City of Kenmore

City of Kenmore - 18120 68th Avenue NE Kenmore, WA 98028 Phone: 425-398-8900
Agendas also available at www.kenmorewa.gov E-mail: cityhall@kenmorewa.gov

City Council Special and Regular Meeting Agenda

May 24, 2021, 5:30 PM

VIA ZOOM - LINK: https://us02web.zoom.us/j/81999452581

Or iPhone one-tap :
US: +12532158782,,81999452581# or +16699009128,,81999452581#
Or Telephone: Dial US: +1 253 215 8782
Webinar ID: 819 9945 2581

I. 6 PM - CALL SPECIAL MEETING TO ORDER

II. EXECUTIVE SESSION

A.

Pursuant to RCW 42.30.110(1)(i), the Council entered a closed session for pending and potential litigation. The Executive Session will last approximately one hour. No action is expected.

III. ADJOURN SPECIAL MEETING

IV. 7 PM - CALL REGULAR MEETING TO ORDER

V. ROLL CALL

VI. FLAG SALUTE

VII. AGENDA APPROVAL

VIII. PROCLAMATIONS

A. National Gun Violence Awareness Day - June 4, 2021
Proclamation - Gun Violence Awareness Day 2021

B. In Honor of Juneteenth - June 19, 2021
Proclamation - Juneteenth 2021

C. Pride Month
Proclamation - Pride Month June 2021

IX. PUBLIC COMMENTS

A. We want to welcome our community members to the Council's meeting. In this forum, the Council cannot engage or dialogue with the public; the primary role of the Council is to listen. All comments must be addressed to the Mayor and City Council. Please use the "raise hand" feature if you wish to speak. The Clerk will acknowledge your request and call your name when it is your turn. Your time will start when we confirm that we can hear you. Please state your name, city of residence for the record and keep your comments to the allotted time. Your time cannot be granted to another and your clock time will not be reset unless there are extenuating circumstances *and* the Presiding Officer has expressly allowed it. Screen-sharing is not allowed; you can submit materials to the Council or Clerk in advance. This meeting is being recorded. Thank you for taking the time to express your comments.

X. CONSENT AGENDA

A. Minutes:
City Council April 26, 2021 Regular Meeting Minutes
City Council May 10, 2021 Regular Meeting Minutes
City Council May 17, 2021 Regular Meeting Minutes
City Council May 20, 2021 Special Meeting Minutes

B. Emergency Proclamation 20-02.5, Amending Pandemic and Public Health Emergency Response and Recovery Policy to extend FFCRA Benefits
Agenda Bill - Pandemic Policy
20-02.5 - Amendment Pandemic Policy

C. Approve Total Check #s 47341 through 47431 totaling $501,022.64, and payroll check #10165 dated 05/21/2021 totaling $3,275.25 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 05/21/2021 totaling $164,661.93 and an ACH Payment to Thomco Construction in the amount of $659,753.45
Voucher Approval Report Dated 5/14/21

D. Receive and File January 2021 Financial Report
January 2021 Monthly Financial Report 1-2021

E. Receive and File February 2021 Financial Report
February 2021 Monthly Financial Report 2- 2021

XI. BUSINESS AGENDA

A. Residential Tenant Eviction Moratorium and Renter Protections Related to Covid-19, presented by Community Development Director Debbie Bent and guests, *for Discussion and Direction*
Agenda Bill - Eviction Moratorium Discussion for 052421
Attachment - 1 Senate Bill 5160
Attachment 2 - Governor Veto of Sections in SB5160
Attachment 3 - Summary of E2SSB 5160
Attachment 4 - Draft model ordinance
Attachment 5 - City moratorium on tenant evictions

Attachment 6 - Department of Commerce Report

B. Report on 2021 Legislative Session, presented by Shelly Helder and Briahna Murray of Gordon Thompson Honeywell, *for Discussion*
2021 End of Legislative Session Presentation
End of Legislative Session Report

C. American Rescue Plan Act Funding, presented by City Manager Rob Karlinsey, *for Discussion and Direction*
ARPA Funding Memorandum

D. Potential Public Works Site Property Acquisition, presented by City Manager Rob Karlinsey, Public Works Operations Manager Jennifer Gordon, and Environmental Services Manager Richard Sawyer, *for Discussion and/or Action*
UPLOADED 6/8/21 - Signed Letter of Intent to Purchase 6506 NE 202nd St. and 6520 NE 202nd St. Kenmore - per motion made 5/24/21

XII. STAFF REPORTS

A. Community Resources Webpage - presented by Communications Specialist Lauren Chomiak

XIII. COUNCILMEMBER REPORTS & INITIATIVES

XIV. ADJOURNMENT

UPCOMING MEETINGS:
June 14, 2021, 7 PM
June 21, 2021 (Tentatively Cancelled)
June 28, 2021, 7 PM

City of Kenmore, Washington

PROCLAMATION

WHEREAS, every day, over 100 Americans are killed by gun violence, 230 are shot and wounded, and on average there are nearly 15,000 gun homicides every year; and

WHEREAS, protecting public safety in the community is the City of Kenmore's highest responsibility; and

WHEREAS, support for the Second Amendment rights of law-abiding citizens goes hand-in-hand with keeping guns away from people with dangerous histories; and

WHEREAS, in January 2013, Hadiya Pendleton, a teenager who marched in President Barak Obama's second inaugural parade and was tragically shot and killed just weeks later, should now be celebrating her 24th birthday; and

WHEREAS, to help honor Hadiya, along with the numerous Americas whose lives are cut short, and the countless survivors who are injured by shootings every day, a national coalition of organizations has designated June 2nd as National Gun Violence Awareness Day; and

WHEREAS, this idea was inspired by a group of Hadiya's friends who asked their classmates to commemorate her life by wearing orange; they chose this color because hunters wear orange to announce themselves to other hunters when out in the woods and orange is a color that symbolizes the value of human life; and

WHEREAS, by wearing orange on June 2nd Americans will raise awareness about gun violence and honor the lives of gun violence victims and survivors; and

WHEREAS, we renew our commitment to reduce gun violence and pledge to do all we can to keep firearms out of the wrong hands and encourage responsible gun ownership to help keep our children safe.

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, on behalf of the City Council, do hereby proclaim **June 2, 2021,** to be **NATIONAL GUN VIOLENCE AWARENESS DAY** in the City of Kenmore and encourage our community to wear orange on that day. **IN WITNESS WHEREOF, signed this 24th day of May 2021**.

KENMORE
BY THE LAKE

Signed: _____
Mayor David Baker

Attested: _____
City Clerk Anastasiya Warhol

City of Kenmore, Washington

PROCLAMATION

WHEREAS, on January 1, 1863, President Abraham Lincoln issued the Emancipation Proclamation, setting in motion the end of slavery in the United States; and

WHEREAS, the Civil War ended with the surrender of General Lee at Appomattox Court House on April 9, 1865; and

WHEREAS, this news reached Texas when Union General Gordon Granger arrived in Galveston Bay with Union troops. It was on June 19, 1865, that he announced: "The people of Texas are informed that, in accordance with a proclamation from the Executive of the United States, all slaves are free"; and

WHEREAS, a celebration of the end of slavery, which became known as Juneteenth, is the oldest known public celebration of the end of slavery in the United States; and

WHEREAS, Juneteenth commemorates African American freedom and celebrates the successes gained through education and greater opportunity; and

WHEREAS, on a larger scale, celebration of Juneteenth reminds each of us of the precious promises of freedom, equality, and opportunity which are at the core of the American Dream; and

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, on behalf of the City Council, do hereby proclaim **June 19th** as a day to celebrate **JUNETEENTH 2021**, throughout the City of Kenmore. We urge all residents to join with the City Council in this observance.
IN WITNESS WHEREOF, signed this 24th day of May 2021.

Signed: _____ Mayor David Baker

Attested: _____ City Clerk Anastasiya Warhol

City of Kenmore, Washington

Pride Month

PROCLAMATION

WHEREAS, LGBTQ+ Americans are deserving of the same dignity, respect, justice, and rights afforded to all citizens; a principle bolstered by the Washington State Law Against Discrimination as amended in 2006; the 2012 Washington ESSB 6239 legislation to legalize same sex marriage; and the landmark 2015 decision of the US Supreme Court guaranteeing marriage equality in all 50 states; and

WHEREAS, LGBTQ+ youth, families, and community members continue to experience discrimination and exclusion in our schools and communities, places of work, and in acquiring housing; and

WHEREAS, the City of Kenmore recognizes the importance of its residents', students', business owners' and employees' and city employees' diversity of ethical, cultural, racial, and sexual orientation and gender identities - all of which bring important richness to the City of Kenmore; and

WHEREAS, the fight for equality and dignity for all individuals under the law continues, and equality of opportunity and freedom from discrimination are fundamental to ensuring economic success and personal fulfillment; and

WHEREAS, the City of Kenmore passed Resolution #17-292, on March 6, 2017, Reaffirming Kenmore as a Safe, Inclusive and Welcoming City for All People, stating that "Kenmore believes in the dignity, equality and constitutional and civil rights of all people, and will not tolerate discrimination, harassment or any behavior that creates fear, isolation or intimidation;" and

WHEREAS, the City of Kenmore encourages all residents to work together to fight bullying and harassment, and teach respect for everyone, regardless of age, ethnicity, faith, gender, sexual orientation, gender identity, or any differences that are perceived or real; and

WHEREAS, the Kenmore City Council issued proclamations for Pride Week in 2019 and Pride Month in 2020, including flying the Pride Flag at City Hall in June 2020; and

WHEREAS, Pride Month is a celebration of the contributions made by LGBTQ+ individuals in our community and throughout the nation and recognition that LGBTQ+ rights are human rights, the City Council desires to express its support for this 2020 Proclamation by flying the Pride Flag at Kenmore City Hall during Pride Month.

NOW, THEREFORE, I, David Baker, Mayor of the City of Kenmore, on behalf of the City Council, do hereby proclaim **the month of June 2021** to be **PRIDE MONTH** throughout the City of Kenmore. **IN WITNESS WHEREOF, signed this 24th day of May 2021**.

Signed: _____
Mayor David Baker

Attested: _____
City Clerk Anastasiya Warhol

City of Kenmore
City Council Meeting
Regular Meeting Minutes
April 26, 2021

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

CALL MEETING TO ORDER:
Mayor Baker called the meeting to order at 7:00 p.m. via Zoom.

PRESENT:

Councilmembers:	Mayor David Baker Deputy Mayor Nigel Herbig Councilmember Joe Marshall Councilmember Debra Srebnik Councilmember Corina Pfeil Councilmember Melanie O'Cain Councilmember Angela Kugler
Staff:	City Manager Rob Karlinsey City Clerk Anastasiya Warhol City Attorney Dawn Reitan Public Works Operations Manager Jennifer Gordon Principal Planner Lauri Anderson Community Development Director Debbie Bent Development Services Director Bryan Hampson Human Resources Manager Leonora Palana Police Chief Brandon Moen Environmental Services Manager Richard Sawyer
Speaking Guests:	Kathy Strange, Puget Sound Clean Air Agency Rebeccah Maskin, King County Karen Wolf, King County Brook Buettner, RADAR Program Janet Hays, Kenmore Resident Stacey Valenzuela, Kenmore Resident David and Kiera Dorian, Kenmore Residents Rose Hendrix Kenmore Resident Patrick O'Brien, Kenmore Resident David Morton, Redmond Resident Phyllis Finley, Kenmore Resident Vicki Grayland, Kenmore Resident Nancy Hansen, Kenmore Resident

FLAG SALUT
Mayor Baker led the flag salute.

AGENDA APPROVAL
The

agenda was approved as written.

PRESENTATION
City Manager Rob Karlinsey introduced Leonora Palana as the new Human Resources Manager.

Kathy Strange, Puget Sound Clean Air Agency's Air Quality Division Director, provided a brief presentation on the agency's Air Monitoring Sensor Lending Program.

PUBLIC COMMENT:
The Council took comments from the public from approximately 7:30 p.m. until 7:53 p.m. Timestamped link included here: https://youtu.be/I8jFwVt2kcA?t=1759.

CONSENT AGENDA

A. Approve Total Check #s 46989 through 47076 totaling $310,916.00 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 03/26/2021 totaling $163,438.16
Voucher Certification and Approval Report - April 2, 2021

B. Approve Total Check #s 47077 through 47172 totaling $2,262,236.44 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 04/09/2021 totaling $163,991.06 and ACH Payment totaling $739,537.93.
Voucher Certification and Approval Report - April 16, 2021

MOTION: Councilmember O'Cain moved to approve the consent agenda as presented, including the items listed above. Councilmember Pfeil seconded the motion.
VOTE: 7 Yes, 0 No, 0 Abstain. MOTION CARRIED.

BUSINESS AGENDA

A. **King County Countywide Planning Policies and Growth Targets, presented by Community Development Director Debbie Bent and Principal Planner Lauri Anderson, *for Review and Discussion***
Agenda Bill - Countywide Planning & Growth
Attachment 1 - Growth Targets Staff Report
Attachment 2 - 2021 KC Urban Growth Capacity Report - Preliminary Draft
Presentation - KC Draft Countywide Planning Policies and Report

Community Development Director Debbie Bent introduced guests Rebeccah Maskin and Karen Wolf from King County to discuss how King County implements the Growth Management Act. The Council asked Principal Planner Lauri Anderson and Community Development Director follow-up questions.

B. **Annual Police Report - 2020, presented by Police Chief Brandon Moen, *for Information and Discussion***
2020 Annual Police Report Presentation

2020 Kenmore Police Services Report

Police Chief Brandon Moen offered a presentation of the 2020 Police Report. He noted that while Kenmore has the 2nd lowest number of officers per 1,000 residents, Kenmore has also been ranked the 9th safest city in Washington. The Council discussed projects, priorities, limitations, and recent legislation with Chief Moen.

C. North Sound RADAR Program, presented by Program Manager Brook Buettner, MSW, LICSW, MPA. ***for Information***
RADAR Presentation

Brooke Buettner, Program Manager of the North Sound RADAR (Response, Awareness, De-Escalation, and Referral) Program, offered a brief presentation to the Council. North Sound RADAR Program members include the cities of Kenmore, Bothell, Shoreline, Lake Forest Park, and Kirkland.

STAFF REPORTS
Police Chief Brandon Moen explained that he hopes to remit a safety recommendations report for public meetings in the next few months as a follow-up item from the retreat.

Development Services Director Bryan Hampson offered an update regarding redevelopment along 181st Street.
Staff Memo - NE 181st St Mixed-Use

ADJOURNMENT
Mayor Baker adjourned the meeting at approximately 10:30 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Anastasiya Warhol, City Clerk

City of Kenmore
City Council Meeting
Regular Meeting Minutes
May 10, 2021

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

CALL MEETING TO ORDER:
Mayor Baker called the meeting to order at 7:00 p.m. via Zoom.

PRESENT:

Councilmembers:	Mayor David Baker Deputy Mayor Nigel Herbig Councilmember Joe Marshall Councilmember Debra Srebnik Councilmember Corina Pfeil Councilmember Melanie O'Cain Councilmember Angela Kugler
Staff:	City Manager Rob Karlinsey City Clerk Anastasiya Warhol City Attorney Dawn Reitan Sammie Roeun, Administrative Specialist
Speaking Guests:	Sammie Roeun, Kenmore Resident Landon Schulz, Kenmore Resident Aubrey Schulz, Kenmore Resident Kristin Joyner, ARCH Citizen Advisory Board Penny Brenton, Concerns of Police Survivors Mark Van Wormer, Camp Unity Eastside Anja Harlan, Northlake Lutheran Church Anne Macfarlane, Registered Parliamentarian, Jurassic Parliament Tracy Banaszynski, Kenmore Resident John Peeples, Kenmore Resident Carl Michaelman, Kenmore Business Owner Stacey Valenzuela, Kenmore Resident David Morton, Redmond Resident Hans Hurn, Shoreline Resident Paul Sewell, Kenmore Resident Patrick O'Brien, Kenmore Resident Jolene Jang, Lake Forest Park Resident Jon Culver, Kenmore Resident Vicki Grayland, Kenmore Resident Janet Hays, Kenmore Resident

FL
AG
SA
LU
TE
Ma

yor Baker led the flag salute.

AGENDA APPROVAL
The Council amended the agenda to include the following item after regular business "Pop-Up Covid Vaccine Clinic."

PROCLAMATIONS
Mayor Baker read the Asian American and Native Hawaiian/Pacific Islander Heritage Month. City representative Sammie Roeun and her two children, Landon Schulz (12 years old) and Aubrey Schulz (10 years old), accepted the proclamation. The Council was delighted to have young recipients join the meeting.

Mayor Baker declared May 10-17 to be Affordable Housing Week in the City of Kenmore. Reverend Kristin Joyner, a member of the ARCH (A Regional Coalition for Affordable Housing) Citizens Advisory Board, and Reverend of United Methodist Church in Bothell accepted the proclamation.

Mayor Baker read the Peace Officers Memorial Day Proclamation and declared May 15 to be the official commemoration day. Penny Brenton, the mother of Seattle Police Officer Timothy Brenton, who was killed in the line of duty on October 31, 2009, accepted the proclamation.

PRESENTATIONS
Camp Unity Eastside Volunteer Mark Van Wormer and Pastor Anja Harlan of Northlake Lutheran Church provided a report to Council.
Camp Unity Eastside - Report to Council

Northshore Schools Foundation's Executive Director Carmin Dalziel, and Removing Barriers Coordinator Heather Erickson offered funding report to the Council
Cares Funding Report - Northshore Schools Foundation

MOTION: Councilmember Pfeil moved to fulfill the requested ask of Camp Unity Eastside in the amount of $6,400 from expected Covid Economic Relief Funds. Deputy Mayor Herbig seconded the motion.

MOTION: Deputy Mayor Herbig moved to postpone the motion until the Council hears from the City Manager regarding Covid relief funds. Mayor Baker seconded the motion.
Motion PASSED by unanimous consent.

PUBLIC COMMENT:
The Council took comments from the public from approximately 7:55 p.m. until 8:35 p.m. Timestamped link included here: https://youtu.be/vg_8fbmiSY8?t=3355

CONSENT AGENDA

A. Minutes:
City Council April 19, 2021, Meeting Minutes (updated 5.7.21)

MOTION: Councilmember Pfeil moved to approve the consent agenda as presented, including the items listed above. Mayor David Baker seconded the motion.
VOTE: 7 Yes, 0 No, 0 Abstain. MOTION CARRIED.

BUSINESS AGENDA

A. ***"City Council Meetings - A New Perspective" virtual Workshop, provided by Ann Macfarlane, Registered Parliamentarian and president of Jurassic Parliament***
Presentation Materials - Jurassic Parliament

The Council participated in a workshop with professional Registered Parliamentarian Ann Macfarlane.

B. ***Pop Up Covid Vaccination Clinic***

Councilmember Pfeil explained that the City of Kenmore has partnered with the Shoreline Fire Department, Northshore Fire District 16, and UW Medicine to open a Vaccination Clinic at the Kenmore Community Club on May 19th, 1–4 p.m.

STAFF REPORTS
City Manager Rob Karlinsey offered an update on expected ARPA (American Rescue Plan Act) funds.

MOTION: Councilmember Pfeil moved to fulfill the requested ask from Camp Unity Eastside in the amount of $6,400 from expected Covid Economic Relief Funds. Deputy Mayor Herbig seconded the motion.

AMENDMENT: Deputy Mayor Herbig moved to amend the motion as follows: Fulfill the request from Camp Unity Eastside in the amount of $6,400 from the City's General Fund, to be repaid by Covid Economic Relief Funds (ARPA), when they become available. Councilmember Pfeil seconded the motion.
VOTE: VOTE: 7 Yes, 0 No, 0 Abstain. MOTION CARRIED.

MOTION AS AMENDED: Fulfill the requested ask of Camp Unity Eastside in the amount of $6,400 from the City's General Fund to be repaid by Covid Economic Relief Funds (ARPA) when they become available.
VOTE: VOTE: 7 Yes, 0 No, 0 Abstain. MOTION CARRIED.

ADJOURNMENT
Mayor Baker adjourned the meeting at approximately 11:01 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Anastasiya Warhol, City Clerk

City of Kenmore
City Council Meeting
Regular Meeting Minutes
May 17, 2021

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

CALL MEETING TO ORDER:
Mayor Baker called the meeting to order at 7:00 p.m. via Zoom.

PRESENT:

Councilmembers:	Mayor David Baker	
	Deputy Mayor Nigel Herbig	
	Councilmember Joe Marshall	
	Councilmember Debra Srebnik	
	Councilmember Corina Pfeil	
	Councilmember Melanie O'Cain	
	Councilmember Angela Kugler	
Staff:	City Manager Rob Karlinsey	
	City Clerk Anastasiya Warhol	
	City Attorney Dawn Reitan	
	City Engineer John Vicente	
	Civil Engineer Terri Bielenberg	
Speaking Guests:		
	Dale Vodicka, Kenmore Resident, USCG	
	Larry Blackstock, USCG	
	Tracy Banaszynski, Kenmore Resident	
	Vicki Grayland. Kenmore Resident	
	Stacey Valenzuela, Kenmore Resident	
	David Morton, Redmond Resident	
	Dave and Christiana Matthews, Kenmore Residents	
	Melanie Davies, Westcott Homes	
	Julien Loh, Puget Sound Energy	
	Elizabeth Mooney, Kenmore Resident	
	John Hendrickson, Kenmore Resident	
	John Peeples, Kenmore Resident	

FLAG SALUTE.
Mayor Baker led the flag salute.

AGENDA APPROVAL
The Council approved the agenda as written.

PROCLAMATIONS
Mayor Baker declared May, 2021 to be Pedestrian and Bike Month.

Mayor Baker declared May 22-28th to be Safe Boating and Paddling Week. Dale

Vodicka and Larry Blackstock, both members of the USCG, accepted the proclamation.

Mayor Baker announced that May 22, 2021, will be Kids to Parks Day in the City of Kenmore.

PUBLIC COMMENT
The Council took comments from the public from approximately 7:10 p.m. until 7:38 p.m. Timestamped link included here: https://youtu.be/8HpYmgyhxPA?t=538.

CONSENT AGENDA

A. Approve Total Check #s 47173 through 47262 totaling $427,522.91 and Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Account Electronic Deposits Dated 04/23/2021 totaling $163,835.47.
Voucher Approval Report Dated April 30, 2021

MOTION: Councilmember O'Cain moved to approve the consent agenda as presented, including the items listed above. Deputy Mayor Nigel Herbig seconded the motion.
Motion Approved by Unanimous Consent.

BUSINESS AGENDA

A. ***Ordinance No. 21-0522, Authorizing the Acquisition by Negotiation or Condemnation of Certain Real Property Interests needed for the NE 190th St. Culvert Replacement Project, providing for the Construction of a New Culvert and Adjacent Stream Restoration. Presented by City Engineer John Vicente, for Adoption***
Agenda Bill - 190th Culvert Replacement Project
Ordinance No. 21-0522 - NE 190th Culvert Project
NE 190th Culvert Condemnation Presentation

Civil Engineer Terri Bielenberg presented details of the 190th Culvert Replacement Project necessitating the ordinance.

MOTION: Deputy Mayor Herbig moved to Adopt Ordinance No. 21-0522, as modified by City Engineer John Vicente, authorizing the acquisition by condemnation of property interests as needed for the NE 190th St. Culvert Replacement Project. Councilmember Pfeil seconded the motion.
VOTE: 7 Yes, 0 No, 0 Abstain. MOTION CARRIED.

B. ***Kenmore Light Festival, presented by Stephanie Brown, Volunteer & Events Supervisor, for Information and Discussion – POSTPONED***

Mayor Baker reiterated that the Kenmore Light Festival item had been postponed to June.

ADJOURNMENT
Mayor Baker adjourned the meeting at approximately 8:10 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Anastasiya Warhol, City Clerk

City of Kenmore
City Council Meeting
Special Meeting Minutes
May 20, 2021

These minutes are created to capture Council action. This is not a verbatim transcript. Meeting video and audio is available on the City YouTube channel.

CALL MEETING TO ORDER
Mayor Baker called the meeting to order at 6:30 p.m. via Zoom.

PRESENT

Councilmembers:	Mayor David Baker
	Deputy Mayor Nigel Herbig
	Councilmember Joe Marshall
	Councilmember Debra Srebnik
	Councilmember Corina Pfeil
	Councilmember Melanie O'Cain
	Councilmember Angela Kugler
Staff:	City Manager Rob Karlinsey
	City Clerk Anastasiya Warhol
	City Attorney Dawn Reitan
	Public Works Operations Manager Jennifer Gordon
	Environmental Services Manager Richard Sawyer
	Finance and Administration Director Leticia Salcido
	Development Services Director Bryan Hampson
	Assistant City Manager Nancy Ousley

EXECUTIVE SESSION
Pursuant to RCW 42.30.110(1)(b), the Council entered an Executive Session to Consider the Acquisition of Real Estate. The Executive session was expected to last approximately 30 minutes. However, at 7 p.m., the Council extended the Executive Session by an additional 15 minutes.

POSSIBLE ACTION RELATING TO EXECUTIVE SESSION
No action was taken.

ADJOURNMENT
Mayor Baker adjourned the special meeting at approximately 7:15 p.m.

_____
David Baker, Mayor

ATTEST:

_____
Anastasiya Warhol, City Clerk

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Amendment to the Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02 Move to: Approve the Amended Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02.5.	For Council Meeting Agenda of: May 24, 2021 Department: City Manager's Office Prepared by: Rob Karlinsey, City Manager Initial & Date Approved by City Attorney: KW via email Approved by Finance Director: ___LS_ _____ Approved by HR Manager ___LP_____ Approved by City Manager: ___RGK___ Exhibits/Attachments: Pandemic and Public Health Emergency Response and Recovery Proclamation 20-02.5

INFORMATION/BACKGROUND:

At the March 5, 2020 City Council meeting, the Kenmore City Council adopted Proclamation 20-02, approving the Pandemic and Public Health Emergency Response and Recovery Policy. The proclamation has since been amended several times by the City Council, on April 27th, 2020, July 13th, 2020, February 8th, 2021, and March 22, 2021.

A number of City employees have been utilizing the pandemic-related leave benefit under the Families First Coronavirus Response Act (FFCRA) that was passed by Congress last spring. The benefit provides employees up to ten (10) days of emergency paid sick leave and up to twelve (12) weeks of public health emergency leave (the first two weeks unpaid) in connection with pandemic-related medical and childcare needs. Any time-off not qualifying under the FFCRA may be covered by the employee's use of accrued City leave or leave without pay.

This leave benefit expired on its own terms on December 31, 2020. Although Congress did not extend the FFCRA, in December 2020 it passed another relief package that allowed for employers to voluntarily extend "FFCRA-like" leave benefits through March 31, 2021. This relief was extended through September 30, 2021 per the American Rescue Plan Act of 2021.

In late December 2020, the City Manager signed Emergency Proclamation 20-02.3 allowing for the FFCRA leave benefits offered by the City to be extended through March 31, 2021, and the City Council ratified this action on February 8, 2021. On March 22, 2021, the City Council approved the City Manager's recommendation to extend the FFCRA benefits through May 2021. Because the spread of the coronavirus has not been fully contained and because the process of vaccinating the general population is still ongoing, the City Manager recommends extending this leave provision through June 30, 2021, at which time Washington State is scheduled to fully re-open, per Gov. Inslee's recent announcement.

Proclamation 20-02.~~4~~ 5 – Amendment:
Pandemic and Public Health Emergency Response and Recovery

1. PURPOSE: The purpose of this policy is to provide guidance and establish procedures in the event a pandemic illness or public health emergency is expected to, or currently is taking place, which may affect the operations of the City of Kenmore and/or pose a risk to the health or safety of staff and the community at large.

2. SCOPE: This policy applies to all City of Kenmore departments and employees.

3. DEFINITIONS:

   A. Outbreak: a widespread occurrence of an infectious disease in a community at a particular time with a hospitalization and/or mortality rate significantly higher than the common flu.
   B. Pandemic: a disease that is prevalent over a region, country, or the world.
   C. Families First Coronavirus Response Act (FFCRA): Federally mandated leave program, voluntarily extended by the City through ~~May 31~~June 30, 2021, that provides for Emergency Paid Sick Leave (EPSL) and Public Health Emergency Leave (PHEL).

4. REFERENCES:
   A. Chapter 7.05 RCW – Local Health Departments
   B. Chapter 7.08 RCW – Combined City-County Health Departments
   C. Chapter 70.26 RCW – Pandemic Influenza Preparedness
   D. RCW 38.52.070 – Emergency Powers
   E. Chapter 8.30 KMC – Emergency Operations Plan
   F. City of Kenmore Comprehensive Emergency Management Plan
   G. City of Kenmore Personnel Policies
   H. Washington Department of Health: doh.wa.gov
   I. Public Health – Seattle & King County: www.kingcounty.gov/depts/health.aspx
   J. Families First Coronavirus Response Act under the authority of the U.S. Department of Labor Wage and Hour Division

5. POLICY: It is the policy of the City of Kenmore to take all appropriate measures needed to address a pandemic and protect public health. Protecting the community and City staff is a top priority and this policy establishes some of the actions that may be taken, and the

authority, granted to address a pandemic.

6. PROCEDURES: The following procedures are established to minimize disease exposure and maintain continuity of City operations in the event that a pandemic becomes a threat to the health or safety of City employees, their families, and the community at large.

   A. Declaration of Pandemic and/or Public Health Emergency: Public health professionals at organizations such as the Centers for Disease Control and Prevention (CDC), Washington State Public Health Department, Washington State Governor, and/or King County/Seattle Public Health Department may declare that a pandemic, outbreak, or public health emergency exists. Such declarations may contain instructions or recommendations to both private and public sector entities. The City will follow all mandatory instructions and will implement recommendations to the extent it determines these to be applicable and/or feasible or practicable under the particular circumstances.

   B. Procedures to help minimize the spread of germs: Employees are urged to practice standard Non-Pharmaceutical Interventions ("NPI's"), including covering coughs by coughing into a tissue or, if a tissue is not available, into their elbows, regular hand washing, regular use of alcohol hand sanitizer, and avoiding touching eyes, nose, or mouth. Hands and work surfaces should be disinfected frequently. Employees are also urged to utilize social distancing such as maintaining a distance of six feet from others when practical to do so.

   C. Proclamation of Emergency/Disaster Due to Pandemic: Upon the City's proclamation of emergency/disaster due to pandemic, the following shall apply:

      i. Employees who have a communicable illness or are experiencing flu-like symptoms (as then-defined by the applicable health authorities), are prohibited from coming to work and are encouraged to consult their physician.

      ii. Employees reporting to work who exhibit symptoms of a communicable illness will be sent home and encouraged to consult their physician. Unless otherwise prohibited by law, the employee shall be required to utilize accrued leave, if any, pursuant to adopted Personnel Policies or applicable collective bargaining agreement if they are sent home due to symptoms of an illness.

      iii. If the illness of an employee or member of an employee's household interferes with reporting to work in a timely manner, the employee is responsible for notifying their supervisor pursuant to the provisions of the Personnel Policies or applicable collective bargaining agreement. Employees must not return to work until they have been free of illness symptoms (fever, chills, sore throat, etc.) for at least 24 hours (or as otherwise provided for in applicable guidelines published by the appropriate health authorities).

iv. Except as otherwise provided or prohibited by law, employees are required to first utilize their accrued sick leave and then any other accrued paid time off (vacation leave, compensatory time, or floating holidays) while recovering from, or caring for a spouse or dependent recovering from, illness.

v. If the school or place of care of an employee's child is closed due to pandemic, the employee may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave), to care for the child.

vi. Employees may donate accrued sick leave to employees who do not have enough accrued leave balances to cover their absence, in accordance with the City's shared leave policy.

vii. When quarantine of an employee is ordered by State or County Health Officials due to a pandemic illness, employees may use accrued sick leave (or other accrued paid time off, to the extent the employee does not have sufficient sick leave) for the period of quarantine.

viii. In response to the Covid-19 pandemic, the City provides emergency paid sick leave and public health emergency leave in accordance with the FFCRA.

ix. At the discretion of the City Manager or designee, City Hall may alter its business practices, hours of business, and services provided. Examples of potential measures that could be taken include but are not limited to:

a. The City may implement temporary emergency procedures to minimize in-person contact between employees. Such measures may include greater use of e-mail, phone, and teleconferences as opposed to in-person meetings and contact.

b. Reduced Reception and Front Counter Service: The City may alter how it conducts business with the public by limiting or halting services at counters/areas of the City Hall and other facilities where front-line services are typically provided.

c. Partial Work from Home Schedules: Some staff may be permitted or assigned to work from home.

d. Full or partial City Hall Closure: City Hall may be partially or fully closed. During closure, staff who are able to reasonably work from home, whether in full or partial shifts, will be allowed to do so, and City managers and supervisors will coordinate this directly with the subject employees. To the extent they are not able to fully or partially work from home, staff will be provided leave in accordance with the provisions of the Families First Coronavirus Response Act (FFCRA), to

the extent applicable. If FFCRA is not applicable, employees may use their accrued paid time off benefits in connection with absences due to City Hall closure. If the employee does not have accrued paid time off, the employee may be granted an unpaid leave of absence in accordance with normal City policy.

_____ _____

_____ _____

Voucher Certification and Approval

City of Kenmore
DATE RANGE:
05/01/2021 - 05/14/2021

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and the the claim is a just, due and unpaid obligation against the City of Kenmore and that I am authorized to authenticate and certify to said claim. The following checks and electronic payments are approved for payment:

Total Check #s 47263 through 47340: $2,618,195.02

Payroll Check #10164 dated 05/07/2021: $ 1,767.71

Total Payroll/Taxes/Flexible Spending/Retirement & Health Savings Acct Electronic Deposits Dated: 05/07/2021: $162,695.87

Rob Karlinsey
Rob Karlinsey (May 17, 2021 12:19 PDT)
City Manager / Date

5/14/21
Finance Director / Date

Vendor Name	Check #	Date	Description	Amount
AMERICAN GENERAL LIFE GPO/400S	47263	05/07/2021	Life Insurance	279.92
CITY OF KENMORE	47264	05/07/2021	Wages Overpayment Reimbursement	50.00
ICMA RETIREMENT C/O ALLFIRST BANK / 109964	47265	05/07/2021	City of Kenmore 401a	18,610.05
ICMA RETIREMENT TRUST 457 / 304745	47266	05/07/2021	ICMA 457 Deferred Comp	8,622.45
STATE OF FLORIDA DISBURSEMENT UNIT	47267	05/07/2021	Employee Deduction	275.00
1901-WLD KENMORE 68TH LLC	47268	05/14/2021	Refund Overpayment of DEM21-0295	31.50
ACTION SERVICES CORPORATION	47269	05/14/2021	Catch Basin Cleaning	363.00
AM TEST, INC	47270	05/14/2021	Swamp Creek Water Sample Testing	200.00
AMERICALL	47271	05/14/2021	April After Hours Call Out Service	134.16
BOTHELL KENMORE CHAMBER OF COMMERCE	47272	05/14/2021	April KBA Support Svcs	300.00
BRIEN, GAYLYNN	47273	05/14/2021	February Sales Tax Data Conversion Svcs	50.00
CADMAN MATERIALS, INC.	47274	05/14/2021	Berm Materials	132.95
CADMAN MATERIALS, INC.	47275	05/14/2021	Surface Water Materials	89.31
CECCANTI, INC.	47276	05/14/2021	April W. Sammamish Bridge Construction	1,875,919.75
CITY OF BELLEVUE	47277	05/14/2021	Human Svcs Pooled Contracts	16,895.00
COMCAST	47278	05/14/2021	April City Hall & Hangar Internet	2,147.18
CONSOLIDATED PRESS	47279	05/14/2021	Spring Kenmore Newsletter	4,633.27
CONVERGINT TECHNOLOGIES	47280	05/14/2021	City Hall Fire Alarm Error Diagnosis/Repair	1,502.23
CONVERGINT TECHNOLOGIES	47281	05/14/2021	City Hall Fire Alarm Error Diagnosis & Repair	2,188.45

DAY WIRELESS SYSTEMS	47282	05/14/2021	Certification of Police Radar Units	153.72
FIRE PROTECTION, INC	47283	05/14/2021	Hangar Bldg. Fire Alarm Service	181.39
FIRE PROTECTION, INC	47284	05/14/2021	Hangar Bldg. Fire Alarm Annual Inspection	1,513.22
FOSTER GARVEY PC	47285	05/14/2021	Mar. Legal Svcs for PW Shop Site Acquisition	1,650.00
GORDON THOMAS HONEYWELL	47286	05/14/2021	April Governmental Affairs Consulting	3,900.00
GRAINGER	47287	05/14/2021	Shop Rags	123.11
HDR ENGINEERING, INC	47288	05/14/2021	16-C1625 3/28-4/24/21 Juanita Dr. Ped/Bike Proj.	98,925.64
HIATT PARK LLC	47289	05/14/2021	Refund Overpayment of School Impact Fees	3,540.00
HOME DEPOT CREDIT SERVICES	47290	05/14/2021	Public Works Supplies & Equipment	324.84
HONEY BUCKET	47291	05/14/2021	5/3-5/30 Public Works Yard Rental	156.75
HORIZON DISTRIBUTORS INC	47292	05/14/2021	City Hall Irrigation Parts	52.72
KIMLEY HORN AND ASSOCIATES, INC.	47293	05/14/2021	20-C2219 March Pavement Evaluation Svcs	7,600.00
KIMLEY HORN AND ASSOCIATES, INC.	47294	05/14/2021	20-C2219 Feb. Pavement Evaluation Svcs	9,960.00
KIMLEY HORN AND ASSOCIATES, INC.	47295	05/14/2021	20-C2219 Dec. Pavement Evaluation Svcs	5,530.00
KLB CONSTRUCTION, INC.	47296	05/14/2021	20-C2143 Apr. 68th Ave Ped/Bike Project	379,497.88
LAKE CITY PARTNERS ENDING HOMELESSNESS	47297	05/14/2021	21-C2686 1st Qtr Human Svcs Funding	1,125.00
LAKESIDE INDUSTRIES	47298	05/14/2021	Cold Mix for Asphalt Stock	914.10
LIGHTHOUSE CONSULTING INC	47299	05/14/2021	April IT Services	5,450.39
LIGHTHOUSE CONSULTING INC	47300	05/14/2021	April Web Hosting/Backup/Protection/Archiving	8,582.02
MACDONALD MILLER FACILITY SOLUTIONS	47301	05/14/2021	City Hall Fountain & Hangar Pump Maint. Work	839.51
MACDONALD MILLER FACILITY SOLUTIONS	47302	05/14/2021	City Hall Annual HVAC Maint. Contract	1,070.17
MARY'S PLACE	47303	05/14/2021	1st Qtr 2021 Human Svcs Funding	6,250.00
MOTT MACDONALD GROUP, INC.	47304	05/14/2021	17-C1656 March Log Boom Park Waterfront Proj.	3,845.48
MOTT MACDONALD GROUP, INC.	47305	05/14/2021	17-C1657 March Squire's Landing Waterfront Proj.	34,757.48
NAMI EASTSIDE	47306	05/14/2021	21-C2688 1st Qtr Human Svcs Funding	750.00
NORTHSHORE SCHOOLS FOUNDATION	47307	05/14/2021	1st Qtr Human Svcs Funding	750.00
NORTHSHORE SENIOR CENTER	47308	05/14/2021	21-C2692 Qtr 1 Human Svcs Adult Day Health Program	1,250.00
NORTHSHORE SENIOR CENTER	47309	05/14/2021	21-C2007 1st Qtr Human Svcs Funding	6,250.00
NORTHSHORE UTILITY DIST	47310	05/14/2021	April Fleet Maintenance & Fuel	5,979.53
OFFICE DEPOT	47311	05/14/2021	City Clerk Supplies	52.80
OFFICE DEPOT	47312	05/14/2021	Misc. Office Supplies	42.56
OFFICE DEPOT	47313	05/14/2021	Misc. Office Supplies	176.12
OSBORN CONSULTING INC.	47314	05/14/2021	19-C2012 March NE 190th Culvert - Phase 2	19,271.95
PACIFIC TOPSOILS	47315	05/14/2021	Materials Purchased & Dump Fees	275.38
PUGET SOUND ENERGY	47316	05/14/2021	4/1-4/30 Street Lights	29,630.27
PUGET SOUND ENERGY	47317	05/14/2021	3/3-3/31 Street Lights	8,960.64

PUGET SOUND ENERGY	47318	05/14/2021	4/1-4/30 City Hall Electricity	1,858.83
PUGET SOUND PLANTS	47319	05/14/2021	Replacement Trees	539.00
QUALITY WATER FINANCIAL	47320	05/14/2021	City Hall 2nd Floor Filtered Water System	50.59
QUALITY WATER FINANCIAL	47321	05/14/2021	Public Works Office Filtered Water System	66.00
QUALITY WATER FINANCIAL	47322	05/14/2021	City Hall 1st Floor Filtered Water System	66.00
REPUBLIC SERVICES	47323	05/14/2021	April City Hall Trash Services	608.34
REPUBLIC SERVICES	47324	05/14/2021	April Rhododendron Park Trash Services	389.26
SCORE	47325	05/14/2021	April Inmate Housing & Medical Svcs	5,181.00
SEATTLE TIMES	47326	05/14/2021	Legal Notices - DEI & NE 190th Condemnation	428.16
SEATTLE TIMES	47327	05/14/2021	Legal Notices - Comp. Plan/Zoning Amendments	264.95
SEATTLE TIMES	47328	05/14/2021	Legal Notice - Community Development	129.34
SHERWIN WILLIAMS CO. #8099	47329	05/14/2021	Paint for City Hall	57.39
STEWART MACNICHOLS HARMELL, INC.	47330	05/14/2021	April Public Defense Svcs	5,000.00
T MOBILE USA, INC.	47331	05/14/2021	Staff Cell Phones	1,005.80
TOTAL LANDSCAPE CORP	47332	05/14/2021	Northshore Summit/Squire's/Moorlands Park	4,514.10
TRANSPO GROUP USA INC.	47333	05/14/2021	19-C2104 2/1-2/26 Road Safety - Signing	4,341.68
TRANSPO GROUP USA INC.	47334	05/14/2021	19-C2104 2/27-4/2 Road Safety - Signing	3,511.99
US POSTAL SERVICE (HASLER)	47335	05/14/2021	7/9/20 - 5/11/21 Postage Meter Refill	3,688.02
UTILITIES UNDERGROUND LOCATION CTR	47336	05/14/2021	April Utility Locates	281.22
WA ASSOC OF CODE ENFORCEMENT	47337	05/14/2021	Bridgit Baker 5/21 Spring Conference Registration	20.00
WESTLAKE HARDWARE WA-153	47338	05/14/2021	Public Works Supplies & Equipment	303.25
WM CORPORATE SVCS - COLUMBIA RIDGE LANDFILL	47339	05/14/2021	April Street Sweeper Debris Disposal	3,467.09
ZIPLY FIBER	47340	05/14/2021	City Hall Phone Svc 4/28-5/27/21	666.12
DRS 457	DFT0000991-992	05/07/2021	DRS 457 Deferred Comp	1,075.99
AVIDIA HEALTH	DFT0000993	05/07/2021	Employee Health Savings Contribution	100.00
DEPARTMENT OF RETIREMENT SYSTEMS	DFT0000994-999	05/07/2021	Public Employees Retirement	33,460.20
NAVIA	DFT0001000	05/07/2021	Employee Flexible Spending Account	516.54
BANK OF AMERICA 941	DFT0001001	05/07/2021	Federal Taxes	18,588.05
PALANA, LEONORA	10164	05/07/2021	Payroll Check	1,767.71
PAYROLL	Electronic Dep.	4/23/2021	Direct Deposit	108,955.09
				$ 2,782,658.60

City of Kenmore

Vendor Purchasing Report

For Date Range 01/01/2021 - 05/14/2021

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0014	AMERICAN PLANNING ASSOCIATION	1,232.00
0037	BASTYR UNIVERSITY	50,000.00
0064	CASCADE PEST CONTROL	572.26
0067	CENTER FOR HUMAN SERVICES	9,300.00
0076	CITY OF BELLEVUE	26,100.67
0081	CITY OF KENMORE	350.00
0083	CITY OF LAKE FOREST PARK	49,950.00
0099	CONSOLIDATED PRESS	8,930.08
0106	CROWN PRODUCTS LLC	514.20
0109	DAILY JOURNAL OF COMMERCE	817.15
0121	REPUBLIC SERVICES	2,982.22
0130	EMPLOYMENT SECURITY DEPARTMENT	5,300.40
0137	FERGUSON ENTERPRISES INC #3011	173.67
0145	FRUHLING SAND & TOPSOIL	145.00
0151	CALPORTLAND COMPANY	1,249.17
0169	HERRERA ENVIRONMENTAL CONSULTANTS	4,276.16
0173	HOME DEPOT CREDIT SERVICES	2,125.34
0184	INSLEE, BEST, DOEZIE & RYDER, P.S.	77,104.88
0189	INTERNATIONAL CITY/CNTY MGMT ASSOC	1,365.48
0191	INTERNATIONAL INST OF MUNI CLERKS	210.00
0197	JET CITY PRINTING	385.00
0205	KENMORE HERITAGE SOCIETY	75.00
0206	KENMORE MIDDLE SCHOOL	2,750.00
0212	KING COUNTY FINANCE W.L.R.D.	1,052.86
0218	KING COUNTY FINANCE	1,687.01
0219	KING COUNTY FINANCE	39,816.59
0230	KING COUNTY RADIO COMM SERVICES	300.57
0235	KING COUNTY TREASURY	41,217.28
0251	LIGHTHOUSE CONSULTING INC	56,585.98
0261	PENDLETON CONSULTING LLC	3,200.00
0267	MR. T'S TROPHIES & AWARDS LLC	105.84
0285	NORTHSHORE FIRE DEPT	1,160.00
0286	NORTHSHORE SCHOOL DISTRICT	109,213.00
0287	NORTHSHORE SENIOR CENTER	15,750.00
0288	NORTHSHORE UTILITY DIST	60,249.30
0292	HONEY BUCKET	1,589.77
0300	OFFICE DEPOT	1,369.52
0304	OLYMPIC ENVIRONMENTAL RESOURCES INC	2,345.00
0310	PACIFIC TOPSOILS	3,201.28
0327	PUGET SOUND CLEAN AIR AGENCY	19,396.00
0328	PUGET SOUND ENERGY	115,206.92
0345	SEATTLE TIMES	1,003.82
0346	SECRETARY OF STATE	20.00
0355	STAPLES ADVANTAGE	5,168.01
0356	STATE AUDITOR'S OFFICE	2,318.55
0357	STEWART MACNICHOLS HARMELL, INC.	25,000.00
0359	SOUND CITIES ASSOC	15,539.29
0365	TOTAL LANDSCAPE CORP	32,533.86
0371	UNITED STATES POSTMASTER	3,653.82
0375	US POSTAL SERVICE (HASLER)	3,688.02
0385	WA ASSOC OF BUILDING OFFICIALS	2,000.00
0386	WA ASSOC OF CODE ENFORCEMENT	20.00

Vendor Purchasing Report **For Date Range 01/01/2021 - 05/14/2021**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
0387	WA CITIES INSURANCE AUTHORITY	382,432.00
0390	WA FINANCE OFFICERS ASSOCIATION	75.00
0400	WASHINGTON STATE DEPT OF REVENUE	801.79
0401	WA STATE DEPT OF TRANSPORTATION	11,750.85
0405	WASHINGTON STATE OFFICE CASH MGMT	547.00
0412	WM CORPORATE SVCS - COLUMBIA RIDGE LANDFILL	10,646.34
0424	ICMA RETIREMENT TRUST 457 / 304745	69,977.09
0425	DRS 457	9,682.66
0426	AFLAC	864.76
0428	BANK OF AMERICA 941	176,951.99
0429	AWC EMPLOYEE BENEFIT TRUST	277,323.25
0431	DEPARTMENT OF RETIREMENT SYSTEMS	297,676.53
0432	DEPARTMENT OF LABOR AND INDUSTRIES	14,401.95
0434	UNITED WAY OF KING COUNTY	473.84
0436	NATIONAL LIFE OF VERMONT	492.68
0448	UPS STORE KENMORE	62.80
0450	AURORA RENTS	1,916.27
0484	CITY WIDE FENCE COMPANY, INC	825.75
0497	DAY WIRELESS SYSTEMS	153.72
0542	AMERICAN SOCIETY OF COMPOSERS	367.00
0558	SNOHOMISH COUNTY	1,060.00
0586	QUADIENT LEASING USA, INC.	710.14
0610	WA STATE DEPT OF TRANSPORTATION	15,795.11
0685	PACE ENGINEERS, INC.	5,459.00
0689	DIGITAL REPROGRAPHICS SERVICES INC.	984.50
0692	HDR ENGINEERING, INC	340,526.53
0696	AMERICAN GENERAL LIFE GPO/400S	1,399.60
0743	BANNER BANK NO	817.02
0781	QUALITY BUSINESS SYSTEMS INC.	1,407.09
0791	NORTHSHORE ROTARY CLUB	120.00
0817	GRAINGER	289.04
0831	NORTHSHORE PARK & REC SERVICE AREA	2,720.00
0892	JACOBS ENGINEERING GROUP	82,837.86
0898	ZONAR SYSTEMS	528.21
0899	SHRED IT, C/O STERICYCLE, INC>	688.51
0913	KENMORE ELEMENTARY	1,250.00
0981	COMCAST BUSINESS	1,145.40
0994	GORDON THOMAS HONEYWELL	15,608.80
1003	iWORQ SYSTEMS	2,800.00
1010	WESTLAKE HARDWARE WA-153	648.87
1045	HORIZON DISTRIBUTORS INC	1,782.47
1052	FIRE PROTECTION, INC	12,183.34
1068	WA STATE DEPT OF LABOR & INDUSTRIES	147.20
1123	AM TEST, INC	800.00
1148	AGORA REFRESHMENTS	252.84
1168	SCHINDLER ELEVATOR CORPORATION	5,887.20
1197	MILLER STEPHENS, MARY	3,750.00
1215	STATE OF FLORIDA DISBURSEMENT UNIT	2,475.00
1222	OLSON BROTHERS PRO VAC	26,247.17
1299	VERIZON WIRELESS	772.47
1309	BANNER BANK BAKER	5,216.75
1311	WASHINGTON STATE PATROL	1,107.35
1313	BOTHELL KENMORE CHAMBER OF COMMERCE	3,000.00
1326	JOYCE ZIKER PARKINSON	1,087.50
1331	KBA INC.	317,776.84
1337	STATE OF WA DEPT. OF LICENSING	0.40
1339	STATE OF WA DEPARTMENT OF LICENSING	20.00
1345	SHERWIN WILLIAMS CO. #8099	391.95

Vendor Purchasing Report **For Date Range 01/01/2021 - 05/14/2021**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
1358	ALPHAGRAPHICS	333.31
1359	EVERGREEN FIRE AND SAFETY, INC.	466.95
1385	CITYWORKS/ AZTECA SYSTEMS INC.	33,030.00
1387	ST OF WA DEPT OF FISH & WILDLIFE	40.00
1390	UTILITIES UNDERGROUND LOCATION CTR	746.91
1403	OSBORN CONSULTING INC.	62,335.21
1431	BRIEN, GAYLYNN	200.00
1452	CITY OF KENT	500.00
1459	FLEMINGS HOLIDAY LIGHTING LLC	2,547.71
1482	HIGHWIRE	543.12
1492	MACDONALD MILLER FACILITY SOLUTIONS	11,752.62
1504	SCORE	28,645.86
1524	GRANICUS LLC	14,890.46
1544	METROPOLITAN TRANS. COMMISSION	1,500.00
1555	LINCOLN NATIONAL LIFE INSURANCE	5,787.49
1673	KPFF CONSULTING ENGINEERS	90,006.75
1689	MOTT MACDONALD GROUP, INC.	136,699.61
1701	THE SEATTLE TIMES NIE	256.45
1704	BANNER BANK RK	489.46
1708	APPLIED CONCEPTS, INC.	3,512.19
1711	SOFTWAREONE, INC.	11,925.63
1731	NORTHWEST ARBORICULTURE LLC	792.72
1739	FIX AUTO	300.80
1763	REID, JAMES FALCONER	6,772.50
1814	YSI INCORPORATED, A XYLEM BRAND	1,403.12
1816	NAVIA	11,148.86
1828	QUALITY BUSINESS SYSTEMS / WELLS FARGO	2,704.56
1829	SHI INTERNATIONAL CORP.	1,400.87
1838	AVIDIA HEALTH	900.00
1884	CADMAN MATERIALS, INC.	750.12
1885	NATIONAL BARRICADE CO., LLC	1,299.20
1889	WILLIAMS, KASTNER & GIBBS PLLC	20,780.17
1900	ASPECT CONSULTING LLC	1,912.75
1930	T MOBILE USA, INC.	3,016.34
1932	U.S. BANK N.A. / CUSTODY	164.00
1948	MULTICARE CENTERS OF OCCUPATIONAL MEDICINE	220.00
1961	WESTERN ENTRANCE TECHNOLOGY, LLC	655.10
1964	EARTHWORKS	13,360.72
1979	MSPT XXII, LLC C/O FLYWAY RETAIL + LIVING	2,500.00
1980	HRA VEBA TRUST	18,959.88
1993	HYAS GROUP, LLC	3,750.00
1994	LAKE CITY PARTNERS ENDING HOMELESSNESS	1,125.00
1999	KING COUNTY POLICE CHIEFS ASSOCIATION	50.00
2004	RED BARN ENGINEERING, INC.	42,041.33
2010	JUDHA OF LION LANDSCAPING AND SERVICES LLC	4,734.30
2047	PUGET SOUND PLANTS	1,951.18
2048	SMS CLEANING, INC.	25,980.00
2081	SHANNON & WILSON, INC.	3,840.50
2095	TRANSPO GROUP USA INC.	11,073.29
2096	TUPLING, SANDRA	146.50
2113	WA ASSOC. OF SHERIFFS & POLICE CHIEFS	180.00
2142	ICMA RETIREMENT C/O ALLFIRST BANK / 109964	170,104.17
2145	NORTHWEST ELECTRIC AND SOLAR	536.74
2157	SOUND SAFETY PRODUCTS CO.	457.02
2175	ELECTRONIC BUSINESS MACHINES	513.40
2176	CANON FINANCIAL SERVICES, INC.	1,064.32
2183	SISKUN POWER EQUIPMENT	1,183.45
2209	MORUP SIGNS, INC.	3,616.79

Vendor Purchasing Report **For Date Range 01/01/2021 - 05/14/2021**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2221	O'REILLY/FIRST CALL	64.65
2236	COMCAST	11,812.42
2242	MARY'S PLACE	6,250.00
2249	KING COUNTY BAR ASSOCIATION	250.00
2250	NAMI EASTSIDE	750.00
2252	TRUGREEN	721.16
2254	U.S. BANK PURCHASE CARDS	44,492.61
2259	MINUTEMAN PRESS	5,658.60
2270	LAKESIDE INDUSTRIES	914.10
2285	QUALITY WATER FINANCIAL	714.95
2298	WAPRO	145.00
2318	PIXELEYES GRAPHICS & DESIGN	780.00
2327	PACIFIC AIR CONTROL, INC.	5,366.82
2340	MOJO STRATEGIES	1,562.50
2353	NORTHSHORE SCHOOLS FOUNDATION	750.00
2362	CHASEWEST VENTURES, INC.	2,175.00
2379	JENNIFER DIXON	8,473.00
2382	FOCUS TOOLS & ENGINEERING, INC.	11,723.40
2385	TACOMA SCREW PRODUCTS, INC.	47.75
2386	CECCANTI, INC.	8,155,583.78
2393	SEATTLE PUMP & EQUIPMENT CO./JETTERS NORTHWE	1,304.69
2396	ZIPLY FIBER	3,587.88
2402	PACIFIC OFFICE AUTOMATION	334.72
2403	AMERICALL	715.68
2411	STELL ENVIRONMENTAL ENTERPRISES, INC	6,824.10
2413	ICLEI	1,200.00
2416	KIERA CONDON	1,600.00
2425	THOMCO CONSTRUCTION, INC.	1,356,272.44
2434	PSR MECHANICAL	24,665.15
2459	NELSON ELECTRIC, INC.	12,949.55
2473	THE ROOT OF US LLC	2,000.00
2482	KIMLEY HORN AND ASSOCIATES, INC.	22,410.00
2486	CASCADIA LAW GROUP	16,962.75
2489	THE ORIGINAL POOP BAGS	2,223.79
2508	SERENITY DILLAWAY	100.00
2511	SALCIDO, LETICIA	1,016.68
2512	CARAHSOFT TECHNOLOGY CORPORATION	3,630.00
2513	DGR DEVELOPMENT, INC.	7,500.00
2514	STAN YAO	7,804.00
2517	CLEARVIEW NURSERY, INC.	392.12
2518	CYSTIC FIBROSIS FOUNDATION	100.00
2519	HAMBELL	375.00
2520	KING COUNTY FINANCE	15.00
2521	UNITED PRINT SIGNS GRAPHICS	385.35
2522	TRC ENVIRONMENTAL CORPORATION	11,299.90
2523	ALL AROUND FENCE COMPANY	990.90
2524	VARITECH INDUSTRIES INC.	3,855.02
2525	SERVICE ELECTRIC CO. INC.	743.18
2526	CONVERGINT TECHNOLOGIES	5,259.61
2527	SHOC NETWORKS	8,222.78
2528	HIATT PARK LLC	16,306.20
2529	FORCE AMERICA DISTRIBUTING LLC	440.40
2530	CASCADIA CONSULTING GROUP, INC.	14,296.25
2531	BCN TELECOM, INC.	1,056.03
2532	BIO CLEAN, INC.	1,596.45
2533	JAMES R. WAGNER JR.	500.00
2535	BRASS MONKEY INVESTMENTS LLC	54.90
2536	JOHNSON ELECTRIC, INC.	7,727.92

X. C. Approve Total Check #s 47341 through 47431 totaling $501,022.64, a...

Vendor Purchasing Report **For Date Range 01/01/2021 - 05/14/2021**

Vendor Set: Vendor Set 01

Vendor	Name	Volume
2537	HUNTINGTON TECHNOLOGY FINANCE	47,388.75
2538	SHAWN PECKHAM	50.90
2539	C + C INC.	1,000.00
2540	CHILD CARE RESOURCES	375.00
2541	TOWN CENTER HARDWARE	115.26
2543	FOSTER GARVEY PC	1,650.00
2544	ACTION SERVICES CORPORATION	363.00
2545	KLB CONSTRUCTION, INC.	379,497.88
2546	1901-WLD KENMORE 68TH LLC	31.50
	Vendor Set Vendor Set 01 Total:	**13,930,444.30**

Voucher report 5-14-21

Final Audit Report 2021-05-17

Created:	2021-05-17
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsqJ0W_J0w7-vJJceS4SqZKf0iF-n5GhL

"Voucher report 5-14-21" History

Document created by Leticia Salcido (lsalcido@kenmorewa.gov)
2021-05-17 - 5:43:00 PM GMT- IP address: 50.235.209.34

Document emailed to Rob Karlinsey (rkarlinsey@kenmorewa.gov) for signature
2021-05-17 - 5:43:29 PM GMT

Email viewed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)
2021-05-17 - 7:18:55 PM GMT- IP address: 24.22.167.111

Document e-signed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)
Signature Date: 2021-05-17 - 7:19:07 PM GMT - Time Source: server- IP address: 24.22.167.111

Agreement completed.
2021-05-17 - 7:19:07 PM GMT

POWERED BY Adobe Sign

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: January 2021 Financial Report	For Council Meeting Agenda of: May, 24, 2021 **Department**: Finance & Administration **Prepared by**: Leticia Salcido, Director of Finance & Administration Initial & Date Approved by Department Head: LS Approved by City Attorney: Approved by Finance Director: LS Approved by City Manager: RGK RGK
Proposed Council Action/Motion: Receive & file: January 2021 Financial Report for the City of Kenmore Washington	**Exhibits/Attachments**: January 2021 Financial Report for the City of Kenmore, Washington

INFORMATION/BACKGROUND:

The January 2021 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2021-2022 adopted biennial budget.
The budget was adopted on November 23, 2020.

FISCAL CONSIDERATION:
January 2021 is the 1st month of the 2021-2022 24-month biennium budget period with 4% of the biennium elapsed.

General Fund:
As of January 2021, the biennium to date revenues exceeded expenditures by $130,217. Revenues totaled $957,711 while expenditures totaled $827,494. Revenues received in January is equal to 3.5% of the budgeted biennium amount of $27.1 million.

Property tax which is the major revenue source for the City normally comes in later in the year and as such has only generated $20,302 (0.2%)for the first month of the biennium. The budget for the biennium for this revenue source is $10.9 million.

Sales Tax revenue generated $276,941 during the same time period. This amount represents 5.2% of the amount budgeted for the biennium ($5.3 million). Sales tax receipts by business type indicates construction, retail, and services as the highest producers.

Development fees and permits totaled $100,365 or 5.8% of the budgeted amount. Utility taxes totaled 118,064 or 4.9% of budgeted amount,

Expenditures as of January 2021 were $827,494 or 3.1% of the biennial budget of $27.1 million. This is adequate and within budget.

Street Fund:
As of January 2021, biennium to date revenues totaled $51,760 or 1.7% of the amount budgeted for the biennium in the amount of $3.1million. Gas tax revenues totaled $28,692 and this amount is 24% lower than the amount received same month last year.

Expenditures as of January 2021 were $98,580 or 3% of the biennial budget.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Kenmore budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.
Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.
Priority Based budgeting Result: Governance: Supports decision making with timely and accurate short term and long range analysis that enhances vision and planning.

18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Leticia Salcido, Finance Director
DATE: May 13, 2021
RE: January 2021 Financial Reports for the City of Kenmore, Washington

January 2021 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule and Portfolio Analysis
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution

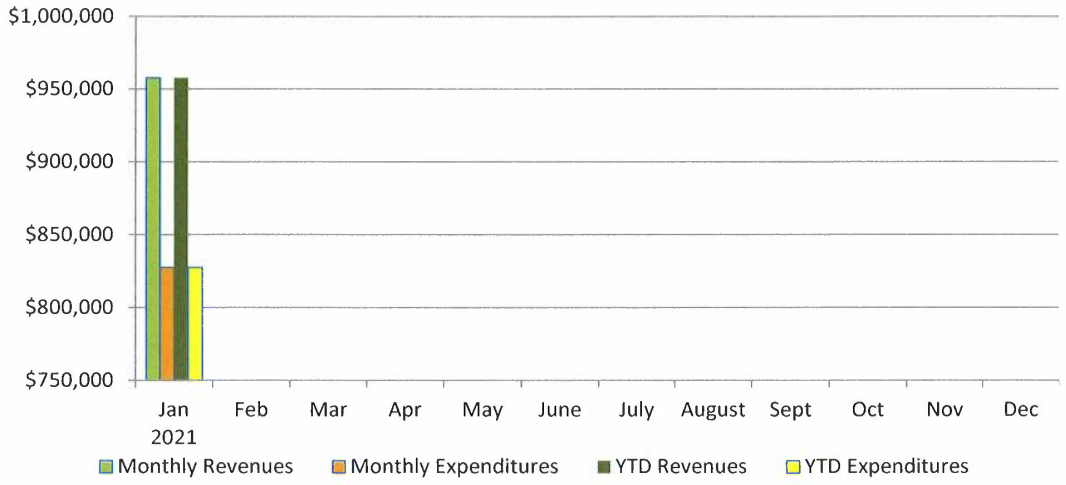
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, January is the first month (4%) of the 2021-2022 biennial budget period. For the month of January, revenues exceeded expenditures in the General Fund by $130,217. Biennium to date, revenues exceed expenditures by $130,217.

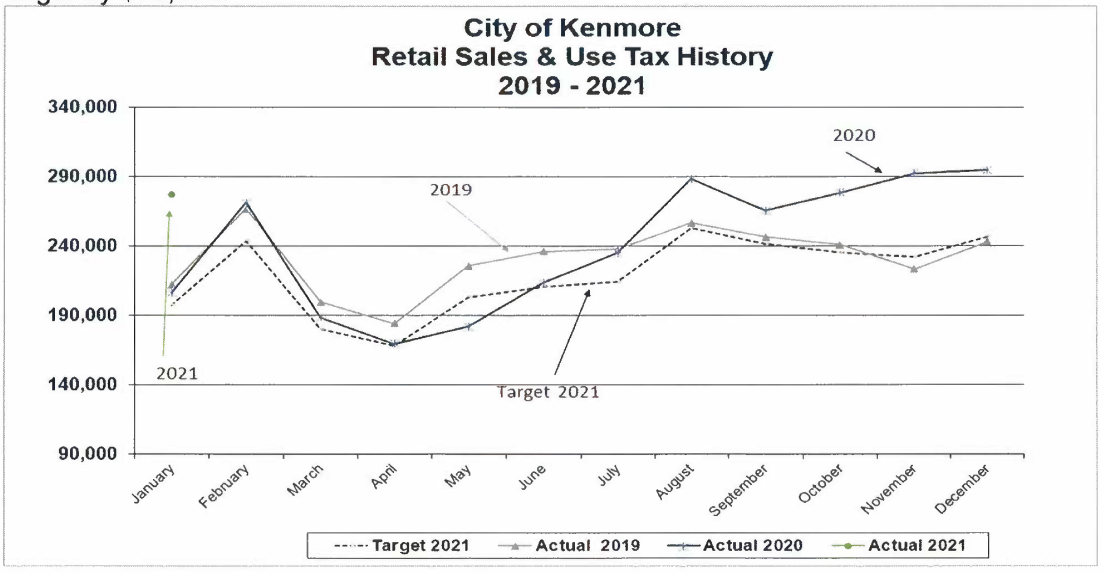
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through January 2021.

City of Kenmore, Washington
Monthly Financial Report
January 2021

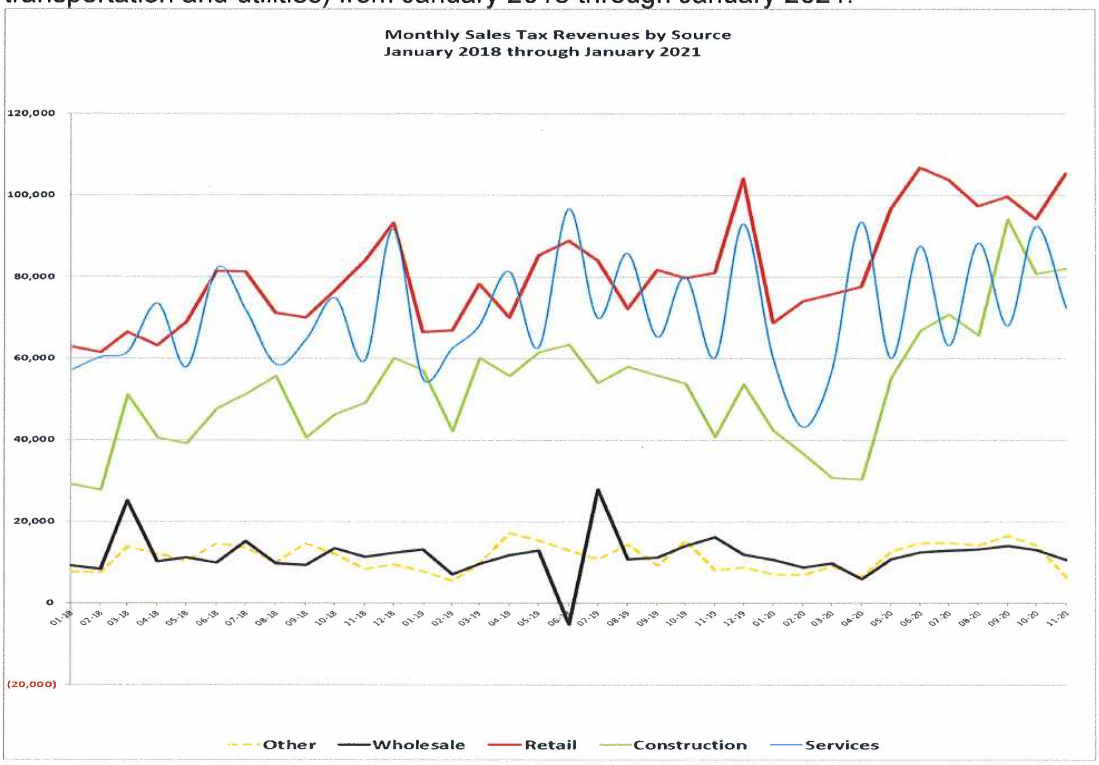


Total **revenues** for the month were **$957,711.** Biennium to date revenues are $957,711 which is 3.5% of the budgeted revenues of $27,067,770. Primary sources of revenue for the month included property taxes in the amount of $20,302, development fees & permits in the amount of $100,365, retail sales and use taxes in the amount of $276,941, intergovernment & grants in the amount of 115,861, franchise fees in the amount of $237,631, and utility taxes in the amount of $118,064.

A summary of sales tax revenues received in **January** is attached. These receipts are based on **November** sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2021 line is a monthly average of actual receipts during 2018, 2019, and 2020. The green line represents 2021 actual receipts, which are $70,627 above 2020 and ahead of the 2021 target by $79,479.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2018 through January 2021.

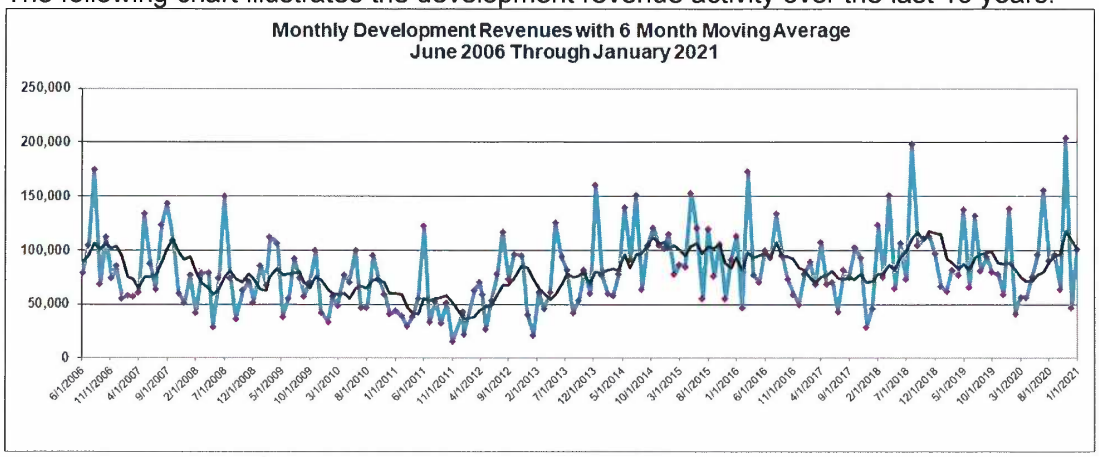


In January, the top 506 sales tax remitters, accounting for 88% or $244,987 of total remittances, were reviewed for internet sales activity.

Of the $244,987 of sales tax remitted by these companies in January, $65,814 (27% of the total) was generated from internet-based companies. Below is a chart that illustrates the amount of internet based sale tax in the major segments that include it:

	Total Sales Tax Remitted in January	Internet Based Companies	% of Total Internet Sales Tax Collected
Retail Trade	$84,763	$45,866	54%
Information	8,649	2,284	26%
Services	55,540	16,104	29%
Wholesale	7,381	1,561	21%
		$65,814	

The following chart illustrates the development revenue activity over the last 15 years.



January 2021 expenditures were **$827,494.** Biennium to date expenditures are $827,494, which is 3% of the biennial budget expenditures of $27,067,770.

Total City cash ($18,140,964) and long-term investments ($6,068,350), at the end of January, totaled $24,209,314. Proposition 1 levy funds are included in this cash balance.

Total non-General Fund revenues were $2,958,725 and total non-General Fund expenditures were $1,185,323.

In the **Street Fund** revenue from gas tax distributions were $28,692. $42,075 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund,** there were expenditures in the amount of $0 on pedestrian safety projects & street maintenance.

The **Sammamish Bridge Replacement Fund** had $930,554 in expenditures during the month. The fund received $1,596,163 in bridge grant reimbursements during the month.

The **Park Impact Fee** fund received $30,398 in revenues during the month.

There were $68,938 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received $166,653 of real estate excise taxes (REET) in January from sales activity that occurred in December. 40 transactions were reported during the month. The 2021 year to date revenue is higher than the 2020 revenue by $11,512.

The **Park Capital** fund had $17,142 in Park improvement expenditures during the month. The fund also received $804,587 in grant reimbursements during the month.

The **Walkways & Waterways Debt Service** Fund collected $2,100 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of $2,100.

The **Transportation Benefit District** Fund received $33,541 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **January 31, 2021.** I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
January 31, 2021

	CURRENT PERIOD 2021-2022				PREVIOUS PERIOD 2019-2020			
	MONTH January 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BIENNIUM BUDGET 2021-2022	MONTH January 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020
REVENUES								
Beginning Fund Balance		**2,748,005**		**2,748,005**		**4,934,368**		**4,934,368**
Property Taxes	20,302	20,302	0.2%	10,865,654	15,956	15,956	0.2%	10,224,205
Sales and Use Taxes	276,941	276,941	5.2%	5,282,280	269,980	269,980	4.3%	6,212,000
Utility Taxes	118,064	118,064	4.9%	2,399,290	116,230	116,230	4.7%	2,466,355
Other Taxes	24	24	0.0%	182,200	12,299	12,299	6.8%	181,868
Development Fees & Permits	100,365	100,365	5.8%	1,720,003	66,225	66,225	3.6%	1,854,042
Franchise Fees	237,631	237,631	13.6%	1,746,569	0	0	0.0%	1,831,835
Intergovernmental and Grants	115,861	115,861	4.7%	2,452,594	47,201	47,201	2.2%	2,142,292
Investment Interest	74,663	74,663	113.1%	66,000	3,243	3,243	3.4%	95,300
Fines and Forfeitures	2,336	2,336	0.0%	0	0	0	0.0%	0
Transfers and Other Revenues	11,523	11,523	0.5%	2,353,180	8,546	8,546	0.4%	2,155,352
Total Revenues	957,711	957,711	3.5%	27,067,770	539,680	539,680	2.0%	27,163,249

City of Kenmore, Washington
General Fund Summary Report
January 31, 2021

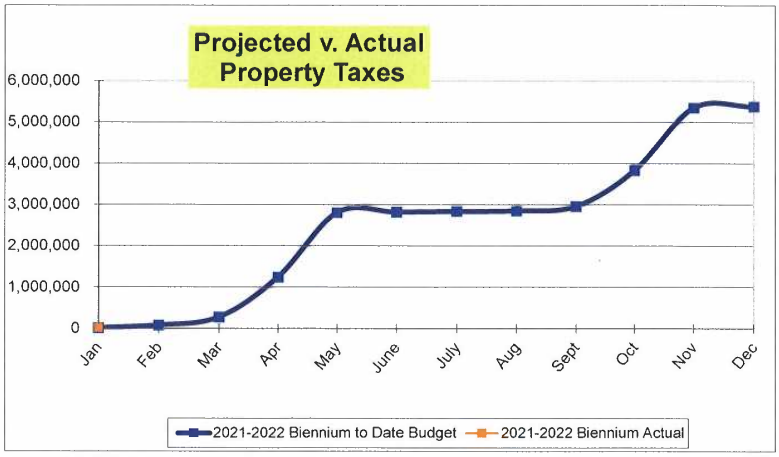
	CURRENT PERIOD 2021-2022				PREVIOUS PERIOD 2019-2020			
	MONTH January 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BIENNIUM BUDGET 2021-2022	MONTH January 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	BIENNIUM BUDGET 2019-2020
EXPENDITURES								
Cost Center								
City Council	41,298	41,298	12.4%	332,711	22,063	22,063	6.6%	336,208
City Manager	100,082	100,082	3.2%	3,121,846	104,052	104,052	3.3%	3,170,520
City Clerk	10,399	10,399	1.1%	937,052	11,621	11,621	1.3%	919,466
Finance	373,814	373,814	15.0%	2,490,440	257,979	257,979	13.4%	1,925,756
Human Resources	0	0	0.0%	0	0	0	0.0%	0
Legal	0	0	0.0%	565,000	0	0	0.0%	654,782
Coronavirus Relief Fund Expenditures	0	0	0.0%	0	0	0	0.0%	1,084,615
Interfund Transfers	0	0	0.0%	1,560,617	0	0	0.0%	3,226,484
Public Safety	230	230	0.0%	9,152,371	4,167	4,167	0.0%	8,967,044
Engineering & Environmental Services	47,917	47,917	2.8%	1,689,574	46,711	46,711	3.0%	1,555,790
Community Development	60,865	60,865	3.6%	1,695,828	55,205	55,205	3.5%	1,580,826
Developmental Services	153,789	153,789	5.4%	2,845,428	118,215	118,215	6.3%	1,874,061
Parks & Facility Maintenance	39,100	39,100	1.5%	2,676,904	126,627	126,627	3.9%	3,247,606
Total Expenditures	827,494	827,494	3.1%	27,067,770	746,640	746,640	2.6%	28,543,158
Revenues over Expenditures	130,217	130,217		0	(206,960)	(206,960)		(1,379,909)
Ending Fund Balance		**2,878,222**		**2,748,005**		**4,727,409**	**0**	**3,554,460**

I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund

City of Kenmore, Washington
General Fund Revenue Graphs
January 31, 2021

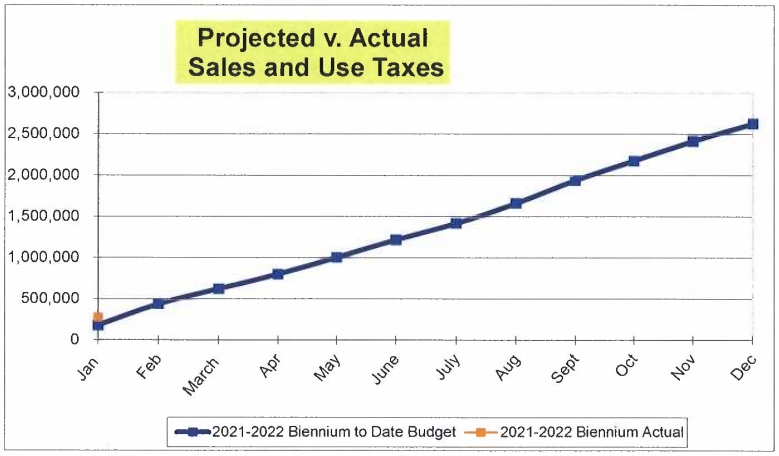
PROPERTY TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	17,296	20,302
Feb	83,909	
Mar	281,719	
Apr	1,246,162	
May	2,809,153	
June	2,824,201	
July	2,839,121	
Aug	2,854,978	
Sept	2,963,277	
Oct	3,837,148	
Nov	5,352,815	
Dec	5,383,410	
2021-22 Year To Date	10,865,654	
Actual v. Projected		117%



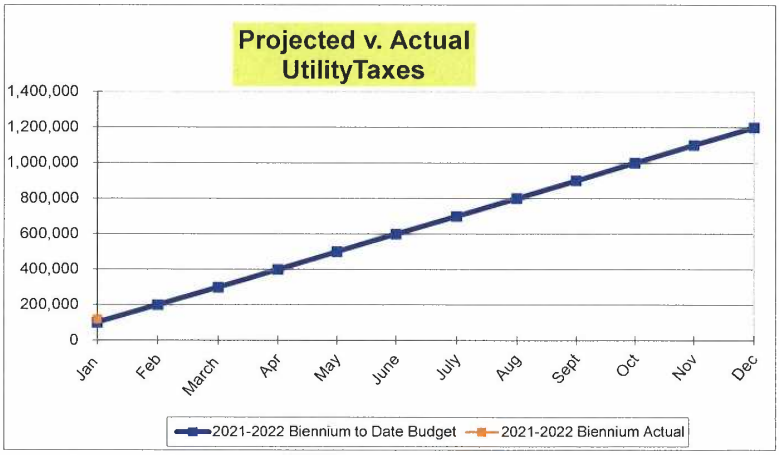
SALES & USE TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	179,696	276,941
Feb	438,515	
March	622,724	
Apr	800,553	
May	1,005,035	
June	1,218,052	
July	1,416,425	
Aug	1,662,043	
Sept	1,939,335	
Oct	2,175,980	
Nov	2,415,377	
Dec	2,628,000	
2021-22 Year To Date	5,282,280	
Actual v. Projected		154%



UTILITY TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	99,970	118,064
Feb	199,940	
March	299,910	
Apr	399,880	
May	499,850	
June	599,820	
July	699,790	
Aug	799,760	
Sept	899,730	
Oct	999,700	
Nov	1,099,670	
Dec	1,199,640	
2021-22 Year To Date	2,399,290	
Actual v. Projected		118%

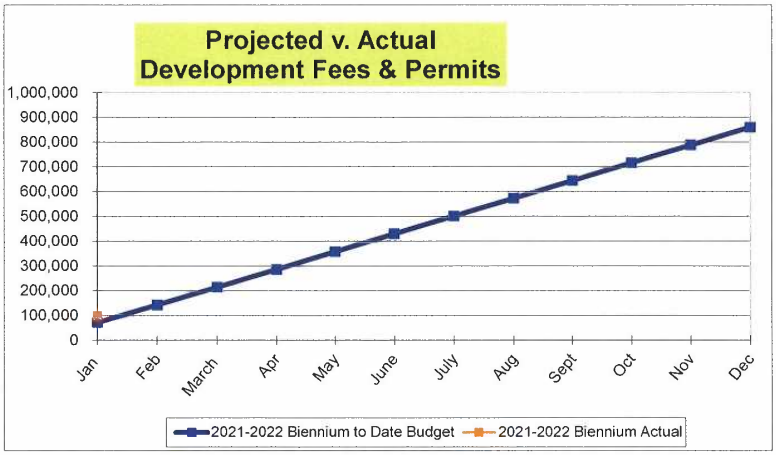


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Rev Graphs

City of Kenmore, Washington
General Fund Revenue Graphs
January 31, 2021

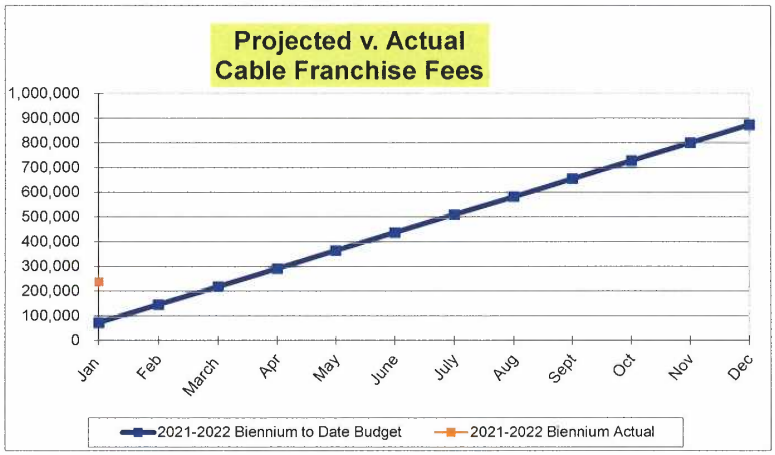
DEVELOPMENT FEES & PERMITS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	71,667	100,365
Feb	143,334	
March	215,001	
Apr	286,668	
May	358,335	
June	430,002	
July	501,669	
Aug	573,336	
Sept	645,003	
Oct	716,670	
Nov	788,337	
Dec	860,004	
'2021-22	1,720,003	
Year To Date		
Actual v. Projected		140%



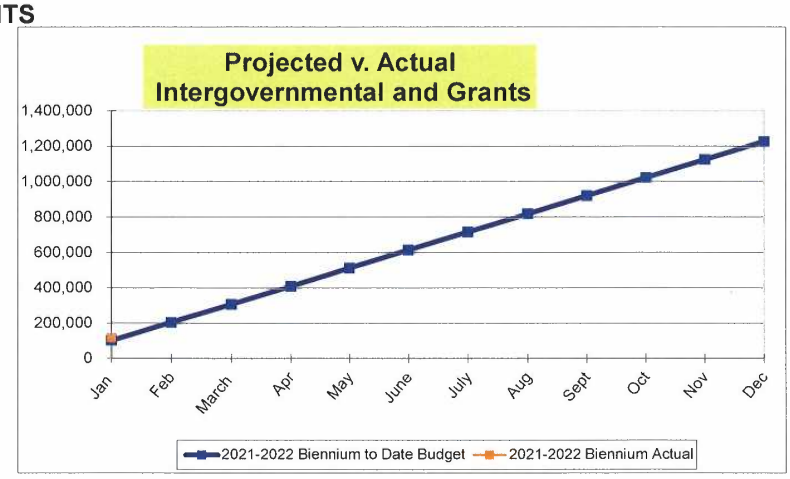
CABLE/WATER/SEWER FRANCHISE FEES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	72,774	237,631
Feb	145,548	
March	218,322	
Apr	291,096	
May	363,870	
June	436,644	
July	509,418	
Aug	582,192	
Sept	654,966	
Oct	727,740	
Nov	800,514	
Dec	873,288	
'2021-22	1,746,569	
Year To Date		
Actual v. Projected		327%



INTERGOVERNMENTAL & GRANTS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	102,191	115,861
Feb	204,382	
March	306,573	
Apr	408,764	
May	510,955	
June	613,146	
July	715,337	
Aug	817,528	
Sept	919,719	
Oct	1,021,910	
Nov	1,124,101	
Dec	1,226,292	
'2021-22	2,452,594	
Year To Date		
Actual v. Projected		113%

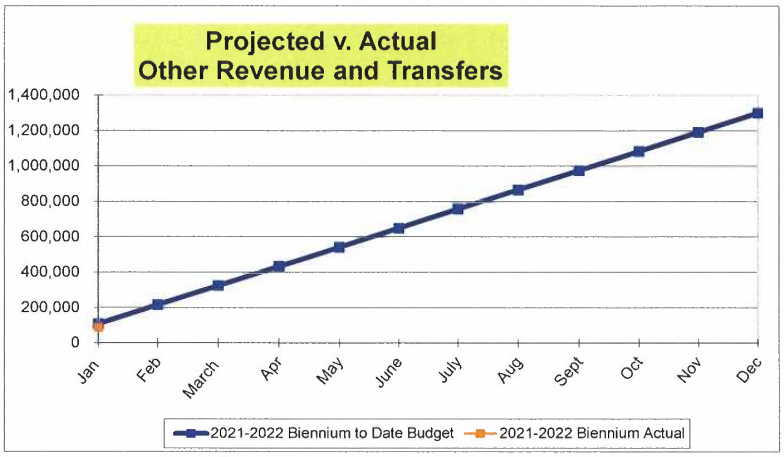


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Rev Graphs

City of Kenmore, Washington
General Fund Revenue Graphs
January 31, 2021

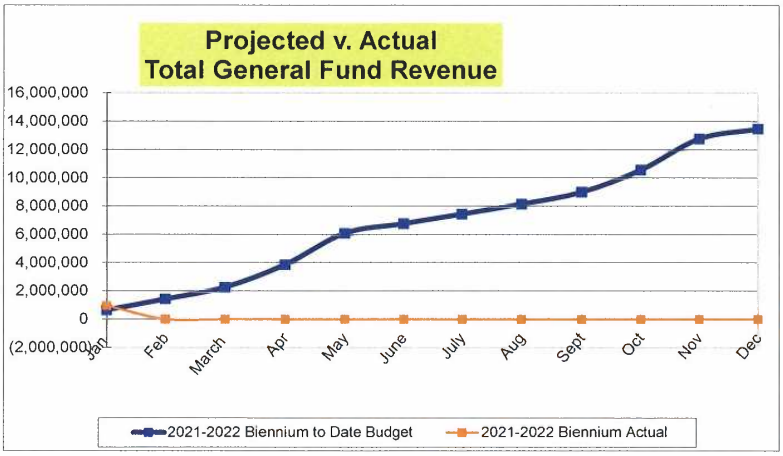
OTHER REVENUES AND TRANSFERS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	108,391	88,547
Feb	216,782	
March	325,173	
Apr	433,564	
May	541,955	
June	650,346	
July	758,737	
Aug	867,128	
Sept	975,519	
Oct	1,083,910	
Nov	1,192,301	
Dec	1,300,692	
'2021-22 Year To Date	2,601,380	
Actual v. Projected		82%



TOTAL GENERAL FUND REVENUE

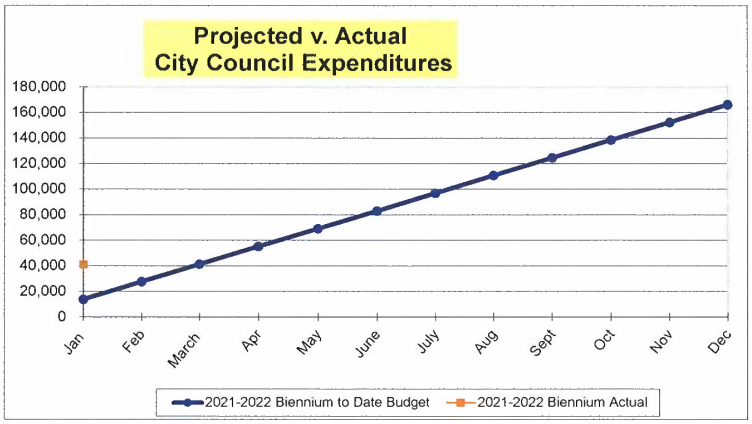
	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	651,985	957,711
Feb	1,432,410	0
March	2,269,422	0
Apr	3,866,688	0
May	6,089,153	0
June	6,772,211	0
July	7,440,498	0
Aug	8,156,965	0
Sept	8,997,549	0
Oct	10,563,059	0
Nov	12,773,116	0
Dec	13,471,326	0
'2021-22 Year To Date	27,067,770	
Actual v. Projected		147%



City of Kenmore, Washington
General Fund Expenditure Graphs*
January 31, 2021

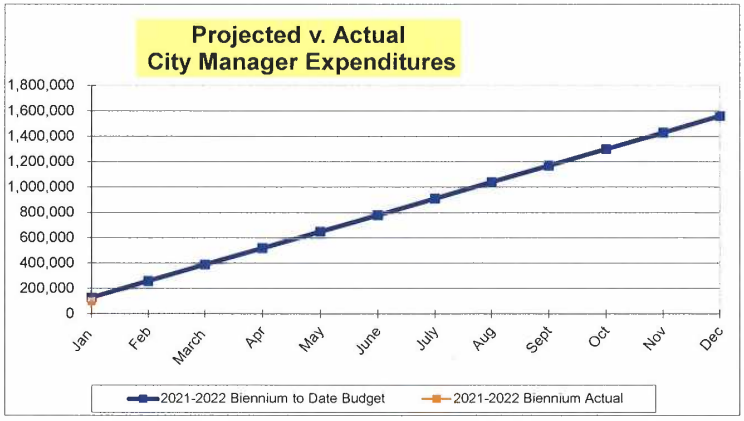
CITY COUNCIL

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	13,863	41,298
Feb	27,726	
March	41,589	
Apr	55,452	
May	69,315	
June	83,178	
July	97,041	
Aug	110,904	
Sept	124,767	
Oct	138,630	
Nov	152,493	
Dec	166,356	
2021-22 Year To Date	332,711	
Actual v. Projected		298%



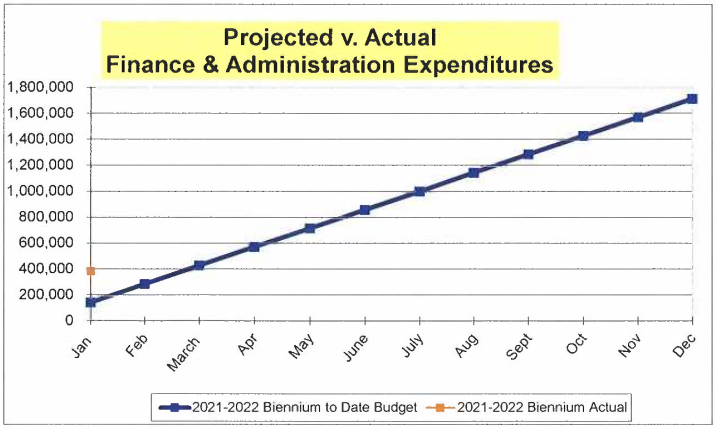
CITY MANAGER

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	130,077	100,082
Feb	260,154	
March	390,231	
Apr	520,308	
May	650,385	
June	780,462	
July	910,539	
Aug	1,040,616	
Sept	1,170,693	
Oct	1,300,770	
Nov	1,430,847	
Dec	1,560,924	
2021-22 Year To Date	3,121,846	
Actual v. Projected		77%



FINANCE & ADMINISTRATION

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	142,812	384,213
Feb	285,624	
March	428,436	
Apr	571,248	
May	714,060	
June	856,872	
July	999,684	
Aug	1,142,496	
Sept	1,285,308	
Oct	1,428,120	
Nov	1,570,932	
Dec	1,713,744	
2021-22 Year To Date	3,427,491	
Actual v. Projected		269%

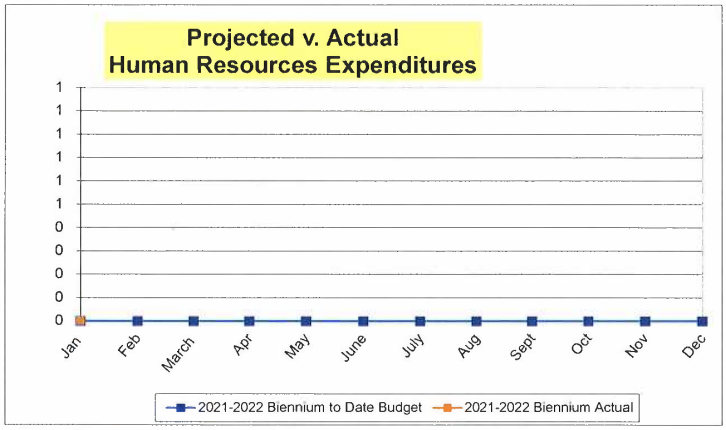


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
January 31, 2021

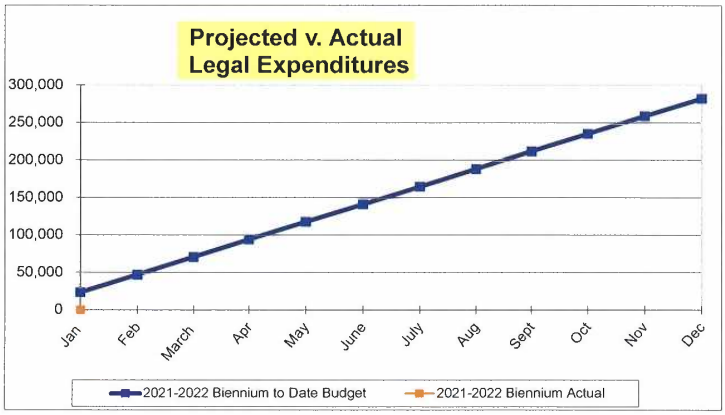
HUMAN RESOURCES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	0	0
Feb	0	
March	0	
Apr	0	
May	0	
June	0	
July	0	
Aug	0	
Sept	0	
Oct	0	
Nov	0	
Dec	0	
2021-22 Year To Date	0	
Actual v. Projected		0%



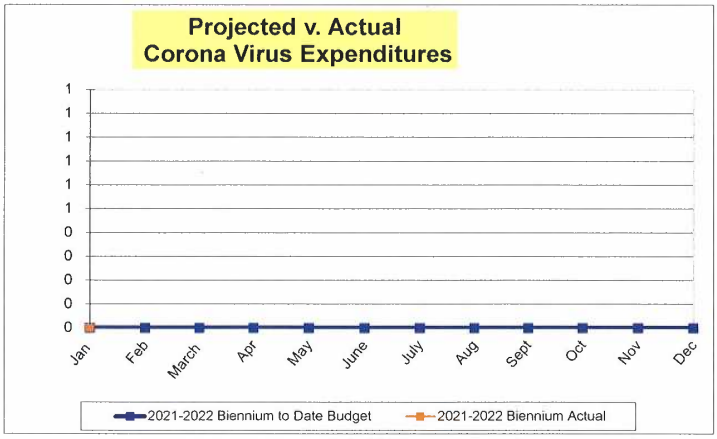
LEGAL

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	23,542	0
Feb	47,084	
March	70,626	
Apr	94,168	
May	117,710	
June	141,252	
July	164,794	
Aug	188,336	
Sept	211,878	
Oct	235,420	
Nov	258,962	
Dec	282,504	
2021-22 Year To Date	565,000	
Actual v. Projected		0%



Coronavirus Relief

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	0	0
Feb	0	
March	0	
Apr	0	
May	0	
June	0	
July	0	
Aug	0	
Sept	0	
Oct	0	
Nov	0	
Dec	0	
2021-22 Year To Date	0	
Actual v. Projected		0%

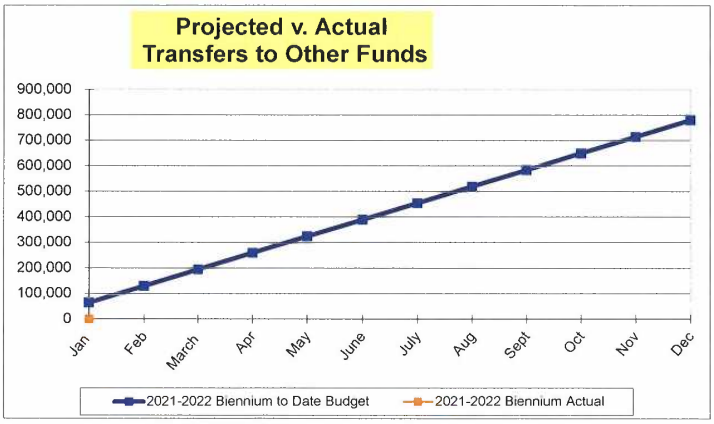


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
January 31, 2021

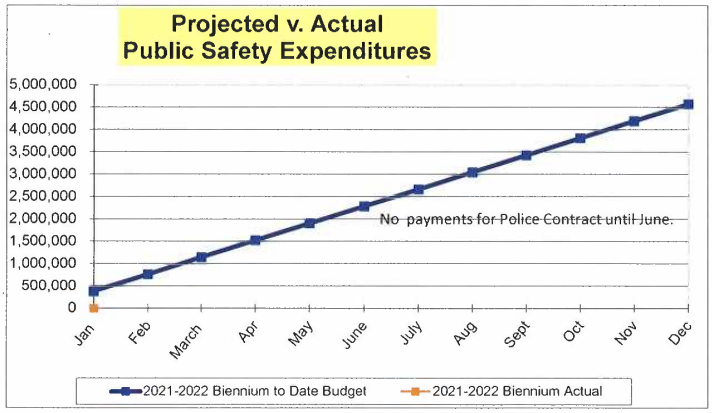
TRANSFERS TO OTHER FUNDS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	65,026	0
Feb	130,052	
March	195,078	
Apr	260,104	
May	325,130	
June	390,156	
July	455,182	
Aug	520,208	
Sept	585,234	
Oct	650,260	
Nov	715,286	
Dec	780,312	
2021-22 Year To Date	1,560,617	
Actual v. Projected		0%



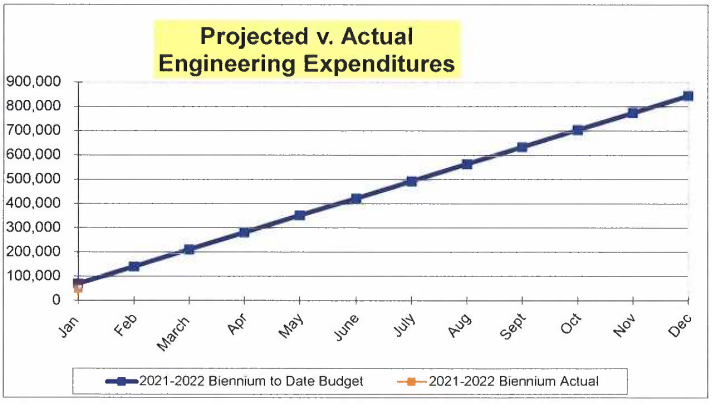
PUBLIC SAFETY

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	381,349	230
Feb	762,698	
March	1,144,047	
Apr	1,525,396	
May	1,906,745	
June	2,288,094	
July	2,669,443	
Aug	3,050,792	
Sept	3,432,141	
Oct	3,813,490	
Nov	4,194,839	
Dec	4,576,188	
2021-22 Year To Date	9,152,371	
Actual v. Projected		0%



ENGINEERING

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	70,399	47,917
Feb	140,798	
March	211,197	
Apr	281,596	
May	351,995	
June	422,394	
July	492,793	
Aug	563,192	
Sept	633,591	
Oct	703,990	
Nov	774,389	
Dec	844,788	
2021-22 Year To Date	1,689,574	
Actual v. Projected		68%

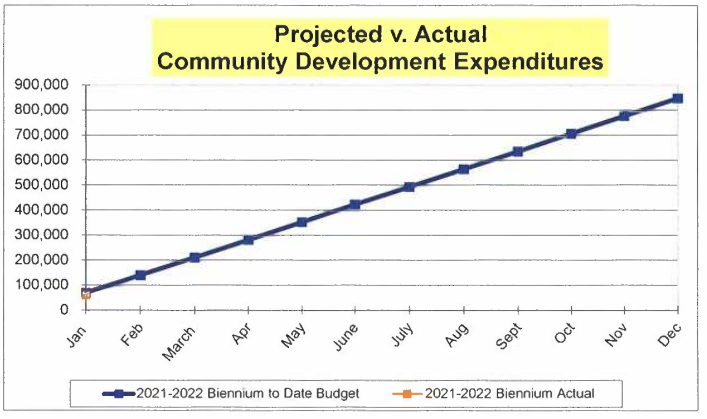


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
January 31, 2021

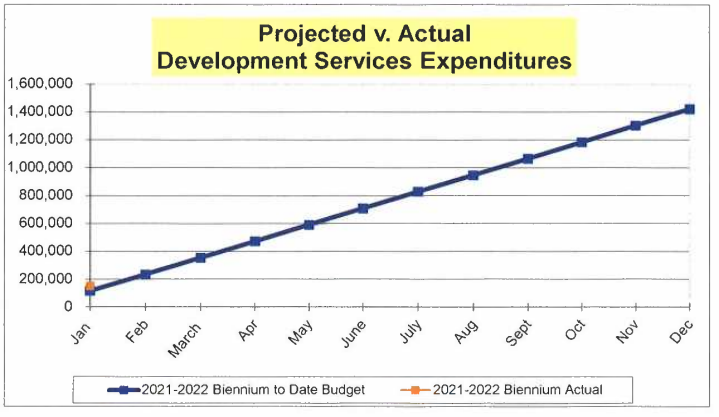
COMMUNITY DEVELOPMENT

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	70,659	60,865
Feb	141,318	
March	211,977	
Apr	282,636	
May	353,295	
June	423,954	
July	494,613	
Aug	565,272	
Sept	635,931	
Oct	706,590	
Nov	777,249	
Dec	847,908	
2021-22	1,695,828	
Year To Date		
Actual v. Projected		86%



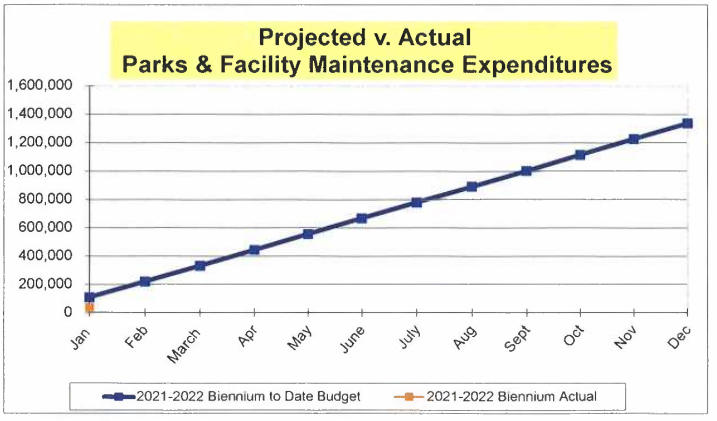
DEVELOPMENT SERVICES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	118,559	153,789
Feb	237,118	
March	355,677	
Apr	474,236	
May	592,795	
June	711,354	
July	829,913	
Aug	948,472	
Sept	1,067,031	
Oct	1,185,590	
Nov	1,304,149	
Dec	1,422,708	
2021-22	2,845,428	
Year To Date		
Actual v. Projected		130%



PARKS & FACILITY MAINTENANCE

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	111,538	39,100
Feb	223,076	
March	334,614	
Apr	446,152	
May	557,690	
June	669,228	
July	780,766	
Aug	892,304	
Sept	1,003,842	
Oct	1,115,380	
Nov	1,226,918	
Dec	1,338,456	
2021-22	2,676,904	
Year To Date		
Actual v. Projected		35%

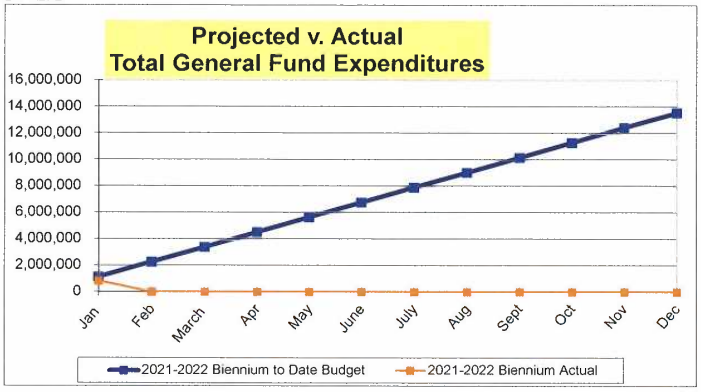


I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
January 31, 2021

TOTAL GENERAL FUND EXPENDITURES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	1,127,824	827,494
Feb	2,255,648	0
March	3,383,472	0
Apr	4,511,296	0
May	5,639,120	0
June	6,766,944	0
July	7,894,768	0
Aug	9,022,592	0
Sept	10,150,416	0
Oct	11,278,240	0
Nov	12,406,064	0
Dec	13,533,888	0
2021-22 Year To Date	27,067,770	
Actual v. Projected		73%



I:\Admin & Finance\Monthly Reports\2021\January 2021General Fund Exp Graphs

City of Kenmore, Washington
Street Fund Summary Report
January 31, 2021

	2021 - 2022			
	MONTH January 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BUDGET 2021-2022
REVENUES				
Beginning Fund Balance		**1,605,323**		**1,311,996**
Fuel Tax	28,692	28,692	3.1%	938,058
Investment Interest	80	80	2.6%	3,100
Miscellaneous	375	375	5.3%	7,131
ROW Permit Fees/Inspections	22,613	22,613	7.7%	293,460
Multimodal Transportation	0	0	0.0%	63,160
Transfer from General Fund	0	0	0.0%	1,560,617
Transfer from REET	0	0	0.0%	200,000
Total Revenues	51,760	51,760	1.7%	3,065,526

	2021 - 2022			
	MONTH January 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BUDGET 2021-2022
EXPENDITURES				
Salary and Benefits	56,522	56,522	4.2%	1,355,214
Maintenance & Operations	42,075	42,075	2.2%	1,872,953
Capital	-17	-17	0.0%	100,000
Total Expenditures	98,580	98,580	3.0%	3,328,167
Revenues over Expenditures	(46,820)	(46,820)		(262,641)
Ending Fund Balance		**1,558,503**		**1,049,355**

I:\Admin & Finance\Monthly Reports\2021\January 2021Street Fund

City of Kenmore, Washington
Cash and Investment Report
January 31, 2021

Fund	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	$2,748,005	$957,711	$827,494	2,878,223
Street	1,605,324	51,760	98,580	1,558,504
Transportation Capital	476,335	0	0	476,335
Public Art	204,032	10	0	204,042
Park Impact Fee	338,406	30,514	0	368,920
Transportation Impact Fee	2,602,598	69,458	0	2,672,056
Swamp Creek Basin	1,092,181	151	0	1,092,332
Transportation Benefit District	126,886	33,613	0	160,499
Sammamish Bridge Replacement	8,227	1,596,163	930,554	673,836
Walkways & Waterways Debt Service	189,434	2,100	0	191,534
Real Estate Excise Tax	1,995,416	167,161	0	2,162,577
Park Capital	1,936	804,848	17,142	789,642
Walkways & Waterways Bond	3,347,911	607	0	3,348,519
Surface Water Management	2,116,694	7,827	111,818	2,012,702
Surface Water Capital	229,359	99,144	0	328,503
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,345,297	186	0	1,345,483
Strategic Opportunities	2,560,222	423	0	2,560,645
Equipment Replacement	482,376	65	11,926	470,516
Trust & Agency	807,663	94,695	15,304	887,053
Totals	$22,278,302	$3,916,436	$2,012,817	$24,181,921

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	$1,955,122	$933,350	2,888,473
Street	708,504	850,000	1,558,504
Transportation Capital	476,335	0	476,335
Public Art	189,042	15,000	204,042
Park Impact Fee	-561,077	930,000	368,923
Transportation Impact Fee	2,642,059	30,000	2,672,059
Swamp Creek Basin	-307,667	1,400,000	1,092,333
Transportation Benefit District	160,499	0	160,499
Sammamish Bridge Replacement	673,835	0	673,835
Walkways & Waterways Debt Service	191,534	0	191,534
Real Estate Excise Tax	2,162,575	0	2,162,575
Park Capital	806,784	0	806,784
Walkways & Waterways Bond	3,348,518	0	3,348,518
Surface Water Management	1,502,704	510,000	2,012,704
Surface Water Capital	328,503	0	328,503
Public Works Shop Fund	0	0	0
Strategic Reserve	495,484	850,000	1,345,484
Strategic Opportunities	2,560,646	0	2,560,646
Equipment Replacement	20,515	450,000	470,515
Trust & Agency	787,049	100,000	887,049
Totals	$18,140,964	$6,068,350	$24,209,314

note: negative balances are due to pending transfers from other funds, not yet recorded.

I:\Admin & Finance\Monthly Reports\2021\January 2021CashInv

City of Kenmore, Washington
Investment Schedule
January 31, 2021

Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield		Overall Average Yield / Principal or Balance	0.31% / Yield Equivalents
		Average Yield to Maturity-Securities					0.87%		
Morgan Stanley									
Total Morgan Stanley Purchases								0.00	0.00
Time Value Investments									
	9128286Z8	US TREAS	6/30/2024	1/25/2021	1.75%	1.75%		1,065,261.38	18,642.07
	3135G05G4	FNMA	7/10/2023	11/9/2020	0.20%	0.20%		1,501,588.50	3,003.18
	3133EMHL9	FFCB	11/30/2023	11/24/2020	0.30%	0.30%		1,501,500.00	4,504.50
	3133EMMN9	FFCB	1/11/2024	1/25/2021	0.19%	0.19%		1,000,000.00	1,900.00
Total TVI Purchases								5,068,349.88	28,049.75
Pacific Premier CD's									
	11495975	CD	8/10/2021	8/10/2019	2.50%	2.50%		1,000,000.00	24,970.00
Total Cascade Bank CD's								1,000,000.00	24,970.00
TOTAL ALL SECURITIES								$ 6,068,349.88	$ 53,019.75
		Banner Checking and Savings				0.03%	Banner	3,217,510.61	965.25
		Pacific Premier Savings				0.16%	Pacific Premie	3,153,961.73	5,185.11
		LGIP - Primary Account				0.14%	LGIP	8,565,132.78	11,991.19
		LGIP - Bond Proceeds Account				0.14%	LGIP	3,204,358.70	4,486.10
		Total Accounts						$ 24,209,313.70	75,647.41

I:\Admin & Finance\Monthly Reports\2021\January 2021InvSch

City of Kenmore, Washington

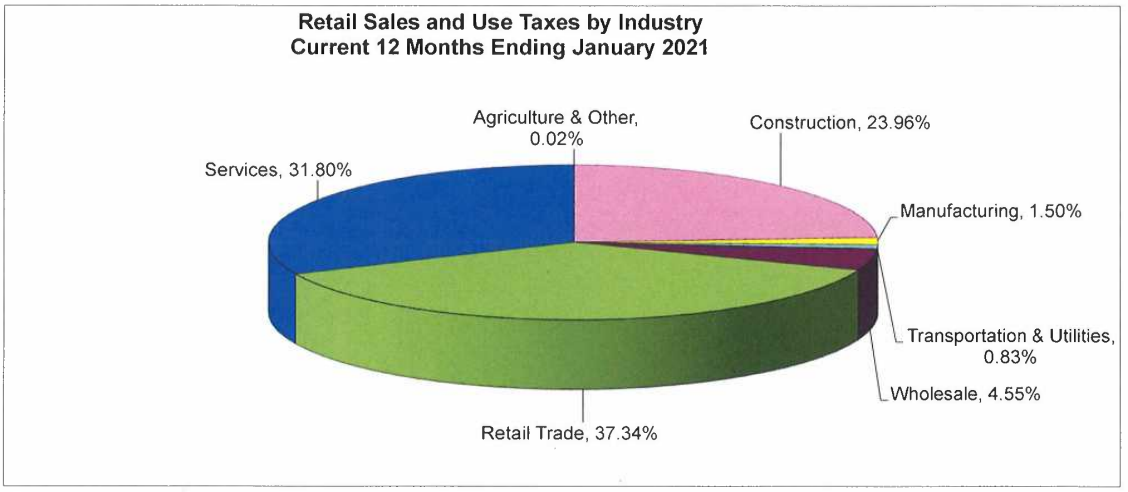
SALES TAX RECEIPTS BY BUSINESS TYPE

January 2021

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	23.06	1.69	24.75	0.0%
CONSTRUCTION	79,624.47	2,474.63	82,099.10	29.6%
MANUFACTURING	2,935.14	3.17	2,938.31	1.1%
TRANSPORTATION & UTILITIES	937.80	79.30	1,017.10	0.4%
WHOLESALE	10,565.69	114.12	10,679.82	3.9%
RETAIL TRADE	104,682.39	787.22	105,469.62	38.1%
SERVICES	58,849.95	3,625.74	62,475.69	22.6%
INFORMATION	9,822.44	32.14	9,854.59	3.6%
PUBLIC SERVICES	6.64	2,375.87	2,382.52	0.9%
	267,447.60	9,493.89	276,941.49	100.0%

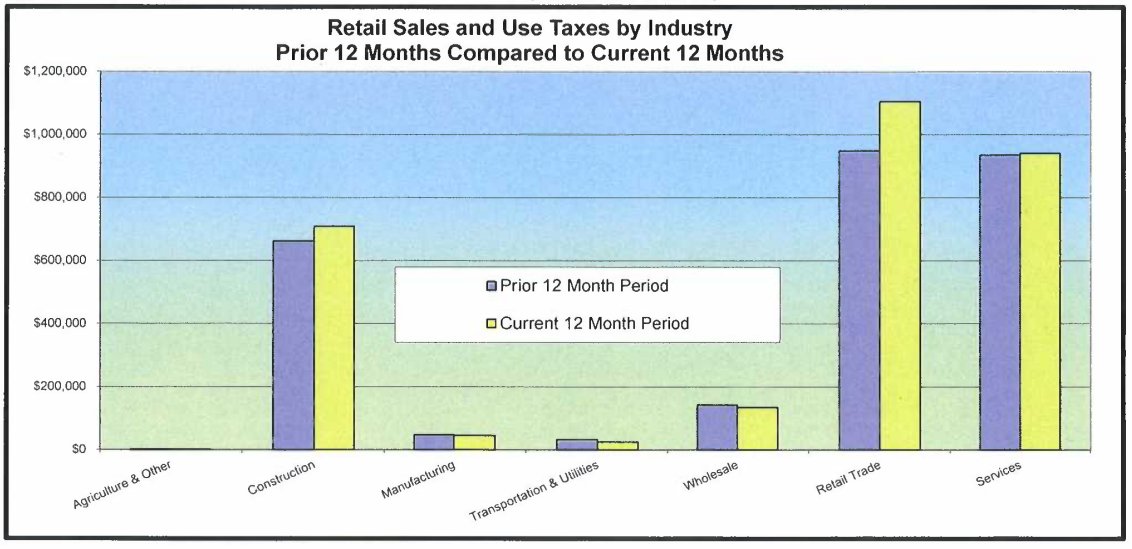
City of Kenmore, Washington
Retail Sales and Use Tax Distribution
January 31, 2021

Industry	Prior 12 Months ending January 2020	Current 12 Months ending January 2021	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	$773	$554	-28.25%	0.02%
Construction	662,172	708,929	7.06%	23.96%
Manufacturing (Printing, Publishing, Other Manuf.)	46,789	44,501	-4.89%	1.50%
Transp/Comm/Utilities (Telecomm., Air Transport.)	32,388	24,505	-24.34%	0.83%
Wholesale (Lumber, Other Wholesale)	142,162	134,472	-5.41%	4.55%
Retail Trade (Eating, Merchandise, Food Stores)	948,386	1,104,762	16.49%	37.34%
Services (Auction, Recreation, Auto Repair, Financial)	935,223	940,660	0.58%	31.80%
Totals	$2,767,894	$2,958,383	6.88%	100%
Increase/(Decrease)		$190,490	6.88%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



I:\Admin & Finance\Monthly Reports\2021\January 2021SalesTaxDist

Signature: Rob Karlinsey
Rob Karlinsey (May 14, 2021 14:19 PDT)

Email: rkarlinsey@kenmorewa.gov

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: February 2021 Financial Report	For Council Meeting Agenda of: May 24, 2021 **Department**: Finance & Administration **Prepared by**: Leticia Salcido, Director of Finance & Administration
	Initial & Date Approved by Department Head: Approved by City Attorney: N/A Approved by Finance Director: Approved by City Manager: RGK
Proposed Council Action/Motion: Receive & file: February 2021 Financial Report for the City of Kenmore Washington	**Exhibits/Attachments**: February 2021 Financial Report for the City of Kenmore, Washington

INFORMATION/BACKGROUND:

The February 2021 monthly financial report is presented for Council review. This provides the opportunity for the City Council and the community to receive information on the City of Kenmore's biennium to date revenues and expenditures in comparison to the City's 2021-2022 adopted biennial budget. The budget was adopted on November 23, 2020.

FISCAL CONSIDERATION:

February 2021 is the 2nd month of the 2021-2022, biennium budget period with 8% of the biennium elapsed.

General Fund:

The General Fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Activities within the General Fund include Public Safety, Public Works Engineering, Community Development, Development Services, Parks, Facility Maintenance, and administrative services such as City Manager, Legal, Finance, City Clerk and City Council.

As of February 2021, biennium to date, revenues exceeded expenditures by $335,854. Revenues total $1.7 million while expenditures total $1.4 million. Revenues in the amount of $1.7 million represent 6.3% of the budget revenues in the amount of $27.1 million. Major revenue sources in the General Fund include property taxes, sales taxes, utility taxes, franchise fees, building related fees and other.

Property tax which is the major revenue source for the City normally comes later in the year and as a result has only generated $114,444 through February 2021. The biennium budget for this revenue source is $10.9 million.

Sales Tax revenue generated $657,631 during the same time period. This amount represents 12.4% of the amount budgeted for the biennium ($5.3 million). The major increase came from the industries in construction, retail, and services.

Utility Taxes totaled $213,229 or 9% of the amount budgeted of $2.4 million.

Development fees & permits revenue totaled $167,642 or 10% of the amount budgeted for the biennium ($1.7 million).

Franchise fee totaled $237,631 or 14% of the amount budgeted for the biennium ($1.7 million)

Expenditures totaled $1.4 million through February 2021. This is 5% of the budgeted amount of $27.1 million.

Street Fund:
As of February 2021, biennium to date revenues totaled $87,071 or 3% of the amount budgeted for the biennium in the amount of $3.1 million. Revenues from Gas Tax for the month of February totaled $34,536 and this amount is 6% lower than the amount received same month last calendar year.

Expenditures as of February 2021 totaled $220,413 or 7% of the biennium budget amount ($3.3 million).

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

Kenmore budget Policy 9a: A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.
Kenmore Budget Policy 9b: All budget amendments, both revenues and expenditures, will be noted in the monthly report.
Priority Based budgeting Result: Governance: Supports decision making with timely and accurate short term and long range analysis that enhances vision and planning.

18120 68TH AVE. NE
KENMORE, WASHINGTON 98028

MEMORANDUM

TO: Rob Karlinsey, City Manager
FROM: Leticia Salcido, Finance Director
DATE: May 14, 2021
RE: February 2021 Financial Reports for the City of Kenmore, Washington

February 2021 financial information is presented for your review and delivery to the City Council. Attached you will find the following reports:

- General Fund Summary
- General Fund Revenue Graphs
- General Fund Expenditure Graphs
- Street Fund Summary
- Cash and Investment Report
- Investment Schedule and Portfolio Analysis
- Sales Tax Receipts by Business Type
- Retail Sales and Use Tax Distribution

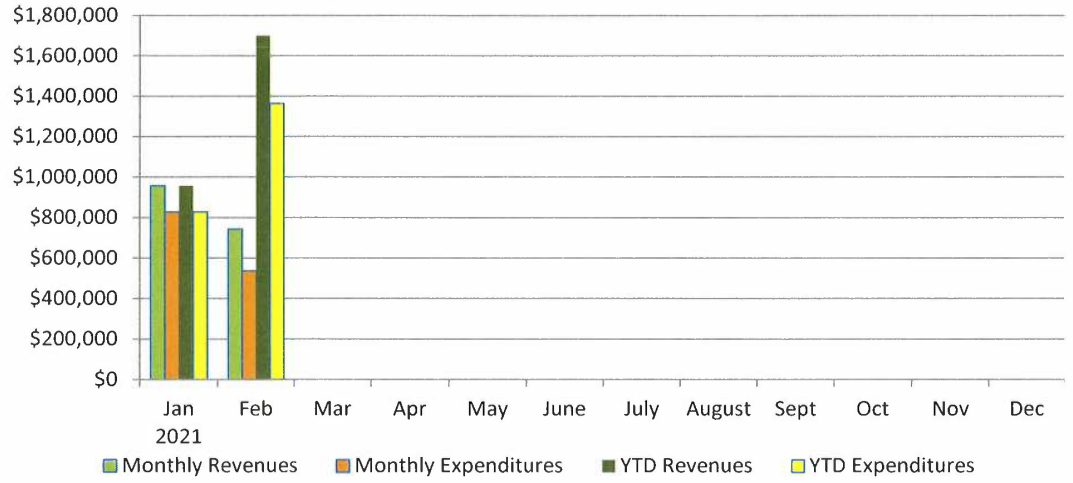
If you would like additional information or have any questions regarding the financial reports, please feel free to contact me.

GENERAL FUND

The first section of the monthly financial report is a review of the General Fund. This fund accounts for operational activities and includes all financial resources except those required or elected to be accounted for in another fund. Revenues include various taxes, per capita distributions from the State, fines and forfeitures, permits and licenses, and fees for service. In the context of the biennial budget, February is the second month (8%) of the 2021-2022 biennial budget period. For the month of February, revenues exceeded expenditures in the General Fund by $205,637. Biennium to date, revenues exceed expenditures by $335,584.

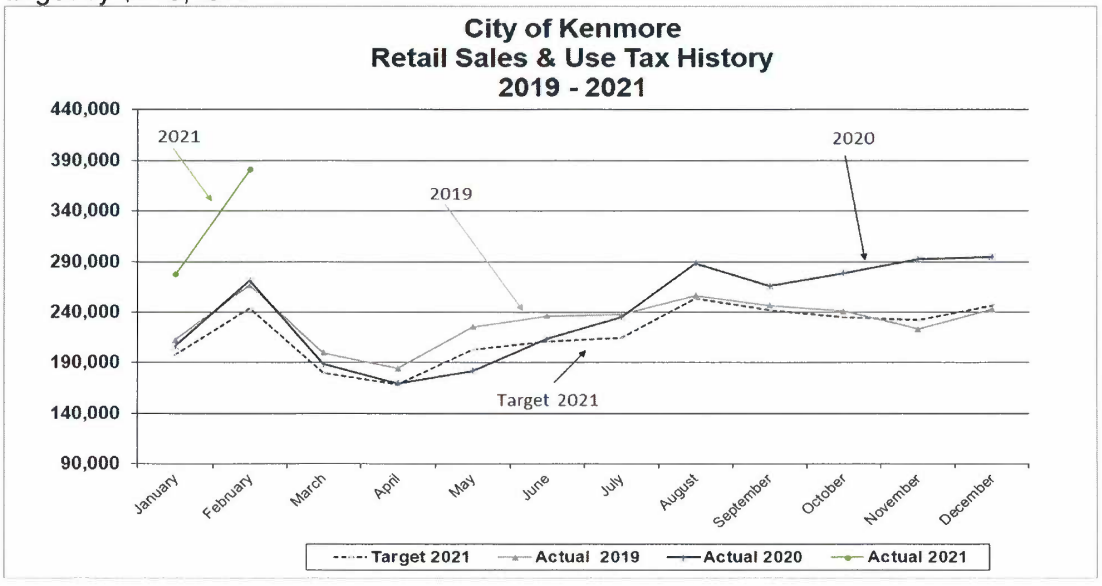
The following chart illustrates the monthly revenue and expenditure activity in the General Fund through February 2021.

City of Kenmore, Washington
Monthly Financial Report
February 2021

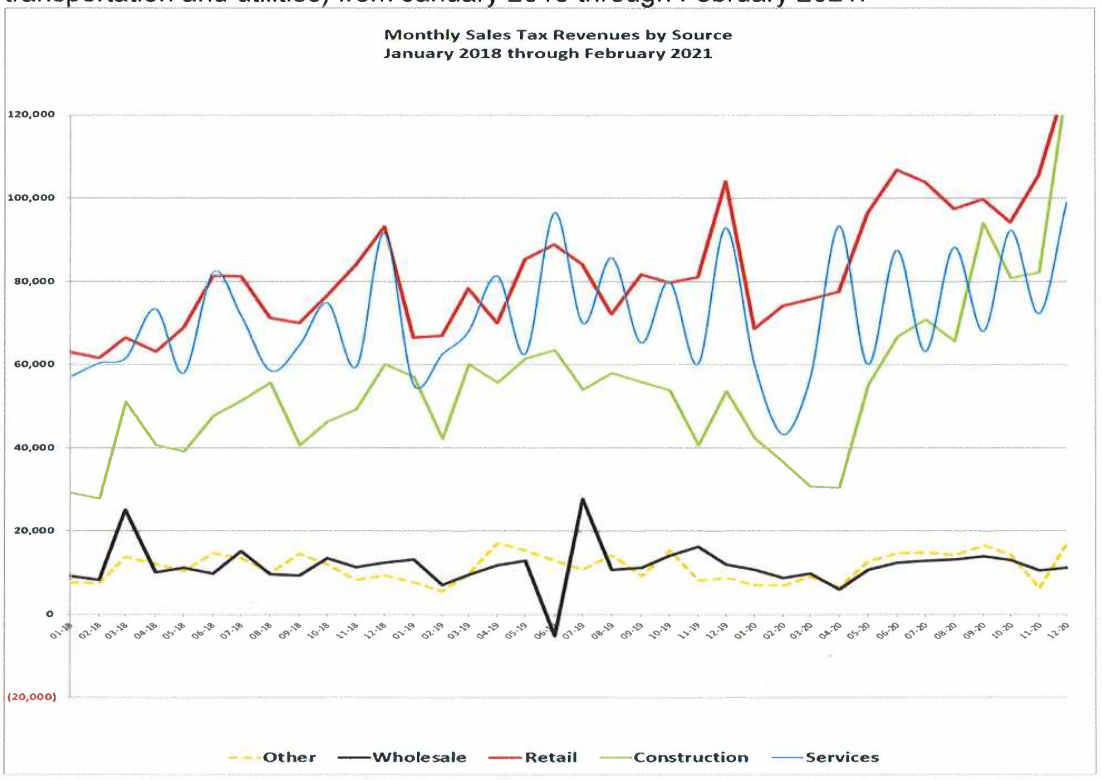


Total **revenues** for the month were **$742,759.** Biennium to date revenues are $1,700,470 which is 6.3% of the budgeted revenues of $27,067,770. Primary sources of revenue for the month included property taxes in the amount of $94,142, development fees & permits in the amount of $67,277, retail sales and use taxes in the amount of $380,689, intergovernment & grants in the amount of 84,485, and utility taxes in the amount of $95,165.

A summary of sales tax revenues received in **February** is attached. These receipts are based on **December** sales activity. The chart below gives a historical perspective of monthly sales tax receipts over the last several years. The black dotted Target 2021 line is a monthly average of actual receipts during 2018, 2019, and 2020. The green line represents 2021 actual receipts, which are $179,954 above 2020 and ahead of the 2021 target by $216,457.



The following chart illustrates the historical trends of sales tax receipts from the major segments: construction, retail, wholesale, other (agriculture, services, manufacturing, transportation and utilities) from January 2018 through February 2021.

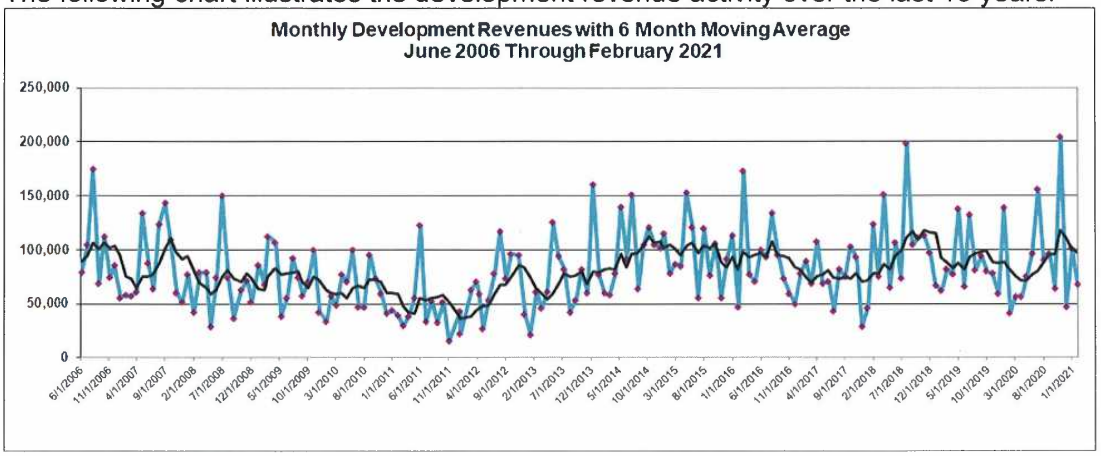


In February, the top 506 sales tax remitters, accounting for 89% or $338,467 of total remittances, were reviewed for internet sales activity.

Of the $338,467 of sales tax remitted by these companies in February, $76,876 (23% of the total) was generated from internet-based companies. Below is a chart that illustrates the amount of internet based sale tax in the major segments that include it:

	Total Sales Tax Remitted in February	Internet Based Companies	% of Total Internet Sales Tax Collected
Retail Trade	$100,578	$52,754	52%
Information	9,380	2,639	28%
Services	78,865	19,433	25%
Wholesale	6,846	2,049	30%
		$76,876	

The following chart illustrates the development revenue activity over the last 15 years.



February 2021 expenditures were **$537,122.** Biennium to date expenditures are $1,364,616, which is 5% of the biennial budget expenditures of $27,067,770.

Total City cash ($18,424,468) and long-term investments ($6,068,350), at the end of February, totaled $24,492,818. Proposition 1 levy funds are included in this cash balance.

Total non-General Fund revenues were $2,280,714 and total non-General Fund expenditures were $2,175,905.

In the **Street Fund** revenue from gas tax distributions were $34,535. $66,899 was expended for maintenance and operations during the month.

In the **Transportation Capital Fund,** there were expenditures in the amount of $358,232 on pedestrian safety projects & street maintenance.

The **Sammamish Bridge Replacement Fund** had $1,546,952 in expenditures during the month. The fund received $1,486,134 in bridge grant reimbursements during the month.

The **Park Impact Fee** fund received $14,297 in revenues during the month.

There were $39,944 in revenues for the **Transportation Impact Fee** fund during the month.

The **Real Estate Excise Tax** Fund received $105,757 of real estate excise taxes (REET) in February from sales activity that occurred in January. 27 transactions were reported during the month. The 2021 year to date revenue is higher than the 2020 revenue by $14,000.

The **Park Capital** fund had $25,688 in Park improvement expenditures during the month. The fund also received $451,110 in grant reimbursements during the month.

The **Walkways & Waterways Debt Service** Fund collected $12,735 in property taxes related to the Prop 1 Bond for a biennium to date total revenue of $14,835.

The **Transportation Benefit District** Fund received $30,017 in vehicle license fees during the month.

SUMMARY

This concludes the financial report for the City of Kenmore as of **February 28, 2021.** I appreciate your feedback and encourage you to contact me if you have any questions prior to the City Council meeting.

City of Kenmore, Washington
General Fund Summary Report
February 28, 2021

	CURRENT PERIOD 2021-2022				PREVIOUS PERIOD 2019-2020			
	MONTH February 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BIENNIUM BUDGET 2021-2022	MONTH February 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	AMENDED BIENNIUM BUDGET 2019-2020
REVENUES								
Beginning Fund Balance		**2,748,005**		**2,748,005**		**4,934,368**		**4,934,368**
Property Taxes	94,142	114,444	1.1%	10,865,654	56,313	72,268	0.7%	10,224,205
Sales and Use Taxes	380,689	657,631	12.4%	5,282,280	334,159	604,138	9.7%	6,212,000
Utility Taxes	95,165	213,229	8.9%	2,399,290	106,059	222,289	9.0%	2,466,355
Other Taxes	18,237	18,261	10.0%	182,200	22,324	34,623	19.0%	181,868
Development Fees & Permits	67,277	167,642	9.7%	1,720,003	62,188	128,413	6.9%	1,854,042
Franchise Fees	0	237,631	13.6%	1,746,569	252,172	252,172	13.8%	1,831,835
Intergovernmental and Grants	84,485	200,346	8.2%	2,452,594	6,888	54,089	2.5%	2,142,292
Investment Interest	639	75,302	114.1%	66,000	7,152	10,395	10.9%	95,300
Fines and Forfeitures	0	2,336	0.0%	0	0	0	0.0%	0
Transfers and Other Revenues	2,126	13,649	0.6%	2,353,180	4,593	13,139	0.6%	2,155,352
Total Revenues	742,759	1,700,470	6.3%	27,067,770	851,846	1,391,527	5.1%	27,163,249

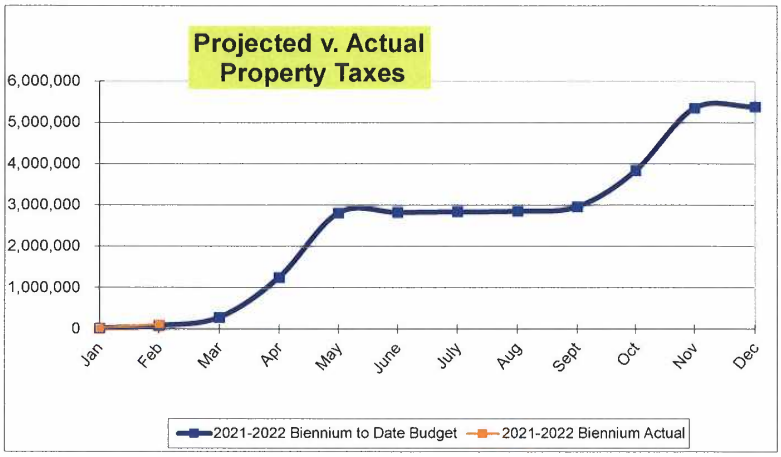
City of Kenmore, Washington
General Fund Summary Report
February 28, 2021

	CURRENT PERIOD 2021-2022				PREVIOUS PERIOD 2019-2020			
	MONTH February 2021	BIENNIUM TO DATE 2021-2022	% of BUDGET	BIENNIUM BUDGET 2021-2022	MONTH February 2019	BIENNIUM TO DATE 2019-2020	% of BUDGET	AMENDED BIENNIUM BUDGET 2019-2020
EXPENDITURES								
Cost Center								
City Council	6,726	48,025	14.4%	332,711	27,158	49,221	14.6%	336,208
City Manager	89,316	189,398	6.1%	3,121,846	101,642	205,694	6.5%	3,170,520
City Clerk	23,286	33,685	3.6%	937,052	75,033	86,655	9.4%	919,466
Finance	42,257	416,071	16.7%	2,490,440	86,642	344,621	17.9%	1,925,756
Human Resources	0	0	0.0%	0		0	0.0%	0
Legal	28,346	28,346	5.0%	565,000	22,119	22,119	3.4%	654,782
Coronavirus Relief Fund Expenditures	0	0	0.0%	0		0	0.0%	1,084,615
Interfund Transfers	0	0	0.0%	1,560,617	0	0	0.0%	3,226,484
Public Safety	22,485	22,715	0.2%	9,152,371	79,160	83,327	0.9%	8,967,044
Engineering & Environmental Services	49,558	97,475	5.8%	1,689,574	52,904	99,615	6.4%	1,555,790
Community Development	58,620	119,485	7.0%	1,695,828	72,920	128,125	8.1%	1,580,826
Developmental Services	79,563	233,352	8.2%	2,845,428	60,935	179,150	9.6%	1,874,061
Parks & Facility Maintenance	136,965	176,065	6.6%	2,676,904	99,193	225,820	7.0%	3,247,606
Total Expenditures	537,122	1,364,616	5.0%	27,067,770	677,706	1,424,346	5.0%	28,543,158
Revenues over Expenditures	205,637	335,854		0	174,140	(32,820)		(1,379,909)
Ending Fund Balance		**3,083,859**		**2,748,005**	**174,140**	**4,901,548**	**0**	**3,554,460**

City of Kenmore, Washington
General Fund Revenue Graphs
February 28, 2021

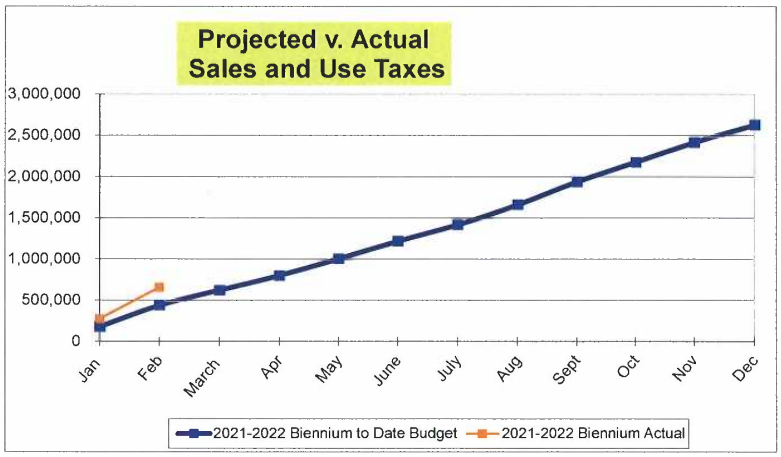
PROPERTY TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	17,296	20,302
Feb	83,909	114,444
Mar	281,719	
Apr	1,246,162	
May	2,809,153	
June	2,824,201	
July	2,839,121	
Aug	2,854,978	
Sept	2,963,277	
Oct	3,837,148	
Nov	5,352,815	
Dec	5,383,410	
2021-22 Year To Date	10,865,654	
Actual v. Projected		136%



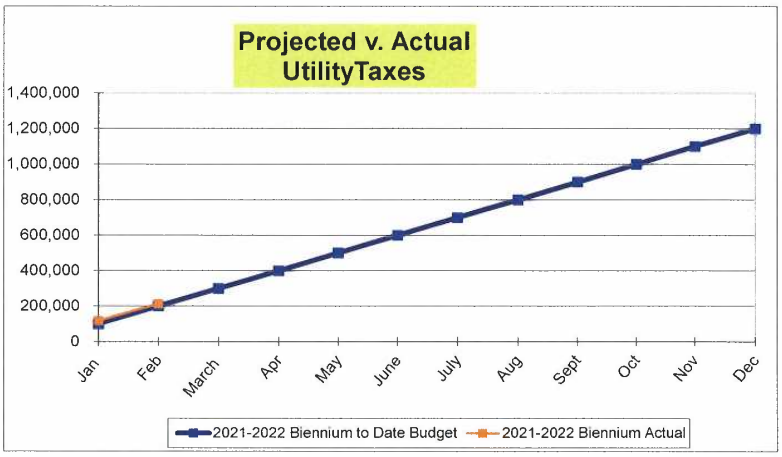
SALES & USE TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	179,696	276,941
Feb	438,515	657,631
March	622,724	
Apr	800,553	
May	1,005,035	
June	1,218,052	
July	1,416,425	
Aug	1,662,043	
Sept	1,939,335	
Oct	2,175,980	
Nov	2,415,377	
Dec	2,628,000	
2021-22 Year To Date	5,282,280	
Actual v. Projected		150%



UTILITY TAXES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	99,970	118,064
Feb	199,940	213,229
March	299,910	
Apr	399,880	
May	499,850	
June	599,820	
July	699,790	
Aug	799,760	
Sept	899,730	
Oct	999,700	
Nov	1,099,670	
Dec	1,199,640	
2021-22 Year To Date	2,399,290	
Actual v. Projected		107%

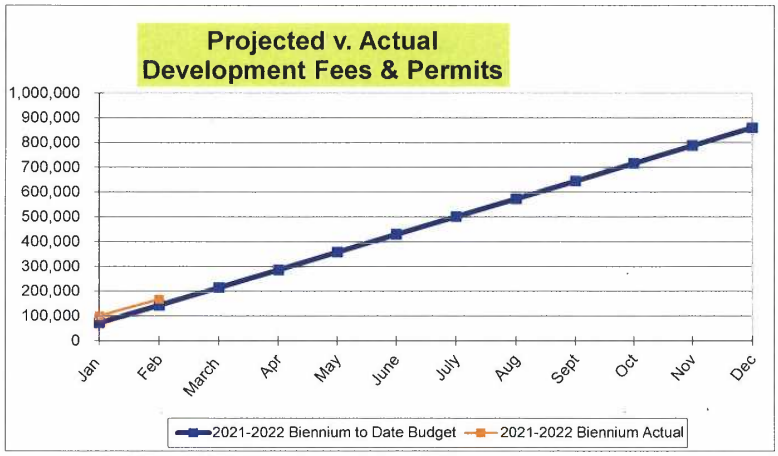


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Rev Graphs

City of Kenmore, Washington
General Fund Revenue Graphs
February 28, 2021

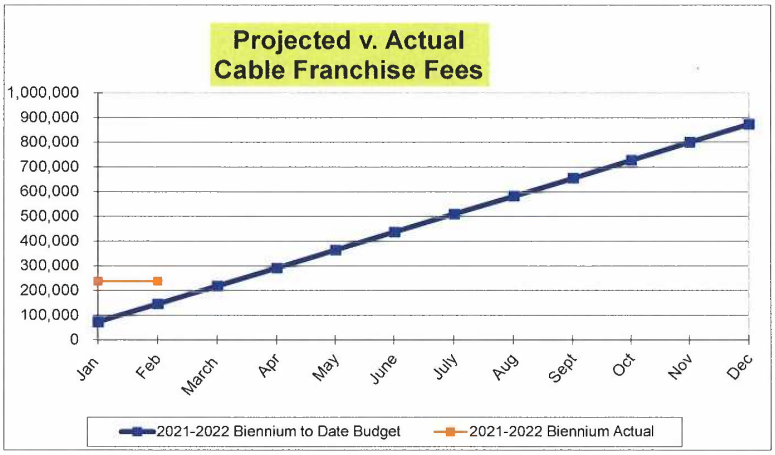
DEVELOPMENT FEES & PERMITS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	71,667	100,365
Feb	143,334	167,642
March	215,001	
Apr	286,668	
May	358,335	
June	430,002	
July	501,669	
Aug	573,336	
Sept	645,003	
Oct	716,670	
Nov	788,337	
Dec	860,004	
'2021-22 Year To Date	1,720,003	
Actual v. Projected		117%



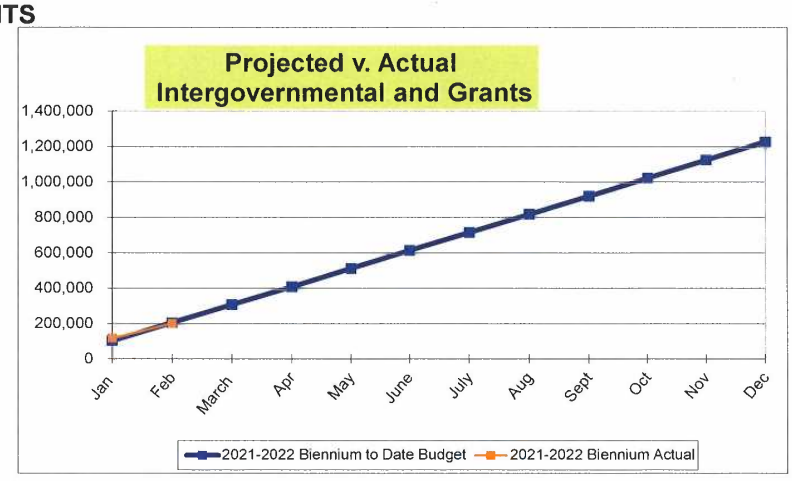
CABLE/WATER/SEWER FRANCHISE FEES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	72,774	237,631
Feb	145,548	237,631
March	218,322	
Apr	291,096	
May	363,870	
June	436,644	
July	509,418	
Aug	582,192	
Sept	654,966	
Oct	727,740	
Nov	800,514	
Dec	873,288	
'2021-22 Year To Date	1,746,569	
Actual v. Projected		#DIV/0!



INTERGOVERNMENTAL & GRANTS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	102,191	115,861
Feb	204,382	200,346
March	306,573	
Apr	408,764	
May	510,955	
June	613,146	
July	715,337	
Aug	817,528	
Sept	919,719	
Oct	1,021,910	
Nov	1,124,101	
Dec	1,226,292	
'2021-22 Year To Date	2,452,594	
Actual v. Projected		98%

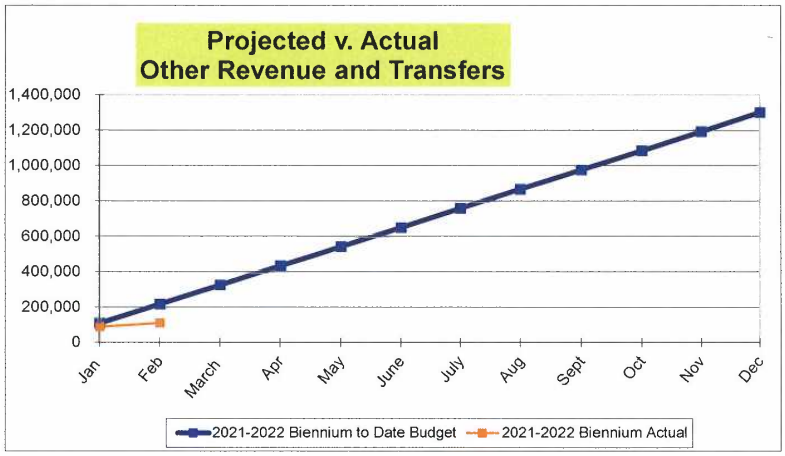


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Rev Graphs

City of Kenmore, Washington
General Fund Revenue Graphs
February 28, 2021

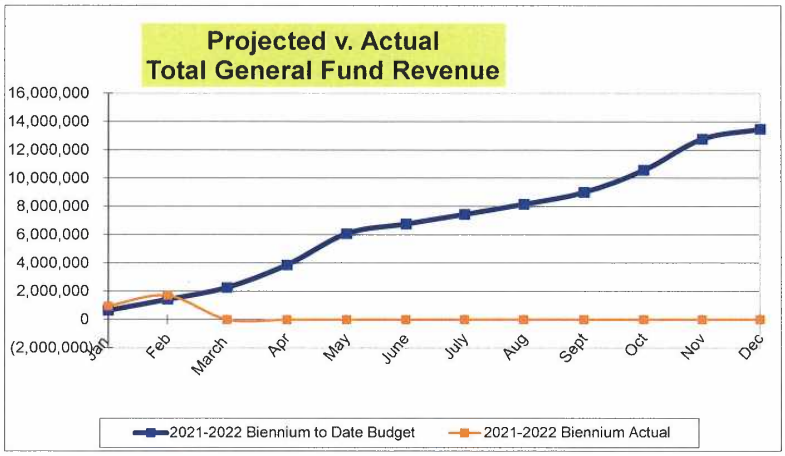
OTHER REVENUES AND TRANSFERS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	108,391	88,547
Feb	216,782	109,548
March	325,173	
Apr	433,564	
May	541,955	
June	650,346	
July	758,737	
Aug	867,128	
Sept	975,519	
Oct	1,083,910	
Nov	1,192,301	
Dec	1,300,692	
'2021-22 Year To Date Actual v. Projected	2,601,380	51%



TOTAL GENERAL FUND REVENUE

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	651,985	957,711
Feb	1,432,410	1,700,470
March	2,269,422	0
Apr	3,866,688	0
May	6,089,153	0
June	6,772,211	0
July	7,440,498	0
Aug	8,156,965	0
Sept	8,997,549	0
Oct	10,563,059	0
Nov	12,773,116	0
Dec	13,471,326	0
'2021-22 Year To Date Actual v. Projected	27,067,770	119%

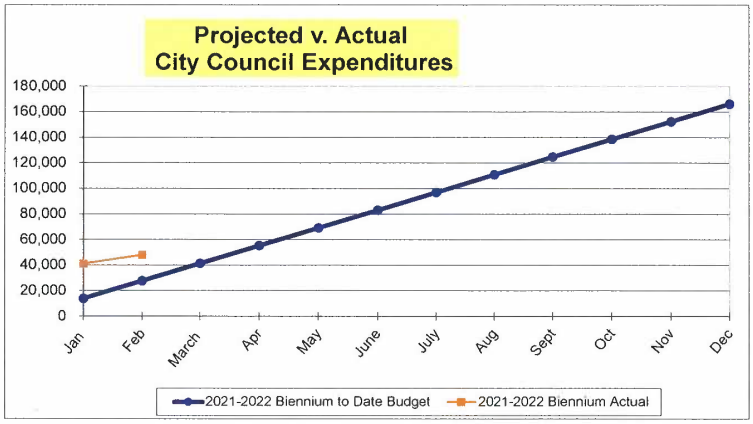


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Rev Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
February 28, 2021

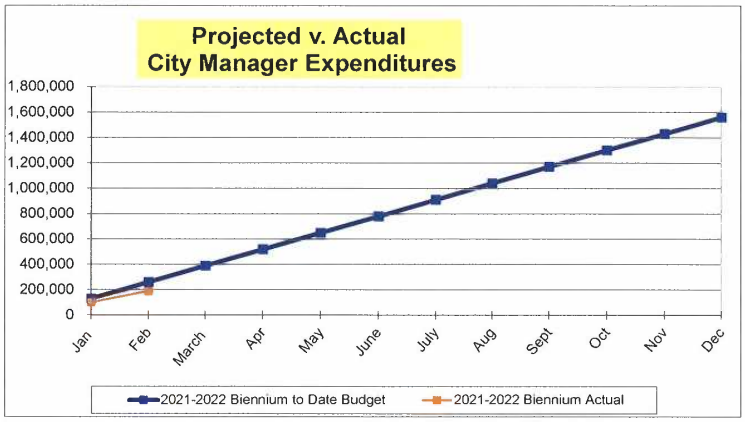
CITY COUNCIL

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	13,863	41,298
Feb	27,726	48,025
March	41,589	
Apr	55,452	
May	69,315	
June	83,178	
July	97,041	
Aug	110,904	
Sept	124,767	
Oct	138,630	
Nov	152,493	
Dec	166,356	
2021-22 Year To Date	332,711	
Actual v. Projected		173%



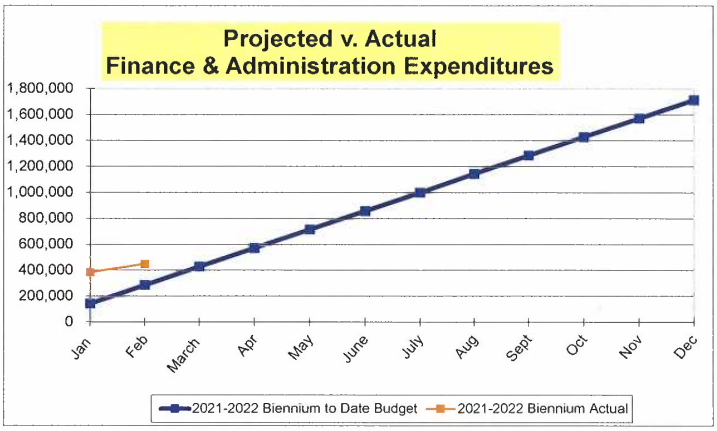
CITY MANAGER

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	130,077	100,082
Feb	260,154	189,398
March	390,231	
Apr	520,308	
May	650,385	
June	780,462	
July	910,539	
Aug	1,040,616	
Sept	1,170,693	
Oct	1,300,770	
Nov	1,430,847	
Dec	1,560,924	
2021-22 Year To Date	3,121,846	
Actual v. Projected		73%



FINANCE & ADMINISTRATION

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	142,812	384,213
Feb	285,624	449,756
March	428,436	
Apr	571,248	
May	714,060	
June	856,872	
July	999,684	
Aug	1,142,496	
Sept	1,285,308	
Oct	1,428,120	
Nov	1,570,932	
Dec	1,713,744	
2021-22 Year To Date	3,427,491	
Actual v. Projected		157%

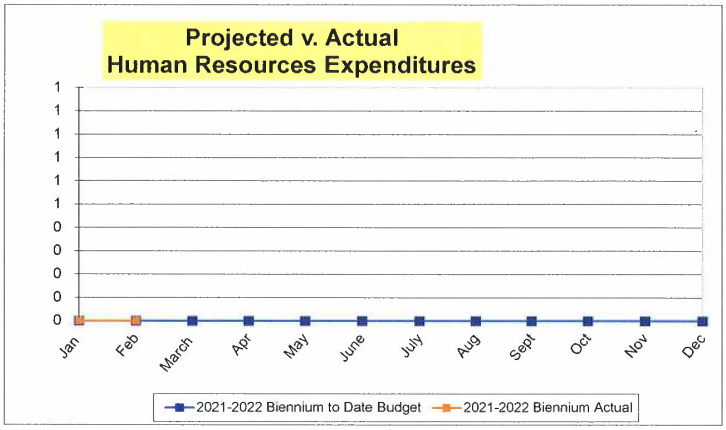


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
February 28, 2021

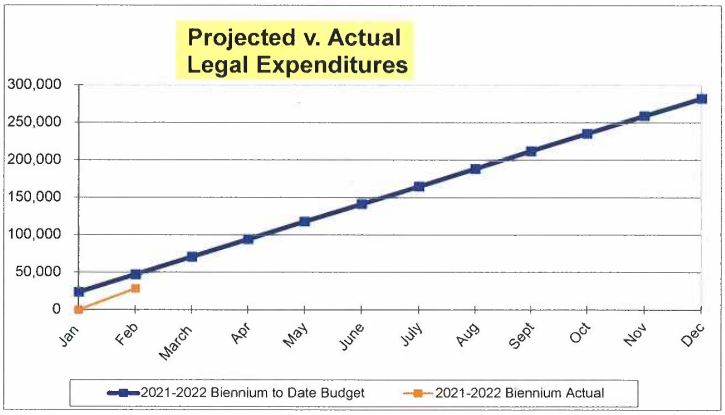
HUMAN RESOURCES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	0	0
Feb	0	0
March	0	
Apr	0	
May	0	
June	0	
July	0	
Aug	0	
Sept	0	
Oct	0	
Nov	0	
Dec	0	
2021-22 Year To Date	0	
Actual v. Projected		0%



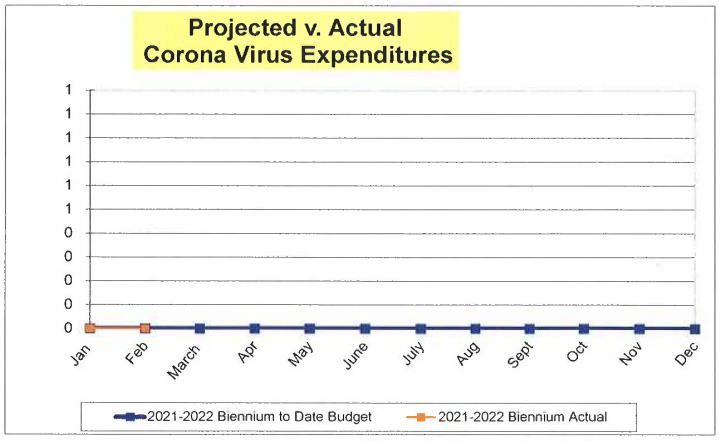
LEGAL

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	23,542	0
Feb	47,084	28,346
March	70,626	
Apr	94,168	
May	117,710	
June	141,252	
July	164,794	
Aug	188,336	
Sept	211,878	
Oct	235,420	
Nov	258,962	
Dec	282,504	
2021-22 Year To Date	565,000	
Actual v. Projected		60%



Coronavirus Relief

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	0	0
Feb	0	0
March	0	
Apr	0	
May	0	
June	0	
July	0	
Aug	0	
Sept	0	
Oct	0	
Nov	0	
Dec	0	
2021-22 Year To Date	0	
Actual v. Projected		0%

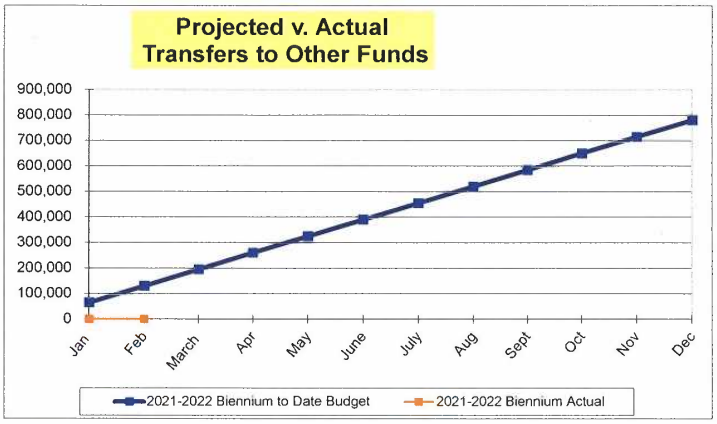


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
February 28, 2021

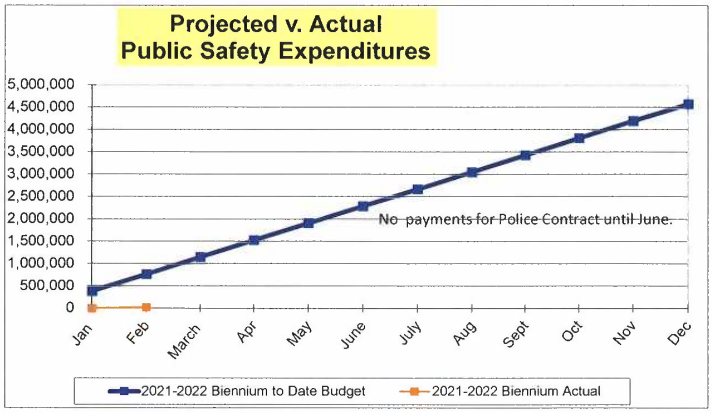
TRANSFERS TO OTHER FUNDS

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	65,026	0
Feb	130,052	0
March	195,078	
Apr	260,104	
May	325,130	
June	390,156	
July	455,182	
Aug	520,208	
Sept	585,234	
Oct	650,260	
Nov	715,286	
Dec	780,312	
2021-22 Year To Date Actual v. Projected	1,560,617	0%



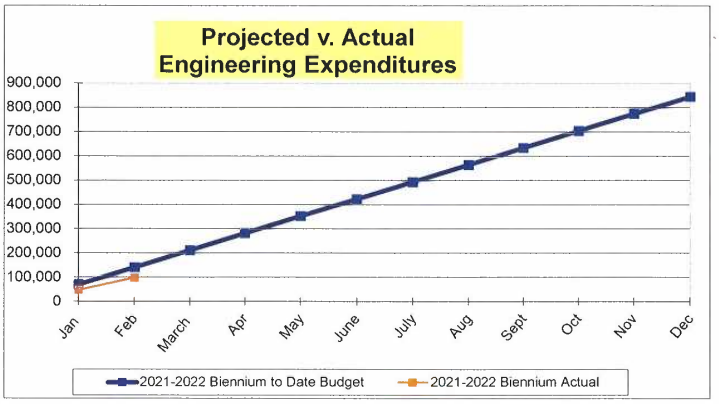
PUBLIC SAFETY

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	381,349	230
Feb	762,698	22,715
March	1,144,047	
Apr	1,525,396	
May	1,906,745	
June	2,288,094	
July	2,669,443	
Aug	3,050,792	
Sept	3,432,141	
Oct	3,813,490	
Nov	4,194,839	
Dec	4,576,188	
2021-22 Year To Date Actual v. Projected	9,152,371	3%



ENGINEERING

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	70,399	47,917
Feb	140,798	97,475
March	211,197	
Apr	281,596	
May	351,995	
June	422,394	
July	492,793	
Aug	563,192	
Sept	633,591	
Oct	703,990	
Nov	774,389	
Dec	844,788	
2021-22 Year To Date Actual v. Projected	1,689,574	69%

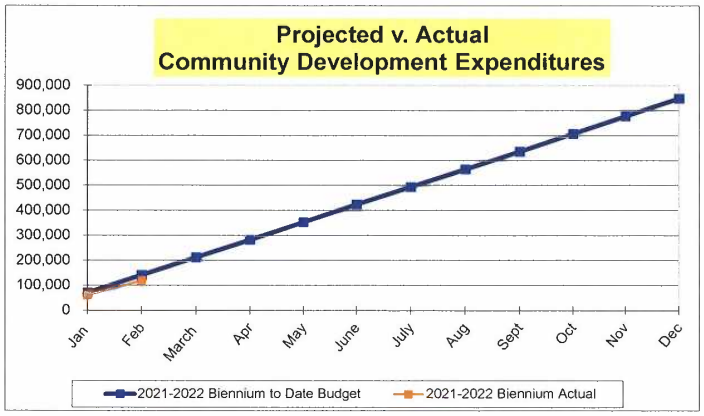


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
February 28, 2021

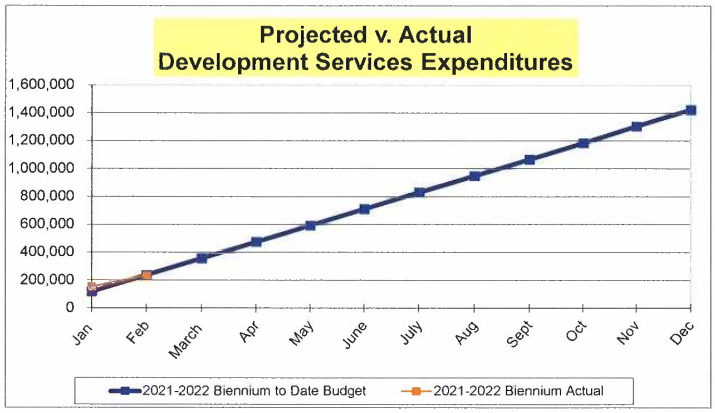
COMMUNITY DEVELOPMENT

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	70,659	60,865
Feb	141,318	119,485
March	211,977	
Apr	282,636	
May	353,295	
June	423,954	
July	494,613	
Aug	565,272	
Sept	635,931	
Oct	706,590	
Nov	777,249	
Dec	847,908	
2021-22	1,695,828	
Year To Date		
Actual v. Projected		85%



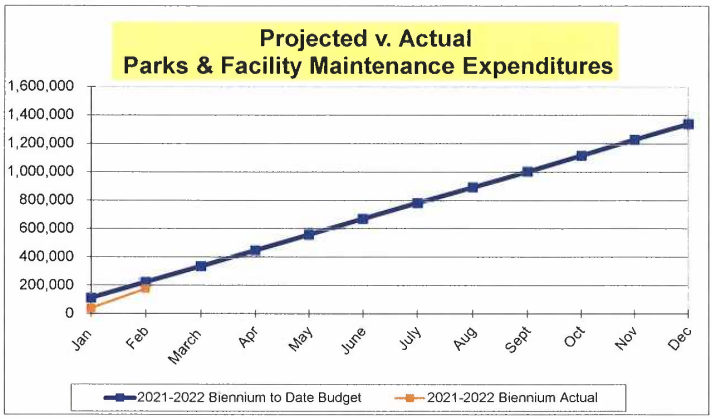
DEVELOPMENT SERVICES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	118,559	153,789
Feb	237,118	233,352
March	355,677	
Apr	474,236	
May	592,795	
June	711,354	
July	829,913	
Aug	948,472	
Sept	1,067,031	
Oct	1,185,590	
Nov	1,304,149	
Dec	1,422,708	
2021-22	2,845,428	
Year To Date		
Actual v. Projected		98%



PARKS & FACILITY MAINTENANCE

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	111,538	39,100
Feb	223,076	176,065
March	334,614	
Apr	446,152	
May	557,690	
June	669,228	
July	780,766	
Aug	892,304	
Sept	1,003,842	
Oct	1,115,380	
Nov	1,226,918	
Dec	1,338,456	
2021-22	2,676,904	
Year To Date		
Actual v. Projected		79%

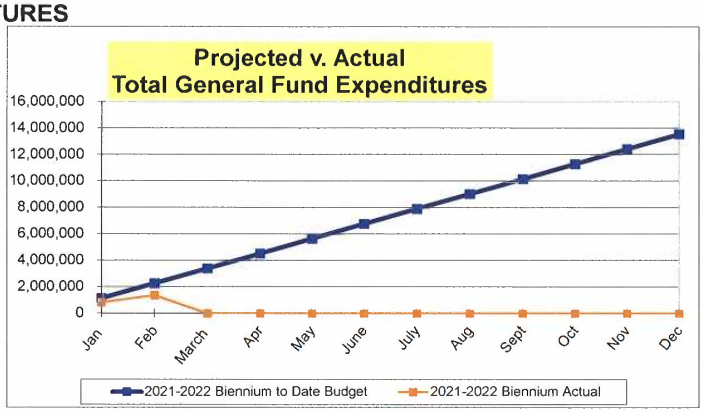


I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Exp Graphs

City of Kenmore, Washington
General Fund Expenditure Graphs*
February 28, 2021

TOTAL GENERAL FUND EXPENDITURES

	2021-2022 Biennium to Date Budget	2021-2022 Biennium Actual
Jan	1,127,824	827,494
Feb	2,255,648	1,364,616
March	3,383,472	0
Apr	4,511,296	0
May	5,639,120	0
June	6,766,944	0
July	7,894,768	0
Aug	9,022,592	0
Sept	10,150,416	0
Oct	11,278,240	0
Nov	12,406,064	0
Dec	13,533,888	0
2021-22 Year To Date	27,067,770	
Actual v. Projected		60%



I:\Admin & Finance\Monthly Reports\2021\February 2021General Fund Exp Graphs

City of Kenmore, Washington
Street Fund Summary Report
February 28, 2021

	MONTH February 2021	2021 - 2022 BIENNIUM TO DATE 2021-2022	% of BUDGET	BUDGET 2021-2022
REVENUES				
Beginning Fund Balance		**1,605,323**		**1,311,996**
Fuel Tax	34,535	63,227	6.7%	938,058
Investment Interest	113	193	6.2%	3,100
Miscellaneous	0	375	5.3%	7,131
ROW Permit Fees/Inspections	663	23,276	7.9%	293,460
Multimodal Transportation	0	0	0.0%	63,160
Transfer from General Fund	0	0	0.0%	1,560,617
Transfer from REET	0	0	0.0%	200,000
Total Revenues	35,311	87,071	2.8%	3,065,526

	MONTH February 2021	2021 - 2022 BIENNIUM TO DATE 2021-2022	% of BUDGET	BUDGET 2021-2022
EXPENDITURES				
Salary and Benefits	54,229	110,751	8.2%	1,355,214
Maintenance & Operations	66,899	108,974	5.8%	1,872,953
Capital	705	688	0.7%	100,000
Total Expenditures	121,833	220,413	6.6%	3,328,167
Revenues over Expenditures	(86,522)	(133,341)		(262,641)
Ending Fund Balance		**1,471,982**		**1,049,355**

I:\Admin & Finance\Monthly Reports\2021\February 2021Street Fund

City of Kenmore, Washington
Cash and Investment Report
February 28, 2021

Fund	Beg. Cash & Inv. from Prev. Mo.	Monthly Revenues	Monthly Expenditures	End. Cash & Inv. Current Month
General	$2,878,223	$742,759	$537,122	3,083,860
Street	1,558,504	35,311	121,833	1,471,982
Transportation Capital	476,335	0	358,232	118,103
Public Art	204,042	16	0	204,058
Park Impact Fee	368,920	14,327	0	383,247
Transportation Impact Fee	2,672,056	40,146	0	2,712,202
Swamp Creek Basin	1,092,332	85	0	1,092,418
Transportation Benefit District	160,499	30,030	0	190,529
Sammamish Bridge Replacement	673,836	1,486,134	1,546,952	613,018
Walkways & Waterways Debt Service	191,534	12,735	0	204,269
Real Estate Excise Tax	2,162,577	105,975	0	2,268,552
Park Capital	789,642	451,110	25,688	1,215,064
Walkways & Waterways Bond	3,348,519	331	0	3,348,850
Surface Water Management	2,012,702	41,014	81,434	1,972,283
Surface Water Capital	328,503	10,500	9,907	329,097
Public Works Shop Fund	0	0	0	0
Strategic Reserve	1,345,483	105	0	1,345,588
Strategic Opportunities	2,560,645	200	0	2,560,845
Equipment Replacement	470,516	37	0	470,552
Trust & Agency	887,053	52,658	31,860	907,851
Totals	$24,181,921	$3,023,473	$2,713,027	$24,492,367

Fund	Cash, Savings, Local Govt Investment Pool	(> One Year) Fixed Investments	Total
General	$2,150,960	$933,350	3,084,310
Street	621,983	850,000	1,471,983
Transportation Capital	118,104	0	118,104
Public Art	189,057	15,000	204,057
Park Impact Fee	-546,750	930,000	383,250
Transportation Impact Fee	2,682,205	30,000	2,712,205
Swamp Creek Basin	-307,582	1,400,000	1,092,418
Transportation Benefit District	190,528	0	190,528
Sammamish Bridge Replacement	613,017	0	613,017
Walkways & Waterways Debt Service	204,269	0	204,269
Real Estate Excise Tax	2,268,550	0	2,268,550
Park Capital	1,215,064	0	1,215,064
Walkways & Waterways Bond	3,348,850	0	3,348,850
Surface Water Management	1,462,284	510,000	1,972,284
Surface Water Capital	329,096	0	329,096
Public Works Shop Fund	0	0	0
Strategic Reserve	495,589	850,000	1,345,589
Strategic Opportunities	2,560,846	0	2,560,846
Equipment Replacement	20,552	450,000	470,552
Trust & Agency	807,846	100,000	907,846
Totals	$18,424,468	$6,068,350	$24,492,819

note: negative balances are due to pending transfers from other funds, not yet recorded.

I:\Admin & Finance\Monthly Reports\2021\February 2021CashInv

City of Kenmore, Washington
Investment Schedule
February 28, 2021

Report by Security	Investment #	Type	Maturity Date	Purchase Date	Rate	Yield		Principal or Balance	Yield Equivalents
Average Yield to Maturity-Securities							0.87%	Overall Average Yield	0.30%
Morgan Stanley									
Total Morgan Stanley Purchases								0.00	0.00
Time Value Investments									
	9128286Z8	US TREAS	6/30/2024	1/25/2021	1.75%	1.75%		1,065,261.38	18,642.07
	3135G05G4	FNMA	7/10/2023	11/9/2020	0.20%	0.20%		1,501,588.50	3,003.18
	3133EMHL9	FFCB	11/30/2023	11/24/2020	0.30%	0.30%		1,501,500.00	4,504.50
	3133EMMN9	FFCB	1/11/2024	1/25/2021	0.19%	0.19%		1,000,000.00	1,900.00
Total TVI Purchases								**5,068,349.88**	**28,049.75**
Pacific Premier CD's									
	11495975	CD	8/10/2021	8/10/2019	2.50%	2.50%		1,000,000.00	24,970.00
Total Cascade Bank CD's								**1,000,000.00**	**24,970.00**
TOTAL ALL SECURITIES								$ **6,068,349.88**	$ **53,019.75**
		Banner Checking and Savings				0.03%	Banner	**3,499,432.77**	1,049.83
		Pacific Premier Savings				0.15%	Pacific Premie	**3,154,327.58**	4,769.34
		LGIP - Primary Account				0.13%	LGIP	**8,566,018.14**	11,538.43
		LGIP - Bond Proceeds Account				0.13%	LGIP	**3,204,689.93**	4,316.72
		Total Accounts						$ **24,492,818.30**	**74,694.07**

I:\Admin & Finance\Monthly Reports\2021\February 2021InvSch

City of Kenmore, Washington

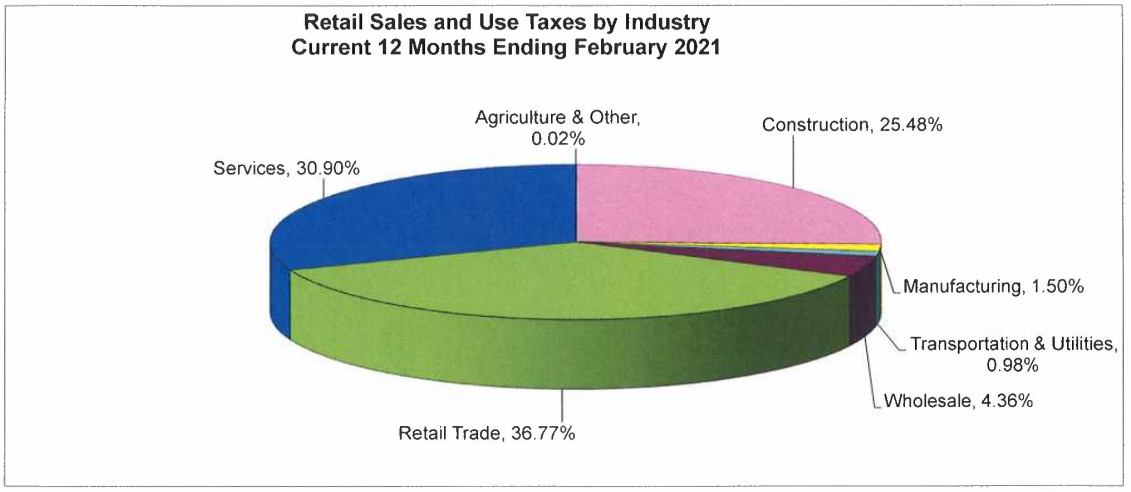
SALES TAX RECEIPTS BY BUSINESS TYPE

February 2021

	SALES TAX	USE TAX	TOTAL	PERCENT
AGRICULTURE & OTHER	13.77	0.00	13.77	0.0%
CONSTRUCTION	124,368.65	1,830.57	126,199.22	33.2%
MANUFACTURING	4,566.59	11.77	4,578.36	1.2%
TRANSPORTATION & UTILITIES	7,648.70	109.11	7,757.80	2.0%
WHOLESALE	11,180.97	82.18	11,263.15	3.0%
RETAIL TRADE	126,607.47	650.79	127,258.26	33.4%
SERVICES	87,841.31	631.70	88,473.01	23.2%
INFORMATION	10,301.54	159.89	10,461.42	2.7%
PUBLIC SERVICES	5.57	4,678.70	4,684.27	1.2%
	372,534.56	8,154.71	380,689.27	100.0%

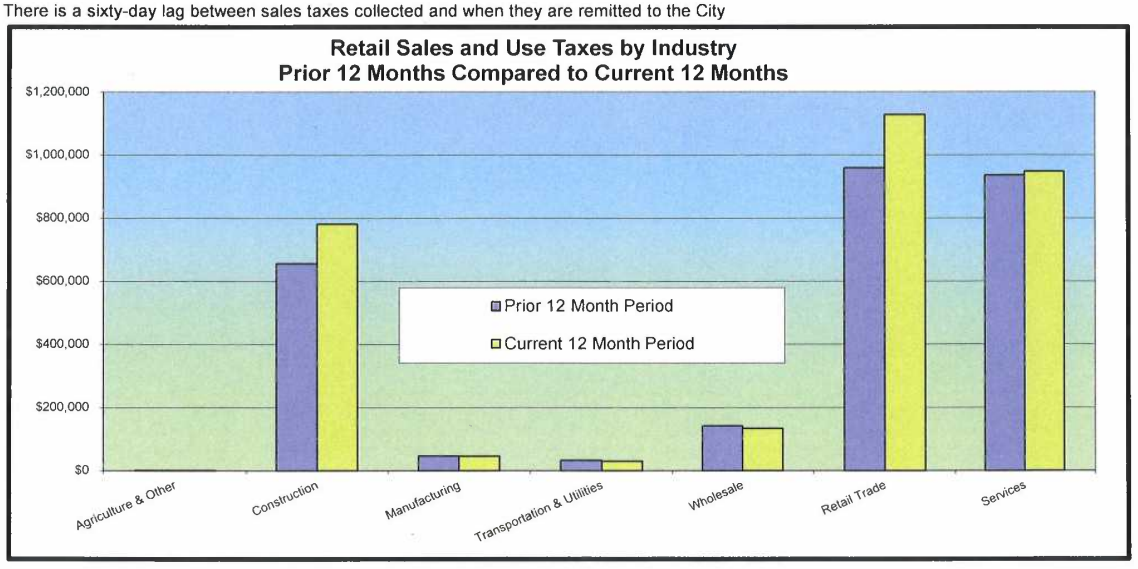
City of Kenmore, Washington
Retail Sales and Use Tax Distribution
February 28, 2021

Industry	Prior 12 Months ending February 2020	Current 12 Months ending February 2021	% Increase/ (Decrease)	% of Total
Agriculture & Other (Landscaping, Animal Hospitals)	$593	$553	-6.68%	0.02%
Construction	655,729	781,506	19.18%	25.48%
Manufacturing (Printing, Publishing, Other Manuf.)	46,453	46,028	-0.91%	1.50%
Transp/Comm/Utilities (Telecomm., Air Transport.)	32,300	29,939	-7.31%	0.98%
Wholesale (Lumber, Other Wholesale)	141,708	133,800	-5.58%	4.36%
Retail Trade (Eating, Merchandise, Food Stores)	959,198	1,127,957	17.59%	36.77%
Services (Auction, Recreation, Auto Repair, Financial)	936,395	947,926	1.23%	30.90%
Totals	$2,772,376	$3,067,710	10.65%	100%
Increase/(Decrease)		$295,334	10.65%	



NOTE: Due to the City's Confidentiality Agreement with the Department of Revenue, specific business information cannot be disclosed.

There is a sixty-day lag between sales taxes collected and when they are remitted to the City



I:\Admin & Finance\Monthly Reports\2021\February 2021SalesTaxDist

Signature: Rob Karlinsey
Rob Karlinsey (May 21, 2021 15:33 PDT)

Email: rkarlinsey@kenmorewa.gov

Monthly fin. report -2-2021

Final Audit Report 2021-05-21

Created:	2021-05-21
By:	Leticia Salcido (lsalcido@kenmorewa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAy-DxX_ZrH1v2a0qnxTovKtyQtuEDsucG

"Monthly fin. report -2-2021" History

Document created by Leticia Salcido (lsalcido@kenmorewa.gov)
2021-05-21 - 10:05:17 PM GMT- IP address: 50.235.209.34

Document emailed to Rob Karlinsey (rkarlinsey@kenmorewa.gov) for signature
2021-05-21 - 10:05:39 PM GMT

Email viewed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)
2021-05-21 - 10:33:19 PM GMT- IP address: 24.22.167.111

Document e-signed by Rob Karlinsey (rkarlinsey@kenmorewa.gov)
Signature Date: 2021-05-21 - 10:33:54 PM GMT - Time Source: server- IP address: 24.22.167.111

Agreement completed.
2021-05-21 - 10:33:54 PM GMT

POWERED BY Adobe Sign

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Residential Tenant Eviction Moratorium and Renter Protections Related to Covid-19 – Discussion and Direction	**For Council Meeting Agenda of:** May 24, 2021 **Department:** Community Development **Prepared by:** Debbie Bent, Community Development Director
Proposed Council Action/Motion: Motion providing direction to staff on next steps regarding residential tenant eviction moratorium and renter protections related to Covid-19	**Initial & Date** **Approved by Department Head:** DB 5/18/21 **Approved by City Attorney:** via email 5/18/21 **Approved by Finance Director:** N/A **Approved by City Manager:** RK 5/19/21 **Exhibits/Attachments:** 1. Engrossed Second Substitute Senate Bill (E2SSB 5160) Landlord Tenant Relations, providing certain tenant protections during the Covid-19 emergency 2. Governor's veto of Sections 12 and 13 of E2SSB 5160 3. Summary of E2SSB 5160 4. Draft model ordinance to prevent housing loss due to Covid-19, prepared by the Transit Riders Union 5. Proclamation & Issuance of Emergency Rule 20-03.4: Amending Temporary Moratorium on Residential Tenant Evictions 6. Department of Commerce Eviction Rent Assistance Program Interim Report

INFORMATION/BACKGROUND: At the 5/24/21 Council meeting, staff are seeking council direction on next steps regarding the residential tenant eviction moratorium and renter protections related to the impact of Covid-19. Katie Wilson, General Secretary with the Transit Riders Union (https:// transitriders.org), Edmund Witter, the managing attorney with the King County Bar Association which runs the Housing Justice Project (www.kcba.org) and Brett Waller, Director of Government Affairs with the Washington Multi-Family Housing Association (https:// www.wmfha.org) will be attending the council meeting as panelists to give their perspectives on recent state legislation (see Attachments #1, #2, and #3) regarding tenant protections related to Covid-19 and also the proposed model ordinance regarding tenant protections (see Attachment #4).

At the 4/19/21 Council meeting, Council asked staff to bring back information on the following three topics regarding residential tenant renter protections related to impacts from Covid-19, following expiration of the residential tenant eviction moratorium 6/30/21.

1. Payment plan for residential tenants for a certain period after the eviction moratorium ends
2. Eviction defense if tenants can show their eviction is due to the Covid-19 pandemic
3. How to direct landlords and tenants to available rental assistance resources

Residential Tenant Eviction Moratorium: A federal judge recently vacated a nationwide eviction moratorium (extended in February through June 30) that had been put in place by the Centers for Disease Control and Prevention (CDC) to help tenants who had fallen behind on rent during the coronavirus pandemic. Housing Advocates have called on the Department of Justice to appeal the ruling. New York recently extended its moratorium on evictions and foreclosures through August, and it is unclear how the federal ruling will impact moratoria legislation at the state level.

The Governor's moratorium on residential tenant evictions (Proclamation 20.19.6) is scheduled to end on 6/30/21. The recent state legislation E2SSB5160 signed by the Governor on 4/22/21 includes a statement about the moratorium end date. The duration of the City's moratorium on residential tenant evictions (see Attachment #5) was extended in July 2020 to be consistent with the Governor's moratorium including future extensions. The City's moratorium on residential tenant evictions will therefore also end on 6/30/21, unless the state moratorium is extended by the Governor.

The Transit Riders Union are encouraging the Governor to extend the state moratorium and asking local elected officials to extend local moratoria to provide sufficient time to put procedures in place to implement state and local legislation on tenant protections and give time for tenants and landlords to access available funding assistance. As of Monday 5/17/21, the Governor has not extended the residential tenant eviction moratorium, nor is staff aware of other local jurisdictions extending eviction moratoria beyond 6/30/21. Staff will update Council 5/24/21.

A few Kenmore Councilmembers have met with Transit Riders Union representatives. Some Councilmembers asked about extending the moratorium through the end of September (instead of August 1st as originally proposed by Transit Riders Union) to get past the start of the school year. The attached draft model ordinance from Transit Riders Union includes a moratorium extension through 9/30/21.

If Council direction on 5/24/21 is to extend the residential eviction moratorium, staff will prepare an amendment to the prior proclamation (see Attachment #5) and/or an ordinance for Council action at a future meeting before the current moratorium expiration 6/30/21.

New State Legislation (E2SSB 5160) Providing Certain Tenant Protections During the Covid-19 Emergency

On 4/22/21 the Governor signed into law E2SSB 5160 (see Attachment #1) with a veto of Sections 12 and 13 eliminating landlord reimbursement claims (see Attachment #2). As stated in the legislation, the economic downturn due to Covid-19 has led to layoffs and reduced workhours. This has resulted in lost wages and economic hardship, disproportionately affecting low- and moderate-income workers who are then unable to pay for basic household expenses including rent. Inability to pay rent increases the likelihood of eviction.

Attachment #3 provides a summary of E2SSB 5160 provisions. The legislation provides residential tenant protections related to the Covid-19 public health emergency including:

1. Landlords must offer a reasonable repayment plan for unpaid rent accrued between March 1, 2020 and 6 months following expiration of the Governor's eviction moratorium, or the end of the public health emergency, whichever is greater.

2. It is a defense to an unlawful detainer action if the landlord did not offer the required reasonable repayment plan. Repayment plans may only cover rent and not late fees and cannot be conditioned on tenant's payment of costs or waiver of statutory rights.

3. Landlords cannot impose late fees or other charges for nonpayment of rent that became due between March 1, 2020 and 6 months following expiration of the Governor's evictions moratorium, or the end of the public health emergency, whichever is greater.

4. A landlord may not report to a prospective landlord a tenant's nonpayment of rent, or an unlawful detainer action resulting from nonpayment of rent. A prospective landlord may not take an adverse action based on a prospective tenant's nonpayment of rent.

5. A new Eviction Resolution Pilot Program (ERP) must be used to facilitate resolution of non-payment of rent cases between landlord and tenant. Landlords are required to notify tenant of opportunity to participate in ERP and must also send notice to local Dispute Resolution Center (DRC) serving the area where the property is located.

6. A landlord must secure a certification of participation with the ERP by the appropriate DRC before a court may hear an unlawful detainer action. It is a defense to an unlawful detainer action if a landlord does not provide the notice to the DRC.

7. Authority for courts to appoint attorneys to indigent tenants in any unlawful detainer proceedings. Indigent is defined as any person receiving assistance from certain public and medical benefits programs, or with an annual income after taxes at 200% or below the federally established poverty level.

As noted above, the Governor vetoed two sections of E2SSB 5160 requiring the Dept. of Commerce to authorize landlords an opportunity to apply for certain state rental assistance programs, and removed appropriations for such rental assistance programs.

Draft Model Ordinance Prepared by the Transit Riders Union: Representatives of the Transit Riders Union have met with several councilmembers and also with staff. The Transit Riders Union are convening an online meeting 5/19/21 to review the new state-level protections and to discuss various options for local action. Staff asked the Transit Riders Union to submit a proposal responding to Council direction 4/19/21 and also explain why the City should consider adopting local legislation that differs from the recent state legislation. If Council direction is to move forward with all or part of the proposed model ordinance, then staff would bring back an ordinance for Council action at a future meeting before the current moratorium expiration 6/30/21.

According to the Transit Riders Union the recent state legislation does not create a sufficient "glide path" after the eviction moratorium ends 6/30/21 for the following reasons.

1. Evictions may start as early as July 1, 2021 if the tenant is unable to enter a payment plan due to lack of income or other issues
2. Rental assistance is still not readily available for tenants seeking to apply and as a result tenants may be evicted due to lack of such assistance
3. Rental assistance to landlords is available from three sources yet landlords may not be aware of such programs.
    - Small Landlord Relief Program
    - Landlord Mitigation Program
    - King County Eviction Prevention and Rental Assistance Program

Attachment #4 is the proposed model ordinance, which identifies on page 1 that it does the following:

1. Creates a defense to eviction for rental debt accrued due to pandemic-related hardship.

2. Creates a defense to eviction if a tenant has a rental assistance application in process.
3. Bans late fees for rent that became due during the pandemic.
4. Requires landlords to certify that they have attempted to obtain rental assistance before filing for eviction due to unpaid rent accrued during the pandemic.
5. Extends a moratorium on residential evictions through September 30, 2021
6. Allows tenants who fall behind on rent due to the pandemic to terminate a tenancy early.

Staff notes that the model ordinance is similar to E2SSB 5160 in that they both i) prohibit charging late fees or other charges for nonpayment of rent accrued during the pandemic; and ii) require landlords to provide certain eviction notices/certifications to tenants.

E2SSB 5160 primarily differs in that it: i) requires landlords to offer reasonable payment plans; ii) provides a defense to unlawful detainer if a landlord does not offer a reasonable payment plan; iii) provides a defense to unlawful detainer if a landlord fails to provide notice to tenant, and DRC, about the ERP and DRC opportunity for alternative resolution procedures; iv) prohibits a court from hearing an unlawful detainer action if the landlord fails to secure certification of participation with the ERP by the appropriate DRC; v) precludes landlords from notifying prospective landlords of a tenant's nonpayment of rent, and vi) precludes prospective landlords from taking adverse actions due to nonpayment of rent. Lastly, the new law authorizes the appointment of attorneys for indigent tenants.

The model ordinance primarily differs from E2SSB 5160 in that it: i) creates a defense to unlawful detainer if rent accrued due to substantial reduction in income or substantial increase in expenses due to the pandemic; ii) creates a defense to unlawful detainer if a tenant has applied for rental assistance; iii) extends the eviction moratorium to September 30, 2021; iv) allows a tenant to terminate a lease early if they fall behind in rent due to the pandemic; and v) prohibits a landlord from collection activities for unpaid rent that became due to the pandemic unless the landlord has made good faith efforts to obtain rental assistance.

Rental Assistance Resources: The Department of Commerce rent assistance report (see Attachment #6) provides findings on households assisted with rent arrears by CARES Act Coronavirus Relief Funds and Washington State Disaster Response Account funds. The City through its CARES Act Coronavirus Relief Funds also provided funds to Hopelink for rental assistance for Kenmore residents.

The state of Washington will receive Consolidated Appropriations Act and the American Recovery Plan Act (ARPA) funds to provide financial assistance including assistance for rental arrears and rental payments for renters experiencing financial hardship.

The following are some of the financial resources currently available for both tenants and landlords.

1. Landlord Mitigation Fund under RCW 43.31.605
   https://www.commerce.wa.gov/serving-communities/homelessness/landlord-fund-programs/landlord-mitigation-program/

   This program provides landlords with an incentive to work with tenants receiving rental assistance. The program offers up to $1,000 to the landlord in reimbursement for some potentially required move-in upgrades, up to fourteen days' rent loss and up to $5,000 in qualifying damages caused by a tenant during tenancy.

2. Limited Landlord Relief Program operated by the Washington State Department of Commerce

https://www.commerce.wa.gov/serving-communities/homelessness/landlord-fund-programs/landlord-relief-program/

This Program offers owners of four or fewer rental units/properties that make less than the Median Family Income the ability to recuperate up to 80% of the unpaid rental payments where tenants are non-communicative or unqualified for the Eviction Rental Assistance Program, where the unpaid rents were the result of a Statewide Emergency as declared by the Governor of Washington. This program is limited to pay no more than $2 million in claims.

3. King County Eviction Prevention and Rental Assistance Program for Landlords and Tenants https://www.kingcounty.gov/depts/community-human-services/COVID/eviction-prevention-rent-assistance.aspx. The 2020 program offered rental assistance and eviction prevention through three funds: a pool for individual tenants, a pool for small landlords, and bulk payments to large residential landlord properties and manufactured home parks. 25,136 households submitted forms of interest and 9,073 households received assistance. $37,617, 646 of funds have been distributed. On 5/18/21 the King County Executive announced there is $145 million available for tenant applications for rental assistance. The portal for applications opened 5/17/21.

Eviction Data: According to the King County Bar Association (KCBA), in 2019 there were 4,471 eviction court filings in King County of which Kenmore had 15 filings (0.36%). Most evictions are based on nonpayment of rent (87.5%). Court records do not include racial demographics of defendants but the KCBA estimates there is significant racial disparity especially amongst Black or African American tenants. The KCBA believes this is likely a low estimate since 2019 eviction is based on court filings, not unfiled cases or rent demands. Several tenants will "self-evict" so they do not have to go through the formal legal process and risk having an eviction on their record, which only makes securing new housing that much more difficult. The KCBA estimates that 48,000 King County households are behind on rent and are at risk of eviction once the moratorium is lifted.

Link to the King County Bar Association Report: https://www.kcba.org/For-the-Public/Free-Legal-Assistance/Housing-Justice-Project/Explore-Data

Link to the King County Bar Association report tracking evictions during Covid-19: https://www.kcba.org/For-the-Public/Free-Legal-Assistance/Housing-Justice-Project/HJP-Heat-Map

Link to the US Census Bureau Household Pulse survey during Covid-19: https://www.census.gov/programs-surveys/household-pulse-survey.html

FISCAL CONSIDERATION: Staff time.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED: Council priority #4 respond to the pandemic

CERTIFICATION OF ENROLLMENT

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5160

Chapter 115, Laws of 2021

(partial veto)

67th Legislature
2021 Regular Session

LANDLORD-TENANT RELATIONS

EFFECTIVE DATE: April 22, 2021

Passed by the Senate April 19, 2021
Yeas 27 Nays 22

DENNY HECK

President of the Senate

Passed by the House April 8, 2021
Yeas 72 Nays 26

LAURIE JINKINS

Speaker of the House of Representatives

Approved April 22, 2021 3:37 PM with the exception of sections 12 and 13, which are vetoed.

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5160** as passed by the Senate and the House of Representatives on the dates hereon set forth.

BRAD HENDRICKSON

Secretary

FILED

April 22, 2021

Secretary of State
State of Washington

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5160

AS AMENDED BY THE HOUSE

Passed Legislature - 2021 Regular Session

State of Washington 67th Legislature 2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Kuderer, Liias, Conway, Das, Lovelett, Saldaña, and Wilson, C.)

READ FIRST TIME 02/22/21.

AN ACT Relating to addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and authorizing landlord access to certain rental assistance programs; amending RCW 43.31.615, 59.18.057, 59.18.365, 59.12.040, 59.20.040, and 59.18.410; reenacting and amending RCW 43.31.605 and 59.18.230; adding new sections to chapter 59.18 RCW; adding a new section to chapter 2.53 RCW; adding a new section to chapter 43.185C RCW; creating new sections; repealing RCW 59.18.375; prescribing penalties; making an appropriation; providing expiration dates; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** The legislature finds that the COVID-19 pandemic is causing a sustained global economic slowdown, and an economic downturn throughout Washington state with unprecedented numbers of layoffs and reduced work hours for a significant percentage of our workforce. Many of the state's workforce has been impacted by these layoffs and substantially reduced work hours and have suffered economic hardship, disproportionately affecting low and moderate-income workers resulting in lost wages and the inability to

pay for basic household expenses, including rent. Hundreds of thousands of tenants in Washington are unable to consistently pay their rent, reflecting the continued financial precariousness of many renters in the state. Before the COVID-19 pandemic, nonpayment of rent was the leading cause of evictions within the state. Because the COVID-19 pandemic has led to an inability for tenants to consistently pay rent, the likelihood of evictions has increased, as well as life, health, and safety risks to a significant percentage of the state's tenants. As a result, the governor has issued a temporary moratorium on evictions as of March 2020, with multiple extensions and other related actions, to reduce housing instability and enable tenants to stay in their homes.

Therefore, it is the intent of the legislature with this act to increase tenant protections during the public health emergency, provide legal representation for qualifying tenants in eviction cases, establish an eviction resolution pilot program to address nonpayment of rent eviction cases before any court filing, and ensure tenants and landlords have adequate opportunities to access state and local rental assistance programs to reimburse landlords for unpaid rent and preserve tenancies.

NEW SECTION. **Sec. 2.** A new section is added to chapter 59.18 RCW to read as follows:

The definitions in this section apply to sections 3 and 4 of this act unless the context clearly requires otherwise.

(1) "Dwelling unit" has the same meaning as defined in RCW 59.18.030, and includes a manufactured/mobile home or a mobile home lot as defined in RCW 59.20.030.

(2) "Eviction moratorium" refers to the governor of the state of Washington's proclamation 20-19.6, proclaiming a moratorium on certain evictions for all counties throughout Washington state on March 18, 2021.

(3) "Landlord" has the same meaning as defined in RCW 59.18.030 and 59.20.030.

(4) "Prospective landlord" has the same meaning as defined in RCW 59.18.030.

(5) "Public health emergency" refers to the governor of the state of Washington's proclamation 20-05, proclaiming a state of emergency for all counties throughout Washington state on February 29, 2020, and any subsequent orders extending or amending such proclamation due

to COVID-19 until the proclamation expires or is terminated by the governor of the state of Washington.

(6) "Rent" has the same meaning as defined in RCW 59.18.030.

(7) "Tenant" refers to any individual renting a dwelling unit or lot primarily for living purposes, including any individual with a tenancy subject to this chapter or chapter 59.20 RCW or any individual residing in transient lodging, such as a hotel or motel or camping area as their primary dwelling, for 30 days or more prior to March 1, 2020. "Tenant" does not include any individual residing in a hotel or motel or camping area as their primary dwelling for more than 30 days after March 1, 2020, if the hotel or motel or camping area has provided the individual with a seven-day eviction notice, which must include the following language: "For no-cost legal assistance, please call 2-1-1 or the Northwest Justice Project CLEAR Hotline outside King County (888) 201-1014 weekdays between 9:15 a.m. - 12:15 p.m., or (888) 387-7111 for seniors (age 60 and over). You may find additional resource information at http://www.washingtonlawhelp.org." "Tenant" also does not include occupants of homeless mitigation sites or a person entering onto land without permission of the landowner or lessor. For purposes of this subsection, any local government provision of solid waste or hygiene services to unsanctioned encampments does not constitute permission to occupy land.

TENANT PROTECTIONS

NEW SECTION. **Sec. 3.** A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord may not charge or impose any late fees or other charges against any tenant for the nonpayment of rent that became due between March 1, 2020, and six months following the expiration of the eviction moratorium.

(2) For rent that accrued between March 1, 2020, and the six months following the expiration of the eviction moratorium expiration date:

(a) A landlord may not report to a prospective landlord:

(i) A tenant's nonpayment of rent that accrued between March 1, 2020, and the six months following the expiration of the eviction moratorium; or

(ii) An unlawful detainer action pursuant to RCW 59.12.030(3) that resulted from a tenant's nonpayment of rent between March 1, 2020, and the six months following the expiration of the eviction moratorium.

(b) A prospective landlord may not take an adverse action based on a prospective tenant's nonpayment of rent that occurred between March 1, 2020, and the six months following the expiration of the eviction moratorium.

(3)(a) A landlord or prospective landlord may not deny, discourage application for, or otherwise make unavailable any rental dwelling unit based on a tenant's or prospective tenant's medical history including, but not limited to, the tenant's or prospective tenant's prior or current exposure or infection to the COVID-19 virus.

(b) A landlord or prospective landlord may not inquire about, consider, or require disclosure of a tenant's or prospective tenant's medical records or history, unless such disclosure is necessary to evaluate a reasonable accommodation request or reasonable modification request under RCW 49.60.222.

(4) A landlord or prospective landlord in violation of this section is liable in a civil action for up to two and one-half times the monthly rent of the real property at issue, as well as court costs and reasonable attorneys' fees. A court must impose this penalty in an amount necessary to deter future violations, payable to the tenant bringing the action.

REPAYMENT PLANS

NEW SECTION. **Sec. 4.** A new section is added to chapter 59.18 RCW to read as follows:

(1) The eviction moratorium instituted by the governor of the state of Washington's proclamation 20-19.6 shall end on June 30, 2021.

(2) If a tenant has remaining unpaid rent that accrued between March 1, 2020, and six months following the expiration of the eviction moratorium or the end of the public health emergency, whichever is greater, the landlord must offer the tenant a reasonable schedule for repayment of the unpaid rent that does not exceed monthly payments equal to one-third of the monthly rental charges during the period of accrued debt. If a tenant fails to accept the

terms of a reasonable repayment plan within 14 days of the landlord's offer, the landlord may proceed with an unlawful detainer action as set forth in RCW 59.12.030(3) but subject to any requirements under the eviction resolution pilot program established under section 7 of this act. If the tenant defaults on any rent owed under a repayment plan, the landlord may apply for reimbursement from the landlord mitigation program as authorized under RCW 43.31.605(1)(d) or proceed with an unlawful detainer action as set forth in RCW 59.12.030(3) but subject to any requirements under the eviction resolution pilot program established under section 7 of this act. The court must consider the tenant's circumstances, including decreased income or increased expenses due to COVID-19, and the repayment plan terms offered during any unlawful detainer proceeding.

(3) Any repayment plan entered into under this section must:

(a) Not require payment until 30 days after the repayment plan is offered to the tenant;

(b) Cover rent only and not any late fees, attorneys' fees, or any other fees and charges;

(c) Allow for payments from any source of income as defined in RCW 59.18.255(5) or from pledges by nonprofit organizations, churches, religious institutions, or governmental entities; and

(d) Not include provisions or be conditioned on: The tenant's compliance with the rental agreement, payment of attorneys' fees, court costs, or other costs related to litigation if the tenant defaults on the rental agreement; a requirement that the tenant apply for governmental benefits or provide proof of receipt of governmental benefits; or the tenant's waiver of any rights to a notice under RCW 59.12.030 or related provisions before a writ of restitution is issued.

(4) It is a defense to an eviction under RCW 59.12.030(3) that a landlord did not offer a repayment plan in conformity with this section.

(5) To the extent available funds exist for rental assistance from a federal, state, local, private, or nonprofit program, the tenant or landlord may continue to seek rental assistance to reduce and/or eliminate the unpaid rent balance.

Sec. 5. RCW 43.31.605 and 2020 c 315 s 8 and 2020 c 169 s 2 are each reenacted and amended to read as follows:

(1)(a) Subject to the availability of funds for this purpose, the landlord mitigation program is created and administered by the department. The department shall have such rule-making authority as the department deems necessary to administer the program.

(b) The following types of claims related to landlord mitigation for renting private market rental units to low-income tenants using a housing subsidy program are eligible for reimbursement from the landlord mitigation program account:

(i) Up to one thousand dollars for improvements identified in RCW 59.18.255(1)(a). In order to be eligible for reimbursement under this subsection (1)(b)(i), the landlord must pay for the first five hundred dollars for improvements, and rent to the tenant whose housing subsidy program was conditioned on the real property passing inspection. Reimbursement under this subsection (1)(b)(i) may also include up to fourteen days of lost rental income from the date of offer of housing to the applicant whose housing subsidy program was conditioned on the real property passing inspection until move in by that applicant;

(ii) Reimbursement for damages as reflected in a judgment obtained against the tenant through either an unlawful detainer proceeding, or through a civil action in a court of competent jurisdiction after a hearing;

(iii) Reimbursement for damages established pursuant to subsection (2) of this section; and

(iv) Reimbursement for unpaid rent and unpaid utilities, provided that the landlord can evidence it to the department's satisfaction.

(c) Claims related to landlord mitigation for an unpaid judgment for rent, unpaid judgments resulting from the tenant's failure to comply with an installment payment agreement identified in RCW 59.18.610, late fees, attorneys' fees, and costs after a court order pursuant to RCW 59.18.410(3), including any unpaid portion of the judgment after the tenant defaults on the payment plan pursuant to RCW 59.18.410(3)(c), are eligible for reimbursement from the landlord mitigation program account and are exempt from any postjudgment interest required under RCW 4.56.110. Any claim for reimbursement made pursuant to RCW 59.18.410(3)(e)(ii) must be accompanied by a court order staying the writ of restitution pursuant to RCW 59.18.410(3). Any claim for reimbursement under this subsection (1)(c) is not an entitlement.

(i) The department shall provide for a form on its website for tenants and landlords to apply for reimbursement funds for the landlord pursuant to this subsection (1)(c).

(ii) The form must include: (A) Space for the landlord and tenant to provide names, mailing addresses, phone numbers, date of birth for the tenant, and any other identifying information necessary for the department to process payment; (B) the landlord's statewide vendor identification number and how to obtain one; (C) name and address to whom payment must be made; (D) the amount of the judgment with instructions to include any other supporting documentation the department may need to process payment; (E) instructions for how the tenant is to reimburse the department under (c)(iii) of this subsection; (F) a description of the consequences if the tenant does not reimburse the department as provided in this subsection (1)(c); (G) a signature line for the landlord and tenant to confirm that they have read and understood the contents of the form and program; and (H) any other information necessary for the operation of the program. If the tenant has not signed the form after the landlord has made good faith efforts to obtain the tenant's signature, the landlord may solely submit the form but must attest to the amount of money owed and sign the form under penalty of perjury.

(iii) When a landlord has been reimbursed pursuant to this subsection (1)(c), the tenant for whom payment was made shall reimburse the department by depositing the amount disbursed from the landlord mitigation program account into the court registry of the superior court in which the judgment was entered. The tenant or other interested party may seek an ex parte order of the court under the unlawful detainer action to order such funds to be disbursed by the court. Upon entry of the order, the court clerk shall disburse the funds and include a case number with any payment issued to the department. If directed by the court, a clerk shall issue any payments made by a tenant to the department without further court order.

(iv) The department may deny an application made by a tenant who has failed to reimburse the department for prior payments issued pursuant to this subsection (1)(c).

(v) With any disbursement from the account to the landlord, the department shall notify the tenant at the address provided within the application that a disbursement has been made to the landlord on the tenant's behalf and that failure to reimburse the account for the

payment through the court registry may result in a denial of a future application to the account pursuant to this subsection (1)(c). The department may include any other additional information about how to reimburse the account it deems necessary to fully inform the tenant.

(vi) The department's duties with respect to obtaining reimbursement from the tenant to the account are limited to those specified within this subsection (1)(c).

(vii) If at any time funds do not exist in the landlord mitigation program account to reimburse claims submitted under this subsection (1)(c), the department must create and maintain a waitlist and distribute funds in the order the claims are received pursuant to subsection (6) of this section. Payment of any claims on the waitlist shall be made only from the landlord mitigation program account. The department shall not be civilly or criminally liable and may not have any penalty or cause of action of any nature arise against it regarding the provision or lack of provision of funds for reimbursement.

(d)(i) Claims related to landlord mitigation for:

(A) Up to $15,000 in unpaid rent that accrued between March 1, 2020, and six months following the expiration of the eviction moratorium and the tenant being low-income, limited resourced or experiencing hardship, voluntarily vacated or abandoned the tenancy; or

(B) Up to $15,000 in remaining unpaid rent if a tenant defaults on a repayment plan entered into under section 4 of this act are eligible for reimbursement from the landlord mitigation program account subject to the program requirements under this section, provided the tenancy has not been terminated at the time of reimbursement.

(ii) A landlord is ineligible for reimbursement under this subsection (1)(d) where the tenant vacated the tenancy because of an unlawful detainer action under RCW 59.12.030(3).

(iii) A landlord in receipt of reimbursement from the program pursuant to this subsection (1)(d) is prohibited from:

(A) Taking legal action against the tenant for damages or any remaining unpaid rent accrued between March 1, 2020, and six months following the expiration of the eviction moratorium attributable to the same tenancy; or

(B) Pursuing collection, or authorizing another entity to pursue collection on the landlord's behalf, of a judgment against the tenant

for damages or any remaining unpaid rent accrued between March 1, 2020, and six months following the expiration of the eviction moratorium attributable to the same tenancy.

(2) In order for a claim under subsection (1)(b)(iii) of this section to be eligible for reimbursement from the landlord mitigation program account, a landlord must:

(a) Have ensured that the rental property was inspected at the commencement of the tenancy by both the tenant and the landlord or landlord's agent and that a detailed written move-in property inspection report, as required in RCW 59.18.260, was prepared and signed by both the tenant and the landlord or landlord's agent;

(b) Make repairs and then apply for reimbursement to the department;

(c) Submit a claim on a form to be determined by the department, signed under penalty of perjury; and

(d) Submit to the department copies of the move-in property inspection report specified in (a) of this subsection and supporting materials including, but not limited to, before repair and after repair photographs, videos, copies of repair receipts for labor and materials, and such other documentation or information as the department may request.

(3) The department shall make reasonable efforts to review a claim within ten business days from the date it received properly submitted and complete claims to the satisfaction of the department. In reviewing a claim pursuant to subsection (1)(b) of this section, and determining eligibility for reimbursement, the department must receive documentation, acceptable to the department in its sole discretion, that the claim involves a private market rental unit rented to a low-income tenant who is using a housing subsidy program.

(4) Claims pursuant to subsection (1)(b) of this section related to a tenancy must total at least five hundred dollars in order for a claim to be eligible for reimbursement from the program. While claims or damages may exceed five thousand dollars, total reimbursement from the program may not exceed five thousand dollars per tenancy.

(5) Damages, beyond wear and tear, that are eligible for reimbursement include, but are not limited to: Interior wall gouges and holes; damage to doors and cabinets, including hardware; carpet stains or burns; cracked tiles or hard surfaces; broken windows; damage to household fixtures such as disposal, toilet, sink, sink handle, ceiling fan, and lighting. Other property damages beyond

normal wear and tear may also be eligible for reimbursement at the department's discretion.

(6) All reimbursements for eligible claims shall be made on a first-come, first-served basis, to the extent of available funds. The department shall use best efforts to notify the tenant of the amount and the reasons for any reimbursements made.

(7) The department, in its sole discretion, may inspect the property and the landlord's records related to a claim, including the use of a third-party inspector as needed to investigate fraud, to assist in making its claim review and determination of eligibility.

(8) A landlord in receipt of reimbursement from the program pursuant to subsection (1)(b) of this section is prohibited from:

(a) Taking legal action against the tenant for damages attributable to the same tenancy; or

(b) Pursuing collection, or authorizing another entity to pursue collection on the landlord's behalf, of a judgment against the tenant for damages attributable to the same tenancy.

(9) A landlord denied reimbursement under subsection (1)(b)(iii) of this section may seek to obtain a judgment from a court of competent jurisdiction and, if successful, may resubmit a claim for damages supported by the judgment, along with a certified copy of the judgment. The department may reimburse the landlord for that portion of such judgment that is based on damages reimbursable under the landlord mitigation program, subject to the limitations set forth in this section.

(10) Determinations regarding reimbursements shall be made by the department in its sole discretion.

(11) The department must establish a website that advertises the landlord mitigation program, the availability of reimbursement from the landlord mitigation program account, and maintains or links to the agency rules and policies established pursuant to this section.

(12) Neither the state, the department, or persons acting on behalf of the department, while acting within the scope of their employment or agency, is liable to any person for any loss, damage, harm, or other consequence resulting directly or indirectly from the department's administration of the landlord mitigation program or determinations under this section.

(13)(a) A report to the appropriate committees of the legislature on the effectiveness of the program and recommended modifications shall be submitted to the governor and the appropriate committees of

the legislature by January 1, 2021. In preparing the report, the department shall convene and solicit input from a group of stakeholders to include representatives of large multifamily housing property owners or managers, small rental housing owners in both rural and urban markets, a representative of tenant advocates, and a representative of the housing authorities.

(b) The report shall include discussion of the effectiveness of the program as well as the department's recommendations to improve the program, and shall include the following:

(i) The number of total claims and total amount reimbursed to landlords by the fund;

(ii) Any indices of fraud identified by the department;

(iii) Any reports by the department regarding inspections authorized by and conducted on behalf of the department;

(iv) An outline of the process to obtain reimbursement for improvements and for damages from the fund;

(v) An outline of the process to obtain reimbursement for lost rent due to the rental inspection and tenant screening process, together with the total amount reimbursed for such damages;

(vi) An evaluation of the feasibility for expanding the use of the mitigation fund to provide up to ninety-day no interest loans to landlords who have not received timely rental payments from a housing authority that is administering section 8 rental assistance;

(vii) Any other modifications and recommendations made by stakeholders to improve the effectiveness and applicability of the program.

(14) As used in this section:

(a) "Housing subsidy program" means a housing voucher as established under 42 U.S.C. Sec. 1437 as of January 1, 2018, or other housing subsidy program including, but not limited to, valid short-term or long-term federal, state, or local government, private nonprofit, or other assistance program in which the tenant's rent is paid either partially by the program and partially by the tenant, or completely by the program directly to the landlord;

(b) "Low-income" means income that does not exceed eighty percent of the median income for the standard metropolitan statistical area in which the private market rental unit is located; and

(c) "Private market rental unit" means any unit available for rent that is owned by an individual, corporation, limited liability company, nonprofit housing provider, or other entity structure, but

does not include housing acquired, or constructed by a public housing agency under 42 U.S.C. Sec. 1437 as it existed on January 1, 2018.

Sec. 6. RCW 43.31.615 and 2019 c 356 s 13 are each amended to read as follows:

(1) The landlord mitigation program account is created in the custody of the state treasury. All transfers and appropriations by the legislature, repayments, private contributions, and all other sources must be deposited into the account. Expenditures from the account may only be used for the landlord mitigation program under this chapter to reimburse landlords for eligible claims related to private market rental units during the time of their rental to low-income tenants using housing subsidy programs as defined in RCW 43.31.605, for any unpaid judgment issued within an unlawful detainer action after a court order pursuant to RCW 59.18.410(3) as described in RCW 43.31.605(1)(c), for any unpaid rent as described in RCW 43.31.605(1)(d), and for the administrative costs identified in subsection (2) of this section. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) Administrative costs associated with application, distribution, and other program activities of the department may not exceed twenty percent of the annual funds available for the landlord mitigation program. Reappropriations must not be included in the calculation of the annual funds available for determining the administrative costs.

(3) Funds deposited into the landlord mitigation program account shall be prioritized by the department for allowable costs under RCW 43.31.605(1)(b), and may only be used for other allowable costs when funding available in the account exceeds the amount needed to pay claims under RCW 43.31.605(1)(b).

EVICTION RESOLUTION PILOT PROGRAM

NEW SECTION. **Sec. 7.** A new section is added to chapter 59.18 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the administrative office of the courts shall contract with dispute resolution centers as described under chapter

7.75 RCW within or serving each county to establish a court-based eviction resolution pilot program operated in accordance with Washington supreme court order no. 25700-B-639 and any standing judicial order of the individual superior court.

(2) The eviction resolution pilot program must be used to facilitate the resolution of nonpayment of rent cases between a landlord and tenant before the landlord files an unlawful detainer action.

(3) Prior to filing an unlawful detainer action for nonpayment of rent, the landlord must provide a notice as required under RCW 59.12.030(3) and an additional notice to the tenant informing them of the eviction resolution pilot program. The landlord must retain proof of service or mailing of the additional notice. The additional notice to the tenant must provide at least the following information regarding the eviction resolution pilot program:

(a) Contact information for the local dispute resolution center;

(b) Contact information for the county's housing justice project or, if none, a statewide organization providing housing advocacy services for low-income residents;

(c) The following statement: "The Washington state office of the attorney general has this notice in multiple languages on its website. You will also find information there on how to find a lawyer or advocate at low or no cost and any available resources to help you pay your rent. Alternatively, you may find additional information to help you at http://www.washingtonlawhelp.org";

(d) The name and contact information of the landlord, the landlord's attorney, if any, and the tenant; and

(e) The following statement: "Failure to respond to this notice within 14 days may result in the filing of a summons and complaint for an unlawful detainer action with the court."

(4) At the time of service or mailing of the pay or vacate notice and additional notice to the tenant, a landlord must also send copies of these notices to the local dispute resolution center serving the area where the property is located.

(5) A landlord must secure a certification of participation with the eviction resolution program by the appropriate dispute resolution center before an unlawful detainer action for nonpayment of rent may be heard by the court.

(6) The administrative office of the courts may also establish and produce any other notice forms and requirements as necessary to implement the eviction resolution pilot program.

(7) Any superior court, in collaboration with the dispute resolution center that is located within or serving the same county, participating in the eviction resolution pilot program must report annually to the administrative office of the courts beginning January 1, 2022, until January 1, 2023, on the following:

(a) The number of unlawful detainer actions for nonpayment of rent that were subject to program requirements;

(b) The number of referrals made to dispute resolution centers;

(c) The number of nonpayment of rent cases resolved by the program;

(d) How many instances the tenant had legal representation either at the conciliation stage or formal mediation stage;

(e) The number of certifications issued by dispute resolution centers and filed by landlords with the court; and

(f) Any other information that relates to the efficacy of the pilot program.

(8) By July 1, 2022, until July 1, 2023, the administrative office of the courts must provide a report to the legislature summarizing the report data shared by the superior courts and dispute resolution centers under subsection (7) of this section.

(9) This section expires July 1, 2023.

RIGHT TO COUNSEL

NEW SECTION. **Sec. 8.** A new section is added to chapter 59.18 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the court must appoint an attorney for an indigent tenant in an unlawful detainer proceeding under this chapter and chapters 59.12 and 59.20 RCW. The office of civil legal aid is responsible for implementation of this subsection as provided in section 9 of this act, and the state shall pay the costs of legal services provided by an attorney appointed pursuant to this subsection. In implementing this section, the office of civil legal aid shall assign priority to providing legal representation to indigent tenants in those counties in which the most evictions occur

and to indigent tenants who are disproportionately at risk of eviction.

(2) For purposes of this section, "indigent" means any person who, at any stage of a court proceeding, is:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, aged, blind, or disabled assistance benefits, medical care services under RCW 74.09.035, pregnant women assistance benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, or supplemental security income; or

(b) Receiving an annual income, after taxes, of 200 percent or less of the current federally established poverty level.

NEW SECTION. **Sec. 9.** A new section is added to chapter 2.53 RCW to read as follows:

(1) Moneys appropriated by the legislature for legal services provided by an attorney appointed pursuant to section 8 of this act must be administered by the office of civil legal aid established under RCW 2.53.020. The office of civil legal aid must enter into contracts with attorneys and agencies for the provision of legal services under section 8 of this act to remain within appropriated amounts.

(2) The legislature recognizes that the office of civil legal aid needs time to properly implement the right to attorney legal representation for indigent tenants under and consistent with section 8 of this act. Within 90 days after the effective date of this section, the office of civil legal aid must submit to the appropriate legislative committees a plan to fully implement the tenant representation program under and consistent with section 8 of this act within 12 months of the effective date of this section.

Sec. 10. RCW 59.18.057 and 2020 c 315 s 2 are each amended to read as follows:

(1) Every ((~~fourteen-day~~)) 14-day notice served pursuant to RCW 59.12.030(3) must be in substantially the following form:

"TO: _____

AND TO: _____

ADDRESS: _____

FOURTEEN-DAY NOTICE TO PAY RENT OR VACATE THE PREMISES

You are receiving this notice because the landlord alleges you are not in compliance with the terms of the lease agreement by failing to pay rent and/or utilities and/or recurring or periodic charges that are past due.

(1) Monthly rent due for (list month(s)): $ (dollar amount)

AND/OR

(2) Utilities due for (list month(s)): $ (dollar amount)

AND/OR

(3) Other recurring or periodic charges identified in the lease for (list month(s)): $ (dollar amount)

TOTAL AMOUNT DUE: $ (dollar amount)

Note - payment must be made pursuant to the terms of the rental agreement or by nonelectronic means including, but not limited to, cashier's check, money order, or other certified funds.

You must pay the total amount due to your landlord within fourteen (14) days after service of this notice or you must vacate the premises. Any payment you make to the landlord must first be applied to the total amount due as shown on this notice. Any failure to comply with this notice within fourteen (14) days after service of this notice may result in a judicial proceeding that leads to your eviction from the premises.

The Washington state Office of the Attorney General has this notice in multiple languages as well as information on available resources to help you pay your rent, including state and local rental assistance programs, on its website at www.atg.wa.gov/landlord-tenant. ((~~You will also find information there on how to find a lawyer or advocate at low or no cost and any available resources to help you pay your rent.~~

~~Alternatively, for no-cost legal assistance for low-income renters~~)) State law provides you the right to legal representation and the court may be able to appoint a lawyer to represent you without cost to you if you are a qualifying low-income renter. If you believe you are a qualifying low-income renter and would like an attorney appointed to represent you, please contact the Eviction Defense Screening Line at 855-657-8387 or apply online at https://nwjustice.org/apply-online. For additional resources, call 2-1-1 or the Northwest Justice Project CLEAR Hotline outside King County (888) 201-1014 weekdays between 9:15 a.m. - 12:15 p.m., or (888) 387-7111 for seniors (age 60 and over). You may find additional information to

help you at http://www.washingtonlawhelp.org. Free or low-cost mediation services to assist in nonpayment of rent disputes before any judicial proceedings occur are also available at dispute resolution centers throughout the state. You can find your nearest dispute resolution center at https://www.resolutionwa.org.

State law also provides you the right to receive interpreter services at court.

OWNER/LANDLORD:_____DATE:_____

WHERE TOTAL AMOUNT DUE IS TO BE PAID: ___(owner/landlord name)___
_____(address)_____"

(2) Upon expiration of the eviction resolution pilot program established under section 7 of this act:

(a) The landlord must also provide the notice required in this section to the dispute resolution center located within or serving the county in which the dwelling unit is located. It is a defense to an eviction under RCW 59.12.030 that a landlord did not provide additional notice under this subsection.

(b) Dispute resolution centers are encouraged to notify the housing justice project or northwest justice project located within or serving the county in which the dispute resolution center is located, as appropriate, once notice is received from the landlord under this subsection.

(3) The form required in this section does not abrogate any additional notice requirements to tenants as required by federal, state, or local law.

Sec. 11. RCW 59.18.365 and 2020 c 315 s 4 are each amended to read as follows:

(1) The summons must contain the names of the parties to the proceeding, the attorney or attorneys if any, the court in which the same is brought, the nature of the action, in concise terms, and the relief sought, and also the return day; and must notify the defendant to appear and answer within the time designated or that the relief sought will be taken against him or her. The summons must contain a street address for service of the notice of appearance or answer and,

if available, a facsimile number for the plaintiff or the plaintiff's attorney, if represented. The summons must be served and returned in the same manner as a summons in other actions is served and returned.

(2) A defendant may serve a copy of an answer or notice of appearance by any of the following methods:

(a) By delivering a copy of the answer or notice of appearance to the person who signed the summons at the street address listed on the summons;

(b) By mailing a copy of the answer or notice of appearance addressed to the person who signed the summons to the street address listed on the summons;

(c) By facsimile to the facsimile number listed on the summons. Service by facsimile is complete upon successful transmission to the facsimile number listed upon the summons;

(d) As otherwise authorized by the superior court civil rules.

(3) The summons for unlawful detainer actions for tenancies covered by this chapter shall be substantially in the following form:

IN THE SUPERIOR COURT OF THE
STATE OF WASHINGTON
IN AND
FOR . . . . . COUNTY

Plaintiff/ Landlord/ Owner,	NO.
vs.	EVICTION SUMMONS (Residential)
Defendant/ Tenant/ Occupant.	

THIS IS AN IMPORTANT LEGAL DOCUMENT TO EVICT YOU.
YOUR **WRITTEN**
RESPONSE MUST BE RECEIVED BY: 5:00 p.m., on . . . . . .

TO: . . . . . (Defendant's Name)

. . . . . (Defendant's Address)

GET HELP: If you do not respond by the deadline above, you will lose your right to defend yourself or be represented by a lawyer if you cannot afford one in court and could be evicted. ((~~If you cannot afford a lawyer~~)) The court may be able to appoint a lawyer to represent you without cost to you if you are low-income and are unable to afford a lawyer. If you believe you are a qualifying low-income renter and would like an attorney appointed to represent you, please contact the Eviction Defense Screening Line at 855-657-8387 or apply online at https://nwjustice.org/apply-online. For additional resources, you may call 2-1-1 or the Northwest Justice Project CLEAR Hotline outside King County (888) 201-1014 weekdays between 9:15 a.m. - 12:15 p.m., or (888) 387-7111 for seniors (age 60 and over). ((~~They can refer you to free or low-cost legal help.~~)) You may find additional information to help you at http://www.washingtonlawhelp.org. Free or low-cost mediation services to assist in nonpayment of rent disputes before any judicial proceedings occur are also available at dispute resolution centers throughout the state. You can find your nearest dispute resolution center at https://www.resolutionwa.org.

HOW TO RESPOND: Phone calls to your Landlord or your Landlord's lawyer are not a response. You may respond with a "notice of appearance." This is a letter that includes the following:

(1) A statement that you are appearing in the court case

(2) Names of the landlord(s) and the tenant(s) (as listed above)

(3) Your name, your address where legal documents may be sent, your signature, phone number (if any), and case number (if the case is filed)

This case ☐ is / ☐ is not filed with the court. If this case is filed, you need to also file your response with the court by delivering a copy to the clerk of the court at: . . . . . (Clerk's Office/Address/Room number/Business hours of court clerk)

WHERE TO RESPOND: You must mail, fax, or hand deliver your response letter to your Landlord's lawyer, or if no lawyer is named in the complaint, to your Landlord. If you mail the response letter, you must do it 3 days before the deadline above. Request receipt of a proof of mailing from the post office. If you hand deliver or fax it, you must do it by the deadline above. The address is:

. . . . . (Attorney/Landlord Name)

. . . . . (Address)

. . . . . (Fax - required if available)

COURT DATE: If you respond to this Summons, you will be notified of your hearing date in a document called an "Order to Show Cause." This is usually mailed to you. If you get notice of a hearing, **you must go to the hearing**. If you do not show up, your landlord can evict you. Your landlord might also charge you more money. If you move before the court date, you must tell your landlord or the landlord's attorney.

LANDLORD ACCESS TO RENTAL ASSISTANCE PROGRAMS

***NEW SECTION.** Sec. 12. A new section is added to chapter 43.185C RCW to read as follows:*

(1) The department must authorize landlords an opportunity to apply to the following programs, if feasible, and establish application and eligibility requirements and any conditions on the receipt of funds as the department deems appropriate:

(a) Rental assistance provided through the consolidated homeless grant program;

(b) Rental assistance provided through the emergency solutions grant program; and

(c) Any rental assistance program funded through receipt of any federal COVID-19 relief funds.

(2) Until March 31, 2022, the department must provide rental assistance directly to a landlord on behalf of an indigent tenant who is unable to:

(a) Access an eviction resolution pilot program, as described in section 7 of this act, because such a program is either not available in the region in which the property is located or the regional program is not accepting new claims; or

(b) Obtain legal representation as described in section 8 of this act.

(3) For the purposes of this section, "indigent" has the same meaning as section 8(2) of this act.

***Sec. 12 was vetoed. See message at end of chapter.**

***NEW SECTION.** Sec. 13. The sum of $7,500,000 for the fiscal biennium ending June 30, 2023, is appropriated from the coronavirus state fiscal recovery fund created in Engrossed Substitute Senate Bill No. 5092 (operating budget) to the department of commerce for*

the purposes of a landlord grant assistance program to provide grants to eligible landlords for rent that was not paid during the eviction moratorium pursuant to the governor's proclamation 20-19.6. The department shall have such rule-making authority as the department deems necessary to administer the program.

(1) To be eligible for a grant under this section, a landlord must:

(a) Apply for a grant or have a property manager or property management company apply for a grant on behalf of a landlord;

(b) Be the sole investor in the property from which they are seeking rental arrears;

(c) Be the owner of no more than 10 dwelling units from which they receive rental payments; and

(d) Provide proof of ownership of the property and a statement certified under penalty of perjury of the amount of rent due during the eviction moratorium that the landlord was not paid by the tenant, through funds acquired through an emergency rental assistance program provided by a governmental or nonprofit entity, through the state landlord mitigation program defined in RCW 43.31.605, or through any other means that would reasonably be considered payment of rent due.

(2) Eligible landlords may receive a grant of up to 80 percent of the total amount of rent in arrears.

(3) The department will disburse funds to eligible landlords within 60 days of submission of the application. Eligibility for a grant under this section does not constitute an entitlement for payment. If eligible applications for grants exceed the funds appropriated in this section, the department must create and maintain a waitlist in the order the applications are received pursuant to this section. The department shall not be civilly or criminally liable and may not have any penalty or cause of action of any nature arise against it regarding the provision or lack of provision of funds.

(4) The department shall provide a report to the appropriate committees of the legislature by September 30, 2023, which shall include the number of eligible applicants who received grants and the total funds provided to such applicants, the number of eligible applicants on the waitlist who did not receive grants and the total amount of grants unpaid due to lack of funds, and the number of ineligible applicants and the reasons for ineligibility.

(5) A landlord who receives a grant under this section is prohibited from:

(a) Taking any legal action against the tenant for unpaid rent or damages attributable to the same tenancy; or

(b) Pursuing collection, or authorizing another entity to pursue collection on the landlord's behalf, against the tenant for unpaid rent or damages attributable to the same tenancy.

(6) This section expires December 31, 2024.

****Sec. 13 was vetoed. See message at end of chapter.***

OTHER TENANT PROTECTIONS

Sec. 14. RCW 59.12.040 and 2010 c 8 s 19007 are each amended to read as follows:

Any notice provided for in this chapter shall be served either (1) by delivering a copy personally to the person entitled thereto; or (2) if he or she be absent from the premises unlawfully held, by leaving there a copy, with some person of suitable age and discretion, and sending a copy through the mail addressed to the person entitled thereto at his or her place of residence; or (3) if the person to be notified be a tenant, or an unlawful holder of premises, and his or her place of residence is not known, or if a person of suitable age and discretion there cannot be found then by affixing a copy of the notice in a conspicuous place on the premises unlawfully held, and also delivering a copy to a person there residing, if such a person can be found, and also sending a copy through the mail addressed to the tenant, or unlawful occupant, at the place where the premises unlawfully held are situated. Service upon a subtenant may be made in the same manner: PROVIDED, That in cases where the tenant or unlawful occupant, shall be conducting a hotel, inn, lodging house, boarding house, or shall be renting rooms while still retaining control of the premises as a whole, that the guests, lodgers, boarders, or persons renting such rooms shall not be considered as subtenants within the meaning of this chapter, but all such persons may be served by affixing a copy of the notice to be served in two conspicuous places upon the premises unlawfully held; and such persons shall not be necessary parties defendant in an action to recover possession of said premises. Service of any notice provided for in this chapter may be had upon a corporation by delivering a copy thereof to any officer, agent, or person having

charge of the business of such corporation, at the premises unlawfully held, and in case no such officer, agent, or person can be found upon such premises, then service may be had by affixing a copy of such notice in a conspicuous place upon said premises and by sending a copy through the mail addressed to such corporation at the place where said premises are situated. Proof of any service under this section may be made by the affidavit of the person making the same in like manner and with like effect as the proof of service of summons in civil actions. When a copy of notice is sent through the mail, as provided in this section, service shall be deemed complete when such copy is deposited in the United States mail in the county in which the property is situated properly addressed with postage prepaid: PROVIDED, HOWEVER, That when service is made by mail one additional day shall be allowed before the commencement of an action based upon such notice. ((~~RCW 59.18.375 may also apply to notice given under this chapter.~~))

Sec. 15. RCW 59.18.230 and 2020 c 315 s 6 and 2020 c 177 s 2 are each reenacted and amended to read as follows:

(1)(a) Any provision of a lease or other agreement, whether oral or written, whereby any section or subsection of this chapter is waived except as provided in RCW 59.18.360 and shall be deemed against public policy and shall be unenforceable. Such unenforceability shall not affect other provisions of the agreement which can be given effect without them.

(b) Any agreement, whether oral or written, between a landlord and tenant, or their representatives, and entered into pursuant to an unlawful detainer action under this chapter that requires the tenant to pay any amount in violation of RCW 59.18.283 or the statutory judgment amount limits under RCW 59.18.410 (1) or (2), or waives any rights of the tenant under RCW 59.18.410 or any other rights afforded under this chapter except as provided in RCW 59.18.360 is void and unenforceable. A landlord may not threaten a tenant with eviction for failure to pay nonpossessory charges limited under RCW 59.18.283.

(2) No rental agreement may provide that the tenant:

(a) Agrees to waive or to forgo rights or remedies under this chapter; or

(b) Authorizes any person to confess judgment on a claim arising out of the rental agreement; or

(c) Agrees to pay the landlord's attorneys' fees, except as authorized in this chapter; or

(d) Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith; or

(e) And landlord have agreed to a particular arbitrator at the time the rental agreement is entered into; or

(f) Agrees to pay late fees for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.

(3) A provision prohibited by subsection (2) of this section included in a rental agreement is unenforceable. If a landlord deliberately uses a rental agreement containing provisions known by him or her to be prohibited, the tenant may recover actual damages sustained by him or her, statutory damages not to exceed ((~~five hundred dollars~~)) $500, costs of suit, and reasonable attorneys' fees.

(4) The common law right of the landlord of distress for rent is hereby abolished for property covered by this chapter. Any provision in a rental agreement creating a lien upon the personal property of the tenant or authorizing a distress for rent is null and void and of no force and effect. Any landlord who takes or detains the personal property of a tenant without the specific written consent of the tenant to such incident of taking or detention, and who, after written demand by the tenant for the return of his or her personal property, refuses to return the same promptly shall be liable to the tenant for the value of the property retained, actual damages, and if the refusal is intentional, may also be liable for damages of up to ((~~five hundred dollars~~)) $500 per day but not to exceed ((~~five thousand dollars~~)) $5,000, for each day or part of a day that the tenant is deprived of his or her property. The prevailing party may recover his or her costs of suit and a reasonable attorneys' fee.

In any action, including actions pursuant to chapters 7.64 or 12.28 RCW, brought by a tenant or other person to recover possession of his or her personal property taken or detained by a landlord in violation of this section, the court, upon motion and after notice to the opposing parties, may waive or reduce any bond requirements where

it appears to be to the satisfaction of the court that the moving party is proceeding in good faith and has, prima facie, a meritorious claim for immediate delivery or redelivery of said property.

Sec. 16. RCW 59.20.040 and 1999 c 359 s 3 are each amended to read as follows:

This chapter shall regulate and determine legal rights, remedies, and obligations arising from any rental agreement between a landlord and a tenant regarding a mobile home lot and including specified amenities within the mobile home park, mobile home park cooperative, or mobile home park subdivision, where the tenant has no ownership interest in the property or in the association which owns the property, whose uses are referred to as a part of the rent structure paid by the tenant. All such rental agreements shall be unenforceable to the extent of any conflict with any provision of this chapter. Chapter 59.12 RCW shall be applicable only in implementation of the provisions of this chapter and not as an alternative remedy to this chapter which shall be exclusive where applicable: PROVIDED, That the provision of RCW 59.12.090, 59.12.100, and 59.12.170 shall not apply to any rental agreement included under the provisions of this chapter. RCW 59.18.055 ((~~and 59.18.370~~)), section 8 of this act, 59.18.365, 59.18.370, and 59.18.380 through 59.18.410 shall be applicable to any action of forcible entry or detainer or unlawful detainer arising from a tenancy under the provisions of this chapter, except when a mobile home, manufactured home, or park model or a tenancy in a mobile home lot is abandoned. Rentals of mobile homes, manufactured homes, or park models themselves are governed by the residential landlord-tenant act, chapter 59.18 RCW.

Sec. 17. RCW 59.18.410 and 2020 c 315 s 5 are each amended to read as follows:

(1) If at trial the verdict of the jury or, if the case is tried without a jury, the finding of the court is in favor of the landlord and against the tenant, judgment shall be entered for the restitution of the premises; and if the proceeding is for unlawful detainer after neglect or failure to perform any condition or covenant of a lease or agreement under which the property is held, or after default in the payment of rent, the judgment shall also declare the forfeiture of the lease, agreement, or tenancy. The jury, or the court, if the proceedings are tried without a jury, shall also assess the damages

arising out of the tenancy occasioned to the landlord by any forcible entry, or by any forcible or unlawful detainer, alleged in the complaint and proved at trial, and, if the alleged unlawful detainer is based on default in the payment of rent, find the amount of any rent due, and the judgment shall be rendered against the tenant liable for the forcible entry, forcible detainer, or unlawful detainer for the amount of damages thus assessed, for the rent, if any, found due, and late fees if such fees are due under the lease and do not exceed seventy-five dollars in total. The court may award statutory costs. The court may also award reasonable attorneys' fees as provided in RCW 59.18.290.

(2) When the tenant is liable for unlawful detainer after a default in the payment of rent, execution upon the judgment shall not occur until the expiration of five court days after the entry of the judgment. Before entry of a judgment or until five court days have expired after entry of the judgment, the tenant or any subtenant, or any mortgagee of the term, or other party interested in the continuance of the tenancy, may pay into court or to the landlord the amount of the rent due, any court costs incurred at the time of payment, late fees if such fees are due under the lease and do not exceed seventy-five dollars in total, and attorneys' fees if awarded, in which event any judgment entered shall be satisfied and the tenant restored to his or her tenancy. If the tenant seeks to restore his or her tenancy after entry of a judgment, the tenant may tender the amount stated within the judgment as long as that amount does not exceed the amount authorized under subsection (1) of this section. If a tenant seeks to restore his or her tenancy and pay the amount set forth in this subsection with funds acquired through an emergency rental assistance program provided by a governmental or nonprofit entity, the tenant shall provide a copy of the pledge of emergency rental assistance provided from the appropriate governmental or nonprofit entity and have an opportunity to exercise such rights under this subsection, which may include a stay of judgment and provision by the landlord of documentation necessary for processing the assistance. The landlord shall accept any pledge of emergency rental assistance funds provided to the tenant from a governmental or nonprofit entity before the expiration of any pay or vacate notice for nonpayment of rent for the full amount of the rent owing under the rental agreement. The landlord shall accept any written pledge of emergency rental assistance funds provided to the tenant from a

governmental or nonprofit entity after the expiration of the pay or vacate notice if the pledge will contribute to the total payment of both the amount of rent due, including any current rent, and other amounts if required under this subsection. The landlord shall suspend any court action for seven court days after providing necessary payment information to the nonprofit or governmental entity to allow for payment of the emergency rental assistance funds. By accepting such pledge of emergency rental assistance, the landlord is not required to enter into any additional conditions not related to the provision of necessary payment information and documentation. If a judgment has been satisfied, the landlord shall file a satisfaction of judgment with the court. A tenant seeking to exercise rights under this subsection shall pay an additional fifty dollars for each time the tenant was reinstated after judgment pursuant to this subsection within the previous twelve months prior to payment. If payment of the amount specified in this subsection is not made within five court days after the entry of the judgment, the judgment may be enforced for its full amount and for the possession of the premises.

(3)(a) Following the entry of a judgment in favor of the landlord and against the tenant for the restitution of the premises and forfeiture of the tenancy due to nonpayment of rent, the court, at the time of the show cause hearing or trial, or upon subsequent motion of the tenant but before the execution of the writ of restitution, may stay the writ of restitution upon good cause and on such terms that the court deems fair and just for both parties. In making this decision, the court shall consider evidence of the following factors:

(i) The tenant's willful or intentional default or intentional failure to pay rent;

(ii) Whether nonpayment of the rent was caused by exigent circumstances that were beyond the tenant's control and that are not likely to recur;

(iii) The tenant's ability to timely pay the judgment;

(iv) The tenant's payment history;

(v) Whether the tenant is otherwise in substantial compliance with the rental agreement;

(vi) Hardship on the tenant if evicted; and

(vii) Conduct related to other notices served within the last six months.

(b) The burden of proof for such relief under this subsection (3) shall be on the tenant. If the tenant seeks relief pursuant to this subsection (3) at the time of the show cause hearing, the court shall hear the matter at the time of the show cause hearing or as expeditiously as possible so as to avoid unnecessary delay or hardship on the parties.

(c) In any order issued pursuant to this subsection (3):

(i) The court shall not stay the writ of restitution more than ninety days from the date of order, but may order repayment of the judgment balance within such time. If the payment plan is to exceed thirty days, the total cumulative payments for each thirty-day period following the order shall be no less than one month of the tenant's share of the rent, and the total amount of the judgment and all additional rent that is due shall be paid within ninety days.

(ii) Within any payment plan ordered by the court, the court shall require the tenant to pay to the landlord or to the court one month's rent within five court days of issuance of the order. If the date of the order is on or before the fifteenth of the month, the tenant shall remain current with ongoing rental payments as they become due for the duration of the payment plan; if the date of the order is after the fifteenth of the month, the tenant shall have the option to apportion the following month's rental payment within the payment plan, but monthly rental payments thereafter shall be paid according to the rental agreement.

(iii) The sheriff may serve the writ of restitution upon the tenant before the expiration of the five court days of issuance of the order; however, the sheriff shall not execute the writ of restitution until after expiration of the five court days in order for payment to be made of one month's rent as required by (c)(ii) of this subsection. In the event payment is made as provided in (c)(ii) of this subsection for one month's rent, the court shall stay the writ of restitution ex parte without prior notice to the landlord upon the tenant filing and presenting a motion to stay with a declaration of proof of payment demonstrating full compliance with the required payment of one month's rent. Any order staying the writ of restitution under this subsection (3)(c)(iii) shall require the tenant to serve a copy of the order on the landlord by personal delivery, first-class mail, facsimile, or email if agreed to by the parties.

(A) If the tenant has satisfied (c)(ii) of this subsection by paying one month's rent within five court days, but defaults on a subsequent payment required by the court pursuant to this subsection (3)(c), the landlord may enforce the writ of restitution after serving a notice of default in accordance with RCW 59.12.040 informing the tenant that he or she has defaulted on rent due under the lease agreement or payment plan entered by the court. Upon service of the notice of default, the tenant shall have three calendar days from the date of service to vacate the premises before the sheriff may execute the writ of restitution.

(B) If the landlord serves the notice of default described under this subsection (3)(c)(iii), an additional day is not included in calculating the time before the sheriff may execute the writ of restitution. The notice of default must be in substantially the following form:

NOTICE OF DEFAULT FOR RENT AND/OR PAYMENT PLAN ORDERED BY COURT

NAME(S)
ADDRESS
CITY, STATE, ZIP

THIS IS NOTICE THAT YOU ARE IN DEFAULT OF YOUR RENT AND/OR PAYMENT PLAN ORDERED BY THE COURT. YOUR LANDLORD HAS RECEIVED THE FOLLOWING PAYMENTS:

DATE
AMOUNT
DATE
AMOUNT
DATE
AMOUNT

THE LANDLORD MAY SCHEDULE YOUR PHYSICAL EVICTION WITHIN THREE CALENDAR DAYS OF SERVICE OF THIS NOTICE. TO STOP A PHYSICAL EVICTION, YOU ARE REQUIRED TO PAY THE BALANCE OF YOUR RENT AND/OR PAYMENT PLAN IN THE AMOUNT OF $. . . . ..
PAYMENT MAY BE MADE TO THE COURT OR TO THE LANDLORD. IF YOU FAIL TO PAY THE BALANCE WITHIN THREE CALENDAR DAYS, THE LANDLORD MAY PROCEED WITH A PHYSICAL EVICTION FOR POSSESSION OF THE UNIT THAT YOU ARE RENTING.

DATE
SIGNATURE

LANDLORD/AGENT
NAME
ADDRESS
PHONE

(iv) If a tenant seeks to satisfy a condition of this subsection (3)(c) by relying on an emergency rental assistance program provided by a government or nonprofit entity and provides an offer of proof, the court shall stay the writ of restitution as necessary to afford the tenant an equal opportunity to comply.

(v) The court shall extend the writ of restitution as necessary to enforce the order issued pursuant to this subsection (3)(c) in the event of default.

(d) A tenant who has been served with three or more notices to pay or vacate for failure to pay rent as set forth in RCW 59.12.040 within twelve months prior to the notice to pay or vacate upon which the proceeding is based may not seek relief under this subsection (3).

(e)(i) In any application seeking relief pursuant to this subsection (3) by either the tenant or landlord, the court shall issue a finding as to whether the tenant is low-income, limited resourced, or experiencing hardship to determine if the parties would be eligible for disbursement through the landlord mitigation program account established within RCW 43.31.605(1)(c). In making this finding, the court may include an inquiry regarding the tenant's income relative to area median income, household composition, any extenuating circumstances, or other factors, and may rely on written declarations or oral testimony by the parties at the hearing.

(ii) After a finding that the tenant is low-income, limited resourced, or experiencing hardship, the court may issue an order: (A) Finding that the landlord is eligible to receive on behalf of the tenant and may apply for reimbursement from the landlord mitigation program; and (B) directing the clerk to remit, without further order of the court, any future payments made by the tenant in order to reimburse the department of commerce pursuant to RCW 43.31.605(1)(c)(iii). In accordance with RCW 43.31.605(1)(c), such an order must be accompanied by a copy of the order staying the writ of restitution. Nothing in this subsection (3)(e) shall be deemed to obligate the department of commerce to provide assistance in claim reimbursement through the landlord mitigation program if there are not sufficient funds.

(iii) If the department of commerce fails to disburse payment to the landlord for the judgment pursuant to this subsection (3)(e) within thirty days from submission of the application, the landlord may renew an application for a writ of restitution pursuant to RCW 59.18.370 and for other rent owed by the tenant since the time of entry of the prior judgment. In such event, the tenant may exercise rights afforded under this section.

(iv) Upon payment by the department of commerce to the landlord for the remaining or total amount of the judgment, as applicable, the judgment is satisfied and the landlord shall file a satisfaction of judgment with the court.

(v) Nothing in this subsection (3)(e) prohibits the landlord from otherwise applying for reimbursement for an unpaid judgment pursuant to RCW 43.31.605(1)(c) after the tenant defaults on a payment plan ordered pursuant to (c) of this subsection.

(vi) For the period extending one year beyond the expiration of the eviction moratorium, if a tenant demonstrates an ability to pay in order to reinstate the tenancy by means of disbursement through the landlord mitigation program account established within RCW 43.31.605(1)(c):

(A) Any restrictions imposed under (d) of this subsection do not apply in determining if a tenant is eligible for reinstatement under this subsection (3); and

(B) Reimbursement on behalf of the tenant to the landlord under RCW 43.31.605(1)(c) may include up to three months of prospective rent to stabilize the tenancy as determined by the court.

(4) If a tenant seeks to stay a writ of restitution issued pursuant to this chapter, the court may issue an ex parte stay of the writ of restitution provided the tenant or tenant's attorney submits a declaration indicating good faith efforts were made to notify the other party or, if no efforts were made, why notice could not be provided prior to the application for an ex parte stay, and describing the immediate or irreparable harm that may result if an immediate stay is not granted. The court shall require service of the order and motion to stay the writ of restitution by personal delivery, mail, facsimile, or other means most likely to afford all parties notice of the court date.

(5) In all other cases the judgment may be enforced immediately. If a writ of restitution shall have been executed prior to judgment no further writ or execution for the premises shall be required.

(6) This section also applies if the writ of restitution is issued pursuant to a final judgment entered after a show cause hearing conducted in accordance with RCW 59.18.380.

NEW SECTION. **Sec. 18.** This act does not apply to assisted living facilities licensed under chapter 18.20 RCW, to nursing homes licensed under chapter 18.51 RCW, to adult family homes licensed under chapter 70.128 RCW, or to continuing care retirement communities registered under chapter 18.390 RCW.

NEW SECTION. **Sec. 19.** RCW 59.18.375 (Forcible entry or detainer or unlawful detainer actions—Payment of rent into court registry—Writ of restitution—Notice) and 2008 c 75 s 2, 2006 c 51 s 2, & 1983 c 264 s 13 are each repealed.

NEW SECTION. **Sec. 20.** Sections 2 through 4 of this act supersede any other provisions within chapter 59.18 or 59.12 RCW, or chapter 59.20 RCW as applicable, that conflict with sections 2 through 4 of this act.

NEW SECTION. **Sec. 21.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 19, 2021.
Passed by the House April 8, 2021.
Approved by the Governor April 22, 2021, with the exception of certain items that were vetoed.
Filed in Office of Secretary of State April 22, 2021.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 12 and 13, Engrossed Second Substitute Senate Bill No. 5160 entitled:

"AN ACT Relating to addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and authorizing landlord access to certain rental assistance programs."

While Section 12 attempts to provide direct financial relief to landlords as part of a larger legislative solution in E2SSB 5160, it creates an entitlement for landlords to receive rent assistance without a sufficient framework to prioritize resources to those landlords who have the greatest need. The estimated cost of Section 12 is $2.4 billion, which is $1.5 billion more than is currently

appropriated by the state or awarded by the federal government. RCW 43.88.055 requires the Legislature to enact an operating budget that leaves a positive ending fund balance at the end of the fiscal biennium. Although the final budget will likely have a different ending fund balance than is reflected today, $1.5 billion in additional costs could not be sustained by available fiscal resources. In order to ensure that the Legislature meets its statutory obligation to leave a positive ending fund balance at the end of the 2021-23 biennium, I am vetoing Section 12 of this bill at the request of legislative leadership.

In addition, Section 13 is largely duplicative of an early action bill that I have already signed, ESHB 1368, which provides $2 million in grant opportunities for eligible landlords. Because of this, Section 13 creates administrative problems for the department of commerce, and may also cause confusion for landlords. As a result, again at the request of legislative leadership, I am also vetoing Section 13.

The Legislature and I agree it is important to provide resources to landlords, and to prioritize assisting those landlords who have a small number of units. If the Legislature wants to increase support for landlords who have a small number of units, I encourage the Legislature to increase funding to the program already created in the early action bill rather than creating redundant programs.

For these reasons I have vetoed Sections 12 and 13 of Engrossed Second Substitute Senate Bill No. 5160.

With the exception of Sections 12 and 13, Engrossed Second Substitute Senate Bill No. 5160 is approved."

--- END ---

JAY INSLEE
Governor

STATE OF WASHINGTON
OFFICE OF THE GOVERNOR
P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 902-4111 • www.governor.wa.gov

April 22, 2021

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Sections 12 and 13, Engrossed Second Substitute Senate Bill No. 5160 entitled:

> "AN ACT Relating to addressing landlord-tenant relations by providing certain tenant protections during the public health emergency, providing for legal representation in eviction cases, establishing an eviction resolution pilot program for nonpayment of rent cases, and authorizing landlord access to certain rental assistance programs."

While Section 12 attempts to provide direct financial relief to landlords as part of a larger legislative solution in E2SSB 5160, it creates an entitlement for landlords to receive rent assistance without a sufficient framework to prioritize resources to those landlords who have the greatest need. The estimated cost of Section 12 is $2.4 billion, which is $1.5 billion more than is currently appropriated by the state or awarded by the federal government. RCW 43.88.055 requires the Legislature to enact an operating budget that leaves a positive ending fund balance at the end of the fiscal biennium. Although the final budget will likely have a different ending fund balance than is reflected today, $1.5 billion in additional costs could not be sustained by available fiscal resources. In order to ensure that the Legislature meets its statutory obligation to leave a positive ending fund balance at the end of the 2021-23 biennium, I am vetoing Section 12 of this bill at the request of legislative leadership.

In addition, Section 13 is largely duplicative of an early action bill that I have already signed, ESHB 1368, which provides $2 million in grant opportunities for eligible landlords. Because of this, Section 13 creates administrative problems for the department of commerce, and may also cause confusion for landlords. As a result, again at the request of legislative leadership, I am also vetoing Section 13.

The Legislature and I agree it is important to provide resources to landlords, and to prioritize assisting those landlords who have a small number of units. If the Legislature wants to increase support for landlords who have a small number of units, I encourage the Legislature to increase funding to the program already created in the early action bill rather than creating redundant programs.

For these reasons I have vetoed Sections 12 and 13 of Engrossed Second Substitute Senate Bill No. 5160.

With the exception of Sections 12 and 13, Engrossed Second Substitute Senate Bill No. 5160 is approved.

Respectfully submitted,

Jay Inslee

Governor

Tenant protections - Engrossed Second Substitute Senate Bill 5160 (E2SSB 5160) – Updated 4/26:

1. **Payment plans required:**
   If a tenant has remaining unpaid rent accrued between March 1, 2020 and 6 months following expiration of the Governor's eviction moratorium, or end of public health emergency, whichever is greater, Landlord must offer tenants a reasonable repayment schedule for unpaid rent:
   - It is a defense to unlawful detainer proceeding if landlord did not offer tenant repayment plan.
   - Prepayment plan may not begin sooner than 30 days after plan offered;
   - Plan may only cover rent and not legal fees, late fees or other charges;
   - Allow for payment from any source;
   - Plan may not be conditioned on acceptance of certain terms (payment of attorney fees, costs, waiver of rights)
   - May not exceed 1/3rd of monthly rental charges owed
   - Court must consider tenant's circumstances, including decreased income or increased expenses due to COVID-19, and repayment plan terms offered
2. **No late fees or adverse reports:**
   - A landlord may not impose late fees or other charges for a tenant's nonpayment of rent that became due between March 1, 2020, and 6 months after Governor's eviction moratorium
   - Landlord may not report to prospective landlord a tenant's nonpayment of rent or an unlawful detainer action resulting from nonpayment of rent; and
   - Prospective landlord may not take adverse action based on prospective tenant's nonpayment of rent
   - A landlord or prospective landlord in violation of prohibitions may be liable for 2.5 times the monthly rent, court costs and attorney fees.
3. **Eviction Resolution Pilot Program (ERP):**
   - Before filing an unlawful detainer action for nonpayment of rent, the landlord must provide 2 notices: 1) notice to pay or vacate notice; and 2) additional notice informing tenant of ERP:
   - Additional notice to tenant provides contact information to Dispute Resolution Centers (DRCs)
   - Landlord must also send notices to local DRC serving area
   - Landlord must certify participation in ERP before an unlawful detainer action for nonpayment of rent may be heard by a court
4. **Legal representation of indigent tenants**: State authorizes courts to appoint attorneys for indigent tenants:
   - In unlawful detainer proceedings
   - Defined as receiving assistance from certain public and medical benefits programs; or
   - With annual income, after taxes, at 200% or below federally established poverty level.

~~5. **Landlord Mitigation Program**: landlords eligible for reimbursement claims up to $15,000 for unpaid rent accrued between March 1, 2020 and 6 months after eviction moratorium.~~

~~6.~~5. Governor's eviction moratorium (Proc. 20.19.6) declared to end on June 30, 2021.

This ordinance does the following:

- Creates a defense to eviction for rental debt accrued due to pandemic-related hardship.
- Creates a defense to eviction if a tenant has a rental assistance application in process.
- Bans late fees for rent that became due during the pandemic.
- Requires landlords to certify that they have attempted to obtain rental assistance before filing for eviction due to unpaid rent accrued during the pandemic.
- Extends a moratorium on evictions through September 30, 2021.
- Allows tenants who fall behind on rent due to the pandemic to terminate a tenancy early.

MODEL ORDINANCE FOR LOCAL CITIES TO PREVENT HOUSING LOSS DUE TO COVID-19

WHEREAS, on February 29, 2020, Governor Inslsee issued Proclamation 20-05, proclaiming a State of Emergency for all counties throughout Washington State as a result of the coronavirus disease 2019 (COVID-19) outbreak in the United States and confirmed person-to-person spread of COVID-19 in Washington State;

WHEREAS, as a result of the continued worldwide spread of COVID-19, its significant progression in Washington State, and the high risk it poses to our most vulnerable populations, Governor Inslee has subsequently issued amendatory Proclamations 20-06 through 20-50 exercising his emergency powers under RCW 43.06.220 by prohibiting certain activities and waiving and suspending specified laws and regulations;

WHEREAS, the COVID-19 pandemic caused a sustained global economic slowdown, and an economic downturn throughout Washington State, with unprecedented numbers of layoffs and reduced work hours for a significant percentage of our workforce due to substantial reductions in business activity impacting commercial sectors that support our state's economic vitality, including severe impacts to the small businesses that make Washington State's economy thrive;

WHEREAS, many workers impacted by these layoffs and substantially reduced work hours have suffered economic hardship resulting in the inability to pay for basic household expenses, including rent;

WHEREAS, the inability to pay rent by these members of our workforce increases the likelihood of eviction from their homes, potentially leading to homelessness and

threatening a new public health crisis just as communities are beginning to recover from COVID-19;

WHEREAS, in King County, people of color have been disproportionately impacted by the economic shutdown, with some groups experiencing unemployment rates at 39% in King County;

WHEREAS, only 57% of renters can afford a $400 unexpected expense based on the Board of Governors of the Federal Reserve System's "Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020,"

WHEREAS, in order to avoid a large increase in evictions and homelessness due to the impacts of the Civil Emergency, it is necessary to provide eviction protections to households that have faced loss of income due to COVID-19;

Section 1. No Residential Eviction for Nonpayment of Rent that Became Due During the Civil Emergency or Where Tenant Has Applied for Rental Assistance.

(1) In any action for unlawful detainer due to nonpayment of rent, it shall be a defense that the unpaid rent became due during the Civil Emergency and was unpaid because of a substantial reduction in household income or substantial increase in expenses resulting from the Coronavirus pandemic. This includes, but is not limited to, where, as a result of the Coronavirus pandemic, the tenant suffered a loss of employment or a reduction in hours, was unable to work because their children were out of school, was unable to work because they were sick with COVID-19 or caring for a household or family member who was sick with COVID-19, they were complying with a recommendation from a government agency to self-quarantine, including to avoid risk of medical complications to themselves or others, or they incurred substantial out of pocket medical expenses due to COVID-19. Any notice served on a residential tenant demanding rent that became due during the Civil Emergency shall include the following statement in bold underlined 12- point type: "**You may not be evicted for rent that became due during the Civil Emergency if the rent was unpaid because of a substantial reduction in household income or a substantial increase in expenses related to the Coronavirus pandemic. This does not relieve you of the obligation to pay back rent in the future."** Nothing in this subsection shall relieve the tenant of liability for the unpaid rent.

(2) In any action for unlawful detainer due to nonpayment of rent, it shall be a defense to eviction that the tenant has applied for rental assistance to cover the balance owed and is waiting for a final approval or processing of the payment. If the tenant's application for rental assistance has been denied, the tenant may defend against the eviction if the tenant can demonstrate by preponderance of

the evidence that the application was wrongfully denied and the tenant is seeking to have it reviewed by the appropriate agency.

SECTION 2. Late Fees and Other Charges Prohibited. Notwithstanding any lease provision to the contrary, for residential tenancies, no late fees or other charges arising out of nonpayment of rent, including those incurred for the collection of such rent, may be imposed against any tenant for rent that became due during the Civil Emergency.

SECTION 3. Landlord Certification of Rental Assistance Programs Required.

(1) No landlord may undertake any collection activity against a tenant for any unpaid rent that became due during the Civil Emergency unless the landlord has made good faith efforts to obtain rental assistance through any available resources, including the Landlord Mitigation Fund under RCW 43.31.605, the Limited Landlord Relief Program operated by the Washington State Department of Commerce, the King County Eviction Prevention and Rental Assistance Program, or any other resources provided by federal, state, or local government.

(2) For the duration of the Civil Emergency, prior to issuing any eviction notice to remove the tenant for rent owed, the landlord shall serve along with the eviction or termination of tenancy notice a certification form indicating the landlord has applied for such programs and has been denied access to available programs for reasons outside the landlord's control, or the landlord is ineligible for such programs. The certification form shall substantially comply with the following form:

LANDLORD'S CERTIFICATION

I, the landlord, certify under penalty of perjury that I have accessed or attempted to access the following programs but was either denied or am not eligible.

Landlord Mitigation Fund under RCW 43.31.605

- ▢ Denied
- ▢ Ineligible
- ▢ Other_____

Limited Landlord Relief Program operated by the Washington State Department of Commerce

- ▢ Denied
- ▢ Ineligible
- ▢ Other_____

King County Eviction Prevention and Rental Assistance Program

- ▢ Denied
- ▢ Ineligible
- ▢ Other_____

Other program: _____

- ▢ Denied
- ▢ Ineligible
- ▢ Other_____

Signed on _____, 202_ in _____, ____ by:

_____
Landlord/Landlord's Agent

(3) Failure to provide a certification in conformity with this section or to make good faith efforts to access rental assistance programs shall be a defense to eviction.
(4) For purposes of this section 3, "collection activity" includes attempts to collect, or threats to collect, through a collection agency, by filing a judicial action for a monetary judgment, withholding any portion of a security deposit, billing or invoicing, reporting to credit bureaus, or by any other means.

SECTION 4. Extension of moratorium on evictions. (1) Until after September 30, 2021, a landlord shall not seek to remove a tenant from a residential property unless the landlord attaches an affidavit with eviction or termination of tenancy notice attesting that the action is necessary to respond to a significant and immediate risk to the health, safety, or property of others created by the resident. For purposes of this Proclamation, a "significant and immediate risk to the health, safety, or property of others created by the resident" (a) is one that is described with particularity; (b) as it relates to "significant and immediate" risk to the health and safety of others, includes any behavior by a resident which is imminently hazardous to the physical safety of other persons on the premises (RCW 59.18.130 (8)(a)); (c) cannot be established on the basis of the resident's own health condition or disability; (d) excludes the situation in which a resident who may have been exposed to, or contracted, the COVID-19, or is following Department of Health guidelines regarding isolation or quarantine; and (e) excludes circumstances that are not urgent in nature, such as conditions that were known or knowable to the landlord, property owner, or property manager pre-COVID-19 but regarding which that entity took no action.

SECTION 5. Early termination of rental agreements. Any tenant falling behind on rent due to the reasons set forth in Section 1 of this Ordinance may terminate a tenancy without additional penalties and with the tenant owing rent through the month in which the tenant vacates the dwelling unit.

SECTION 6. **Definitions**. For purposes of this Ordinance, the following definitions apply:

1) “Civil emergency” shall refer to the Governor of the State of Washington’s Proclamation 20-05, proclaiming a State of Emergency for all counties throughout Washington State on February 29, 2020 and any subsequent orders extending or amending such Civil Emergency due to COVID-19 until such Civil Emergency is ended by the Governor of the State of Washington.
2) “Landlord” shall have the same definition as that found in RCW 59.18.030(15) and RCW 59.20.030(6).
3) “Rent” shall have the same definition as RCW 59.18.030(28).
4) “Tenant” shall refer to any individual renting a dwelling unit or lot primarily for living purposes, including anyone’s with a tenancy subject to RCW 59.18 and RCW 59.20.

SECTION 7. Effective date. As an emergency measure necessary to ensure public health and safety, the ordinance shall take effect immediately upon passage.

City of Kenmore

Proclamation & Issuance of Emergency Rule 20-03.4: Amending Temporary Moratorium on Residential Tenant Evictions

WHEREAS, the outbreak of the novel coronavirus (COVID-19), and its rapid progression in Washington state continues to threaten the life and health of its people as well as the economy of the state, and remains a public disaster affecting life, health, property or the public peace; and

WHEREAS, on February 29, 2020, the Governor of the State of Washington proclaimed a State of Emergency due to COVID-19; and

WHEREAS, on March 5, 2020, the City Manager issued the *City of Kenmore Proclamation*, dated March 5, 2020, which proclaimed an emergency due to COVID-19, and also proclaimed that emergency operations under Chapter 8.30 of the Kenmore Municipal Code (KMC) and the utilization of emergency powers granted under RCW 38.52.070 were in effect, and the City Council ratified the same; and

WHEREAS, on March 11, 2020, the World Health Organization classified the global spread of COVID-19 as a pandemic, and urged all governments to take action now to stem the spread of the disease; and

WHEREAS, on March 11, 2020, the Governor issued the "*Proclamation By The Governor Amending Proclamations 20-05, 20-06 And 20-07, 20-08,* dated March 11, 2020 (Proclamation 20-08), which found that COVID-19 spreads easily from person to person and may result in serious illness or death, and continues to spread in the state with cases expected to double every five to seven days, without any expectation of ending soon; and

WHEREAS, the Governor's Proclamation 20-08 also identified stringent social distancing as necessary to curtail and limit the opportunities for disease transmission, and prohibited: 1) private and public schools from in-person educational, recreational and other programs; and 2) gatherings of 250 people or more until April 24, 2020, unless extended beyond that date; and

WHEREAS, on March 11, 2020, the Local Health Officer for Public Health – Seattle & King County issued the *Local Health Officer Order,* dated March 11, 2020, which limited public events of fewer than 250 people, except under certain circumstances, with the intent to mitigate and slow the spread of COVID-19 in the community; and

WHEREAS, on March 11 the Centers for Disease Control and Prevention (CDC) issued *CDC's Recommendations for the next 30 days of Mitigation Strategies for Seattle-King, Pierce, and Snohomish Counties based on current situation with widespread COVID-19 transmission and affected health care facilities*, dated March 11, 2020, which recommends "extensive community mitigation activities" to slow the spread of, and minimize morbidity and mortality caused by, COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 pandemic; and

WHEREAS, on March 15, the Governor expanded protections against COVID-19, and ordered a temporary closure of all restaurants, bars and entertainment and recreational facilities; and

WHEREAS, on March 18, 2020, the Governor issued Proclamation 20-19, which temporarily prohibited residential evictions until April 17, 2020; and on April 16, 2020, the Governor issued Proclamation 20-19.1, which amended Proclamation 20-19 by extending the residential eviction prohibition until June 4, 2020, and

WHEREAS, on March 23, 2020, the Governor issued Proclamation 20-25, "Stay Home – Stay Healthy" which require all non-essential workers to stay home until April 8, 2020, which the Governor extended to 11:59 p.m. on May 4, 2020 under Proclamation 20-25.1; and

WHEREAS, federal, state and local proclamations, recommendations and orders have the intended purpose of containing, mitigating and slowing the transmission of COVID-19, and include, among other things, social distancing measures, such as, limiting public events and recommending that individuals stay at home to reduce exposure to and transmission of COVID-19; and

WHEREAS, COVID-19 has severely impacted the local economy, resulting in thousands of employees working from home, the cancellation of numerous public events, significant reductions in tourism and demand at restaurants, coffee shops, and other local businesses, increased employee lay-offs, and reduction in work-hours; and

WHEREAS, the social distancing and self-isolation mitigation measure needed to slow the spread of COVID-19 will likely result in continued reductions in employment and household income, thereby leaving large numbers of residential tenants unable to pay rent and increasing the risk of eviction; and

WHEREAS, the Rental Housing Association of Washington posted an announcement acknowledging that King County is experiencing the highest rate of COVID-19 illness in the country, and stating that the rental housing industry recommends a 30-day hold on writs of restitution for King County, which would

prevent physical evictions of local citizens during the emergency period; and

WHEREAS, the economic impacts of COVID-19 have increased the risk of residential tenant evictions due to loss of income and/or employment, however, residential evictions would dramatically undermine the containment and mitigation measures needed to slow the transmission of COVID-19; and

WHEREAS, residential tenant evictions would negate the ability of tenants to self-isolate, would increase their risk of contracting and/or spreading COVID-19, and would put them, and high-risk individuals (older adults and individuals with underlying medical conditions), at greater risk from COVID-19; and

WHEREAS, the City Manager finds that ability to self-isolate at home during this COVID-19 emergency is critical to containing, mitigating and slowing the transmission of COVID-19, and that residential tenant evictions severely undermine state and local emergency COVID-19 response efforts; and

WHEREAS, RCW 38.52.070 establishes emergency and disaster response powers, and authorizes the City to, among other things, protect the health and safety of persons and property, and provide emergency assistance to the victims of such disaster; and

WHEREAS, under the emergency powers authorized under KMC 8.30.060.A, the City Manager is empowered to "make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by such disaster"; and

WHEREAS, Art. XI, Sec. 11 of the Washington State Constitution gives the City broad police powers to "make and enforce within its limits all such local police, sanitary and other regulations as are not in conflict with general laws"; and

WHEREAS, the City Manager issued Proclamation 20-03, which established a temporary moratorium on residential tenant evictions, and the moratorium was extended to May 4, 2020, under Proclamation 20-03.1, and extended to June 4, 2020 under Proclamation 20-03.2, and extended to August 1st under Proclamation 20-03.3; and

WHEREAS, on June 2, 2020, the Governor issued Proclamation 20-19.2 which amended Proclamation 20-19 by extending residential eviction prohibition until August 1, 2020, and it is anticipated that Proclamation will be extended again beyond August 1st; and

WHEREAS, to be consistent with the anticipated extension of the Governor's Proclamation 20-19, the City Manager desires to amend Kenmore Proclamation 20-03 to extend its duration to coincide with any future extensions of the Governor's Proclamation 20-19;

NOW, THEREFORE, THE CITY MANAGER OF THE CITY OF KENMORE, WASHINGTON, HEREBY PROCLAIMS, MAKES, AND ISSUES AN EMERGENCY COVID-19 RULE AS FOLLOWS:

1. Recitals. The recitals set forth above, which are incorporated herein by reference, are adopted as findings in support of the emergency rule established by this proclamation.

2. Amendment - COVID-19 Pandemic and Public Health Emergency Rule 20-03 Temporary Moratorium on Residential Tenant Evictions: The City Manager hereby amends Emergency Rule 20-03, as amended by Emergency Rule 20.03.1, 20-03.2, and 20-03.3 as set forth on Exhibit 1, "Amendment - COVID-19 Pandemic and Public Health Emergency Rule 20-03.4: Temporary Moratorium on Residential Tenant Evictions", attached hereto and incorporated by reference. All other provisions of Proclamation 20-03 and 20-03.1 shall remain in full force and effect.

3. Effective date & Duration. This proclamation and emergency rule shall be in full force and effect upon signature of the City Manager and its duration shall extend and be consistent with any extension of the Governor's Proclamation 20-19. The emergency rule shall be ratified by the City Council at the earliest practicable time.

Dated this 31 day of July, 2020.

Signed _____
Rob Karlinsey, City Manager

Attested _____
Kelly Chelin, City Clerk

Exhibit 1

Amendment - COVID-19 Pandemic and Public Health Emergency Rule 20-03.3: Temporary Moratorium on Residential Tenant Evictions

1. PURPOSE:

   A. The purpose of this Rule is to protect the health and safety of persons, provide emergency assistance to the victims of the COVID 19 emergency and establish procedures relating to mitigation of the pandemic illness and public health emergency currently taking place, which pose a continuing risk to the health and safety of staff and the community at large.

   B. The purpose of this Rule is also to implement a containment and mitigation tool for the protection of the Kenmore community, by imposing a temporary moratorium on residential tenant evictions, and therefore reducing exposure to and transmission of COVID-19.

2. SCOPE: The temporary moratorium imposed under this Rule applies to all tenant evictions from residential dwelling units within the City's boundaries.

3. DEFINITIONS:

   A. "City" means the City of Kenmore.

   B. "Eviction" or "evictions" mean any and all acts or conduct taken by a landlord or owner to expel or cause a tenant to vacate a residential dwelling unit within the City.

   C. "Landlord" means the owner, lessor, or sub-lessor of a residential dwelling unit or property of which it is a part, and in addition means any person designated as representative of the owner, lessor, or sub-lessor, but not limited to an agent, a resident manager, or designated property manager.

   D. "Moratorium" means the prohibition, delay and/or suspension of an activity.

   E. "Owner" means one or more persons, jointly or severally, in whom is vested: a) all or any part of the legal title to property containing a residential dwelling unit; or b) all or part of the beneficial ownership, and a right to present use and enjoyment of the property containing a residential dwelling unit.

emergency and public safety issues, a court may grant a continuance for future hearing date in order for the eviction action to be heard after the moratorium.

6. EXCEPTION TO MORATORIUM: The temporary moratorium imposed under Section 5 of this Rule shall not apply to evictions relating to the protection of life and safety, including, but not limited to circumstances where a tenant threatens another tenant or other person(s) with a firearm or other deadly weapon, or some other unlawful use of a firearm or other deadly weapon on the rental premises, for physically assaulting or placing another person in immediate physical danger on the rental premises; or evictions issued for waste, nuisance or commission of a crime on the rental premises.

7. DURATION: The temporary moratorium imposed in Section 5 of this Rule shall be in full force and effect upon signature of the City Manager, and ratification by the City Council, and its duration shall extend and be consistent with all future extensions of the Governor's Proclamation 20-19~~shall not expire until 11:59 p.m. on August 1, 2020~~. Provided, however, the City Manager shall have the authority, in his discretion, to extend the temporary moratorium for additional time periods based on public health necessity.

Dated this 31 day of July, 2020:

Signed _____
Rob Karlinsey, City Manager

Attested _____
Kelly Chelin, City Clerk

Washington State Department of Commerce | HOUSING ASSISTANCE UNIT

Eviction Rent Assistance Program – Interim Report

March 2021

The Eviction Rent Assistance Program (ERAP) is part of Washington's response to the COVID-19 pandemic. The goal is to prevent evictions by paying rental arrears while targeting limited resources to people with the greatest needs. The state is prioritizing people disproportionately impacted by the pandemic.

Household eligibility

Households must be at or below 80% of Area Median Income (AMI) and have a missed or past due rent payment not paid since March 1, 2020.[1] Also, they must meet one of the following additional screening criteria: rent-burdened; have experienced housing disruption due to household member race, ethnicity, gender identity, sexual orientation or religion; previously homeless; history of evictions; risk of severe illness; disability; young person that is pregnant or parenting or a current or past recipient of foster care, adoption, mental health, drug/alcohol treatment or court systems.

Rent payment structure

Rents are paid directly to a landlord on behalf of an eligible household. Between August 2020 and February 2021, the maximum payment was 80% of the total arrears or up to the local fair-market rent but no more than the total amount due. Beginning March 2021, the maximum rent payment amount is up to 150% fair market rent but no more than the total amount due.

By & For Requirement

At least 5% of the funds are awarded to By and For[2] organizations for costs associated with program outreach and assistance to marginalized communities. Marginalized communities may

Fund sources:

CARES Act Coronavirus Relief Funds: $110M

WA State Disaster Response Account Funds: $43.5M

Funds spent to date: $90M

Program period: Aug. 2020–June 2021

Households served: 20,752

Household average monthly rent payment: $965

Household average rent assistance total: $3,369

Agency contact

KATHY KINARD

Kathy.Kinard@commerce.wa.gov

[1] The AMI was 50% from August 2020 to February 2021.

[2] By & For organizations are operated by and for the community they serve. These organizations work in a specific community, and are culturally based, directed, and substantially controlled by individuals from the population they serve. At the core of their programs, the organizations embody the community's central cultural values.

include ethnic and racial minorities; immigrants and refugees; individuals who are lesbian, gay, bisexual, and transgender; individuals with disabilities or who are deaf; and Native Americans.

Performance Requirement

Grantees must ensure that the race and ethnicity of people entering the program are similar to the community demographics. The percentage of heads of household provided rent assistance must at least equal the proportion to the population living in poverty in the county for People of Color (includes Black or African American, American Indian and Alaska Native, Native Hawaiian or other Pacific Islander, Hispanic/Latinx, Asian, Other/Multi-Racial), Black or African American, American Indian and Alaska Native and Hispanic/Latinx.

Performance Data

Approximately 63% of households served to date are people of color. Nearly 70% of households are extremely low income. Grantees have struggled to meet their benchmark to serve their American Indian/Alaska Native populations, followed by Hispanic/Latino populations. Compared to past homeless prevention data, the rental assistance program served a substantially greater share of households of color, particularly, Black or African American households.

Figure 1: Racial and Ethnic Demographics of Participants

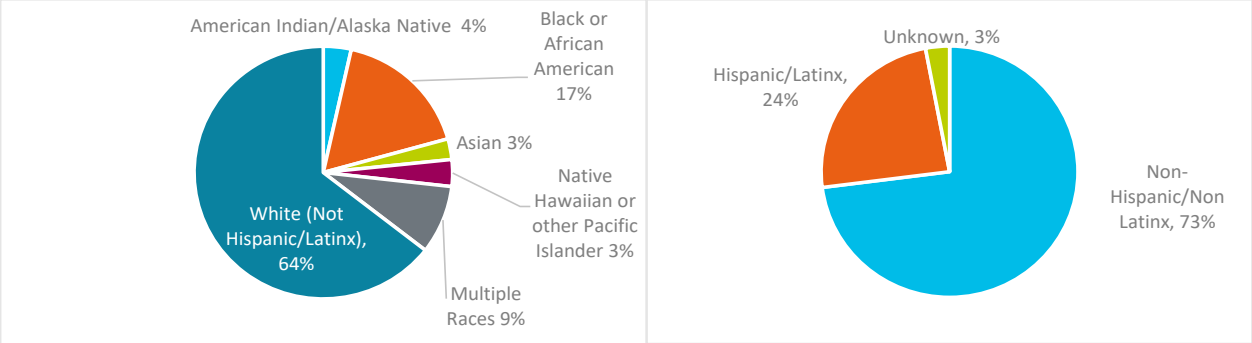
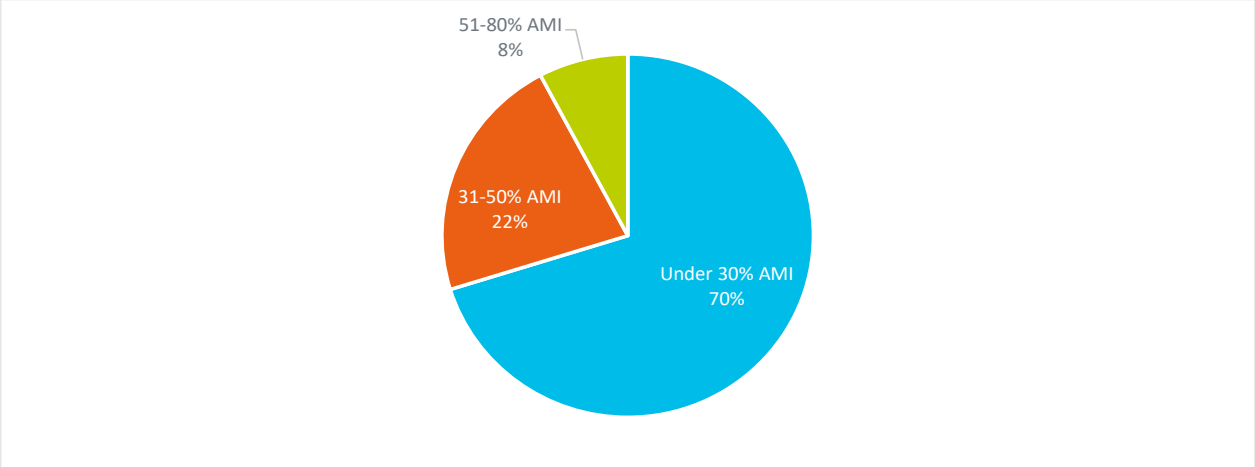


Figure 2: Area Median Income of Participants



GORDON THOMAS HONEYWELL
GOVERNMENTAL AFFAIRS

City of Kenmore
2021 Legislative Session Report

Dear Mayor Baker, Council, City Manager Karlinsey, and city staff -

It was our pleasure to advocate for the City of Kenmore during the 2021 legislative session, which will go down in the history books as unlike any other. The legislature met in a virtual format for the entire session, keeping the capitol campus closed to everyone except a handful of staff and legislative leaders. This made the 105-day "long" session especially long as video screens, text messages, phone calls and emails replaced face-to-face meetings.

Despite these challenges, we are pleased that the City of Kenmore was successful in advancing its legislative priorities, including securing funding for Squire's Landing Park, recently renamed to TI' awh-ah-dees Park. This success would not have been possible without an active and supportive legislative delegation: Sen. David Frockt, Rep. Gerry Pollet, and Rep. Javier Valdez.

Now that session is officially over, attention will turn to implementing the actions of the legislature and ongoing discussion regarding a potential special session later this year to enact a transportation revenue package.

Looking ahead, the 2022 legislative session will be the second of the two-year legislative biennium. Democrats will retain control of the House, Senate, and Governor's mansion, and the legislature will consider adjusting their biennial budgets. In addition to new policy proposals, any bills that were not adopted by the legislature in 2021 can be considered again. The 2022 legislative session will be followed by the 2022 November elections. Members to the State Redistricting Commission have been appointed by the legislature and will be submitting their proposed redistricting plan to the legislature in 2022. The legislature will consider and adopt a redistricting plan for use in the 2022 election.

The ever-changing political climate requires adaptive and consistent advocacy. We look forward to working with the City of Kenmore throughout the interim months to continue advancing the City's priorities and preparing for the 2022 legislative session.

Thank you,

Briahna Murray & Shelly Helder

Overview of the 2021 Legislative Session

The 2021 Legislature convened for a 105-day session that was conducted almost entirely virtually. Due to the virtual format, legislators were encouraged to limit the number of bills introduced. Legislators considered over 1,000 bills this session and approved 334. By comparison, this is about half as many bills introduced, and about 100 fewer to get approved, than would occur in an average year.

As the first year of the two-year legislative biennium, the Legislature was tasked with developing biennial operating, capital, and transportation budgets. This task became even more monumental when the federal government approved the American Rescue Plan Act, providing the state with $4.25 billion in federal assistance that must be spent by December 31, 2024.

As the majority party, Democrats set the policy agenda for the 2021 session, indicating that they were focused on four main areas: 1) respond to the COVID-19 pandemic; 2) address economic recovery; 3) address racial equity; and 4) address climate change. Significant legislation passed on all four fronts. Significant policy changes included approving a capital gains tax, a working family tax credit, a low carbon fuel standard, a cap-and-trade system, a slate of a dozen police reform bills, a new approach to prosecuting and treating controlled substance addiction, modification of the "three strikes you're out" sentencing policy, a new 9-8-8 mental health system… and more.

2021-23 Operating Budget: The state's operating budget funds all state agency operations, including K-12, higher education, human service programs, and more. Leading up to the beginning of the legislative session, there were concerns that the operating budget would face a significant revenue shortfall. However, the March economic revenue forecast reflected a rebound from the pandemic. This, combined with revenue from the federal government, provided the state with revenue to have one of the largest increases in state budgeting in recent history. The 2021-23 operating budget appropriates $59.2 billion – a $3.2 billion increase over last biennium. The budget also assumes $415 million in capital gains revenue (Senate Bill 5096). $1 billion in federal funds are transferred to the Washington Rescue Plan Transition Account to be later appropriated to respond to COVID-19 impacts, and $1.8 billion is transferred from the Budget Stabilization Account to the state general fund. The four-year budget outlook projects that the state will end the 2023-2025 biennium with over $1 billion in reserves.

> *Want more information on the capital gains tax?* Senate Bill 5096, sponsored by Sen. June Robinson (D-Everett), will establish a 7% excise tax on capital gains that exceed $250,000 in a given year (earnings from retirement accounts and home sales would be exempt), effective January 1, 2022. The bill contains language that prevents a referendum on the bill. A court challenge has already been filed; the outcome of that challenge will determine whether this type of tax is allowed under Washington State's constitution. The final bill can be found here and a summary can be found here.

2021-23 Capital Budget: The biennial capital budget funds bricks and mortar construction, excluding transportation. The Legislature allocated $6.3 billion for the 2021-23 biennial capital budget, in which $3.9 billion is from general obligation funds, making it the largest capital budget in recent history. The remaining $2.4 billion consists of $589 million in federal stimulus funds, $275 million in Model Toxics Control Accounts, $255 million in alternative financing, and $1.2 billion in other funds. Due to the passage of the federal American Rescue Plan Act, the budget appropriates $189 million from the

Coronavirus Capital Projects Fund for projects that support work, education, and health monitoring, including remote options in response to the pandemic. Additionally, $400 million is allocated to the Coronavirus State Fiscal Recovery Fund to make necessary investments in water, sewer, and broadband infrastructure.

2021-23 Transportation Budget: Transportation revenues were hit hardest throughout the COVID-19 pandemic and have been slow to rebound. Prior to the beginning of the legislative session, the Washington State Supreme Court overturned I-976, which would have limited car tabs to $30. This meant that the state could budget car tab revenues that it had otherwise not planned to receive. Even with this additional revenue, a revenue shortfall due to the impacts of the pandemic remained, and a need to invest significant funding in replacing state-owned culverts. This shortfall combined with significant statewide demand for transportation investments in preservation and maintenance and new projects prompted a great deal of discussion about a transportation revenue package.

During the 2021 legislative session, there was discussion of a "grand bargain" where legislators would approve a transportation revenue package, a low carbon fuel standard, and a cap and invest system. While the Legislature reached agreement on a low carbon fuel standard and cap and invest system, they did not reach agreement on a transportation revenue package.

There were several transportation revenue package proposals released; however, the two with the most momentum came from the House Transportation Committee Chair, Rep. Jake Fey (D-Tacoma) who released a framework for the *Miles Ahead* proposal, and the Senate Transportation Committee Chair, Sen. Steve Hobbs, who introduced bills proposing the *Forward Washington* plan. The notable differences between these two proposals that prevented an agreement on a single proposal included: 1) how high the gas tax should be increased; 2) whether cap-and-invest revenues should be spent only on projects that reduce carbon in the transportation sector, or all transportation projects; 3) the level of investment in preservation and maintenance.

Without a revenue package, the Legislature adopted a 2021-23 Transportation Budget that used federal funds to continue projects that have already been allocated funds and to fund the replacement of state-owned culverts. The total 2021-23 Transportation Budget was $11.7 billion, with $1.126 billion allocated to fish barrier correction using a watershed approach.

Notably, the two bills authorizing a low carbon fuel standard and the cap-and-invest systems included language delaying the effective date of enforcing compliance with the program until the Legislature enacts a state a gas tax increase of at least five cents. These provisions were included to provide motivation for legislators to reach an agreement on a transportation revenue package in a special session, or in the 2022 session. Governor Inslee vetoed the provisions of these bills linking them to the approval of a transportation revenue package. This makes the prospects of a future transportation revenue package uncertain – that said, since the veto, legislators have been indicating that they still intend to continue discussions of a transportation revenue package.

Kenmore Legislative Priorities

Squires Landing or Tl' awh-ah-dees Park
The City requested $900,000 from the state capital budget to complete the improvements at Squires Landing Park, which has since been renamed Tl' awh-ah-dees Park. The final capital budget allocates $927,000 to the project through the Local and Community Project Account. The City is encouraged to express great thanks to Sen. David Frockt for his work on this project.

Clean Air Enforcement Legislation/Asphalt Workgroup
The Kenmore community continues to express concern about air pollutants near the Burke Gilman Trail. The state has granted air pollution enforcement authority to regional clean air agencies located throughout the state; the regional authority for the City of Kenmore is the Puget Sound Clean Air Agency (PSCAA). Under current law, the PSCAA is limited to receiving formal complaints from a place of residence or place of employment within the city. The city requests that the legislature expand the authority for the PSCAA to be able to receive complaints from users of public spaces such as parks and trails.

Rep. Gerry Pollet and Rep. Javier Valdez introduced House Bill 1057 to address the issue. As originally drafted, the bill would have expanded who is eligible to submit a complaint to the clean air agency about odors beyond just those who live or work in the vicinity. The House Environment & Energy Committee amended the bill to instead create a work group. The bill, as amended, then did not advance any further in the House. Instead, through an amendment offered by Sen. David Frockt, language is included in the final 2021-23 Operating Budget for a work group to discuss the issues stemming from asphalt plants. Here is the final language that has now been approved by the Governor and signed into law:

> *(34) $30,000 of the general fund—state appropriation for fiscal year 2022 is provided solely for the department to designate a regional clean air agency to convene a stakeholder group to assess and develop recommendations for reducing and mitigating air quality impacts in the form of noxious odors resulting from asphalt plants in the Puget Sound region. The stakeholder group should include representatives from the asphalt industry, cities within a county in the region in which an asphalt plant is located, the Puget Sound clean air agency, local and state health departments, research institutions, and a community or environmental organization representative with expertise in air pollution, toxicology, or other relevant fields. The recommendations must address steps needed for asphalt production facilities to develop odor control plans and best management practices to reduce noxious odors that negatively impact neighboring residents, businesses and persons utilizing publicly owned recreational facilities. A report containing recommendations must be submitted to the appropriate committees of the legislature by December 1, 2021.*

Local Revenue for Road and Sidewalk Maintenance and Preservation
As part of the development of a transportation revenue package, Kenmore joined other cities in advocating for increased funding for city street maintenance and operation needs. AWC is leading an effort to developing a proposal along with Rep. Bill Ramos (D-Issaquah) to provide cities and counties with more local option revenue tools for transportation. This began in 2019 and continued throughout this past session as part of discussions around a transportation revenue package; however, no bill was introduced. Additionally, both the House and Senate transportation revenue package proposals included increased funding for cities and counties to meet local transportation needs. The House Miles Ahead proposal includes $828 million to the Transportation Improvement Board for local preservation projects – this would replace the current method of jurisdictions receiving a direct distribution of funding. Meanwhile, the Senate Forward Washington proposal includes less funding, but in a manner consistent with historical practice. It includes $354 million in direct distribution to cities and counties, $100 million for the Transportation Improvement Board (TIB) and $50 million for the Freight Mobility Strategic Investment Board (FMSIB). Negotiations between the House and Senate, including local option transportation revenue tools, will continue throughout the interim as part of discussions around an overall transportation revenue package.

61st Avenue NE Sidewalk Replacement
Kenmore needs to repair and replace major sections of the sidewalk along 61st Avenue NE, a major north-south arterial connecting North Kenmore and South Snohomish County to bus lines and SR 522. The aging sidewalk panels are massively upheaving, unsafe for the general population and unusable for strollers, wheelchairs and other wheeled devices. Repairing and replacing the sidewalks is necessary for public safety and ADA accessibility. The project is estimated to cost $5 million and is beyond the capacity of the City's budget to fund. Both the "Miles Ahead Washington" and "Forward Washington" transportation revenue package proposals include $3.5 million for the 61st Avenue Sidewalk Project. While the Legislature did not adopt a transportation revenue package, the City is well-positioned to receive funding if/when a package is adopted.

Through the current law 2021-23 Transportation budget, the Legislature did fund the WSDOT Bike/Ped Grant Program, allowing the City to receive a $1.3 million grant for the 61st Avenue NW Sidewalk Replacement project, and $306,047 for the Wayfinding and Connectivity Improvements to the Burke Gilman Trail.

Lift 1% Property Tax Cap
As a residential community, 40% of Kenmore's general fund revenue is generated from its largest source of revenue—property tax. The city has a limited retail tax base and is constrained from generating additional revenue to maintain city services, the costs of which are increasing at a rate greater than the State-imposed property growth limit of 1% per year. The City of Kenmore supports lifting the 1% cap on property tax increases and other actions to create a sustainable fiscal structure for cities. While legislation (House Bill 1362), was introduced by Rep. Davina Duerr (D-Bothell), the bill had a hearing in the House Finance Committee and did not otherwise advance.

Policy Statement Legislative Items

Climate Change
The Legislature adopted several bills that aim to address climate change:

Low Carbon Fuel Standard: House Bill 1091, sponsored by Rep. Joe Fitzgibbon (D-Buren), will enact a statewide low carbon fuel standard that aims to decrease the carbon intensity of transportation related fuels by 20% below 2017 levels by 2038. Traditional fuel producers will need to either decrease the carbon intensity of their fuels or purchase clean fuel credits which may increase the cost of gasoline. Clean Fuel producers will generate credits that can be monetized to further support decarbonization efforts such as electric vehicle infrastructure like public and fleet charging. The final bill can be found here and a summary can be found here.

Cap-and-Invest: Senate Bill 5126, sponsored by Sen. Reuven Carlyle (D-Seattle), would establish a cap-and-invest program in Washington state which places an economy wide charge on carbon emissions in an effort to reduce carbon over time. Those who are regulated entities either need to reduce carbon emissions or pay a fee. Unlike a Low Carbon Fuel Standard, this policy raises direct revenue for projects in the state's transportation budget (that must be tied to decarbonization). Examples of projects that could be funded from this pot of money include electric ferries, transit and various multimodal projects. The final bill can be found here and a summary can be found here.

Phase-out of Hydrofluorocarbons (HFCs): House Bill 1050, sponsored by Rep. Joe Fitzgibbon (D-West Seattle), authorizes the Department of Ecology to strengthen standards to phase out hydrofluorocarbons (HFCs), which are industrial chemicals primarily used for cooling and refrigeration. Ecology is tasked with providing recommendations to the Legislature by December 1, 2021, regarding the design of the program and to address end-of-life management and disposal of refrigerants. The final bill can be found here, and a summary can be found here.

Electric Vehicle Forecasting: House Bill 1287, sponsored by Rep. Alex Ramel (D - Bellingham), will require the Department of Transportation to develop and maintain a publicly available mapping and forecasting tool to support electric vehicle adoption and requires the state building code council to adopt rules to require electric vehicle charging capability in certain, new, residential buildings. Notably, the bill also contains provisions that tie electric vehicle goals to a road usage charge. The Governor vetoed provisions of the bill that would require that all publicly and privately owned passenger vehicles of a model year 2030 or later that are sold, purchased, or registered in Washington be electric *if* 75% of the registered vehicles in the state are participating in a road usage charge. The final bill can be found here, and a summary can be found here.

Environmental Justice Task Force Recommendations: Senate Bill 5141, sponsored by Senator Rebecca Saldaña (D- Seattle), implements several of the state's Environmental Justice Task Force's recommendations including, codifying the definition of environmental justice and requiring state agencies to incorporate environmental justice principles when implementing policies and programs. The final bill can be found here and a summary can be found here.

Criminal Justice Reform

Funding to Cities for Implementation: Cities are allocated $20 million on a one-time basis, distributed based on population for costs to cities related to police reform bills passed in 2020-21.

Basic Law Enforcement Academy (BLEA) Funding: BLEA is Washington's mandated training academy for all city and county entry-level peace officers in the state. Currently, BLEA has enough funding to provide 10 classes per year, serving 300 students. $3 million is appropriated to the Criminal Justice Training Commission for five additional BLEA classes in 2022 and 2023. A total of 15 classes per year will be held which will provide training to an additional 150 students annually.

*Office of Independent Investigations***:** House Bill 1267, would establish the Office of Independent Investigations within the Office of the Governor for conducting fair and competent investigations of police use of force incidents. The Office has jurisdiction to investigate any incident involving a use of deadly force by an involved officer occurring after July 1, 2022, including any incident involving use of deadly force by an involved officer against or upon a person who is in-custody or out-of-custody. The Office may investigate prior incidents if new evidence is brought forth that was not included in the initial investigation. An involved law enforcement agency must notify the Office immediately upon rendering the scene safe and providing aid to those with life-threatening injuries of any incident involving a use of deadly force resulting in death, substantial bodily harm, or great bodily harm. The Office may investigate any incident it selects for investigation and must complete its investigation within 120 days. An 11-member Advisory Board will oversee the Office. $22.1 million is included in the budget to implement the bill. The final bill can be found here and a summary can be found here.

Audits of Use of Force Investigations: House Bill 1089, sponsored by Rep. Bill Ramos (D-Issaquah), will establish compliance audits of law enforcement agencies through the State

Auditor's Office (SAO). The SAO is required to conduct a process compliance audit of any completed deadly force investigation to determine whether the involved law enforcement agency, investigative body, and prosecutor's office acted in compliance with specific statutory and administrative rules for conducting deadly force investigations. Upon the request of the Commission, the SAO may audit any law enforcement agency to ensure the agency is in compliance with all rules and procedures governing the training and certification of the agency's peace officers. A copy of the audit must be sent to the Commission, law enforcement agency, city or county council, county prosecutor, and relevant committees of the Legislature. Law enforcement agencies do not pay any costs or fees for either type of audit. The final bill can be found here and a summary can be found here.

Impeachment Disclosures: House Bill 1088, sponsored by Rep. John Lovick (D-Mill Creek), would update policies and procedures for addressing potential impeachment disclosures in law enforcement pursuant to *Brady* v. *Maryland*. Each county prosecutor must develop and adopt written protocols to address potential impeachment disclosures. The Criminal Justice Training Commission (CJTC) must provide online training for potential impeachment disclosures. Law enforcement agencies shall report to prosecuting authorities within 10 days of discovery, any act that could potentially be exculpatory to a criminal defendant. Prior to hiring an officer, an agency must inquire whether the office has previous impeachment disclosures (prosecuting authorities have 10 days to response to a request from any agency regarding hiring an officer). Additionally, it establishes limited immunity from civil liability for a public agency, official, or employee who shares impeachment information about an officer with a prosecuting authority, the officer's employer, or potential employer. The final version of the bill can be found here and a summary can be found here. The budget allocates $62,000 to the CJTC to implement the bill.

Data Collection: Senate Bill 5259, sponsored by T'wina Nobles (D-Fircrest), directs the Office of Attorney General to establish an advisory group to assist with the design, development, and implementation of a statewide use of force data program. The Advisory Group should submit recommendation by April 1, 2022. In the meantime, law enforcement agencies are required to report on a delineated list of use of force instances. The 2021-23 Operating Budget allocates $5.8 million to implement the bill. The final bill can be found here and a summary can be found here.

Law Enforcement Recruitment: House Bill 1001, sponsored by Rep. Jacquelin Maycumber (R-Republic), will create a law enforcement professional development outreach grant program through the Criminal Justice Training Commission (CJTC) to encourage a broader diversity of candidates from underrepresented groups and communities to see careers in law enforcement. Law enforcement agencies are eligible to compete for funds no later than December 1, 2021; no single grant may exceed $60,000. There must be one grant recipient from each side of the state. CJTC is required to produce a report by December 1, 2022 on the grant recipients, use of funds, and potential impact on recruitment. The final 2021-23 Operating Budget (p.235) allocates $530,000 to CJTC for this grant program ($269,000 in 2022, and $261,000 in 2023). The final bill can be found here, and a summary can be found here.

Arbiter Selection: Senate Bill 5055, sponsored by Sen. Joe Nguyen (D-Seattle), establishes an arbiter selection procedure for grievance arbitrations involving law enforcement personnel regarding disciplinary actions, discharges, and terminations on or after January 1, 2022. The Public Employment Relations Commission (PERC) would manage a roster of 9-18 specialized law enforcement grievance arbitrators with training in resolving police discipline disputes. PERC's executive director assigns an arbiter, or a panel of arbiters, to grievance arbitrations in alphabetical order on a rotating basis. The parties to the arbitration may not participate in,

negotiate for, or agree to the selection of a particular arbiter. PERC is required to publish the final decisions on its website. The final bill can be found here, and a summary can be found here.

Reforming the "Felony Bar" Statute: Senate Bill 5263, sponsored by Sen. David Frockt (D-Seattle), amends the "felony bar" statute that bans a person who sustains injury or death while committing a felony from being able to bring a civil action. The bill states that in actions arising out of law enforcement activities resulting in personal injury or death, the law enforcement officer has a complete defense to the action if a finder of fact (a jury rather than a judge) determines beyond a reasonable doubt that the person injured or killed was engaged in the commission of a felony at the time of the occurrence causing the injury or death, the commission of which was a proximate cause of the injury or death. If this defense is brought forward, it cannot be done on summary judgment. However, this defense does not affect the right to bring a lawsuit under the federal Civil Rights Act of 1983. The final bill can be found here, and a summary can be found here.

Changes in Police Tactics: House Bill 1054, sponsored by Rep. Jesse Johnson (D- Federal Way) makes changes to the various police tactics that peace officers may utilize. The final bill can be found here and a summary can be found here.

> Neck Restraints and Chokeholds*:* A peace officer may not use a chokehold or neck restraint on another person.
>
> Military Equipment and Military Surplus Program: A law enforcement agency may not acquire or use any military equipment, including firearms and ammunition of .50 caliber or greater, machine guns, armed helicopters, armed or armored drones, armed vessels, armed vehicles, armed aircraft, tanks, long range acoustic hailing devices, rockets, rocket launchers, bayonets, explosive grenades, incendiary grenades, missiles, directed energy systems, and electromagnetic spectrum weapons. Each law enforcement agency must compile an inventory of military equipment possessed by the agency, including the proposed use of the equipment, estimated number of times the equipment has been used in the prior year, and whether such use is necessary for the operating and safety of the agency or some other public safety purpose. The agency must provide the inventory to the Washington Association of Sheriffs and Police Chiefs by November 1, 2021. The Washington Association of Sheriffs and Police Chiefs must summarize the inventory information from each law enforcement agency and provide a report to the Governor and the Legislature by December 31, 2021. Any law enforcement agency in possession of military equipment must return the equipment to the federal agency from which it was acquired, if applicable, or destroy the equipment by December 31, 2022. However, the restrictions on military equipment do not prohibit a law enforcement agency from participating in a federal military equipment surplus program, provided that any equipment acquired through the program does not constitute military equipment.
>
> Tear gas*:* A law enforcement agency may not use or authorize its peace officers or other employees to use tear gas unless necessary to alleviate a present risk of serious harm posed by a riot, barricaded subject, or hostage situation. Prior to deploying tear gas, the officer or employee must: exhaust alternatives to the use of tear gas that are available and appropriate under the circumstances; obtain authorization to use tear gas from a supervising officer; announce the intent to use tear gas; and allow sufficient time and space for the subject or subjects to comply. In addition, if the riot is occurring outside of a correctional, jail, or detention facility, the officer or employee may use tear gas only after receiving authorization from the highest elected official in the jurisdiction.

Vehicular Pursuits: A peace officer may not engage in a vehicular pursuit, unless: there is probable cause to believe that a person in the vehicle has committed or is committing a violent offense, sex offense or an escape offense, or there is reasonable suspicion that a person in the vehicle has committed or is committing a driving under the influence offense; the pursuit is necessary for the purpose of identifying or apprehending the person; and the person poses an imminent threat to the safety of others and the safety risks of failing to apprehend or identify the person are considered to be greater than the safety risks associated with the vehicular pursuit under the circumstances. An officer must receive authorization to engage in any vehicular pursuit from a supervising officer.

Firing upon Vehicles*:* A peace officer may not fire a weapon upon a moving vehicle unless necessary to protect against an imminent threat of serious physical harm resulting from the operator's or a passenger's use of a deadly weapon.

No-Knock Warrants: An officer may not seek, and a court may not issue, a search or arrest warrant granting an express exception to the "knock and announce" rule.

Identification: Law enforcement agencies must adopt policies and procedures to ensure that uniformed peace officers while on duty and in the performance of their official duties are reasonably identifiable.

Canine Teams*:* The CJTC must convene a work group to develop a model policy for the training and use of canine teams. The CJTC must publish the model policy on its website by January 1, 2022.

*Civil Use of Force Standard***:** House Bill 1310, sponsored by Rep. Jesse Johnson (D–Federal Way), establishes civil standards for use of force by a peace officer. When using physical force, peace officers must use the least amount of physical force necessary and use the least amount of force possible to affect a lawful purpose. Additionally, it requires the attorney general to develop model policies on law enforcement's use of force and de-escalation tactics and requires individual law enforcement agencies to adopt policies consistent with the model policies. The final bill can be found here and a summary can be found here. The budget allocates $605,000 to develop a use of force model policy as described in the bill.

*Duty to Intervene***:** Senate Bill 5066, sponsored by Sen. Manka Dhingra (D-Redmond), would create a duty for all peace officers to intervene if another officer is engaging in excessive use of force against another person. The Criminal Justice Training Commission is the primary entity responsible for developing model policy on duty to intervene. The bill also contains provisions to prohibit retaliation. The final bill can be found here and a summary can be found here. $920,000 in the budget is appropriated to the CJTC to implement the bill.

*Decertification of Officers for Misconduct***:** Senate Bill 5051, sponsored by Sen. Jamie Pederson (D-Seattle), would expand background investigations for of law enforcement applicants and creates a new process to decertify peace and corrections officers through the Criminal Justice Training Center (CJTC). Notable provisions include: requiring employing agencies to complete—rather than only conduct—an investigation when there is an indication that an officer was laid off pending a disciplinary investigation or resigned or retired in anticipation of discipline that would likely lead to suspension or discharge; requires the CJTC, in collaboration with interested parties, to develop a set of policies, procedures, and rules by

June 30, 2022, to ensure that the goals of the act are fully implemented, and to provide clarity as to how the CJTC will process complaints, investigations, and hearings, and impose sanctions; and modifies background check requirements to include a review of social media accounts and membership in extremist organizations as defined by the CJTC. The final bill can be found here and a summary can be found here.

RADAR Funding

Co-Responder/Mental Health Field Response Funding: There are several pots of funding available for co-responder/diversion programs:

Mental Health Field Response Grants: $10 million, with $7 million for *Trueblood* phase one and phase two regions.

Law Enforcement Diversion Grants (HB 1767): Previously, $2.4 million was appropriated to the Washington Association of Sheriffs and Police Chiefs to implement a diversion grant program. This year, $2 million was instead allocated to the Health Care Authority to implement a memorandum of understanding with the Criminal Justice Training Commission to provide funding for community grants. RADAR was previously funded out of this program.

Behavioral Health & Suicide Prevention grants: The Washington Association of Sheriffs and Police Chiefs was appropriated $814,000 for three pilot programs.

Racial Equity

Equity was integrated into many (if not all) legislative proposals spanning all subject areas this session. However, one worth highlighting that was sponsored by a member of our local legislative delegation is House Bill 1335, sponsored by Rep. Javier Valdez (D-Seattle), will create a grant program to review racial and unlawful covenants recorded on deeds and to instruct property owners in how to remove the restrictions. The University of Washington and Eastern Washington University are provided $125,000 per year for the next two years to search covenants and to notify property owners. Additionally, the seller disclosure statement, which is provided during real estate transactions, will be updated to include notice to the buyer that covenants or deed restrictions based on race, creed, sexual orientation, or other protected class are void and unenforceable, and provides information on how such illegal restrictions can be struck. Funding was provided to the Universities in the final operating budget. The final bill can be found here and a summary can be found here

Affordable Housing

*Operating and Capital Budget Investments***:** The 2021-23 Operating and Capital Budgets made historic investments in housing and shelter. Below is an outline of the investments made in the two budgets:

- $1 billion for rental and utility assistance, including funding generated by House Bill 1277 (see below)
- $187 million for foreclosure prevention assistance (to implement House Bill 1108, see below)
- $130.7 million for the Housing Essential Needs program
- $58 million for grants to support the operations and maintenance of permanent supportive housing
- $35 million for grants to local governments to increase shelter capacity
- $31.3 million in eviction prevention services to implement Senate Bill 5160 (see below)

- $23 million to expand the HOME Investment Partnership Program to house homeless or those at-risk of becoming homeless
- $15 million to support unhoused youth and young adults
- $10 million for housing needs of those with intellectual and developmental disabilities
- $7.5 million for consolidated homeless grant program
- $6 million for grants to local government for costs in providing emergency non-congregate sheltering through September 2021
- $6 million for homeless families and youth services
- $4 million for community beds, permanent and temporary, for those with mental illness
- $2 million for transitional housing pilot for homeless youth
- $175 million allocated to the Housing Trust Fund
    - $20 million for competitive preservation grants or loans
    - $10 million for community housing and cottage communities for shelters
    - $5 million for housing for those with developmental disabilities
    - $15 million for specified projects
- $10.9 million for contaminated property redevelopment grants for affordable housing
- $93.8 million for rapid housing acquisition grants to purchase or rent real property for shelters, permanent supportive housing, or low-income housing
- $25.7 million for rapid capital housing and homelessness projects
- $42 million in utility improvement or connection grants to local government and PUDs to new affordable housing projects

Local Tax Revenues Authorized to be Spent on Acquisition: House Bill 1070, sponsored by Rep. Cindy Ryu (D-Shoreline), modifies legislation passed during the 2020 Legislative Session (House Bill 1590) that authorized a county or city, by councilmanic action, to impose a local sales and use tax for affordable housing. Under this bill, the portion of the funds raised from HB 1590 dedicated to housing can be used for the acquisition of affordable housing, facilities providing housing-related services, behavioral health-related facilities, or land for these purposes. Affordable housing includes emergency, transitional, and supportive housing. Prior to acquiring a facility, a county must consult with the city in which the facility is located. A county must provide an opportunity for 15 percent of the units in an acquired facility to be provided to individuals living in or near the city in which the facility is located or otherwise have ties to that community. Such prioritization must not jeopardize the United States Department of Housing and Urban Development funding for the Continuum of Care Program. King County state-shared lodging tax revenues may be used for housing or facilities for homeless youth. Additionally, the definition for affordable workforce housing is modified to include housing for a single person, family, or unrelated persons living together whose income is at or below 80 percent of the median income, adjusted for household size, for the county where the housing is located. The bill became effective on April 14, 2021 when the Governor signed the bill into law. The final bill can be found here and a summary can be found here.

Foreclosure Support: House Bill 1108, sponsored by Rep. Tina Orwall (D-Des Moines), will provide additional funding to the Foreclosure Fairness Program to provide mediation services to those homeowners facing foreclosure. The 2021-23 Operating Budget allocates $187 million to the program. Additionally, this bill expands eligibility for the program by removing the requirement that residential real property of up to four units be owner-occupied for purposes of the program. The final bill can be found here and a summary can be found here.

Tenant Protections and Landlord Assistance: Senate Bill 5160, sponsored by Sen. Patty Kuderer (D-Bellevue), establishes a plan, including mediation, for when the eviction moratoria ends. On March 18, 2020, Governor Inslee issued Proclamation 20-19 to prohibit a number of activities related to evictions by all residential landlords operating residential rental property in the state. Since then, the Governor has issued multiple extensions of the eviction moratorium with the current variation, Proclamation 20-19.6, set to expire June 30, 2021. The bill requires landlords to offer a repayment plan to tenants six months following the end of the moratoria, and payments may not be more than 1/3 of the tenant's monthly rent; allows landlords to claim up to $15,000 in reimbursement from the Landlord Mitigation Program for unpaid rent if a tenant defaults on a repayment plan; dispute resolution centers are authorized to establish a two-year, statewide eviction resolution program. A landlord may be liable for violations of the tenant protections up to 2.5 times the monthly rent. At the request of legislative leadership, Governor Inslee vetoed sections 12 and 13 of the bill, which directed the Department of Commerce to provide financial relief to landlords through various grant programs. The reasoning for the removal of previous funding requirements within the bill were due to insufficient funding within the final operating budget and duplicative grant opportunities provided within House Bill 1368, which stemmed from federal funding and went into effect on February 19, 2021. The partially vetoed bill was signed on April 22 and went into effect on the same day. The final bill can be found here and a summary can be found here.

Eviction Prevention Assistance: House Bill 1277, sponsored by Rep. Timm Ormsby (D-Spokane), would increase the document recording fee by $100. The funds collected must be fully remitted to the state to be distributed as follows: 20 percent of funds must be deposited into the Affordable Housing for All Account for the operations, maintenance, and service costs for permanent supportive housing. From July 1, 2021, through June 30, 2023, 4 percent of funds must be deposited into the Landlord Mitigation Program Account (LMPA). After June 30, 2023, 2 percent of funds must be deposited into the LMPA. The remainder of funds must be distributed to the Home Security Fund Account, with 60 percent of the funds to be used for project-based voucher for nonprofit housing providers or public housing authorities, housing services, rapid rehousing, emergency housing, or acquisition. Priority for use must be given to project-based vouchers and related services, housing acquisition, or emergency housing for individuals who are chronically homeless, including families with children, and at least 50 percent of clients served must be living unsheltered at the time of initial engagement. In addition, funds may be used for the Eviction Prevention Rental Assistance Program (EPRAP), foreclosure prevention services, rental assistance for people experiencing homelessness, and tenant education and legal assistance. The final bill can be found here and a summary can be found here.

Product Stewardship

There were no bills that passed that directly related to product stewardship. Senate Bill 5022, sponsored by Sen. Mona Das (D-Kent), will establish a minimum recycled content for certain plastic containers (beverage, household cleaning, and personal care products) and plastic trash bags, bans certain expanded polystyrene products, and requires certain foodservice items (utensils, straws, condiments, and beverage cup lids) to be made available only by request. The final bill can be found here and a summary can be found here.

Local Infrastructure Funding

Public Works Assistance Account: The Public Works Assistance Account was appropriated $129 million, which is the largest amount appropriated to the Account in recent history.

Stormwater Financial Assistance: $75 million in stormwater assistance funds were appropriated. This is $25 million more than was appropriated last biennium.

Mobile Homes

Relocation Assistance for Closed Mobile Home Park Tenants: House Bill 1083, sponsored by Rep. Mia Gregerson (D-SeaTac), amends the state-provided relocation assistance program for mobile home park tenants when a manufactured/mobile home park is, or is scheduled to be, closed or converted to another use. The maximum amount an eligible tenant can receive from the program is increased from $12,000 to $17,000 for a multi-section home, and $7,500 to $11,000 for a single section home. Relocation assistance may be a combination of cash assistance and reimbursement for relocation-related costs. The percentage that can be spent on cash assistance is increased to $12,000/$8,000. A process is put in place to get the remaining reimbursement. The final bill can be found here and a summary can be found here.

Environmental Remediation

The final capital budget included $253.9 million for Toxics Clean-Up and Prevention, through the Model Toxics Control Account, the Cleanup Settlement Account, and bonds. This funding is allocated as follows:

- $75 million for the Stormwater Financial Assistance Program;
- $71 million to fund remedial action grants, for cleanup projects with local governments;
- $27 million to fund projects that clean up toxic sites in the Puget Sound and Eastern Washington;
- $19.7 million is provided for projects addressing emerging environmental and public health issues such as nutrients in Puget Sound and contamination in local water supplies;
- $18 million to fund projects that reduce diesel emissions and wood stove pollution;
- $13.8 million is provided for the American Smelting and Refining Company's cleanup work in Tacoma and Everett;
- $11 million is provided to continue to fund a portion of cleanup costs or maintenance and operations costs of certain cleanup remedies;
- $10.9 million for the Healthy Housing Remediation Program;
- $6.5 million for the Product Replacement Program; and
- $1 million to fund waste tire pile clean-up and prevention

Economic Development

Tax Increment Financing: House Bill 1189, sponsored by Rep. Davina Duerr (D-Bothell), authorizes increment financing in the state of Washington, which is an economic development tool that allows growth to pay for the infrastructure needed to spur that growth. This financing tool is already available in 49 other states and Washington, D.C. The final bill can be found here and a summary can be found here.

Main Street Tax Credit Program: House Bill 1279, sponsored by Rep. Alicia Rule (D-Blaine), increases funding to the Main Street Tax Credit Program. The bill allows credits made in the year 2020 to be carried over an additional two years, adds an additional 25% business and occupation tax and public utility tax credit on contributions to the main street trust fund in the year 2021, and enhances the amount of funding available in the program. The bill increases the statewide cap on main street credits to $5 million. The bill also includes a sunset clause which will end the program January 1, 2032. The bill was signed into law on April 21, 2021 and

will go into effect on October 1, 2021. The final bill can be found here and a summary can be found here.

Additional Legislative Items

Land Use:

- **GMA Interim Work:** While the Legislature considered half a dozen bills reforming the Growth Management Act (GMA), those bills did not pass into law. Instead, the Operating Budget directs three interim actions to occur this next interim:
  - In lieu of the passage of House Bill 1117, the Office of Financial Management is directed to report to the Legislature on how to incorporate a net ecological grain standard into state land use, development, and environmental laws. A report is due by December 1, 2022 (page 81 of the 2021-23 Operating Budget).
  - In lieu of the passage of House Bill 1099, the Department of Commerce is directed to create optional model climate elements for cities to consider.
  - The Department of Commerce is directed to convene a task force to make recommendations regarding needed reforms to the state growth policy framework, including the growth management act, state environmental policy act, and other statutes related to growth, change, economic development, housing, social equity, and environmental conservation (page 64 of the 2021-23 Operating Budget).

- **Regulation of Number of Unrelated Persons per Home**: Senate Bill 5235, sponsored by Sen. Marko Liias (D-Lynnwood), will change cities' authority to limit the number of unrelated persons living in a home. Cities may now only limit the number of unrelated persons living in a home based on square footage and health and safety regulations. Many cities will need to update local codes to comply with this section of the bill.

  The Governor vetoed sections of the bill that would have limited cities' ability to have an owner-occupancy requirement. As the bill passed the Legislature, cities would only be able to require that a dwelling on the property be owner-occupied if 1) the ADU is used as a short-term rental; 2) for one year after an ADU is constructed; 3) if the city adopts an ordinance responding to community feedback requesting an owner-occupancy requirement; and that requirement cannot be the entirety of the city. If a city has an owner-occupancy requirement, they must continue to offer a hardship exemption when the owner no longer occupies the primary residence due to age, illness, financial hardship due to the death of a spouse, domestic partner, or co-owner of the property, disability status, the deployment, activation, mobilization, or temporary duty, as those terms are defined in RCW 26.09.004, of a service member of the armed forces, or other such reason that would make the owner-occupancy requirement an undue hardship on the owner. The Governor vetoed these sections of the bill, finding them problematic to jurisdictions that want to expand the use of accessory dwelling units. The effect of the vetoed sections means there is no limitation on owner-occupancy requirements. Sightline, the Master Builders Association, and AARP requested that these sections be vetoed.

- **Development Regulations for Shelters and Housing:** House Bill 1220, sponsored by Rep. Strom Peterson (D-Edmonds), updates the GMA to include planning for and accommodating affordable housing and also includes language preempting local control on the siting of certain types of housing. The bill requires jurisdictions to amend the housing element of the GMA comprehensive plan. However, the bill contains language that states that any new requirements to

incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130. The Legislature did not appropriate funds within the 2021-23 Operating Budget for local governments to perform this work, meaning jurisdictions do not need to perform this work currently. The Legislature is likely to consider funding this work during the 2022 legislative session as part of its supplemental budget.

The bill also includes language preempting local control on the siting of certain types of housing. Cities must allow transitional housing and permanent supportive housing in any zone where residential units or hotels are allowed. Indoor emergency shelter and emergency housing must be allowed in any zones where hotels are allowed or in a majority of zones within a one-mile proximity to transit. Cities retain the authority to require reasonable occupancy, spacing, and intensity of use requirements to protect health and safety. The Governor vetoed sections of the bill that would have encouraged jurisdictions to allow accessory dwelling units both within and outside urban growth areas.

- **Multifamily Property Tax Exemption:** Senate Bill 5287, sponsored by Sen. Mona Das (D-Kent), makes changes to state law regarding the multifamily property tax exemption program, and sunsets the entire program on December 31, 2026 – at which time, no new exemptions may be issued.

  Under current law, jurisdictions may offer the multifamily property tax exemption for either 8-years for market-rate housing, or 12-years for low-income housing. The bill as approved by the Legislature allows local governments to extend existing 8-year and 12-year exemptions that are set to expire. If a project is in the final 18 months of expiration may apply to the local government that granted the initial exemption for an extension. The local government may grant an extension for 12-years, if locally adopted requirements affordability are met, and if the taxpayer commits to rent or sell 20% of the housing units to low-income households.

  Once the extension is granted, an MFTE applicant must provide notice to tenants of rent-restricted units at the end of the 10th and 11th year of the 12-year exemption and must provide tenant relocation assistance equal to one month's rent at the time of the expiration. If a local ordinance requires affordability requirements to remain in place after the expiration of the exemption, relocation assistance must be provided at the time that any additional affordability requirements no longer apply.

  To calculate median family income, city and metropolitan statistical area family median income may be used in addition to county family median income. References to high-cost areas are removed from the program. This will change how some jurisdictions calculate what qualifies as low-income in the program.

  An owner of a property receiving an exemption must file additional information with the city or county including unit size, annual income, and household size. All cities and counties that issue certificates of tax exemption must report annually by April 1st of each year. Reporting requirements expire January 1, 2058.

  A local jurisdiction may adopt a prevailing wage requirement or other additional contractual requirements.

The Department of Commerce must establish a program to audit or review that the owner or operator of each property receiving a tax exemption under the MFTE program is offering the number of units at rents as committed to in the approved application and that tenants are being properly screened to be qualified for income-restricted units. If a property is found to be out of compliance with program requirements, Commerce must notify the city or county and the city or county must impose a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitments from the amount of rents that the owner or operator actually collected. A finding of continued noncompliance in a subsequent audit must result in cancellation of the exemption. Properties owned or operated by a nonprofit and properties receiving an exemption from a city or county that operates an independent audit or review program are not subject to the audit or review program administered by Commerce.

The bill also creates a new 20-year tax exemption is created for properties that sell or rent 25 percent of the units to non-profit organizations or local government partners that assure permanently affordable homeownership. Permanently affordable homeownership units must be sold to households earning no more than 80 percent of the average median income for the city or local jurisdiction in which the unit is located. The final bill can be found here and a summary can be found here.

- **Annexation Reform:** Senate Bill 5368, sponsored by Sen. Shelly Short (R- Addy), allows counties to form an interlocal agreement with a code city to annex an unincorporated area within an Urban Growth Area boundary. Annexation by interlocal agreement authorized in this bill qualifies the participating city for an annexation sale tax credit, should such a credit be re-instated by the Legislature. WSAC and AWC must submit a report to the Legislature detailing how to use an annexation sales tax credit to encourage annexation. The bill also allows the Growth Management Hearings Board to refer a finding of GMA noncompliance to Commerce. Commerce may help rural counties in understanding findings of noncompliance and avoiding future noncompliance with the GMA. Commerce may award grants to MRSC to provide training. The operating budget provides the Department of Commerce with nearly a million dollars per year to implement the legislation. The Governor vetoed a provision in the bill clarifying that counties out of compliance with the GMA are still eligible to receive grants and loans for broadband projects. This is also clarified in House Bill 1336, authorizing retail broadband service for counties and other public entities. The final bill can be found here and a summary can be found here.

- **Early Learning Impact Fees:** House Bill 1331, sponsored by Rep. Kirsten Harris-Talley (D-Seattle), allows a jurisdiction to exempt early learning facilities from impact fees without backfilling them with public funds in certain situations. A local government can exempt an early learning facility from up to 80 percent of impact fees without the local government being required to pay the impact fees from public funds other than impact fees. A local government can also exempt an early learning facility from 100 percent of impact fees without being required to pay the fee from public funds other than the impact fee account if the local government requires a developer to record a covenant requiring 25% of the children and families using the early learning facility qualify for state subsidized childcare. The bill also limits a local government from imposing an impact fee on an early learning facility that is greater than that imposed on a commercial retail or office development that generates a similar number, volume, type, and duration of vehicle trips. The final bill can be found here and a summary can be found here.

- **Land Use Appeals:** Senate Bill 5225, sponsored by Sen. Sam Hunt (D-Olympia) authorizes superior courts to transfer appeals of land use cases, brought under the administrative procedure act and the land use petition act, and administrative agency decisions to the Court of Appeals. This more direct transfer of cases to the Court of Appeals was driven by the extreme backlog of existing cases within superior courts due to the implications of COVID-19 and in response to the fact that most of these cases end up transferring to the Court of Appeals anyway. Additionally, the Court of Appeals has indicated that this would not substantially or adversely impact operations. The transfer of a land use decision may take place after all parties involved consent to the transfer and agree judicial review can occur based upon an existing record. The bill includes a 5-year sunset date, expiring the above provisions on July 1, 2026. The final bill can be found here and a summary can be found here.

Human Resources

- **Juneteenth Holiday:** House Bill 1016, sponsored by Rep. Melanie Morgan (D-Tacoma), designates June 19 as a state legal holiday. Under RCW 1.16.050(6), local governments may choose to adopt more or fewer holidays by ordinance. The final bill can be found here and a summary can be found here.

- **Paid Family Medical Leave Coverage:** Senate Bill 5097, sponsored by Rep. June Robinson (D-Everett), expands the definition of "family member" under the Paid Family Medical Leave Act to include any individual who regularly resides in the employee's home or where the relationship creates an expectation that he employee care for the person, and that individual depends on the employee for care. "Family member" does not include an individual who simply resides in the same house with no expectation that the employee care for the individual. The final bill can be found here and a summary can be found here.

- **Paid Family Medical Leave Rights:** House Bill 1087, sponsored by Rep. Liz Berry (D-Seattle), states that the provisions of the Family Leave Act (the predecessor program to the Paid Family Medical Leave Act), as it existed prior to January 1, 2020, apply to employee and employer conduct on or before December 31, 2019. The provisions of the Paid Family Medical Leave program apply to conduct occurring on or after January 1, 2020. The bill is effective immediately. This closes a loophole that was allowing claims under the Family Leave Act for activities prior to January 1, 2020 to be dismissed. The final bill can be found here and a summary can be found here.

- **Long Term Care Act Opt-Out:** House Bill 1323, sponsored by Rep. Steve Tharinger (D-Dungeness), modifies the Long Term Care Insurance Program which was enacted in 2019. Beginning January 1, 2022, a premium of 0.58 percent will be assessed on the wages of all employees in Washington who have worked at least 500 hours during the year to support assistance benefits for those in need of long-term care. Employed individuals who wish to opt out and acquire private insurance must do so by November 1, 2021. This bill changes the date in which self-employed individuals need to opt out to January 1, 2025 or within three years of becoming self-employed. The final bill can be found here and a summary can be found here.

- **Health Emergency Labor Standards:** Senate Bill 5115, sponsored by Sen. Karen Keiser (D-Des Moines), creates a presumption that any infectious or contagious diseases that are transmitted through respiratory droplets, aerosols, or through contact with contaminated surfaces and are the

subject of a public health emergency are considered occupational diseases during a public health emergency for the purposes of workers' compensation. The presumption can be rebutted by the agency. Frontline employees include first responders, including law enforcement officers, firefights, EMS providers, and others. The final bill can be found here and a summary can be found here.

- **Impacts to Retirement Benefits:** Senate Bill 5021, sponsored by Sen. Sam Hunt (D-Olympia) was introduced at the request of the Department of Retirement Services to ensure that public employees' retirement benefits are not impacted by furloughs and other work reductions brought about by the COVID-19 pandemic. During the 2019-2021 and 2021-2023 fiscal biennia, the average final salary and earned service credit for members of PERS, PSERS, SERS, TRS, LEOFF, and WSPRS must include any compensation that was forgone as a result of reduced work hours, mandatory leave without pay, temporary layoffs, furloughs, reductions to the current pay, or other similar measures resulting from the COVID-19 budgetary crisis, if the reduced compensation is an integral part of the employers' expenditure reduction efforts, as certified by the employer. This does not include the elimination of a previously agreed-upon future salary increase. The final bill can be found here and a summary can be found here.

Mental Health/Chemical Dependency

Notable Budget Provisions:

- **Moving to Community-Based Behavioral Health:** Several years ago, the state made the decision to move to a community-based behavioral health treatment system that integrates related health care services in treating patients. The state continues to fund this approach, making several operating and capital investments:
    - $138.6 million to continue to implement the community-based behavioral health treatment system.
    - $71.4 million for community-based behavioral health services facilities competitive grant program, including:
        - $11.6 million for six enhanced, long-term placement facilities
        - $10 million for enhanced, long-term placement residential care facilities for adults with dementia
        - $2 million for one withdrawal management and stabilization facility
        - $2 million for one crisis triage and stabilization facility
        - $12 million for two 16-bed crisis triage and stabilization facilities in King county
        - $2 million for two mental health peer respite centers
        - $18 million for developing bed capacity for 90-day or 180-day civil commitments
        - $2.4 million for behavioral grants to address regional needs
        - $9.4 million for three intensive, long-term placement behavioral health treatment centers

Bills:

- **Response to *Blake* Decision**: Senate Bill 5476, sponsored by Sen. Manka Dhingra (D-Redmond), is in response to the Washington State Supreme Court ruling in *Blake,* which asserted that the statute stating that the possession of controlled substances is illegal, is unconstitutional. Senate Bill 5476 re-criminalizes the possession of controlled substances, making it a misdemeanor rather than a felony until July 1, 2023. Notably, misdemeanors are handled through municipal/district court, rather than superior court. It is possible, if not likely, that there will be a

shift in costs from superior court to municipal/district court. Click here to view AWC's summary of this issue.

For such violations, law enforcement officers can confiscate the controlled substances but must offer a referral to available assessment and services in lieu of jail booking and referral to the prosecutor. If law enforcement records indicate that a person has previously been diverted to referral for assessment and services at least twice, the officer may then arrest. Prosecutors are not precluded from exercising discretion to divert or decline to file charges when referred drug possession cases, and are encouraged to divert such cases for assessment, treatment, or other services. Unlike previous drafts, there are no provisions that contain legalized personal use amounts, nor a reduction from a misdemeanor to a civil infraction at a later date.

The Washington State Health Care Authority (HCA) is charged with establishing a recovery services advisory committee to create a substance use recovery services plan. The purpose of the plan is to implement measures to assist those with a substance use disorder in accessing outreach, treatment, and recovery support services that are low-barrier, person-centered, informed by people with lived experience, and culturally and linguistically appropriate. Additionally, the committee must make recommendations regarding the appropriate criminal legal system response, if any, to possession of controlled substances. It must also make recommendations regarding the collection and reporting of data that identifies the number of people law enforcement officers and prosecutors engage with regarding drug possession, and the design of a mechanism for referring people with a substance use disorder, or who display problematic behaviors resulting from substance use, to supportive services. A final plan is due to the Legislature by December 1, 2022.

The HCA will also establish several other plans and programs, including:

- A comprehensive statewide substance misuse prevention plan. As a part of this plan, the HCA must administer a competitive grant process for existing local community efforts to prevent substance misuse. The plan must be completed by January 1, 2024.
- A grant program to provide treatment for low-income individuals with substance use disorder who are not eligible for Medicaid. Grant distribution must begin by March 1, 2022.
- A grant-based homeless outreach stabilization transition program. Grant distribution must begin by March 1, 2022.
- Funding for behavioral health administration services organizations to establish recovery navigator programs. These programs will provide community-based outreach, intake, assessment, connection to services, and, as needed, long-term intensive case management and recovery coaching services to individuals with substance use disorders.
- An expanded recovery support services program that increases regional access to recovery services for substance use disorder such as housing, employment training, recovery coaching, and legal support.

By July 1, 2022, the Criminal Justice Training Commission must develop new training for law enforcement officers on how to manage interactions with people they encounter with substance use disorders, including referral to treatment and recovery services. The training will be incorporated into the curriculum at the Basic Law Enforcement Academy.

In addition to the $83.5 million in the state's budget to help the state and counties manage the legal impacts of the *Blake* decision, **an additional** $88.4 million is provided to help establish the new programs outlined above. Of that $88.4 million, $4.5 million will go to the Administrative Office of the Courts to help enhance municipal and district therapeutic courts. There are no direct

appropriations to cities to offset the costs of diversion and prosecution. The final bill can be found here and a summary can be found here.

9-8-8 Hotline: House Bill 1477, sponsored by Rep. Tina Orwall (D-Des Moines), directs the Department of Health to designate crisis hotline centers that meet standards related to technology and the ability to identify and deploy community crisis resources for persons experiencing a behavioral health crisis. The budget appropriates $39.4 million to the Health Care Authority, the Office of Financial Management, and the Department of Revenue to implement the bill. The final bill can be found here and a summary can be found here.

COVID-19 Response

- **Public Health Governance Structure and Funding:** Rep. Marcus Riccelli (D- Spokane) and Sen. June Robinson (D- Everett) introduced Governor-request legislation limiting local elected officials' control over public health oversight and administration: House Bill 1152/Senate Bill 5173, eliminating Local Health Jurisdictions (LHJs) and forming regionalized Comprehensive Public Health Service Districts under the jurisdiction of the Department of Health; and House Bill 1110, restructuring local boards of health to include majority non-elected official membership representing health care or public health professionals, marginalized populations, and community stakeholders. House Bill 1152 ultimately became the vehicle for both proposals. As introduced, the bill also required cities to contribute to foundational public health services funding.

  As passed the Legislature, House Bill 1152 makes only two changes: establishing the Public Health Advisory Board and requiring changes to local board of health composition. The Public Health Advisory Board must monitor, develop goals and recommendations for, and evaluate the state's public health system. AWC, two WSAC member counties, and two WSALPHO member health jurisdictions are provided Advisory Board membership. The bill also requires all counties, except those with pre-existing advisory boards, to change the composition of their local boards of health to be comprised of at least half non-elected officials. New members are in addition to existing elected official membership. Non-elected members must come from the following categories: public health or medical professionals, consumers of public health who have faced significant health iniquities, and other community stakeholders. The operating budget provides an unprecedented level of investment in foundational public health services funding: $147 million in the 2021-23 biennium and an ongoing $148 million/year beginning in FY 2023. This is in addition to the $28 million/biennium the Legislature approved in the 2019 legislative session. The final bill can be found here and a summary can be found here.

- **Liquor License Changes:** House Bill 1480 was introduced by Rep. MacEwen (R-Union) at the request of the Liquor and Cannabis Board (LCB). The bill temporarily authorizes changes in liquor licenses through July 1, 2023. Licensees must get a no-cost endorsement to utilize the expanded authority under a liquor license. The license changes include the ability to sell alcohol products, including premised cocktails and cocktail kits, for curbside, takeout service, or delivery. The bill does require the LCB to conduct a study of the impacts of new privileges granted to businesses. This study is required to be completed by December 1, 2022. The bill contained what is commonly referred to as an "emergency clause," making it effective immediately upon signature. The final bill can be found here and a summary can be found here.

- **Tax Exemption for Assistance Programs:** House Bill 1095, sponsored by Rep. Amy Walen (D-Kirkland), will provide business and occupation tax, public utility tax, and retail sales tax exemptions for grants received on or after February 29, 2020 from government-authorized COVID-

19 assistance programs. Qualifying grants include those received directly from a government entity, through a nongovernmental third-party entity authorized to distribute the program funds, or when a private entity provides relief from debt or legal obligation to a person and as a result receives from form of direct financial benefit from a government entity. The final bill can be found here and a summary can be found here.

- **Property Tax Deferral:** House Bill 1332, sponsored by Rep. Pat Sullivan (D-Kent), addresses property tax payments during the COVID-19 state of emergency. The bill requires county treasurers to grant a deferral of property tax due in 2021 through a payment plan. To be eligible, a taxpayer must demonstrate a loss of at least 25% of its revenue attributable to that real property for calendar year 2020, compared to calendar year 2019. Requests for an exemption are due April 31, 2021. If a taxing jurisdiction is unable to make a scheduled bond payment because of property tax deferrals, the deferrals shall not be granted. The bill is effective upon signature and expires on January 1, 2022. The final bill can be found here and a summary can be found here.

- **Assistance Programs:** House Bill 1151, sponsored by Rep. Mari Leavitt (D-University Place), will expand cash assistance programs for families, allows for five additional months of food assistance and requires the Washington State Department of Social and Health Services to update the standards of need for cash assistance programs. The final bill can be found here and a summary can be found here.

- **Allocating CARES Act Funding:** House Bill 1368, sponsored by Appropriations Chair Rep. Timm Ormsby (D- Spokane), allocates appropriated federal funding intended for COVID-19 relief for the remainder of the current fiscal year, until June 30, 2021. Distributions were provided for childcare, rent relief, food assistance, developmental disability and senior programs, medical and health care assistance, education, and public health activities, including testing and vaccine distribution. Altogether, the Legislature allocated almost $2.2 billion. The bill became effective February 19th, 2021. The final bill can be found here and a summary can be found here.

- **Health Equity Zones:** Senate Bill 5052, sponsored by Sen. Karen Keiser (D-Des Moines), will establish health equity zones in areas that have under-performing health outcomes. The Department of Health (DOH), in coordination with the Governor's Interagency Coordinating Council on Health Disparities, local health jurisdictions, and accountable communities of health, must share and review population health data to identify, or allow communities to self-identify, potential health equity zones and develop projects to meet the needs of each zone. The DOH must develop a plan and process to allow communities to implement health equity zones statewide and may determine the number of zones and projects based on available resources. The budget appropriates $1.4 million to the Department of Health to implement the bill. The final bill can be found here and a summary can be found here.

Education/Childcare

- **Childcare Affordability:** Senate Bill 5237, **"**"The Fair Start for Kids Act," aims to make child care more affordable for families, stabilize and expand the diverse child care workforce, support the expansion of child care, and strengthen prevention and intervention services. The final bill can be found here and a summary can be found here. $298 million in state and federal funds were allocated to fund this account.

- **Expanding Computer Science Degrees**: Senate Bill 5401, sponsored by Sen. Joe Nguyen (D-Seattle), would expand the number of community and technical colleges eligible to provide computer science-related degrees in the state of Washington. The final bill can be found here, and a summary can be found here.

Public Works

- **Current Law 2021-23 Transportation Budget Appropriations that Benefit Cities**: The Legislature adopted a 2021-23 Transportation Budget that did not include any new revenue, but continued planned investments funded through previous revenue packages. The current law transportation budget included the following appropriations:
  - $467.4 million is allocated to continue to distribute gas tax revenues to cities and counties (this is not new funding; it will be slightly less than last year because of the continuing decline of gas tax collections).
  - $224 million is allocated to the Transportation Improvement Board, including $4.1 million for the Small City Pavement and Sidewalk Program, $14.7 million for the Complete Streets Program, and $2.5 million for continued Relight WA assessment. This amount is approximately the same as was appropriated in the 2019-21 biennium.
  - $36.7 million is allocated to the Safe Routes to Schools program. This amount is slightly less than what was allocated in the 2019-21 biennium and will fund a list of projects that WSDOT selected prior to the beginning of the legislative session.
  - $31.8 million is allocated to the Freight Mobility Strategic Investment Board; however, the appropriations are solely for current projects; the Board may not initiate a new call for projects until directed by the Legislature. FMSIB is directed to coordinate with WSDOT as the agency updates its federally compliant freight plan and must identify highest priority freight investments for the state and submit a preliminary report by December 1, 2021.
  - $32.6 million is allocated to the WSDOT Bike/Ped Grant program. This amount is slightly less than what was allocated in the 2019-21 biennium and will fund a list of projects that WSDOT selected prior to the beginning of the legislative session.
  - $2 million is provided for a vanpool grant program – both for public transits and incentives for employers.
  - $800,000 is provided for the first mile/last mile connections grant program. Eligible grant recipients include cities, businesses, nonprofits, and TNCs. The commute trip reduction bard shall develop grant parameters, evaluation criteria, and evaluate grant proposals.

- **Utility Assistance:** $1 billion is allocated to rental and utility assistance; however, the bulk of this funding is intended to be for rental assistance. An additional $100 million is provided for Low Income Utility Assistance utilizing federal funding - $80 million is provided for energy assistance, and $20 million provided for water and wastewater assistance.

- **Alternative Public Works Contracting:** Senate Bill 5032, sponsored by Sen. Bob Hasegawa (D-Seattle), reauthorizes alternative public works contracting procedures for another ten years. Additionally, the Capital Projects Advisory Review Board (CPARB)'s member is modified to add members. CPARB is tasked with developing and recommending to the Legislature policies to encourage competition and further enhance equitable participation in disadvantaged business enterprises in capital construction. Design-build is authorized for parking garages and pre-engineered metal buildings. Changes are made to general contractor/construction manager (GM/CM) contracting and job order contracting. Once signed, the bill will become effective immediately. The final bill can be found here and a summary can be found here.

- **Local Fish Passage Barriers:** Department of Fish and Wildlife will contract with AWC to inventory and assess fish passage barriers associated with city roads located in the *US. v. Washington* case area, water resource inventory areas 1-23. This study is a continuation of previous inventories. A report is due by July 1, 2023. (p. 8, Final 2021-2023 Transportation Budget)

- **Evaluation of City Transportation Investments:** The Joint Transportation Committee will conduct a study on the impacts of current and historical city transportation investments on designated populations, including communities of color, low-income households, vulnerable populations, and displaced communities. The study must identify and measure the true costs of underinvestment of accessible transportation for designated populations, including the secondary impacts on public health, economic opportunity, educational access, and environmental risk factors. The assessment must include specific approaches to addressing existing inequities within cities, as well as recommendation to develop best practices to improve, diversify, and expand transportation investments. Report is due December 20, 2022. (p. 14, Final 2021-2023 Transportation Budget)

- **Road Usage Charge Steering Committee:** The Washington State Transportation Commission is tasked with reconvening the road usage charge steering committee. Status reports are due at the end of each year. (p. 17, Final 2021-2023 Transportation Budget)

- **Homeless Encampment Cleanup:** $3 million is provided to WSDOT to address risks to safety and public health associated with homeless encampments on department owned rights of way. The department may use the funds to reimburse local law enforcement costs if they are participating as part of a state or local government agreement to provide enhanced safety related activities along the state highway rights-of-way. A report to the Legislature on this work is due October 1, 2021. (p. 39, Final 2021-2023 Transportation Budget)

- **Vehicle Miles Traveled Targets**: WSDOT and the Department of Commerce are directed to develop vehicle miles traveled targets for counties with (a) a population density of at least 100 people per square mile and a population of at least 200,000; or (b) a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by OFM. The Departments are tasked with working with local governments to inventory existing law and rules that promote transportation land use, identify gaps, and make recommendation for changes in laws, rules, and agency guidance. Initial report due December 31, 2021, and final report due June 30, 2023. The final report should include a process for establishing vehicle miles traveled reduction targets, a recommended suite of options for local jurisdictions to achieve the targets, and funding requirements for state and local jurisdictions. (p. 44, Final 2021-2023 Transportation Budget)

Miscellaneous

- **Open Carry Ban for Public Demonstrations/WA Capitol Campus:** Senate Bill 5038, sponsored by Sen. Patty Kuderer (D-Bellevue), will prohibit the open carry of a firearm or other weapons at or near public demonstrations, at the Washington State Capitol Campus and at other legislative locations. An exemption is provided for federal, state, and local law enforcement officers. The bill was amended in the House Civil Rights & Judiciary Committee to clarify the definitions of the bill

and revised the law enforcement and armed forces exemption language in the provision governing open carry on the capitol campus or legislative facilities for consistency with similar exemption language applicable to permitted demonstrations. The final bill can be found here and a summary can be found here.

- **Local Redistricting Deadlines:** Senate Bill 5013, sponsored by Sen. Sam Hunt (D-Olympia), aims to ensure that redistricting requirements in statute align with the requirements outlined in the state constitution. As originally drafted, the bill would have required counties, cities, and special purpose districts that elect their governing bodies with district-based systems to prepare redistricting plans by the earlier of eight months after the receipt of census data, or November 15 of the year ending in one. Given that census data won't be arriving until October this year, this timeline was problematic. As amended, the new deadlines are as follows: Until January 1, 2023, local jurisdictions that are scheduled to elect members to its governing body in 2022 must submit redistricting plans by December 1, 2021. Local jurisdictions not electing members in 2022 must submit a redistricting plan by November 15, 2022. Beginning on January 1, 2023, the statutory deadline for preparing a redistricting plan for all local jurisdictions that elect all or part of its governing body using the district-based method is November 15 of each year ending in one. The final bill can be found here and a summary can be found here.

- **Wildfire Response:** House Bill 1168, sponsored by Rep. Larry Springer (D-Kirkland), developed in conjunction with the Department of Natural Resources (DNR), establishes a spending plan to support wildfire and forest health through firefighting and expanding the State's air fleet; building forest restoration and strengthening workforce development; improving DNR's forest-mapping resources, and providing funding for fire protection activities for homes, properties, communities. The budget appropriates money to the Department of Commerce and to the Department of Natural Resources to implement this bill. $125 million is allocated for wildfire preparedness, prevention, and protection. The final bill can be found here and a summary can be found here.

City of Kenmore, Washington

Date: May 21, 2021

To: City Council
From: Rob Karlinsey, City Manager

Re: American Rescue Plan Act (ARPA) Funding

Punch line of this memo: Provide direction on whether to move forward with cash assistance to low income residents now, *or* whether you would prefer to wait on this and consider it in the full context of the ARPA funding and all of its potential uses and community input.

Introduction and Background

We are looking forward to the City receiving the American Rescue Plan Act (ARPA) funding, and I know we can do a lot of good with it. We will be receiving just over $2.5 million in June and another $2.5 million a year later. We have been staying current on the latest information on ARPA, and we've been in communication with other cities on what their preliminary plans and ideas are for the funding.

We have combed through the 151-page "Interim Final Rule" that US Department of Treasury produced on May 14th. The deadline for us to use one-time money is December 31, 2024. From page 8 of the Rule, it states that the resources provided by ARPA should 1) "meet pandemic response needs" and 2) "rebuild a stronger, more equitable economy as the country recovers."

The Rule also states that within the eligible use categories outlined by ARPA, local governments "have flexibility to determine how best to use payments form the Fiscal Recovery Fund to meet the needs of their communities and populations" and that the Rule "facilities swift and effective implementation . . ." (page 8). The Rule identifies four main categories of eligible uses:

1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
3. For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

The Rule also recognizes the disproportionate impact on low income households and people of color; as result, the Rule "takes into consideration these disproportionate impacts by recognizing

a broad range of eligible uses to help States, local, and Tribal governments support the families, businesses, and communities hardest hit by the COVID-19 public health emergency." (page 9, underline added) These "broader range of services and programs" will be "presumed to be responding to the public health emergency when provided in these communities." (page 21, underline added)

We plan on having a high-level discussion on the ARPA funding at the May 24th City Council meeting. The purpose of this memo and the May 24th discussion is help you begin thinking about the ARPA funding and how best to spend it for the benefit of the community.

With the exception of direct cash assistance for low income households, I will not be asking for specific direction on how to spend the money on May 24th. We will be able to dive more into the details and more fully engage the community after the ARPA administrator/assistant city manager starts in mid June. The May 24th meeting is more of an introductory meeting to acquaint you with the ARPA principles and general rules around eligible uses.

As we think about and process the potential uses of the ARPA funds, guiding principles and an overall strategy will be helpful. Here are some potential guiding principles for you to consider:

Potential Guiding Principles

1. Equity concerns should be front and center as we consider racial and other disparities and how the pandemic has affected people differently and disproportionately. Multiple times throughout the Rule, Treasury "encourages recipients [like the City of Kenmore] to provide assistance to those households, businesses, and non-profits in communities most disproportionately impacted by the pandemic," including "low-income workers and communities and people of color." (page 11 of the Rule)

2. The pandemic has affected our City in a myriad of ways. It will be important to consider a broad range of community needs and to ensure some of the funds are used for immediate relief while reserving some of the funds for project(s) that will have long-term, lasting impacts in our community.

3. Use caution when considering whether to use these one-time funds to create new ongoing programs that may become unsustainable expenses once the ARPA funds runs out.

4. Leverage other ARPA funding sources that are in addition to the direct funding to cities. Research whether we can apply for funding through another ARPA program instead of using the City's limited direct funding dollars. In addition to direct funding for cities, there are hundreds of millions of ARPA funds allocated for housing, behavioral health, economic development, infrastructure, and more. It behooves us to do our best to try to access these ARPA funds while they are available.

5. Coordinate and partner with other government agencies and nonprofits. Be cognizant of what other agencies, such as King County, are already funding through their ARPA funding and other sources. Before allocating our direct ARPA funding to a specific

purpose, find out whether a state, county, or other federal program is already meeting this need.

Similarly, look into levering partners. Are there other agencies that are also receiving ARPA funding, and does it make sense to combine resources with those agencies? Should we combine resources with neighboring cities, the school district, housing agencies, etc.?

Rough Draft of a Big Picture Strategy

Once you have established guiding principles, we recommend agreement on a big-picture strategy whereby we first consider short-term approaches to meet emergent needs, and then move to long-term game plans, in the following order:

a. Provide immediate relief to residents and businesses in crisis.
b. Backfill lost city revenues (we don't have a lot of lost city revenues—mainly just gas tax and reduced rent for Diva in the Hangar; net total operating revenues are actually higher) and additional pandemic-related costs the City has incurred.
c. Position the city and the community to transition into a post-covid era (i.e., long-term recovery).
d. Consider what Priority Based Budgeting founder Chris Fabian calls "big swings." What he means by big swings is "bold investments" in the Council's priorities. A big swing would be transformational or catalytic in nature.

You do not need to give me direction on the guiding principles and big-picture strategy at the May 24th meeting—the above is to get you thinking, and we can more fully crystalize things like guiding principles, strategy, and community engagement soon after the ARPA administrator arrives next month.

Possible Spending Categories

Along the lines of brainstorming and helping you to being thinking through ways to benefit the community with this funding, below are some possible spending categories with examples:

Assistance to Kenmore Households, Including Youth

Many of our residents have been financially impacted by the pandemic. While substantial help through federal, state, and county governments is already in place, some of our residents may still be in crisis. A portion of the City's direct funding could be used to help those in need. Examples may include direct cash assistance (see page 33 of the Rule) to low income households, utility bill assistance, a grant program for mobile home improvements (structural, safety, etc.; see page 33 of the Rule), and contributions to human services nonprofits (Hopelink, Northshore Senior Center, Northshore Schools Foundation, etc.).

Also, I believe the pandemic has been hard on our children and youth. There are many different possibilities for helping our youth, such as additional resources for summer and after school programs for youth of low income households. Partnerships with school district and nonprofits such as the YMCA or Boys and Girls Club may be a good way to run these youth programs.

Affordable Housing

Along the lines of a "big swing" as described in the guiding principles above, the City may wish to assign a substantial portion of its ARPA funds to acquire property and leverage additional funding for a low income housing development in the heart of the City's downtown. The City would partner with a housing nonprofit as well as government agencies to assemble the funding to produce supportive housing for low income. Page 39 of the Rule allows ARPA funds to go towards supportive housing services and affordable housing development.

Economic Development

Some sectors of our business community have been hit particularly hard by the pandemic, and the City Council may wish to provide direct grants (see page 34 of the Rule) to businesses in the hard-hit sectors. Other examples of funding for businesses include grants to brick & mortar businesses for façade improvements, cash cards for residents to use exclusively at local businesses, and funding for promotion of our local businesses in general.

City Revenue Replacement and Pandemic Costs to the City

As a bedroom community, Kenmore's finances have been relatively stable during the pandemic, especially compared to cities with malls and dependence on other retail. We actually saw a modest increase in sales tax for 2020, and 2021 sales tax does not appear to be weakening. We did, however, see a noticeable drop in fuel tax in 2021. The combined reduction in fuel tax for 2020-2021 is estimated at $140,000. We also reduced rent for the tenant at the Hangar in the amount of about $45,000 for 2020-2021.

As I reported at the May 10 City Council meeting, I have moved forward with hiring a limited-term ARPA administrator/assistant city manager to oversee the programming and distribution of the City's direct funding, secure additional funding from other ARPA programs, and helping the City respond to the current and future affects of the pandemic. He first day of work will be June 17th.

Administering the ARPA direct funding, running the programs, leveraging other ARPA sources, and partnering with other agencies will be no small chore, and we will need the administrator and most likely an accounting-level position to process and manage all the ARPA funding and programs. About ten percent of the ARPA funding will need to be allocated to the cost of administration, so that leaves about $4.5 million available for projects and programs.

In addition to administration costs, the City will continue to incur pandemic-related costs, including the pandemic leave benefit for city employees. The WestSamm bridge is experiencing increased costs due to the pandemic, and other capital projects may see pandemic-related increased costs as well.

Also, the pandemic has driven more use of technology by city staff, and pre-pandemic IT support resources are stretched in trying to meet increased use. Needs for project management software and simply getting us set up with the right technology are stronger and more apparent than before.

Environment

The City may choose to allocate ARPA funds for environmental stewardship, such as the following:

- Fish-friendly culverts and riparian habitat restoration within the City's stormwater system, provided that such projects "would be eligible to receive financial assistance through the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)." (page 63)
- Rebates or vouchers for the purchase of electric bikes or electric vehicle charging stations. The technology for electric bikes has improved dramatically, and many believe they are going to play an important role in the future of green transportation. Electric bikes "support efforts to address climate change" (page 67 of the Rule), provide a much less expensive alternative to a car, and may improve local resident access to local businesses. The State of Vermont has pioneered a rebate program for E-bikes. To meet the eligibility criteria under ARPA, vouchers for E-bikes and EV charging stations will need to meet the test for helping businesses recover from the pandemic or benefiting low income residents.
- Other efforts to support our upcoming climate action plan, provided they qualify as eligible uses under the ARPA's Interim Final Rule.

Other Infrastructure

The American Rescue Plan Act funding can be used for infrastructure, provided they are eligible uses under the Rule. Such infrastructure uses may include:

- City Hall Park Phase II (half court basketball and play structure)
- Improved heating and ventilation for the Kenmore Senior Center

Request for Direction

Again, when the ARPA administrator/assistant city manager begins next month, we can go through more of a process on how to allocate the ARPA funding and how to engage the community about it. But in the meantime, you may wish to give direction now on whether to provide direct cash assistance to Kenmore low income households in crisis; or you can give me direction to hold on this idea until we discuss it the broader context of all of the potential funding uses and community input.

> Assistance to low income households. For 2020, the Office of Financial Management estimates that 2,600 (11%) of Kenmore's 23,500 residents have a household income that is at or below 30% of the average median income (AMI) of King County households. Approximately $1 million of the ARPA funding would provide a $350 one-time payment to Kenmore's 2,600 residents at or below 30% of AMI. Hopelink would administer the cash distributions and would charge overhead which is included in the $1 million estimate. A $1,400 check ($350 X 4) for a struggling family of four could go a long way in helping with things like utility bills, groceries, and getting back on their feet.

Punch line: I recommend that you give me direction on whether to move forward with cash assistance to low income residents now, *or* whether you would prefer to wait on this and

consider it more holistically in the full context of the funding and all of the potential uses and community input.

If you decide to move forward now, that leaves $3.5 million to allocate to other potential uses such as funding to our nonprofit organizations, economic development and business assistance, and/or a "big swing" project such as:

1. Purchasing land and leveraging grants and low interest loans for an affordable housing development in the downtown. The City would partner with a nonprofit that specializes in affordable housing development, as well as other government entities to provide more funding. The project would likely include on-site supportive services for the residents.

2. Fish barrier removal and riparian habitat projects for our most vulnerable streams. Assuming some grant funding leveraged by the $2.5 million, the City could install approximately two new fish friendly culverts and possibly complete some associated riparian habitat restoration as well.

3. Substantial cash assistance and other economic boost programs to local businesses most impacted by the pandemic. For example, there are approximately 40 Kenmore businesses that have brick-and-mortar locations that fit into the following categories: travel, tourism, restaurants, and hair/nail/massage salons. These are non-home occupation businesses with the costs of operating a commercial store front. If the City provided $20,000 to $25,000 in cash assistance to each of these businesses, the total cost would be approximately $800,000 to $1 million. In addition, the City could offer other business assistance programs, such as façade improvement grants and shop local cash cards to local residents.

Again, you don't need to provide direction on May 24th on a "big swing" project or other ways to spend our direct ARPA funding, *with the exception* of whether to move forward with providing some direct cash assistance to low income families now.

We're looking forward to the arrival of our ARPA administrator in mid June. She will pick up the conversation and help us through the community engagement and zeroing in how to allocate the funds thoughtfully, equitably, inclusively, and in ways that maximizes the value of the dollars for the benefit of our community.

May 24, 2021

VIA HAND DELIVERY

David G. Moore
6520 NE 202nd Street
Kenmore, WA 98028

Re: Letter of Intent to Purchase Property at:
6506 NE 202nd Street and 6520 NE 202nd Street, Kenmore, Washington

Dear Mr. Moore:

We represent the City of Kenmore ("Buyer"). Buyer proposes to enter into a definitive agreement for the purchase as part of a voluntary acquisition of the property described on attached Exhibit A (the "Property") from you ("Seller") on the following terms:

1. Purchase Price. **The "Purchase Price" for the Property shall be Two Million Five Hundred Thousand Dollars ($2,500,000) in cash, payable as follows:**

2. Earnest Money Deposit. **Within five (5) business days after the execution of the Purchase and Sale Agreement ("PSA"), Buyer shall deliver to Escrow Two Hundred Fifty Thousand Dollars ($250,000) as an Earnest Money Deposit, the entire amount of which shall be applicable to the Purchase Price within two business days after Buyer's waiver of the Feasibility Period (including any extensions of the same).**

3. Feasibility Contingency. **Within five (5) business days after the mutual execution of the PSA, Seller shall provide Buyer with copies of any and all due diligence materials pertaining to the Property which are currently in Seller's possession or control ("Due Diligence Materials"), including those described on *Exhibit A*. Buyer shall have sixty (60) days following the delivery of the Due Diligence Materials, which may be extended by thirty (30) days upon payment of Twenty Five Thousand Dollars ($25,000.00) and notice to Seller, to determine in its sole discretion whether the Property is feasible for Buyer's purposes. Payment of the extension money shall be non-refundable and applicable to the purchase price. Within three (3) days following Buyer's approval of the Feasibility Contingency, the Earnest Money Deposit, and any Extension Money, shall be released to Seller upon Seller's written request to Escrow.**

4. Escrow/Title. **Within five (5) business days after the mutual execution of the PSA, Buyer shall open escrow with Chicago Title Company.**

5. Broker Commissions. **The City has not retained a broker in this transaction. Accordingly, any broker fee or commission paid shall be the responsibility of the Seller and paid out of Seller's proceeds. Buyer and Seller shall indemnify the other from claims of brokers claiming by, through, or under the indemnifying party.**

6. Exclusivity. **For a time period following mutual execution of this letter of intent through termination of the PSA or closing of the transaction whichever is earlier, Seller shall not accept other offers, negotiate, discuss the terms or enter into any agreements for the possible sale of the Property with any third parties. The Buyer and Seller intend to be legally bound to this exclusivity obligation.**

7. Preparation and Delivery of PSA. **Within five (5) business days of mutual execution of this Letter of Intent, Buyer shall prepare and present a proposed draft of the PSA, which both Buyer and Seller shall make good faith efforts to negotiate, finalize and mutually execute.**

8. Closing. **Closing shall occur on or before thirty (30) days from the removal of those contingencies stated in Section 3, provided however, that Seller may extend the Closing Date for up to 6 months in its sole discretion ("Closing Extension").**

9. Closing Costs and Relocation Assistance. Buyer agrees to pay all escrow and closing costs, including any Real Estate Excise Tax imposed in this transaction. Further, Buyer agrees to pay actual move costs for each of the three residential units up to $7,500 (totaling $22,500) or $5,000 for a self-move (totaling $15,000).

10. Legal Effect of Letter of Intent. This Letter of Intent constitutes a proposal outlining the general terms and conditions on which Buyer would acquire the Property from or through Seller, and is a statement of the present intentions and understandings of the Buyer and Seller. Except as otherwise provided in Paragraph 8 above, this Letter of Intent does not constitute, and is not intended as, a contract or a binding obligation of the Buyer and Seller hereto and is intended to establish whether there is an acceptable basis for the parties to proceed toward a final and legally binding PSA for the purposes described herein.

This Letter of Intent will remain open for mutual acceptance by Buyer and Seller until **May 26, 2021 at 5:00 pm PDT**. If not mutually executed by then, this Letter of Intent shall be considered expired and withdrawn and be of no further force or effect.

PRESENTED AND PROPOSED BY:

BUYER:
CITY OF KENMORE

By: Rob Karlinsey, City of Kenmore
Its: City Manager
Date: 5-25-21

c/o Foster Garvey PC
Kinnon W. Williams
1111 Third Avenue, Suite 3000
Seattle, WA 98101

AGREED TO AND ACCEPTED BY:

SELLER:

David G. Moore

Date: 5-24-21

FG:54302402.1

EXHIBIT A

Due Diligence Materials

1. **A current title report together with legible copies of all documents referenced or described therein.**
2. **A completed Seller Disclosure Form 17.**
3. **All documents in Seller's actual possession, including but not limited to plans, drawings, specification, soils reports, engineering and architectural studies, zoning studies or reports, hazardous waste studies, geotechnical reports, hydrology reports, wetland studies, topographical maps, boundary and ALTA surveys, environmental reports, grading plans, and similar data relating to the Property.**
4. **All documents in Seller's actual possession, including but not limited to all permits, entitlement documents, zoning documents, mitigation agreements with any governmental agency, and all correspondence related thereto.**

FG:54302402.1