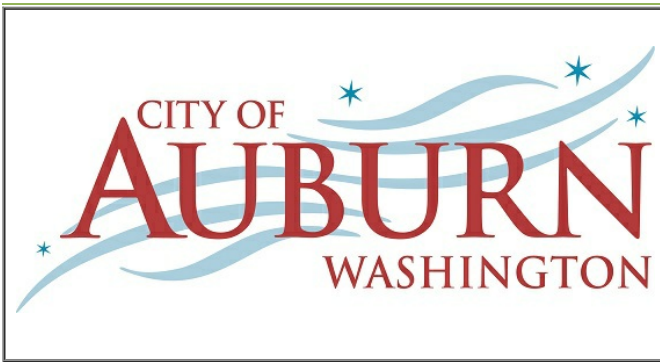


	City Council Study Session PWCD SFA February 22, 2021 - 5:30 PM Virtual AGENDA Watch the meeting LIVE! Watch the meeting video Meeting videos are not available until 72 hours after the meeting has concluded.
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I. CALL TO ORDER

II. VIRTUAL PARTICIPATION LINK

A. Virtual Participation Link

The Auburn City Council Meeting scheduled for Monday, February 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/98526133764>

Or join by phone:

253 215 8782
877 853 5257 (Toll Free)

Webinar ID: 985 2613 3764

B. Roll Call

III. AGENDA ITEMS FOR COUNCIL DISCUSSION

- A. Pierce Transit Updates (Gaub)(10 Minutes)
- B. Housing Action Plan (HAP) - Existing Conditions Report (Tate)(30 Minutes)
Introductory briefing by the City Consultant, EcoNorthwest, on an early phase of the project, consisting of the draft Auburn Existing Conditions Memo, as part of the continued work on the preparation of a Housing Action Plan (HAP) document under a Washington State Department of Commerce grant
- C. Police Advisory Committee Update (O'Neil)(15 Minutes)
Police Advisory Committee Update
- D. Domestic Violence Presentation (O'Neil/Comeau)(30 Minutes)
- E. Ordinance No. 6814 (Thomas)(60 Minutes)
Draft B&O Tax Code

IV. PUBLIC WORKS AND COMMUNITY DEVELOPMENT DISCUSSION ITEMS

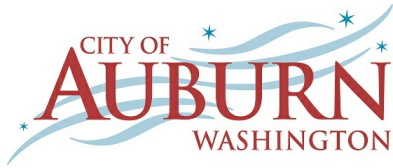
- A. Capital Projects Status Report and Feature Project (Gaub)(20 Minutes)
- B. Update of Bridges Annexation (Tate)(10 Minutes)
City of Auburn staff to provide an overview and status update detailing the discussions with the City of Kent about the potential annexation of the Bridges community

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:

Pierce Transit Updates (Gaub)(10 Minutes)

Department:

Public Works

Attachments:

[Pierce Transit Presentation](#)

Date:

February 16, 2021

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Pierce Transit operates Bus Route 497, which serves the Lakeland area and connects to the Auburn Station, and is paid for in partnership with Auburn and King County Metro, where the cost is shared between the three agencies. This partnership began in 2009. A new contract was put in place in 2020. The cost to Auburn is approximately \$150,000 per year in a typical year.

Pierce Transit is making changes to their services, and removing stops along some of their routes, which is not going to affect Route 497. They are also working towards Bus Rapid Transit. They expect that all jurisdictions served by them will receive questions from residents about the changes, and want to update all City Councils to ensure they are informed regarding how their jurisdiction is affected.

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

Gaub

Meeting Date: February 22, 2021

Item Number:

Auburn City Council

February 22, 2021



2021 Financial Update

A transit-rich community is a thriving community

- Agency passed a continuing resolution at Dec. at board meeting
- 85% of agency's budget dependent on sales tax
- Ridership and revenue trends through pandemic present new challenges and expose transit as an equity issue

Bus Rapid Transit System Update

Bus Rapid Transit is Expanding in Pierce County

- Agency has funded a system-expansion study in 2021 budget
- Estimated to be complete Summer 2021
- Will inform five-route build out and electrification needs

Bus Stop Balancing Project

Customer service through efficiency and safety

- Increases safety to customers throughout the system
- Helps the system through speed reliability and efficiency
- Public outreach will begin in February; Stops removed with September 2021 service change.

2019/20 Ridership Activity – City of Auburn

Year over year average weekday bus stop activity

Activity: Boardings + Alightings

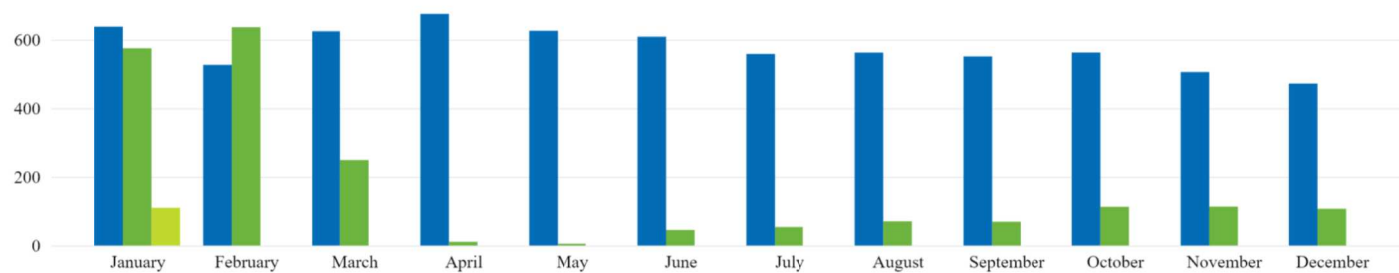
Route Number
All

Route Type
PT

Jurisdiction, Zipcode
Auburn

Click to clear all filters

● AVG Weekday Activity for 2019
 ● AVG Weekday Activity for 2020
 ● AVG Weekday Activity for 2021



555	633	652	583	460	577	
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	
166	170	180	175	156	169	-71%
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	YOY 19-20 % Activity
121	119	120	128	75	110.06	-35%
AVG Monday Activity	AVG Tuesday Activity	AVG Wednesday Activity	AVG Thursday Activity	AVG Friday Activity	AVG Weekday Activity 2...	YOY 20-21 % Activity

- One PT Route (497)
- 15 Stops within city limits.

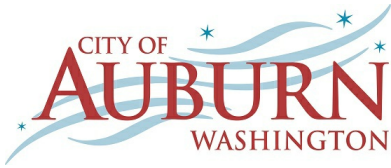
March Service Change

- Recovering service to 95% of Pre-Covid service hours.
- Focused on recovering Sunday Service Hours and trunk routes



Thank you!

Questions?



AGENDA BILL APPROVAL FORM

Agenda Subject:

Housing Action Plan (HAP) - Existing Conditions Report (Tate)
(30 Minutes)

Date:

February 16, 2021

Department:

Community Development

Attachments:

[PP File](#)

[Auburn - Existing Conditions Memo](#)

[Fact Packet - Auburn](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Housing is a pressing issue in our region. It is also a complex issue influenced by several factors and participants. While the housing supply is influenced by factors beyond the city's control, the City's Community Development Department is working to make sure we do what we can to support the development of enough housing for everyone in Auburn. To do this work, the City has received a grant from the Washington State Department of Commerce to develop a Housing Action Plan (HAP).

The Housing Action Plan (HAP) will evaluate the current housing dynamics in Auburn and take into consideration projected future needs. This data will help inform the City's housing strategies to assist in ensuring the right supply of housing is available to meet the future demands of Auburn residents at all income levels.

History of E2SHB 1923 and contract:

Recognizing the need for additional housing, the Washington State Legislature authorized up to \$5 million for the development of housing action plans by jurisdictions and intended to increase urban residential capacity, with a maximum award amount per jurisdiction of \$100,000. The City of Auburn sought this funding for the development of a Housing Action Plan (HAP) to accomplish short term goals identified in the Housing Element of the City's Comprehensive Plan.

Signed into law by Governor Inslee on May 9, 2019, Engrossed Second Substitute House Bill (E2SHB) 1923 authorized the Washington State Dept. of Commerce to issue grant funding for the purpose of increasing residential housing capacity in urban areas. The City of Auburn submitted a grant application on September 30, 2019, requesting the maximum award of \$100,000. On November 5, 2019, Auburn was officially awarded the grant in the amount of \$100,000.

On November 18, 2019, the Auburn City Council considered and adopted City Resolution No. 5471 authorizing the City to enter into a contract with the Washington State Dept. of Commerce (Commerce) to accept the grant and prepare a Housing Action Plan. The contract specifies that the Housing Action Plan (HAP) must be adopted by the City Council by May 31, 2021, however Commerce has indicated in writing, they will allow up to June 30, 2021.

Purpose:

According to the contract language, the goal of a housing action plan is to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. The housing action plan should:

- (a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost burdened households;
- (b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;
- (c) Analyze population and employment trends, with documentation of projections;
- (d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;
- (e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;
- (f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and
- (g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.

Scope of work:

The work effort and contract are generally divided, in two main phases:

1. The first phase

The first phase consists of the development of a South King County Subregional

Housing Action Framework document in collaboration with neighboring jurisdictions of Burien, Federal Way, Kent, Renton, and Tukwila. As a part of the collaborative effort, up to \$20,000 per jurisdiction has been allocated for the purpose of collecting sub-regional data necessary to support the development of individual Housing Action Plans. This cooperative effort provided economies of scale and allowed the sharing of information and facilitated the comparison between several south county cities. The cities cooperatively selected and hired a professional consulting firm with specialized expertise, EcoNorthwest, to gather information and assist the city in the preparation of this document. This document was completed in August 2020.

Attached as Attachment C is the Fact Sheet/Executive Summary of the South King County Subregional Housing Action Framework document that captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County that will set the stage to evaluate and incorporate appropriate policies, tools, and incentives for increasing residential capacity. The full document can be shared with the Planning Commission, if desired.

2. **The second phase**

This second phase, currently in process builds on the contents of the South King County Subregional Housing Action Framework document developed in the first phase but focuses specifically on the City of Auburn. And this phase is independent and conducted under a separate contract. This step was also the subject of a consultant selection and hiring process and resulted in the City choosing the same consultant, EcoNorthwest, as had worked on the earlier phase. Use of the same consultant aids in efficiency and continuity.

As a first step for this next phase, the City's consultant has prepared information specific to the City of Auburn. The consultant has prepared a draft "Auburn Housing Action Plan Existing Conditions Memorandum" which details the current conditions influencing housing capacity in the City. This document is Attachment B.

This document is "draft" as it is not meant to stand alone but its contents will be incorporated into the contents of the overall City Housing Action Plan (HAP).

This document has the following components:

- **Introduction**
- **Housing Needs Analysis** discusses the current housing inventory in Auburn, current demographics and employment trends for Auburn residents, housing affordability trends and displacement risk, and estimates future housing needs for Auburn through 2040.
- **Market Conditions** provides data on recent rents, home sales prices, vacancy rates, and development trends in Auburn.
- **Housing Planning and Policy Evaluation** discusses the most relevant planning documents – from state to county to local levels – that guide and influence housing development and housing planning decisions in Auburn. Building on the work

completed in the South King County Subregional Housing Action Framework, this section also evaluates five policies that are in place in the City of Auburn to assess their successes at encouraging housing development.

- **Methodology, Data Sources, and Assumptions** lists the data, sources, and the methods used in this analysis.

This phase of the effort also has an emphasis on a public outreach to solicit public feedback while the plan is under development and when a draft of the plan is made available for public comment. To get the most relevant and valuable feedback, this outreach is targeted to persons impacted by or with knowledge about housing issues and circumstances in the City of Auburn. City subconsultant of Broadview Planning has developed a public engagement plan including:

- individual or stakeholder interviews (virtual)
- focused or small group conversations (virtual)
- community forum/open house (virtual)
- interactive webpage accessible from city webpage where input can be shared

The process for development of the HAP and the contents of the draft “Auburn Housing Action Plan Existing Conditions Memorandum” were the subject of a presentation at the February 2, 2021 regular Planning Commission meeting. The Commissioners expressed interest in the HAP and asked several questions about the public engagement process and how it was being conducted considering the pandemic. They also inquired about the schedule and how other interested persons could participate by providing input. The consultant and staff explained the public engagement plan and due to the restrictions associated with the pandemic, the city has implemented a new on-line tool as one of the methods of gathering input:

<https://speakupauburn.org/hap>

The Commissioners also asked about how the contents of the HAP and its strategies would come back before them.

Range of possible future actions:

When complete, this analysis, along with public input, will be used to generate recommendations and implementation strategies in the completed Housing Action Plan, which will help the City of Auburn guide its housing policies and regulations and decisions over the 2020-2040 planning period. The City’s contract with the Washington State Dept. of Commerce specifies that the HAP must be adopted by the City Council.

Future actions include additional briefings with the Planning Commission and City Council. The implementation recommendations of the City’s HAP could implement take the form of:

- Changes to the Comprehensive Plan document such as:
 - Updates to the housing element (chapter) goals and policies;

- Changes to Land use element (chapter) related to density and zoning standards; and
- Amendments related to the City's Capital Facilities Element (Chapter).
- Changes to City code, such as:
 - Remain consistent with the Comprehensive Plan;
 - changes to the set of land uses allowed in certain zones;
 - changes to density standards;
 - new or revised zoning districts; and
 - efficiencies in development permitting.



Reviewed by Council Committees:

Councilmember:

Staff:

Tate

Meeting Date: February 22, 2021

Item Number:

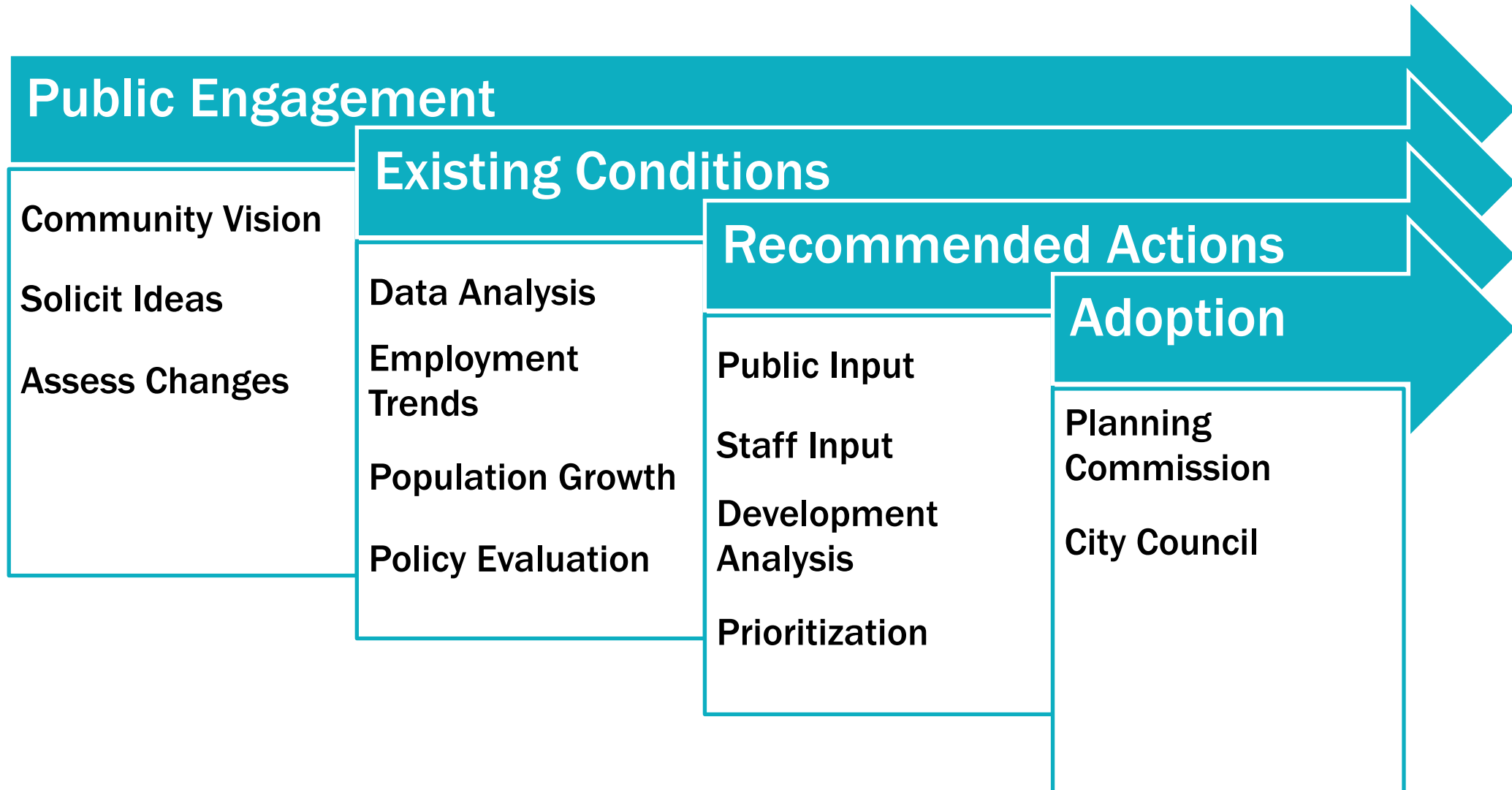
Auburn Housing Action Plan

February 22, 2021

Tyler Bump

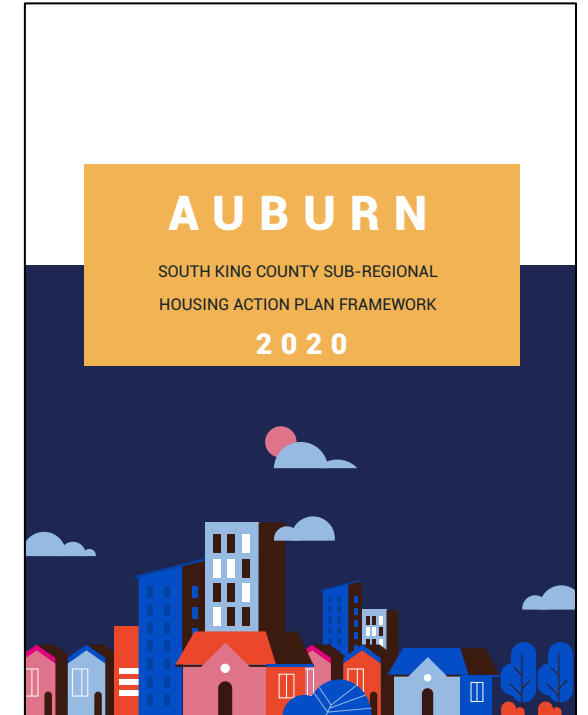
Project Overview

Auburn Housing Action Plan

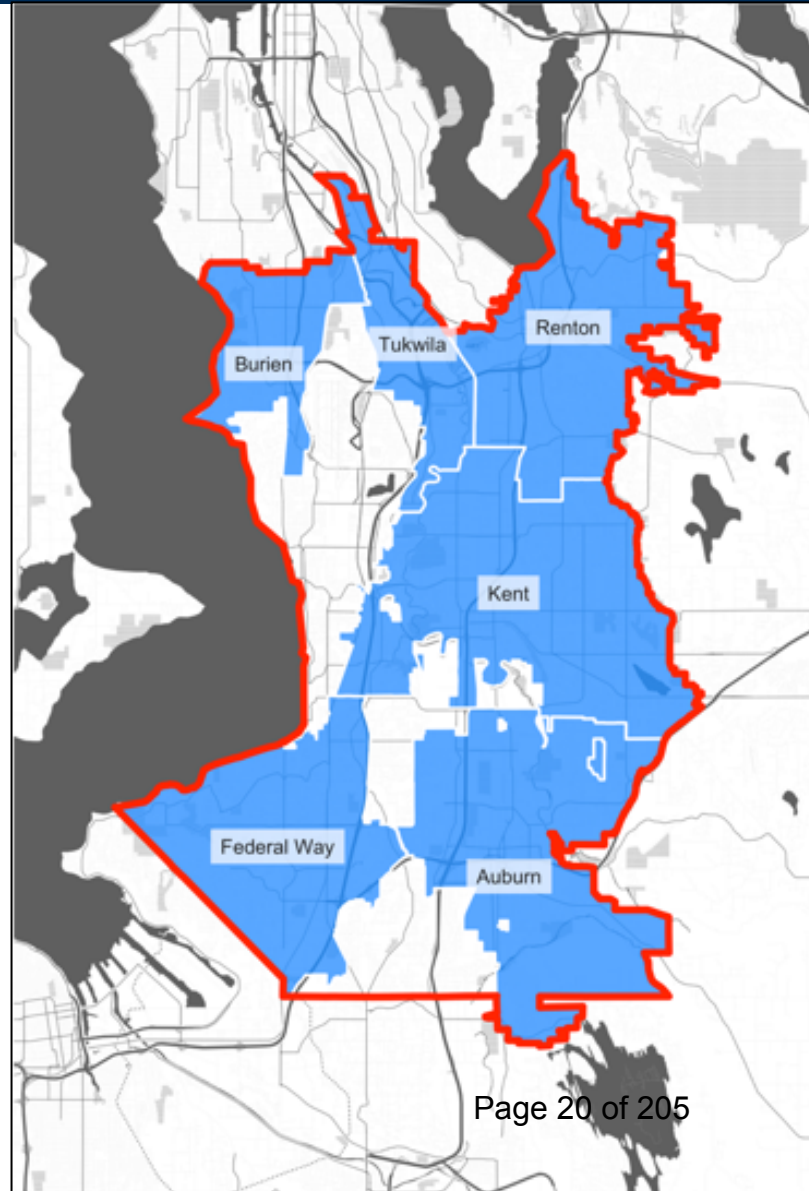


Building off South King County Subregional Housing Action Plan Framework

1. Public engagement
2. Assess housing needs in 2040
3. Evaluate demographic & employment trends
4. Develop new strategies
 1. Preserve existing housing
 2. Increase housing production
 3. Increase housing choice
5. Evaluate neighborhood context for housing type allowances
6. Create the Housing Action Plan (HAP)



South King County Subregional Housing Action Plan Framework



Existing Conditions & Housing Needs Assessment

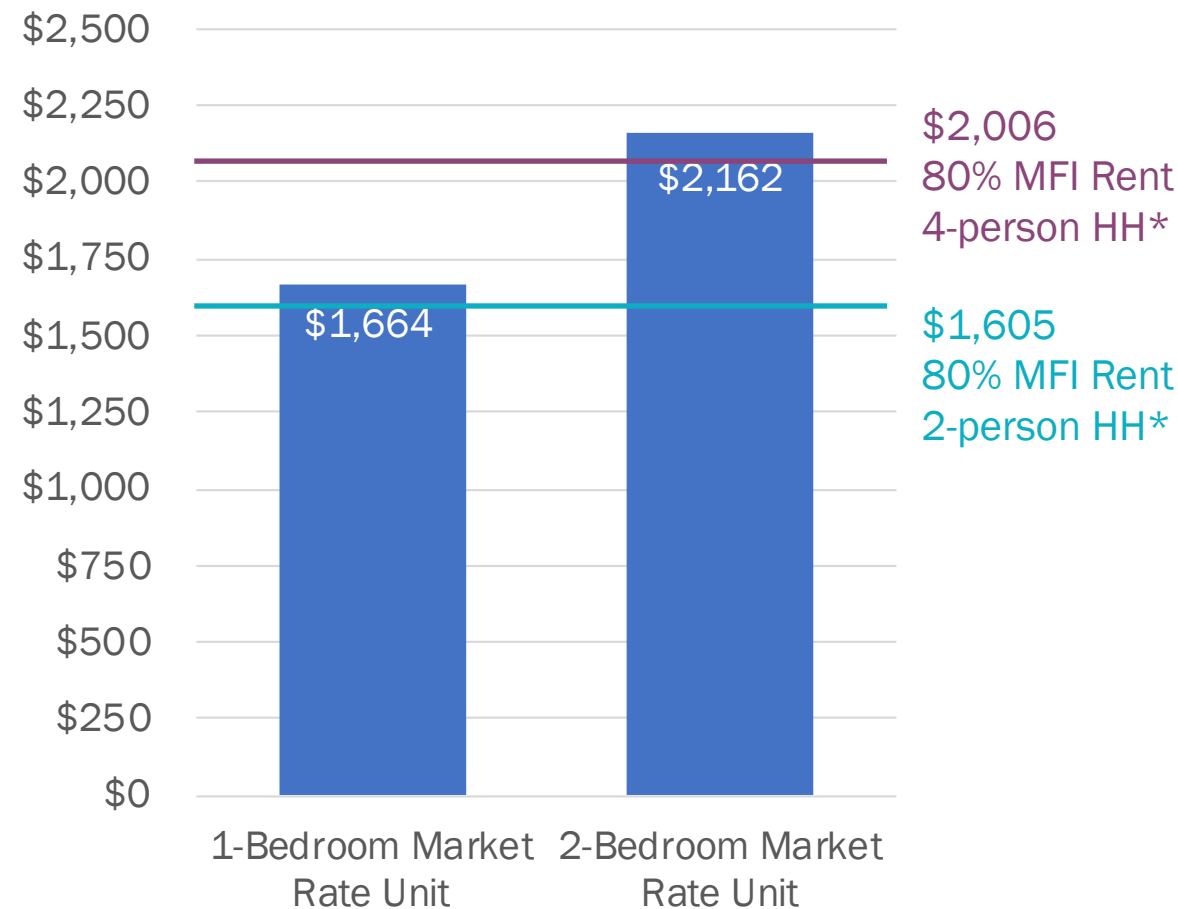
King County Income Levels

Family Size	2018 Income Limit	Annual Income	Max Monthly Housing Costs (30% of Income)	Example Jobs (full time)
	30% of AMI	\$25,700	\$643	1 worker in retail sector
	50% of AMI	\$42,800	\$1,070	1 worker in retail sector
	80% of AMI	\$64,200	\$1,605	2 workers in food service; 1 full time worker in info. tech.
	100% of AMI	\$85,600	\$2,140	2 workers in retail sector; 1 worker in management + 1 worker in retail sector
	30% of AMI	\$32,100	\$803	1 worker in food service
	50% of AMI	\$53,500	\$1,338	1 worker in transportation / warehousing
	80% of AMI	\$80,250	\$2,006	1 worker in finance; 1 worker in education + 1 worker in retail sector
	100% of AMI	\$103,400	\$2,585	1 worker in finance + 1 worker in agriculture; 2 construction workers

Source: HUD 2018, Puget Sound Regional Council Employment Data, ECONorthwest Calculations

Note: 2018 income limits are used to align with data pulled from the U.S. Census; max monthly housing costs do not include utilities

New Construction Multifamily Units Rent at About 80% MFI

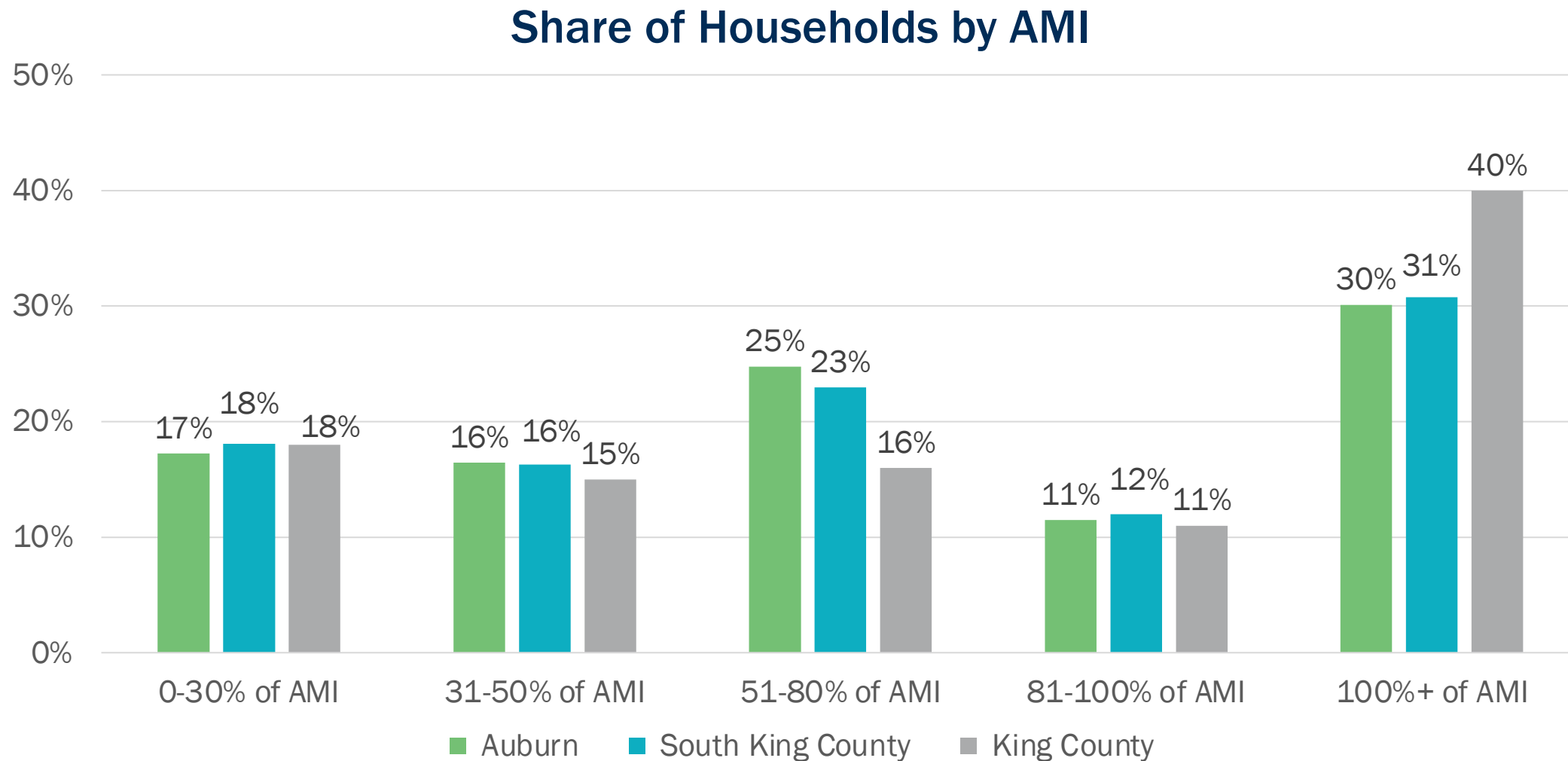


Source: Rent data from CoStar; affordability data from HUD
Note: *Affordable rents are from 2018 and exclude utilities

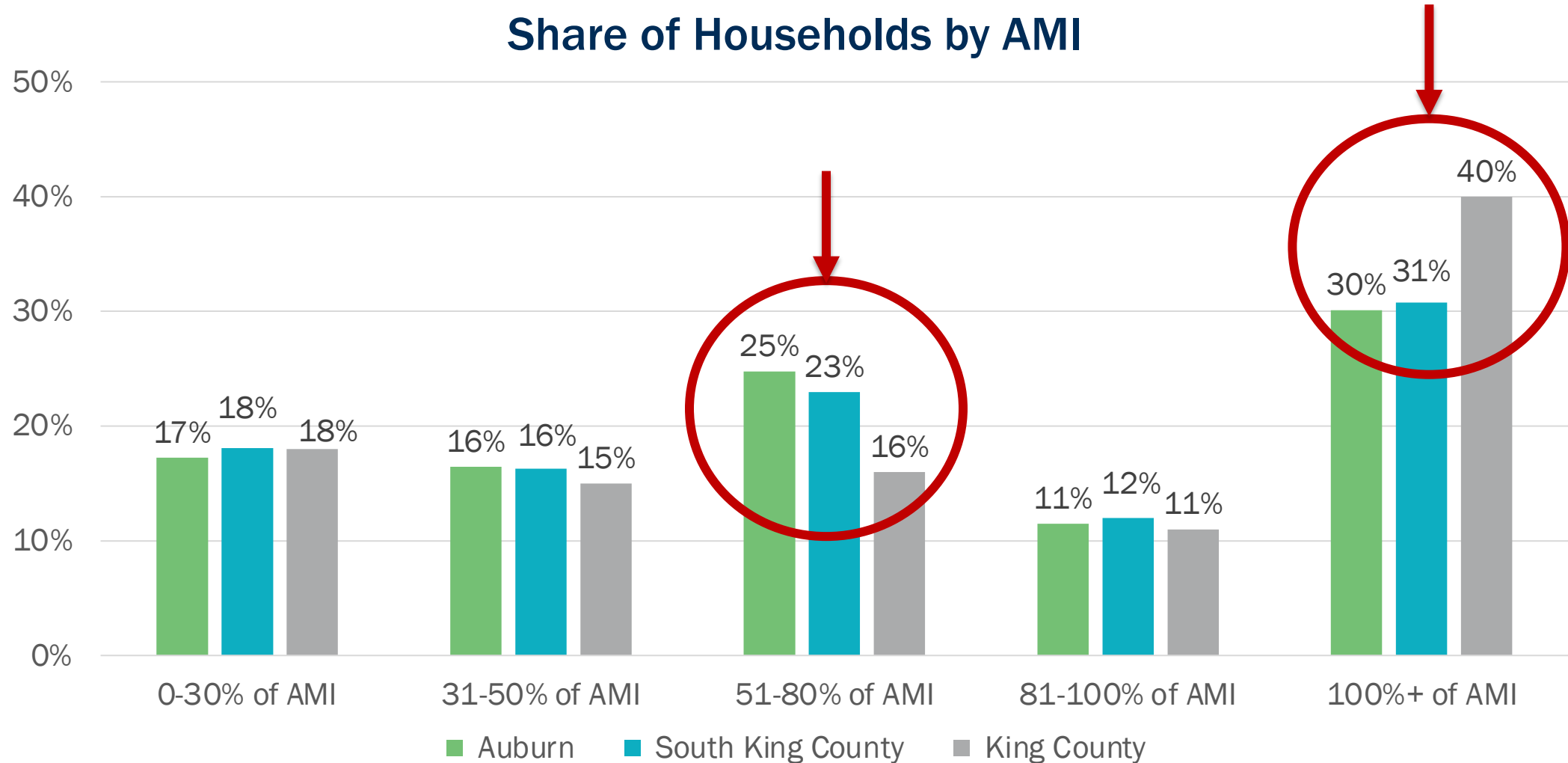


Photo: Trek Apartments (Built 2015, 2 E Main St.)
Source: CoStar

South King County Subregion Income Distribution



South King County Subregion Income Distribution



Auburn's Housing Affordability Trends

From 2010 to 2020:

- 49% increase in average 2-BR rent
- 88% increase in median home sales price



From 2012 to 2018:

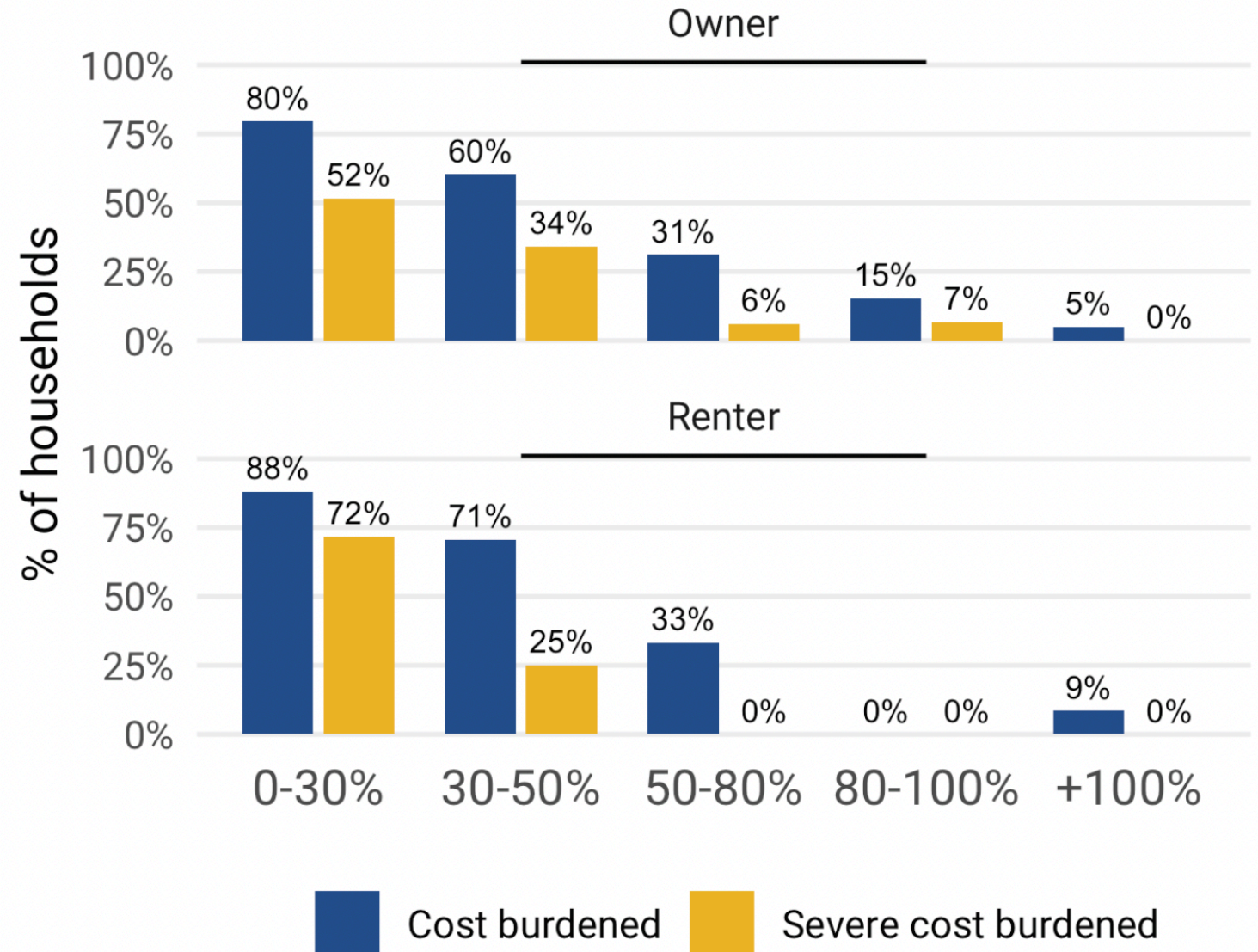
- 46% increase in median renter household income
- 17% increase in median owner household income

Housing Affordability - Cost Burdening

Cost burdening = household spends >30% of income on housing costs

Severe cost burdening = household spends >50% of income on housing

- 80% of owners and 88% of renters earning <30% AMI are cost burdened
- Worse for lower-income households
- Worse for renters

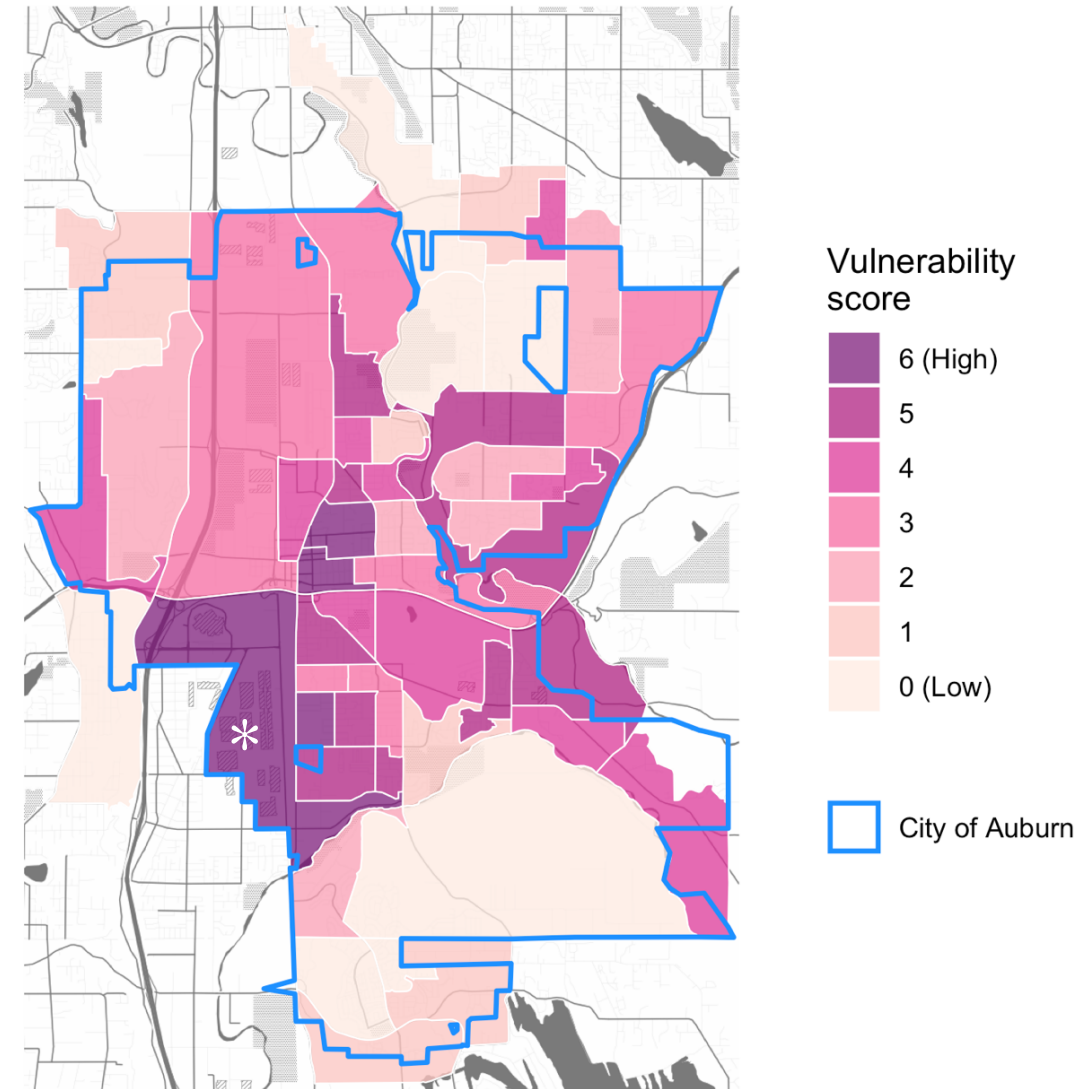


Displacement Vulnerability in Auburn

Calculating Risk

Analysis is modeled on PSRC's Displacement Risk Tool. Includes 6 variables at the Census block group level:

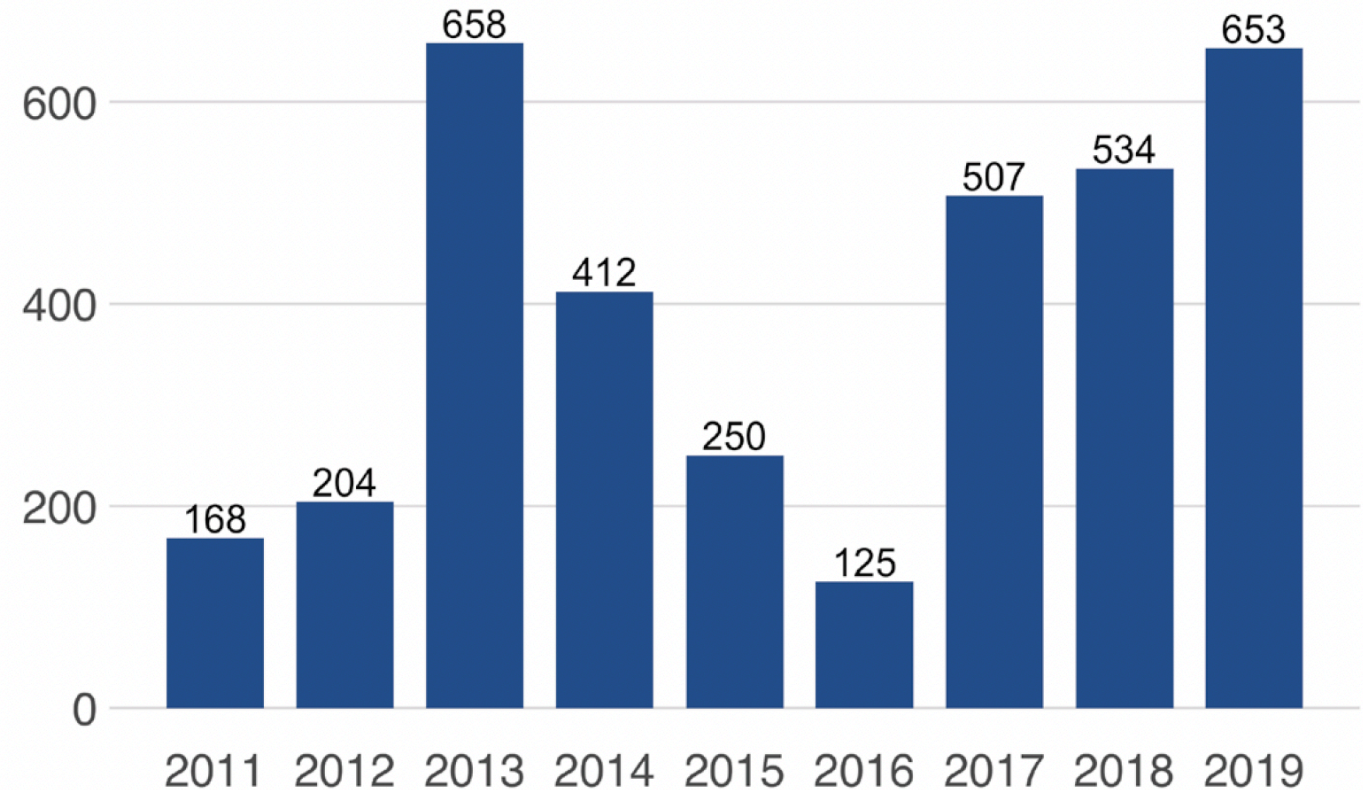
1. % of population that is a race other than non-Hispanic White
2. % of households that speak a language other than English at home
3. % of population ≥ 25 who lack a bachelor's degree
4. % of households that are renters
5. % of households paying $>30\%$ of gross income on housing
6. Per capita income



Auburn's Housing Production Trends

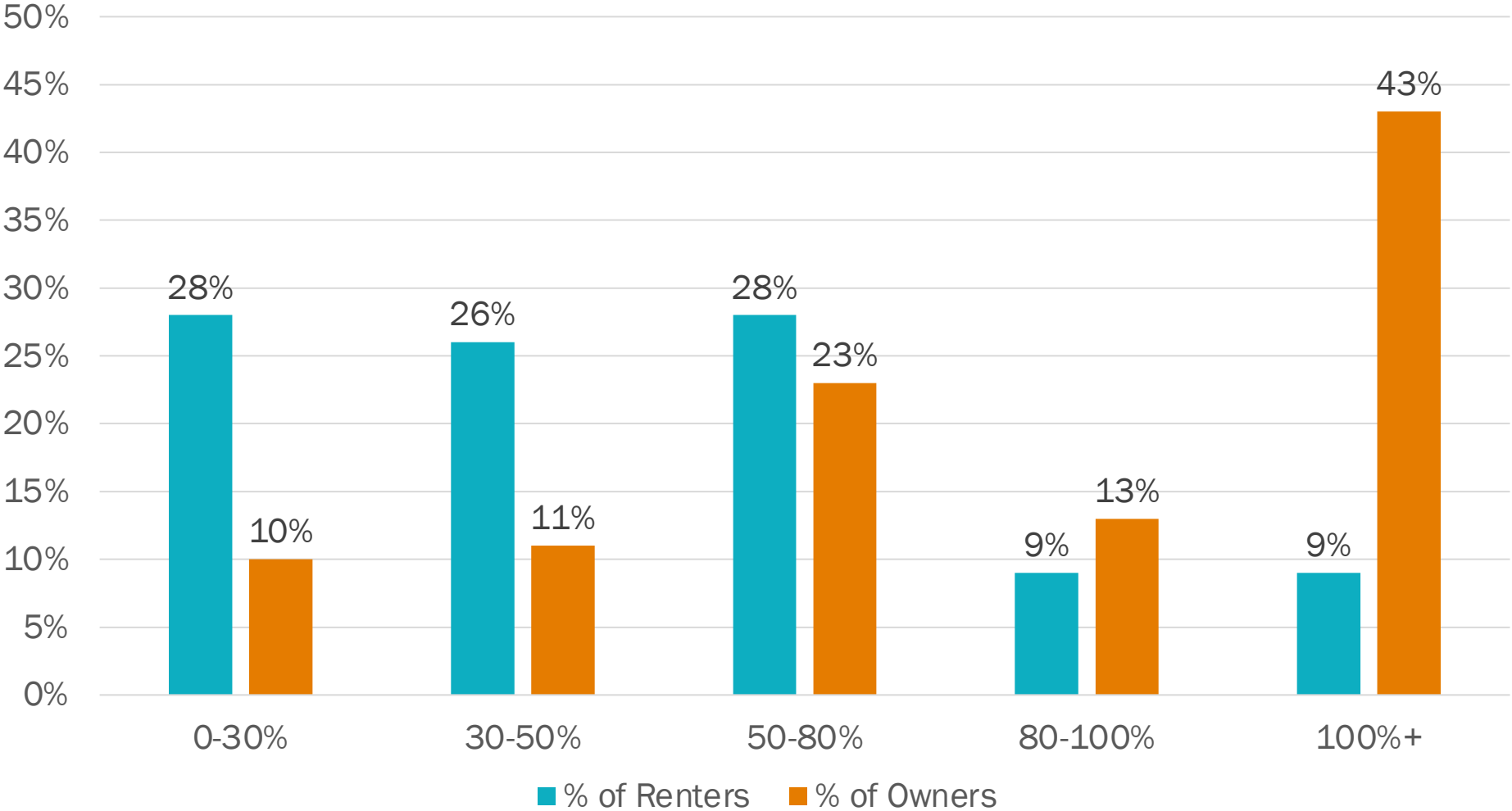
Auburn averaged
390 new units
annually between
2011-2019

Number of Units Built Per Year, 2011-2019



Source: OMF, 2019

Income Distribution by Tenure



Source: PUMS, 2018

2040 Housing Need

95,461

Projected population by
2040

Source: PSRC, 2017

703

Average annual population
growth projected through 2040

Source: PSRC, 2017; ECONorthwest
calculations

10,429

Projected number of units
needed by 2040

Source: OFM, 2019; PSRC, 2017;
ECONorthwest Calculation

521

Average number of new
units needed per year
through 2040

Source: OFM, 2019; PSRC, 2017;
ECONorthwest Calculation

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
2,361	8,068	10,429

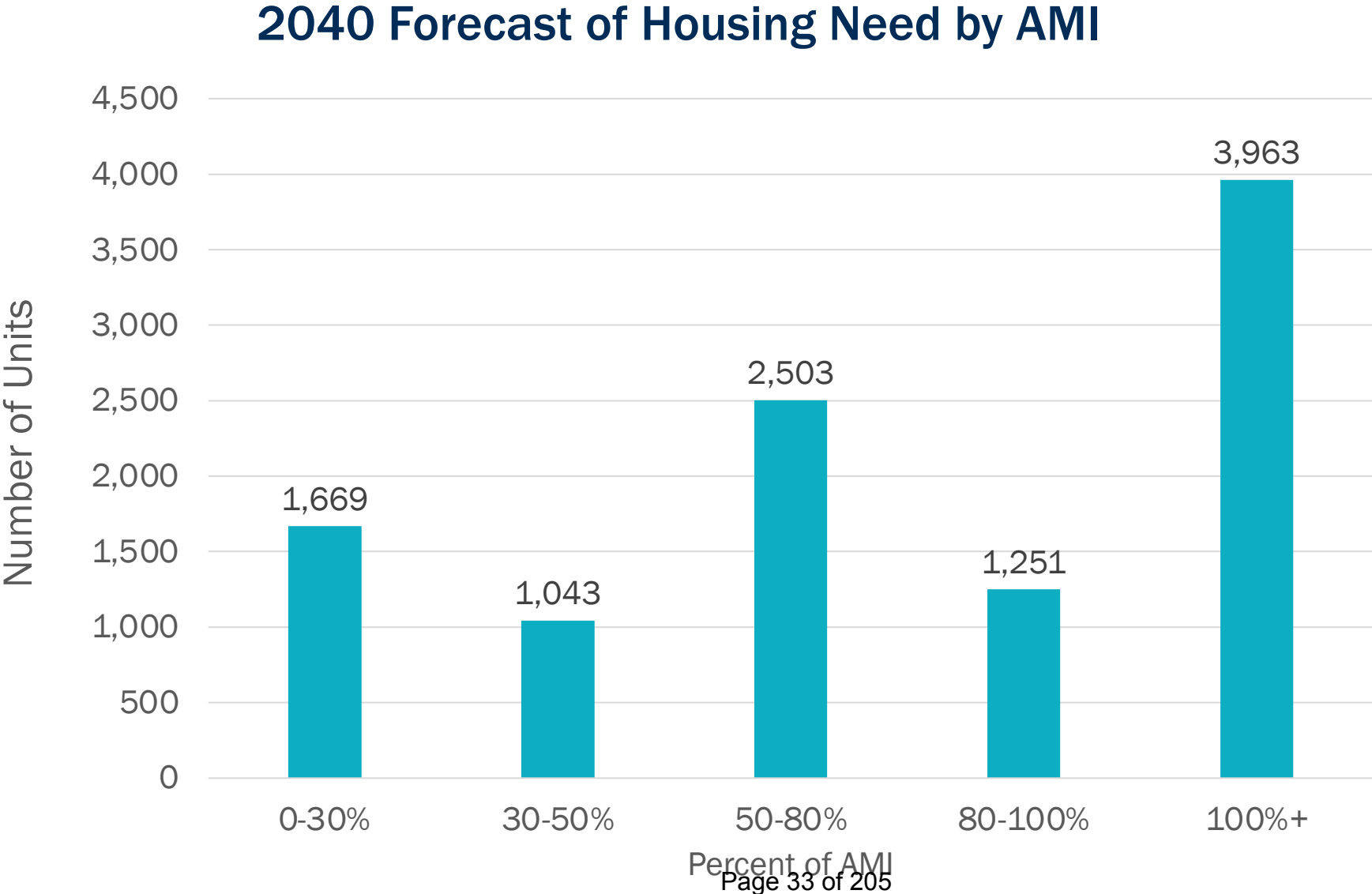
Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
31,345	10,429	33%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Auburn’s Future Housing Needs by Income Level



Source: Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation.



BROADVIEW
PLANNING

Public Engagement Update

HAP Public Engagement Goals

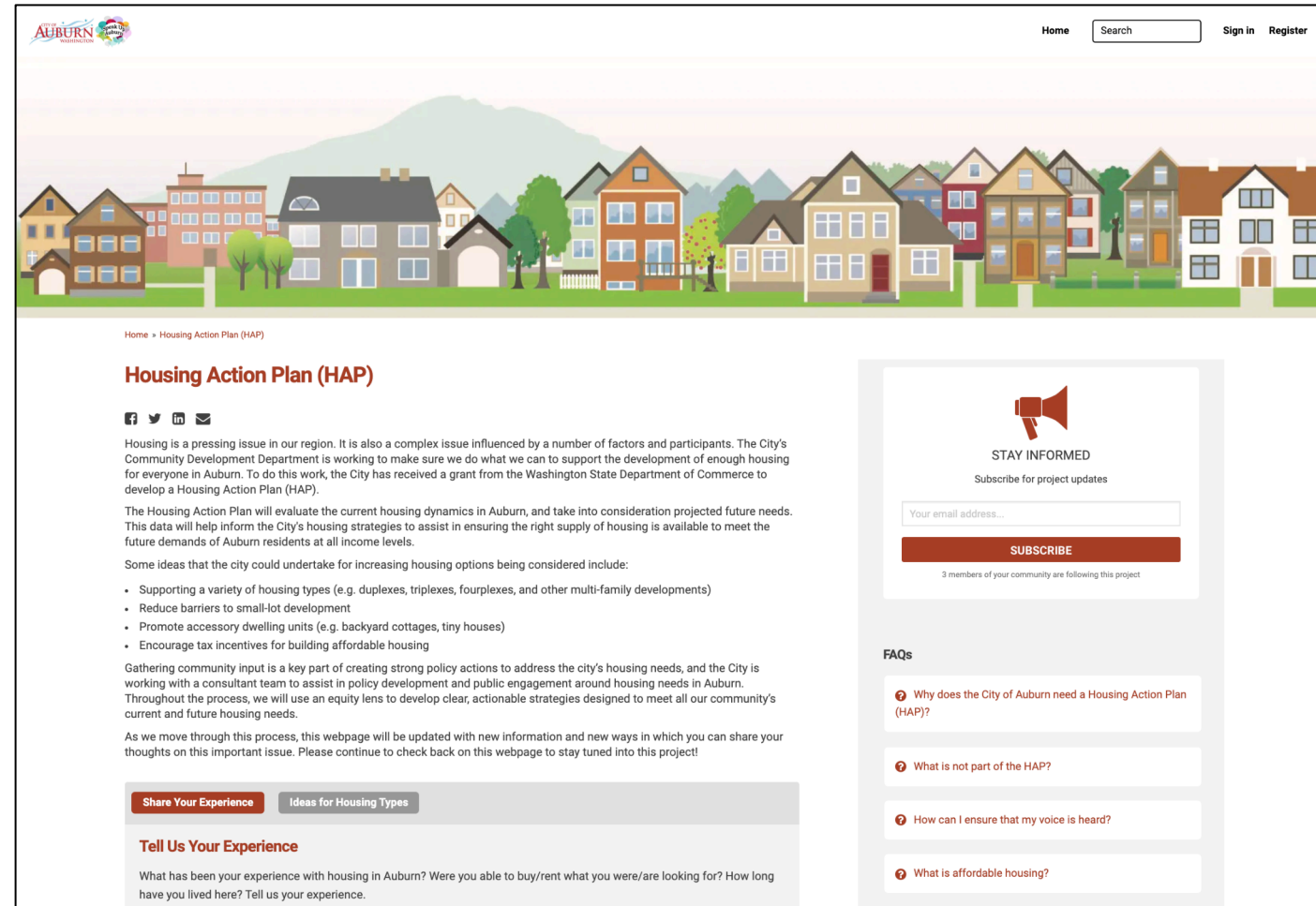
1. Reflect Auburn's diversity; tell residents' housing opportunities and challenges
2. Remain focused, yet flexible, on authentic public involvement during COVID-19 pandemic.
3. Develop and maintain a consistent communications strategy; ensure equitable messaging and close the information loop.
4. Clearly connect how community involvement and input informs HAP strategies.
5. Present data that summarizes community perspectives on how new housing integrates into neighborhoods.
6. Understand barriers to homeownership and best practices for creating opportunities for people to own their own home.

- Focus on race/social justice equity lens
- Engage with people and organizations who typically don't participate in planning processes.
- Include an educational component to relay how different types of housing can support and enhance a diverse, and vibrant city



Outreach methods:

- 10-12 individual interviews
- 3-5 small focus groups
- Social Media
- Website & distribution list:
 - SpeakUpAuburn.org/HAP
- Community forums
- Public Presentations



HAP Public Engagement - Process & Next Steps

Public Engagement Timeline

January	Finalize Plan, Questions, Stakeholder Contacts Begin Interviews Advertise Focus Groups
February	Planning Commission Update Continue Interviews Conduct Focus Groups
March	Summarize Findings Draft Recommendations
April-May-June	Draft HAP Planning Commission Feedback City Council Feedback Public Comment & Community Forum Feedback Final HAP

Questions?

Contact: Tyler Bump

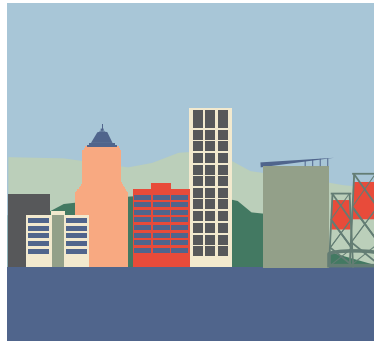
Bump@econw.com

ECONorthwest

ECONOMICS • FINANCE • PLANNING



Eugene



Portland



Seattle



Boise

DATE: January 15, 2021
TO: Jeff Dixon, City of Auburn
FROM: Tyler Bump, Madeline Baron, Oscar Saucedo-Andrade, Justin Sherrill, Ryan Knapp
SUBJECT: AUBURN HOUSING ACTION PLAN – EXISTING CONDITIONS MEMORANDUM – **REVISED**

1) Introduction

The City of Auburn was founded in 1891 and has grown to become the fifteenth largest city in the State of Washington. Multiple periods of growth can be observed in the many regions of Auburn, including early 20th century neighborhoods, mid-century growth, and the annexation of rural county lands in the early 21st century. This has resulted in over 29 square miles of housing growth representing many different scales of development that have occurred over different periods of time.

HB1923 and Housing Action Plans

In 2019, the state legislature adopted House Bill 1923 (HB 1923), which awarded grants in the amount up to \$100,000 to various cities for the purpose of increasing residential capacity.

As the first step in developing a Housing Action Plan, the city of Auburn participated in the development of a supporting document: the *South King County Subregional Housing Action Framework*, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila. Auburn's individual Housing Action Plan builds off the data analysis, housing needs, demographic and employment trends, housing policy review, and potential housing production strategies that were generated through this previous subregional framework report.

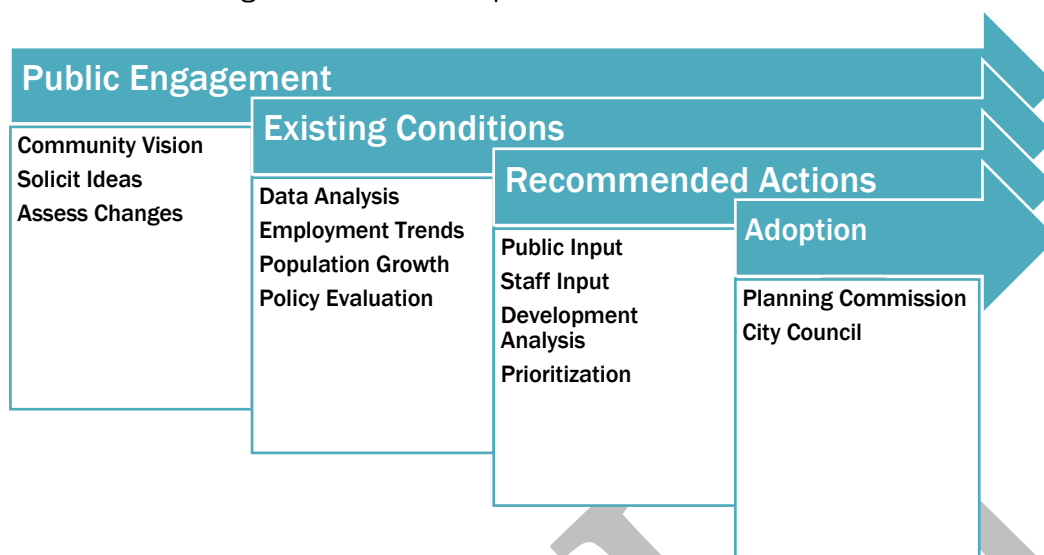
Auburn's individual Housing Action Plan must comply with state law, including adoption of the grant-funded Housing Action Plan consisting of the needs assessment, housing policy review, and implementation recommendation components, no later than June 30, 2021. Funding is provided by the Washington State Department of Commerce via House Bill 1923 (HB 1923).

Housing Action Plan Development Process

Housing Action Plan efforts are focused on encouraging production of both affordable and market rate housing at a variety of price points to meet the needs of current and future residents. Developing the Housing Action Plan is a multi-step process (see Figure 1).

Throughout the entire process, a subconsultant, Broadview Planning is engaging the public to seek input on the community's vision and housing needs, as well as ideas and recommendations for how Auburn can increase capacity for more housing. In addition, the public will be invited to review a draft Housing Action Plan and provide comment before the City moves toward finalization and City Council adoption of the Housing Action Plan.

Figure 1. Auburn's Housing Action Plan Development Process



The Department of Commerce requires that Housing Action Plans be adopted by each city. In Auburn, that means the Housing Action Plan will be presented to city staff for review, revised, and then presented for public review. After reviewing those comments, a revised, final Housing Action Plan will be presented to the Planning Commission, then to City Council for adoption.

How this Report is Organized

This Existing Conditions Memorandum focuses on the housing inventory, demographics, and employment trends occurring within the City of Auburn, as well as the policy environment that influences housing development. This memorandum provides a foundation of the existing conditions surrounding housing and population growth, and then estimates future housing needs in Auburn. This foundation is helpful to understand the basis for recommendations for actions as Auburn increases residential capacity to meet future population forecasts.

This report is organized into five sections, beginning with this introduction, which is the first part.

- **Part 2) Housing Needs Analysis** discusses the current housing inventory in Auburn, current demographics and employment trends for Auburn residents, housing affordability trends and displacement risk, and estimates future housing needs for Auburn through 2040.¹ This is a required component of the Department of Commerce Grant funding this Housing Action Plan.
- **Part 3) Market Conditions** provides data on recent rents, home sales prices, vacancy rates, and development trends in Auburn.

¹ King County is in the process of updating its growth targets and forecasts for the 2017 - 2044 forecast period, but the formal adoption of these targets will not occur until late 2021. Auburn's future housing needs estimated here are based off the acknowledged 2040 population forecast.

-
- **Part 4) Housing Planning and Policy Evaluation** discusses the most relevant planning documents – from state to county to local levels – that guide and influence housing development and housing planning decisions in Auburn. Building on the work completed in the *South King County Subregional Housing Action Framework*, this section also evaluates five policies that are in place in the City of Auburn to assess their successes at encouraging housing development. This is a required component of the Department of Commerce Grant funding this Housing Action Plan.
 - **Part 5) Methodology, Data Sources, and Assumptions** lists the data, sources, and methods used in this analysis.

When complete, this analysis, along with public input, will be used to generate recommendations and implementation steps in the completed Housing Action Plan, which will help the City of Auburn guide its housing policies and regulations and decisions over the 2020-2040 planning period.

2) Housing Needs Analysis

This section summarizes the housing inventory, household² demographics, and socio-economic trends that influence housing needs in Auburn. It is based on work conducted for the *South King County Subregional Housing Action Framework* which was completed in June 2020. Important data sources, methods, and assumptions are listed in Part 5 beginning on page 42.

This report uses the best available data sources to assess the housing inventory and future needs, analyze employment trends, and analyze demographic trends in Auburn. Because Auburn has more than 65,000 people, it is surveyed in the American Community Survey every year and thus has data in 1-year samples. The most recent survey data is for 2018. Information from other sources may be a few years old but represent best data sources.

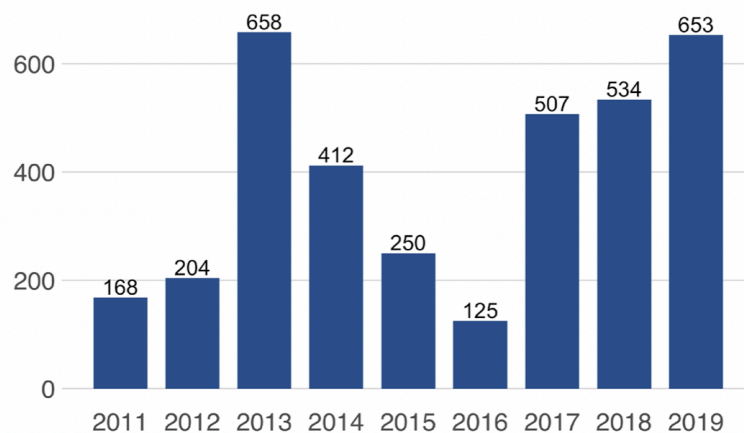
Current Housing Inventory

As of 2018, there were 31,345 total housing units in Auburn (OFM, 2019). About half of Auburn's housing stock was built in the 1980's or earlier (King County Assessor, 2020) and the majority of the housing is single-family detached (61 percent). About 16 percent of Auburn's housing stock is located in properties with 2-4 units, and construction of these housing types peaked in the 1970s and 1980s. About 23 percent of Auburn's housing stock is characterized as multifamily, the majority of which was build pre-1960, and in the 1990s and 2000s.³

Auburn saw 3,511 new dwelling units built between 2011 and 2019, averaging 390 new units per year.

Over this period, 7.8 new housing units were produced for every 10 new households that formed in Auburn.⁴

Figure 2. Number of Units Built Per Year, Auburn, 2011-2019
Source: OFM, 2019.



² The U.S. Census defines a household as the following: "all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, "family" and "nonfamily." (see: https://www.census.gov/glossary/#term_Household)

³ In this report, multifamily housing is defined as five or more units in a given property development.

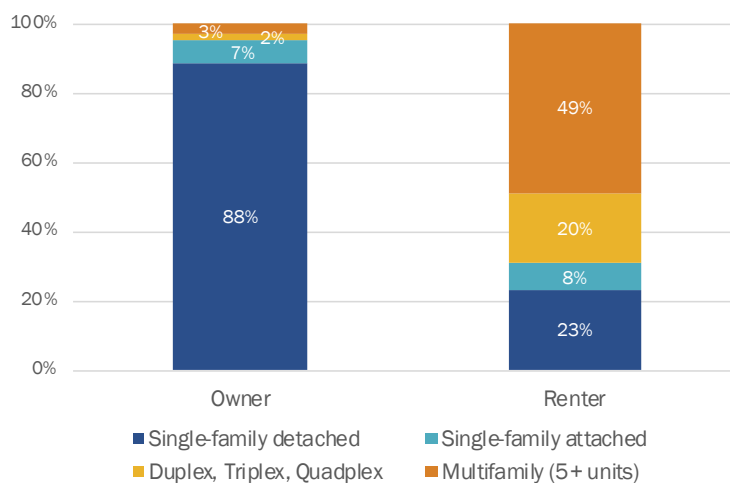
⁴ Household formation occurs when people move into the city, or when one household becomes two (e.g., a child moves out of a family home, roommates separate).

The majority of Auburn's homeowners (88 percent) live in single-family detached housing.

About half of Auburn's renters live in multifamily housing (with five or more units per structure) and 23 percent of renters live in single-family detached housing.

Figure 3. Occupied Housing by Tenure, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).

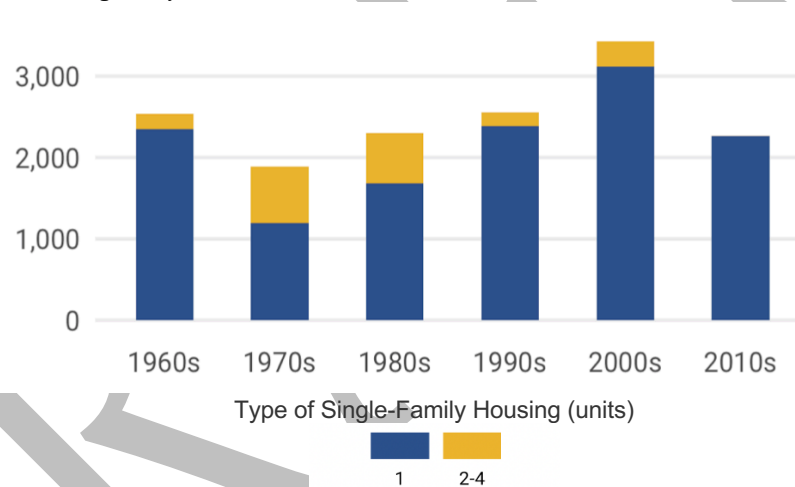


The majority of Auburn's single-family housing stock was built prior to the 2000's. The 1960's, 1990's, and 2000's saw peak construction of single-family homes.

The majority of duplexes, triplexes and quad-plex type housing was built prior to the 2000's. The 1970's and 1980's saw peak construction of these housing types relative to other years.

Figure 4. Type of Single-Family Housing Built, Auburn, 1960-2020

Source: King County Assessor's Office, 2020.

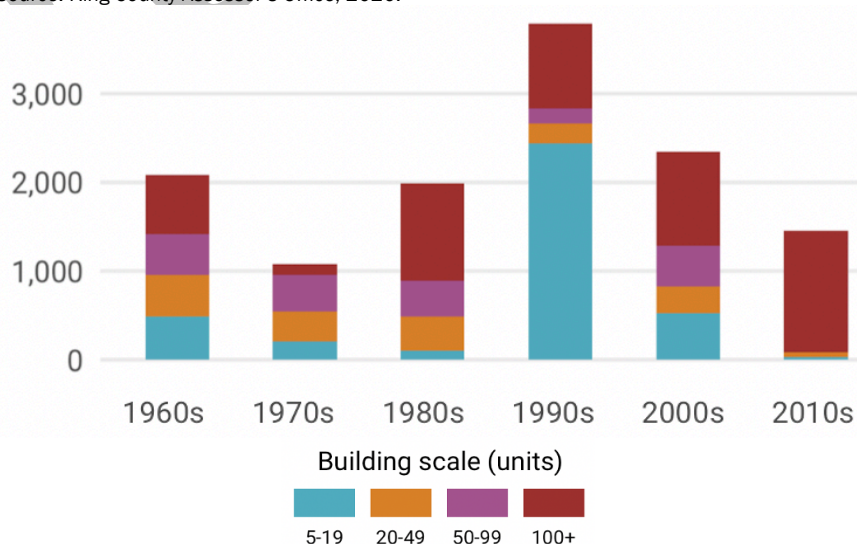


The majority of multifamily housing in Auburn was built before 2000. Auburn saw an increase in larger multifamily housing development (100+ units) in the 1980s, 1990s, 2000s, and 2010s.

The majority of medium sized multi-family housing (between 5 and 50 units) was built in the 1990s or earlier.

Figure 5. Scale of Multifamily Housing Built, Auburn, 1960-2020

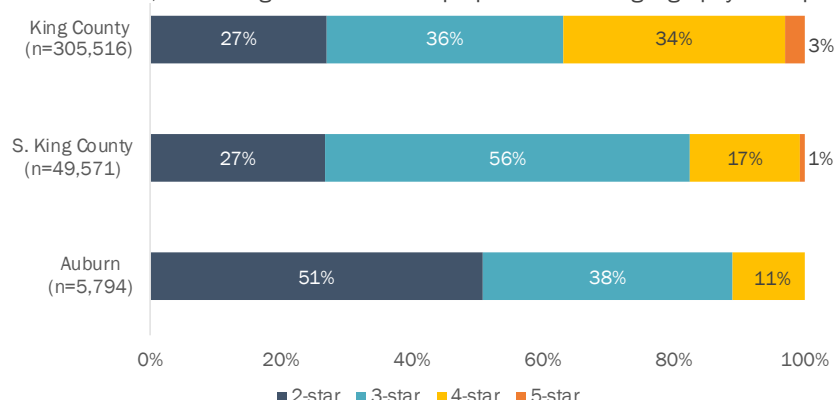
Source: King County Assessor's Office, 2020.



Compared to King County and South King County, Auburn has a higher share of 2-star⁵ apartments (typically older properties with few amenities). Based on CoStar data, half of Auburn's apartment housing stock is rated 2-star, compared to 27 percent in King County and South King County.

Figure 6. Share of CoStar⁶ Multifamily Inventory by "Star Rating" in Auburn, South King County, and King County

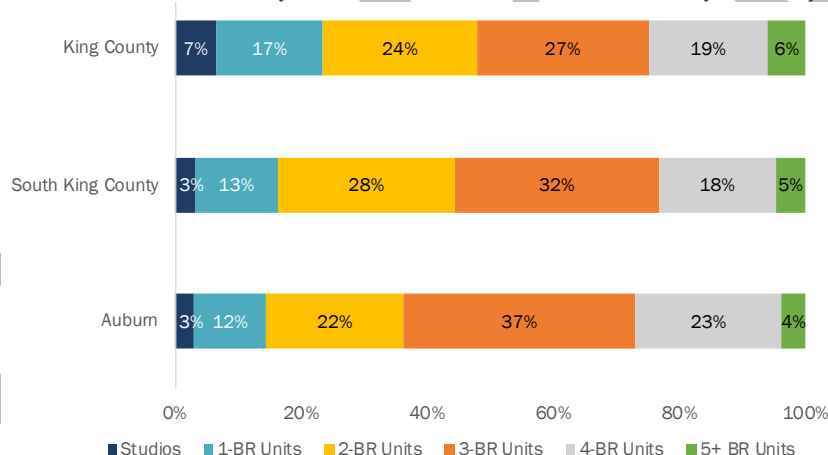
Source: CoStar; Note: n signifies number of properties in each geography's sample.



Compared to King County and South King County, Auburn has a larger share of 3- and 4-bedroom units. About one-third of Auburn's housing units have 1 or 2 bedrooms.

Figure 7. Share of Housing Units by Bedroom Size, Auburn, South King County, and King County

Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data⁷



⁵ CoStar's proprietary ratings consider design, amenities, certification, and landscaping, and other factors. A 5-Star multifamily building represents the luxury end of the market as it relates to finishes, amenities, design, and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise). 4-Star multifamily buildings are constructed with higher end finishes and specifications, provide desirable amenities to residents, and are built to contemporary standards. 3-Star multifamily buildings are likely smaller and older with less energy-efficient systems, average quality finishes and or a layout conducive to compact lifestyle, and few on-site facilities. 2-Star multifamily buildings have small, adequate windows, average aesthetics, purely functional systems, below-average finishes and use of space, and limited on-site facilities. 1-star multifamily buildings are practically uncompetitive, may require significant renovation, and may be functionally obsolete.

⁶ CoStar is a private, third-party, proprietary data provider commonly used in the real estate industry. Of its residential data, CoStar focuses on multifamily properties with four or more units. While CoStar is one of the best sources for multifamily data, it has gaps and limitations. Newer buildings and those that are professionally managed are more likely to have reliable information, while smaller, older buildings may have incomplete or missing data. In Auburn in 2020, CoStar had data on about 5,800 multifamily units (in properties with four or more units). This compares to a 2018 PUMS estimate of roughly 12,000 multifamily units (in properties with five or more units).

⁷ The Public Use Microdata Sample (PUMS) dataset is very comprehensive and provided by the U.S. Census Bureau for statistical analysis. PUMS data are only available for geographies called Public Use Microdata Sample Areas (PUMAs) which contain about 100,000 people. The Auburn PUMA includes the Cities of Auburn and Lakeland.

Demographics and Household Information

Between 2010 and 2018, Auburn's population grew by more than 10,400 new residents, from 70,180 people in 2010, to 80,615 people in 2018. Auburn's population is younger on average compared to other cities in South King County, and over half (57 percent) of its population identify as White. Similar to other cities in South King County, about 33 percent of Auburn's households earned less than half of the Area Median Income (AMI - see page 10 for a description of AMI) in 2018, compared to 34 percent in the South King County region. In 2018, one and two-person households made up the majority of households in Auburn.

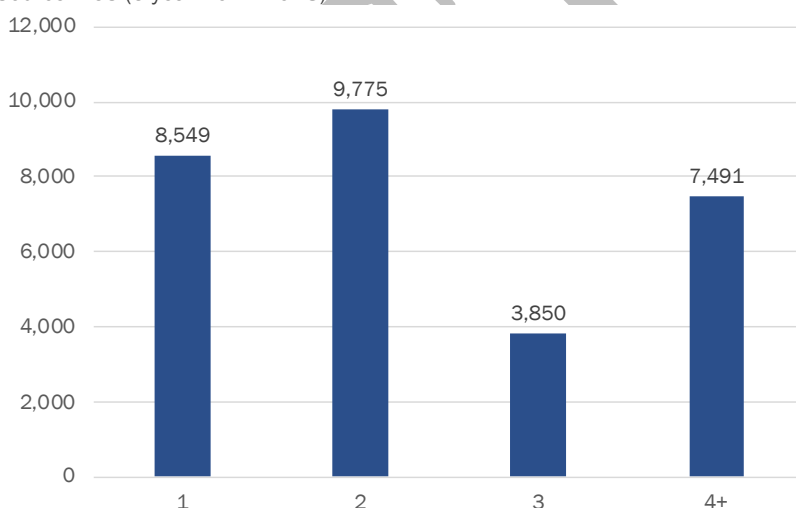
The majority (62 percent) of Auburn's households were one- and two-person households.

About 25 percent of Auburn's households were large families, with four or more persons per household.

Between 2012 and 2018, Auburn added 7,474 new households (PUMS, 2012 and 2018).

Figure 8. Number of Households by Household Size, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).



Household Characteristics

As of 2018, the majority (about 56 percent) of Auburn's households were homeowners while 44 percent were renters (ACS, 2014-2018). This is higher than some other cities in the South King County region, but below the national homeownership rate of about 64 percent in 2018.

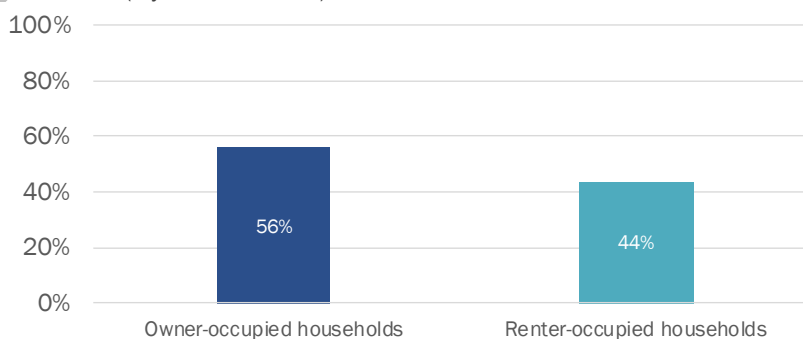
Auburn's average household size is 2.72 persons per household for renters and 2.80 persons per household for homeowners (ACS, 2014-2018).

The majority (56 percent) of Auburn households own and 44 percent of households rent.

In Tukwila, only 40 percent of housing units were owner-occupied in 2018. In Burien, this figure was 53 percent.

Figure 9. Household Tenure, Auburn, 2014-2018

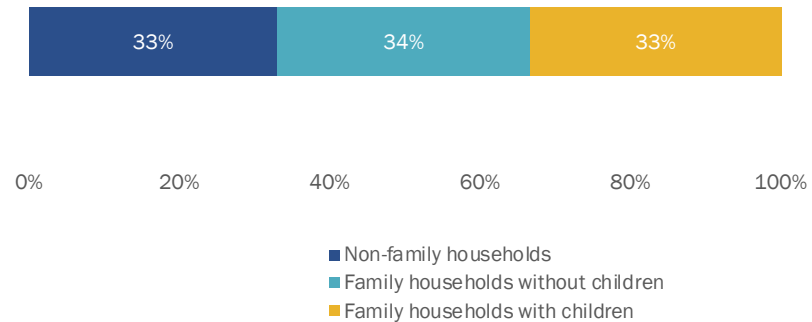
Source: ACS (5 year 2014-2018).



About two-thirds of Auburn's households are family households.⁸

Approximately one-third of Auburn's households are non-family households (roommates and one-person households).

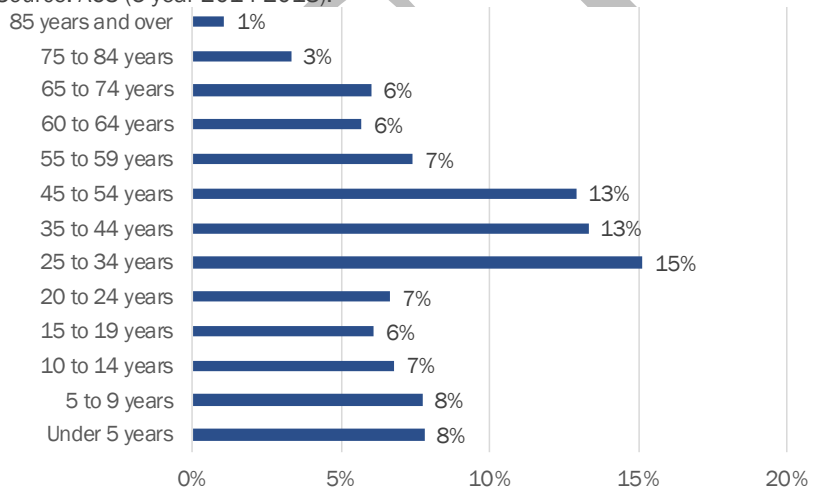
Figure 10. Household Composition, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



Like most areas, the majority of Auburn's residents are between 20 and 64 years old.

Auburn has a larger population proportion of young residents (those age 19 years and under) than seniors (those 65 years and older).

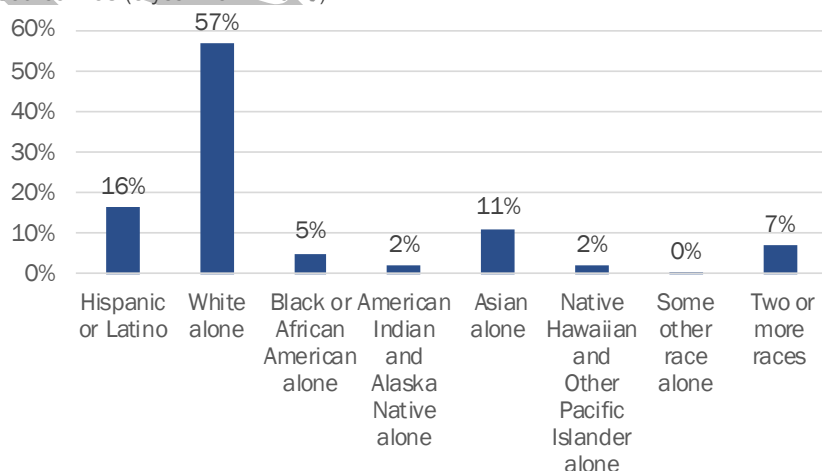
Figure 11. Age Distribution, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



Over half (57 percent) of Auburn's households identify as White. This is slightly lower than King County's average of 60 percent.

An additional 16 percent of the population identifies as Hispanic or Latino, 11 percent identifies as Asian, 7 percent identifies as two or more races, and 5 percent identify as Black or African American.

Figure 12. Race and Ethnicity, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



⁸ See footnote 2 on page 4 for a definition of family household.

Income Characteristics

Income is one of the key determinants in housing choice and households' ability to afford housing. This is due to the fact that, for most households in the U.S., housing is the single largest expense and impacts numerous other factors like access to jobs, schools, and amenities. Between 2012 and 2018, Auburn saw a large increase in the number of households earning between 50% and 80% of the 2018 King County Area Median Income (AMI – see page 11 for a description), while it saw a modest decrease in the number of households earning less than 30% of AMI, and a small decrease in the number of households earning between 80% and 100% of AMI (see Figure 13).

About 33 percent of Auburn's households earn less than 50% of AMI. This is in line with the South King County Region as a whole, where 34 percent of households earn less than 50% of AMI.

Auburn's share of households earning more than 80% of AMI is also similar to that of the South King County Region: 41 percent and 43 percent, respectively.

The majority of Auburn homeowners, 56 percent, earned 80% of AMI or more, while the majority of renters, 82 percent, earned 80% of AMI or less.

The share of renters earning less than 80% of AMI is similar to that of South King County, 74 percent.

Figure 13. Income Distribution by AMI, Auburn, 2012 and 2018
Source: PUMS (2012 and 2018).

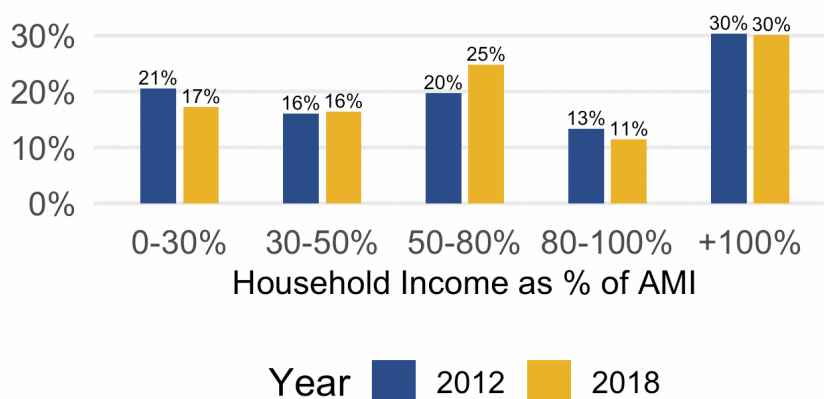
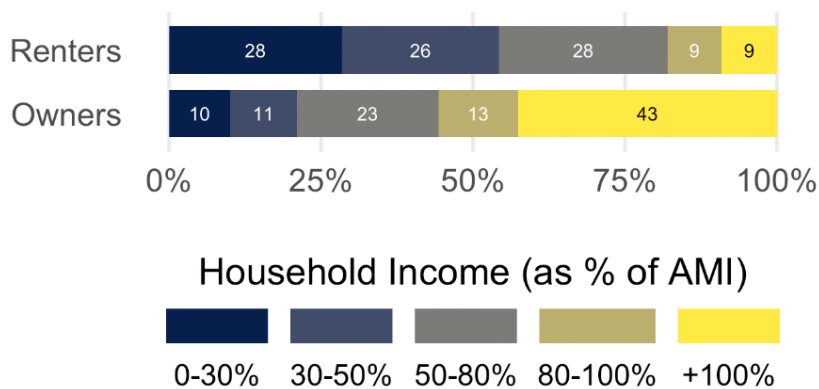


Figure 14. Income Distribution by AMI and Tenure, Auburn, 2018
Source: PUMS, 2018.



Housing Affordability

Housing costs are typically the largest portion of a household budget. Housing is considered to be *affordable* to a household of a certain income if the household pays less than 30 percent of its gross income on monthly housing costs. While this is an imperfect measure of affordability and

does not consider disposable income after housing costs, it is an industry-accepted threshold to measure affordability.

Understanding AMI and MFI

Each year, the U.S. Department of Housing and Urban Development (HUD) defines an area's Median Family Income (MFI), but Area Median Income (AMI) is often used to mean the same thing.⁹ AMI is used in this report to align with King County's data and reporting. In 2018, the King County AMI was \$103,400 for a family of four. 2018 is used to align with the 2018 Census data used in this report (the latest available).

HUD calculates affordability and income limits for metro areas and counties across the country, based on the area's MFI which comes from Census data.¹⁰ The City of Auburn falls within the Seattle-Bellevue, WA Metro Area and is subject to the same income and affordability limits as the rest of the cities in this metro area (which includes King County and Snohomish County). Properties developed in Auburn that use HUD income limits to determine eligibility – such as regulated affordable housing that is restricted to tenants of a certain income – will use the same affordability limit as properties in Bellevue, Seattle, or other parts of King and Snohomish Counties, since they all fall within the same HUD metro area.

In 2018, the Seattle-Bellevue, WA HUD Metro Area MFI was \$103,400 for a family of four. HUD adjusts the income limits up or down based on family size and provides income limits for 30% of MFI, 50% of MFI, and 80% of MFI (see Figure 15).

Figure 15. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro Fair Market Rent Area

Source: HUD (see <https://www.huduser.gov/portal/datasets/il.html> and select the year and metro area from the list).

Affordability Level	Family Size (Number of People)							
	1	2	3	4	5	6	7	8
30%	\$22,500	\$25,700	\$28,900	\$32,100	\$34,700	\$37,250	\$39,850	\$42,400
50%	\$37,450	\$42,800	\$48,150	\$53,500	\$57,800	\$62,100	\$66,350	\$70,650
80%	\$56,200	\$64,200	\$72,250	\$80,250	\$86,700	\$93,100	\$99,550	\$105,950
100%				\$103,400				

⁹ We used AMI and MFI interchangeably in this report. HUD offers the following note on MFI vs AMI: “HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The metropolitan area definitions are the same ones HUD uses for Fair Market Rents (except where statute requires a different configuration). HUD calculates Income Limits as a function of the area's Median Family Income (MFI). The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes.” Source: HUD. 2018. “FY 2018 Income Limits Frequently Asked Questions.” <https://www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf>

¹⁰ For the Seattle-Bellevue, WA HUD Metro FMR Area, HUD has deviated from its typical use of Office of Management and Budget (OMB) area definitions. In this case, the Seattle-Bellevue, WA HUD Metro FMR Area income limit program parameters include King County and Snohomish County.

Additional income limits (such as 60% or 120%) can be calculated off the 100% income limit to get an approximation of other affordability thresholds. However, these approximations—and HUD’s official limits—may not be exact scalars to the 100% median income (in Figure 15 the official 50% income limit for a family of four is slightly higher than half of the 100% income limit).

Figure 16. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro FMR Area, Max Housing Costs, and Example Jobs

Source: HUD 2018, Puget Sound Regional Council Employment Data, ECONorthwest Calculations

Family Size	2018 Income Limit	Annual Income	Max Monthly Housing Costs (30% of Monthly Income)	Example Jobs (full time)
2-Person Family	30% of AMI	\$25,700	\$643	1 worker in retail sector
	50% of AMI	\$42,800	\$1,070	1 worker in retail sector
	80% of AMI	\$64,200	\$1,605	2 workers in food service; 1 full time worker in info. tech.
	100% of AMI	\$85,600	\$2,140	2 workers in retail sector; 1 worker in management + 1 worker in retail sector
4-Person Family	30% of AMI	\$32,100	\$803	1 worker in food service
	50% of AMI	\$53,500	\$1,338	1 worker in transportation / warehousing
	80% of AMI	\$80,250	\$2,006	1 worker in finance; 1 worker in education + 1 worker in retail sector
	100% of AMI	\$103,400	\$2,585	1 worker in finance + 1 worker in agriculture; 2 construction workers

In the past decade, housing costs in the entire Puget Sound have risen dramatically, buoyed by the strong economy, low housing production, and high demand for housing in the region. Price increases in the past decade are also high because they are measured off the very low prices in 2010, which was a period of home price declines from the housing crisis and economic recession.

Auburn is no exception to having seen steep price increases. Since 2010, home prices in Auburn rose by 88 percent, from a median sales price of \$222,750 in 2010 to \$418,300 in 2020 (see Figure 17). In addition, the average rent for a two-bedroom apartment in Auburn increased by 49 percent from 2010 to 2020, reaching \$1,393 per month. Using 2018 income data from

Figure 16, this average rent for a two-bedroom apartment would be affordable to a four-person household earning 50% of the AMI (which would be a relatively tight space), or to a two-person household earning between 50% and 80% of AMI.

Between 2010 and 2020, the average monthly rent in Auburn increased by 49 percent (\$459 per month). In this same time period, the median sales price for a home increased by 88 percent (\$195,550).

Figure 17. Median Home Sales Price and Average 2-Bedroom Rent, Auburn, 2010 and 2020

Source: Costar and Zillow. Not adjusted for inflation.

	2010	2020
Average Rent	\$934	\$1,393
Median Sales Price	\$222,750	\$418,300

Figure 18 demonstrates the housing cost distribution of Auburn's ownership housing stock as it relates to percent of AMI (this includes all ownership housing types and sizes). Despite price increases over time, Auburn's housing stock remains somewhat affordable to lower income households: 38 percent of all housing units are affordable to households earning less than 50% of AMI (\$42,800 for a family of two and \$53,500 for a family of four). Another 32 percent of the housing stock is affordable to households earning between 50% and 80% of AMI (\$42,800-\$64,200 for a family of two and \$53,500-\$80,250 for a family of four).

Of Auburn's ownership units (using 2018 data), 38 percent were affordable to households earning less than 50% of AMI, 32 percent were affordable to households earning 50-80% of AMI, and 30 percent were affordable to households earning 80% of AMI or more.

Figure 18. Ownership Housing Units Affordable by AMI, Auburn, 2018

Source: PUMS (2018).

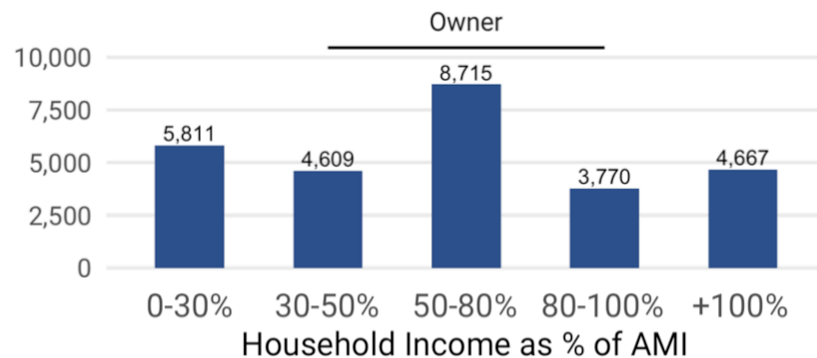
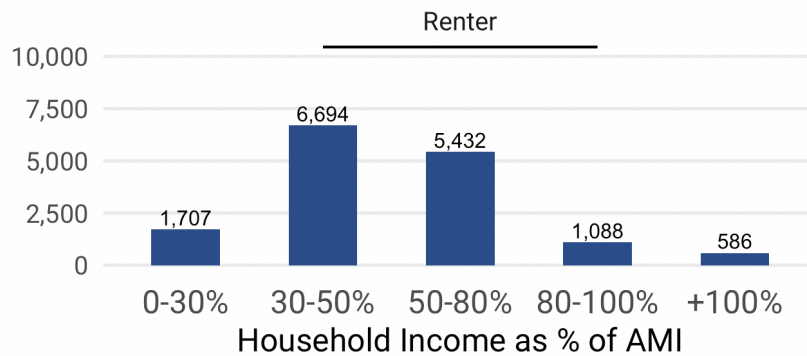


Figure 19 demonstrates the housing cost distribution of Auburn's rental housing stock as it relates to percent of AMI (this includes all rental housing types and sizes). Despite cost increases over time, Auburn's housing stock remains relatively affordable to lower income households: 54 percent of rental housing units are affordable to households earning less than 50% of AMI (\$42,800 for a family of two and \$53,500 for a family of four). Another 35 percent of the rental housing stock is affordable to households earning between 50% and 80% of AMI (\$42,800-\$64,200 for a family of two and \$53,500-\$80,250 for a family of four).

Of Auburn's rental units (using 2018 data), 54 percent were affordable to households earning less than 50% of AMI, 35 percent were affordable to households earning 50-80% of AMI, and 11 percent were affordable to households earning 80% of AMI or more.

Figure 19. Rental Housing Units Affordable by AMI, Auburn, 2018
Source: PUMS (2018).



Regulated and Unregulated Affordable Housing

Importantly, Figure 19 also includes the regulated affordable rental housing stock in the City. Regulated affordable housing is income or rent-restricted by certain county, state, or federal agencies, to ensure that it is occupied by households earning a certain income. Regulations are set according to the types of funding used to develop the housing, such as the Low-Income Housing Tax Credit, or HUD funding. Most regulated affordable housing is restricted for households earning under 60% of AMI, but these restrictions vary. Often, the only healthy, quality housing that rents at prices affordable to households earning less than 30% of AMI is this regulated housing stock.¹¹

In 2020, Auburn had 2,784 regulated affordable housing units which are included in all analyses of Auburn's housing stock. For numerous reasons relating to the cost of building and operating housing, cities across the country face a shortage of affordable housing units to meet demand. Nationally, only 1-in-4 households who would qualify for Federal housing assistance, is able to receive it. As a result, the majority of low-income households live in low-cost market rentals, that are often referred to as "naturally occurring affordable housing" (NOAH) units.

Figure 20 below presents data on Auburn's NOAH rental units. These units are defined as NOAHs by virtue of being unregulated but affordable to lower-income households (either households earning less than 50% of AMI or less than 80% of AMI). NOAH units are an important part of a city's housing stock, but can be at risk of substandard quality, neglect, or dramatic price increases because they are not regulated. Auburn has few NOAH units that can accommodate larger household sizes in 3- and 4-bedroom units.

¹¹ Unregulated housing stock that may be affordable to households earning less than 30% of AMI may be substandard quality. Households with these extremely low incomes may also find housing via HUD's Housing Choice Voucher program, where a subsidy pays the difference between the market rent and the price the household can pay.

Of Auburn's 6,421 NOAH units, 34 percent are affordable to households earning 50% of AMI or less and 66 percent are affordable to households earning between 50-80% of AMI.

Figure 20. Number of Naturally Occurring Affordable Rental Units, by AMI Level, Auburn, 2012-2016

Source: ECONorthwest Analysis of Costar data.

Units Affordable at:	50% of AMI or less	80% of AMI or less
Studio units	87	230
1-bedroom units	1,029	2,477
2-bedroom units	952	3,139
3-bedroom units	103	471
4-bedroom units	12	104
Total	2,183	6,421

Housing Cost Burdening

When a household cannot find adequate housing (habitable, the appropriate size, in a desired location) at a price that is considered to be affordable, it becomes “cost burdened.” As mentioned, the typical standard used to determine housing affordability is that a household should pay no more than 30 percent of its gross household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30 percent of their income on housing experience “cost burdening” and households paying more than 50 percent of their income on housing experience “severe cost burdening” (because those paying more than 50% on housing are by definition paying more than 30% on housing, rates of “cost burden” include those considered “severely cost burdened”). Cost burdening is an issue in that households may have too little income leftover after paying for housing costs, to afford other necessities, such as transportation, food, medicine, or childcare. Housing cost burdening is particularly important for low-income households, who have very little income to begin with.

Policymakers typically focus on renters when assessing cost burdening. It can signal a lack of affordable housing in a region. It is less of a focus for homeowners, because a lender will assess a buyer’s ability to pay for a mortgage before the household can buy a home, and because mortgage payments are typically fixed and do not fluctuate with the larger economy or housing market. Thus, homeowners are not as vulnerable to price changes in the housing market.

In 2018, 88 percent of renters earning less than 30% of AMI were cost burdened and 71 percent of renters earning between 30% to 50% of AMI were cost burdened (see Figure 21). Cost burdening tends to decline as incomes go up, because a household has more income to spend on housing. In Auburn, 33 percent of renters earning between 50% and 80% of AMI were cost burdened.

Recalling the figures on page 11, a four-person household earning less than 30% of AMI in 2018 could afford a maximum monthly rent of \$803. Yet the average two-bedroom apartment in Auburn was nearly \$1,400 in 2020.

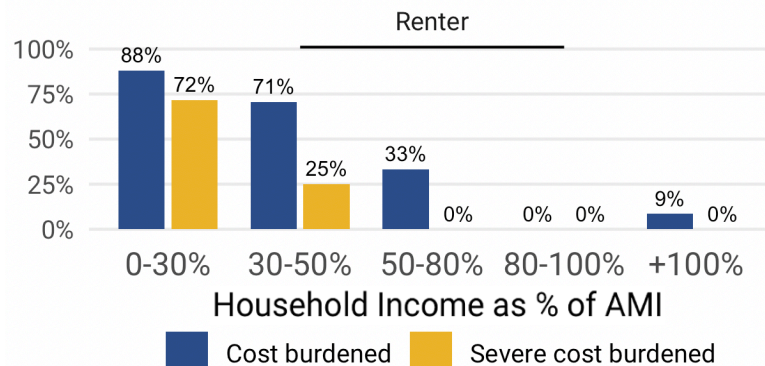
With rents at this level, extremely low-income households are hard pressed to find housing that is affordable, and often end up cost-burdened.

Of Auburn's renter households (earning 30% of AMI or less), 88 percent were cost burdened and 72 percent were severely cost burdened.

Because those paying more than 50% on housing are by definition paying more than 30% on housing, rates of “cost burden” include those considered “severely cost burdened.”

Figure 21. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018

Source: PUMS (2018).



Housing Affordability, with Transportation Cost Considerations

The standard definition of cost burden does not factor transportation costs. However, today, housing advocates and researchers stress the importance of considering transportation costs in affordability analyses, because many households relocate to the outer edges of metro areas in search of affordable housing, thereby increasing their transportation costs.

Center for Neighborhood Technology publishes a Housing + Transportation Affordability Index (H&T Index) (most recently as of 2017), providing a ready-made data source for assessing the possible transportation cost burdening of Auburn residents. The H+T Index calculates, through a series of statistical models, the transportation and housing costs for the “regional typical” and “regional moderate” household; “typical” meaning a household earning the regional AMI with the regional average number of commuting workers and persons per household, and “moderate” meaning a household earning 80% of AMI (but having the same number of workers and persons per household).

For the Seattle metro region, the “regional typical” household has the following attributes according to the H+T Model:

- Income: \$70,475
- Commuters: 1.19 workers
- Household Size: 2.54 people

While the index considers the “regional moderate” (80% of AMI) household as:

- Income: \$56,380
- Commuters: 1.19 workers
- Household Size: 2.54 people

In Auburn, the model estimates that a “typical” household would spend about 45 percent of its income on housing and transportation costs, while a “moderate” household would spend about

52 percent of its income on these necessities. This compares to 44 percent and 52 percent for households in Kent, and 44 and 51 percent for households in Federal Way (see Figure 22).

Figure 22. 2017 Housing + Transportation Costs as a Percent of Household Income, South King County Jurisdictions and Comparable Areas

Source: Center for Neighborhood Technology Housing + Transportation Affordability Index

Name	H+T costs as % of income - 100% of AMI	H+T costs as % of income - 80% of AMI
Auburn	45%	52%
Bellevue	55%	65%
Burien	44%	52%
Federal Way	44%	51%
Kent	44%	52%
Renton	46%	54%
Seattle	46%	54%
Tukwila	39%	46%

Displacement Risk

As described in the demographics section above, Auburn has a very diverse population – by age, race, ethnicity, and household composition (e.g., family or non-family household). The City has included housing preservation as a key goal driving this Housing Action Plan, particularly as it relates to preserving housing for low-income households. Housing preservation is an anti-displacement effort, and can help to mitigate and minimize the negative effects that often arise from new housing development.

Different Types of Displacement

Before determining recommendations to prevent against displacement, it is helpful to define and unpack the meaning of displacement. Generally, there are three types of displacement:

- **Economic or indirect displacement.** Economic displacement can occur if new development or redevelopment in an area rents or sells at higher price points that encourage owners of existing units to increase rents, and these increases exceed what existing tenants can afford. The effects of (re)development renting at market rates may spill over to lower-cost rental units, causing rents to rise and potentially displacing existing residents. However, if supply is tight and high demand puts upward pressure on rents, market changes could lead to displacement without any new development occurring in an area.
 - Economic displacement can occur due to high demand and low supply of new housing, with or without (re)development occurring. Economic insecurity and displacement are very important for existing communities, but is difficult to measure quantitatively.
 - Low-income households are at high risk of economic displacement as they have fewer choices about where they can afford to live.

- **Physical or direct displacement.** When evaluating when, where, and what type of project to build or rehabilitate, developers consider many factors, including market rents, construction costs, local amenities, and transit access. In some cases, public programs could encourage displacement by incenting a developer to rehabilitate or replace older, less expensive (unregulated affordable) housing with newer, higher-priced units. This could lead to the direct displacement of existing residents, who may not be able to afford the higher rents in the new development.
 - Physical displacement occurs with the redevelopment of a specific parcel. This only occurs when new development is feasible, and can be measured quantitatively.
 - In theory, any type of household could be at risk of physical displacement due to a new development demolishing their current housing. But in reality, low-income households, households of color, immigrant households, and other marginalized populations are at higher risk of physical displacement. Wealthy or “powerful” households are at lower risk of direct displacement, as they may not live in areas experiencing new development, and they may hold sway over decision makers or otherwise know how to exert influence in the process.
- **Cultural displacement** occurs when people “choose” to move because their neighbors and culturally-relevant businesses and institutions have left the area. The presence (or absence) of these cultural assets can influence racial or ethnic minority households in their decisions about where to live, more than for broader populations. While this is difficult to measure, and one can argue whether these are true “choices” or whether this is “forced” displacement, it is an important effect that can have broad equity implications beyond physical or economic displacement alone.
 - Cultural displacement can occur with (re)development and includes business displacement. While cultural displacement is very important for existing communities, it is very difficult to measure quantitatively.
 - Marginalized communities – be they low-income, a specific race or ethnicity, or another group of people – are at higher risk of cultural displacement than dominant communities. When businesses and housing that serves these communities leave or are removed, people can feel pushed out of their neighborhoods.

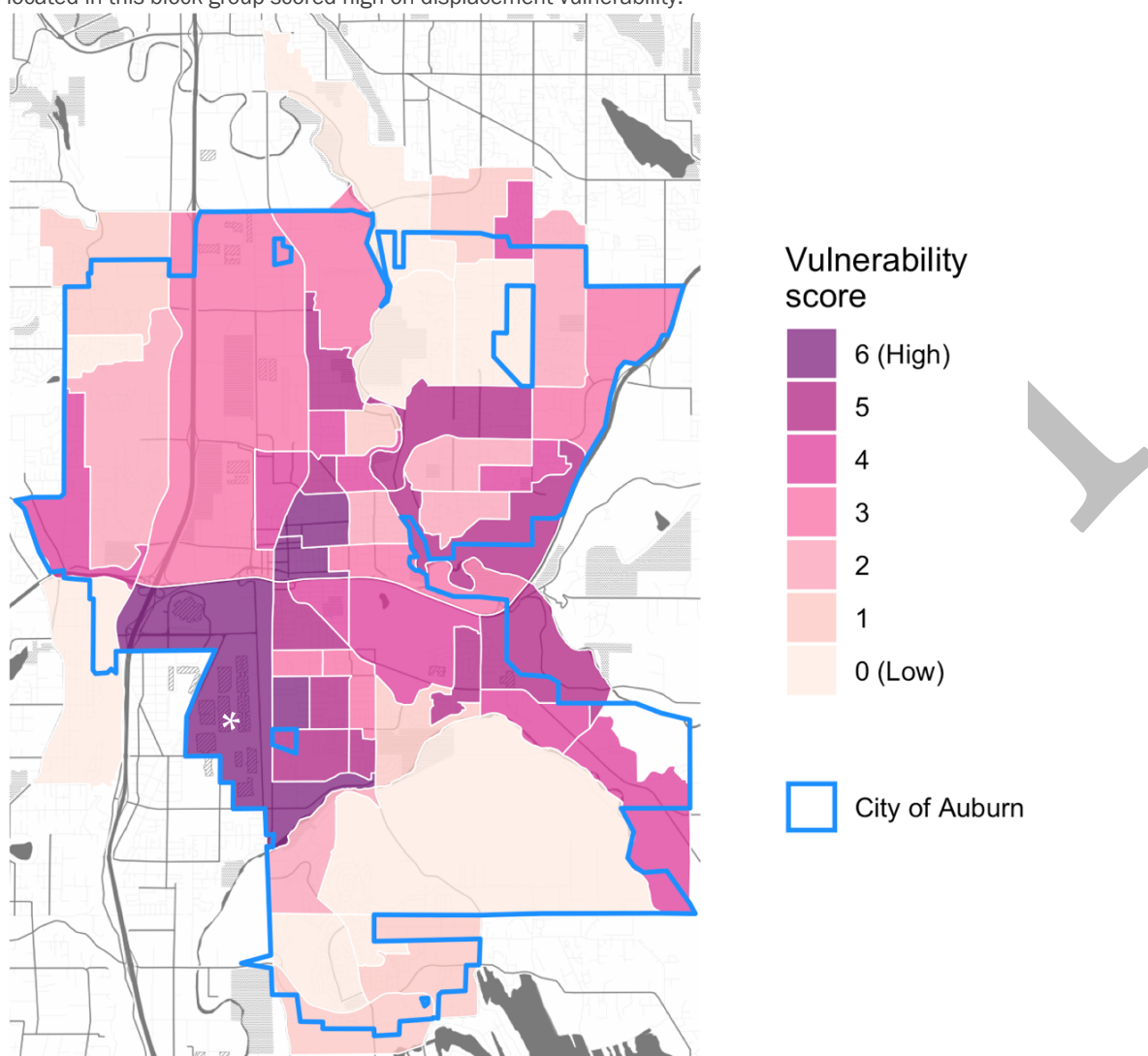
Displacement Risk

Given these different types of displacement, Figure 23 on the following page shows the Census Block Groups within the City of Auburn that are most vulnerable to displacement, based on six different demographic and socioeconomic variables. Some of the Census Block Groups used in this analysis extend beyond Auburn’s city limits, however this does not influence or affect the methodology. Any recommendations about preservation and anti-displacement measures will be focused within Auburn’s city limits.

Figure 23. Map of Displacement Vulnerability in Auburn, 2018

Source: ECONorthwest Analysis of ACS 2018 5-year data.

Note: The block group with an * in the SouthWest corner of the City is mostly commercial and industrial areas and has few housing units. A mobile home park located in this block group scored high on displacement vulnerability.



Variables Used to Estimate Displacement Risk

- Percent of population that is a race other than non-Hispanic White
- Percent of households that speak a language other than English at home
- Percent of population over age 25 who lack a bachelor's degree
- Percent of households that are renters
- Percent of households paying >30% or more of their gross income on housing
- Per capita income

See the full methodology in Part 5 on page 45.

The data only goes so far

Actually measuring displacement is difficult, and not quantifiable from data. It requires qualitative information from in-person engagement with people living near new development. Cultural displacement, in particular can be very difficult to measure, as its effects are subtle and multifaceted.

Block groups shown in purple and dark pink have the highest risk of displacement vulnerability when considering these socioeconomic factors. These neighborhoods might be at greater risk for economic displacement which can occur even without new development, if market forces – such as an imbalance of housing supply and demand – work to increase rents.

It is important to keep in mind that this analysis does not consider development feasibility layered in with displacement risk. All three forms of displacement – physical displacement, economic displacement, and cultural displacement – can occur when new development occurs. A deeper dive into economic displacement resulting from the spillover of new development requires a robust analysis of new and existing rent trends, and this is beyond the scope of this work. More analysis is needed to understand this risk.

When considering recommendations to boost housing production around the City, Auburn should evaluate the displacement risk in each neighborhood, and act carefully to implement policy changes. More discussion of policy changes, housing preservation, and other anti-displacement efforts will be discussed in a forthcoming Recommendations memorandum (expected in Spring 2021) and full Housing Action Plan.

Employment & Transportation

Based on data from the Puget Sound Regional Council (PSRC), Auburn's total employment grew from 40,070 jobs in 2008 to 45,989 jobs in 2018—an increase of 5,919 jobs or 15 percent. This analysis measures residents of Auburn who are employed (in a given sector), not the total number of jobs located in Auburn.

In 2018, the top four largest industries, in terms of total employed Auburn residents were: (1) Manufacturing with 8,764 people, (2) Retail Trade with 5,091 people, (3) Health Care and Social Assistance with 4,925 people, and (4) Wholesale Trade with 4,308 people. Combined, these industries represent 50 percent of Auburn's total resident employment workforce.

Between 2008 and 2018, several industries lost Auburn residents. The four industries that lost the greatest share of employed Auburn residents were: (1) Mining, Quarrying, and Oil and Gas Extraction with a 100 percent decline, (2) Utilities also with a 100 percent decline, (3) Retail with a 13 percent decline, and (4) Public Administration with a 12 percent decline. Combined, these industries represent a loss of 1,251 employment jobs.

Job losses in each of the industries mentioned above, and job gains in new industries, signify a shift in Auburn's employment profile between 2008 and 2018. For example, the five industries which gained the greatest share of employment were: (1) Agriculture, Forestry, Fishing and Hunting with a 192 percent increase,¹² (2) Finance and Insurance with a 115 percent increase, (3) Real Estate and Rental and Leasing with a 72 percent increase, (4) Health Care and Social

¹² It is important to note that the large increase in Agriculture, Forestry, Fishing and Hunting is an increase from 13 to 38 people between 2008 and 2018.

Assistance with a 70 percent increase, and (5) Transportation and Warehousing with a 53 percent increase. Combined, these industries represent a gain of 3,784 employees.

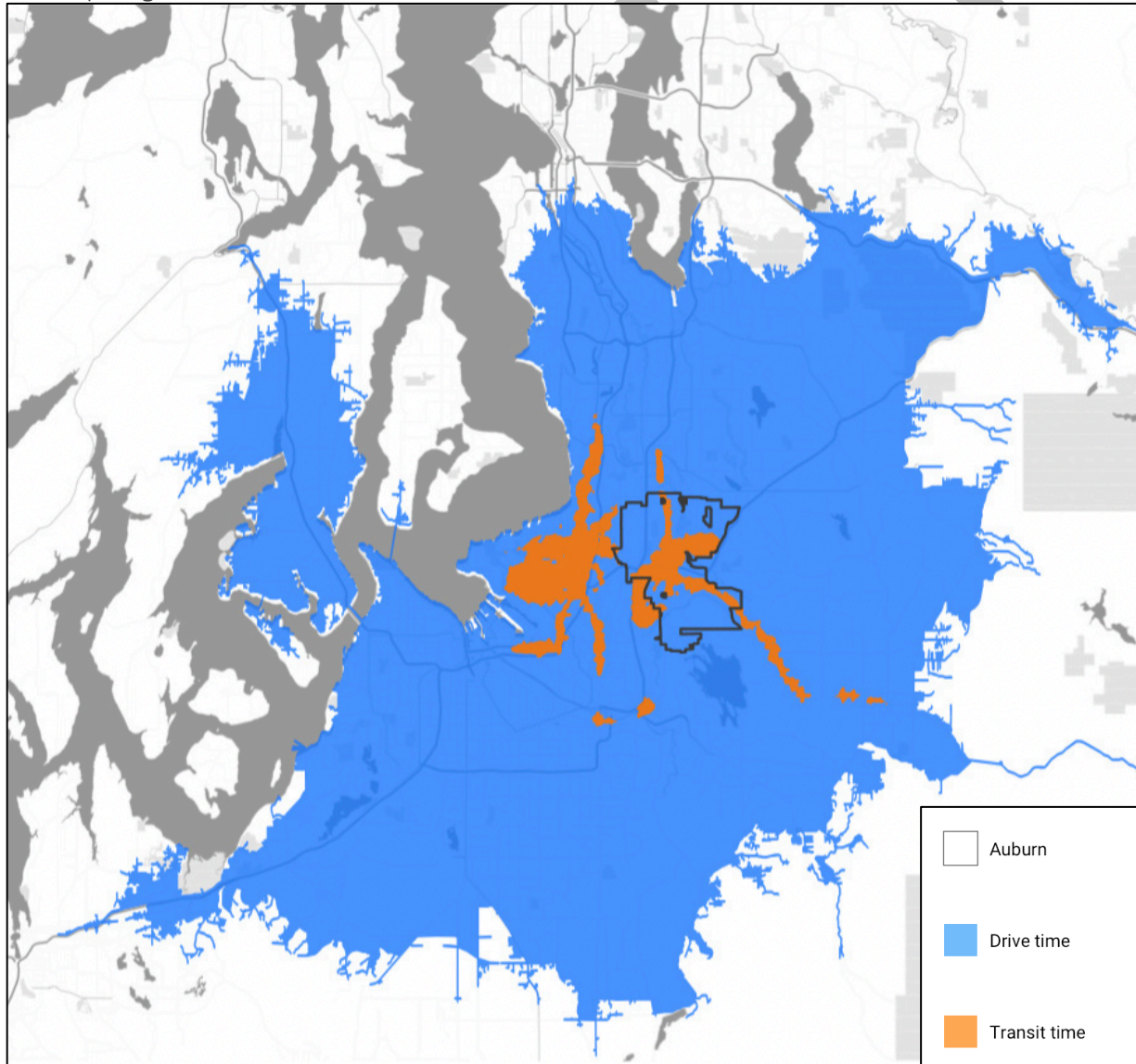
Median salaries in 2018 also varied by industry. At opposite ends of the wage spectrum, the Accommodation and Food Services industry had the lowest annual wages of \$32,451, of which this industry represented approximately five percent of Auburn's total employment. On the other, the Finance and Insurance industry had the highest annual wage of \$79,375, representing about 2 percent of Auburn's total employment.

Figure 24 below shows how far an Auburn resident can travel to access employment in the Puget Sound Region within a 45-minute drive time (blue) and a 45-minute transit trip (orange).

Figure 24. Access to Employment—Travel Shed, 2018

Source: ECONorthwest Analysis of 2018 PSRC Data.

Note: Departing at 8:00 AM, midweek



Future Housing Needs

PSRC forecasts that by 2040, Auburn will grow to a population of 95,461 people, an increase of 14,846 people (or 18 percent) from its 2018 population estimate of 80,615 people. As Auburn is forecast to grow at a faster rate than it has in the past, the City's population growth will continue to drive future demand for housing through 2040.¹³

Based on this forecast population growth, the City is projected to need 10,429 new dwelling units between 2020 and 2040, at an average trajectory of 521 new units per year through 2040. Of those needed dwellings, 2,361 units are a result of housing underproduction (see sidebar). The remaining 8,058 units are to accommodate population growth. In total, this represents a sizable increase in the number of housing units that need to be produced each year (521 units), given the annual average of only 390 units built per year from 2011 to 2019.

Housing underproduction is calculated based on the ratio of housing units produced and new households formed in Auburn over time.

If too few housing units are constructed relative to the number of new households formed, underproduction occurs and contributes to price increases.

Without including current underproduction in calculations of future need, the current mismatch of housing units to numbers of households will continue into the future.

See more detailed methods in Part 5 beginning on page 42.

Figure 25. Housing Units Needed by AMI, Auburn, 2040

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation.

AMI	# of Units	% of Units
0-30%	1,669	16%
30-50%	1,043	10%
50-80%	2,503	24%
80-100%	1,251	12%
100%+	3,963	38%
Total	10,429	100%

As Figure 25 demonstrates, 38 percent of units needed between 2020 and 2040 should be affordable to households earning more than 100% of the AMI. This is helpful since new market-rate housing tends to be developed at prices and rents that are affordable to higher income households. When an area does not have enough housing priced for higher income households, these households “rent down” and occupy units that would be appropriately priced for lower-income households, thereby increasing competition for low-cost housing units. All cities need a range of housing choices – of different sizes, types, and prices – to accommodate the various needs and incomes of residents.

¹³ See footnote 1 on page 2 for an explanation of King County 2040 Growth Targets.

3) Market Conditions

This section presents information about market conditions and development trends in Auburn's housing market. Data includes multifamily rents, vacancy rates, and recent developments delivered to the market, as well as home price trends that should be taken into consideration when evaluating future development in Auburn. This section also includes comparisons of trends in Auburn to other cities in South King County.

These data and market trends are important to consider as the City works to encourage the development to reach the 10,429 units needed by 2040.

Rental Market Trends

As the housing inventory demonstrated, 3,511 total housing units were developed between 2011 and 2018 (see Figure 2 on page 4). Roughly 60 percent of these new units are ownership units, while about 40 percent are rentals.

In 2020, multifamily rents in Auburn reached a historic high of \$1.68 per square foot, however, rents are lower than the greater King County region where average rents are about \$2.18 per square foot. Vacancies also increased in 2020 due to a brand new 500-unit multifamily apartment development that is still being absorbed into the market.¹⁴ Irrespective of this large market delivery, historic vacancies in Auburn remain low at about 4.5 percent as demand for multifamily apartments continues to increase.

To get a deeper look at housing market trends in Auburn, this section primarily relies on proprietary data sources, such as Zillow and CoStar, rather than public sources like the Office of Financial Management or the US Census, which take longer to be collected and published.

The CoStar data presented here focuses on market rate trends and only shows multifamily properties (with 4+ units) so statistics here are a subset of the full housing stock analyzed in the Housing Inventory.

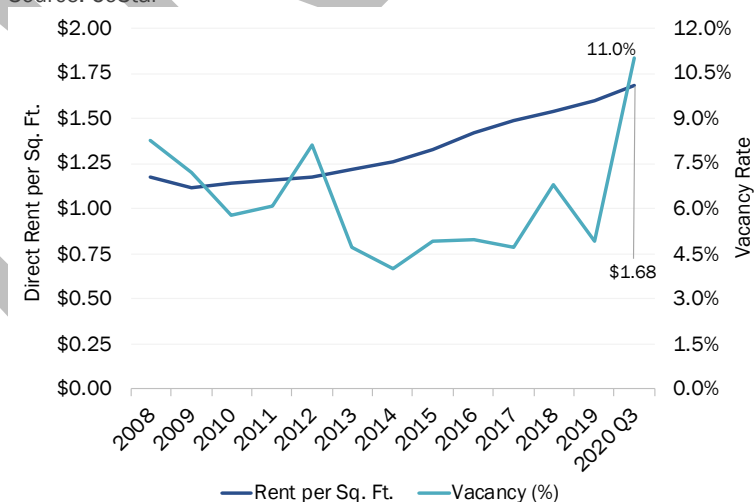
From 2013 to 2019, multifamily rents in Auburn have increased while vacancy rates have hovered around 4.5 percent.

The 2020 vacancy spike came from a large multifamily delivery of about 500 units.

From 2010 to 2020, multifamily rents grew 47 percent from \$1.14 to \$1.68 per square foot.

Figure 26. Multifamily Rent per Square Foot and Vacancy Rate, Auburn, 2008 through Q3 2020

Source: CoStar



¹⁴ Copper Gate apartments, located at 4750 Auburn Way N, construction with first occupancies in October 2020.

The average rent for a two-bedroom unit in Auburn was \$1,393 in 2020, and has grown 49 percent since 2010. As shown in Figure 27, Auburn's rents have grown commensurate with its neighboring cities, only surpassing that of Federal Way in about 2011. Unlike some cities, Auburn's rents did not decline in the post-recession housing crisis. By third quarter (Q3) 2020, Auburn's average rent was approaching that of Kent and Tukwila's.

Figure 27. Multifamily Rent per Unit, South King County Cities & Tacoma, 2010-2020

Source: CoStar

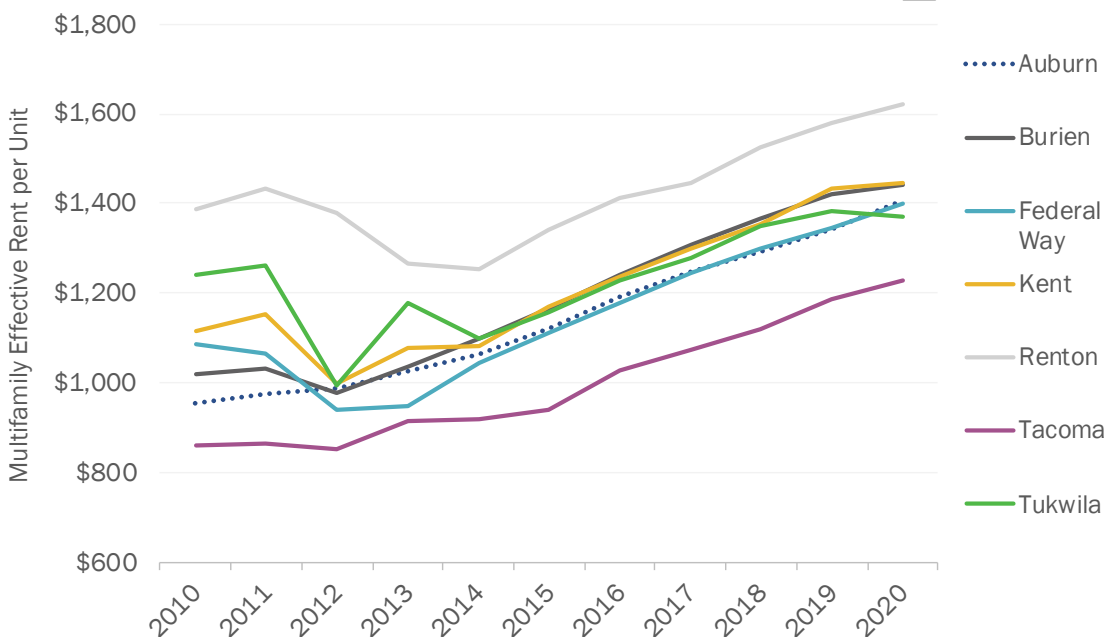


Figure 28 below shows that net absorption¹⁵ has been mostly positive, indicating an increase demand for multifamily housing in the City. According to CoStar data accessed in fall 2020, Auburn has about 614 multifamily units under construction, with 63 percent of them (or 387 units) expected to be delivered by the end of 2020. The remaining 37 percent of units are expected to be delivered by June 2021.

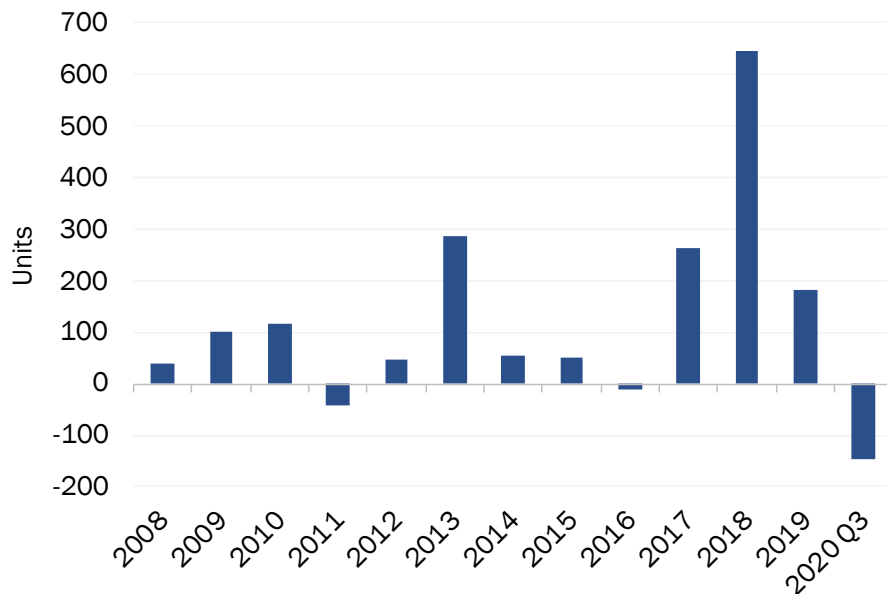
¹⁵ Net absorption measures the net change in supply of multifamily units in Auburn. A positive value indicates that supply is being rented more than what has been delivered to market in a given year.

Over the 2008 to 2020 Q3 period, net absorption has been mostly positive, indicating demand has continually increased.

In 2020 Q3, net absorption is negative, though this is likely due to the recent multifamily delivery of units that has yet to be leased to residents.

Figure 28. Multifamily Net Absorption, Auburn, 2008 through Q3 2020

Source: CoStar



Recent Rental Property Developments

Figure 29 shows examples of recently constructed market-rate and affordable multifamily buildings in Auburn. These properties were selected to highlight the recent market trends in design, size, and amenities being constructed in multifamily residential properties in Auburn. Since 2008, ten multifamily properties were built. Typically, these new multifamily properties are between three and five stories tall and mostly offer one- and two-bedroom units. Typical amenities for new properties include clubhouses, fitness centers, laundry facilities, and game rooms/media centers. Additionally, three of these properties are for senior living and six are regulated affordable housing (including two of the senior properties). Three additional multifamily properties are under construction with expected completion in 2021.

Figure 29. Examples of New Multifamily Apartment Buildings in Auburn

Source: CoStar

Trek Apartments



Type: Mid-Rise Apartments

Year Built: 2015

Description: The Trek Apartments is a 126-unit, 5-story apartment building. It has studio, 1-, and 2-bedroom units ranging in size from 536 SF for studios and 650-833 SF for 1- and 2-bedrooms units. Rents are market rate and range from \$1,322 for studios to \$1,712 for 2-bedroom apartments.

Unit amenities include a washer/dryer, dishwasher, balcony, HVAC, and upper level terrace, community room, and fitness center. It is located in downtown Auburn.

Merrill Gardens at Auburn



Type: Low-Rise Apartments
Year Built: 2017

Description: Merrill Gardens is a 129-unit 4-story senior living apartment building around the corner from Trek Apartments. It has studio, 1-, and 2-bedroom units ranging in size from 496 SF studios and 693-976 SF for 1- and 2-bedroom units. Rents are market rate and range from \$2,923 for studios to \$4,291 for 2-bedroom apartments.

Unit amenities include HVAC with site amenities such as community room, patio and meal service.

The Reserve at Auburn



Type: Mid-Rise Apartments
Year Built: 2018

Description: The Reserve at Auburn is part of a phased affordable mixed-use development that contains 298 affordable units for senior living. The second phase is the Villas at Auburn which has 295 affordable family-sized units and approximately 11,000 square feet of ground floor commercial space. Both multifamily buildings are 5-stories and each contain their own separate amenity space.

All units are 1- or 2-bedroom, averaging 547 SF (\$1,303 asking rent) and 612 SF (\$1,565 asking rent), respectively. The Reserve is located just north of downtown Auburn off of C St.

Ownership Market Trends

As indicated in the Housing Needs Analysis in Part 2, Auburn's housing stock primarily consists of ownership units (it has a 56 percent homeownership rate) compared to only about 44 percent of rental units. Due to demand outpacing the supply of homes in Auburn, prices have been rising. Since 2010, home prices in Auburn rose by 88 percent, from a median sales price of \$222,750 in 2010 to \$418,300 in 2020. Over this time, Auburn has seen somewhat lower median home sales price growth than nearby cities (see Figure 30), and the median sales price in Auburn did not overtake that of another city in the 2010-2020 time period.

Figure 30. Median Home Sales Price Growth, South King County Cities & Tacoma, 2015-2020

Source: Zillow 2010, 2013, and 2020 Home Sales Price Data

Area	Median Sales Price 2010 (or 2013 *)	Median Sales Price 2020	Percent Change
Auburn	\$222,750	\$418,300	88% (10 years)
Burien*	\$233,450	\$470,300	101% (7 years)
Federal Way	\$211,600	\$414,700	96% (10 years)
Kent	\$237,750	\$447,500	88% (10 years)
Renton	\$269,950	\$516,800	91% (10 years)
Tukwila*	\$182,500	\$412,000	126% (7 years)

Key Market Data Findings

Overall, Auburn's housing market is characterized by strong growth in both the homeownership and multifamily rental markets. These trends are important to consider as the City works to encourage development to reach the 10,429 units needed by 2040. Key findings include the following:

- Multifamily rents in Auburn increased 47 percent from \$1.14 per square foot in 2010 to \$1.68 in 2020 Q3. Auburn did not see a dip in rents in 2011-2013 like many of its peer cities. In addition, thus far through 2020, multifamily rents are continuing to grow in Auburn, approaching levels in Kent and Tukwila which have started to level off.
- Auburn's rental vacancy rates are low, indicating continued demand for housing. Multifamily vacancy rates in Auburn increased by 2.7 percentage points from 8.3 percent in 2008 to 11.0 percent in 2020 Q3, spurred by the recent Copper Gate affordable apartment complex, which added 500 units to Auburn's housing market in late 2020. Although this increase in vacancy is reflected by an influx of new multifamily units that have yet to be rented, the mostly positive net absorption in the City over 2008 to 2019 indicates demand for multifamily housing is strong.
- About 60 percent of the new units developed in Auburn between 2010 and 2018 are for homeownership, while only about 40 percent are intended as rentals. These ownership trends, coupled with strong price growth, indicate strength in the market.
- Auburn has not been producing enough housing to meet its demand from household formation (net in-migration and people forming new households, such as moving out of a family home). Over the 2010-2019 time period, only 7.8 housing units (of all types and sizes) were constructed for every 10 new households that formed. This translates into housing underproduction, and is a contributor to Auburn's rent and price increases.

4) Housing Planning and Policy Evaluation

As demonstrated in the Housing Needs Analysis in Part 2, Auburn, like other cities in the region, has grown over the years and this has led to increasing housing affordability challenges. The lack of affordable housing is a common problem for many cities across the Puget Sound region and a complex issue without an easy solution. Each policy, strategy and tool are unique in its support and delivery of different levels of housing affordability; consequently, communities benefit from developing a comprehensive toolkit with a variety of different solutions designed to meet each community's unique housing needs. Recognizing the guidance offered by relevant state, regional, county, and city plans within Auburn's planning context helps to set the stage for housing actions and policy development.

This summary of existing plans and policies is divided into two sections: the first describes the "planning pyramid" and the associated roles of the Growth Management Act, PSRC, and King and Pierce Countywide Policies as it relates to comprehensive planning at the local level (the City of Auburn is located in both counties). The next section provides a summary of Auburn's existing policies key to promoting housing goals.

The Planning Pyramid

The "planning pyramid" in Figure 31 below illustrates how the planning scale is broader and less detailed at the top tiers of plans while at the bottom of the pyramid, the scale tends to be smaller and the regulatory detail more extensive and specific.

While this Housing Action Plan and its associated implementation steps will be less binding than the other types of planning documents listed in the pyramid, as a subject-focused plan, its detail sits between a jurisdiction's Comprehensive Plan and its Development Regulations (such as zoning codes).

Growth Management Act

At the top of the pyramid is the role of the state. The Washington State Legislature adopted the *Growth Management Act* (GMA, adopted in 1990, as amended) to plan for population and employment growth by establishing urban growth areas and critical/natural resource areas to avoid impacting. The GMA requires cities and counties to develop Comprehensive Plans to coordinate urban growth and this plan should include a Housing Element (RCW 36.70A.070(2)).

Essentially, a Housing Element provides goals and policies for promoting the preservation and improvement, and to provide for the development of housing and the identification of adequate land for all housing needs. A jurisdiction's Housing Element must include adequate provisions for existing and projected housing needs of all the economic segments of the community and these needs should be identified through an inventory and analysis of existing and projected housing needs. Based on the analysis, strategies should be developed to meet the housing needs and their performance should be measured to allow for continual adjustment to meet evolving housing needs. In addition, the Washington State Growth Management Act requires that zoning regulations and districts be consistent with Comprehensive Plans.

Figure 31. The Growth Management “Planning Pyramid”
Source: ECONorthwest



PSRC Housing Planning Documents

At the regional level, PSRC has established multi-county housing policies in *VISION 2050*. The cities and unincorporated areas within King, Kitsap, Pierce, and Snohomish Counties are part of the Puget Sound region and thus, are subject to *VISION 2050* (adopted in 2020). *VISION 2050* encourages local jurisdictions to adopt best practices and innovative techniques to advance the delivery of affordable, healthy, and safe housing for all the region’s residents and includes guidance on growth.

The newly adopted plan expects that by 2050 an additional 1.8 million people will move to the region and that this population will be older, more diverse, and living in smaller households than today’s regional population. The plan emphasizes advancing housing choices, homeownership opportunities, and affordability particularly for lower income housing and calls for cities to support the building of more diverse housing types, especially near transit, services, and jobs.

A new aspect of this plan is the recognition of displacement risk (cultural, economic, and physical) and the need for jurisdictions to mitigate and minimize displacement. PSRC expects to update the new housing, job, and population targets by 2021 and after release, cities will need to recalibrate their capacity to accommodate this expected growth.

Countywide Planning Documents

The King County Countywide Planning Policies (CPPs, amended June, 2016) advises cities in King County to consider strategies to address affordable housing needs of all economic and demographic groups, as well as strategies that can help overcome housing affordability barriers

(policy H-7).¹⁶ The King County CPPs in the Housing Chapter emphasize that cities should share in the responsibility of increasing the supply of housing affordable to households earning less than 80% AMI (policy H-1), noting that housing for households earning less than 30% AMI can be the most challenging to develop – often requiring interjurisdictional cooperation and support from public agencies (policy H-2). Policy H-3 outlines the housing inventory and existing and projected housing needs analysis requirements (mandated by statewide Growth Management Act policies) for each local jurisdiction’s Comprehensive Plan Housing Element. The remaining policies describe a range of strategies for meeting diverse housing needs. Examples of these CPP strategies are listed below:

- Within designated Urban Growth Areas, include sufficient zoning capacity to accommodate the development requirements for a range of housing types and densities in a way that supports attainment of overall housing targets (policy H-4),
- Preserve, maintain, and rehabilitate the existing housing stock including affordable housing to ensure housing conditions are safe and livable (policies H-6, H-11),
- Adopt incentive programs to encourage the development of low-income housing,
- Adopt strategies, regulations, and goals promoting housing diversity, affordability, and supply (diversity in tenure, affordability, types, sizes, and accommodations for special needs, universal design, sustainable development, policy H-5),
- Plan for neighborhoods supporting the health and well-being of residents (policy H-12),
- Plan for housing (particularly for middle-income households or lower) with reasonable access to employment centers (policy H-9) and in coordination with transit, bicycle, and pedestrian plans and investments (policy H-10), and
- Promote fair housing to help meet the diverse needs of residents with a range of abilities, ages, races, ethnicities, incomes, and characteristics (policy H-13).

A small southern section of the City of Auburn is located in Pierce County and as such, the area is subject to the *Pierce County Countywide Planning Policies*. Pierce County’s CPPs (amended in 2018) offer similar guidance as King County particularly in adequately providing housing affordable to all economic segments of the city population along with sufficiently providing housing for special needs. In addition, Pierce County promotes innovative housing techniques to promote higher-density affordable housing, the use of funding opportunities and incentives to subsidize affordable housing development, and inclusionary zoning techniques.

In the CPPs, Pierce County also requires that jurisdictions set a goal to satisfy at a minimum, 25% of the growth allocation, through affordable housing (defined as earning up to 80% of the county AMI). Pierce County’s 2006-2031 Housing Growth Target for Auburn, designated a core city, is 3,634 net new housing units by 2030 (Table 1, Exhibit A to Ordinance No. 2017-24s, Growth Targets 2008-2030, by Vision 2040 Regional Geography).

¹⁶ Source: [King County Countywide Planning Policies. \(2012, Amended June, 2016\).](#)

Local Planning Documents

At the bottom of the “planning pyramid” sits local planning documents and policies, but their location at the bottom belies their importance. This section steps through the most relevant housing focused planning documents and highlights the goals and policies that are most important to the Auburn Housing Action Plan.

Over the course of the past several decades and with annexations in the late 1990s and early 2000s, Auburn has grown from a small town to a mature city of regional significance. Auburn has varied assets to build upon including many parks and trails, a solid business core and an ideal location along the Sound Transit commuter line.

City of Auburn Comprehensive Plan

The City of *Auburn Comprehensive Plan* (referred to as *Imagine Auburn*, amended in 2015, first adopted in 1986) meets the regional responsibilities to manage urban growth for current and future residents between 2015 to 2035.¹⁷ This plan establishes a framework from which to identify specific programmatic actions for affordable housing. Among the eight primary plan elements, policy guidance within the Housing Element (Volume 2) was reviewed. Auburn’s Comprehensive Plan lays out a roadmap for navigating its 20-year horizon by articulating a vision and corresponding core values, policies to achieve the vision and actions to promote the core values.

Auburn’s vision was based on seven value statements associated with character, wellness, service, economy, celebration, environment, and sustainability. Downtown Auburn, designated as an urban center, has become the thriving heart of the community and is poised for continued revitalization.

Auburn’s 2035 vision is to be an **exciting, vibrant city** attracting **businesses, residents, and visitors** and

“a city of connected and cherished places, from a vibrant downtown to quiet open spaces and everything in between, where a community of healthy, diverse, and engaged people live, work, visit, and thrive.”

The Housing Element themes provided below summarize guidance useful for the development of housing action strategies.

Comprehensive Plan Housing Element Themes

Essentially, the housing focused vision for Auburn is to gain attainable housing in a variety of styles meeting the needs of all ages, abilities, cultures, and incomes and establish safe and attractive neighborhoods. Managing the evolving housing needs of Auburn’s communities is guided by a set of seven goal-oriented themes that are summarized below.

Along with this summary, an assessment of progress in achieving Comprehensive Plan goals/policies is provided for each theme along with an evaluation discussion to consider for

¹⁷ The Auburn Comprehensive Plan should be updated every eight years, by around 2024, as outlined in the periodic update schedule, mandated by the Growth Management Act. King and Pierce County jurisdictions must complete a review and evaluation of their “Buildable Lands Program” at least one year before the comprehensive plan update to provide data that will be used for the comprehensive plan update, per RCW 36.70A.215(2)(b).

future action. The City of Auburn faces growth pressures and various challenges and opportunities as it relates to housing development, some of which are newly emerging. This makes it important to continually review current conditions and progress towards achieving planning goals. As the City continues to grow and mature, creative approaches might be needed to accommodate growth and support diverse community needs.

Figure 32. Auburn Housing Element Themes, Summary and Evaluation

Source: ECONorthwest Analysis of Auburn Comprehensive Plan Housing Element

1) Healthy Homes and Neighborhoods
This theme focuses on enhancing the safety and connections in Auburn's neighborhoods along with improving the streetscapes. This theme also recognizes the need to provide housing for Auburn's workforce to help balance the jobs-housing ratio. This theme also includes a policy objective to provide for housing choices in downtown and other designated mixed-use centers where infrastructure is more available or can be improved with regional and local funds.
Evaluation Discussion: The jobs-to-housing ratio is another metric for describing the availability of housing for local workers. King County uses the jobs-to-housing assessment to improve the jobs/housing balance within the county, and as a factor in determining the allocation of residential and employment growth for different jurisdictions. Auburn too recognizes the need to balance jobs to housing as a way to ensure the attainment of an appropriate supply and mix of housing and affordability levels to meet the needs of people who work and desire to live in the City. Auburn's jobs to housing ratio is slightly tilted towards jobs. In 2019, Auburn's had around 1.5 jobs for each housing unit in the City. This metric is limited in not accounting for the number of wage-earners and is not necessarily fully reflective of true housing demand. However, it can generally be used to guide the planning of development to achieve efficient transit networks. An employment to housing ratio in the range of 0.75 to 1.5 is considered beneficial for reducing vehicle miles traveled (Cox, 2020). The ratio has slightly lowered overall in the last two decades as Auburn transitions from a suburban town to a thriving city offering broader housing options. Housing production should continue alongside job growth. Auburn has been effective in encouraging a variety of multifamily housing and infill development in its downtown area which could be partially attributed to Multifamily Tax Exemption (MFTE) incentives targeted for this area. As noted in the MFTE program review below approximately 680 market rate units were created or rehabilitated since 2003. The City has made progress in providing for more housing choices in the Downtown area; however other mixed-use areas with sufficient infrastructure in place or capable of improvement should be reviewed to determine whether housing variety has improved, particularly in terms of providing a range of housing at different price points.
2) Variety
This theme calls for the City to broaden housing options. Objective H-10 notes the need to integrate a variety of land uses and densities for housing providers while other objectives support homeownership opportunities; mixed-uses integrating residential uses in the downtown area; ADUs as an affordable housing strategy; and manufactured, transitional, and multifamily housing in limited zones.
Evaluation Discussion: Achieving a healthy mix of housing requires boosting housing production to broaden housing choices where supplies are limited, in a way that aligns with housing demand considerations. This goal promotes King County's Regional Affordable Housing Task Force Goal 6 which supports greater housing growth and diversity to achieve a variety of housing types at a range of affordability and to improve the jobs/housing connections throughout King County. The majority of duplexes, triplexes and quad-plex housing in Auburn was built prior to the 2000's (comprising 16% of the total housing stock)

and since 2010 single-family attached housing production has declined for this type of housing. About 23% of Auburn's housing stock is characterized as multifamily, the majority of which was built pre-1960, and in the 1990s and 2000s. Production of larger multifamily housing with over 100 units has picked up during the last decade since 2010. Auburn should continue supporting production of single-family attached and multifamily housing construction to continue integrating a variety of housing options. By 2025, the number of seniors in King County will double to comprise 23 percent of the population. Likely trends for the Baby Boomer generation: Household sizes will decrease (greater 1-person households) and demand could grow for missing middle-housing options allowing for "downsizing" and lower-maintenance living.

Rising housing prices are increasingly making homeownership more out of reach. Over the last decade, housing prices have increased by 88%; consequently, more action could be needed to increase the availability of moderate and middle-income housing such as cottages, condominiums, and townhomes. Recent legislation passed reform to the state's condominium liability law in support of condo production. The implications of this new law should be monitored to see if it truly encourages more condo construction and associated homeownership.

Auburn has adopted code updates over the last decade to support increased Accessory Dwelling Unit (ADU) production. The pace of ADU development has increased but is still somewhat low. The City should continue to track ADU development as time progresses and possibly revisit and augment actions promoting ADU affordable housing strategies.

3) Quality

This theme aims to improve the quality and maintenance of the housing stock to help preserve affordable housing. Key objectives for this theme are to track rundown properties and improve code enforcement, educate property managers, and promote improvements of affordable housing possibly through possible tax exemptions. Objective H-21 includes specific steps to carry out home repairs and rehabilitation such as through loans, participation in the Emergency Home Repair Program, and green lending for improved energy efficiency. These home repair efforts can help preserve naturally occurring affordable housing (NOAH) units. Objective H-22f calls for the consideration of creating an Auburn-based Housing Authority.

Evaluation Discussion:

Affordable housing preservation strategies can range from increasing investments to preserve affordable properties to repairing homes to help keep people in affordable housing. The City could collect key data on rental housing to build a rental housing preservation inventory (including key information such as the age of housing, rental rates, number of bedrooms, conditions such as the CoStar housing condition star rating).

The King County Housing Repair Program: Eligible low-income homeowners can gain a deferred loan or matching funds loan (up to \$25,000) to cover housing repairs addressing health and safety concerns; and emergency grants covering life-threatening repairs for owner-occupied homes (up to \$6,000). For renters with a disability, they also provide free financial assistance to make housing more accessible. Between 2018 and the second quarter of 2020, 17 applicants totaling approximately \$320,135 from the City of Auburn participated in this program. Source: King County Housing Repair Program. This program does not necessarily provide weatherization home repairs or energy efficiency audits. A local energy-efficient, weatherization and rehabilitation grant program could help improve the livability and energy efficiency of existing owner-occupied homes. This program should complement the existing King County Housing Repair program.

The Washington State Department of Commerce administers a Weatherization Program to help increase home energy efficiency for low-income families. This program is funded by the U.S. Department of Energy's Weatherization Program among other sources:

<https://www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency/weatherization-program-documents/>

4) Attainability

This theme addresses the need for affordable housing to accommodate Auburn's changing demographics and to meet the fair share housing objectives, outlined by King and Pierce Counties. Objective H-24a outlines King County's share of housing by income levels:

- Below 30% AMI (very low income) – 12% of total,
- 30-50% AMI (low income) – 12% of total, and
- 50-80% AMI (moderate income) – 16% of total housing supply.

The city also aspires to lead and find new funding strategies to build more low-income housing. Other objectives include using surplus land (sales) for affordable housing, promoting fair housing laws, streamlining development regulations, and exploring the use of density bonuses.

Evaluation Discussion:

The housing growth targets should align with the adopted King County countywide targets that are being developed for the 2024 Comprehensive Plan update cycle and expected to be adopted by mid-2021 (PSRC VISION 2050, King County, 2020). These housing production and income level targets for 2024 to 2044 could be adopted in mid 2021. In general, Auburn will likely need to increase annual housing production to help increase housing availability.

As of 2020, Auburn has around 2,850 manufactured/mobile homes which is around 9% of the total housing stock. This type of naturally occurring affordable housing tends to be accessible to low to moderate-income households (earning less than 80% AMI). Consequently, housing preservation strategies could be considered such as mobile home park preservation, repair (see above discussion under theme 3), monitoring strategy, and assistance in establishing Mobile Home Parks into cooperatives.

5) Special Needs

These policies call for the City's support of programs that offer funding, housing, and supportive services to keep persons with special needs housed. These populations include veterans, single-parent households, seniors, disabled households, and those experiencing homelessness. Assisting low-income persons displaced by redevelopment in accordance with relevant laws is also recognized under this theme. Other policies support seniors aging in place (encouraging development to adhere to universal design principles) and the availability of transitional housing and assisted living facilities.

Evaluation Discussion:

The existing conditions analysis highlighted gradation of displacement risk across the city and this information could inform affordable housing preservation and anti-displacement measures. The City likely will be updating its comprehensive plan by June 2024 and during this update process, the plan policies will be reviewed to ensure they are consistent with state, regional, and countywide policies. A new aspect of PSRC's VISION 2050 plan is the recognition of displacement risk (cultural, economic, and physical) and the need for jurisdictions to mitigate and minimize displacement. Consequently, the City of Auburn should consider anti-displacement policy and code updates.

6) Supportive Services

This theme focuses on providing education, training, engagement opportunities, and human services associated with affordable housing and homeownership.

Evaluation Discussion:

There are a range of options in support of education and engagement associated with affordable housing and homeownership. Here are a few education examples: Education on tenant rights, fair housing laws, and homebuyer's class/credit counseling training.

7) Partnership and Monitoring

This theme supports a variety of partnerships to collectively work on challenging topics such as homelessness, affordable housing financing, and housing assistance. Policy H-50 calls for Auburn to evaluate possible modifications to these housing policies and strategies every five years.

Evaluation Discussion:

The City of Auburn has joined a regional affordable housing consortium in partnership with various other south King County cities (Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila) and King County. The South King Housing and Homelessness Partners (SKHHP) was recently formed through an interlocal agreement to share resources to preserve and increase access to affordable housing. Effective in 2019, the interlocal agreement outlines the role, purpose, structure, and other details of SKHHP. Essentially, SKHHP will share technical information and resources to promote sound housing policy, coordinate public resources to attract greater private and public investment, and support advocacy. SKHHP has the potential to help the City of Auburn in a variety of ways including possibly expanding housing assistance, facilitating greater partnerships, and increasing the availability of affordable housing.

A list of Housing Element outcomes, indicators, and example tools that are useful for monitoring progress is provided below (Auburn Comprehensive Plan, 2015). Revisiting the progress (or lack thereof) towards achieving outcomes can help to lay the groundwork for potential areas of improvement.

Figure 33. Auburn Comprehensive Plan Housing Element Goal Outcomes and Indicators

Source: Auburn Comprehensive Plan Housing Element

Outcomes	Indicators	Example Tools
Improve housing quality	Increased quality of rental housing	Housing rehabilitation and repair loans Loans for energy conservation and healthy indoor air quality City-sponsored and nonprofit property manager programs Housing inspection program Code enforcement Community volunteer program
Meet demand for new housing units	Land capacity to meet or exceed housing target	Land use plan and zoning
Promote housing ownership	Maintain or increase homeownership rates	Single-family dwellings including small lots Accessory dwelling units Cottages, townhomes
Allow for a variety of housing types to meet size and age and cultural trends	Increased numbers of small units with neighborhood recreation and service amenities Retention of housing stock with larger units	Single-family dwellings including small lots Accessory dwelling units Multiplexes, cottages, townhomes Mixed-use zoning Incentives infill housing types
Increase opportunities for housing to very-low, low-, and moderate-income households	Increased numbers of ownership dwellings available to moderate incomes Increased mixed-use development for all incomes Increased preservation and improvement of rental housing with long-term affordability commitments	Accessory dwelling units Downtown incentives Infill incentives Permit and impact fee waivers See also "improve housing quality" above
Improved opportunities for special needs housing and services	Greater match of housing to special needs including housing for all ages and abilities as well as the homeless	Community services programs Partnerships with nonprofit housing providers and non-governmental organizations
Monitor housing supply, affordability, and diversity	Address achievement of indicators above	Monitor in conjunction with regular Comprehensive Plan updates and new countywide planning policy housing targets

South King County Subregional Housing Action Framework

As noted, this report builds off the existing conditions work that was developed through the *South King County Subregional Housing Action Framework*. The City of Auburn participated in this regional effort, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila.

As part of the *South King County Subregional Housing Action Framework*, the following affordable housing regulations and incentives were evaluated: Multifamily Tax Exemptions (MFTE), Incentives for Accessory Dwelling Units (ADUs), Fee Waivers, Density and Height Bonuses, and Planned Action Environmental Impact Statements.¹⁸

Figure 34 below builds on Evermost Consulting's evaluation of these five affordable housing incentive programs in the *South King County Subregional Housing Action Framework*, and assesses Auburn's success and possible areas of improvement.

¹⁸ This analysis of past planning policies was conducted by Evermost Consulting as part of the ECONorthwest consulting team on the *South King County Subregional Housing Action Framework*.

Figure 34. Evaluation of Key Existing Affordable Housing Incentive Programs in Auburn

Source: ECONorthwest building on Evermost Consulting, 2020, data provided by City of Auburn

Policy	How it Works	Auburn Findings	Evaluation
Multifamily Tax Exemptions (MFTE)	RCW chapter 84.14, allows cities with more than 15,000 people to establish a multifamily tax exemption program for 8-years or 12-years if the housing development includes 20% of its units as affordable housing. By waiving taxes, housing developments have lower operating costs, which affects the project's overall feasibility by making it easier to build new units. Programs can exempt eligible new construction or rehabilitated housing and the housing development must be located in an urban center and include at least four housing units.	Auburn established its program in 2003 and has had four contracts take advantage of the tax waiver to date. These properties created or rehabilitated 680 units under the 8-year exemption. The MFTE incentive is available only for new construction or for the rehabilitation of multifamily housing located in the Downtown Urban Center. Tax exemptions are available for 8 years for new multifamily or rehabilitated housing units constructed downtown (market-rate) or for 12 years for qualified affordable housing units (Auburn City Code 3.94).	The 8-year exemption does not require affordable housing units. At the time when this program was adopted, the Downtown Center area targeted for the program was lacking market rate housing. Unsurprisingly, this program has not yet generated affordable housing and the program has resulted in an average of 40 units created/rehabilitated per year for 17 years.
Accessory Dwelling Units	Accessory dwelling units (ADUs) provide an additional dwelling unit—typically with its own sleeping, bathing, and cooking facilities—on properties with existing single-family homes. ADU policies attempt to increase housing density in ways that do not change the character, look, and feel of existing neighborhoods, and put more housing in areas with access to amenities such as jobs, schools, and retail centers. In theory, because they are smaller than single-family homes, ADUs can be cheaper housing options – but this is not always the case.	According to data provided by the city, Auburn has issued 36 building permits for ADUs since 2005. It is important to note that this summary does not encompass unpermitted ADUs (an estimate for Seattle indicated that up to three-quarters of what appeared to be ADUs was unpermitted). In Auburn, ADUs are permitted outright in all residential zones that allow single-family homes. The homeowner must successfully gain an ADU building permit. One attached ADU or detached ADU is allowed on a parcel and each ADU is limited to no more than two bedrooms. The style of the ADU should match the primary residence and cannot exceed 50 percent of the primary unit or 950 square feet, whichever is less.	Until recently, the City of Auburn was requiring ADUs to pay school and traffic impact fees along with utility system development charges, which could have contributed to lower development. Since removing this requirement a few years ago, the pace of ADU development has increased but is still somewhat low. Auburn's Zoning Code has a fair amount of flexibility for ADU construction and density. The size, parking, and owner-occupancy requirements are somewhat restrictive but are not too burdensome. Possible areas of improvement to consider: pre-approved ADU/DADU plans to streamline the process (Renton and Seattle example), ADU guidebook (Tacoma example), removal of owner-

Policy	How it Works	Auburn Findings	Evaluation
		One additional parking space beyond what is required for the single-family home must be provided for the ADU. The home or ADU must be the principal place of residence for the homeowner. (Source: Auburn Code Section 18.31.120 , last amended in 2012 by Ord. 6419 § 4).	occupancy requirement in exchange for affordability (below 80% AMI), and opportunities to reduce fees and allow shared/off-street parking. ADU permitting requirements and ADU development scenarios could be analyzed for the accumulative effect of layered requirements (including site coverage) to identify possible areas to add more flexibility. In terms of providing housing options, there is a level of uncertainty as to whether these units are actually rented long-term versus short-term or used for off-market purposes such as for family guests, if their rents are lower than other units, and the extent that ADUs are provided in amenity-rich locations. The City could address short-term rental use of ADUs by evaluating regulatory options to limit potential conversions of ADUs serving as long-term rentals (RCW 64.37 provides new Short-term Rentals legislature to consider).
Fee Waivers	The list of potential fees when entitling a new building often includes, but is not limited to, zoning application fees, mitigation fees, building permit fees, plan check review fees, utility connection charges, building inspection fees, and impact fees. While these fees are important funding sources for their respective municipal departments and special districts, they can add up and	Auburn had established several fee waiver incentives. The City has fee waivers for the Downtown Catalyst and Downtown Plan Areas which were implemented in 2001 (more detail in Auburn Code Section 19.04). These fee waivers have all expired and the last exemption for the Downtown Catalyst area was extended through Ordinance No. 6637 was scheduled to	The reinstatement of select fee waivers, even over a temporary period of time, could be considered when city revenue sources are plentiful to target underproduced housing and the construction of more affordable housing. Relaxing fees can help incentivize affordable housing development in the City. While careful calibration is needed to ensure the public benefit of reduced

Policy	How it Works	Auburn Findings	Evaluation
	effectively discourage new housing development—particularly at lower price points. Fee waivers for affordable housing development or other qualified development projects.	sunset on December 31, 2017. ¹⁹ These fee waivers have been utilized in conjunction with MFTE.	fees is offset by the lost revenue to the City, these programs can meaningfully reduce the cost of development and help incentivize lower-cost housing.
Expedited Permitting	Some cities such as Kirkland, Lacey and Vancouver offer streamlined review or expedited permitting processes for qualified development projects. The state of Washington Local Project Review law (RCW 36.70B) supports the establishment of a predictable and timely review process by setting time limits on application review and permit decisions and a maximum time period of 120 days unless the jurisdictions makes written findings that additional time is needed. Auburn could define criteria for qualification of expediting permitting to include things such as rent or price restricted affordable housing, projects that utilize the 12-year MFTE program, for targeted development types such as infill development or podium development, or for development projects in specific areas such as the Downtown area.	Concurrent review of preliminary plat and civil plans is being explored by Auburn (with the applicant assuming the risk). The Master Builders Association (2020) estimates that this could save up to a year on the permit process.²⁰ (See incentives described in the next row.) Outside of this, Auburn does not have an expedited permit review process for affordable housing or qualified development.	A common area of continuous improvement for many cities is to adjust the permitting processes to be more predictable, efficient, accessible, and transparent. Possible areas of improvement to make the process more predictable particularly for affordable housing development could be identified and examined for trade-offs. A pilot program can be implemented as a way to test out different techniques and work out process tweaks. A key area of improvement is to examine ways to reduce upfront fees and requirement barriers such as the possibility of review process efficiencies and/or integrating payment deferment options. Other measures to consider: Additional online permitting and tracking improvements to reduce trips to the permit counter, cross-departmental coordination enhancements, ameliorating design review

¹⁹ “Downtown catalyst accessory area” means the area defined by the boundary of 1st Street NW to the south, “A” Street NW to the west, 2nd Street NW to the north, and North Division Street to the east (Auburn Code Section 19.04.020 Definitions, GG: <https://auburn.municipal.codes/ACC/19.04.020>).

²⁰ Master Builders Association of King and Snohomish Counties Housing Toolkit, 2020: <https://www.mbaks.com/docs/default-source/documents/advocacy/issue-briefs/mbaks-housing-toolkit-2020.pdf>

Policy	How it Works	Auburn Findings	Evaluation
	Safeguards could be added to expedited permitting measures such as including negotiated deadlines for the applicant and permitting staff to each meet, respectively.		requirements, and enhanced staff training. The following cities enacted permitting efficiencies: Kirkland and Tacoma.
Density and Height Bonuses	Most cities offer some manner of incentives or bonuses in exchange for additional exactions on the developer; these incentives can often result in better design or substantially advancing public interest while making the project more profitable for the developer. Policies are often put in place when a jurisdiction wants to encourage a type of development that the market is not delivering (for a variety of reasons), so the jurisdiction makes it easier, less costly, or more profitable to build the desired type of project.	In the City of Auburn, development standard bonus incentives may be awarded to residential developers in exchange for recognized public benefits pursuant to Chapter 18.25 (infill development) or 18.49 ACC (flexible development alternatives). Eligible infill development (section ACC 18.25.020 provides more guidance) can gain density increases by up to 10 percent, increased building height by up to five feet, reduced/alternative setbacks, and a 10 percent reduction in the minimum on-site parking when designed to be shared (Code Section 18.25.040). The flexible development alternative (adopted in 2009) allocates incentives for residential and mixed-use development with features/ benefits such as sustainability, urban design, neighborhood safety features, housing, cultural/ historical, transportation/mobility, and open space/recreational features and benefits (Code Section 18.49). The incentives range from expedited review (90 days or less), density bonus (135 to 150 percent above base zoning), and reduced parking by up to 25 percent. These incentives are high along with the	The overall effectiveness of these policies in spurring housing development is yet to be seen. Additional analysis on the types and uses of these incentives is an area of further study. Other opportunities for incentives should be identified to help encourage affordable housing development in the City. The City should consider developing policy incentives that are easy-to-understand with low complexity. Many local jurisdictions are also offering incentives to encourage green building such as Tacoma, Everett, and Kirkland.

Policy	How it Works	Auburn Findings	Evaluation
		policy complexity for applicant participation.	
Planned Action Environmental Impact Statements	Under the Washington State Environmental Policy Act (SEPA), a planned action—such as rezoning, development agreement, subarea plan, etc.—can pre-analyze the predicted impacts of a certain level of development. Jurisdictions may implement these policies to encourage development by allowing projects to avoid costly SEPA analyses, by increasing certainty around mitigation requirements, and by avoiding lengthy delays due to SEPA challenges.	According to data provided by the City in spring 2020, Auburn has planned action coverage for 708 residential dwelling units in planned action environmental impact statements, thereby helping to reduce the cost of development (SEPA analysis), and increase both the certainty and speed of development.	While this coverage may expedite review and increase certainty of development, Auburn staff –along with most of the South King County Cities – noted that few SEPA challenges were filed so the benefits of this program (reducing the cost of development by avoiding a SEPA analysis) are limited. It is unclear how many units have been developed under this program, and if it has truly helped to incentivize market rate or affordable housing.

5) Methodology, Data Sources, and Assumptions

A) Housing Needs Analysis

Data Sources

To conduct this existing conditions assessment we primarily relied on 2019 data from the Washington Office of Financial Management (OFM) to evaluate housing and demographic trends. Where OFM data was unavailable we relied on the U.S. Census Bureau's Public Use Micro Sample (PUMS) data from 2012 through 2018 and the U.S. Census Bureau's 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) Data. To supplement OFM data on housing trends and existing housing types by size, we supplemented this analysis with King County Assessor data. For housing market data on rents and sales prices we relied on data from the King County Assessor and CoStar. For the housing demand analysis we relied on Puget Sound Regional Council's 2040 population forecast for Auburn.

We used the best available data sources to assess the housing inventory and future needs, analyze employment trends, and analyze demographic trends in Auburn. Because Auburn has more than 65,000 people, it is surveyed in the American Community Survey every year and thus has data in 1-year samples. The most recent survey data is for 2018.

To get more granular data on key variables of interest, we also rely on PUMS data. As noted in footnote 7 on page 6, PUMS data are only available at the PUMA geography, which contain about 100,000 people. The Auburn PUMA includes the City of Auburn and Lakeland.

Housing Needs Analysis Methodology

Future Housing Needs

We estimate Auburn's future housing needs based on the forecasted household growth through 2040 from PSRC. PSRC does not forecast housing units, but instead forecasts the estimated number of households. To calculate Auburn's future housing need, we use a target ratio of developing 1.14 housing units per new household. This ratio is the national average of housing units to households in 2019. It is important to use a ratio greater than 1:1 since healthy housing markets allow for vacancy, demolition, second/vacation homes, and broad absorption trends. Use of the national ratio is a reasonable target, particularly for larger areas and regions. Using this ratio suggests that at a minimum, jurisdiction should be hitting the national average and is preferred as the existing regional ratio may capture existing issues in the housing market (such as existing housing shortages).

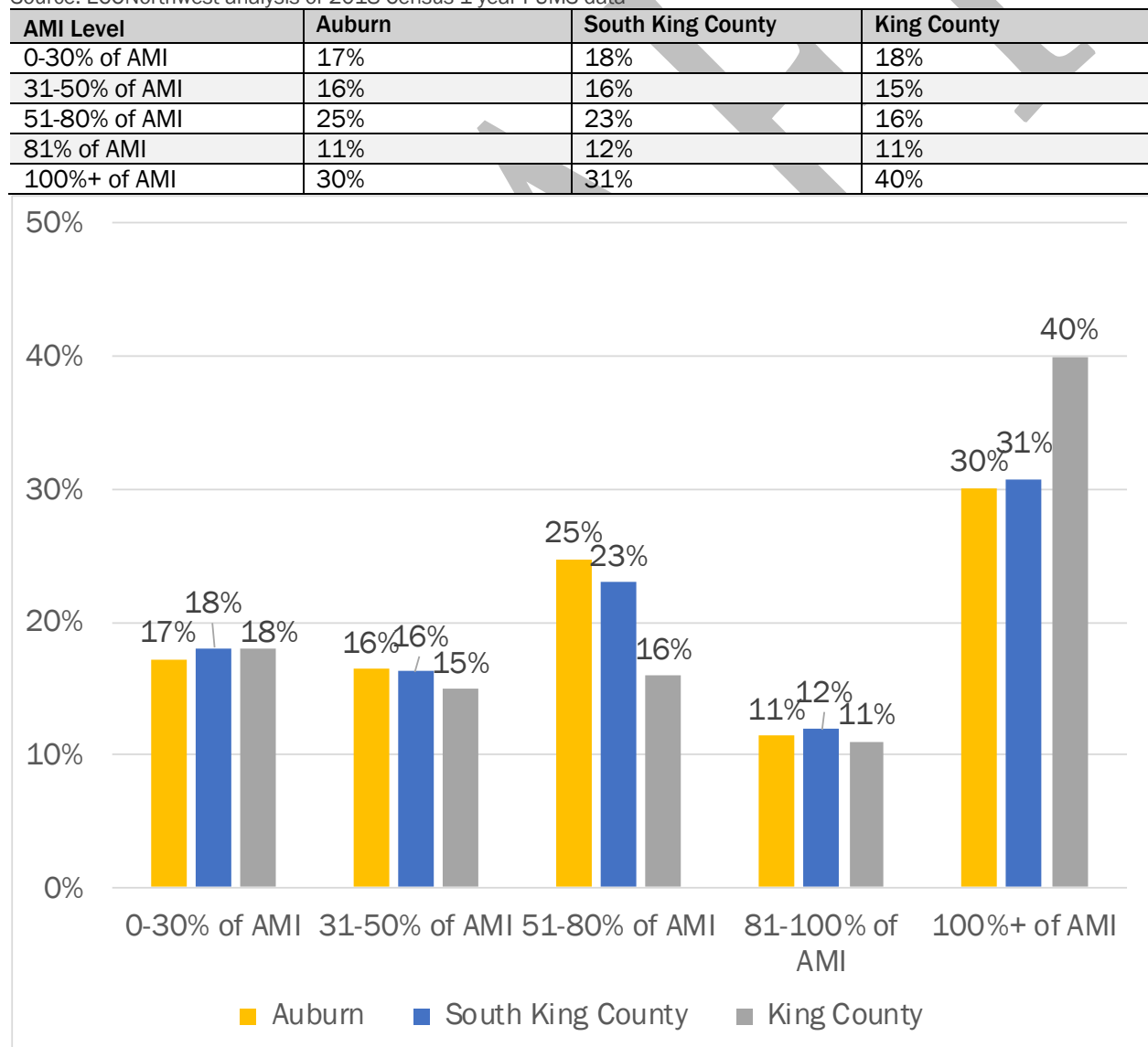
Total Units Needed by Income

The next step is to allocate the needed units by income level. We first look at the most recent distribution of households by income level (using PUMS to determine area median income or "AMI") in Auburn and the South King County subregion. This distribution is displayed for the South King County subregion and King County as a whole in Figure 35, below. We then account for current and future household sizes at the city level to better understand nuances of

how housing need by income can shift over time as household sizes change and subsequent changes to housing affordability.

Because forecasting incomes at the household level over time can be challenging at best, and misleading at worst, this data evaluates housing need using current income distributions forecast forward. The forecast housing need by income category at both the city level and at the subregion is likely to vary depending on policy choices made over the next 20 years. That is to say that if cities choose to take less action on increasing housing production, and affordability worsens due to demand outpacing supply, the forecast need for lower income households is likely to be less because those low income households that are most at risk from housing price changes are more likely to be displaced from the subregion. The ultimate income distribution in 2040 will be the result of regional housing trends and policy decisions made at the local level.

Figure 35. Household Income Distribution in Auburn, South King County Subregion, and King County
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data



We then apply Auburn’s distribution of households by income (right column) to the total units needed to get the share of new units needed by income level.

Figure 36. Total Units Needed by 2040 by Area Median Income Distribution in Auburn and South King County

Source: ECONorthwest analysis of 2018 Census 1-year PUMS data

AMI Level	Auburn	Total Units Needed by 2040	South King County	Total Units Needed by 2040
0-30% of AMI	16%	1,669	18%	11,207
31-50% of AMI	10%	1,043	16%	10,288
51-80% of AMI	24%	2,503	23%	14,552
81-100% of AMI	12%	1,251	12%	7,603
100%+ AMI	38%	3,963	31%	19,440
TOTAL	100%	10,429	100%	63,090

As shown in Figure 36, the City has the highest need over the period for units that are affordable to households earning more than 100% of AMI, and the next greatest need for units affordable at the 51%-80% of AMI level.

B) Employment Analysis

An employment analysis and an analysis of trends in job growth by industry are requirements for local housing action plans. We developed city-level employment estimates by 2-digit North American Industry Classification System (NAICS) codes using a combination of the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and PSRC’s Covered Employment Estimates. The employment estimates show the total number of Auburn residents working in different 2-digit NAICS industries, the change in employment in that industry since 2008, and the 2018 median wages for Auburn residents in that sector.

Access to Employment

We measured access to employment for both transit and auto use, using a preset limit of 45 minutes to generate isochrones (travel sheds). We used ESRI Services to create drive-time isochrones, simulating traffic conditions typical of 8:00AM, Wednesday. We created transit isochrones using OpenTripPlanner and the consolidated Puget Sound General Transit Feed Specification (GTFS) database that is created and maintained by Sound Transit. This GTFS database allows users to model possible transfers between the region’s multiple transit agencies. For each 2-digit NAICS industry, the data summarize the share of jobs across the four-county region that are accessible within a 45-minute transit or auto commute from Auburn.

Transit Isochrones

We created isochrones originating from every transit stop within the jurisdiction. Each transit stop was also weighted by the population within a half-mile distance (straight-line). These isochrones were then joined to LODES job points at the Census Block Level, and the total number of jobs by NAICS industry was calculated for each isochrone. The total number of jobs

reachable by transit (and walking) within 45 minutes was calculated as the weighted mean number of jobs within the isochrones, using the transit-stop population as weights.

Auto Isochrones

For drive-time isochrones, we used a similar method as the transit isochrones. Instead of transit stops, however, we used block group centroids as the isochrone origin points, and the associated block group population estimates provided the weights with which we calculated the average number of jobs reachable by the “average resident.”

Number of Jobs

We derived the number of jobs by industry from PSRC’s Covered Employment Estimates for 2018 and 2008. PSRC provides job totals by city and NAICS 2-digit industry categories, but will censor an estimate if that number represents fewer than three reporting firms, or when a single employer accounts for more than 80 percent of jobs in an industry within a jurisdiction. In these instances, we have provided an internally calculated estimate of employment in that industry based on the uncensored totals for each industry. Average wages by industry were calculated using the 2018 5-yr ACS estimates at the city level.

Caveats

The auto isochrones may be overly optimistic in terms of traffic. Since we are limited in terms of other tools that even *claim* to model travel sheds with traffic congestion, there are few alternative options.

Wage estimates by industry from ACS are not available for every industry, usually due to low numbers of survey samples. Many of these estimates, especially for industries with low numbers of workers, show relatively high margins of error and should be treated as rough approximations.

C) Displacement Risk Analysis

The displacement risk analysis on page 16 was modeled after PSRC’s Displacement Risk Mapping Tool. PSRC’s tool compiles 15 different demographic and socioeconomic datasets (using ACS 5-year tract-level data), standardizes and weights them equally, compiling them into a composite, three-tiered index score (“high”, “medium”, and “low”) for every tract in the four-county Puget Sound region. However, this tool is only available at the Census Tract level, which is not granular enough for this analysis. This analysis builds off the PSRC tool, using the following variables which were available at the Census Block Group level, to estimate displacement risk in Auburn.

1. Percent of population that is a race other than non-Hispanic White
2. Percent of households that speak a language other than English at home
3. Percent of population ≥25 who lack a bachelor’s degree
4. Percent of households that are renters
5. Percent of households paying >30% or more of their gross income on housing

6. Per capita income

In Figure 23 on page 18, the color palette of the map visualizes the six levels of displacement vulnerability based on how many variables were present in each block group.

DRAFT

AUBURN

SOUTH KING COUNTY SUB-REGIONAL
HOUSING ACTION PLAN FRAMEWORK

2020



This document provides trends in demographic, employment, housing, and housing affordability along with housing projections for the City of Auburn. Auburn is a participant of the South King County Sub-regional cities who are coordinating a comprehensive Housing Action Plan Framework for South King County which includes the cities of:

- Auburn
- Burien
- Federal Way
- Kent
- Renton
- Tukwila

Given that the participating communities are impacted by many common market trends and demands, cooperation is necessary to address these issues. Providing for the sub-regional coordination of Housing Action Plans through a common Framework will allow all the partners to address housing issues holistically and ensure housing-related burdens are not simply shifted around between cities.

The sub-region differs from East King County and Seattle, where housing markets and income levels significantly skew the Area Median Income as it relates to how affordability is defined, and therefore how successful south King County cities are in providing affordable housing for their communities. A sub-regional framework that captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County will set the stage to evaluate and incorporate appropriate policies, tools and incentives for increasing residential capacity.

This document and analyses were produced by:

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Executive Summary

- › Auburn needs 10,429 new housing units by 2040 when its population is expected to reach more than 95,000 people (see page 7).
- › Auburn needs to produce about 521 units per year to reach this goal (pg. 7). This is a significant increase from the 390 units produced annually over the 2011-2019 timeframe (pg. 4).
- › In the 2010-2019 timeframe, Auburn only produced 7.8 housing units for every 10 new households that formed in the city. The majority of these new units were built at the end of this development cycle - in 2017, 2018 and 2019 (pg. 4).
- › Average 2-bedroom rents increased about 50% since 2010, and home prices increased 88% between 2010 and 2020 (pg. 6).
- › In 2018, 88% of renters and 80% of homeowners earning less than 30% of AMI were cost burdened, along with 71% of renters and 60% of homeowners earning between 30% and 50% of AMI (pg. 6).
- › Auburn appears to have received an influx of high-income renters living alone while the numbers of large households and lower-income households have declined (pg. 5). This corresponds to Auburn's large increase in new multifamily units in recent years (pg. 4), which have trended smaller throughout the region.
- › As a result of these new households, the median renter household income grew by 46% between 2012 and 2018 while the median homeowner income only grew 17% (pg. 5), far below the rise in median home sales prices.
- › Still, Auburn's renter households have much lower incomes than its homeowners. In 2018, 82% of renter households earned less than 80% of AMI compared to 44% of homeowners (pg. 5).
- › Auburn saw a decline in the number of households earning less than 50% of AMI between 2012 and 2018, while the number of households earning between 50% and 80% of AMI grew (pg. 5).
- › The majority of new households are small: Auburn saw a 21% increase in households, but only a 13% increase in population from 2012 to 2018. This included about 5,140 new 1-person households (pg. 5).
- › As a result of Auburn's changing demographics, the bulk of the housing units needed by 2040 are needed at the 50%-80% AMI and over 100% AMI affordability ranges (pg. 7).

Results and data are for City of Auburn inclusive of areas in King County and Pierce County.

The 2018 HUD Area Median Income (AMI) for King County is \$103,400 for a 4-person household. Data discussing "% AMI" are proportioned off of this median and are also for 4-person households.

Housing Trends

31,345

Number of total housing units in 2018

Source: OFM, 2019

3,511

Number of housing units built since 2011

Source: OFM, 2019

390

New housing units built on average every year since 2011

Source: OFM, 2019

7.8

New housing units per every 10 new households

› Between 2010-2019

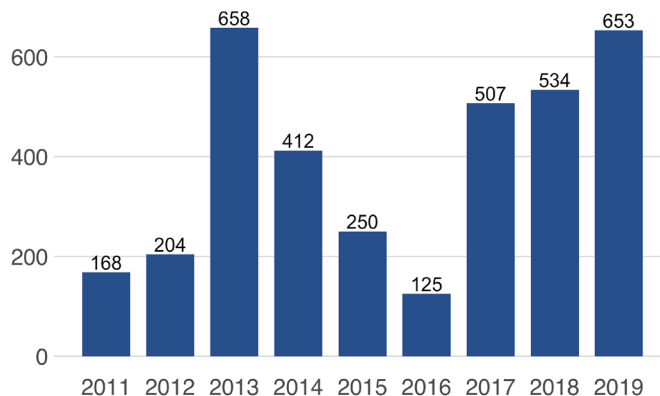
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	11%
1960's	15%
1970's	9%
1980's	14%
1990's	20%
2000's	18%
2010's	12%

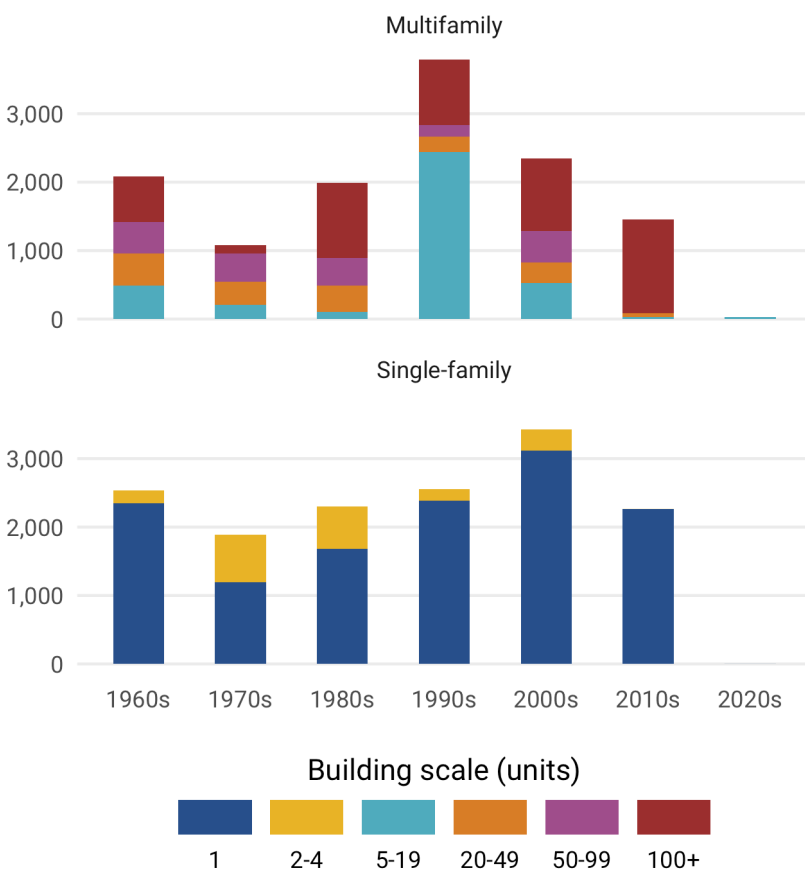
Source: King County Assessor's Office, 2020

Number of Units Built Per Year, 2011-2019



Source: OFM, 2019

Scale of Housing Built by Decade, 1960-2020



Source: King County Assessor's Office, 2020

Demographics

15%

Change in population

› Between 2010 and 2018

	2010	2018
Population	70,180	80,615

Source: OFM, 2019

21%

Change in number of households

› Between 2012 and 2018

	2012	2018
Households	36,191	43,665

Source: PUMS (2012, 2018)

46%

Change in median renter household income

› Between 2012 and 2018

	2012	2018
Median Income	\$34,347	\$50,250

Source: PUMS (2012, 2018)

17%

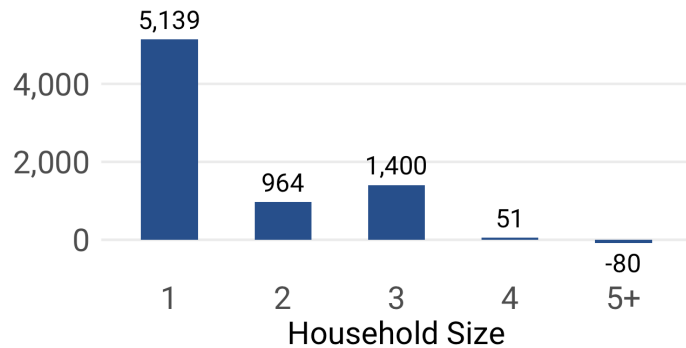
Change in median owner household income

› Between 2012 and 2018

	2012	2018
Median Income	\$77,079	\$90,186

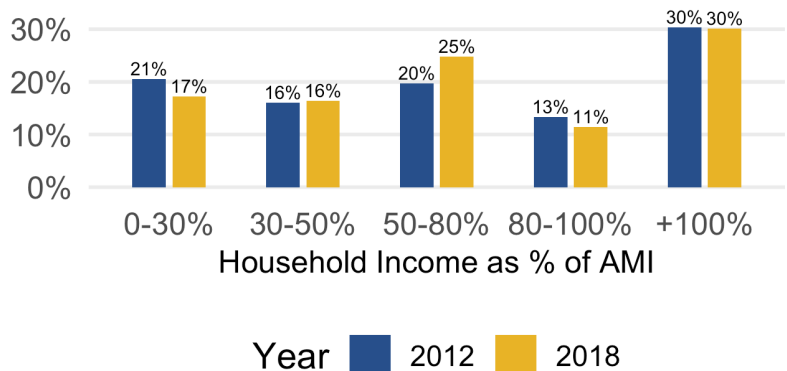
Source: PUMS (2012, 2018)

Change in Household Type, 2012 & 2018



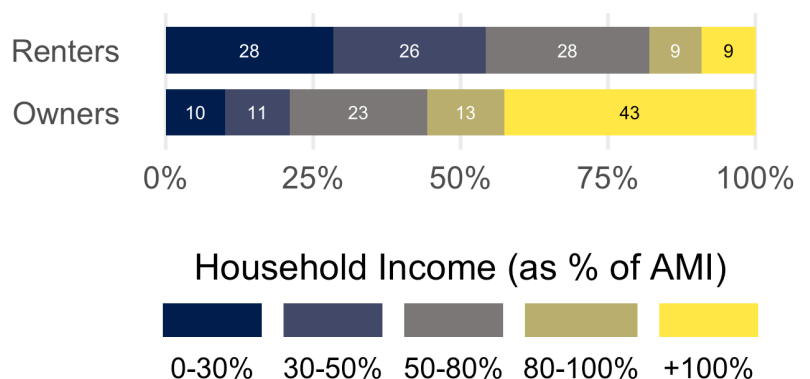
Source: PUMS (2012, 2018)

Income Distribution by AMI, 2012 & 2018



Source: PUMS (2012, 2018)

Income Distribution by AMI and Tenure, 2018



Source: PUMS, 2018

Housing Affordability

Cost Burdened

› A household who pays more than 30% of their income on housing (inclusive of households with severe cost burdening).

Severely Cost Burdened

› A household who pays more than 50% of their income on housing.

2,784

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data

49%

Change in average rent for 2-bedroom apartment

› Between 2010 and 2020

	2010	2020
Average Rent	\$934	\$1,393

Source: Costar

88%

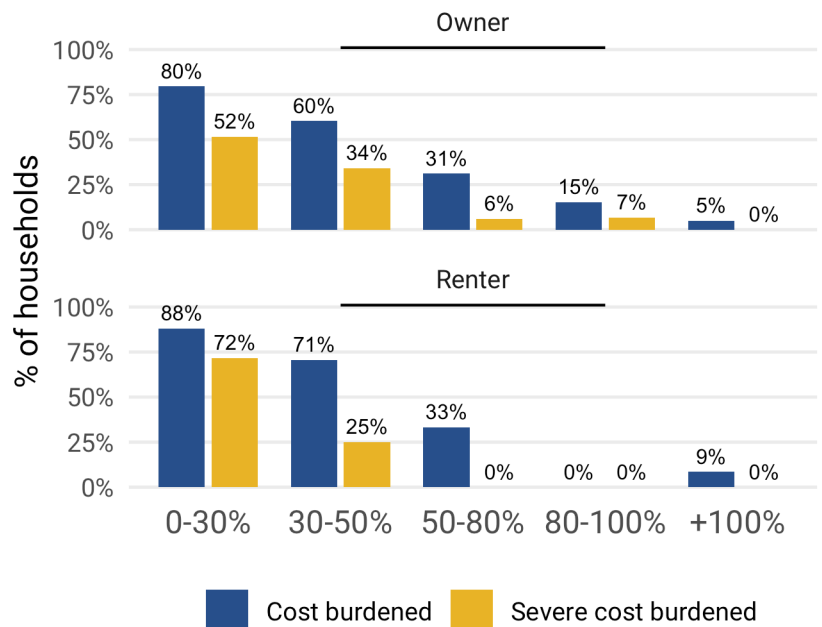
Change in median home sales price

› Between 2010 and 2020

	2010	2020
Median Sales Price	\$222,750	\$418,300

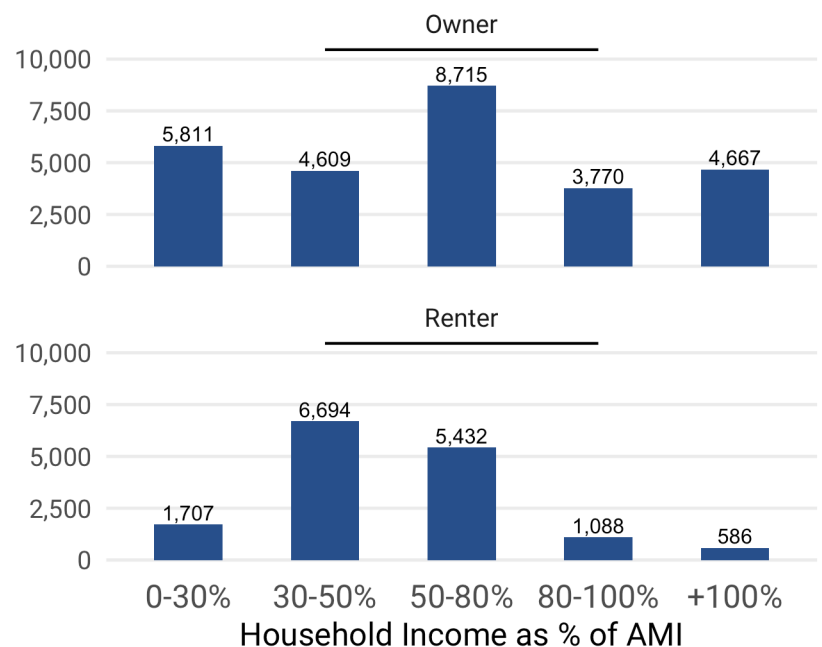
Source: Zillow

Cost Burdened and Severely Cost Burdened by Tenure, 2018



Source: PUMS, 2018

Housing Units Affordable by AMI and Tenure, 2018



Source: PUMS, 2018

Housing Need Forecast

95,461

Projected population by 2040

Source: PSRC, 2017

703

Average annual population growth projected through 2040

Source: PSRC, 2017; ECONorthwest calculations

10,429

Projected number of units needed by 2040

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

521

Average number of new units needed per year through 2040

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

34%

Increase in annual housing production to reach 2040 housing need target

Source: ECONorthwest calculation

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
2,361	8,068	10,429

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
31,345	10,429	33%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	1,669	16%
30-50%	1,043	10%
50-80%	2,503	24%
80-100%	1,251	12%
100%+	3,963	38%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

HUD Affordability Level by Housing Type, 2018

AMI	Studio	1-bed	2-bed
30%	\$542	\$582	\$698
50%	\$904	\$970	\$1,164
80%	\$1,448	\$1,552	\$1,862
100%	\$1,810	\$1,938	\$2,326

Source: HUD, 2018

Underproduction › Housing units needed to satisfy existing households today.

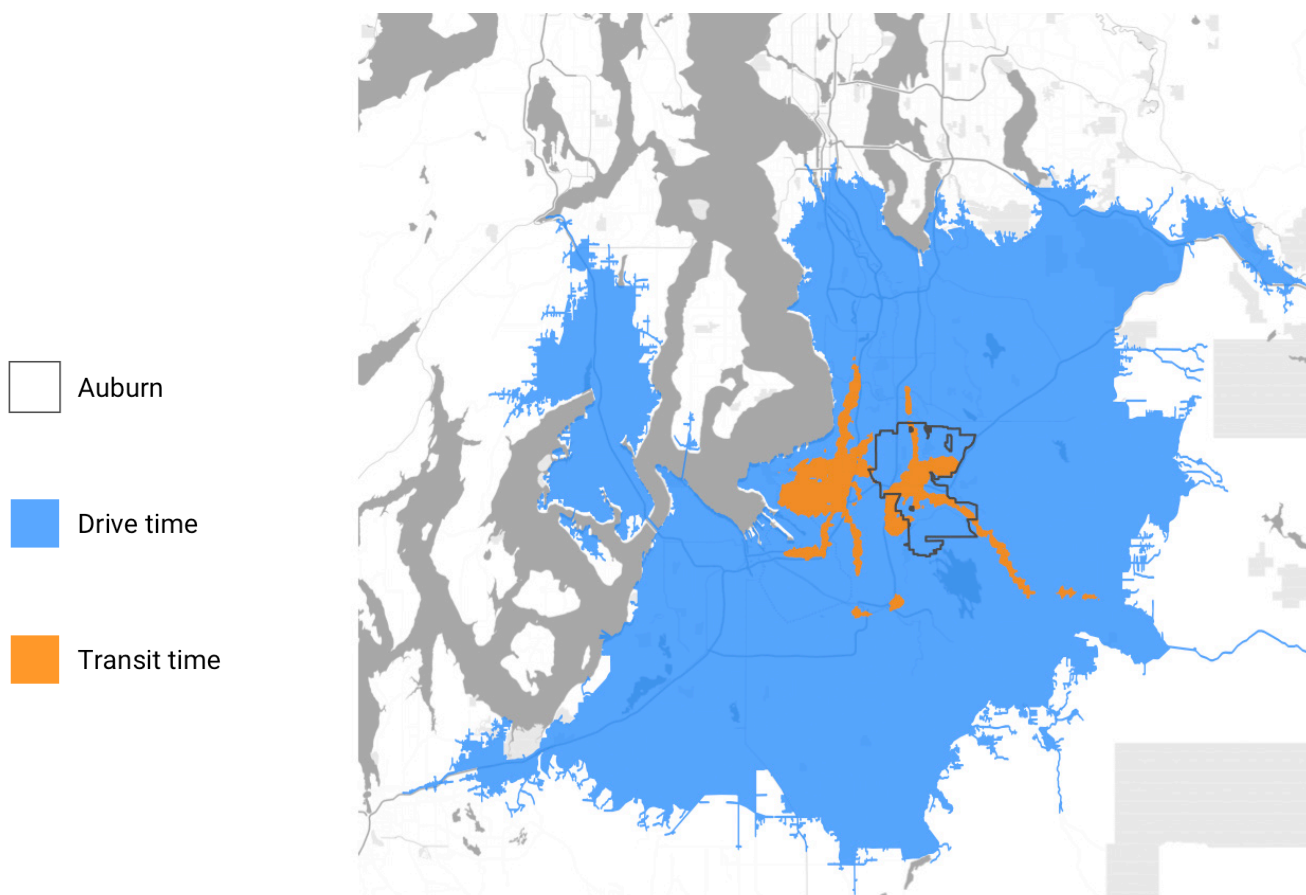
Future Need › PSRC 2040 population forecast translated into housing units.

Employment Profile

Auburn Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Jobs by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	38	25	192%	\$37,612	24%	1%
Mining, Quarrying, and Oil and Gas Extraction	0	-14	100%	NA	52%	4%
Utilities	0	-21	-100%	\$110,841	22%	1%
Construction	4,091	848	26%	\$51,862	43%	2%
Manufacturing	8,764	136	2%	\$60,862	44%	2%
Wholesale Trade	4,308	943	28%	\$44,896	50%	3%
Retail Trade	5,091	-761	-13%	\$41,658	36%	3%
Transportation and Warehousing	2,983	1,034	53%	\$54,195	63%	1%
Information	548	13	2%	\$62,540	7%	0%
Finance and Insurance	824	440	115%	\$79,375	24%	2%
Real Estate and Rental and Leasing	604	252	72%	\$49,524	33%	1%
Professional, Scientific, and Technical Services	761	-4	-1%	\$66,150	14%	1%
Management of Companies and Enterprises	136	6	5%	\$60,938	27%	1%
Administrative and Support and Waste Management and Remediation services	1,672	566	51%	\$36,250	37%	3%
Educational Services	3,446	465	16%	\$56,393	35%	3%
Health Care and Social Assistance	4,925	2,033	70%	\$49,320	36%	2%
Arts, Entertainment, and Recreation	665	2	0%	\$44,708	35%	2%
Accommodation and Food Services	2,329	322	16%	\$32,451	36%	2%
Other Service	1,490	89	6%	\$36,831	33%	2%
Public Administration	3,314	-455	-12%	\$74,804	36%	3%

Source: PSRC, ECONorthwest

Employment Profile



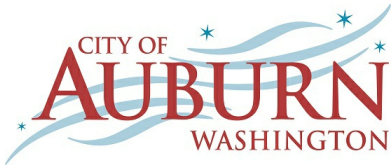
* Transit and drive time of 45 minutes, departing at 8:00 AM, midweek

Source: PSRC, ECONorthwest

Access to Employment*

These city-level employment estimates by 2-digit NAICS codes were derived using a combination of the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and Puget Sound Regional Council's Covered Employment Estimates. These employment estimates show the total number of residents working in each 2-digit NAICS sector in that city, the change in employment in that sector in that city since 2008, and the 2018 median wages for the residents in that city in that sector.

Transit and auto access to regional employment was derived using 45-minute travel sheds for each mode. We calculated the number of jobs available within these travel sheds in each 2-digit NAICS category for the four-county region (King, Pierce, Snohomish, and Kitsap).



AGENDA BILL APPROVAL FORM

Agenda Subject:

Police Advisory Committee Update (O'Neil)(15 Minutes)

Date:

February 17, 2021

Department:

Police

Attachments:

[PAC update](#)

[PAC questions](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

Chief O'Neil will review the 5 Police Advisory Committee (PAC) meetings held to-date, review the questions discussed with the PAC in February and then open the floor for discussion.

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

O'Neil

Meeting Date: February 22, 2021

Item Number:

Police Advisory Committee

- Committee Positions:

- Filled 24 of 25 positions
- Still looking for a member to fill the LGBTQIA+

- Goals:

- To provide recommendations to the Chief of Police based on community concerns related to homelessness.
- To provide recommendations to the Chief of Police based on community concerns related to repeated crimes committed against businesses in the community.
- To provide recommendations to the Chief of police based on community concerns related to officers involved shootings, with an end goal of 0 officer involved shootings.



Courage Honor Integrity Professionalism

Police Advisory Committee

- First meeting-October:
 - Introductions
 - Committee rules
 - Expectations



Courage Honor Integrity Professionalism

Police Advisory Committee

- Second meeting-November:
 - Overview of the Auburn Police Department
 - Homework (What do you want from your police department)
 - Common themes: neighborhood safety, homelessness, vandalism to businesses, crime rates, and overall community safety.



Courage Honor Integrity Professionalism

Police Advisory Committee

- Third meeting-December:
 - Police Accountability Presentation
 - Q&A on Questions Submitted by PAC members
 - Does APD have Qualified Immunity?
 - Is APD part of a union?
 - Is APD self-insured or through an insurance company?
 - What is available for mental health support for APD and what is being done to reduce the stigma of seeking it?
 - How often are the academy and other trainings evaluated to make sure they are based in research and facts, not how things have always been done?
 - Does APD training have a fear based or militaristic focus?
 - Example every traffic stop may be the last stop of your life, you have to be ready to kill someone or you're in the wrong line of work, rather be judged by 12 than carried by 6, number one job is to make it home?
 - Is diversity a priority in hiring with APD? If so, what does it look like?
 - Is there a reward system in APD based on numbers? Like promotions based on numbers of arrests, expected number of traffic tickets each month, etc?
 - How much training do APD officers get in grappling (like Brazilian Jujitsu) submission compared to weapons training?



Courage Honor Integrity Professionalism

Police Advisory Committee

- Fourth meeting-January:
 - The PAC identified their top three priorities.
 - 1) Homelessness
 - 2) Protecting our businesses
 - 3) A goal of 0 Officer Involved Shootings
 - Briefed on the December OIS
 - Discussed court filing guidelines, resources for individuals suffering from homelessness, addiction, and mental health issues.



Courage Honor Integrity Professionalism

Police Advisory Committee

- Fifth meeting-February:
 - Kent Hay presented information about homelessness, resources available, and the strategy to address this community issue. Kent Hay also discussed the City's Consolidated Resource Center
 - Harry Boesche presented the court process for charging and resolving criminal cases involving trespass, theft, shoplift, and drug paraphernalia. Harry also provided a presentation on community court and the resources that will be available at the All in Once Center.
 - City Attorney Comeau presented information about litigation and the King County Inquest.
 - The PAC was briefed recently completed internal investigations.
 - PAC members began signing up to attend APD Training



Courage Honor Integrity Professionalism

Police Advisory Committee

- Next steps:
 - Continue recruiting to fill the open LGBTQIA+ position.
 - More engagement and information sharing to incorporate the PIO (newsletter).
 - Posting member names and position held on PAC website.
 - Posting an E-Mail address for the community to ask questions to the PAC.
 - PAC members to present to Council outside of police representation.



Courage Honor Integrity Professionalism

PAC Questions

- **Does APD have qualified immunity?**
- Qualified immunity was created by the United States Supreme Court in 1982, to make sure government officials are not deterred from acting in split-second situations and that government officials do not face financial harms from a flood of insubstantial and frivolous lawsuits. Therefore it applies to all local, state, and federal law enforcement officers. This is not specific to any agency or state. Qualified immunity is also afforded to, mayors, governors, medical officials, prison guards, and school administrators and many other government professions. If an officer is granted qualified immunity, which isn't common, it just means that the courts haven't ruled on a similar circumstance and they are not personally liability for damages. A claim and or lawsuit still proceeds but the city or employer is responsible for damages.
- **Is APD part of a union?**

The State of Washington is not a right to work state, there for there is union protections afforded to employees. Law Enforcement in Washington has unions, guilds, and associations. Regardless of classification, they serve the same purpose. The Auburn Police Officers belong to the Auburn Police Officers Guild, Auburn Police Sergeants Association and the Auburn Police Management Association. Each union then contracts for legal services. The officers and sergeants are members of the Fraternal Order of Police, who provide legal representation during the disciplinary process, labor management, and collective bargaining. The commanders represent themselves and contract for legal services when they are needed. The Assistant Chief has civil service protection. As the chief, I am an at will employee. The non-commissioned employees are all part of the IAM union.
- **Is APD self-insured or through an insurance company**

The City of Auburn is not self-insured. We are part of the Washington City Insurance Authority.
- **What is available for mental health support for APD and what is being done to reduce the stigma of seeking it?**

All City of Auburn Employees have access to the Employee Assistance Program (EAP). All calls to the EAP are confidential and entitle an employee to three free meetings with a counselor. If an employee needs assistance beyond that, they will be referred to a professional who accepts the cities medical insurance. The Auburn Police Department has a peer support team, which consists of approximately 10 employees who are certified by the International Critical Incident Stress Foundation (ICISF) in both individual and group support. All contacts and interactions are 100% confidential unless it is determined that there is a safety concern to an employee or someone else. The Auburn Police Department also has a gym for officers to work out and a Spousal Support Group

to support the families of police officers. Additionally, in earl 2021 all officers will be ABLE trained and the Auburn Police Department will be an able certified police agency. ABLE stands for Active Bystandership for Law Enforcement. This program provides training for law enforcement officers on how to intervene with their co-workers when they observe an employee starting to operate outside the lines of what acceptable or normal.

- **How often are the academy and other trainings evaluated to make sure they are based in research and facts, not how things have always been done?**

Washington State is one of three states in the country that has a state certified academy. All law enforcement officers in WA State either attend the Criminal Justice Training Commission (CJTC) basic law enforcement academy or the Washington State Patrol Academy. CJTC is a model for law enforcement training across the county and often sets the standard for law enforcement training. CJTC was the first to incorporate Crisis Intervention Training into the basic academy, followed by Blue Courage, which focuses on officer wellness and the nobility of policing. While Auburn PD is becoming an ABLE Certified agency, WA State is the only academy in the country making plans to make ABLE part of the basic academy. Additionally, there are 24 hours of required training every year for every law enforcement officer. This training includes Crisis Intervention Refresher and BIAS Based Policing training. Additionally, Officers are also required to get an additional 40 hours of training every three years related to patrol tactics and de-escalation. CJTC has employees dedicated to curriculum development, who are constantly reviewing trends in law enforcement making improvements to training. We will talk more about Auburn PD training in future sessions.

- **Does APD training have a fear based or militaristic focus? Examples: Every traffic stop may be the last stop of your life, you have to be ready to kill someone or you're in the wrong line of work, rather be judged by 12 than carried by 6, number one job is to make it home?**

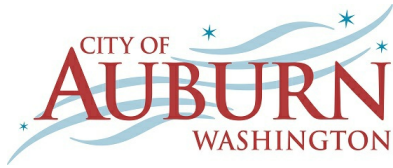
I am not aware of any law enforcement training in the State of Washington that uses this focus. The primary focus of everything a police officer does is focused on the safety and security of others. When we train for tactical situations, active shooter, we have priorities in our decisions making. The first being hostages or citizens in danger not free to leave, unarmed citizens, officers, suspects. As you can see police officers put the safety of citizens above themselves.

- **Is diversity a priority in hiring with APD? If so, what does that look like?**

Hiring police officers has been a challenge in recent years. While the economy has been good, it has been difficult to find applicants who want to become police officers. Given the current climate, I suspect it is going to be even harder in the years to come. It has been difficult to find applicants who meet the basic qualifications. Around 2016, the City of Auburn hired a firm to develop a recruiting platform to focus on recruiting and hiring for diversity. Currently, we omit the names, race, and gender from applications before they are reviewed by the police department. We also established a mentoring program which we will talk more about later. Since becoming Chief, I have hired 14 people, 10 of

which are for commissioned positions. Of the 14 positions (2 Hispanic Males, 4 White Females, 1 Asian Female, 1 Black Male, and 6 White Males.) Currently there is a black male lateral and a black male entry level candidate in the final stages of the hiring process. Additionally, I promoted the first nonwhite male to the command staff, selected the first female patrol dog handler, and sent the first female in the history of the department to SWAT basic. I also talked about the desire to create a scholarship program to improve diversity and recruit from within the Auburn Community. I think that the PAC can help us improve in this area and look forward to the ideas and suggestions.

- **Is there a reward system in APD based on numbers? Like promotions based on number of arrests, expected number of traffic tickets each month, etc.**
Quotas are illegal and unconstitutional. There is no reward system at Auburn PD related to numbers. Officers are expected to make 911 response their top priority followed by traffic, extra patrols, and community interaction. There are three E's associated with traffic enforcement (Education, Engineering, and Enforcement). A traffic stop doesn't always equal a ticket.
- **How much training do APD officers get in grappling (like Brazilian Jiu Jitsu) submission compared to weapons training?**
Post academy, Auburn Officers attend four sessions of defensive tactics. Each training is 2 hours each for a total of 8 hours each year. The training is a blend of martial arts. Officers also have 8 hours of firearms training each year which includes qualifications.



AGENDA BILL APPROVAL FORM

Agenda Subject:

Domestic Violence Presentation (O'Neil/Comeau)(30 Minutes)

Date:

February 16, 2021

Department:

PD/City Attorney

Attachments:

[Domestic Violence presentation](#)
[2020 Council Memo DV Human Services](#)

Budget Impact:

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

Administrative Recommendation:

For discussion only.

Background Summary:

Detective Charlene Hoch will give a presentation on Domestic Violence(DV). The presentation will provide a meaning for Domestic Violence, statistics for 2018-2020 DV cases in Auburn, Covid impact on cases 2019-2020 by quarter and highlight the involvement with firearms/weapons.

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

O'Neil/Comeau

Meeting Date: February 22, 2021

Item Number:

Domestic Violence 2018-2020

Detective Charlene Hoch

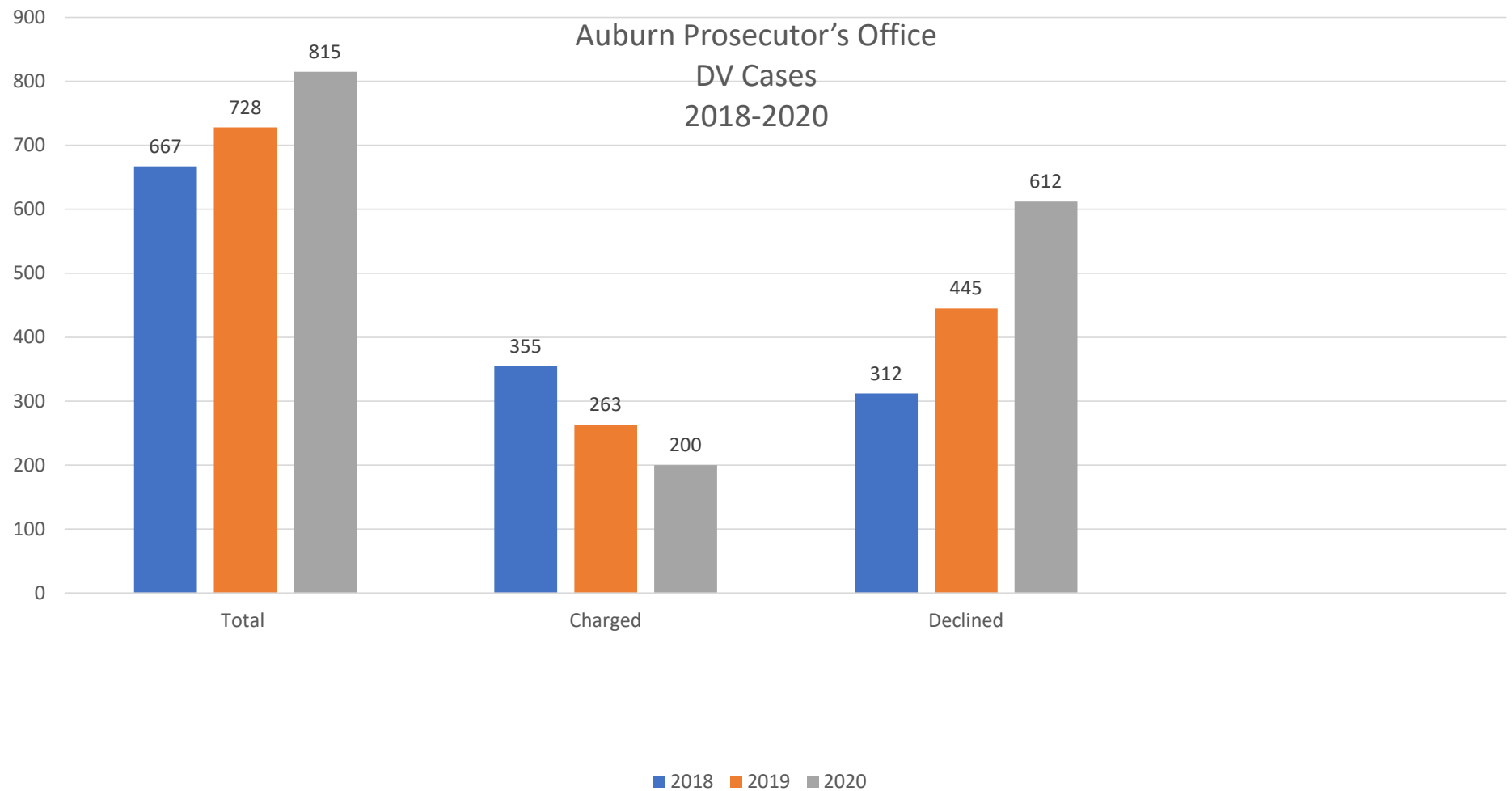


What is a domestic violence?

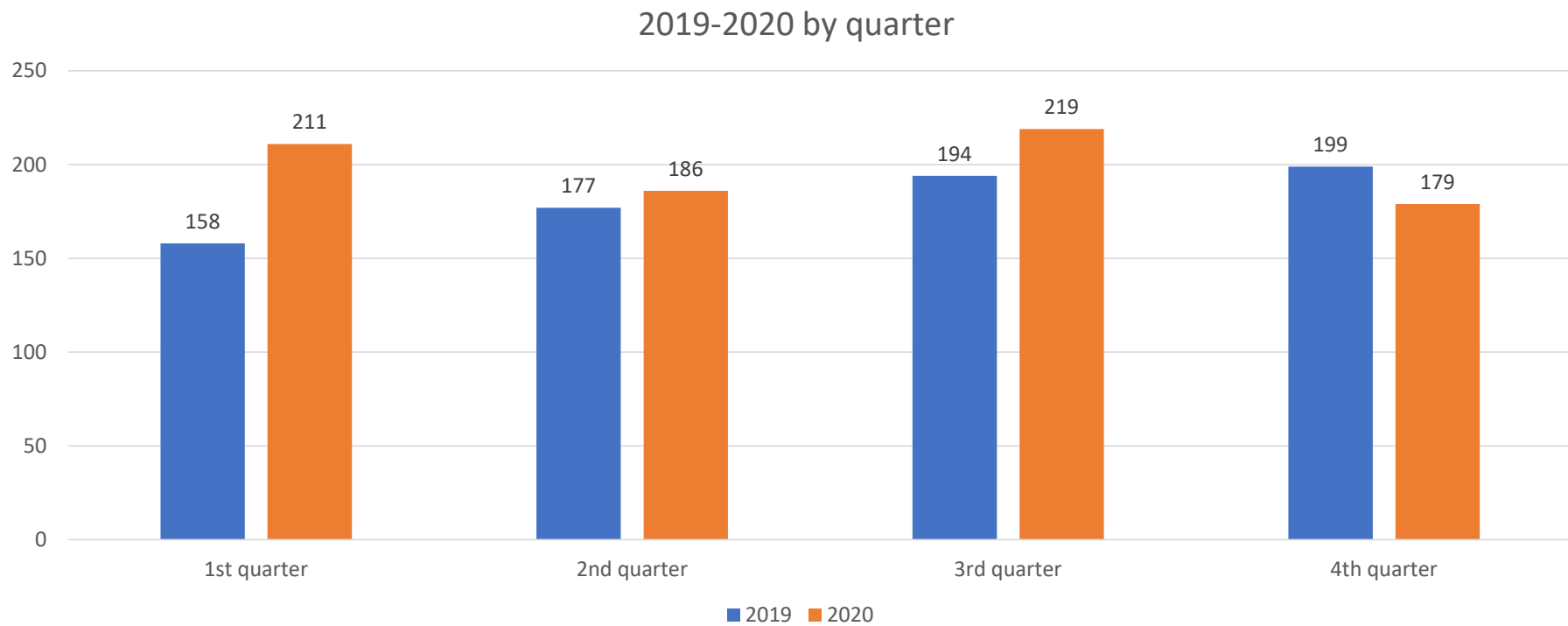
- "Domestic violence" means: (a) Physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, sexual assault, or stalking as defined in RCW [9A.46.110](#) of one intimate partner by another intimate partner; or (b) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, sexual assault, or stalking as defined in RCW [9A.46.110](#) of one family or household member by another family or household member.

Relationship?

- Family relations (related by blood or marriage)
- Intimate relationship (dating/marriage ages sixteen years and older)
- Persons who are residing together (roommates)



COVID impact on cases



Firearms and Domestic Violence

- Quick Facts from The Educational Fund to Stop Gun Violence 2019
 - 1) About 4.5 million women in the US have been threatened with a gun and nearly 1 million women have been shot or shot at by an intimate partner.
 - 2) A woman is five times more likely to be murdered when her abuser has access to a gun.

Firearm Domestic Violence Laws

- **Domestic Violence Order:**
- Defendant: Do not obtain, own, possess or control a firearm (RCW 9.41.040).
- Do not obtain or possess a firearm, other dangerous weapon, or concealed pistol license (RCW 9.41.088)
- Shall immediately surrender all firearms and other dangerous weapons within the defendant's possession or control and any concealed pistol license. Comply with the Order to Surrender Weapons filed separately (RCW 9.41.800).

Order to Surrender Weapons

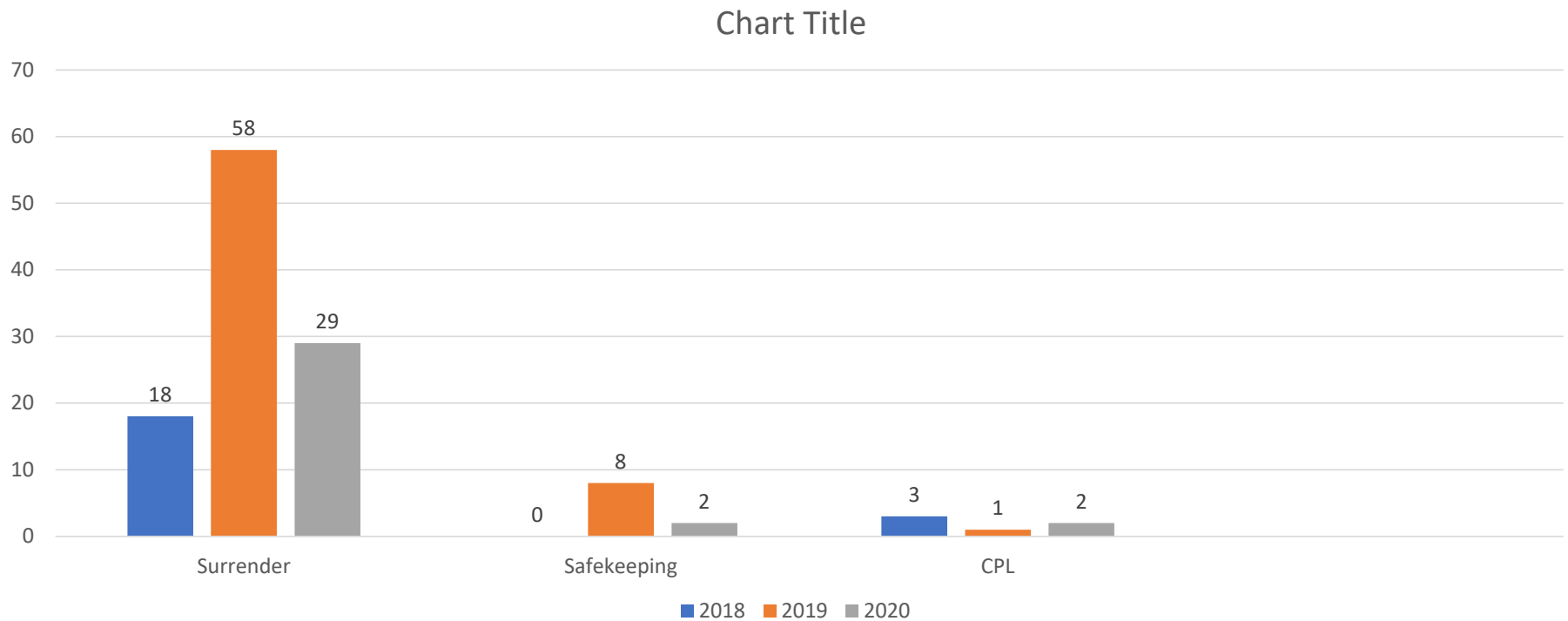
- The court orders the defendant must:
 - Not obtain or possess any firearms, other dangerous weapons, or concealed pistol license and
 - Turn in any firearms, other dangerous weapons and concealed pistol license as stated in this order.

The order has information on how to surrender weapons to the local police department and if no firearms or license is owned, sign a Declaration of Non-Surrender form.

Firearms removed for safekeeping

- **Patrol** officers ask if there are firearms at domestic violence calls. If firearms are present, they are taken for safekeeping until the case and orders are resolved.
- **Extreme Risk Protection Orders** may also be obtained but rarely needed as DV orders are normally issued.
- **Conviction for a domestic violence crime** (assault fourth degree, coercion, stalking, reckless endangerment, criminal trespass first degree, violation of a no-contact order) committed on or after July 1, 1993, or harassment after June 7, 2018.

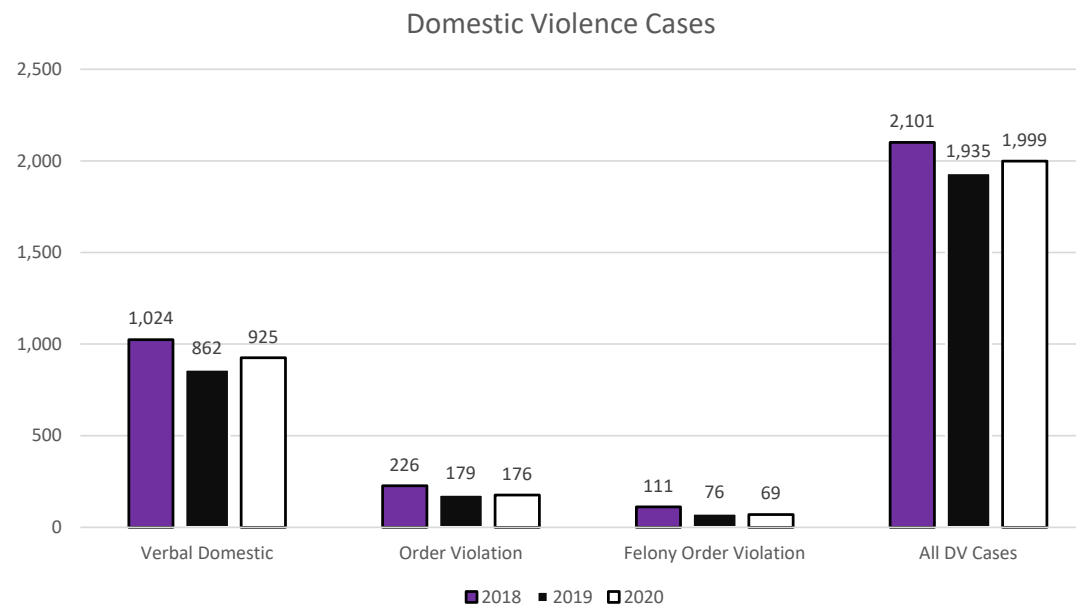
Auburn Police Firearms

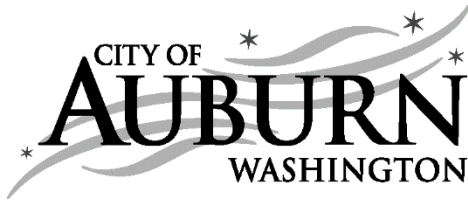


Dangerous Weapons

- Also surrendered were several BB guns and compound bows.

DV Cases 2018-2020





MEMORANDUM

TO: City Council Members

FROM: Joy Scott, Community Services Manager,
Department of Community Development

DATE: February 22, 2021

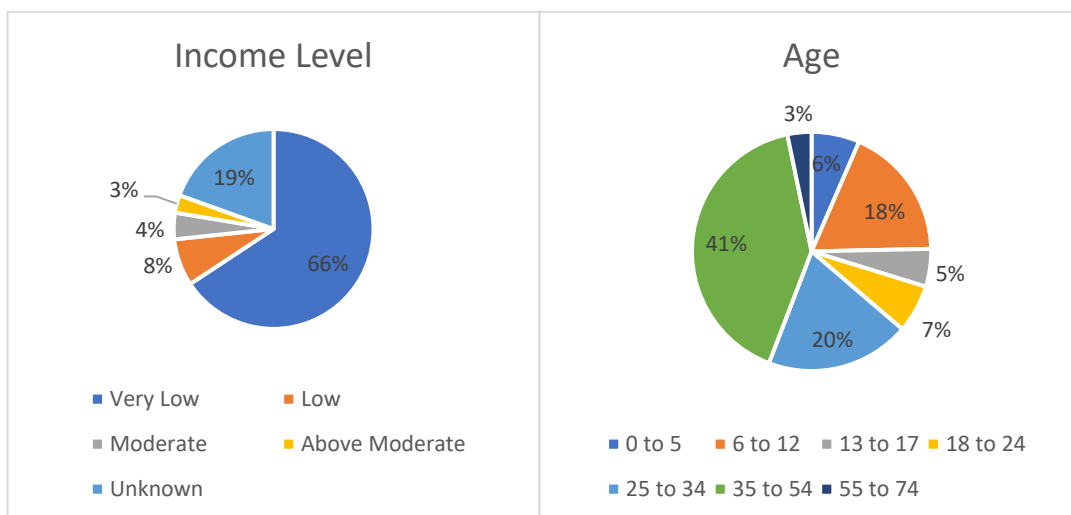
SUBJECT: 2020 Human Services Program Accomplishments for Agencies
Providing Domestic Violence Services

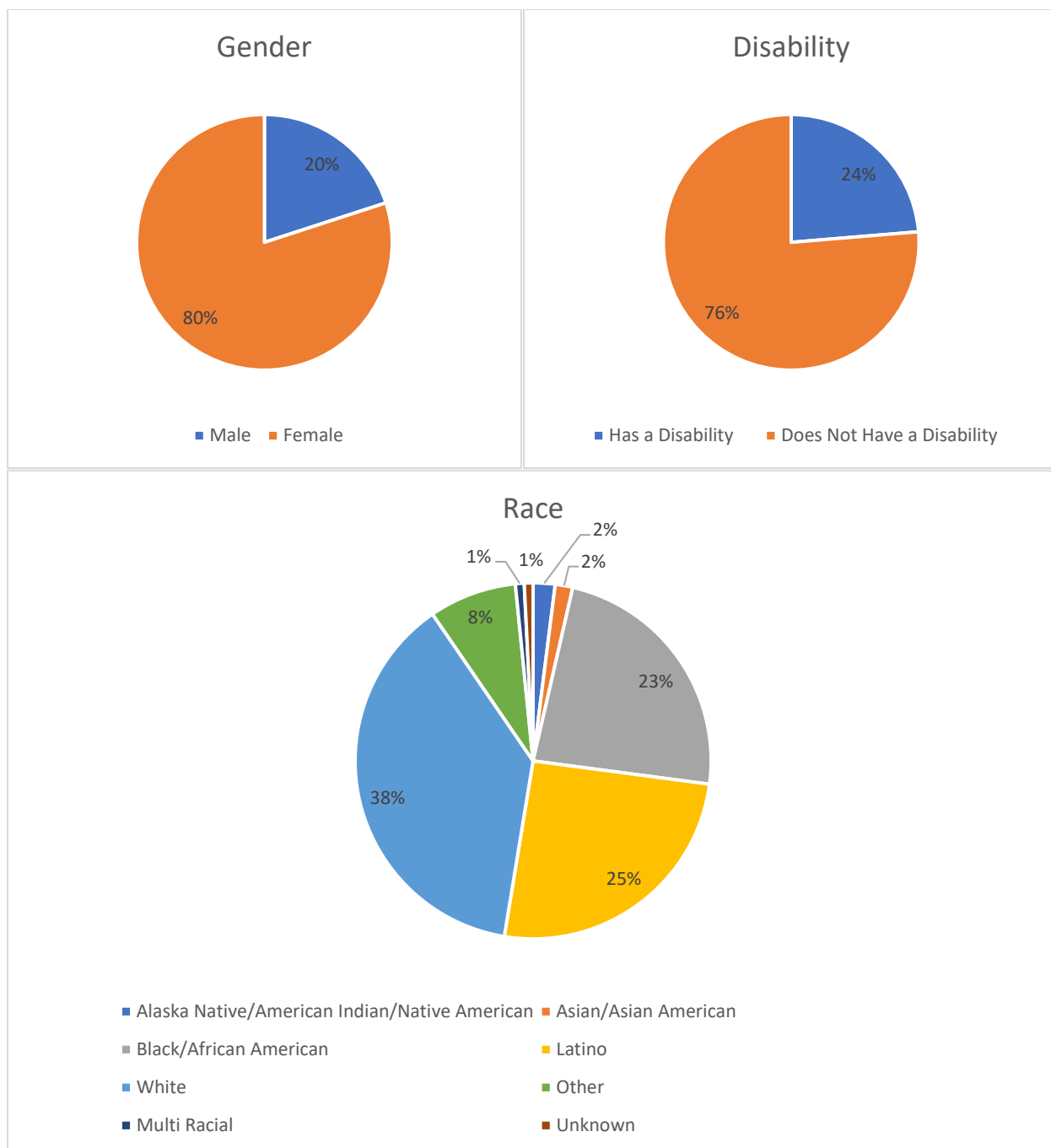
PURPOSE

Provide City Council with information regarding Domestic Violence services made available through the Human Services Grant Program to Auburn residents in 2020.

BACKGROUND

The Human Services program, through a competitive application process, allocates funding to nonprofit agencies to provide direct services to community members. The Human Services Program funded five programs in 2020 to provide case management, support groups, and other Domestic Violence advocacy services to Auburn residents. In 2020, these programs provided over 2,400 hours of services to 116 residents. Below is a snapshot of program client demographics across all five programs.





In addition to submitting demographic and service unit data reports, agencies are also asked to share narrative reports on a quarterly basis of progress, challenges, and/or client stories. The following are excerpts from Domestic Violence Agency narrative reports submitted during 2020:

Here is a story of a survivor's progress and resilience in the middle of a pandemic. MB shared that she has been in an abusive relationship for a very long time. She said that she thought it

was normal for him to treat her that way. Her husband would put her down and push her for no reason. When and if they go out, he always made sure to be nice to her, so individuals could say how nice he was towards her and how she was lucky to have a very attentive husband. Once they were home, he would become the mean person he has always been towards her.

She asked him to teach her how to drive- he said that she did not need to learn because he was there to take her around if she needed to go anywhere. One day MB got tired of her husband's treatment, so she decided to look for help and reached out to Consejo do develop a safety plan and exit strategy. Client MB has regularly been attending Support Group meetings and received mental health counseling. Staff has noticed how much progress she has made now that she and her children have separated from her husband.

Due to additional stress, lack of normal community and social supports for partners, children learning from home, and adults working remotely, survivors have indicated they are hesitant to reach out for support if they are still in their relationship even if abuse is escalating. We are working on to address this gap between DV happening and survivors reaching us, through some targeted outreach to healthcare and county-wide partners. We will also hold the first facilitation training for group facilitators as we ramp up our new model and folks get used to the dynamics of virtual groups.

Over the summer we rolled out a new contact-less system for advocates to drop pre-made bags of food into the trunk of survivors' cars. This has worked really well with the fluctuations of donations we are receiving. We have had very successful Adopt a family campaign this December! We had over 110 families adopted this year and distributed all the gifts out in 6 days!

We have continued outreach to different partners with multiple agencies in the SKC areas to offer our support services and various resources virtually. Since meeting with families via telephone and Zoom, it is possible for program staff to observe the child in their home environment and connect with their siblings and parents. Staff is able to help the family build skills that work for their specific situation.

Many black and brown school age kids are struggling with remote learning, and many did not have the tools/equipment to complete their school work; laptops, food, space etc. We heard from the communities, that it was more important for families during this time to, "pay rent, provide food, keep utilities working, and stay connected to the outside world with laptops/internet".

For those survivors who are isolated with their abusive partner, and many that are trying to flee, providing tools on how to safety plan with her children in the home is critical. We are able to provide safe housing for many survivors and their children fleeing from intimate danger. YWCA

was able to support survivor's with rental assistance, utilities assistance, food, legal assistance, navigating many of resources and systems, and trauma informed advocacy.

Many survivors are utilizing services available to them such as support groups, counseling and therapy via Zoom and continued use of advocacy services. Advocates continue working with survivors over the phone providing counseling, referrals for rental assistance and food delivery services. Thanks to the generosity of local donors and food banks, advocates were able to provide survivors with much needed and appreciated food donation boxes. DSHS survivors received an additional \$399.00 in food stamps to assist with food needs of children at home.

There is a continued need by clients, for rental, utility, and food assistance. During 4th Quarter several clients were able to secure safe and permanent housing with the assistance of advocacy and funding resources provided by advocates. We continued communicating with clients virtually and in-person. We saw many clients in need of assistance with housing and living costs. One survivor recently became employed; however, she did not yet have a steady income that would allow her to pay her move-in costs. Our agency was able to assist her with move-in cost and first month's rent.

INDIVIDUAL PROGRAM ACCOMPLISHMENT DATA

Consejo Counseling and Referral Service:

Domestic Violence Community Advocate Program

Consejo's Domestic Violence Advocacy Program provides outreach & engagement, information & referral services, advocacy-based counseling, safety planning, legal advocacy and support groups for Latina survivors of domestic violence. Services are designed to understand the complex needs of survivors, many of whom are Spanish-speaking/monolingual immigrants/refugees. Consejo's services build on clients' cultural beliefs, values and traditions to help them transition from crisis to self-sufficiency.

Consejo's Community Advocate program utilizes City of Auburn funds to provide domestic violence services that include: outreach and engagement, information and referral services, advocacy-based counseling, safety planning, legal advocacy and support groups for Latina survivors of domestic violence.

Contract Performance Measures:

- Unduplicated Auburn Residents Served
 - 2020 Goal: 7
 - **2020 Actual: 19**
 - 2019 Actual: 19
- Service Units:
 - Advocacy goal: 26 hours of advocacy services per year

- **2020 Actual: 197 hours**
 - 2019 Actual: 345 hours
 - Counseling goal: 20 hours of counseling services per year
 - **2020 Actual: 114 hours**
 - 2019 Actual: 97 hours
 - Support groups goal: 3 hours of support group services per year
 - **2020 Actual: 20 hours**
 - 2019 Actual: 93 hours
- How the Agency Measures Outcomes:
 - Upon intake, survivors and their advocate work together to determine client goals including short term crisis intervention, long term plans for achieving self-sufficiency and how to increase knowledge of domestic violence as well as resources in the community. On a quarterly basis, clients complete a survey that reflects each output. In support groups, the facilitator conducts pre and post surveys to determine knowledge and understanding of domestic violence. Client Service Plans, Pre/Post Surveys, and Client Observations are used to evaluate how clients are progressing to achieving goals.

Domestic Abuse Women's Network (DAWN)

Community Advocates Program

DAWN shelters and empowers survivors of domestic violence. DAWN provides trauma informed advocacy to help with safety planning, housing needs, legal aid, and any services necessary to assist an individual or family in crisis due to abuse. Most clients are from the most marginalized populations, and living at or below the poverty level. DAWN has been doing this work in King County since 1980.

DAWN's Community Advocates program utilizes City of Auburn funds to provide domestic violence services that include: providing trauma informed advocacy to help with planning, household needs, legal aid, and other services necessary to assist an individual or family in crisis due to abuse.

Contract Performance Measures:

- Unduplicated Auburn Residents Served:
 - 2020 Goal: 29
 - **2020 Actual: 34**
 - 2019 Actual: 294¹

¹ An additional note from the agency about 2019 vs 2020 data collection methodology: Through our intake process, we do record the city where the survivor is coming from or the last permanent address if not the same. We have noticed some instances when the survivor/caller does not want to disclose the city or state they are homeless. The address protection program, at times, requires us to document as city unknown when calling for community advocacy. We do have instances where we will receive a call, but the service decides to no-show; or decide to decline services at this time. This pattern was noticeable at the beginning of the pandemic and continued through 2020. Survivors found themselves needing to reach out in shorter time frames, or in intermittent process, because of lack of safety due to isolation.

- Service Units:
 - Case management goal: 36 hours of case management advocacy services per year
 - **2020 Actual: 1,424 hours**
 - 2019 Actual: 1,620 hours
- How the Program Measures Outcomes:
 - DAWN utilizes performance measures and outcomes identified by the Family Violence Prevention and Services Act (FVPSA) to measure safety and well-being. DAWN has seen strong results in this area. Outcomes are measured each quarter using a time sampling method. Both indicators must be achieved in order for it to be a positive outcome. Additionally, DAWN measures how adult survivors of domestic violence feel about the resources they have. Clients are asked if they know more about community resources, including if they know how to access those resources. This is done after the survivor has had several meetings with an advocate.

Prevention/Children's Programming

The KIDS program offered at DAWN is a psycho-educational curriculum based program offered to families impacted by domestic violence. The goals of this program include safety planning, understanding domestic violence, conflict resolution skills building, emotion coaching, boundary setting, healthy relationships, and on-going post separation advocacy for the adult survivor. Flexibility is built into this program and it can be offered in-home or in a small group format.

DAWN's Prevention program utilizes City of Auburn funds to provide children's domestic violence services that include: psycho-educational curriculum-based programming to families impacted by domestic violence.

Contract Performance Measures:

- Unduplicated Auburn Residents Served:
 - 2020 Goal: 20
 - **2020 Actual: 11**
 - 2019 Actual: 21
- Service Units:
 - Counseling goal: 25 hours of counseling services per year
 - **2020 Actual: 58 hours**
 - 2019 Actual: 52 hours
- How the Program Measures Outcomes:
 - DAWN will conduct a pre and post program survey to measure the non-abusing parent's perception of the relationship between themselves and each child. For success in these areas DAWN will look for an increase in the areas of closeness, trust, and support. The advocate works with each child and the non-abusing parent to create a safety plan that works best for their family. Each member of the family will have their own distinct role based on the individual's ability and

need. Methods allow for each family member to verbalize their plan and a written copy will be kept in DAWN's secured files.

YWCA Seattle King Snohomish

Children's Domestic Violence Program

The Children's Domestic Violence Program (CDVP) is the only one of its kind in Washington State. CDVP Advocates work on an individualized level with each child and their non-abusive caregiver during 1:1 home visits. The program includes a culturally- specific, 10-week curriculum composed of activities specifically designed to help children heal from the effects of witnessing domestic violence. Program staffed are based out of YWCA's South King County Regional Center.

The YWCA's Children's Domestic Violence program utilizes City of Auburn funds to provide services that include: culturally-specific curriculum to assist children in healing from the effects of witnessing domestic violence.

Contract Performance Measures:

- Unduplicated Auburn Residents Served:
 - 2020 Goal: 7
 - **2020 Actual: 12**
 - 2019 Actual: 8
- Service Units:
 - Advocacy goal: 105 hours of individualized counseling per year
 - **2020 Actual: 148 hours**
 - 2019 Actual: 124 hours
- How the Program Measures Outcomes:
 - While it is not realistic to estimate that 100% of participants will always be able to achieve the intended program outcome, YWCA staff always strive to help every survivor in need. The YWCA aims to help clients improve their understanding of domestic violence, increase access to resources, and increase safety by creating safety plans. This data is collected in an internal database (Client Track) which involves advocates completing an intake and exit form for all household members, which track participant demographics and outcomes.

Domestic Violence Services

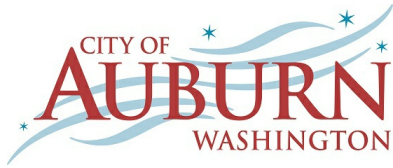
The YWCA Domestic Violence Program provides community advocacy, legal advocacy, support groups, and financial education services to adults and youth who are survivors of domestic or dating violence. The program includes culturally relevant services for African-American households and households of color. Part of the Specialized and Integrated Services division of the YWCA, the program operates throughout South King County.

The YWCA's Domestic Violence program utilizes City of Auburn funds to provide domestic violence services that include: advocacy services for adults and youth who are survivors or domestic or dating violence.

Contract Performance Measures:

- Unduplicated Auburn Residents Served:
 - 2020 Goal: 40
 - **2020 Actual: 40**
 - 2019 Actual: 45
- Service Units:
 - Advocacy goal: 400 hours of client DV advocacy provided
 - **2020 Actual: 448 hours**
 - 2019 Actual: 529 hours
- Outcomes:
 - While it is not realistic to estimate that 100% of participants will always be able to achieve the intended program outcome, YWCA staff always strive to help every survivor in need. The YWCA aims to help clients improve their understanding of domestic violence, increase access to resources, and increase safety by creating safety plans. This data is collected in an internal database (Client Track) which involves advocates completing an intake and exit form for all household members, which track participant demographics and outcomes.

**Note: Many agencies are funded by the City of Auburn for programs that provide a range of services that support survivors of domestic violence, including legal, mental health, and culturally- and linguistically-specific programs. These agencies are not included in this summary.*



AGENDA BILL APPROVAL FORM

Agenda Subject:

Ordinance No. 6814 (Thomas)(60 Minutes)

Date:

February 8, 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 first review of the draft B&O code. Comments and suggestions received from Council and the business community have been imbedded in the draft code and those will be highlighted and discussed. The purpose of this meeting is to review and discuss the:

1. Proposed tax rates and reporting thresholds;
2. Proposed square footage tax;
3. Proposed tax credits;
4. Required language (RCW) vs. the optional language addressing the exemptions and deductions that best suit Auburn's needs.

Reviewed by Council Committees:**Councilmember:**

Meeting Date: February 22, 2021

Staff:

Thomas

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 an office,~~ warehouse or outdoor warehouse, ~~or other place of business~~ 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 space ~~, or other business floor space for each office, or other place of business~~ 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, other business floor space means the floor space of an office or place of business, other than a business warehouse or outdoor warehouse.~~
5. For purposes of this section, the square footage of a business warehouse ~~and other business floor space~~ 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.
6. 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.
7. Persons with more than one ~~office,~~ business warehouse or outdoor warehouse ~~or other place of business~~ within the city must include all business warehouse floor space and outdoor warehouse space, ~~and other business floor 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.
8. 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 tax imposed under this chapter shall not exceed four million two hundred fifty thousand dollars (\$4,250,000) during any calendar year. The cap set forth in this subsection shall be administratively adjusted by the Administrator 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 ACC1-1-9.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.

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 ~~of fifty (50) or more~~ 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.
- 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

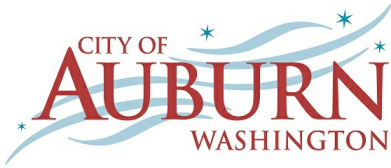
herein designated and that such taxes or fees shall constitute a part of the cost of doing business of such persons.

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:

Capital Projects Status Report and Feature Project (Gaub)(20 Minutes)

Date:

February 16, 2021

Department:

Public Works

Attachments:

[Capital Projects Status Report](#)

[Presentation](#)

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

The purpose of this discussion is to inform the Council and Public of the overall status of the City's Capital Project program managed by the Engineering Services Division and to present the 2021 first quarter feature capital project, the Academy Pump Station 1 Replacement project (Project No. CP1916). This Project will demolish and replace the existing Pump Station 1 facility at the site and repurpose the existing Pump Station 2 facility into a storage facility. Construction of this project is anticipated to start in April 2021 and be complete in May 2022.

The Capital Project Group of Engineering Services is currently managing 35 projects, totaling approximately \$60 million in total project costs.

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

Gaub

Meeting Date: February 22, 2021

Item Number:

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP1416	F St SE Non-Motorized Improvements This project will reconstruct F St SE from 4th St SE to Auburn Way South, including adding new sidewalks, curb and gutter, street lighting, streetscape elements, and safety improvements. Some sections of water and sewer lines will be replaced and overhead utilities will be relocated underground. Some ROW acquisition was necessary. The project also includes bike boulevard and way-finding components between Auburn Station and Les Gove Community Campus.	\$4,320,387 (Includes Federal Grant Funds)	QTR 2 (APR-JUN) 20	QTR 3 (JUL-SEP) 21	Seth Wickstrom	Construction of the new sewer main and storm drainage system is complete. Construction of the new watermain, utility under-grounding, curbs/gutters, and paving is underway. Construction work is anticipated to continue through the winter.	Jacobs	Sound Pacific Construction
Project Status: CONSTRUCTION								
CP1812	Sewer Pump Station Electrical Improvements The purpose of this project is to update the electrical systems at sewer pump stations throughout the City to meet current electrical code, improve safety and increase the efficiency of maintenance.	\$1,280,000	QTR 3 (JUL-SEP) 20	QTR 2 (APR-JUN) 21	Jeffrey Bender	The electrical panels are custom built for each site. They are currently being fabricated and work will be completed as the materials for each site become available.	Parametrix	Source Electric

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP1903	Auburn Way North Preservation Phase 2 This project will grind and overlay Auburn Way N from approximately 8th Street NE to 22nd Street NE, remove unused driveways, and upgrade curb ramps and pedestrian signals as needed to meet ADA requirements.	\$1,631,206 (Includes Federal Grant Funds)	QTR 2 (APR-JUN) 20	QTR 2 (APR-JUN) 21	Luis Barba	Contractor is completing concrete work in the intersection of 8th St NE and lowering utilities in preparation of paving. It is anticipated that paving and other weather dependent work will begin in the spring of 2021. This project is combined with CP1904 for construction.	N/A	Sound Pacific Construction
Project Status: CONSTRUCTION								
CP1904	Auburn Way North Preservation Phase 3 This project will grind and overlay Auburn N/S from approximately 4th Street SE to 8th Street NE, remove unused driveways, and upgrade all curb ramps and pedestrian signals to meet ADA requirements.	\$2,465,339 (Includes Federal Grant Funds)	QTR 2 (APR-JUN) 20	QTR 2 (APR-JUN) 21	Luis Barba	Contractor has completed installing all curb ramps and is finishing the electrical improvements. It is anticipated that paving and other weather dependent work will not begin until the spring of 2021. This project is combined with CP1903 for construction.	N/A	Sound Pacific Construction

Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP1618	Lake Tapps Parkway ITS Expansion Project Construction of new Intelligent Transportation System (ITS) infrastructure along Lake Tapps Parkway and A St SE. New infrastructure includes new communication lines, Variable Message Sign, ITS cameras, network upgrades, wireless connections, an interconnection with Sumner at 8th St E, & weather stations at Lakeland hills. The project will also replace some aerial copper communication lines along A St SE.	\$1,130,000 (Includes Federal Grant Funds)	QTR 3 (JUL-SEP) 20	QTR 2 (APR-JUN) 21	Jai Carter	Construction contract has been taken off suspension and work expected to resume week of February 1, 2021.	Transpo Group	Mill Plain Electric
Project Status: CONSTRUCTION								
CP1901	AWS - Poplar Curve Safety Improvements This Project will design and construct safety improvements in the vicinity of the Poplar Street curve along Auburn Way S. The specific elements of the project will install LED street lights, a speed-activated curve ahead warning sign, high friction surface treatment, guardrail, and reconstruct curb radii and driveways.	\$338,200 (Includes Federal Grant Funds)	QTR 3 (JUL-SEP) 20	QTR 1 (JAN-MAR) 21	Jeffrey Bender	The Dynamic Warning Sign is now operational and is being tested. All other items of work on this project are complete. Substantial completion was granted on January 27, 2021.	N/A	NW Cascade

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP1912	15th Street NW Dynamic Message Sign This project is constructing a new dynamic message sign on the shoulder of eastbound 15th Street NW between C St NW and SR 167 and connecting existing traffic signals at W Valley Hwy, C St NW, A St NE, and D St NE to the existing City fiber system.	\$406,820	QTR 2 (APR-JUN) 20	QTR 2 (APR-JUN) 21	Seth Wickstrom	Construction contract work resumed on January 27, 2021. The contractor is currently working on installing the sign foundation. The new dynamic message sign is to anticipated to be installed in February 2021 once the new pole arrives from the manufacturer.	N/A	West Coast Signal
Project Status: CONSTRUCTION								
CP1929	Lea Hill AC Main Replacement Project The project purpose is to replace approximately 5,685 LF of 4" to 8" existing asbestos cement (AC) water mains with 8" or 12" ductile iron pipe (DIP) water mains and associated gate valves, fire hydrants, water meters, service lines and other appurtenances in the City's Lea Hill Service Area.	\$3,248,000	QTR 3 (JUL-SEP) 20	QTR 2 (APR-JUN) 21	Jai Carter	The construction contract has been suspended for weather. Construction work will resume in the spring when the weather is more advantageous for paving and landscaping restoration.	MurraySmith	Rodarte

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP1902	2020 Pedestrian Safety, Sidewalk and ADA Improvement Project Improves pedestrian accessibility & safety throughout the City. Numerous sites throughout the City where sidewalks are in need of repair or improvement, curb ramps are needed, and where pedestrian crosswalk improvements are desired.	\$851,216 (Includes Federal Grant Funds)	QTR 3 (JUL-SEP) 20	QTR 1 (JAN-MAR) 21	Jeffrey Bender	The Contractor has completed work on all 17 sites. Some minor restoration and cleanup work remains. Some asphalt repair work will resume in the spring when the weather is more advantageous.	N/A	R.W. Scott Construction
Project Status: CONSTRUCTION								
CP1926	2020 Arterial Street Preservation (15th St NW) Replace the pavement and replace and up-size of the existing 8" cast iron water main to a 16" ductile iron water main on 15th Street NW from R Street NW to West Valley Highway. The project will also grind and overlay of 15th Street NW from West Valley Highway to SR 167.	\$1,633,400	QTR 2 (APR-JUN) 20	QTR 2 (APR-JUN) 21	Seth Wickstrom	Construction of new water line and base lift of pavement west of West Valley Highway is complete. Construction of new curbs/gutters and sidewalk is underway. Construction work is anticipated to continue through the winter, however final paving is not expected until the Spring 2021.	N/A	Road Construction Northwest (RCNW)

Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP2001	Deduct Meter Replacement, Phase 2 This Project will replace approximately 56 of the 128 remaining deduct meters within the City limits, including replacing related piping and restoration.	\$512,500	QTR 1 (JAN-MAR) 21	QTR 2 (APR-JUN) 21	Jeffrey Bender	Preconstruction meeting is scheduled on February 24, 2021. Construction work is anticipated to begin in March 2021.	N/A	Nordvind Company
Project Status: CONSTRUCTION								
CP1920	Citywide LED and Streetlight Controls This project will retrofit existing City street lights with LED fixtures and street light controls for remote management.	\$2,700,000	QTR 2 (APR-JUN) 20	QTR 2 (APR-JUN) 21	Scott Nutter	Installation of upgraded LED lights underway.	Washington Department of Enterprise Services	McKinstry

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: CONSTRUCTION								
CP2024	Howard Road VFD Replacement This project will remove and replace the existing 480V, 200HP variable frequency drives (VFDs) for potable water pumps at the Howard Road Corrosion Control Facility. The work also will include a new VFD enclosure and VFD programming for each pump.	\$120,000	QTR 3 (JUL-SEP) 20	QTR 1 (JAN-MAR) 21	Jeffrey Bender	Construction contract work was completed on January 11, 2021. Final invoice was processed on January 11, 2021. Project closeout is underway.	N/A	Custom Electric
Project Status: CONSTRUCTION								
CP2026	North Airport Area Storm Improvements The purpose of this work is to better utilize an existing storm pond and prevent flooding around the hangars on the north end of the airport. This project will also allow the City to eventually eliminate one or more of the existing storm ponds at the north end of the Airport in future to improve airport safety.	\$276,000	QTR 1 (JAN-MAR) 21	QTR 2 (APR-JUN) 21	Seth Wickstrom	The construction contract has been suspended for procurement of long-lead materials (pipe and pipe adapters) which are anticipated to be delivered in early February 2021.	N/A	Reed Trucking

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP1603	Coal Creek Springs Transmission Main Repair The project will construct a second, parallel transmission pipeline over the White River suspended from a new pedestrian bridge, inspect the existing steel transmission main for possible leaks and repair the leaks, if any.	\$683,522	QTR 1 (JAN-MAR) 22	QTR 4 (OCT-DEC) 22	Seth Wickstrom	Environmental permitting submitted and under review. 90% design review complete. Construction funding is not yet secured. The City has applied for a Drinking Water State Revolving Fund Loan and a Parks Grant to supplement City funds to cover construction costs.	Jacobs	TBD
Project Status: DESIGN								
CP1724	37th St NW Flood Control The purpose of the project is to alleviate significant annual flooding at the 1000 block of 37th St NW of Auburn, Washington, by upgrading the drainage system with a box culvert.	\$291,000	TBD	TBD	Luis Barba	This project is being separated into two phases due to permitting, property rights, and grant funding obligations. The first phase will be improvements to the existing storm drainage system within the right of way and outside of the stream. The second phase will include the work within the stream channel.	N/A	TBD

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
MS1811	Auburn Airport Runway Extension - Property Acquisition Phase Acquire a portion of the King County Park & Ride as part of the Auburn Airport Runway Enhancement Project (Project Number CP1516).	\$555,600 (Includes Federal Grant Funds)			Seth Wickstrom	Preliminary short plat application under review. Working with King County on the purchase and sale agreement language for sale of property.	N/A	N/A
Project Status: DESIGN								
CP1916	Academy Pump Station 1 Replacement This project demolishes and replaces Pump Station 1, repurposes Pump Station 2 into a storage facility, replaces backup power systems at the site, and replaces/installs underground water main to the facility.	\$4,352,479	QTR 1 (JAN-MAR) 21	QTR 1 (JAN-MAR) 22	Jeffrey Bender	The Department of Health Project Report has been conditionally approved. All required permits through the City have been approved. Design is complete and this project was advertised for bids on January 28, 2021. Bid opening is scheduled on February 18, 2021.	Carollo	TBD

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP1622	Auburn Way South Improvements - Hemlock St SE to Poplar St SE Roadway widening to create a five-lane cross section with two general purpose travel lanes in each direction, and a two-way center left-turn lane. A new roundabout is proposed near the Noble Court intersection to support access to Chinook Elementary School. Additionally, curb and gutter, 10 foot sidewalks, illumination, transit stop improvements, storm water improvements, water main extension, and access management (where feasible) with accommodation for U-turns are proposed.	\$1,500,000 (Includes Federal Grant Funds)	QTR 1 (JAN-MAR) 22	QTR 4 (OCT-DEC) 23	Jeffrey Bender	Design is currently on hold due to coordination efforts with WSDOT and Auburn School District related to the Chinook Elementary improvements. Design efforts are anticipated to resume in March 2021. Construction funding has not been secured. The City will apply for grants where available.	Parametrix	TBD
Project Status: DESIGN								
CP1927	Auburn Way N and 1st Street NE Signal Replacement This project will replace the existing traffic signal at Auburn Way North and 1st Street NE with a new traffic signal per the City of Auburn standards and the Downtown standards. The project also includes adding left turn pocket on 1st Street NE and flashing yellow arrows in all four directions.	\$1,156,513	QTR 2 (APR-JUN) 21	QTR 4 (OCT-DEC) 21	Matt Larson	90% design review is complete and the city design team is finalizing the design.	N/A	TBD

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
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Project Status: DESIGN

CP1922	Lead Service Line Replacement Project The purpose of this project is to provide improvements to the City's water distribution system, and avoid any potential public health issues associated with existing lead gooseneck service line infrastructure. The project will replace approximately 7,100 linear feet of water main, approximately 190 water services, potentially reconstruct 13 street segments and upgrade associated drainage, curb & gutter, curb ramps; as well as grind and overlay 4 street segments.	\$5,415,000	QTR 2 (APR-JUN) 21	QTR 4 (OCT-DEC) 21	Jai Carter	Consultant design team is working toward 90% design submittal which is anticipated to be submitted on February 5, 2021. Team is also working on project environmental documentation and permits.	MurraySmith	TBD
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Project Status: DESIGN

CP2012	M Street SE Sidewalk Improvements Project will design and construct missing sections of sidewalk along M Street SE between Auburn Way S and 8th St SE. The project scope includes installation of sidewalk, ADA curb ramps and street lighting.	\$749,542 (Includes State Grant Funds)	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Luis Barba	City design team is currently working towards 90% design submittal which is anticipated to be delivered in February 2021.	N/A	TBD
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Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP2003	2nd Street SE Preservation Project This project will reconstruct the pavement on 2nd Street SE between A Street SE and Auburn Way S. The project will also replace 450 feet of sewer main, construct new curb ramps, install new LED Street lighting, replace curb & gutter as needed, and upgrade drainage infrastructure as needed.	\$1,163,755 (Includes State Grant Funds)	QTR 2 (APR-JUN) 21	QTR 4 (OCT-DEC) 21	Jai Carter	City design team completed 90% design submittal on January 29, 2020 which is currently under review.	N/A	TBD
Project Status: DESIGN								
CP2010	2021 Sewer Repair and Replacement Project This project plans to replace a total of approximately 2585 LF of 8"-10" diameter sewer line at 9 separate sites and construct 10 spot repairs.	\$2,400,000	QTR 2 (APR-JUN) 21	QTR 4 (OCT-DEC) 21	Jai Carter	City design team is working toward the 50% submittal which is anticipated to be completed in early February 2021.	N/A	TBD

Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP2011	Lakeland Hills Way Preservation Grind, patch, and overlay Lakeland Hills Way from 57th Drive SE to Lake Tapps Dr SE.	\$1,790,000	QTR 1 (JAN-MAR) 21	QTR 4 (OCT-DEC) 21	Seth Wickstrom	City design team is finalizing the contract documents. It is anticipated that this project will be advertised for bids in February 2021.	N/A	TBD
Project Status: DESIGN								
CP2018	S. 330th St and 46th Place S Storm Improvements Relocate existing storm system located on private property, into approximately 350 linear feet of new 24-inch storm pipe within the public right-of-way. Improvements will include replacing existing outfall structure and connections of private drainage pipes.	\$379,000	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Luis Barba	The city design team is currently working towards the 90% design submittal which is anticipated to be completed in February 2021.	N/A	TBD

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP2017	2021 Storm Renewal and Replacement Project The purpose of this project is to repair and replace storm system infrastructure throughout the City, at six different locations. Improvements will eliminate known drainage issues and reduce maintenance efforts.	\$1,100,000	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Luis Barba	City design team is working toward the 75% design submittal which is anticipated to be completed in mid-February 2021.	N/A	TBD
Project Status: DESIGN								
CP2019	2021 Local Street Reconstruction and Preservation This project will design and construct the following improvements: Site #1 (G St SE from E Main to 4th St SE) - Full depth pavement re-build; replace water main incl. water services; upgrade storm drainage system as needed; and upgrade curb ramps to meet ADA. Site #2 (Riverwalk/Forest Ridge) - Grind and overlay the roadway; replace water main incl. water services; upgrade storm drainage system on 24th Ave/St. SE; and upgrade curb ramps to meet ADA.	\$5,660,000	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Kim Truong	90% design review is complete and the consultant design team is working to finalize the contract documents. It is anticipated that this project will be advertised for bids in March 2021.	Jacobs Engineering	TBD

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
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Project Status: DESIGN

CP2007	Lea Hill Rd Bridge Deck Preservation The project will grind and overlay the Lea Hill bridge deck in an effort to extend the overall service life of the bridge.	\$647,850 (Includes Federal Grant Funds)	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Kim Truong	Consultant scope and fee negotiations are being finalized. The design work will begin in early February 2021.	KPFF	TBD
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Project Status: DESIGN

CP2006	3rd Street SW Bridge Decks Preservation The project will seal and overlay the 3rd Street SW bridge decks in an effort to extend the overall service life of the bridges.	\$673,540 (Includes Federal Grant Funds)	QTR 2 (APR-JUN) 21	QTR 3 (JUL-SEP) 21	Kim Truong	Consultant scope and fee negotiations are being finalized. The design work will begin in early February 2021.	KPFF	TBD
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Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
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Project Status: DESIGN

CP2009	Rainier Ridge Pump Station This project will replace the Rainier Ridge Sewer Pump Station and its associated force main (approximately 725 ft).	\$3,415,000	QTR 2 (APR-JUN) 22	QTR 4 (OCT-DEC) 22	Jai Carter	The design consultant agreement has been executed and the notice to proceed was issued on January 21, 2021.	Kennedy Jenks	TBD
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Project Status: DESIGN

CP2022	Garden Avenue Realignment The project will create a new east/west connection between Garden Ave (102nd Ave SE) and 104th Ave SE and remove the existing Garden Ave connection to 8th St NE and replace it with a permanent cul-de-sac. The project will also demolish an existing building and acquire the ROW needed for the roadway. Utility improvements include storm drainage needed to support the roadway surface; approx. 1500 ft of new/replaced watermain; and approx. 220 ft of sewer line.	\$1,383,000	QTR 1 (JAN-MAR) 23	QTR 4 (OCT-DEC) 23	Kim Truong	Design survey is complete. City design team is working toward 15% design.	N/A	TBD
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Capital Project Status Report

Public Works Department - Engineering General Services Division

Project Number	Project Name & Description	Current Budget	Construction Start	Construction Finish	Project Manager	Recent Progress	Design Consultant	Contractor
Project Status: DESIGN								
CP2021	Well 4 Facility Improvements This project will evaluate whether replacing the soft starter with a VFD would allow the existing generator to function as designed or if the generator is undersized and needs to be replaced. The project will include a comprehensive investigation and evaluation of the well operation, replacing the aging control valve, gate valves and air relief system.	\$977,000	QTR 3 (JUL-SEP) 22	QTR 1 (JAN-MAR) 23	Seth Wickstrom	Consultant selection process is underway. Request for Proposals (RFP) was advertised on January 7, 2021 with proposals due on February 4, 2021.	TBD	TBD
Project Status: DESIGN								
CP2102	4th Street Preservation This Project will replace pavement and utilities on 4th Street SE from Auburn Way South to L Street SE. The project will also include replacement of City utilities, removal of sidewalk obstructions, replacement of sidewalk and curb ramps as needed to address ADA requirements, street lighting, and other improvements.	\$5,362,620	QTR 1 (JAN-MAR) 22	QTR 4 (OCT-DEC) 22	Jeffrey Bender	Consultant selection process is underway. Request for Proposals (RFP) was advertised on January 5, 2021 and proposals were received on January 26, 2021. Design Survey is underway.	TBD	TBD

ENGINEERING SERVICES

CAPITAL PROJECT STATUS REPORT & FEATURE PROJECT

**RYAN VONDRAK & JEFFREY BENDER
CITY COUNCIL STUDY SESSION
FEBRUARY 22, 2021**

Public Works Department

Engineering Services • Airport Services • Maintenance & Operations Services

AUBURN
VALUES

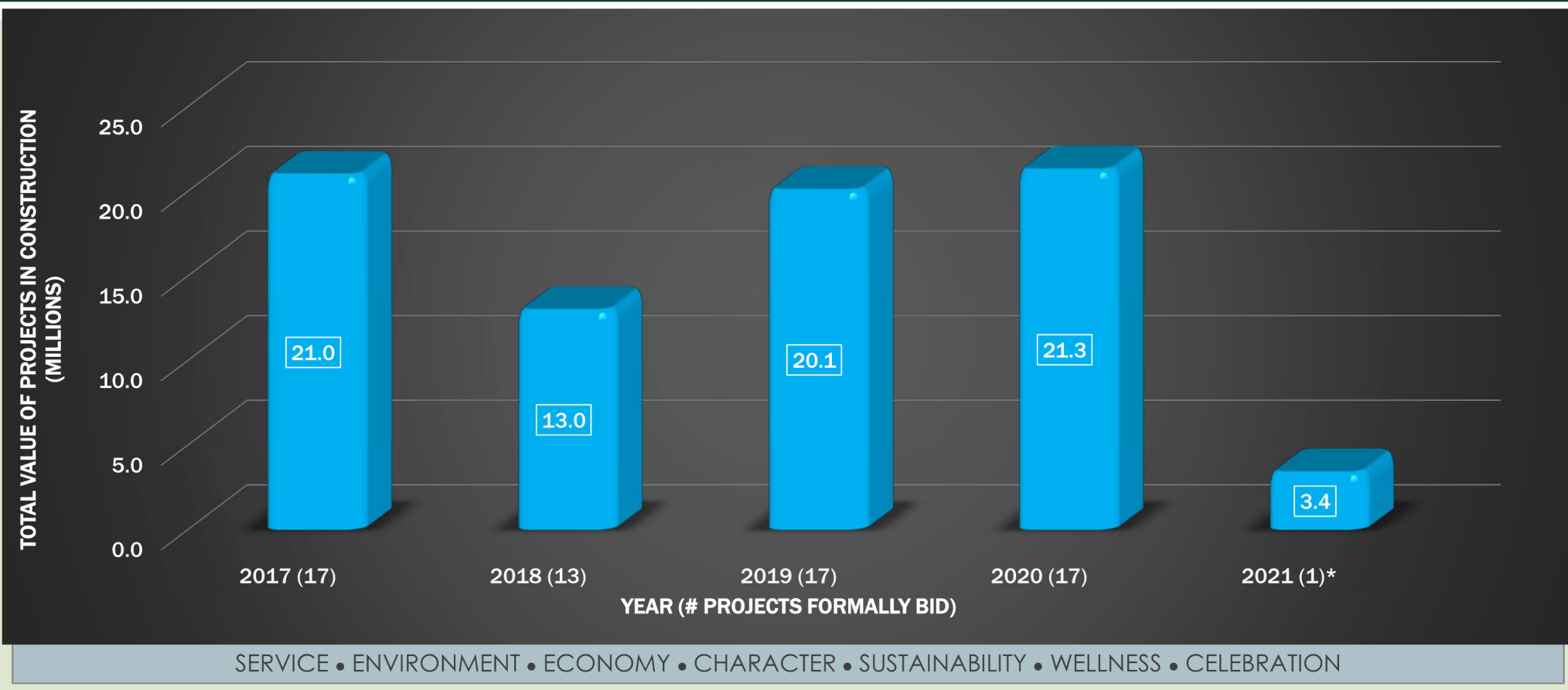
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CAPITAL PROJECTS – CURRENT STATUS

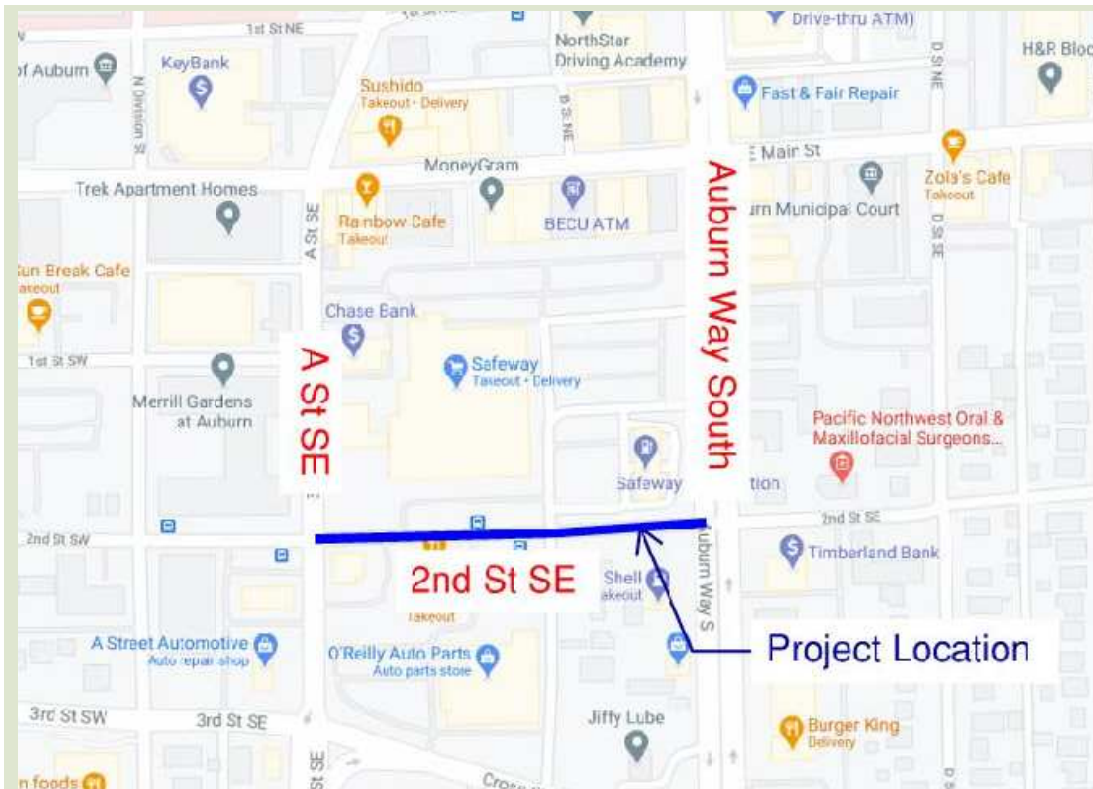
35 Active Capital Projects (Approximate total project value \$60.6 million)

- **21 are in Design (Approximate total project value \$39.7 million)**
- **14 are in construction (Approximate total project value \$20.9 million)**

CAPITAL PROJECTS – ADVERTISED FOR CONSTRUCTION



CP2003 2ND STREET SE PRESERVATION

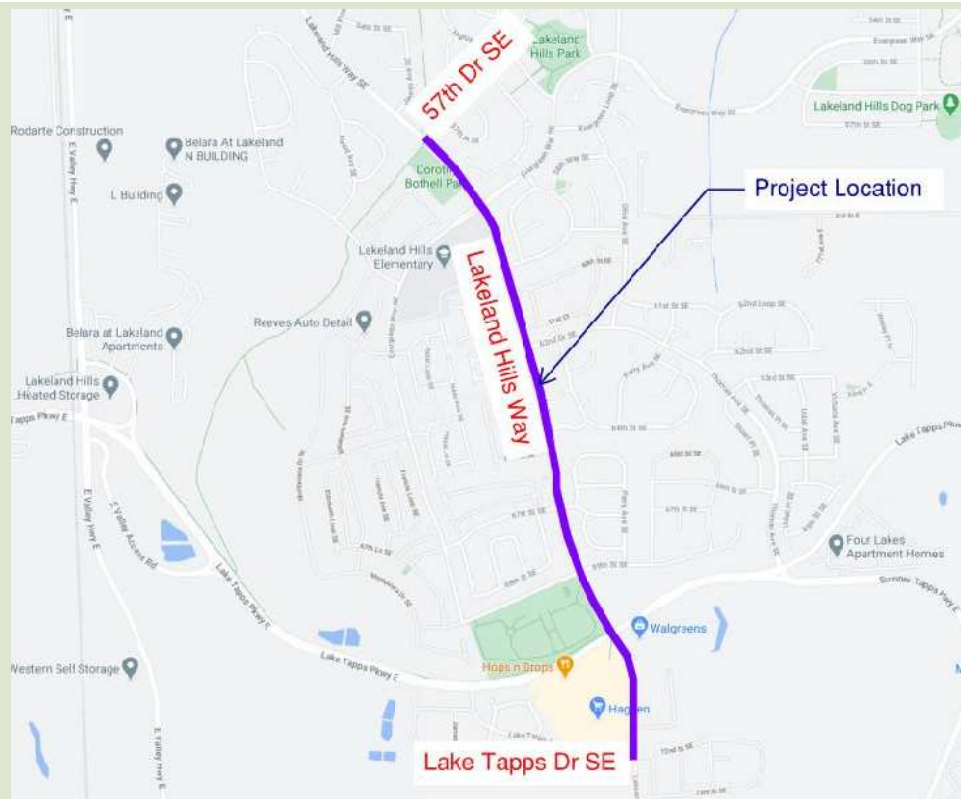


- (Page 12 of 19 in CPS Report)
- Roadway Reconstruction
- Street Lighting Improvements
- 450 ft of Sanitary Sewer Improvements
- Storm Drainage Improvements
- Upgrade Curb Ramps
- Construction Spring 2021



SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

CP2011 LAKELAND HILLS WAY PRESERVATION

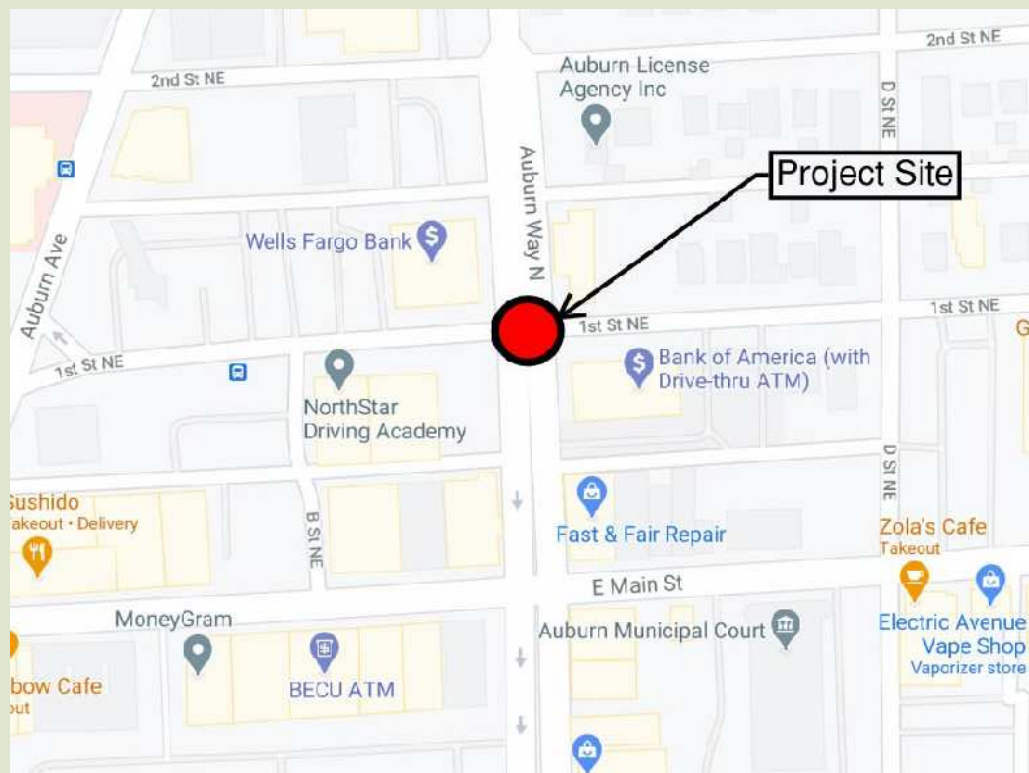


- (Page 13 of 19 in CPS Report)
- Patch, Grind and Overlay Pavement
- Upgrade Curb Ramps
- Replace Vehicle Detection Loops
- Construction Spring 2021



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CP1927 AUBURN WAY NORTH AND 1ST ST SIGNAL REPLACEMENT



- (Page 10 of 19 in CPS Report)
- Replace Aging Traffic Signal System
- Improve Pedestrian and Vehicle Safety
- Improve Vehicle Capacity Through the Intersection
- Construction Spring 2021*



SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

FEATURE CAPITAL PROJECT:

ACADEMY PUMP STATION 1 REPLACEMENT PROJECT

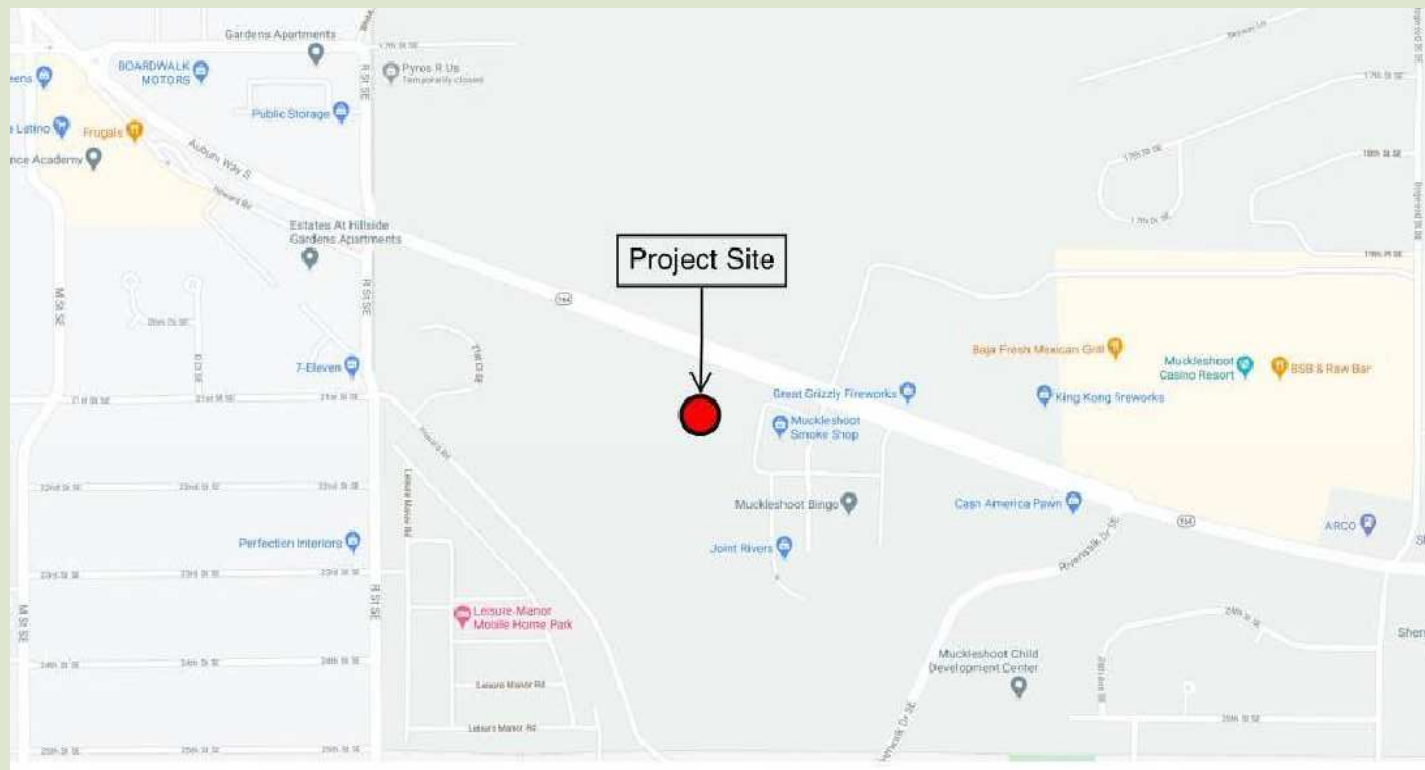
Public Works Department

Engineering Services • Airport Services • Maintenance & Operations Services

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

VICINITY MAP



SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

EXISTING CONDITION

Academy Pump Station Facility



Pumps inside Pump Station 1

SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

PROJECT SCOPE AND BENEFITS

Project Scope

- Demolish Existing Pump Station 1
- Repurpose Existing Pump Station 2
- Construct New Pump Station 3
- Other Facility Improvements
 - New Generator
 - New Surge Tank
 - New Flow Meter



Project Benefits

- New Equipment
- Improved Redundancy
- Increased Capacity

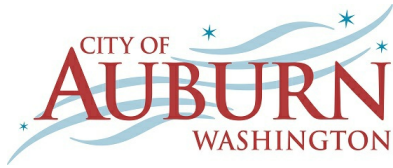
SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION

PROJECT BUDGET AND SCHEDULE

- Estimated Project Cost = \$4.35 Million
 - Water Fund – Bonds and Utility



SERVICE • ENVIRONMENT • ECONOMY • CHARACTER • SUSTAINABILITY • WELLNESS • CELEBRATION



AGENDA BILL APPROVAL FORM

Agenda Subject:

Update of Bridges Annexation (Tate)(10 Minutes)

Department:

Community Development

Attachments:

[Memo to Council - The Bridges Overview](#)

Date:

February 17, 2021

Budget Impact:

Current Budget: \$0

Proposed Revision: \$0

Revised Budget: \$0

Administrative Recommendation:

For discussion only.

Background Summary:

On February 24, 2020 City of Auburn staff provided an overview of the Bridges annexation conversation to City Council during a Study Session meeting. Attached is the memo that was provided to City Council for that Study Session. Staff will be providing an update of discussions and decisions since February of 2020.

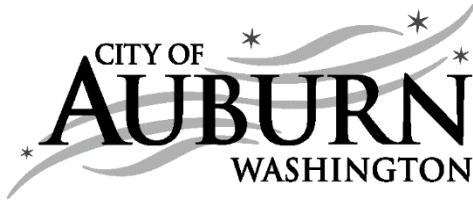
Reviewed by Council Committees:**Councilmember:**

Meeting Date: February 22, 2021

Staff:

Tate

Item Number:



Memorandum

To: City Council Members

From: Jeff Tate, Director of Community Development

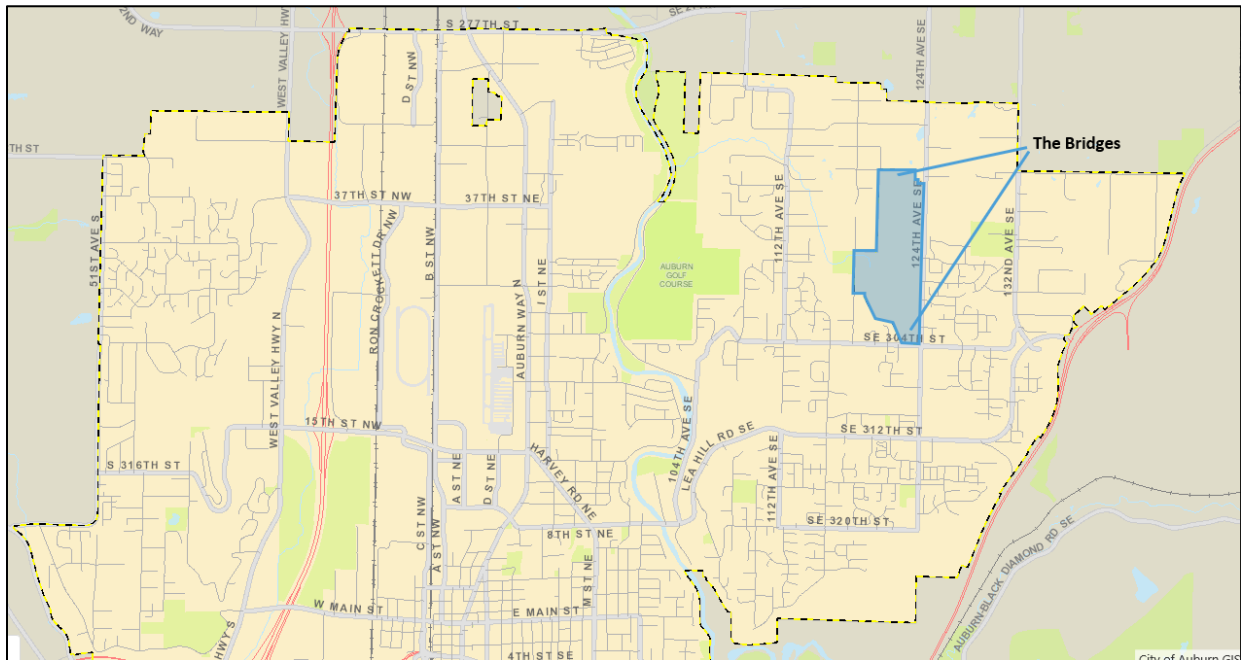
CC: Mayor Nancy Backus

Date: February 14, 2020

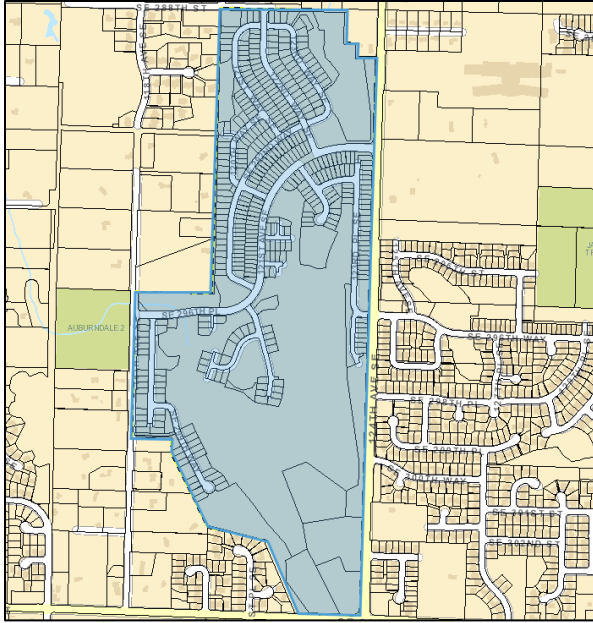
Re: Bridges Overview

Bridges – General Description

The Bridges is a community located on Lea Hill that is within the municipal limits of the City of Kent but entirely surrounding by the City of Auburn. It is identified in the below map.



Vicinity Map



Overview of parcel layout



2017 Aerial Image

The City of Kent annexed this area in 1987, prior to the City of Auburn's annexation of Lea Hill in 2008. Prior to Auburn's annexation The Bridges was simply a portion of Kent that was not contiguous to its city boundaries. Auburn's annexation of Lea Hill is the action that created this island of Kent surrounded by Auburn.

Bridges – Overview

The Bridges community is defined as a Planned Unit Development (PUD) that includes 386 single family residential lots, 55.87 acres of open space and active recreation space, and a 13.21 acre yet to be developed area that allows for an assisted living facility, retail, commercial and office uses. Of the 386 single family residential lots, there only remain 2 to 3 dozen undeveloped properties. The community includes 9 access tracts, 4 sensitive area tracts, 3 detention pond tracts, 21 landscape tracts, 8 recreation tracts, and 2 open space tracts.



49.67 acre open space tract



6.20 acre open space tract

The Bridges community receives sewer service from the City of Auburn and water service from the City of Kent. The community also receives direct police service from the City of Kent and fire service from Puget Sound Regional Fire Authority (although mutual aid agreements exist that might result in a response by the Auburn Police Department or Valley Regional Fire Authority).

Annexation Discussion

When viewing a map of the City it is commonly asked why there is an island within Auburn, why this island is part of the City of Kent, and why the island isn't simply annexed into Auburn in order to eliminate this anomaly.

In early 2019 the City of Kent and City of Auburn began discussing the merits of annexing the Bridges community into the City of Auburn. This discussion expanded to also include representatives of Oakpointe, the owner of the yet to be developed 13.21 acre southeast corner of the community that is currently designated for a future mix of non-residential activity.

There are a number of moving parts associated with this kind of conversation, several of which will be brought forward to City Council for future presentation, discussion and potential action. These include:

- Future development concepts related to the yet to be developed property owned by Oakpointe and whether the uses allowed under the Kent PUD are appropriate for Auburn.
- Determining the development standards that would apply within the PUD given that it was approved in Kent and Auburn's rules are different. Understanding this matter will help define vesting rules, the process to change the standards and/or the PUD in the future, and how to memorialize these details within City code.
- Understanding the management needs and requirements for the open space tract. The open space tract was dedicated to the City of Kent which means that an annexation would transfer the property to the City of Auburn. While open space is generally intended to remain undisturbed there are times when dangerous trees need to be removed, invasive weeds eradicated, garbage from illegal dumping to be picked up, etc.
- Evaluation of the condition of infrastructure within the PUD. This evaluation includes a look at the physical condition of public roads, sidewalks, bridges, signage, street lights, storm ponds, public landscaping and open space, etc. It also includes a review of inspection records related to storm water facilities, bridge infrastructure, and roadway infrastructure etc.
- Engagement with the residents who currently live within this community. What is the impact to their property taxes, utility bills, police/fire service, voting districts, etc.?
- Defining the annexation process. State and County laws adequately define a process where unincorporated land is annexed into a city. The laws and procedures do not contemplate the process for moving an already annexed area from one city to another.
- Defining how to transfer assets including paper and digital records, land and infrastructure, inspection and permit records, etc.
- Post annexation actions that are necessary. For example, all street signs within the Bridges include a City of Kent graphic. The City of Auburn would want street signs swapped out in order to remove this graphic.

As discussions progress and there is a greater understanding of the impacts, pros and cons, process, and potential future conditions of the yet to be developed property, staff will continue to engage the Auburn City Council in order to ensure that Council is in the best position possible to make informed annexation decisions.

