timeframe may occur only for good cause following written approval of the CITY.

4. Conflicts of interest.

(a) Both parties agree that the PUBLIC DEFENDER will cease client representation when required by the Rules of Professional Conduct (RPC) for conflicts of interest or when otherwise ordered by the court. Upon discovery of a conflict of interest in representing a defendant, the PUBLIC DEFENDER shall immediately notify the CITY, the Court, and the defendant of the conflict and the intent to withdraw. To the extent necessary, the PUBLIC DEFENDER will assist the City with retaining qualified substitute public defense counsel.

(b) Upon receiving notice of a withdrawal due to conflict of interest,, it will be the CITY'S financial responsibility to pay alternative counsel to represent the defendant. If the CITY disputes the PUBLIC DEFENDER'S withdrawal, the CITY shall file a motion regarding the dispute with the Court. All parties shall be bound by the Court's ruling or any appeal of it.

5. The PUBLIC DEFENDER shall maintain office space and appointments for defendants sufficient for effective representation and at least during regular business hours of 8:00 a.m. until 5:00 p.m., Monday through Friday. Appointments shall be available at the courthouse for defendants who are otherwise unable to obtain transportation to the PUBLIC DEFENDER'S office. Local non-service-charge phone service throughout the municipality shall be available as well as toll free and collect phone service from SCORE jail and the King County jails.

6. The PUBLIC DEFENDER will make every effort to coordinate cases with CITY prosecutors at least once per week, in advance of upcoming court dates.

7. The PUBLIC DEFENDER will be available for all calendars scheduled by the Court. The PUBLIC DEFENDER will represent clients at King County District Court (Auburn), the SCORE Jail facility, or otherwise as the court may direct. The PUBLIC DEFENDER will ensure that all calendars are adequately staffed with defense attorneys to ensure that public defense clients receive adequate representation pursuant to the CrRLJ 3.1 standards and this agreement, and that Court calendar time is used efficiently and productively in addressing cases. The following are the current calendars scheduled:

- (a) 3 pretrial calendars a week (2 am and 1 pm)
- (b) 1 Bw cal courtesy calendar per week (currently wed)
- (c) Daily in-custody courtesy calendar first appearance (currently 10 am daily)
- (d) 2 in-custody 2nd appearance calendars (currently wed/fri am)
- (e) 1 courtesy arraignment calendar per week (currently thurs am)
- (f) 1 sentencing calendar per week (currently thurs pm)
- (g) 1 motions calendar per week (currently mon pm)
- (h) 3 review calendars per week (currently thurs pm/fri am and pm)
- (i) 1 readiness per month (currently fri am, last of the month)
- (j) Jury week 1 time per month

8. The PUBLIC DEFENDER shall provide the Auburn Police Department and SCORE Jail telephone numbers for 24 hour telephone access to the PUBLIC DEFENDER for critical stage advice to defendants as required by CrRLJ 3.1 or other applicable law.

9. The PUBLIC DEFENDER shall institute and maintain a procedure to review client complaints, and shall refer any unresolved complaint to the Washington State Bar Association.

10. Assignment or Subcontractors: The PUBLIC DEFENDER may not assign or transfer of this Contract or any interest in it without the CITY'S prior written consent.

11. Unless legally protected from disclosure, all documents, reports, memoranda, plans, and/or any other materials created or otherwise prepared by the PUBLIC DEFENDER in performing this Agreement (the "Work Products") shall be owned by and become the property of the CITY, and may be used by the CITY for any purpose beneficial

to the CITY. The PUBLIC DEFENDER may retain copies of any documents, reports, etc. it authors.

12. If a substitute attorney is appointed to represent a defendant due to a PUBLIC DEFENDER conflict of interest, the PUBLIC DEFENDER shall coordinate the transmission of any discovery materials the PUBLIC DEFENDER has received to the substitute attorney.

IV. COMPENSATION

Compensation to the PUBLIC DEFENDER for public defense services beginning April 15, 2021 through December 31, 2021 shall be paid Six Hundred and Seventy Thousand dollars (\$670,000.00) per year and will be billed at Fifty-Five Thousand Eight Hundred and Thirty-Three dollars (\$55,833.33) per month and includes all appointed cases up to two thousand three hundred and fifty (2,350) and the attendance at arraignments as courtesy counsel, and first appearance jail calendar. The CITY will be billed Two Hundred and Twenty Dollars (\$220.00) per case for any appointed case above the first two thousand three hundred and fifty (2,350) appointed cases. The CITY will be billed Two Hundred and Seventy-Five Dollars (\$275.00) per case for any appointed case for community court. In addition, the CITY will pay for transcription costs required for the appeal, regardless of which party files the appeal.

The above compensation is intended to cover the PUBLIC DEFENDER'S administrative costs as contemplated by CrRLJ 3.1 (Standard 5.2) and the costs of any investigators retained by the PUBLIC DEFENDER pursuant to CrRLJ 3.1 (Standard 6.1). The PUBLIC DEFENDER shall be financially responsible for any additional services retained in the course of performing this agreement, unless such expense is approved in advance by the court pursuant to CrRLJ 3.1(f).

All videotapes, CDs, audiotapes, video disks, photocopies, color copies of images, or other media associated with discovery shall be provided by the CITY at no cost to the PUBLIC DEFENDER.

The PUBLIC DEFENDER will submit its invoice for compensation under this agreement to the CITY no later than the 4th day of each month. The CITY shall pay the invoice the day after the first CITY Council that follows the PUBLIC DEFENDER'S invoice submission.

The PUBLIC DEFENDER agrees and understands that they are an independent contractor and not a CITY agent or employee. The PUBLIC DEFENDER has the sole control of the manner and means of providing the services required under this agreement, and is for reporting work hours, earnings, income tax, and social security to applicable federal and state agencies. The PUBLIC DEFENDER understands that he/she is not entitled to any CITY employment benefits including, but not limited to, paid leave, health insurance coverage, retirement programs, and/or unemployment insurance.

V. TERM OF CONTRACT

This Agreement shall remain in full force and effect from April 15, 2021, through December 31, 2021. This Agreement may be annually extended or renewed under the terms of this Agreement, or as modified by agreement of both parties, at or before the conclusion of the term of this Agreement. Such extension or renewal shall be agreed in writing between the Parties.

VI. POLICY AGAINST DISCRIMINATION

The PUBLIC DEFENDER shall not discriminate in employment practices on the basis of race, creed, color, age, disability, religion, sex, or sexual orientation and follow the CITY's policy on nondiscrimination. The PUBLIC DEFENDER should comply with all local, state, and federal laws regarding discrimination.

VIII. INSURANCE AND INDEMNIFICATION

A. Insurance

The PUBLIC DEFENDER shall procure and maintain for the duration of this agreement insurance against claims for injuries to persons or property which may arise from, or in connection with, the performance of work hereunder by the PUBLIC DEFENDER, or the agents, representatives, employees, or subcontractors of the PUBLIC DEFENDER. The PUBLIC DEFENDER shall obtain insurance of the types described below, naming the City as an additional named insured:

1. Commercial General Liability insurance shall be written with limits no less than \$1,000,000.00 each occurrence, \$2,000,000.00 general aggregate.
2. Workers' Compensation per statutory requirements of Washington industrial insurance RCW Title 51.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000.00 per claim and \$2,000,000.00 policy aggregate limit.

B. No Limitation

PUBLIC DEFENDER'S maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the PUBLIC DEFENDER to the coverage provided by such insurance, or otherwise limit the CITY'S recourse to any remedy available at law or in equity.

If, for any reason, the PUBLIC DEFENDER loses its professional liability insurance coverage, the PUBLIC DEFENDER must immediately notify the CITY'S Director of Human Resources/Risk Management.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Professional Liability and Commercial General Liability insurance:

1. The PUBLIC DEFENDER'S insurance coverage shall be primary insurance as respect to the CITY. Any insurance, self-insurance, or insurance pool coverage maintained by the CITY shall be excess of the PUBLIC DEFENDER's insurance and shall not contribute with it.

2. The PUBLIC DEFENDER'S insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the CITY.

D. Indemnification

The PUBLIC DEFENDER agrees to hold harmless and indemnify the CITY, its officers, officials, agents, employees, and representatives from and against any and all claims, costs, judgments, losses, or suits including PUBLIC DEFENDER's fees or awards, and including claims by PUBLIC DEFENDER's own employees to which PUBLIC DEFENDER might otherwise be immune under Title 51 arising out of or in connection with any willful misconduct or negligent error, or omission of the PUBLIC DEFENDER, his/her officers or agents. It is specifically and expressly understood that the indemnification provided herein constitutes the waiver of the PUBLIC DEFENDER's waiver of immunity under Title 51 RCW solely for the purposes of this indemnification. The parties have mutually negotiated this waiver. The CITY agrees to hold harmless and indemnify the PUBLIC DEFENDER, his/her officers, officials, agents, employees, and representatives from and against any and all claims, costs, judgments, losses, or suits including PUBLIC DEFENDER's fees or awards, arising out of or in connection with any willful misconduct or negligent error or omission of the CITY, its officers or agents. This clause shall survive the termination or expiration of this agreement and shall continue to be in effect for any claims or causes of action arising hereunder.

IX. TERMINATION OF CONTRACT

A. Grounds for Immediate Termination. The CITY retains the right to immediately terminate this contract in the event any of the following incidents occurs:

1. Failure to provide timely proof of comprehensive professional liability insurance due at any of the times required herein.

2. Loss of comprehensive professional liability insurance coverage regardless of the reason therefor.

3. Any action that, at the sole discretion of the CITY, could bring discredit on the CITY.

B. Additionally, either the CITY or the PUBLIC DEFENDER may terminate this contract in the event of the following:

1. Any other breach of this agreement; or
2. Violation of the Rules of Professional Conduct; or
3. Good and Sufficient Cause

Such termination under this subpart is effective only if the party terminating the contract has provided written notice of the deficiency to the second party, and the deficiency is not corrected in a timely manner to the reasonable satisfaction of the first party.

Written notice of termination under Section IX (B) shall be given by the party terminating this contract to the other not less than sixty (60) days prior to the effective date of the termination.

C. In the event of termination or upon completion of the contract, the following conditions may apply: (1) the PUBLIC DEFENDER shall be relieved of any further responsibility for receiving new case assignments under this contract; (2) the PUBLIC DEFENDER will continue to represent those defendants assigned prior to the date of termination and who have a trial date set and shall complete representation in all such cases; provided that, after termination or completion of the contract pursuant to court rules and the Rules of Professional Conduct, the PUBLIC DEFENDER may withdraw from any case as permitted by court rule.

DATED this _____ Day of _____, 2021.

CITY OF AUBURN

Nancy Backus
Mayor

ATTEST:

Shawn Campbell
City Clerk

Date

APPROVED AS TO FORM:

Kendra Comeau
City Attorney

Date

Law Offices of Cayce & Grove

Representative

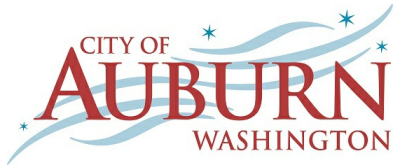
Date

APPENDIX A TO
PUBLIC DEFENSE CONTRACT
April 15, 2021 – December 31, 2021

Allowing Minor to Frequent Bar	1/3
Allow Unauthorized Person to Drive	1/3
Altered License	1/3
Assault:	
Domestic Violence	1
Non Domestic Violence	1
With Sexual Intent	2
Animal Cruelty	1
Attempted Assault	2/3
Attempted Forgery	2/3
Attempted Theft	2/3
Canceled Plates/Registration	1/3
Complicity	2/3
Commercial License Needed	1/3
Concealed Weapon	2/3
Conspiracy	2/3
Counterfeiting Trademark	2/3
Criminal Attempt	2/3
Criminal Trespass	1/3
Custodial Interference	1
Cyber Stalking	1
Dangerous Animal at Large	2/3
Discharge of Firearm	2/3
Disorderly Conduct	1/3
Display of Weapon	2/3
DUI	1
DWLS 1	1/2
DWLS 2	1/2
DWLS 3	1/3
Criminal Assistance	1/3
Escape	2/3
Failure to Transfer Title	1/3
Failure to Disperse	1/3
Failure to Obey	1/2
Failure to Obey Flagman	1/2
Failure to Obtain Vehicle License	1/3
Failure to Stop	1/2
Failure to Secure Load	1
Failure to Surrender License	1/3
False Identification	1/2
False Insurance Card	1/2

False Information	1/2
False Reporting	1/2
False Statement	1/2
Fraud Dr. License:	1/2
Furnishing Liquor to Minor	1/2
Harm to a Police Dog	1
Harassment	1
Telephone Harassment	1
Domestic Violence Harassment	1
Hit and Run Attended	1
Hit and Run Unattended	1/2
Identity Theft	
Illegal Fireworks	1/3
Illegal Use of Dealer Plate	1/3
Immoral Conduct with a Minor	1
Indecent Exposure	1
Inhale Toxic Fumes	1
Interfering with Reporting to 911	2/3
Invalid Trip Permit	1/3
Loiter for Prostitution	1/2
Malicious Mischief Domestic Violence	1
Malicious Mischief Non-Domestic Violence	2/3
Minor Frequenting a Tavern	1/2
Minor Intoxicated in Public	1/2
Minor in Possession/Consumption	1/2
Neglect of a Child	1
Negligent Driving 1	1
No Valid Operator's License	1/3
Non-felony forgery	
Obstructing	2/3
Operating Vehicle without Cert. of Ownership	1/3
Operating Vehicle without Ignition Interlock	1/2
Patronizing a Prostitute	1/2
Physical Control	1
Possession of a Controlled substance	1/2
Possession of Drug Paraphernalia	1/2
Possession of Marijuana	1/2
Possession of Stolen Property	2/3
Possession/Making Burglary Tools	2/3
Possession of Another's ID	1/2
Possession of Legend	2/3
Prostitution	1/2
Provoking Assault	2/3
Public Disturbance	1/3
Reckless Driving	2/3
Reckless Burning	2/3

Reckless Endangerment	2/3
Refuse to Cooperate	1/2
Crimes Requiring Registration as Sex Offender	2
Resisting Arrest	2/3
Selling Liquor to Minor	1/2
Stalking	1
Tampering with Property of Others	1/2
Tampering with a Witness	1
Theft 3	2/3
Theft of Rental Property	2/3
Unlawful Issuance of Bank Check	2/3
Unlawful Bus Conduct	1/2
Unlawful Camping	1/3
Unlawful Imprisonment	
Unlawful Racing	2/3
Vehicle Prowl	2/3
Vehicle Trespass	2/3
Violation of Anti-Harassment Order	2/3
Violation of No Contact Order	2/3
Violation of Instruction Permit	1/3
Violation of Occupancy License	1/3
Violation of Protection Order	2/3
Violation of Restraining Order	2/3
Violation of S.O.A.P. Order	1/2
Weapons Capable of Harm	2/3



AGENDA BILL APPROVAL FORM

Agenda Subject:

Community Development Block Grant 2020 CAPER (Tate)(15 Minutes)

Date:

March 16, 2021

Department:

Community Development

Attachments:

[2020 CAPER Overview Powerpoint](#)
[2020 CAPER](#)

Budget Impact:

Current Budget: \$0
Proposed Revision: \$0
Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

The City of Auburn's use of Community Development Block Grant (CDBG) funds is guided by a 5-year Strategic Plan and Annual Action Plans. Every year, the City is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to the Department of Housing and Urban Development (HUD) reporting on the progress the City has made in carrying out its Strategic Plan and Action Plan during the prior program year. Auburn's most recent CAPER reported on progress toward goals and objectives during the January 1, 2020 – December 31, 2020 program year. The 2020 CAPER incorporates reporting on both regular CDBG funds as well as CDBG-CV funds used to respond to the effects of Coronavirus in the community.

This presentation will describe the major components of the 2020 CAPER, and provide an overview of how funds were spent and what targets were achieved during the 2020 program year.

Reviewed by Council Committees:

Councilmember: Trout-Manuel

Staff: Tate

Meeting Date: March 22, 2021

Item Number:

COMMUNITY SERVICES

COMMUNITY
DEVELOPMENT BLOCK
GRANT 2020 CAPER

JOY SCOTT
CITY COUNCIL STUDY SESSION
MARCH 22, 2020

Department of Community Development

Planning • Building • Development Engineering • Permit Center
Sustainability • Community Services • Code Enforcement

AUBURN
VALUES

S E R V I C E

E N V I R O N M E N T

E C O N O M Y

C H A R A C T E R

S U S T A I N A B I L I T Y

W E L L N E S S

C E L E B R A T I O N

GENERAL FUND VS CDBG



■ General Fund Human Services dollars

- \$680,000
- Competitive funding for nonprofit agencies
- Guided by Human Services Funding Priorities set by Council
- Approved by City Council every other year during budget process

■ CDBG dollars

- \$631,937*
- Funds support city's Housing Repair program, public facility ADA improvements, public services (limited), and some economic development activities
- Guided by Consolidated Plan and Annual Action Plans
- Approved by City Council every year

■ CDBG-CV dollars

- \$913,002*
- Funds to be used only to prevent, prepare for, or respond to Coronavirus.
- Authorized by Federal CARES Act
- Spending plan incorporated into 2019 AAP Amendments approved by Council.

COMMUNITY DEVELOPMENT BLOCK GRANT

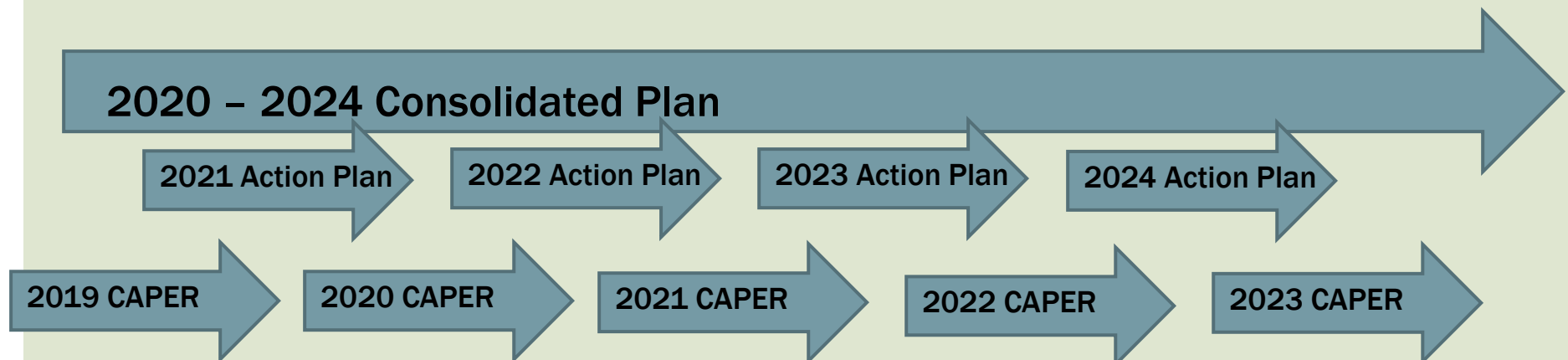
The CDBG Entitlement Program provides annual grants on a formula basis to entitled cities to develop viable urban communities.

Projects must:

- Align with HUD's National Objectives
- Be eligible under HUD's guidelines
- Benefit low and moderate income persons

WHAT IS THE CAPER?

The Consolidated Annual Performance and Evaluation Report provides an overview of the progress the jurisdiction has made in carrying out its strategic plan and its action plan during the prior program year. The CAPER is a requirement of the U.S. Department of Housing and Urban Development (HUD), through which Auburn receives an annual entitlement, or formula grant, from the Community Development Block Grant (CDBG) program.



CDBG ADMINISTRATIVE REQUIREMENTS

- Five Year Consolidated Plan
- Eligibility Reviews
- Annual Action Plans
- **Consolidated Annual Performance Evaluation Report (CAPER)**
- Annual Subrecipient Monitoring
- Financial Management
- Project Management
 - Environmental Reviews
 - Procurement Procedure
 - Lead Mitigation

EXAMPLES OF ELIGIBLE ACTIVITIES FOR CBDG FUNDS

- Acquisition of Real Property
- Public Facility ADA improvements
- Site Preparation
- Public Services (**up to 15% of annual allocation**)
- Home Rehabilitation
- Economic Development Activities
- Job Creation for Low-Income Individuals
- Microenterprise Assistance
- Homeownership Assistance
- Planning and Capacity Building
- Program Admin Costs (**up to 20% of annual allocation**)

EXAMPLES OF ELIGIBLE ACTIVITIES FOR CDBG-CV FUNDS

- **Public Services (no cap)**
 - **Food Access**
 - **Childcare Assistance**
 - **Eviction Prevention**
 - **Health Services**
 - **Career Navigation**
- **Job Creation for Low-Income Individuals**
- **Microenterprise Assistance**
- **Program Admin Costs (up to 20% of total allocation)**

Note: All services funded must be directly related to COVID-19.

WHAT DID CDBG FUNDS SUPPORT IN 2020?

- The City's Minor Housing Repair Program
- Sidewalk ADA improvements at two sites
- Health and dental services for un- and underinsured low-income Auburn residents
- Planning and administration costs (City staff time)
- COVID reallocations for 2021:
 - Childcare Services
 - Food Access for Seniors
 - Job Training
 - Behavioral Health Services at Arcadia Shelter

WHAT DID CDBG-CV FUNDS SUPPORT IN 2020?

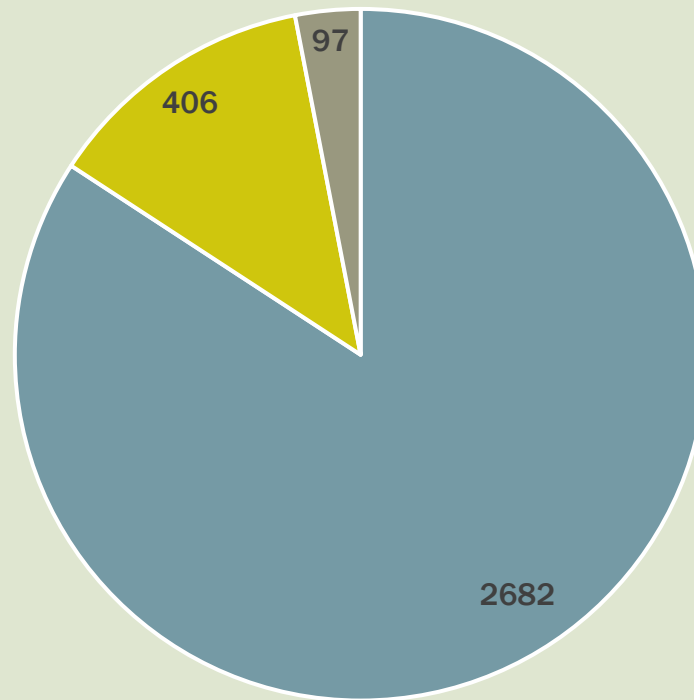
- COVID testing and treatment for low to moderate income Auburn residents
- Rental Assistance/Eviction Prevention Services
- Planned for 2021:
 - Childcare Services
 - Eviction Prevention/Rent Assistance
 - Career Navigation Services

KEY FACTS AND FIGURES:

PEOPLE SERVED

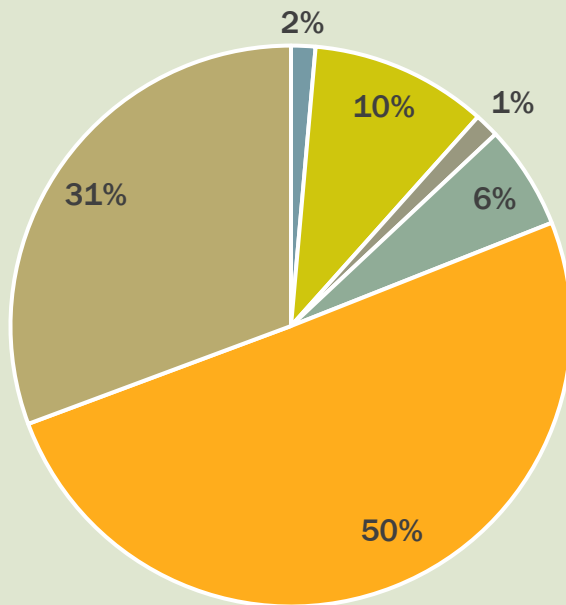
- **40** Households supported through rehab of existing units (Housing Repair program)
- **61** Auburn residents provided with dental services across **71** visits (HealthPoint)
- **103** Auburn residents provided with medical services across **218** visits (HealthPoint)
- **162** Auburn residents received rent assistance preventing eviction
- **2822** Auburn residents received COVID testing and treatment services
- **3500** Auburn residents benefitted from Sidewalk ADA improvements

2020 RESIDENTS SERVED – INCOME LEVEL

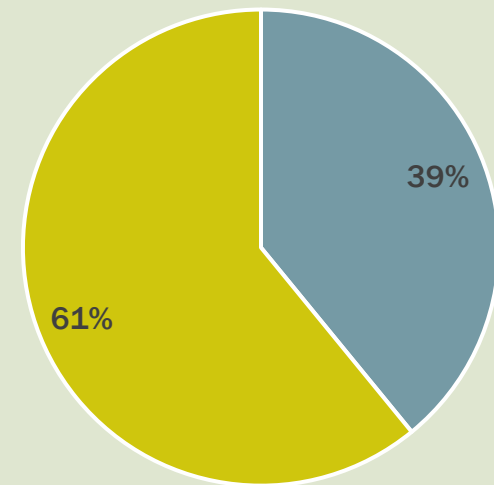


■ Under 30% AMI ■ 31-50% AMI ■ 51-80% AMI

2020 INDIVIDUALS SERVED – RACE AND ETHNICITY DATA (HUD CATEGORIES)



- American Indian/Alaskan Native
- Asian
- Hispanic
- Native Hawaiian/Other Pacific Islander
- Other Multi-Racial
- White



- Hispanic/Latino
- Not Hispanic/Latino

2021 CDBG TIMELINE



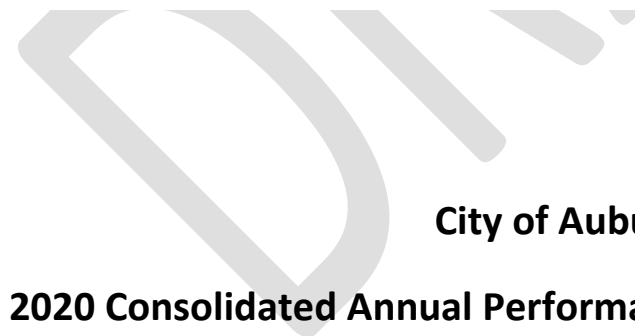
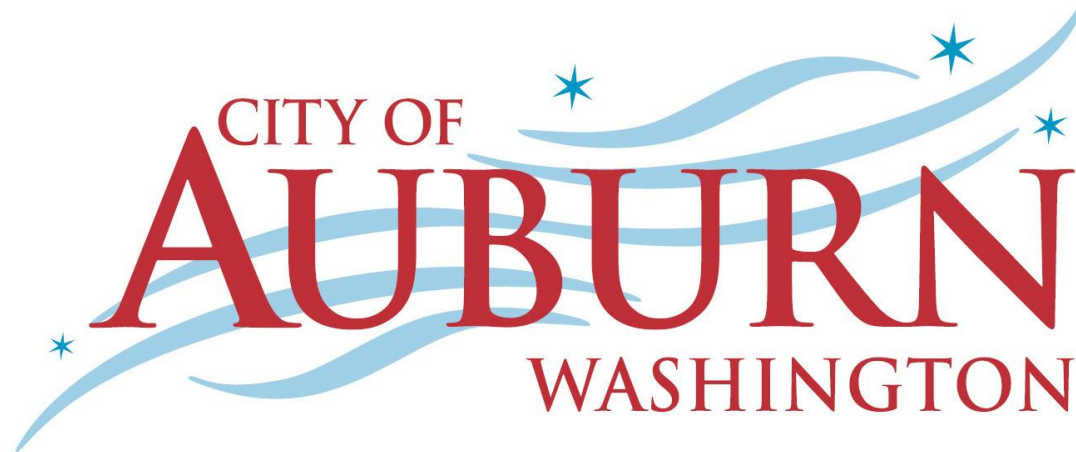
QUESTIONS?

Joy Scott

Community Services Manager

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City of Auburn

2020 Consolidated Annual Performance and Evaluation Report

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This report discusses program outcomes for the City of Auburn 2020 program year utilizing Community Development Block Grant (CDBG) Entitlement funds as well as CDBG Coronavirus (CDBG-CV) funds. With the addition of CDBG-CV funds during the 2020 program year, the city was able to make significant progress with increasing the supply of homeless prevention and public services. In addition, the city has continued to increase its emergency and affordable housing options. The data provided below discusses public services, supporting decent, affordable housing and homelessness prevention.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	5	0	0.00%			

Affordable Housing	Affordable Housing Public Housing Homeless Non-Homeless Special Needs	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	325	40	12.31%	40	40	100.00%
Community and Economic Development	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	3500	350.00%	200	3500	1,750.00%
Community and Economic Development	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	200	2862	1431.00%		2862	
Ending Homelessness	Homeless	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	365	323	88.49%	338	323	95.56%
Ending Homelessness	Homeless	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	
Planning and Administration		CDBG: \$	Other	Other	0	0				

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Consistent with the priorities and specific objectives outlined in the 2020 Annual Action Plan, the City had planned to allocate the largest share of its HUD funds to its homeowner housing rehabilitation program. As the city's largest ongoing homeless prevention program, the activity is consistent with the focus of the CDBG housing and homeless prevention programs. The program typically provides support to over 50 low income homeowners each year. The majority of program applicants are seniors, individuals with disabilities, or Veterans. For many residents, these repairs allow them to affordably stay in their homes and age in the community where they have established support systems.

During the 2020 program year, with the onset of COVID-19, our overall picture of CDBG resources and programs shifted dramatically. In order to implement safety procedures that were responsive to Public Health guidance, our homeowner housing rehabilitation program halted onsite client repair work for a time, and then gradually reintroduced exterior repair work as local guidance allowed. As we were unable to fully expend the Housing Repair dollars that had been allocated, we underwent a substantial amendment process in Winter 2020 to reprogram \$205,000 to Coronavirus response. The public service activities identified through that process commenced on January 1, 2021, and will be reported on in our 2021 CAPER.

In addition to our CDBG-EN funds, the City also received CDBG-CV funds to prevent, prepare for, and respond to Coronavirus in the community. The first round of funds was allocated to COVID-19 medical testing and treatment services, emergency subsistence programs to prevent homelessness, and a small portion to administration and planning. The City received notice of its third round of CDBG-CV funding in late 2020, and approved allocations of those funds to programs beginning in January 2021.

With the additional resources made available during the 2020 program year, the City far exceeded multiple Strategic Plan targets. This trend is expected to continue in 2021 as the majority of CDBG-CV funded programs will report 2021 accomplishments.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	896
Black or African American	305
Asian	298
American Indian or American Native	41
Native Hawaiian or Other Pacific Islander	175
Other Multiracial	1470
Total	3185
Hispanic	1245
Not Hispanic	1940

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

This chart provides a racial and ethnic breakdown, based on HUD categories, of individuals served during the 2020 program year with CDBG and CDBG-CV funds. Programs reflected here include the City's Housing Repair program, Healthpoint Medical and Dental treatment, Healthpoint COVID Testing and Treatment, and MultiService Center Emergency Subsistence program.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	829,653.26	538,558.44
CDBG-CV	Public - federal	913,002	171,715.11
General Fund	public - local	490,000	475,983.24

Table 3 - Resources Made Available

Narrative

As anticipated in the 2019 CAPER, the City of Auburn fully expended all 2014 and 2017 prior year funds from its line of credit in 2020. The City expended the majority of Round 1 CDBG-CV funds during this program year. However, due to the notification timeframe of our Round 3 funding award, the additional CV funds received are not scheduled to be expended until 2021. However, all funding that has been awarded to the City is fully allocated to programs that are underway as of Quarter 1 2021.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

While the City of Auburn did not undertake any Target Area improvements during the 2020 program year, there were two LMI area benefit activities that were completed utilizing prior year allocated funds. The 2nd Street sidewalk project improved pedestrian accessibility and safety along 2nd St SE between N St SE and Pike St SE by removing architectural barriers and adding two new ADA ramps. The Forrest Villa project improved pedestrian accessibility and safety in the Forrest Villa neighborhood by providing new ADA ramps at six locations.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Proposals to use CDBG funds with other leveraged funds can improve the feasibility of programs and projects since available funds are often insufficient to fully support most Community Development or Economic Development projects and programs. CDBG is generally used in conjunction with other grant funds to our local providers. Providers are encouraged to obtain private support in addition to CDBG funds in proposed activities. The City of Auburn made \$490,000 of General Funds available for competitive human services grants in 2020 for a range of services, including homelessness prevention and interventions, childcare access, legal assistance, youth programming, food access, health services, and more. These funds were over 97% expended in 2020. The City of Auburn does not have matching requirements for 2020 projects and activities.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through rental assistance	0	40
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	40	40
Number of households supported through the acquisition of existing units	0	0
Total	40	80

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City's Annual Action Plan does not have any goals of providing housing, rental assistance, production of new units or acquisition of existing units. The City did meet its revised goal of providing rehab to 40 low income homeowners residing in Auburn, reaching 40 households with minor housing repair services.

The program is the City's largest homeless prevention program which helps low income residents maintain their housing rather than be forced into homelessness due to not being able to afford the high costs of home repair. Many program applicants are seniors, individuals with disabilities, or Veterans living on a fixed income. In addition to helping residents remain housed in safer and more accessible housing, the program also helps applicants connect to other supportive programs in the area.

Additionally, the City made emergency subsistence funds to households impacted by the Coronavirus using CDBG-CV funds. Although not originally included in 2020-2024 Consolidated Planning documents, the funded program served 161 individuals across 40 households in 2020. That contract is still underway and will report the remainder of their accomplishments in 2021.

Discuss how these outcomes will impact future annual action plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	2,682	0
Low-income	406	0
Moderate-income	97	0
Total	3185	0

Table 7 – Number of Households Served

Narrative Information

The additional allocation of CDBG-CV funds in 2020 allowed the City to serve a much larger proportion of community members than generally seen with our EN funds. The program that served the largest number of Auburn residents was Healthpoint's COVID Testing and Treatment services. Additionally, the CV funds also supported emergency subsistence payments to prevent homelessness for 161 residents.

Consistent with the priorities and specific objectives outlined in the 2020 Annual Action Plan, the City allocated a significant portion of its CDBG-EN funds to its homeowner housing rehabilitation program. As the city's largest homeless prevention program, the activity is consistent with the focus of the CDBG housing and homeless prevention programs. The program provided support to 40 low income households in 2020. The majority of program applicants are seniors, individuals with disabilities, or Veterans. For many residents, these

repairs allow them to affordably stay in their homes and age in the community where they have established support systems.

DRAFT

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Auburn does not receive ESG funds. The City is implementing several strategies on the local and regional level to address the issue of homelessness and funds several homeless prevention and intervention programs with its general funds.

Through its General Fund human services grants, the City funds PATH outreach to individuals experiencing homelessness in Auburn. Other programs funded to support this goal include homeless family diversion, sheltering programs that provide connections to CEA and case management, and homeless youth outreach and drop in programs.

In addition, the City of Auburn co-facilitates a monthly group with the Seattle-King County Coalition on Homelessness called the South King County Forum on Homelessness. This group brings together providers that serve folks experiencing homeless to support networking and coordination, skill building, and regular information sharing.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Auburn does not receive ESG funds for emergency shelter.

To address the emergency shelter and transitional housing needs of individuals experiencing homelessness, the City uses its general funds to support several transitional housing and emergency housing programs throughout the South King County region, including within the City of Auburn. Using general fund dollars, the City supports a motel voucher program for individuals and families fleeing domestic violence and in need of immediate shelter, a family shelter diversion program, two shelters in neighboring jurisdictions that serve Auburn residents, a Day Center and Overnight Shelter located within Auburn City limits for individuals experiencing homelessness, and drop in services for homeless youth. Additionally, the City owns two single family homes that it provides to local nonprofits to make available as transitional housing for formerly homeless families. Per our regional Coordinated Entry process, the city directs families to the coordinated family shelter entry system in King County.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City of Auburn's homeless prevention programs include its housing repair program and its public service programs which are funded through CDBG, as well as emergency subsistence programs funded with CDBG-CV dollars for individuals impacted by COVID-19. Public services prioritized in 2020 include medical and dental services. The housing repair program is the City's largest homeless prevention program which provides minor home repairs to low income residents in Auburn. The program makes it possible for low income residents to stay in their homes and avoid financial crisis from having to pay for costly home repairs that they normally would not be able to afford. The free medical and dental services give free access to healthcare to Auburn's low income or uninsured residents. Many residents currently experiencing or at risk of homelessness have a chronic or severe illness that is keeping them from participating in supportive services to gain self sufficiency. It also helps residents afford healthcare and avoid costly medical bills that can put them in a financial crisis.

In addition to programs supported by CDBG funds, the City of Auburn also supports homeless prevention programs using general fund dollars. These include robust employment training and pre-apprenticeship programs, eviction prevention programs that provide financial support and other household assistance, domestic violence advocacy and supports, legal assistance programs, and those supporting increased food security and access.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The City of Auburn does not receive ESG funds for programs to help homeless persons. The City of Auburn does invest a significant amount of its general funds to help individuals experiencing homelessness including adults, families, veterans and unaccompanied youth. Funded programs include: PATH, transitional housing, emergency shelters, family support programs, drop in centers, and behavioral health services.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Auburn does not currently own or operate any public housing. In Auburn, public housing is administered directly through the King County Housing Authority.

The City does advocate and support public housing in Auburn as well as helping residents understand the application process to gain access to it.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

Since the City does not administer public housing funds, or have any oversight over public housing tenants, it has no actions directed specifically to public housing residents.

The City does support its residents to become more involved and participate in homeownership. The City gathers information on agencies that provide first time homeowner workshops and communicates information on programs providing such support to residents seeking a pathway to homeownership, including those living in public housing.

Actions taken to provide assistance to troubled PHAs

Since the City does not administer public housing funds it does not evaluate the status or condition of public housing authorities.

The City's code enforcement officers have a good relationship with our public housing facilities and try to connect the residents and management with resources in supportive services as well as services the City provides.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Auburn adopted a Comprehensive Plan in 2015 that contained mandatory elements including housing. The housing element contains information about housing conditions and trends as well as information about the availability of sites and infrastructure to accommodate new housing needs and requires analysis of governmental constraints to the production and preservation of new housing. The city is required to have land-use plans and regulatory policies which facilitate the development of a range of housing types to meet the needs of all income groups. The housing element is developed with public input and participation. It serves as the basis for land-use and assistance programs to address local housing needs.

In 2019, Washington State made grant funding available to cities who are working on assessing their affordable housing inventory and developing strategies to meet those needs. The City of Auburn applied and was successful in receiving a \$100,000 planning grant. The City is part of a unique collaboration with the cities of Burien, Federal Way, Kent, Renton, and Tukwila who pooled a portion of these grant funds in order to jointly fund a Sub-Regional Housing Needs Assessment. In 2020, that subregional assessment was completed, and the City is currently working with partners on finalizing a Housing Action Plan for Auburn that will inform these needs in the immediate future and for the next Housing Element update of the Comprehensive Plan. Auburn's Housing Action Plan is expected to be complete in 2021.

In September of 2020, the Auburn City Council adopted an ordinances to support stronger rental housing protections in the community. Ordinance 6786 adopted a new Rental Housing chapter of the Auburn City Code, and includes multiple provisions that aim to support greater housing stability, including requirements for increased notice of rent increases, required notice of sale of multifamily housing with affordable units, distribution of information to all tenants in Auburn, and just cause eviction protections.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City continues to provide funds to address housing, infrastructure, homeless prevention, economic development and public facilities needs. In Auburn and the surrounding South King County area, these continue to be underserved needs so the City will explore ways to leverage additional resources towards addressing these.

The City continues to support partnerships with and amongst our providers, faith community and schools. City staff attend regular provider networking meetings, and are responsible for facilitating the South King County Forum on Homelessness.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The City of Auburn includes language in its CDBG contracts that require agencies to comply with HUD Lead-Based Paint Regulations (24 CFR Part 35) issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sections 4831, et seq.) requiring prohibition of the use of lead-based paint whenever CDBG funds are used. In addition, the City notifies residents of potential lead-based paint hazards when it awards a Housing Repair grant. A copy of the pamphlet – "Protect Your Family from Lead In Your Home" is provided to each Housing Repair client when the City conducts the initial inspection of their home.

The city takes additional measures when the age of the home indicates a possible presence of lead-based paint. Before housing repair work commences, the city contracts with a certified provider to undertake lead paint testing. When work is undertaken in homes with positively identified lead hazards, the city only contracts with RRP-certified contractors who will implement the necessary mitigation and safety strategies.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

In 2020, the City provided over \$200,000 in human services funds to programs that support poverty reduction strategies for low income Auburn residents. Programs include transitional housing, employment training, legal aid and emergency financial support. Most of these programs partner with other valuable programs in Auburn that address the needs of poverty level families. The City supports human service programs across a spectrum of services. These programs help meet community needs with behavioral health services, domestic violence services and early childhood services, among others. In 2020, the City of Auburn awarded \$490,000 to human service agencies through its competitive grant funding process.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City of Auburn continues to participate actively in our region's Continuum of Care, and has remained involved in the ongoing regional efforts to develop stronger institutional structure county-wide to prevent and end homelessness through the new Regional Homelessness Authority.

In 2020, the City continued working in partnership with the municipalities of Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, Tukwila, and King County under the South King Housing and Homelessness Partners (SKHHP). SKHHP jurisdictions are working

together and sharing resources in order to effectively address affordable housing and homelessness. This collaborative model is based on similar approaches used in Snohomish County, East King County, and other areas of the country. The purpose of the coalition is to increase the available options for South King County residents to access affordable housing and to preserve the existing affordable housing stock.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City of Auburn has heavily contributed to and intends to continue cultivating relationships between public and private housing and social service agencies. In addition the City will continue to participate in collaborations with the South King County Forum on Homelessness, the South King County Council of Human Services, Seattle-King County Housing Development Consortium and the King County Joint Planners Meeting.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City of Auburn continues to take actions to overcome identified impediments to fair housing based on King County's Analysis of Impediments to Fair Housing. Primarily the City continues to engage with regional partners to take local action and use the data provided as guidance to support local policies and make recommendations to our city councils.

In addition to supporting increased housing stability generally, just cause eviction protections are a strong Fair Housing strategy to address discrimination in rental terminations and evictions for tenants. Auburn adopted just cause protections as part of its rental housing code change passed in September 2020. This strategy directly addresses two key concerns that were highlighted in the City's 2020-2024 Consolidated Plan and the 2020 Analysis of Impediments to Fair Housing Choice:

- The lack of proactive enforcement and oversight of tenant protections translates to a lack of systemic accountability for tenant rights and rental housing quality in our community.
- The process for Fair Housing Enforcement is particularly challenging for vulnerable populations to access, due to fear of retaliation and an overly complex civil legal system.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring activities include onsite and desk monitoring through review of analysis and progress reports and invoice back up details, technical assistance calls and emails. In 2020, the City was unable to perform in-person monitoring due to restrictions related to the pandemic. The City performed desk monitoring instead, and scheduled regular conversations with grantees to support greater ongoing communication and relationship building.

Subrecipients of City of Auburn CDBG funds are generally monitored annually. Notification and required materials for the monitoring are sent two weeks in advance of the monitoring date. A detailed monitoring tool is used to assess the program's progress, timeliness and adherence to HUD guidelines. After each annual monitoring a formal letter is sent to the subrecipient detailing the findings or concerns of their monitoring. Each subrecipient is given 30 days to respond to the letter.

The City monitors agency compliance with its CDBG contract by requiring the agency to submit quarterly reports that include data on the number of service units provided along with demographic information about their clients. Quarterly reports are cross referenced to the requirements in their contract to ensure the subrecipient is on track to complete contract goals.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City's Citizen Participation Plan, available on the City's website as well as in paper copy upon request, lays out the timelines and opportunities for public comment on all aspects of CDBG planning and reporting.

The City provides adequate notice at the opening of the 15 day comment period on the CAPER. The notice is provided by wide distribution utilizing the city's vehicles of communication, including posting in the City's paper of record, the Seattle Times. The draft CAPER is also made available on the City's website for electronic access and review.

The City accepts public comments in any form convenient to the public, including written responses, facsimile and email. The City considers all comments and views received in writing or orally at in preparing the CAPER. In 2020, the City developed an additional outreach tool to support greater online engagement with community members. The website, www.speakupauburn.org, provides an accessible format where community members can submit questions and comments directly. The City created a page devoted to CDBG, which provides an overview of the funding, timeline, and city priorities. It also details the ways in which the City creates opportunities for public participation. In addition to the posting types noted above, the CAPER was also made available on Speak Up Auburn, with an opportunity to submit comments via the website.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City has not experienced any significant changes in its program objectives. With the allocation of CDBG-CV dollars, the City did add significant resources and additional targets to its plans; however, these targets largely align with the previously identified Strategic Plan goals. In addition, the CV and reallocated 2020 EN funds have the added goal of preventing, preparing for, or responding to Coronavirus, in line with the funds' intended uses.

The City continues to improve processes and procedures to bring the program into alignment with its current objectives. The City will maintain focus on preserving affordable housing, addressing and preventing homelessness, and public services.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

N/A



Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Integrated Disbursement and Information System
PR26 - CDBG Financial Summary Report
Program Year 2020
AUBURN , WA

DATE: 02-24-21
TIME: 18:33
PAGE: 1

PART I: SUMMARY OF CDBG RESOURCES

01 UNEXPENDED CDBG FUNDS AT END OF PREVIOUS PROGRAM YEAR	159,716.26
02 ENTITLEMENT GRANT	631,937.00
03 SURPLUS URBAN RENEWAL	0.00
04 SECTION 108 GUARANTEED LOAN FUNDS	0.00
05 CURRENT YEAR PROGRAM INCOME	0.00
05a CURRENT YEAR SECTION 108 PROGRAM INCOME (FOR SI TYPE)	0.00
06 FUNDS RETURNED TO THE LINE-OF-CREDIT	38,000.00
06a FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
07 ADJUSTMENT TO COMPUTE TOTAL AVAILABLE	0.00
08 TOTAL AVAILABLE (SUM, LINES 01-07)	829,653.26

PART II: SUMMARY OF CDBG EXPENDITURES

09 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	504,314.92
10 ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO LOW/MOD BENEFIT	0.00
11 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 09 + LINE 10)	504,314.92
12 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	101,719.38
13 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
14 ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES	(67,475.86)
15 TOTAL EXPENDITURES (SUM, LINES 11-14)	538,558.44
16 UNEXPENDED BALANCE (LINE 08 - LINE 15)	291,094.82

PART III: LOW/MOD BENEFIT THIS REPORTING PERIOD

17 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
18 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
19 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	504,314.92
20 ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT	0.00
21 TOTAL LOW/MOD CREDIT (SUM, LINES 17-20)	504,314.92
22 PERCENT LOW/MOD CREDIT (LINE 21/LINE 11)	100.00%

LOW/MOD BENEFIT FOR MULTI-YEAR CERTIFICATIONS

23 PROGRAM YEARS(PY) COVERED IN CERTIFICATION	PY: PY: PY:
24 CUMULATIVE NET EXPENDITURES SUBJECT TO LOW/MOD BENEFIT CALCULATION	0.00
25 CUMULATIVE EXPENDITURES BENEFITING LOW/MOD PERSONS	0.00
26 PERCENT BENEFIT TO LOW/MOD PERSONS (LINE 25/LINE 24)	0.00%

PART IV: PUBLIC SERVICE (PS) CAP CALCULATIONS

27 DISBURSED IN IDIS FOR PUBLIC SERVICES	156,417.56
28 PS UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
29 PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	81,417.56
30 ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS	0.00
31 TOTAL PS OBLIGATIONS (LINE 27 + LINE 28 - LINE 29 + LINE 30)	75,000.00
32 ENTITLEMENT GRANT	631,937.00
33 PRIOR YEAR PROGRAM INCOME	0.00
34 ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP	0.00
35 TOTAL SUBJECT TO PS CAP (SUM, LINES 32-34)	631,937.00
36 PERCENT FUNDS OBLIGATED FOR PS ACTIVITIES (LINE 31/LINE 35)	11.87%



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PART V: PLANNING AND ADMINISTRATION (PA) CAP		
37	DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	101,719.38
38	PA UNLIQUIDATED OBLIGATIONS AT END OF CURRENT PROGRAM YEAR	0.00
39	PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PROGRAM YEAR	0.00
40	ADJUSTMENT TO COMPUTE TOTAL PA OBLIGATIONS	0.00
41	TOTAL PA OBLIGATIONS (LINE 37 + LINE 38 - LINE 39 +LINE 40)	101,719.38
42	ENTITLEMENT GRANT	631,937.00
43	CURRENT YEAR PROGRAM INCOME	0.00
44	ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP	0.00
45	TOTAL SUBJECT TO PA CAP (SUM, LINES 42-44)	631,937.00
46	PERCENT FUNDS OBLIGATED FOR PA ACTIVITIES (LINE 41/LINE 45)	16.10%



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LINE 17 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 17

Report returned no data.

LINE 18 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 18

Report returned no data.

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2017	8	246	6343418	37th & I Streets NE sidewalk repair	03L	LMA	(\$38,000.00)
2020	4	265	6432256	Forest Villa Sidewalk Improvements	03L	LMA	\$47,777.09
2020	4	265	6444655	Forest Villa Sidewalk Improvements	03L	LMA	\$63,335.34
2020	4	265	6452193	Forest Villa Sidewalk Improvements	03L	LMA	\$13,100.18
2020	4	266	6432256	2nd Street Sidewalk Improvements	03L	LMA	\$8,767.85
2020	4	266	6444655	2nd Street Sidewalk Improvements	03L	LMA	\$19,878.44
2020	4	266	6452193	2nd Street Sidewalk Improvements	03L	LMA	\$4,928.40
					03L	Matrix Code	\$119,787.30
2019	4	257	6342788	Employment Training Program	05H	LMC	\$6,417.56
					05H	Matrix Code	\$6,417.56
2019	3	256	6342788	Healthpoint	05M	LMC	\$75,000.00
2020	2	260	6425637	Healthpoint	05M	LMC	\$37,500.00
2020	2	260	6452193	Healthpoint	05M	LMC	\$37,500.00
					05M	Matrix Code	\$150,000.00
2019	1	254	6342788	Housing Repair	14A	LMH	\$24,058.30
2019	1	254	6351646	Housing Repair	14A	LMH	\$14,311.27
2019	1	254	6363935	Housing Repair	14A	LMH	\$16,157.74
2019	1	254	6375689	Housing Repair	14A	LMH	\$15,994.09
2019	1	254	6384307	Housing Repair	14A	LMH	\$7,924.06
2019	1	254	6399465	Housing Repair	14A	LMH	\$17,147.49
2019	1	254	6409938	Housing Repair	14A	LMH	\$12,778.39
2019	1	254	6418085	Housing Repair	14A	LMH	\$7,628.29
2019	1	254	6425637	Housing Repair	14A	LMH	\$8,658.29
2019	1	254	6432256	Housing Repair	14A	LMH	\$4,558.87
2020	1	259	6425637	Housing Repair	14A	LMH	\$11,855.95
2020	1	259	6434696	Housing Repair	14A	LMH	\$5,289.09
2020	1	259	6444655	Housing Repair	14A	LMH	\$37,265.50
2020	1	259	6452193	Housing Repair	14A	LMH	\$44,482.73
					14A	Matrix Code	\$228,110.06
Total							\$504,314.92

LINE 27 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 27



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Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity to prevent, prepare for, and respond to Coronavirus	Activity Name	Grant Number	Fund Type	Matrix Code	National Objective	Drawn Amount
2019	4	257	6342788	No	Employment Training Program	B19MC530014	EN	05H	LMC	\$6,417.56
								05H	Matrix Code	\$6,417.56
2019	3	256	6342788	No	Healthpoint	B19MC530014	EN	05M	LMC	\$75,000.00
2020	2	260	6425637	No	Healthpoint	B20MC530014	EN	05M	LMC	\$37,500.00
2020	2	260	6452193	No	Healthpoint	B20MC530014	EN	05M	LMC	\$37,500.00
								05M	Matrix Code	\$150,000.00
				No	Activity to prevent, prepare for, and respond to Coronavirus					\$156,417.56
Total										\$156,417.56

LINE 37 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 37

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	6	261	6384307	Administration	21A		\$35,723.42
2020	6	261	6399465	Administration	21A		\$16,344.51
2020	6	261	6409938	Administration	21A		\$8,534.42
2020	6	261	6418085	Administration	21A		\$6,707.30
2020	6	261	6425637	Administration	21A		\$9,602.70
2020	6	261	6434696	Administration	21A		\$8,463.59
2020	6	261	6444655	Administration	21A		\$7,959.89
2020	6	261	6452193	Administration	21A		\$8,383.55
					21A	Matrix Code	\$101,719.38
Total							\$101,719.38

Financial Summary Report Explanation of Manual Adjustments

Part II.

Line 14: Adjustment to compute total expenditures: (\$67,475.86)

This includes two adjustments. The first is the total of voucher numbered 6342788, submitted in January 2020 for prior year expenses. It was noted in the 2019 PR26 and is referenced in line 29 of this year's PR-26 as well. The second adjustment is to account for the \$38,000 in funds returned to the line of credit that was noted in line 06 but not included in the expenditure summary.



PART I: SUMMARY OF CDBG-CV RESOURCES

01 CDBG-CV GRANT	913,002.00
02 FUNDS RETURNED TO THE LINE-OF-CREDIT	0.00
03 FUNDS RETURNED TO THE LOCAL CDBG ACCOUNT	0.00
04 TOTAL AVAILABLE (SUM, LINES 01-03)	913,002.00

PART II: SUMMARY OF CDBG-CV EXPENDITURES

05 DISBURSEMENTS OTHER THAN SECTION 108 REPAYMENTS AND PLANNING/ADMINISTRATION	152,237.50
06 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	19,477.61
07 DISBURSED IN IDIS FOR SECTION 108 REPAYMENTS	0.00
08 TOTAL EXPENDITURES (SUM, LINES 05 - 07)	171,715.11
09 UNEXPENDED BALANCE (LINE 04 - LINE8)	741,286.89

PART III: LOWMOD BENEFIT FOR THE CDBG-CV GRANT

10 EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS	0.00
11 EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING	0.00
12 DISBURSED FOR OTHER LOW/MOD ACTIVITIES	152,237.50
13 TOTAL LOW/MOD CREDIT (SUM, LINES 10 - 12)	152,237.50
14 AMOUNT SUBJECT TO LOW/MOD BENEFIT (LINE 05)	152,237.50
15 PERCENT LOW/MOD CREDIT (LINE 13/LINE 14)	100.00%

PART IV: PUBLIC SERVICE (PS) CALCULATIONS

16 DISBURSED IN IDIS FOR PUBLIC SERVICES	152,237.50
17 CDBG-CV GRANT	913,002.00
18 PERCENT OF FUNDS DISBURSED FOR PS ACTIVITIES (LINE 16/LINE 17)	16.67%

PART V: PLANNING AND ADMINISTRATION (PA) CAP

19 DISBURSED IN IDIS FOR PLANNING/ADMINISTRATION	19,477.61
20 CDBG-CV GRANT	913,002.00
21 PERCENT OF FUNDS DISBURSED FOR PA ACTIVITIES (LINE 19/LINE 20)	2.13%



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LINE 10 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 10

Report returned no data.

LINE 11 DETAIL: ACTIVITIES TO CONSIDER IN DETERMINING THE AMOUNT TO ENTER ON LINE 11

Report returned no data.

LINE 12 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 12

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	7	262	6444655	CV - MultiService Center	05Q	LMC	\$1,758.13
			6452193	CV - MultiService Center	05Q	LMC	\$70,507.58
	8	264	6452193	CV - Healthpoint	05M	LMC	\$79,971.79
Total							\$152,237.50

LINE 16 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 16

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	7	262	6444655	CV - MultiService Center	05Q	LMC	\$1,758.13
			6452193	CV - MultiService Center	05Q	LMC	\$70,507.58
	8	264	6452193	CV - Healthpoint	05M	LMC	\$79,971.79
Total							\$152,237.50

LINE 19 DETAIL: ACTIVITIES INCLUDED IN THE COMPUTATION OF LINE 19

Plan Year	IDIS Project	IDIS Activity	Voucher Number	Activity Name	Matrix Code	National Objective	Drawn Amount
2020	9	263	6409945	CV - Administration	21A		\$8,896.65
			6418085	CV - Administration	21A		\$3,525.08
			6425637	CV - Administration	21A		\$2,204.44
			6432256	CV - Administration	21A		\$1,612.55
			6444655	CV - Administration	21A		\$1,746.15
			6452193	CV - Administration	21A		\$1,492.74
Total							\$19,477.61