



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Friday, June 4, 2021

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
M. Lorena González, Member
Andrew J. Lewis, Member
Dan Strauss, Member
Tammy J. Morales, Alternate

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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June 4, 2021 - 9:30 AM

Meeting Location:

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Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Mosqueda at Teresa.Mosqueda@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164

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Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120093](#) **AN ORDINANCE** related to the City's response to the COVID-19 crisis; creating a new Fund in the City Treasury; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); accepting funding from non-City sources; changing appropriations to various departments and budget control levels, and from various funds in the 2021 Budget; revising project allocations for certain projects in the 2021-2026 CIP; modifying or adding provisos; and ratifying and confirming certain prior acts.

Supporting Documents:

[Summary and Fiscal Note](#)

[Memo - Seattle Rescue Plan](#)

[Presentation - Seattle Rescue Plan](#)

Briefing and Discussion

Presenters: Julie Dingley, City Budget Office; Aly Pennucci, Council Central Staff

2. [CB 120094](#) **AN ORDINANCE** related to the City’s response to the COVID-19 crisis; amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing provisos; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

Supporting

Documents: [Summary and Fiscal Note](#)

Briefing and Discussion

Presenters: Julie Dingley, City Budget Office; and Aly Pennucci, Council Central Staff

3. [CB 120069](#) **AN ORDINANCE** relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

Supporting

Documents: [Summary and Fiscal Note](#)

[Central Staff Memo \(6/4/21\)](#)

[Presentation \(6/4/21\)](#)

[Proposed Substitute Bill-Independent Contractor Protections](#)

[Proposed Amendment 1](#)

Briefing, Discussion, and Possible Vote

Presenter: Karina Bull, Council Central Staff

4. **Housing Levy Annual Report and Discussion of Proposed Changes to Levy A & F Plan and Housing Funding Policies**

Supporting Documents: [Office of Housing Presentation](#)

Briefing and Discussion

Presenters: Emily Alvarado, Director, Kelli Larsen, Office of Housing; Traci Ratzliff, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120093, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE related to the City’s response to the COVID-19 crisis; creating a new Fund in the City Treasury; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); accepting funding from non-City sources; changing appropriations to various departments and budget control levels, and from various funds in the 2021 Budget; revising project allocations for certain projects in the 2021-2026 CIP; modifying or adding provisos; and ratifying and confirming certain prior acts.

WHEREAS, the World Health Organization (WHO) has declared that the Coronavirus Disease 2019 (COVID-19) is a global pandemic, which is particularly severe in high-risk populations such as people with underlying medical conditions and the elderly, and the WHO has raised the health emergency to the highest level requiring dramatic interventions to disrupt the spread of this disease; and

WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19; and

WHEREAS, in response to outbreaks of COVID-19 in Seattle, Mayor Jenny Durkan proclaimed a civil emergency exists in Seattle in the Mayoral Proclamation of Civil Emergency dated March 3, 2020; and

WHEREAS, on March 5, 2020, the City Council adopted Resolution 31937 affirming the civil emergency, modifying orders transmitted by the Mayor related to the emergency, and establishing Council’s expectations related to future orders and reporting by the Mayor during the civil emergency; and

WHEREAS, on March 11, 2020, the World Health Organization announced that COVID-19 is officially a global pandemic; and

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

WHEREAS, on March 23, 2020, the Governor issued a “Stay Home, Stay Healthy” order, which, combined with other measures taken to prevent the transmission of COVID-19, effectively closed many businesses in the state of Washington; and

WHEREAS, the immediate economic impacts from the COVID-19 emergency have been drastic and are expected to last much longer than the civil emergency itself; and

WHEREAS, local companies have reported laying off employees, experiencing substantial revenue losses, dealing with lost business due to fear and stigma, and seeing major declines in foot traffic as tens of thousands of employees are being asked to work from home; and

WHEREAS, these impacts are being felt across all industry sectors, including retail, restaurant, hospitality, transportation, logistics, arts, and culture; and

WHEREAS, at the end of August 2020, over 3,000 businesses in the Seattle metropolitan area were closed, with an estimated 59 percent of those closures being permanent, and over 32,700 people in Seattle were unemployed; and

WHEREAS, the COVID-19 pandemic has created a grave economic crisis. People in our community have been laid off or have had their work hours reduced, and many people are struggling to feed and house their families. Social services are strained, given the increased demand for resources. Businesses are struggling to pay their employees and cover operating costs; and

WHEREAS, at the national level, mothers of children aged 12 years and younger lost jobs at a rate three times greater than fathers of young children between February and August 2020, and in December 2020, all 156,000 net job losses in the U.S. were held by women. Throughout the pandemic, women, particularly women of color, have experienced higher levels of unemployment, threatening to undo decades of progress towards gender equity; and

WHEREAS, the affordable housing crisis, homelessness emergency, and the COVID-19 pandemic and related economic and unemployment emergencies are deeply impacting the lives of people throughout Seattle and the region and disproportionately harming Black, Indigenous, Latinx, and other communities of color, immigrants, the lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA) community, disabled community members, and women, all of whom already struggle against entrenched inequality; and

WHEREAS, in response to the COVID-19 pandemic, many services, workplaces, and schools were forced to shift online, with stark consequences for Black, Latinx, and low-income households, who have disproportionately less access to the internet at home. Having internet service at home is essential so that people can work remotely, engage their children in distance learning, connect with health care services, and access government services, including financial assistance and other resources; and

WHEREAS, the number of people in shelters, encampments, and hotels has grown due to investments in these homelessness interventions during the COVID-19 pandemic, but there is a need to provide permanent affordable housing into which these individuals can move to address the homelessness problem; and

WHEREAS, the current multifamily housing rental market may provide opportunities to loan additional funds to affordable housing providers to purchase existing buildings or buildings under construction and nearing completion that would immediately or rapidly increase the stock of permanently affordable housing in a cost-efficient manner; and

WHEREAS, many people and businesses in Seattle continue to be impacted by COVID-19 and the measures taken to prevent its spread, which resulted in unemployment, housing insecurity, and food insecurity; and

WHEREAS, the State of Washington provided \$2 million in its 2021-2023 Capital Budget for the creation of tiny home villages in Seattle; and

WHEREAS, the three new tiny home villages that will be established using funds provided by the Council in

the 2021 Adopted Budget are not expected to be operating until late summer or early fall; and

WHEREAS, The City of Seattle (“City”) recognizes that direct cash assistance to low-income people benefits the greater economy and allows people to make decisions about immediate needs; and

WHEREAS, on March 10, 2021, the U.S. House of Representatives passed the American Rescue Plan Act (ARPA) of 2021, providing \$1.9 trillion in pandemic relief; and

WHEREAS, ARPA will provide Seattle an estimated \$232 million in direct funding, of which about 50 percent was received in 2021 and the remainder will be received in 2022, for pandemic relief that can be used for a broad range of uses, including restoring government services cut or reduced in response to pandemic-related revenue losses, and providing support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis; and

WHEREAS, the City has received \$116 million in 2021 from ARPA’s Coronavirus Local Fiscal Recovery (CLFR) Fund grant authorized by the U.S. Congress; and

WHEREAS, the City has received \$12.2 million in 2021 from the ARPA HOME Investment Partnerships Program authorized by the U.S. Congress to assist individuals or households who are homeless or at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability; and

WHEREAS, the acceptance and appropriation of these newly available funds as soon as possible are crucial to preserving public health and safety by mitigating the impacts of COVID-19 on the City and the people and organizations it serves; and

WHEREAS, a new fund is needed to manage and maintain accurate accounting and reporting to the federal granting agency required of the large and complex sum of CLFR expenditures; and

WHEREAS, a number of City departments have implemented immediate assistance for affected local small businesses and displaced workers; and

WHEREAS, many people in Seattle continue to struggle with the impacts of the COVID-19 public health

emergency and the measures taken to prevent its spread, including unemployment, housing insecurity, and food insecurity; and

WHEREAS, the City will utilize federal resources to support programs and services that provide critical and immediate relief to people and small businesses in Seattle, and support longer term strategies that will support a more resilient, prosperous, and equitable recovery; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Coronavirus Local Fiscal Recovery Fund is created in the City Treasury, into which revenues may be deposited, and from which associated expenditures may be paid including, but not limited to, operating, maintenance, capital, and City administration costs for the purposes described in Section 2 of this ordinance.

Section 2. The purpose of the Coronavirus Local Fiscal Recovery Fund authorized in Section 1 of this ordinance is to manage proceeds to The City of Seattle from the federal Coronavirus Local Fiscal Recovery Fund grant authorized by the U.S. Congress.

Section 3. The Coronavirus Local Fiscal Recovery Fund shall receive revenues from the federal Coronavirus Local Fiscal Recovery Fund grant or transfer. The Fund shall receive earnings on its positive balances and pay interest on its negative balances.

Section 4. The City Budget Director shall have responsibility for administering the Coronavirus Local Fiscal Recovery Fund. The Director of Finance is authorized to create accounts or subaccounts as may be needed to implement the Fund’s purpose and intent as established by this ordinance.

Section 5. The Mayor or the Mayor’s designee is authorized to accept the following non-City funding from the grantors listed below, and to execute, deliver, and perform, on behalf of The City of Seattle, agreements for the purposes described below. The funds, when received, shall be deposited in the receiving funds identified below.

Item	Department	Grantor	Purpose	Fund	Amount
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5.1	Finance General	United States - Federal Coronavirus Local Fiscal Recovery Funds	Recovery from COVID-19 and its impacts	Coronavirus Local Recovery Fund (14000)	\$91,170,814
5.2	Finance General	United States - Federal Coronavirus Local Fiscal Recovery Funds	Recovery from COVID-19 and its impacts (revenue backfill)	General Fund (00100)	\$25,000,000
5.3	Executive (Office of Housing)	Federal HOME Funds	Permanent affordable housing	Low-Income Housing Fund (16400)	\$12,220,684
TOTAL					\$128,391,498

Section 6. Contingent upon the execution of the grants or other funding agreements authorized in Section 5 of this ordinance, the appropriations for the following items in the 2021 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
6.1	Seattle Department of Human Resources	Coronavirus Local Fiscal Recovery Fund (14000)	HR Services (BO-HR-N6000)	\$50,000
6.2	Department of Finance and Administrative Services	Coronavirus Local Fiscal Recovery Fund (14000)	City Purchasing and Contracting Services (BO-FA-CPCS)	\$450,000
6.3	Executive (Office of Economic Development)	Coronavirus Local Fiscal Recovery Fund (14000)	Business Services (BO-ED-X1D00)	\$500,000
6.4	Executive (Office of Economic Development)	Coronavirus Local Fiscal Recovery Fund (14000)	Business Services (BO-ED-X1D00)	\$22,000,000
6.5	Executive (Office of Economic Development)	Coronavirus Local Fiscal Recovery Fund (14000)	Business Services (BO-ED-X1D00)	\$300,000
6.6	Seattle Public Library	Coronavirus Local Fiscal Recovery Fund (14000)	The Seattle Public Library (BO-SPL)	\$1,100,000
6.7	Department of Education and Early Learning	Coronavirus Local Fiscal Recovery Fund (14000)	Post-Secondary Programs (BO-EE-IL300)	\$4,000,000
6.8	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Preparing Youth for Success (BO-HS-H2000)	\$500,000
6.9	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Supporting Affordability and Livability (BO-HS-H1000)	\$5,000,000

6.10	Department of Education and Early Learning	Coronavirus Local Fiscal Recovery Fund (14000)	Early Learning (BO-EE-IL100)	\$3,000,000
6.11	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Supporting Affordability and Livability (BO-HS-H1000)	\$690,000
6.12	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Supporting Safe Communities (BO-HS-H4000)	\$600,000
6.13	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Preparing Youth for Success (BO-HS-H2000)	\$600,000
6.14	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Promoting Public Health (BO-HS-H7000)	\$225,000
6.15	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Addressing Homelessness (BO-HS-H3000)	\$1,300,000
6.16	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Addressing Homelessness (BO-HS-H3000)	\$2,300,000
6.17	Executive (Office of Housing)	Coronavirus Local Fiscal Recovery Fund (14000)	Multifamily Housing (BO-HU-3000)	\$2,000,000
6.18	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Addressing Homelessness (BO-HS-H3000)	\$7,500,000
6.19	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Addressing Homelessness (BO-HS-H3000)	\$6,700,000
6.20	Executive (Office of Housing)	Coronavirus Local Fiscal Recovery Fund (14000)	Multifamily Housing (BO-HU-3000)	\$16,300,000
6.21	Human Services Department	Coronavirus Local Fiscal Recovery Fund (14000)	Addressing Homelessness (BO-HS-H3000)	\$500,000
6.22	Executive (Office of Arts & Culture)	Coronavirus Local Fiscal Recovery Fund (14000)	Public Art (BO-AR-2VMA0)	\$375,000
6.23	Seattle Center	Coronavirus Local Fiscal Recovery Fund (14000)	Campus (BO-SC-60000)	\$200,000
6.24	Seattle Department of Transportation	Coronavirus Local Fiscal Recovery Fund (14000)	ROW Management (BO-TR-17004)	\$300,000
6.25	Seattle Department of Transportation	Coronavirus Local Fiscal Recovery Fund (14000)	ROW Management (BO-TR-17004)	\$625,000
6.26	Seattle Parks and Recreation	Coronavirus Local Fiscal Recovery Fund (14000)	Recreation Facility Programs (BO-PR-50000)	\$1,400,000
6.27	Seattle Parks and Recreation	Coronavirus Local Fiscal Recovery Fund (14000)	Parks and Facilities Maintenance and Repairs (BO-PR-10000)	\$1,250,000
6.28	Seattle Parks and Recreation	Coronavirus Local Fiscal Recovery Fund (14000)	Recreation Facility Programs (BO-PR-50000)	\$500,000
6.29	Seattle Information Technology Department	Coronavirus Local Fiscal Recovery Fund (14000)	Applications (BO-IT-D0600)	\$225,000

6.30	Seattle Information Technology Department	Coronavirus Local Fiscal Recovery Fund (14000)	Applications (BO-IT-D0600)	\$6,000,000
6.31	Department of Finance and Administrative Services	Coronavirus Local Fiscal Recovery Fund (14000)	Facilities Services (BO-FA-FACILITY)	\$300,000
6.32	Department of Finance and Administrative Services	Coronavirus Local Fiscal Recovery Fund (14000)	Facilities Services (BO-FA-FACILITY)	\$1,300,000
6.33	Human Services Fund	Human Services Fund (16200)	Addressing Homelessness (BO-HS-H3000)	\$400,000
6.34	Seattle Information Technology Department	Coronavirus Local Fiscal Recovery Fund (14000)	Applications (BO-IT-D0600)	\$500,000
6.35	Executive (City Budget Office)	Coronavirus Local Fiscal Recovery Fund (14000)	City Budget Office (BO-CB-CZ000)	\$275,000
6.36	Executive (Office of Housing)	Low-Income Housing Fund (16400)	Multifamily Housing (BO-HU-3000)	\$12,220,684
TOTAL				\$101,48

Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

Section 7. The appropriations for the following items in the 2021 Adopted Budget and project allocations in the 2021-2026 Adopted Capital Improvement Program are modified as follows:

Item	Department	Fund	Budget Summary Level	Additional Budget Appropriation	CIP Project Name
7.1	Seattle Department of Transportation	Coronavirus Local Fiscal Recovery Fund (14000)	Mobility-Capital (BC-TR-19003)	\$1,875,000	BMP - Greenways (MC-TR-C063)
Net Change				\$1,875,000	

These modifications shall operate for the purposes of decreasing or increasing the bases for the limit imposed by subsection 4(c) of Ordinance 126237.

Section 8. Statement of Intent. By establishing this Section 8, the Council and the Mayor express their

policy intent to prioritize use of federal funds from the American Rescue Plan Act of 2021 to maintain programs and services that support the City's public health response; provide critical resources to those disproportionately impacted by COVID-19, including Black, Indigenous, Latinx, and other communities of color, immigrants, the lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA) community, women, low-income households, people experiencing homelessness or housing insecurity, and people who work in the creative economy; and invest in small and micro-businesses and workforce development.

Investments will focus on addressing the ongoing health needs and both the short- and long-term economic and social impacts of the COVID-19 pandemic, building on and expanding the types of investments funded in the JumpStart Seattle COVID Relief Plan in 2020 and 2021. The City will prioritize opportunities to partner with local non-profit organizations that are culturally relevant and historically rooted in communities that have been disproportionately impacted by COVID-19, and have organizational staff and board composition that seek to reflect the community they serve, for the purposes of direct grants and/or allocation of grants to community.

The following policy intent shall guide the expenditures authorized in Sections 6 and 7 of this ordinance:

A. Section 6, line 6.3: \$500,000 to the Office of Economic Development (OED) to partner with the Port of Seattle to provide youth employment and paid internship opportunities targeting youth who are most underserved in our region between the ages of 16 to 24 years old, including Black, Indigenous, and other people of color (BIPOC). This funding will broaden the program to ensure that BIPOC organizations or organizations that work with BIPOC youth qualify.

B. Section 6, line 6.4: \$22,000,000 is allocated to OED to promote recovery of small and micro-businesses, neighborhoods, and Downtown. Use of funds should focus on programs that will respond to the immediate harms of the pandemic and to mitigate its longer-term impact in compounding the systemic public health and economic challenges of disproportionately impacted populations. Funding will be prioritized to support businesses and nonprofits who have experienced barriers to accessing other financial assistance, such as the Paycheck Protection Program, and may be used to support innovative new businesses launched by

BIPOC workers. Funds will be used to provide:

1. Grants to small and micro-businesses and non-profit organizations, to support reopening and recovery efforts.
2. Financial support for affordable commercial space, focusing on long-term leases, acquisition and tenant improvement to build community wealth.
3. Direct financial assistance to arts and cultural organizations and businesses, including stabilization grants and financial support for affordable commercial space.
4. Technical assistance, with in-language support, for small and micro-businesses and non-profit organizations to renegotiate leases, re-finance back rent, and continue to modify their business model in a post-COVID world.
5. Recovery grants to support neighborhood and Downtown activation, special events, and other neighborhood-specific economic development priorities, with a focus on supporting equity business districts.

C. Section 6, line 6.10: \$3,000,000 is allocated for additional compensation to supplement the wages of child care workers and other child care provider staff in recognition of the essential service they have provided during the pandemic and to help stabilize the child care industry, which is necessary not only for child care workers but also for the children and families they serve who otherwise may not be able to return to work without adequate and affordable childcare. Child care workers and provider staff typically earn low wages, yet they have continued to put themselves at risk during the pandemic by providing in-person care to children and families, including care for children attending school online, thereby enabling parents and caregivers to participate in the workforce. The premium pay may be distributed as a lump sum directly to child care workers and provider staff or may be allocated to providers for distribution to their employees.

D. Section 6, line 6.11: \$690,000 is allocated to support restaurants preparing free meals to those in need, while supporting local farms and producers and building long-term local supply chain relationships. Such funds should be used to contract with an organization, such as Seattle Good Business Network, that has

supported these community kitchens throughout the COVID-19 pandemic.

E. Section 6, lines 6.12 and 6.13: \$1,200,000 is allocated to the Human Services Department to support a trauma-informed response to those most impacted by the COVID pandemic and the economic effects of public health directives. Six hundred thousand dollars is allocated to support programs for survivors of gender-based violence, including at least \$85,000 for organizations which provide legal assistance for immigrant and refugee survivors of gender-based violence, such as King County Sexual Assault Resource Center and Northwest Immigrant Rights Project. Six hundred thousand dollars is allocated for programs supporting mental health and behavioral services for individuals, youth and families, including services provided at emergency shelters and supportive housing.

F. Section 6, line 6.14: \$225,000 is allocated to provide diapers to families in need. Such funds should be used to contract with an organization whose mission is to provide essential items to local children in need by collecting and distributing diapers, clothing, and equipment, such as WestSide Baby.

G. Section 6, line 6.26: \$1,400,000 is allocated to Seattle Parks and Recreation (SPR) to support scholarships for child care services provided at SPR related facilities in the summer and fall of 2021, and to support the opening of eight wading pools, seven days a week, from the end of June to Labor Day of 2021.

H. Section 6, line 6.27: \$1,250,000 is allocated to SPR to support enhanced maintenance and custodial cleaning efforts (e.g., litter collection, comfort station cleaning visits, etc.) at parks, community centers, and other facilities expected to see heavy use in the spring, summer, and early fall of 2021.

I. Section 6, line 6.28: \$500,000 is provided to SPR to support expanded activation at parks that build community by providing cultural and recreational activities; and support artists and small businesses, including food trucks or food carts and other vendors, as they rebuild after the pandemic. This effort could serve as a model to be funded with future JumpStart Seattle economic resiliency funding.

J. Section 6, lines 6.29 and 6.35: \$500,000 is allocated to measure and evaluate the impacts of the City's recovery investments; lead a data disaggregation pilot to better understand resident needs and assets; implement

a cohesive common application tool for new and existing City recovery investments; and provide centralized marketing and compensation for Community-Based Organizations (CBOs) to increase awareness of recovery programs among under-resourced communities. This should include establishing an Equitable Recovery Evaluation Pilot intended to prioritize racial equity in investment strategies, program development, and impact assessment, and to identify best practices to deepen the impact of City recovery investments. The pilot program will work with partners to set citywide best practices for disaggregating data in line with City data privacy principles. In addition, the pilot will select at least three investment areas and use data disaggregated by race and ethnicity to determine appropriate investment priorities; collaborate with impacted communities for program development and deployment; and use collected data to evaluate program effectiveness in serving most impacted communities. At the end of the evaluation period, a report with lessons learned and policy implications will be developed for application to a broader range of City programs and departments. The pilot program will be based on implementation of a cohesive common application tool that reduces time and effort for residents to find and apply for recovery funds. This tool collects applicant data centrally, making it possible to evaluate investments across the City, including the pilot program.

K. Section 6, line 6.34: \$400,000 is allocated to the Human Services Department to support the operation of new tiny home villages. These funds will be provided in concert with \$2 million for tiny home villages in the State 2021-2023 Capital Budget and unspent appropriations from Council Budget Actions HOM-008-B-002 and HOM-009-B-002 in the 2021 Adopted Budget to ensure that initial operational funds are available to establish more than three tiny home villages supported by the State's capital funding. The Human Services Department should conduct its work to assess locations for tiny home villages, including initial community engagement, examination of environmental hazards, and estimates for site improvements, with the assumption that no fewer than nine new tiny home villages will be supported by the funds discussed above, additional future appropriations, or by private donations.

Section 9. Future Actions. By establishing this Section 9, the Council and the Mayor express their

policy intent to implement via future legislation the following:

A. The City, through this appropriations bill and future bills, will use CLFR and HOME funds to provide the Office of Housing (OH) at least \$40,000,000 in funding for loans to affordable housing providers to acquire properties that support or create permanent affordable housing. OH shall prioritize acquisitions that result in new units of permanent supportive housing and housing serving households at or below 50 percent of Area Median Income. OH should also prioritize the acquisition of multifamily rental housing projects that are under construction. In addition, when loaning funds for acquiring properties, OH will prioritize working with local, community-based, non-profit organizations that are culturally relevant and historically rooted, and have organizational staff and board composition that seek to reflect the community they serve, for the purposes of direct grants and/or allocation of grants to community, particularly when an acquisition is located in an area that is at high risk for displacement. The OH Director may use funds to support up to 100 percent of the acquisition costs while maximizing leverage from other fund sources.

B. The City anticipates receiving an additional \$7,400,000 of ARPA funds from the Washington State Department of Human Services, of which at least \$1,500,000 is intended to increase contracts for contracted providers serving seniors in 2021, with a focus on addressing senior isolation and other impacts of the pandemic.

Section 10. Ratify and Confirm. Any act taken by the City pursuant to the authority and in compliance with the conditions of this ordinance but prior to its effective date is ratified and confirmed.

Section 11. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Aly Pennucci / 8-8148	William Chen / 233-7274

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE related to the City’s response to the COVID-19 crisis; creating a new Fund in the City Treasury; amending Ordinance 126237, which adopted the 2021 Budget, including the 2021-2026 Capital Improvement Program (CIP); accepting funding from non-City sources; changing appropriations to various departments and budget control levels, and from various funds in the 2021 Budget; revising project allocations for certain projects in the 2021-2026 CIP; modifying or adding provisos; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: In response to the ongoing COVID-19 pandemic public health emergency and resulting economic downturn, the U.S. Congress passed, and the President signed, the American Rescue Plan Act of 2021 (ARPA) in March 2021. While ARPA provided some direct assistance to the American people, it also contained support for state and local governments to provide existing and expanded responsive services.

This legislation creates a few Fund in the City Treasury for the deposit and spending of RARPA dollars. A new fund is needed for the City to manage and maintain accurate accounting and reporting to the federal government required of the large and complex sum of Coronavirus Local Fiscal Recovery (CLFR) Fund expenditures. Without this new fund, tracking the CLFR funds and reporting on spending to the granting authority will be very difficult, thus jeopardizing the funds, themselves.

It also accepts \$116 million of CLFR Funds allocated to the City in 2021 and \$12.2 million of HOME Funds contained in ARPA. This legislation appropriates approximately \$103.4 million of those funds – subsequent legislation will accept and address spending for the CLFR funds the City will receive in 2022.

The funds are appropriated as follows (the item number corresponds to the items in the Council Bill/Ordinance):

Community Recovery: \$23,000,000

6.1 Seattle Department of Human Resources \$50,000 (HR Services (BO-HR-N6000))
This item supports employment pathways, investments in City apprenticeship, internship, and mentoring programs and other supports structured to improve equity at higher pay levels within City government.

6.2 Department of Finance and Administrative Services \$450,000 (City Purchasing and Contracting (BO-FA-CPCS))

This item provides additional funding to existing pre-apprenticeship programs (e.g., Priority Hire), including wrap-around services and retention programs.

6.3 Office of Economic Development \$500,000 (Business Services (BO-ED-X1D00))

This item provides funding for a partnership with the Port of Seattle to provide youth employment and paid internship opportunities targeting BIPOC youth who are most underserved in our region between the ages of 16 to 24 years old. This funding will broaden the program to ensure that BIPOC organizations or organizations that work with BIPOC youth qualify.

6.4 Office of Economic Development \$22,000,000 (Business Services (BO-ED-X1D00))

This item provides funding to support individual small businesses and organizations impacted by COVID and recovery grants for neighborhoods throughout Seattle. Recovery grants will support activations, special events, cleanup, and other neighborhood-specific economic development priorities. Small business support will include technical assistance, direct financial assistance, and commercial affordability support. Direct financial assistance for arts and cultural organizations and other community organizations will provide COVID-related relief and facilities support.

Community Well-Being: \$41,015,000

6.5 Office of Economic Development \$300,000 (Business Services (BO-ED-X1D00)) This appropriation focused on digital equity will provide computers and subsidized wi-fi to individuals disproportionately impacted by COVID-19. This plan includes distribution and digital literacy assistance that will enable them to access career services and training for reemployment.

6.34 Seattle Information Technology Department \$500,000 (Applications (BO-IT-D0600)) This item will fund digital equity programs such as the Technology Matching Fund, increasing affordable internet connectivity in high needs areas, or providing assistance to residents needing help with basic use of computers, internet, and online services and applications.

6.6 Seattle Public Libraries \$1,100,000 (Library Program and Services (BO-SPL))

This item will restore Library operating hours to pre-pandemic levels. General Fund support for operating hours was reduced in the 2021 Adopted Budget to alleviate the revenue shortfall anticipated as a result of the COVID-19 public health emergency.

6.7 Department of Education and Early Learning \$4,000,000 (Post-Secondary Programs (BO-EE-IL300))

This item provides support for equity-focused and data-driven enhancements to the Seattle Promise program.

6.8 Human Services Department \$500,000 (Preparing Youth for Success (BO-HS-H2000)) This item provides funding for community-based organizations to provide culturally responsive pre-employment programming and support services with an emphasis on BIPOC youth.

6.9 Human Services Department \$5,000,000 (Supporting Affordability and Livability (BO-HS-H1000))

This item provides funding to increase to the Human Services Department's Community Facilities / Child Care Bonus Programs to support development or expansion of child care facilities. Existing resources for childcare facilities are limited.

6.10 Department of Education and Early Learning \$3,000,000 (Early Learning (BO-EE-IL100))

This item provides funding to supplement the wages of child care workers and other child care provider staff in recognition of the essential service they have provided during the pandemic. Child care workers and provider staff typically earn low wages, yet they have continued to put themselves at risk during the pandemic by providing in-person care to children and families, including care for children attending school online, thereby enabling parents and caregivers to participate in the workforce.

6.11 Human Services Department \$690,000 (Supporting Affordability and Livability (BO-HS-H1000))

This item provides funding to contract with an organization that directly funds restaurants to prepare free meals to those in need, while supporting local farms and producers and building long-term local supply chain relationships.

6.12 Human Services Department \$600,000 (Supporting Safe Communities (BO-HS-H4000))
Investments in gender-based violence response services

This item provides funding to support programs for survivors of gender-based violence, particularly programs impacted by Federal reductions in Victims of Crime Act (VOCA) funds, including at least \$85,000 for organizations which provide legal assistance for immigrant and refugee survivors of gender-based violence, such as King County Sexual Assault Resource Center and Northwest Immigrant Rights Project.

6.13 Human Services Department \$600,000 (Preparing Youth for Success (BO-HS-H2000))

Investments in mental health services for individuals, youth, families

This item provides funding to expand contracts for programs supporting mental health and behavioral services for individuals, youth and families, including services provide at emergency shelters and supportive housing, such as services provide by organizations such as YouthCare.

6.14 Human Services Department \$225,000 (Promoting Public Health (BO-HS-H7000))

This item provides funding to diapers to families in need through a contract with an organization whose mission is to provide essential items to local children in need by collecting and distributing diapers, clothing, and equipment, such as WestSide Baby.

Housing/Homelessness: \$49,220,684

6.15 Human Services Department \$1,300,000 (Addressing Homelessness (BO-HS-H3000))

This item provides diversion funding for those persons experiencing homelessness.

6.16 Human Services Department \$2,300,000 (Addressing Homelessness (BO-HS-H3000)) This item provides funding for homelessness service providers to build capacity in their programs to

ensure support of high-acuity clients, long-term stability of organizations and higher achievement of performance outcomes.

6.17 Office of Housing \$2,000,000 (Multifamily Housing (BO-HU-3000))

This item provides funding for existing permanent supportive housing (PSH) and non-PSH affordable housing providers to ensure support of highly vulnerable and low-income populations, and provide stabilization to organizations so they may continue to operate effectively and develop new projects in the years ahead.

6.18 Human Services Department \$7,500,000 (Addressing Homelessness (BO-HS-H3000))

This item provides funding to support non-congregate shelter and intensive support services for chronically homeless individuals.

6.19 Human Services Department \$6,700,000 (Addressing Homelessness (BO-HD-H3000))

This item provides funding for rapid rehousing programs.

6.20 Office of Housing \$16,300,000 (Multifamily Housing (BO-HU-3000))

This item provides funding to acquire properties that support or create permanent affordable housing.

6.21 Human Services Department \$500,000 (Addressing Homelessness (BO-HD-H3000))
safe lots

This item provides funding to support up to two RV safe lots serving about 25 RVs, including case management to move those residing in RVs into permanent housing and services to meet the basic needs of RV residents utilizing the safe lot.

6.33 Human Services Department \$400,000 (Addressing Homelessness (BO-HS-H3000))

This item provides funding to increase resources to support the operation, maintenance, and services for new tiny house villages.

6.36 Office of Housing \$12,220,684 (Multifamily Housing (BO-HU-3000))

This item provides funding for permanent housing using HOME Funds.

Community Assistance & Programming: \$7,025,000

6.22 Office of Arts & Culture \$375,000 (Public Art (BO-AR-2VMA0))

This item provides support for the Created Commons program which will employ artists to provide cultural performances and activate public spaces Downtown and in other neighborhoods.

6.23 Seattle Center \$200,000 (Campus (BO-SC-60000))

This item will support summer and fall activation at the Seattle Center campus, including outdoor movies and other public events.

6.24 Seattle Department of Transportation \$300,000 (ROW Management (BO-TR-17004))

This item funds the costs associated with "Safe Starts" outdoor dining and retail permits and other public space permits to support recovery, allowing SDOT to offer these permits at no cost to businesses for 2021.

6.25 Seattle Department of Transportation \$625,000 (ROW Management (BO-TR-17004)) This proposal would fund the necessary work to make permanent the current temporary "Stay Healthy Streets" program. This work would include permanent signage and minor modifications to greenways. This represents the operational costs of item 7.1, which appropriates capital costs

6.26 Seattle Parks and Recreation \$1,400,000 (Recreation Facility Programs (BO-PR-50000)) This proposal provides resources to invest in community programming including scholarships for summer childcare, community center operations/programming, and wading pools.

6.27 Seattle Parks and Recreation \$1,250,000 (Parks and Facilities Maintenance and Repairs (BO-PR-10000))

This proposal provides resources for SPR to safely support community use of public parks and open space including enhanced maintenance and custodial cleaning efforts (e.g., litter collection, comfort station cleaning visits, etc.) as these parks, community centers and other facilities are expected to see heavy use in spring, summer and early fall. Funds also support summer nighttime closures at Alki and Golden Gardens Beaches.

6.28 Seattle Parks and Recreation \$500,000 (Recreation Facility Programs (BO-PR-50000))

This item will support expanded activation at parks that builds community by providing cultural and recreational activities; and support artists and small businesses, including food trucks or food carts and other vendors, as they rebuild after the pandemic. This effort could serve as a model to be funded with future Jumpstart economic resiliency funding.

6.29 Seattle Information Technology Department \$225,000 (Applications (BO-IT-D0600))

This item provides support for optimization of existing City affordability investments, and implementation of a unified application tool for those investments. There is a related item in the City Budget Office, 6.35.

6.35 City Budget Office \$275,000 (City Budget Office (BO-CB-CZ000))

This item provides support for conducting impact analysis and evaluation of the City's recovery investments, optimization of existing City affordability investments, and implementation of a unified application tool for those investments. There is a related item in the Seattle Information Technology Department, 6.29.

7.1 Seattle Department of Transportation \$1,875,000 (Mobility-Capital (BC-TR-19003)) This proposal would fund the necessary work to make permanent the current temporary "Stay Healthy Streets" program. This work would include permanent signage and minor modifications to greenways. This represents the capital costs of item 6.25, which appropriates operational costs.

Supporting City Services and Workers: \$7,600,000

6.30 Seattle Information Technology Department \$6,500,000 (Applications (BO-IT-D0600))
 This appropriation will enable Seattle IT to provide critical IT infrastructure needs by purchasing devices, enhancing cybersecurity, and supporting increased demand for IT services due to increased teleworking. Funding will also be used to support digital equity, including an additional \$330,000 for the Technology Matching Fund.

6.31 Department of Finance and Administrative Services \$300,000 (Facilities Services (BO-FA-FACILITY))
 This item provides support for enhanced cleaning of City buildings which will be needed when service centers and offices reopen.

6.32 Department of Finance and Administrative Services \$1,300,000 (Facilities Services (BO-FA-FACILITY))
 This item provides funding for updated signage, air filtration, space reconfiguration, and other supplies in City offices.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? X Yes No

Please see item 7.1 above for a description of the CIP amendment.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
			\$103,360,684	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
	\$25,000,000		\$103,391,498	
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
 Strategic use of Rescue Plan Act funds will allow Seattle to rebound and recover from the COVID-19 pandemic and resulting economic downturn. This is likely to result in higher City tax revenues than if these funds are not accepted and appropriated.

Is there financial cost or other impacts of *not* implementing the legislation?

Yes, grant funds provided to the City from the federal government will go unaccepted and unspent.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

See the list of items above for changes to appropriations.

Is this change one-time or ongoing?

One-time.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2021 Revenue	2022 Estimated Revenue
Coronavirus Local Recovery Fund (14000)	FG	U.S. Federal Coronavirus Local Fiscal Recovery Funds	\$91,170,814	\$116,170,814
General Fund (00100)	FG	U.S. Federal Coronavirus Local Fiscal Recovery Funds	\$25,000,000	
Low-Income Housing Fund (16400)	OH	Federal HOME Funds	\$12,220,684	
TOTAL			\$128,391,498	

Is this change one-time or ongoing?

One-time.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

This budget bill will impact several City departments. Those departments are listed in the appropriations sections above.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

According to a [Seattle Foundation report](#) from July 2020, “BIPOC communities have been particularly impacted by the COVID-19 economic crisis for three primary reasons (1) overrepresentation in vulnerable jobs, (2) inequitable hiring and firing practices, and (3) barriers to receiving small business aid.” BIPOC patients have also had worse health outcomes during the pandemic, including higher per-capita cases, hospitalization, and death rates. There are many factors contributing to this, such as poor access to health care, including culturally competent care, distrust of the health care system, and living in multi-generational households. Upstream of these outcomes are factors like living in neighborhoods with worse environments, lacking adequate food access, underinvestment in schools, and access to good jobs. All of these conditions can be traced to historic and current racist institutional policies, practices, and laws.

BIPOC respondents, especially Black and Hispanic respondents, in a Washington State Department of Health [survey](#) of King County residents reported significantly worse impacts from the pandemic across all the above dimensions and more. Native Hawaiian/Pacific Islander COVID case rates were the highest among all ethnic groups in King County when disaggregated from the Asian category.

This deployment of federal funds is meant to address the impacts of COVID-19, and the Mayor and City Council have put together a package with a lot of items across different categories of spending. Prior to the pandemic there were already deep inequities in our city. The pandemic has exacerbated these inequities, and this bill attempts to address them with the funding package, and not exacerbate them. This bill, combined with other City COVID-related efforts, makes strategic investments in our small businesses, child care, low-income housing, education, youth programs, job retraining and apprenticeships, resources for people experiencing homelessness, meals for vulnerable populations, as well as supporting the City’s efforts to provide free COVID-19 testing and vaccines.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?

N/A

List attachments/exhibits below:

June 3, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Aly Pennucci, Policy and Budget Manager
Subject: Seattle Rescue Plan 1: Council Bills 120093 and 120094

On Friday, June 4, 2021, the Finance and Housing Committee (Committee) will discuss Council Bills (CBs) [120093](#) and [120094](#) that together comprise the Seattle Rescue Plan 1 (the Plan). The Plan includes accepting and authorizing spending funds from the \$1.9 trillion federal American Rescue Plan Act (ARPA). Seattle will receive nearly \$300 million from ARPA, including \$232 million in local direct aid (flexible funding from the Coronavirus Local Fiscal Recovery [CLFR] funds) and other targeted aid. Half of the CLFR funds are included in the Plan and will be spent in 2021; the second half of the CLFR funds will be included in the 2022 Adopted Budget.

CBs 120093 and 120094 would accept a total of \$128 million and authorize spending a total of \$128 million.

CB 120093 would:

- accept \$116 million of CLFR funds (direct aid),
- accept \$12 million of HOME Investment Partnerships Program funds (targeted aid), and
- authorize spending \$103 million for investments in: housing and homelessness; community and small businesses recovery; community well-being; community assistance and programming; and reopening City programs and services.

CB 120094 would authorize spending \$25 million to provide direct cash assistance to residents who have been disproportionately impacted by the COVID-19 emergency.

This memorandum:

1. provides background information on the federal funds and development of the Plan;
2. summarizes the Plan's spending proposals;
3. highlights policy considerations for the Committee's deliberations; and
4. outlines next steps.

Background

H.R. 1319 – American Rescue Plan Act (ARPA)

On March 11, 2021, [H.R. 1319 \(ARPA\)](#) became law. Passed by the United States (U.S.) Congress, ARPA includes approximately \$1.9 trillion for COVID relief programs across the country. In addition to aid in ARPA for targeted programs, such as emergency rental assistance and grants to restaurants through the Small Business Administration program, the bill allocated \$219.8 billion of direct aid that provides flexible funding to eligible state, territorial, metropolitan city, county, and Tribal governments. The City's share of that CLFR direct aid is \$232 million: the federal government transmitted \$116 million to the City in 2021; and the City anticipates receiving the second half in mid-2022.

ARPA provides that municipalities may use CLFR funds to:

- A. 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;
- B. Provide premium pay to eligible workers performing essential work during the COVID-19 public health emergency;
- C. Provide 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
- D. Make necessary investments in water, sewer, or broadband infrastructure.

Municipalities must use CLFR funds by December 31, 2024. The U.S. Department of the Treasury published an [Interim Final Rule](#) on May 17, 2021 that provides more guidance on the implementation of CLFR funds.¹

¹ The Plan is informed by this guidance. The comment period on the interim rule is open through July 16, 2021. It may be necessary in the future to adjust the City's proposed use of CLFR funds based on final guidance.

Development of the Seattle Rescue Plan 1

On March 22, 2021, the City Council adopted [Resolution \(RES\) 31999](#) establishing the Council’s priorities for use of future federal and state funding for the continuing COVID public health emergency response. Following adoption of that resolution, it was clear the Council and the Mayor had shared priorities for use of federal resources. Chair Mosqueda, Council President González, and the Mayor jointly developed the Plan, informed by:

- RES 31999 outlining Council’s principles and priorities for use of federal funds;
- Input from stakeholders during listening sessions and walking tours organized by the Mayor focused on downtown businesses, small businesses, unions, community organizations and non-profits;
- Input from community organizations and other cities during the Council’s Finance and Housing Committee; and
- Feedback received during a public hearing on May 4, 2021 and public comment in multiple Finance and Housing Committee meetings during April and May, as well as other discussions that individual councilmembers and the Mayor had with stakeholders.

The Plan is also informed by State and County spending that will support statewide and countywide recovery efforts, including those in Seattle. Consistent with RES 31999, the Plan is intended to leverage shared resources to ensure that the City’s response is addressing gaps in service as well as expanding the City’s financial partnership with King County to support County programs and services that primarily benefit households, workers, nonprofit organizations, and small businesses in Seattle.²

Seattle Rescue Plan 1 (CBs 120093 and 120094)

The legislation would authorize spending about \$128 million in 2021 to support Seattle’s recovery from the COVID-19 emergency. Spending is proposed in five main categories, broken down as follows:

Category	Amount
Housing and Homelessness	\$49.2M
Community Well-Being	\$41.5M
Community and Small Business Recovery	\$23.0M
Supporting City Services and Workers	\$7.6M
Community Assistance & Programming	\$7.0M
TOTAL	\$128.4M

Numbers may not add up due to rounding.

² Funding for vaccination efforts is an example of where the City determined there was not a gap in service provisions that required additional funds from the City’s ARPA resources. The County passed [King County - File #: 2021-0155 \(legistar.com\)](#) on May 25, 2021 authorizing \$631 million in COVID-19 recovery spending; of that, about \$116 million is for vaccination efforts. Conversely, there was an opportunity for the City to partner with the County to support enhanced shelter and outreach programs, similar to the approach piloted by JustCARE. The Plan includes a proposal to use \$7.5 million of ARPA funds for this use to match the \$7.5 million County investment.

A more detailed summary of the Plan can be found in Attachments 1 to this memo and the presentation attached the June 4th Committee agenda.

The Plan’s categories differ from the priority categories outlined in RES 31999. For reference, the proposed spending by the priorities identified in RES 31999 are as follows:

Category	Amount
Homelessness and Housing	\$49.2M
Small businesses, worker assistance, and workforce recovery	\$31.8M
Community well-being and Immigrant and refugee support	\$26.9M
Revenue replacement and financial resilience	\$9.2M
Childcare	\$8.0M
Transportation	\$2.5M ³
Food Assistance	\$690k ⁴
TOTAL	\$128.4M

Numbers may not add up due to rounding.

Policy Considerations

Staff identified the following policy questions to consider as the Committee deliberates on the proposed Seattle Rescue Plan 1 and considers potential amendments:

1. What is most equitable? How are investments addressing systemic inequities that were exacerbated by the pandemic and helping communities that have been most impacted to recover and build wealth?

The Interim Final Rule includes the following description of the impacts of the COVID-19 crisis:

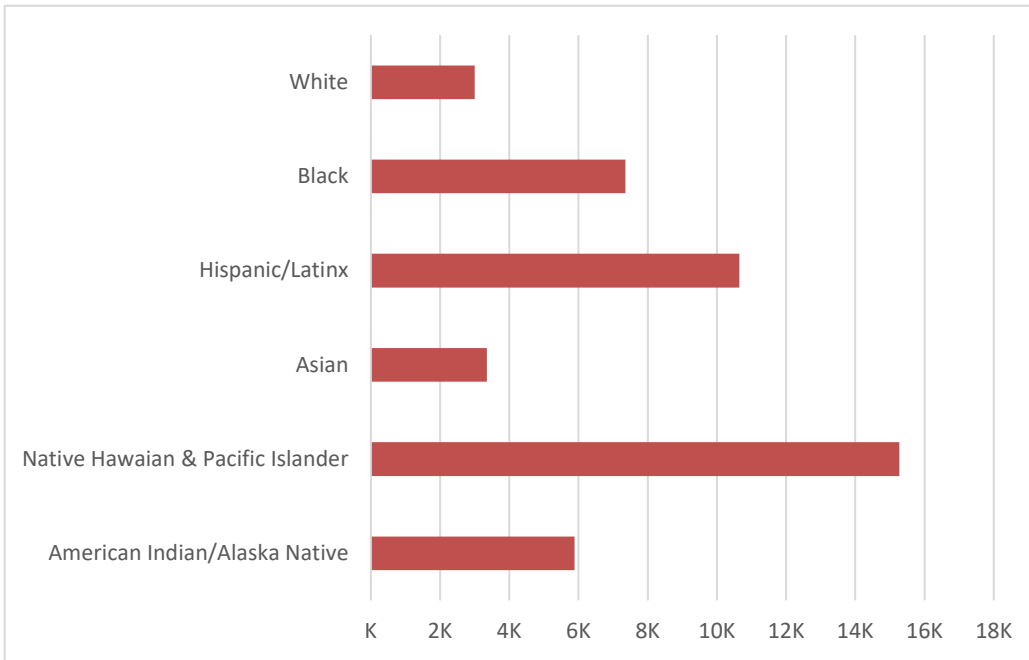
“[T]he disease has infected over 32 million and killed over 575,000 Americans. The disease has impacted every part of life: As social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs. In April 2020, the national unemployment rate reached its highest level in over seventy years following the most severe month-over-month decline in employment on record. As of April 2021, there were still 8.2 million fewer jobs than before the pandemic. During this time, a significant share of households have faced food and housing insecurity... Finally, although the pandemic’s impacts have been widespread, both the public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began. Low-income communities, people of color, and Tribal communities have faced higher rates of infection, hospitalization, and death, as well as higher rates of unemployment and lack of basic necessities like food and housing...”
(emphasis added).

³ This funding will be used to make 20 of the 26 miles of "Stay Healthy Streets" permanent to support neighborhood and business reopening. Investments in transportation infrastructure, such as bridges, called for in the resolution, is not an eligible use of the CLFR funds.

⁴ [ORD 126320](#), passed in April included about \$9M for food services.

This summary describing disparate impacts nationally is consistent with the disparate impacts experienced in the Seattle area. [Multiple data points](#) published by King County Public Health demonstrates this, such as the disparities revealed in the rate of COVID-19 cases in King County when disaggregated by race and ethnicity (see Chart 1). This illustrates that rates among white residents are significantly lower (2,997 per 100,000 residents) compared to communities of color (see Chart 1).

Chart 1. Rate of COVID-19 cases in King County by race and ethnicity (age adjusted)⁵



Other available data also supports the conclusion that communities of color in Seattle have been disproportionately impacted by the pandemic, such as the demographics of King County workers filing new unemployment claims between March 15, 2020, and April 24, 2021. Fifty-six percent of workers whose race/ethnicity was Native Hawaiian/Pacific filed new unemployment claims, 43.5 percent of Black/African American workers, and 40.1 percent of American Indian/Alaska Native workers, compared to 24.7 percent of white workers filing new claims during this period.⁶

With all of this in mind, Section 8 of CB 120093 includes a statement of intent to provide direction to departments as they implement the Plan. The intent is that all the proposed

⁵ Source: King County: Public Health – Seattle & King County Race and ethnicity data dashboard last updated May 24, 2021: [COVID-19 data dashboard by race/ethnicity - King County](#). King County used a statistical method called age- adjusted so that rates across race/ethnicity groups that have different age distributions can be compared with one another.

⁶ Source: See the Demographics of King County workers filing new unemployment claims, March 15,2020-April 24, 2021: King County: Public Health – Seattle & King County [COVID-19 data dashboard: Unemployment impacts - King County](#).

investments are prioritized to provide critical resources to those disproportionately impacted by COVID-19, including Black, Indigenous, Latinx, and other communities of color, immigrants, the lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA) community, women, low-income households, people experiencing homelessness or housing insecurity, and people who work in the creative economy. Furthermore, if funding is used to contract with an outside organization, the City will prioritize opportunities to partner with local community based organizations that are culturally relevant, are historically rooted in communities that have been disproportionately impacted by COVID-19, and have organizational staff and board composition that seek to reflect the communities they serve.

2. What is the desired balance between direct support to people and businesses versus general support for community organizations, business districts, and service providers?

The Plan includes funding for both direct support to individual people and businesses (e.g., \$25 million for direct cash assistance to those disproportionately impacted by the COVID-19 emergency; \$3 million in support for child care workers who have been performing essential work during the COVID-19 public health emergency) as well as support for organizations, business districts, and service providers (e.g., \$1.2 million for programs and services for gender-based violence response services and investments in mental health and behavioral health services for individuals, youth, families, behavior health services; and \$4.3 million for capacity building to support homelessness service providers, permanent supportive housing (PSH) providers and non-PSH supportive housing providers).

The majority of the spending proposed in the Plan will be provided to organizations that provide critical services to the community (including \$28.5 million for acquisition and development of permanent affordable housing). The most significant proposed spending that provides direct support to people is the \$25 million for cash assistance to support Seattle's low-income households, prioritizing communities that have been disproportionately impacted by the COVID-19 public health crisis. In terms of direct financial assistance to businesses, the Plan includes \$22 million; some of that will be used for direct financial assistance (grants) to small- and micro-businesses and non-profit organizations to support reopening and recovery efforts; these funds can also be used to provide technical support to businesses and non-profits, as well as to provide grants to organizations to support neighborhood and downtown activation, special events, and other neighborhood-specific economic development priorities.

3. What will have the biggest impact (Balancing spending on one-time strategies (e.g., smaller grants to nonprofits and businesses) versus investments in long-term assets (building acquisition)?

The ARPA funds must be expended by the end of 2024; and the Plan is only authorizing spending on a one-time basis. The Plan includes proposed spending on a both one-time strategies and investments in long-term assets. One-time strategies include strategies such as grants to businesses and non-profits, grants to neighborhood organizations, or direct cash assistance. Investments in long-term assets include funding for the acquisition or

development of permanent affordable housing. The combination is intended to provide immediate aid to address critical needs in the community while also investing in strategies that will provide long-term benefits for the communities' health and economic recovery.

In addition to considering spending on one-time strategies versus investments in long-term assets, councilmembers may want to consider the proposed uses of federal funds that may set expectations for ongoing funding (e.g., investment in behavioral health services, or investments to enhance financial assistance and other supports for students enrolled in the Seattle Promise program). Such investments will need funding in future years or will need to be abruptly ended. In other cases, the proposed use will require funding beyond 2021 but is related to the City's ongoing COVID-19 response and recovery efforts (e.g., funding to support an impact analysis and evaluation of recovery investments, and data disaggregation). Any of the proposed spending in the Plan that assumes or may set expectation for ongoing funding, if approved, will need to be returned to for additional discussion as the Council considers the 2022 Proposed Budget later this year.

Next Steps

The Committee will consider amendments and may vote on the Seattle Rescue Plan 1 (CBs 120093 and 120094) on June 15, 2021. If needed, the Committee will continue discussion and vote on the Plan on June 15, 2021. Councilmembers requests for amendments are due to Central Staff by noon on Tuesday, June 8, 2021 for consideration at the June 15, 2021 meeting.

Attachments:

1. Seattle Rescue Plan Summary

cc: Dan Eder, Interim Director



Attachment 1: Seattle Rescue Plan Summary

On June 1, 2021, the City Council will introduce legislation to authorize spending resources provided from the Federal American Rescue Plan Act (ARPA). This includes \$116 million of Coronavirus Local Fiscal Recovery Funds the City will receive in 2021 and \$12.2 million of HOME Investment Partnerships Program funds. A second bill will be introduced later this summer to accept and authorize spending approximately \$7.4 million of targeted aid authorized in ARPA to support seniors, and \$28.7 million of targeted aid for rental assistance programs. The proposed uses of these new federal resources are informed by the principles and priorities established by the Council in Resolution 31999 and reflects shared priorities with the Mayor.

Proposed Investments by Category	
Housing and Homelessness	\$49.2 million
Community Well-Being	\$41.5 million
Community and Small Business Recovery	\$23 million
Community Assistance & Programming	\$7 million
Supporting City Services and Workers	\$7.6 million
TOTAL	\$128.4 million

Summary of Proposed Investments

Housing and Homelessness – \$49.2 million

Investments in Permanent Housing – \$36.5 million

- \$28.5 million for acquisition and development of permanent affordable housing prioritizing working with local, community-based, non-profit organizations that are culturally relevant and historically rooted, particularly when an acquisition is located in an area that is at high risk for displacement. For the purposes of these partnerships, the organization staff and board composition should reflect the community they purport to serve.
- \$6.7 million for rapid rehousing to help individuals and families to quickly exit homelessness and return to permanent housing. Rapid rehousing provides housing search services, financial assistance for up to 12 months for rent and move-in costs, and case management services.
- \$1.3 million in increased funding for diversion. Diversion provides services and flexible financial assistance to allow an individual or household to avoid becoming homeless. The services typically include family and landlord mediation, budgeting and financial counseling, and assessment and referral to income support programs and public benefits.

Resources for Emergency Housing, Shelter and Services – \$12.7 million

- \$7.5 million for an enhanced shelter and outreach program to support the County’s RFP for a program that uses a model similar to the approach piloted by JustCare.

- \$4.3 million for capacity building to support homelessness service providers, permanent supportive housing (PSH) providers and non PSH supportive housing providers.
- \$500,000 for RV safe lots, including case management to move those residing in RVs into permanent housing and services to meet the basic needs of RV residents utilizing the safe lot.
- \$400,000 to increase resources to support the operation, maintenance, and services for new Tiny Home Villages. These funds will be provided in concert with \$2 million for tiny home villages in the State 2021-2023 Capital Budget and unspent appropriations from Council Budget Actions HOM-008-B-002 and HOM-009-B-002 in the 2021 Adopted Budget to ensure that sufficient operational funds are available to establish the tiny home villages supported by the State’s capital funding.

Community Well-being – \$41.5 million

Community Assistance for a trauma-informed response – \$35.1 million

- \$25 million in direct cash assistance prioritized for those disproportionately impacted by the COVID public health crisis.
- \$5 million to support development or expansion of child care facilities.
- \$3 million to support child care workers who have been performing essential work during the COVID-19 public health emergency.
- \$1.2 million for programs and services for gender-based violence response services and investments in mental health and behavioral health services for individuals, youth, families, behavior health services.
- \$690,000 to support restaurants preparing free meals to those in need, while supporting local farms and producers and building long-term local supply chain relationships.
- \$225,000 to support organizations, such as WestSide Baby, to increase diaper distribution.

Digital Equity – \$800,000

- \$800,000 to expand the Digital Bridge Pilot, support for Digital Navigators, and Community Grants for one-time infrastructure investments to increase free Wi-Fi and other affordable connectivity options.

Reopening City Services – \$1.1 million

- \$1.1 million to restore operating hours at Seattle Public Libraries.

Youth Equity and Opportunity – \$4.5 million

- \$4 million for equity-focused and data-driven enhancements to the Seattle Promise program.
- \$500,000 to provide mini grants to community-based organizations for preemployment summer programming for BIPOC youth.

Community and Small Business Recovery – \$23 million

Neighborhood and Downtown Recovery – \$22 million

- Funding will prioritize those who have been unable to access other financial assistance, such as the Paycheck Protection Program, and may also be used to support innovative new businesses launched by BIPOC workers who lost their jobs or were forced to quit their jobs as a result of the pandemic.
 - Financial support to small- and micro-businesses and non-profit organizations to support reopening and recovery efforts, including support for affordable commercial space, securing long term leases, acquisition, and tenant improvement to build community wealth.
 - Financial support for arts and cultural organizations and businesses including stabilization grants and financial support for affordable commercial space.
- Technical assistance for small and micro-businesses and non-profit organizations to renegotiate leases, re-finance back rent, and continue to modify their business model in a post-COVID world, including in-language support.
- Recovery grants to support neighborhood and downtown activation, special events, and other neighborhood-specific economic development priorities.

Job Training – \$1 million

- \$500,000 to support retraining, pre-apprenticeship, and retention programs for displaced workers, targeting BIPOC workers and women with a focus on opportunities in construction, IT, blue/green manufacturing, or other high-paying industries.
- \$500,000 to partner with the Port of Seattle to provide youth employment/paid internship opportunities targeting BIPOC youth who are most underserved in our region between the ages of 16-24 years old.

Community Assistance & Programming – \$7 million

- \$2.5 million to make 20 of the 26 miles of Stay Healthy Streets permanent.
- \$1.4 million to support scholarships for child care services provided at SPR facilities this summer and fall; and to open eight wading pools, seven days a week, this summer.
- \$1.25 million for enhanced maintenance services at parks, community centers, and other parks facilities that are expected to see heavy use in spring, summer, and early fall.
- \$500,000 for an impact analysis and evaluation of recovery investments and will include data disaggregation as requested by community, and implementation of a unified application tool for City assistance programs.
- \$500,000 to support expanded activation at parks that builds community by providing cultural and recreational activities; and support artists and small businesses, including food trucks or food carts and other vendors, as they rebuild after the pandemic. This effort could serve as a model to be funded with future Jumpstart economic resiliency funding.

- \$375,000 to launch the Created Commons program that will bring cultural and artistic activation to public spaces in downtown and other neighborhoods.
- \$300,000 to support the continuation of free outdoor dining and retail permits for another year.
- \$200,000 for summer activation at Seattle Center.

Supporting City Services and Workers – \$7.6 million*

- \$6 million to continue to support flexible work by upgrading technology needs to support teleworking and on-site work and other IT needs that were reduced due to 2021 budget cuts.
- \$1.6 million to support workers returning to work and the public visiting City facilities with investments in deep cleaning City buildings, PPE, signage, air filtration, and space reconfiguration.

** The City is evaluating the potential to offer some form of additional compensation to acknowledge employees who have been reporting to a City workplace as part of providing essential public services during the COVID-19 public health emergency. If such an approach is pursued it would be implemented via future legislation.*



SEATTLE RESCUE PLAN 1

Council Bills 120093 & 120094

Aly Pennucci, Policy and Budget Manager, Council Central Staff

Julie Dingley, Fiscal and Policy Manager, City Budget Office

FINANCE AND HOUSING COMMITTEE | JUNE 4, 2021

American Rescue Plan Act (ARPA)

- Seattle will receive nearly \$300M of the \$1.9T total, including \$232M in local direct aid (flexible funding from the Coronavirus Local Fiscal Recovery [CLFR] funds) and other targeted aid
- This is the first of several ordinances that will allocate ARPA funds
- Seattle Rescue Plan 1 includes:
 - \$116M for 2021 for CLFR and
 - \$12.2M HOME grant
- Seattle Rescue Plan 2 will include targeted aid for:
 - Rental assistance (\$28.7M) and
 - Support for seniors (\$7.4M)

Seattle Rescue Plan 1 - Council Bills 120093 & 120094

1. Council Bill 120093

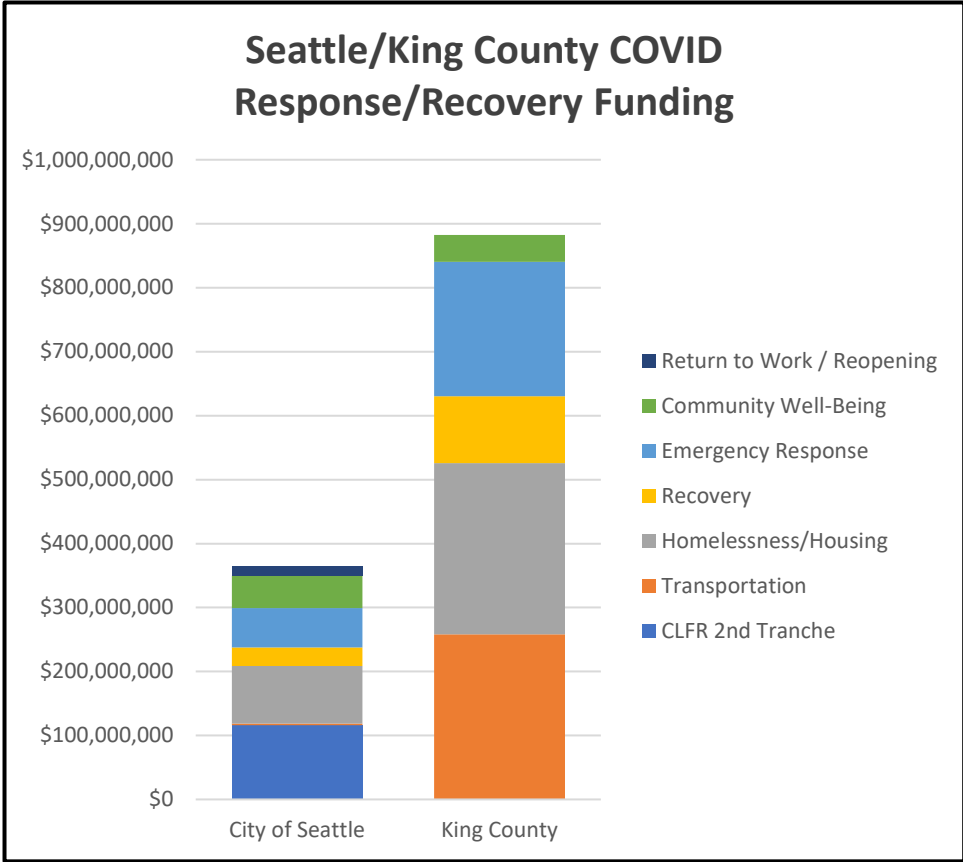
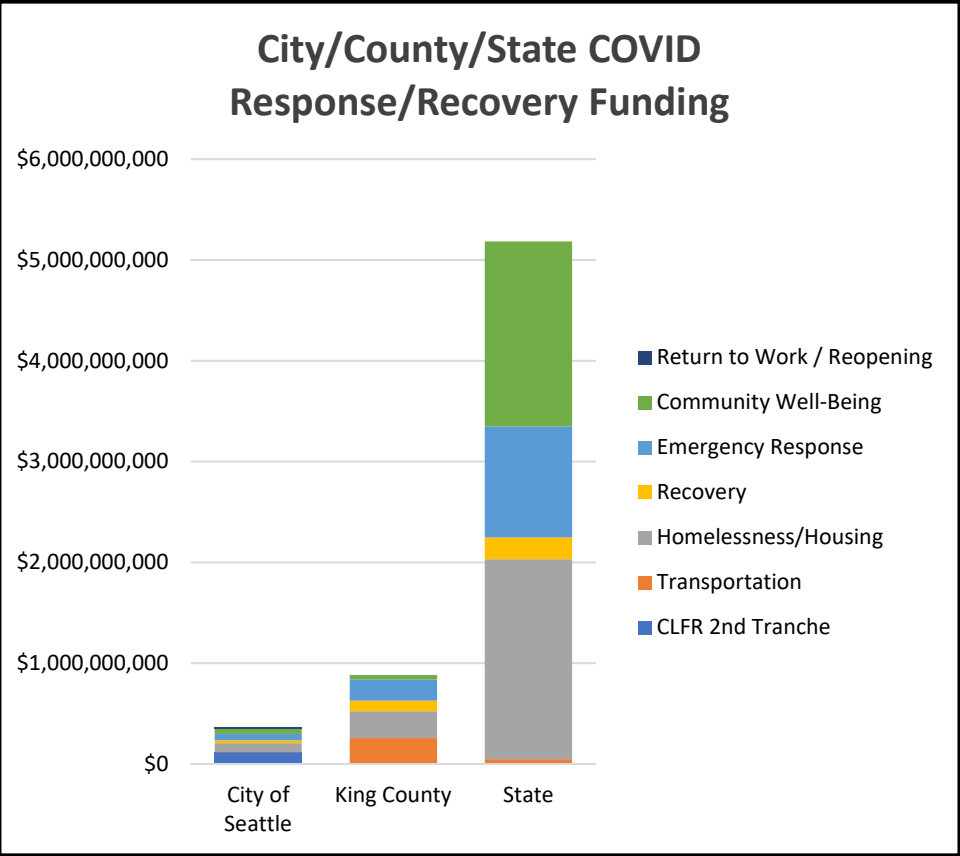
- Accepts two ARPA Grants:
 - Coronavirus Local Fiscal Recovery Funds (Tranche 1): \$116M
 - \$12.2M ARPA HOME Investment Partnerships Program
- Authorizes \$103M in expenditures and \$25M of revenue replacement

2. Council Bill 120094

- Authorizes \$25M for Direct Cash Assistance

Alignment with State/County COVID Response Funding

Funds coming to the City are part of a recovery response taking shape at every level of government



Alignment for Key Issues with State and County

Category	City of Seattle	King County	State
Transportation	\$2,617,679	\$258,199,722	\$50,000,000
Transportation	\$2,617,679	\$258,199,722	\$50,000,000
Homelessness/Housing	\$89,922,623	\$267,498,695	\$1,981,988,000
Homelessness/Housing	\$89,922,623	\$267,498,695	\$1,981,988,000
Recovery	\$28,820,000	\$104,687,327	\$217,300,000
Arts/Culture		\$51,450,000	
Economic Recovery	\$28,820,000	\$53,237,327	\$207,300,000
Recovery			\$10,000,000
Emergency Response	\$61,500,000	\$210,152,424	\$1,100,000,000
Emergency Response	\$61,500,000	\$210,152,424	\$1,100,000,000
Community Well-Being	\$50,874,600	\$41,950,000	\$1,802,600,000
Cash Assistance	\$25,000,000		\$704,100,000
Child Care	\$8,600,000	\$6,000,000	\$821,700,000
Food	\$8,759,600	\$6,000,000	\$143,600,000
Digital Equity and Access	\$800,000		\$22,400,000
Behavioral Health	\$600,000	\$18,000,000	\$110,800,000
Community Well-Being	\$7,115,000	\$11,950,000	

Note: This table includes estimated funding from all planned/anticipated sources for COVID-19 response in 2021-2022, but is not inclusive of all city, county, and state efforts for COVID-19. This does not include \$116M the City of Seattle will receive in 2022.

Highlights of County Proposals

- \$100M for emergency rental assistance
- \$50M to support emergency homelessness response and related behavioral health services
- \$7.5M to establish a new targeted homeless outreach and shelter program for one year (Serves as an alternative to the Public Defender Association operated JustCARE program)
- \$2M for digital equity grants to CBOs to provide digital access and fluency services to vulnerable populations
- \$1.5M to support individuals experiencing domestic violence and sexual violence who may be experiencing increased violence, isolation, and lethality risk due to COVID-19
- \$116M to continue and scale up the county's COVID-19 mass vaccination program through September 2021

Seattle Rescue Plan 1 Development

- Chair Mosqueda, Council President González, and the Mayor jointly developed the “Seattle Rescue Plan,” a funding plan that uses Seattle’s 2021 ARPA allocation to kick start our city’s recovery
- Proposal is informed by:
 - Resolution 31999 outlining Council’s principles and priorities for use of federal funds
 - Input from stakeholders during listening sessions and walking tours organized by the Mayor that focused on downtown businesses, small businesses, unions, community organizations, non-profits, and City staff
 - Committee panel with community organizations and other cities
 - Council Public Hearing on May 4th and public comment in committee meetings in April and May

Seattle Rescue Plan Spending Priorities

- Shelter and housing support for those who are currently unhoused
- Small business and non-profit recovery
- Neighborhood recovery and activation
- Direct assistance to residents
- Supports to community health and mental health
- Education equity, employment, and job pathways
- Reopening City services

Seattle Rescue Plan Policy Intent

- Maintain programs and services that support the City's public health response and recovery
- Address both the short- and long-term economic and social impacts of the COVID-19 pandemic, building on and expanding the types of investments funded in the Jump Start COVID Relief Plan in 2020 and 2021
- Consistent with the federal guidance on use of CLFR funds, provide critical resources to those disproportionately impacted by COVID-19 through direct assistance, services, and investments in small and micro-businesses, nonprofits, and workforce development
- Prioritize opportunities to partner with local organizations that are culturally relevant and historically rooted in communities that have been disproportionately impacted by COVID-19, and have organizational staff and board composition that seek to reflect the community they serve

Seattle Rescue Plan

\$128 MILLION



Housing &
Homelessness

\$49.2
MILLION



Community & Small
Business Recovery

\$23
MILLION



Community
Well-Being

\$41.5
MILLION



Community Assistance
& Programming

\$7
MILLION



Reopening City
Programs & Services

\$7.6
MILLION

Seattle Rescue Plan



Housing & Homelessness
\$49.2 MILLION



**Investments in
Permanent Housing**



**Resources for Emergency
Housing, Shelter and Services**

Housing & Homelessness

Investments in permanent housing strategies

Permanent Housing Capital: \$28.5M

Funds to acquire and build an additional 300 permanent affordable housing units in 2021 and 2022

- Anticipate significant leverage of state capital dollars and anticipate O&M + Services using new state funds
- Estimate could create about 300 units, assuming \$90-95M total investment (City + State leverage)

Housing & Homelessness

Investments in permanent housing strategies

Permanent Housing Capital: Policy Intent

- Provide at least \$40M for permanent affordable housing capital (acquisition or development) in 2021-2022
- Prioritize the acquisition of multifamily rental housing projects that are under construction
- Seek acquisitions resulting in new units of permanent housing, including permanent supportive housing and housing serving households at or below 50 percent of Area Median Income
- Prioritize working with local, community-based, non-profit organizations that are:
 - Culturally relevant and historically rooted, particularly when an acquisition is in an area that is at high risk for displacement; and
 - Have staff and board members who reflect the community they purport to serve

Housing & Homelessness

Investments in permanent housing strategies

Rapid Rehousing: \$6.7 million

- Expands Rapid Rehousing Services to transition 185 households to permanent housing through 2022
- Provides housing search services, financial assistance for up to 12 months for rent and move-in costs, and case management services

Diversion: \$1.3 million

- Expands Diversion support for an estimated 250 households in 2021
- Provides services and flexible financial assistance to allow an individual or household to avoid becoming homeless, including:
 - Family and landlord mediation;
 - Budgeting and financial counseling; and
 - Assessment and referral to income support programs and public benefits

Housing & Homelessness

Resources for
Emergency
Housing, Shelter,
and Services

Enhanced Shelter & Outreach: \$7.5 million

- Funds for additional shelter and outreach to create and maintain at least 130 units
- Provide a match for the County's RFP for a program that uses a model similar to the approach piloted by JustCARE

RV Safe Lots: \$500,000

- Expand Safe Lots to support 25 RVs in 2021
- Includes case management to move those residing in RVs into permanent housing and services to meet the basic needs of RV residents utilizing the safe lots

Housing & Homelessness

Resources for Emergency Housing, Shelter, and Services

Tiny Home Villages: \$400,000

- Support the operation, maintenance, and services for new Tiny Home Villages (THVs)
- \$400,000 could support operations at three THVs for two months or two THVs for three months
- Funding is provided in concert with \$2M for THVs in the State 2021-2023 Capital Budget and unspent appropriations from Council Budget Actions HOM-008-B-002 and HOM-009-B-002 in the 2021 Adopted Budget

Capacity Building: \$4.3M

- Support for homeless service and permanent supportive housing (PSH) and non-PSH housing providers to expand capacity and stabilize staffing

Homelessness and Housing Summary

Investment Area	Amount	# Households (HH) Served or Units
Additional Diversion	\$1.3M	250 HH
Increase Rapid Rehousing	\$6.7M	185 HH
Permanent Housing Capital	\$28.5M*	300 Units
RV Safe Lot	\$500k	25 RVs
Outreach and Shelter (KC RFP)	\$7.5M	100-200 units
Tiny House Villages – operations & maintenance	\$400k	-
Capacity Building for HMLS, PSH, and non-PSH providers	\$4.3M	-

**At least \$40M will be committed to permanent affordable housing capital in 2021-2022*

Seattle Rescue Plan



Community Well-Being

\$41.5 MILLION



**Direct Cash
Assistance &
Community
Support**



**Digital
Equity**



**Restoring
City Services
/ Library
Hours**



**Youth Equity &
Opportunity**

Community Well-being

Community
Assistance for a
trauma-informed
response

Cash Assistance to Residents: \$25M

- Contract with a third-party provider to provide direct cash assistance to qualifying residents
- Partner with community-based organizations to conduct outreach, assist with applications, and provide in-language assistance
- Amount could provide over 10,000 households with an average of \$2,000 in direct cash assistance, allowing people to make their own decisions about immediate needs
 - 2020 JumpStart COVID Relief Plan's Seattle Disaster Relief Fund provided cash assistance to 3,307 HH with awards ranging between \$1,000 - \$3,000

Community Well-being

Community
Assistance for a
trauma-informed
response

Child Care Facilities: \$5M

- Expand the Human Services Department's (HSD) Community Facilities / Child Care Bonus Programs
- HSD is aware of approximately 15 centers in early- to mid-planning stages seeking funding
- Support pre-development investments for communities with historical barriers to capital that will result in more childcare options in those communities

Community Well-being

Community
Assistance for a
trauma-informed
response

Child Care Workers: \$3M

- Recognize the essential service they have provided during the pandemic by:
 - providing in-person care to children and families
 - caring for children attending school online
 - enabling parents and caregivers to participate in the workforce
- \$3M will provide about \$1,000 to 2500 child care workers

Community Well-being

Community
Assistance for a
trauma-informed
response

Gender-based violence response services: \$600,000

- Funds will help close service gap caused by increased demand for services in 2020 and 2021, and reductions in federal funds
- Support for survivors will include mobile legal advocacy, housing, culturally specific and/or bilingual services, housing and relocation assistance, advocacy for victim-defendants, emergency financial assistance, as well as civil legal support for immigrant and refugee survivors

Mental & behavioral health services: \$600,000

- Will fund services for individuals, youth, and families, including services provided at emergency shelters and supportive housing

Community Well-being

Community
Assistance for a
trauma-informed
response

Other Community Support: \$915,000

- \$690,000 to support restaurants preparing free meals to those in need, while supporting local farms and producers and building long-term local supply chain relationships
- \$225,000 to support organizations, such as WestSide Baby, to increase diaper distribution

Community Well-being

Digital Equity

Digital Equity: \$800,000

- Support digital equity programs such as the Technology Matching Fund, increasing affordable internet connectivity in high needs areas
- Provide computers and subsidized Wi-Fi to individuals disproportionately impacted by COVID-19, including distribution and digital literacy assistance

Community Well-being

Reopening City Services

Restoring Hours at Seattle Public Libraries: \$1.1M

- Restore Library operating hours to pre-pandemic levels
- General Fund support for operating hours was reduced in the 2021 Adopted Budget to alleviate the revenue shortfall anticipated as a result of the COVID-19 public health emergency

Community Well-being

Youth Equity and Opportunity

Seattle Promise: \$4M

- Enhancing student financial assistance:
 - Increasing the Equity Scholarship (\$0.7M)
 - Student Enrollment Fees (\$0.2M)
 - Sustain Increased Enrollment (\$0.2M)
 - Washington State Opportunity Scholarship Investment (\$0.2M)
- Increasing support for students transitioning into and out of the program, and for program completion:
 - Readiness Academy/Academic Bridge (\$0.9M)
 - Completion Commitment (\$0.8M)
 - Transfer Support to 4-year Colleges (\$0.5M)
 - Enhance Support for Students (\$0.4M)
 - Program Staffing Support (\$0.1M)

Community Well-being

Youth Equity and Opportunity

Youth Employment: \$500,000

- \$500,000 to provide mini grants to community-based organizations for preemployment summer programming for BIPOC youth

Community Assistance for a Trauma-Informed Response: \$35.1 M

Investment Area	Amount
Cash Assistance	\$25M
Child care facilities (new or expanded)	\$5M
Child care workers	\$3M
Youth Equity and Opportunity	\$4.5M
Supporting restaurants offering mutual aid	\$690,000
Diaper distribution	\$225,000

Seattle Rescue Plan



Community & Small Business Recovery

\$23 MILLION



**Neighborhood and
Downtown Recovery**



Job Training

Community & Small Business Recovery

Neighborhood and Downtown Recovery

Neighborhood & Downtown Recovery: \$22M

- Prioritize those who have experience barriers to access other financial assistance, such as the Paycheck Protection Program
- Support innovative new businesses launched by BIPOC workers who lost their jobs or were forced to quit their jobs as a result of the pandemic
- Grants to small- and micro-businesses and non-profit organizations to support reopening and recovery efforts, including support for affordable commercial space, securing long term leases, acquisition, and tenant improvement to build community wealth
 - The City's Small Business Stabilization Fund has distributed over \$10 million to nearly 1,500 small businesses and economic opportunity non-profits

Community & Small Business Recovery

Neighborhood and Downtown Recovery

Neighborhood and Downtown Recovery (cont.)

- Financial support for arts and cultural organizations and businesses including stabilization grants and financial support for affordable commercial space
- Technical assistance for small and micro-businesses and non-profit organizations to renegotiate leases, re-finance back rent, and continue to modify their business model in a post-COVID world, including in-language support
- Recovery grants to support neighborhood and downtown activation, special events, and other neighborhood-specific economic development priorities

Community & Small Business Recovery

Job Training

Job Training: \$1M

- \$500,000 to support retraining, pre-apprenticeship, and retention programs for displaced workers, targeting BIPOC workers and women with a focus on opportunities in construction, IT, blue/green manufacturing, or other high-paying industries
- \$500,000 to partner with the Port of Seattle to provide youth employment/paid internship opportunities targeting BIPOC youth who are most underserved in our region between the ages of 16 and 24

Community & Small Business Recovery: \$23M

Category	Amount
Neighborhood and Downtown Recovery	\$22M
Job Training	\$1M

Seattle Rescue Plan



Community Assistance & Programming

\$7 MILLION



**Making Most
Stay Healthy
Streets
Permanent**



**Support
Child
Care
Services**



**Enhance
Services at
Parks &
Facilities**



**Extend Free
Permits for
Cafe Streets**

Community Assistance & Programming

Community Programming

Department of Transportation: \$2.8M

- \$2.5M to make permanent 20 of the 26 miles of Stay Healthy Streets
 - Includes permanent signage and minor modifications to greenways
- \$300,000 to offer free "Safe Start" outdoor dining and retail permits for another year; ORD 126339 extends these permits to May 31, 2022

Community Assistance & Programming

Community Programming and Maintenance

Seattle Parks and Recreation: \$3.15M

- \$1.4M to support:
 - Scholarships for child care services provided at SPR-related facilities in the summer and fall
 - Opening of eight wading pools, seven days a week, from the end of June to Labor Day
- \$1.25M to support enhanced maintenance and custodial cleaning efforts at parks, community centers and other facilities experiencing high use in summer and fall
- \$500,000 to support expanded activation at parks that:
 - Build community by providing cultural and recreational activities
 - Supports artists and small businesses, including food trucks or food carts and other vendors, as they rebuild after the pandemic
 - Effort could serve as a model to be funded with future Jump Start economic resiliency funding

Community Assistance & Programming

Community Programming

Seattle Center: \$200,000

- \$200,000 to support summer and fall activation at the Seattle Center campus, such as outdoor movies and other public events

Arts Activation: \$375,000

- \$375,000 to support the Created Commons program which would employ artists to provide cultural performances and activate public spaces in Downtown and other neighborhoods

Community Assistance & Programming

Community Assistance

Impact Analysis and Evaluation: \$500,000

- Measure and evaluate the impacts of the City's recovery investments
- Establish an Equitable Recovery Evaluation Pilot:
 - Use data disaggregated by race and ethnicity to determine appropriate investment priorities
 - Work with partners to set citywide best practices for disaggregating data in line with City data privacy principles
 - Implement a cohesive common application tool that reduces time and effort for residents to find and apply for recovery funds
 - Develop report on pilot program strategies for broader application across City programs

Community Assistance & Programming – \$7M

Category	Amount
Stay Healthy Streets	\$2.5M
Free outdoor dining and retail permits	\$300,000
Parks Programming and Maintenance	\$3.2M
Seattle Center & Arts activation	\$575,000
Impact Analysis & Evaluation	\$500,000

Seattle Rescue Plan



Reopening City Programs & Services

\$7.6 MILLION



**Support Flexible
City Workforce**



**Safeguard Public Buildings with
PPE, Cleaning, Filtration, etc.**

Supporting City Services & Workers

Technology Upgrades: \$6M

- Supports flexible work by upgrading technology needs to support teleworking, on-site work, and other IT needs that were reduced due to 2021 budget cuts

Return to Work Preparation: \$1.6M

- Supports workers returning to work and the public returning to public buildings with investments in deep cleaning City buildings, PPE, signage, air filtration, and space reconfiguration

Policy Considerations

- What is most equitable? How are investments addressing systemic inequities that were exacerbated by the pandemic and helping communities that have been most impacted to recover and build wealth?
- What is the desired balance between direct support to people and businesses versus general support for community organizations, business districts, and service providers?
- What will have the biggest impact? Balancing spending on one-time strategies (e.g., smaller grants to nonprofits and businesses) versus investments in long-term assets (building acquisition)?

Next Steps

- **TUESDAY, June 15:** Amendments* & Possible Vote: Seattle Rescue Plan 1 (CBs 120093 & 120094) **discussion may be continued at the June 16th meeting if needed*
 - **TUESDAY, June 8:** Amendment proposals due to Central Staff by **NOON**
- **MONDAY, June 21 or 28:** Final Council Action on Seattle Rescue Plan 1
- **July 2021:** Discussions and action on Seattle Rescue Plan 2



Legislation Text

File #: CB 120094, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE related to the City’s response to the COVID-19 crisis; amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing provisos; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

WHEREAS, the World Health Organization (WHO) has declared that the Coronavirus Disease 2019 (COVID-19) is a global pandemic, which is particularly severe in high-risk populations such as people with underlying medical conditions and the elderly, and the WHO has raised the health emergency to the highest level requiring dramatic interventions to disrupt the spread of this disease; and

WHEREAS, on February 29, 2020, the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19; and

WHEREAS, in response to outbreaks of COVID-19 in Seattle, Mayor Jenny Durkan proclaimed a civil emergency exists in Seattle in the Mayoral Proclamation of Civil Emergency dated March 3, 2020; and

WHEREAS, on March 5, 2020, the City Council adopted Resolution 31937 affirming the civil emergency, modifying orders transmitted by the Mayor related to the emergency, and establishing Council’s expectations related to future orders and reporting by the Mayor during the civil emergency; and

WHEREAS, on March 23, 2020, the Governor issued a “Stay Home, Stay Healthy” order, which, combined with other measures taken to prevent the transmission of COVID-19, effectively closed many businesses in the state of Washington; and

WHEREAS, local companies have reported laying off employees, experiencing substantial revenue losses, dealing with lost business due to fear and stigma, and seeing major declines in foot traffic as tens of thousands of employees are being asked to work from home; and

WHEREAS, the immediate economic impacts from the COVID-19 emergency have been drastic and are expected to last much longer than the civil emergency itself; and

WHEREAS, these impacts are being felt across all industry sectors, including retail, restaurant, hospitality, transportation, logistics, arts, and culture; and

WHEREAS, many people in Seattle continue to struggle with the impacts of the COVID-19 public health emergency and the measures taken to prevent its spread, including unemployment, housing insecurity, and food insecurity; and

WHEREAS, many of the impacts of the COVID-19 pandemic and resulting economic downturn are being felt disproportionately by Black, Latinx, Indigenous, and other communities of color; and

WHEREAS, undocumented immigrants are not eligible for unemployment insurance, health insurance through the Affordable Care Act, Medicare, many Medicaid programs, or many other social support programs; and

WHEREAS, The City of Seattle (“City”) recognizes that direct cash assistance to low-income people benefits the greater economy and allows people to make decisions about immediate needs; and

WHEREAS, there remains significant unmet need that is best addressed by providing direct cash assistance to the people of Seattle; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2021, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2021 Budget, appropriations for the following items in the 2021 Budget are increased from the funds shown, as follows:

Item	Fund	Department	Budget Summary Level	Amount
1.1	General Fund (00100)	Executive (Office of Immigrant and Refugee Affairs)	Office of Immigrant and Refugee Affairs (BO-IA-X1N00)	\$25,000,000
Total				\$25,000,000

Of the funding appropriated to the Office of Immigrant and Refugee Affairs (BO-IA-X1N00) Budget Summary Level in the 2021 Adopted Budget, \$25,000,000 shall be used (1) for direct financial assistance to Seattle’s low-income households who have experienced the economic impacts caused by the COVID-19 crisis and those disproportionately impacted by the COVID-19 public health crisis, and (2) to advise potential recipients of this temporary financial assistance to ensure it will not impact the recipients’ eligibility for, or result in loss of, any other income-tested benefits. Prior to the expenditure of any funds for direct financial assistance, the Executive will partner with Community-Based Organizations (CBOs) who have a history of trust and success in reaching historically underserved communities, including immigrant and refugee communities, Black, Latinx, and Indigenous communities, and other communities of color, to provide such assistance. CBOs will determine eligibility, including criteria to confirm income eligibility, prioritizing those who experience structural or institutional barriers to accessing support from the government (e.g., language barriers, risk of deportation), and those communities who have been disproportionately impacted by the COVID-19 crises. Requests for documentation of eligibility shall comply with Seattle Municipal Code Section 4.18.015, shall not impose an unnecessary burden on those applying for assistance, and shall not unnecessarily delay the approval and distribution process. Undocumented noncitizens and other noncitizens shall be eligible to receive these funds.

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG / CBO	Aly Pennucci / 48148	William Chen / 206-233-7274

* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

1. BILL SUMMARY

Legislation Title: AN ORDINANCE related to the City’s response to the COVID-19 crisis; amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; imposing provisos; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

Summary and background of the Legislation: In response to the ongoing COVID-19 pandemic public health emergency and resulting economic downturn, giving people in Seattle direct cash assistance can immediately provide flexible relief that they can use toward whatever best addresses their needs. Because not every household faces the same challenges, this flexibility is beneficial in making the assistance provided by the City most effective.

This bill appropriates \$25 million of General Fund to the Office of Immigrant and Refugee Affairs (OIRA). OIRA previously contracted with a CBO to establish the Seattle Disaster Relief Fund and pay out cash assistance awards to immigrants and refugees who were not eligible for federal relief checks and unemployment insurance. This new appropriation would allow OIRA to contract with additional CBOs to run a new round of applications and awards that prior recipients would be eligible to apply for again as well as new applicants. While the first round of relief targeted exclusively immigrant and refugee families, this round will be open to all low-income families of Seattle, with an emphasis on communities disproportionately impacted by COVID-19, including immigrant and refugee families and by Black, Latinx, Indigenous, and other communities of color.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes ___ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	\$25,000,000			
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022

Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
 Strategic deployment of assistance will allow Seattle to rebound and recover from the COVID-19 pandemic and resulting economic downturn. This is likely to result in higher City tax revenues than if these funds are not accepted and appropriated.

Is there financial cost or other impacts of *not* implementing the legislation?
 No.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2021 Appropriation Change	2022 Estimated Appropriation Change
General Fund (00100)	OIRA	Office of Immigrant and Refugee Affairs (BO-IA-X1N00)	\$25,000,000	
TOTAL			\$25,000,000	

*See budget book to obtain the appropriate Budget Control Level for your department.

Is this change one-time or ongoing?
 One-time.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?
 This budget bill will provide additional appropriations to the Office of Immigrant and Refugee Affairs.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

This legislation would provide cash assistance to those who have been hardest hit by the pandemic. This flexible aid will improve their ability to survive the pandemic and to make it through in a stronger position than they would without it.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

N/A

List attachments/exhibits below:



Legislation Text

File #: CB 120069, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

WHEREAS, independent contract work is a growing source of income for workers across the country; and

WHEREAS, in 2018, the United States Bureau of Labor Statistics (BLS) reported that 6.9 percent of workers (10.6 million individuals) gain their primary source of income as an independent contractor; and

WHEREAS, a 2019 Washington State Department of Commerce study found that independent contracting is on the rise in Washington state, increasing by 15 percent from 2008 to 2016; and

WHEREAS, independent contractors have the opportunity for increased flexibility and control over their work, but they also face challenges, such as working without employee protections, non-payment or late payment, lack of information about the terms and conditions of their work, and misclassification; and

WHEREAS, studies show that timely payment is an issue for independent contractors, including a Gallup, Inc. survey reporting that 39 percent of independent contractors reported problems with timely and accurate payment as compared to 18 percent of employees in traditional employment; and

WHEREAS, under current law, an independent contractor's primary legal recourse for non-payment or late payment is a legal action for breach of contract in small claims court or civil court, and the time and expense of going to court and/or hiring an attorney prevents many independent contractors from pursuing payment claims; and

WHEREAS, the Washington State Department of Commerce found that independent contractors reported

experiencing a weaker sense of economic security than in traditional jobs and shared their interest in a more centralized contract enforcement mechanism; and

WHEREAS, in Seattle, Transportation Network Companies (TNCs) and food delivery network companies must provide platform gig workers hired as independent contractors with certain information about their jobs and pay, but there are not comprehensive transparency requirements for all independent contractors working in Seattle; and

WHEREAS, a lack of transparency about job information and pay can lead to confusion or disagreement about the terms and conditions of work and mask deceptive payment practices; and

WHEREAS, large delivery businesses that make extensive use of workers hired as independent contractors have come under scrutiny for improperly paying delivery drivers, including failure to pay drivers all tips earned from customers or using tips to subsidize promised wages, and proving wage theft is difficult when hiring entities are not required to provide an itemized accounting of earnings; and

WHEREAS, in 2017, Instacart agreed to pay \$4.6 million and make changes to how it explains its fees to customers to settle a class-action lawsuit filed by shoppers and drivers over allegations of improper tip pooling, failure to reimburse workers for business expenses, and imposing a service fee reported to look like a tip; and

WHEREAS, in 2020, Door Dash agreed to pay \$2.5 million dollars in a settlement, including \$1.5 million dollars paid directly to eligible delivery drivers, with the Office of Attorney General of the District of Columbia over allegations that the company had misrepresented what tip amounts meant for worker pay and took tips from workers to lower the company's labor costs; and

WHEREAS, in 2019, the Los Angeles Times reported that Amazon delivery drivers suspected that Amazon was using their tips to subsidize promised wages but did not have breakdowns of their compensation as proof of this practice, and two drivers tested their suspicions by delivering items to their homes through Amazon and by tipping themselves amounts that Amazon ultimately did not include in their

compensation for the deliveries; and

WHEREAS, in February 2021, Amazon agreed to pay \$61.7 million in a settlement with the Federal Trade Commission (FTC) over allegations of withholding the full amount of customer tips from AmazonFlex drivers, and the FTC alleged that Amazon withheld this amount from workers by using the worker's tips to subsidize the company's guaranteed minimum base pay to drivers for each order. As part of the settlement agreement, Amazon was prohibited from misrepresenting any driver's income or rate of pay, the amount of tips paid to workers, the amount of tips paid by customers, and making changes to how tips are used as compensation without first obtaining the worker's express informed consent; and

WHEREAS, the definitions of "employee" and "employer" in local, state, and federal laws are broad, but large delivery businesses and other platform businesses rely on business models that hire platform gig workers as independent contractors, thereby creating barriers for gig workers to access employee protections; and

WHEREAS, Black and Latinx workers comprise almost 42 percent of platform gig workers for large delivery businesses and other platform businesses although they comprise less than 29 percent of the overall labor force; and

WHEREAS, misclassification is the practice of improperly classifying employees as independent contractors; and

WHEREAS, in 2019 the Harvard Law School Labor and Worklife Program reported that 19 percent of employers in the Seattle-Bellevue-Tukwila area engage in misclassification - higher than the statewide misclassification average of 13 percent - and that the prevalence of misclassification in Washington increased from 5 percent in 2008 to 14 percent in 2017, and averaged 16 percent over the past five years; and

WHEREAS, misclassification occurs in many growth industries such as home care, janitorial, trucking,

delivery, construction, personal services, hospitality and restaurants, and platform gig work; and

WHEREAS, in 2021, the National Equity Atlas, a research partnership between PolicyLink and the University of Southern California Equity Research Institute, reported that Black, Latinx, and immigrant workers are overrepresented in these industries, compared to their overall share of the labor force; and

WHEREAS, in 2020, the National Employment Law Project reported that it is increasingly clear that misclassification is an issue of racial justice as many poor workers of color and immigrant workers, deprived of the core rights and protections of employees, are stuck in a separate and unequal economy where they are underpaid, put in harm's way on the job, and left to fend for themselves; and

WHEREAS, in February 2019, the City Council (Council) passed Resolution 31863 to address the problem of misclassifying employees as independent contractors; and

WHEREAS, Resolution 31863 requested the Office of Labor Standards (OLS) and the Labor Standards Advisory Commission (LSAC) to work on policy, outreach and enforcement proposals to address the problem of misclassification; and

WHEREAS, in May 2020, the LSAC issued policy recommendations to create more transparency and access to information for workers hired as independent contractors, including recommendations for (1) pre-contract disclosures to provide independent contractors with basic job information and (2) payment disclosures to provide a description of the work performed and pay information; and

WHEREAS, requiring hiring entities to provide independent contractors with pre-contract and payment disclosures, along with requiring timely payment, aligns with transparency and pay requirements for employees in the Wage Theft Ordinance, Seattle Municipal Code (SMC) 14.20; and

WHEREAS, establishing rights to pre-contract and payment disclosures and timely payment helps all workers hired as independent contractors, and especially those who are misclassified and therefore deprived of the right to receive this information as employees; and

WHEREAS, in 2021, the Economic Policy Institute reported that workers of color predominate in the low-

paying jobs where misclassification is common and all workers who are misclassified suffer from lack of workplace protections but women, people of color, and immigrants face unique barriers to economic insecurity and disproportionately must accept low-wage, unsafe, and insecure working conditions; and

WHEREAS, The City of Seattle (City) is committed to ending racial disparities and achieving racial equity in Seattle; and

WHEREAS, it is the City's intent for correctly classified independent contractors, misclassified employees, and correctly classified employees to have equal baseline rights; and

WHEREAS, establishing efficient enforcement mechanisms for independent contractors to enforce such rights prevents theft of earned income, promotes the dignity of these vital workers, and increases their economic security and ability to care for themselves and their families; and

WHEREAS, preventing theft of an independent contractor's earned income also promotes business and economic development within the City by reducing unfair competition by unscrupulous hiring entities that do not pay or underpay independent contractors; and

WHEREAS, the City is a leader on wage, labor, and workforce practices that improve workers' lives, support economic security, and contribute to a fair, healthy, and vibrant economy; and

WHEREAS, establishing new labor standards for independent contractors, such as requirements for pre-contract disclosures, timely payment, and payment disclosures, requires appropriate action by the Council; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. A new Chapter 14.34 is added to the Seattle Municipal Code as follows:

Chapter 14.34 INDEPENDENT CONTRACTOR PROTECTIONS

14.34.010 Short title

This Chapter 14.34 shall constitute the "Independent Contractor Protections Ordinance" and may be cited as such.

14.34.020 Definitions

For purposes of this Chapter 14.34:

“Adverse action” means reducing compensation, garnishing tips or gratuities, temporarily or permanently denying or limiting access to work, incentives, or bonuses, offering less desirable work, terminating, deactivating, threatening, penalizing, retaliating, engaging in unfair immigration-related practices, filing a false report with a government agency, or otherwise discriminating against any person for any reason prohibited by Section 14.34.120. “Adverse action” for an independent contractor may involve any aspect of the contractor’s work, including compensation, work hours, responsibilities, or other material change in the terms and conditions in the ability of the independent contractor to perform services for or through the hiring entity. “Adverse action” also includes any action by the hiring entity or a person acting on the hiring entity’s behalf that would dissuade a reasonable person from exercising any right afforded by this Chapter 14.34.

“Agency” means the Office of Labor Standards and any division therein.

“Aggrieved party” means an independent contractor or other person who suffers tangible or intangible harm due to a hiring entity or other person's violation of this Chapter 14.34.

“Application dispatch” means technology that allows customers to directly request dispatch of independent contractors for provision of services and/or allows independent contractors or hiring entities to accept requests for services and payments for services via the internet using mobile interfaces such as, but not limited to, smartphone and tablet applications.

“City” means The City of Seattle.

“Commercial hiring entity” means a hiring entity regularly engaged in business or commercial activity. A hiring entity is regularly engaged in business or commercial activity if the hiring entity owns or operates any trade, occupation, or business, including a not for profit business, or holds itself out as engaging in any trade, occupation, or business. “Commercial hiring entity” does not include third parties purchasing services from hiring entities that hire platform gig workers to provide prearranged services.

“Compensation” means the payment owed to an independent contractor by reason of working for the hiring entity, including but not limited to hiring entity payments for providing services, bonuses, and commissions, as well as tips and service charge distributions.

“Director” means the Director of the Office of Labor Standards or the Director's designee.

“Director rules” means: (1) rules the Director or Agency may promulgate pursuant to subsection 14.34.130.B or 14.34.130.C; or (2) other rules that the Director identifies, by means of an Agency Q&A, previously promulgated pursuant to authority in this Title 14. Rules the Director identifies by means of an Agency Q&A shall have the force and effect of law and may be relied on by hiring entities, independent contractors, and other parties to determine their rights and responsibilities under this Chapter 14.34.

“Employ” means to suffer or permit to work.

“Employee” means any individual employed by an employer, including but not limited to full-time employees, part-time employees, and temporary workers. An employer bears the burden of proof that the individual is, as a matter of economic reality, in business for oneself rather than dependent upon the alleged employer.

“Employer” means any individual, partnership, association, corporation, business trust, or any entity, person or group of persons, or a successor thereof, that employs another person and includes any such entity or person acting directly or indirectly in the interest of an employer in relation to an employee. More than one entity may be the “employer” if employment by one employer is not completely disassociated from employment by the other employer.

“Hiring entity” means any individual, partnership, association, corporation, business trust, or any entity, person or group of persons, or a successor thereof, that hires an independent contractor to provide any service to the hiring entity or a third party.

“Hiring entity payment” means the amount owed to an independent contractor by reason of working for the hiring entity, including but not limited to payment for providing services, bonuses, and commissions.

“Independent contractor” means a person or entity composed of no more than one person, regardless of corporate form or method of organizing the person’s business, that is hired by a hiring entity as a self-employed person or entity to provide services in exchange for compensation. “Independent contractor” includes a platform gig worker. “Independent contractor” does not include:

1. Any person duly authorized to practice law and who is engaged in the practice of law for the services at issue;
2. Any person who is a licensed medical professional acting within the scope of that license for the services at issue; and
4. Pursuant to rules that the Director may issue, any person working in a profession that is governed by a comparable code of ethics and who is working within the scope of that profession for the services at issue.

“Online order” or “online order for work” means an order for services placed through an online-enabled application or platform, including but not limited to an application dispatch system, provided by a hiring entity.

“Platform gig worker” means an independent contractor hired by a hiring entity to provide prearranged services for compensation using an online-enabled application or platform to connect third parties (e.g., customers) with workers.

“Primary language” means the language in which the independent contractor feels most comfortable communicating.

“Rate of inflation” means 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed CPI-W, for the 12-month period ending in August, provided that the percentage increase shall not be less than zero.

“Respondent” means a hiring entity or any person who is alleged or found to have committed a violation of this ordinance.

“Successor” means any person to whom a hiring entity quitting, selling out, exchanging, or disposing of

a business sells or otherwise conveys in bulk and not in the ordinary course of the hiring entity’s business, a major part of the property, whether real or personal, tangible or intangible, of the hiring entity’s business. For purposes of this definition, “person” means an individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, corporation, business trust, partnership, limited liability partnership, company, joint stock company, limited liability company, association, joint venture, or any other legal or commercial entity.

“Tip” or “tips” means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of some service performed for the customer by the independent contractor receiving the tip.

“Written” or “writing” means a printed or printable communication in physical or electronic format, including but not limited to a communication that is transmitted through email, text message, or a computer or mobile system, or that is otherwise sent and maintained electronically.

14.34.030 Independent contractor coverage

A. For the purposes of this Chapter 14.34, covered independent contractors are limited to those who perform work for a covered hiring entity, where (1) the work is performed in whole or part in Seattle, and (2) the hiring entity knows or has reason to know that the work is performed in whole or part in Seattle.

B. The determination of whether a hiring entity knows or has reason to know that work is performed in whole or part in Seattle, may be demonstrated by any number of factors, including but not limited to:

1. The hiring entity specifies the location of the work to be performed, including a service area that is wholly or partially within Seattle;
2. The hiring entity provides a location within Seattle at which the independent contractor is permitted or required to perform the work;
3. The independent contractor maintains a regular place of business at an address in Seattle and the hiring entity is aware of this regular place of business as indicated by inclusion of the independent contractor’s address in Seattle in a pre-contract disclosure, written contract, payment, or other means;

4. The independent contractor provides information to the hiring entity indicating that work will be performed in whole or part in Seattle;

5. The independent contractor provides services that in fact include a work-related or commercial stop in Seattle; or

6. Pursuant to rules that the Director may issue, other factors that are material and necessary to effectuate the terms of this Chapter 14.34.

C. If a pre-contract disclosure, payment disclosure, or a written contract references Seattle as a location for services or the independent contractor's regular place of business, there shall be a presumption rebuttable by clear and convincing evidence that the hiring entity knows or has reason to know that the independent contractor's work is performed in whole or part in Seattle. The lack of a reference to Seattle in the disclosures or contract does not conclusively establish that a hiring entity did not know, or did not have reason to know, that work was to be performed in Seattle.

D. Time spent by an employee in Seattle solely for the purpose of travelling through Seattle from a point of origin outside Seattle to a destination outside Seattle, with no work-related or commercial stops in Seattle except for refueling or the independent contractor's personal meals or errands, does not create coverage for an independent contractor under this Chapter 14.34.

C. Independent contractors who are employees under Chapter 14.20 for covered hiring entities are not covered independent contractors under this Chapter 14.34. Hiring entities must make all required disclosures and pay all compensation owed to such workers in accordance with their obligations under Chapter 14.20.

D. Independent contractors who are Transportation Network Company (TNC) drivers under Chapter 14.33 for covered hiring entities are not owed pre-contract disclosures under Section 14.34.050 or payment disclosures under Section 14.34.060. Hiring entities that hire TNC drivers must comply with all other requirements of this Chapter 14.34, including provision of timely payment under Section 14.34.055, and make all required disclosures and pay all compensation owed to such workers in accordance with their obligations

under Chapter 14.33.

14.34.040 Hiring entity coverage

A. For the purposes of this Chapter 14.34, a covered hiring entity is limited to a commercial hiring entity that hires an independent contractor for services in the course of the commercial hiring entity's business or commercial activity.

B. Separate entities that form an integrated enterprise shall be considered a single hiring entity under this ordinance. Separate entities will be considered an integrated enterprise and a single hiring entity under this ordinance where a separate entity controls the operation of another entity. The factors to consider in making this assessment include, but are not limited to:

1. Degree of interrelation between the operations of multiple entities;
2. Degree to which the entities share common management;
3. Centralized control of labor relations;
4. Degree of common ownership or financial control over the entities; and
5. Use of a common brand, trade, business, or operating name.

14.34.045 Value of services

For the purposes of this Chapter 14.34, covered services by independent contractors are limited to those with proposed or actual compensation of \$600 or more, or compensation reasonably expected to be \$600 or more either by itself or when aggregated for services between the same hiring entity and independent contractor during the calendar year.

14.34.050 Pre-contract disclosure

A. Prior to an independent contractor beginning work for the hiring entity, the hiring entity shall provide the independent contractor with a written pre-contract disclosure that provides itemized information on the proposed terms and conditions of work, including but not limited to:

1. Current date;

2. Name of the independent contractor;
3. Name of the hiring entity;
4. Contact information for the hiring entity, including but not limited to physical address, mailing address, telephone number, and/or email address as applicable;
5. Description of work;
6. Location(s) of work and regular place of business of independent contractor or hiring entity;
7. Rate or rates of pay, including any applicable price multiplier or variable pricing policy, or incentive pay applicable to the offer of work;
8. Estimated tips and/or service charge distributions, if the hiring entity includes tips or service charge distributions as part of the offered compensation;
9. Pay basis (e.g., hour, day, week, monthly, fee per project, piece rate, commission);
10. Tips and/or service charge distribution policy, if applicable;
11. Typical expenses incurred in the course of work and which expenses will be paid or reimbursed by the hiring entity, if applicable;
12. Deductions, fees, or other charges that the hiring entity may subtract from payment and accompanying policies for each type of charge, if applicable;
13. Payment schedule; and
14. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

B. Hiring entities shall satisfy the pre-contract disclosure requirements by providing the required information in a single document, which may be in the form of a pre-contract disclosure, contract offer, counteroffer, application, or other single document meeting the disclosure requirements.

C. Hiring entities shall provide platform gig workers with a pre-contract disclosure at the initial time of hire and for each online order for work covered by this Chapter 14.34. However, pre-contract disclosures for

each online order may abbreviate or omit information required by subsections 14.34.050.A.4 and 14.34.050.A.10-13 if the hiring entity fully provided such information in the pre-contract disclosure provided at the initial time of hire and there have been no changes to such information.

D. Hiring entities shall provide an independent contractor with written notice of any change to the information required by subsection 14.34.050.A before the change takes place, or as soon as practicable for retroactive changes to such information. Hiring entities may provide piece-meal notice of such changes (i.e., notice separate from the single document required in subsection 14.34.050.B). However, for changes to more than six of the items required by subsection 14.34.050.A, hiring entities shall issue a revised single document with all disclosures required by subsection 14.34.050.A.

E. Hiring entities shall provide the pre-contract disclosure in English and any language that the hiring entity knows or has reason to know is the primary language of the independent contractor.

F. The Agency shall create and distribute a model notice of the pre-contract disclosure in English, Spanish, and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the pre-contract disclosure. However, hiring entities are responsible for providing the pre-contract disclosure in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the pre-contract disclosure in an electronic format via smartphone application or online web portal.

G. Hiring entities shall satisfy pre-contract disclosure requirements for independent contractors working for the hiring entity as of March 1, 2022 by providing the required information by March 31, 2022 or by the date of compensation, whichever date is sooner.

H. If the independent contractor performs agreed-upon work pursuant to the pre-contract disclosure, the terms and conditions in the pre-contract disclosure shall presumptively become part of the terms and conditions of a contract between the hiring entity and the independent contractor. This presumption shall be rebuttable by clear and convincing evidence, such as a written contract.

14.34.055 Timely payment

A. Except as otherwise provided by law, the hiring entity shall provide the independent contractor with timely compensation for work performed.

B. The hiring entity shall provide compensation that conforms to the terms and conditions of the contract between the hiring entity and the independent contractor, whether the amount of compensation is specified by the contract resulting from the pre-contract disclosure pursuant to subsection 14.34.050.H or by other means such as a superseding written contract.

C. If the independent contractor performs agreed-upon work for the hiring entity and the hiring entity has not provided a pre-contract disclosure regarding the terms and conditions of payment, there is a rebuttable presumption that the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship pursuant to subsections 14.34.170.C and 14.34.230.B.

D. The hiring entity shall provide the compensation as follows:

1. On or before the date the compensation is due under the terms and conditions of the contract;

or

2. If the contract does not specify when the hiring entity shall provide the independent contractor with compensation or the mechanism by which the date for compensation shall be determined, the hiring entity shall provide the independent contractor with compensation no later than 30 days after the completion of the independent contractor's services under the contract.

E. Once the independent contractor has commenced performance of the services under the contract, the hiring entity shall not require as a condition of timely compensation that the independent contractor accept less compensation than the amount of compensation due under the contract.

14.34.060 Payment disclosure

A. Each time the hiring entity provides the independent contractor with compensation, the hiring entity shall provide a written payment disclosure that provides itemized payment information, including but not

limited to:

1. Current date;
2. Name of independent contractor;
3. Name of hiring entity;
4. Description of services covered by payment (e.g., description of project, tasks completed, or hours worked);
5. Location of services covered by payment;
6. Rate or rates of pay, including any applicable price multiplier or variable pricing policy, or incentive pay applicable to the work;
7. Tip compensation and/or service charge distributions, if applicable;
8. Pay basis with accounting of method(s) for determining payment earned during the pay period;
9. Expenses reimbursed, if applicable;
10. Gross payment;
11. Deductions, fees, or other charges, if applicable;
12. Net payment after deductions, fees, or other charges; and
13. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

B. Hiring entities shall satisfy the payment disclosure requirements in subsection 14.34.060.A by providing the required information in a single document, including but not limited to a payment disclosure notice, paycheck stub, or an independent contractor's invoice accompanied by a single document with supplemental information as necessary.

C. In addition to providing a payment disclosure at the time of compensation, hiring entities of platform gig workers shall provide a payment disclosure for each completed online order for work covered by this

Chapter 14.34. The Director may issue rules governing the timing and content of payment disclosures for each completed online order for work.

D. The Agency shall create and distribute a model notice of the payment disclosure in English, Spanish, and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the payment disclosure. However, hiring entities are responsible for providing the payment disclosure in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the payment disclosure in an electronic format via smartphone application or online web portal.

14.34.100 Notice of rights

A. Hiring entities shall provide each independent contractor with a written notice of rights established by this Chapter 14.34.

1. For independent contractors working for the hiring entity as of March 1, 2022, hiring entities shall provide the notice of rights by March 31, 2022 or by the date of compensation, whichever date is sooner.

2. For independent contractors hired by the hiring entity after March 1, 2022, hiring entities shall provide the notice of rights prior to the independent contractor beginning work for the hiring entity.

3. Hiring entities shall provide the notice of rights in English and any language that the hiring entity knows or has reason to know is the primary language of the independent contractor.

B. The notice of rights shall provide information on:

1. The right to pre-contract disclosures, timely payment, and payment disclosures guaranteed by this Chapter 14.34;

2. The right to be protected from retaliation for exercising in good faith the rights protected by this Chapter 14.34;

3. The right to file a complaint with the Agency or bring a civil action for a violation of the requirements of this Chapter 14.34, including a hiring entity's failure to provide a pre-contract disclosure, timely payment, and a payment disclosure, and a hiring entity or other person's retaliation against an

independent contractor or other person for asserting the right to disclosures, timely payment, or otherwise engaging in an activity protected by this Chapter 14.34; and

4. Pursuant to rules that the Director may issue, other information that is material and necessary to effectuate the terms of this Chapter 14.34.

C. The Agency shall create and distribute a model notice of rights in English and other languages by March 1, 2022. Hiring entities are not required to use the model notice when providing the notice of rights. However, hiring entities are responsible for providing the notice of rights in a format that is readily accessible to the independent contractor. Hiring entities of platform gig workers shall provide the notice of rights in an electronic format via smartphone application or online web portal.

14.34.110 Hiring entity records

A. Hiring entities shall retain records that document compliance with this Chapter 14.34 for each independent contractor.

B. Hiring entities shall retain the records required by subsection 14.34.110.A for a period of three years.

C. If a hiring entity fails to retain adequate records required under subsection 14.34.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the hiring entity violated this Chapter 14.34 for the periods and for each independent contractor for whom records were not retained.

14.34.120 Retaliation prohibited

A. No hiring entity or any other person shall interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this Chapter 14.34.

B. No hiring entity or any other person shall take any adverse action against any person because the person has exercised in good faith the rights protected under this Chapter 14.34. Such rights include, but are not limited to, the right to make inquiries about the rights protected under this Chapter 14.34; the right to inform others about their rights under this Chapter 14.34; the right to inform the person's hiring entity, the person's legal counsel, a union or similar organization, or any other person about an alleged violation of this Chapter

14.34; the right to file an oral or written complaint with the Agency or bring a civil action for an alleged violation of this Chapter 14.34; the right to cooperate with the Agency in its investigations of this Chapter 14.34; the right to testify in a proceeding under or related to this Chapter 14.34; the right to refuse to participate in an activity that would result in a violation of city, state or federal law; and the right to oppose any policy, practice, or act that is unlawful under this Chapter 14.34.

C. No hiring entity or any other person shall communicate to a person exercising rights protected in this Section 14.34.120, directly or indirectly, the willingness to inform a government worker that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of an independent contractor or family member of an independent contractor to a federal, state, or local agency because the independent contractor has exercised a right under this Chapter 14.34.

D. It shall be a rebuttable presumption of retaliation if a hiring entity or any other person takes an adverse action against a person within 90 days of the person's exercise of rights protected in this Section 14.34.120. The hiring entity may rebut the presumption with clear and convincing evidence that the adverse action was taken for a permissible purpose.

E. Proof of retaliation under this Section 14.34.120 shall be sufficient upon a showing that a hiring entity or any other person has taken an adverse action against a person and the person's exercise of rights protected in this Section 14.34.120 was a motivating factor in the adverse action, unless the hiring entity can prove that the action would have been taken in the absence of such protected activity.

F. The protections afforded under this Section 14.34.120 shall apply to any person who mistakenly but in good faith alleges violations of this Chapter 14.34.

G. A complaint or other communication by any person triggers the protections of this Section 14.34.120 regardless of whether the complaint or communication is in writing or makes explicit reference to this Chapter 14.34.

14.34.130 Enforcement power and duties

A. The Agency shall have the power to enforce this Chapter 14.34 and shall have such powers and duties in the performance of these functions as are defined in this Chapter 14.34 and otherwise necessary and proper in the performance of the same and provided for by law.

B. The Agency is authorized to coordinate implementation and enforcement of this Chapter 14.34 and may promulgate appropriate guidelines or rules for such purposes.

C. The Director is authorized to promulgate rules consistent with this Chapter 14.34 and Chapter 3.02. Any guidelines or rules promulgated by the Director shall have the force and effect of law and may be relied on by hiring entities, independent contractors, and other parties to determine their rights and responsibilities under this Chapter 14.34.

14.34.140 Violation

The failure of any respondent to comply with any requirement imposed on the respondent under this Chapter 14.34 is a violation.

14.34.150 Investigation

A. The Agency shall have the power to investigate any violations of this Chapter 14.34 by any respondent. The Agency may initiate an investigation pursuant to Director rules, including but not limited to situations when the Director has reason to believe that a violation has occurred or will occur, or when circumstances show that violations are likely to occur within a class of hiring entities or businesses because the workforce contains significant numbers of independent contractors who are vulnerable to violations of this Chapter 14.34 or the workforce is unlikely to volunteer information regarding such violations. An investigation may also be initiated through the receipt by the Agency of a report or complaint filed by an independent contractor or other person.

B. An independent contractor or other person may report to the Agency any suspected violation of this Chapter 14.34. The Agency shall encourage reporting pursuant to this Section 14.34.150 by taking the

following measures:

1. The Agency shall keep confidential, to the maximum extent permitted by applicable laws, the name and other identifying information of the independent contractor or person reporting the violation.

However, with the authorization of such person, the Agency may disclose the independent contractor's or person's name and identifying information as necessary to enforce this Chapter 14.34 or for other appropriate purposes.

2. The Agency may require the hiring entity to post or otherwise notify other independent contractors working for the hiring entity that the Agency is conducting an investigation. The hiring entity shall provide the notice of investigation in a form, place, and manner designated by the Agency. The Agency shall create the notice of investigation in English and other languages.

3. The Agency may certify the eligibility of eligible persons for "U" Visas under the provisions of 8 U.S.C. § 1184.p and 8 U.S.C. § 1101.a.15.U. This certification is subject to applicable federal law and regulations, and Director rules.

C. The Agency's investigation shall commence within three years of the alleged violation. To the extent permitted by law, the applicable statute of limitations for civil actions is tolled during any investigation under this Chapter 14.34 and any administrative enforcement proceeding under this Chapter 14.34 based upon the same facts. For purposes of this Chapter 14.34:

1. The Agency's investigation begins on the earlier date of when the Agency receives a complaint from a person under this Chapter 14.34, or when the Agency provides notice to the respondent that an investigation has commenced under this Chapter 14.34.

2. The Agency's investigation ends when the Agency issues a final order concluding the matter and any appeals have been exhausted; the time to file any appeal has expired; or the Agency notifies the respondent in writing that the investigation has been otherwise resolved.

D. The Agency's investigation shall be conducted in an objective and impartial manner.

E. The Director may apply by affidavit or declaration in the form allowed under RCW 9A.72.085 to the Hearing Examiner for the issuance of subpoenas requiring a hiring entity to produce the records required by Section 14.34.110, or for the attendance and testimony of witnesses, or for the production of documents required to be retained under Section 14.34.110, or any other document relevant to the issue of whether any independent contractor or group of independent contractors received the information or other benefits required by this Chapter 14.34, and/or to whether a hiring entity has violated any provision of this Chapter 14.34. The Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue subpoenas upon a showing that there is reason to believe that: a violation has occurred, a complaint has been filed with the Agency, that circumstances show that violations are likely to occur within a class of businesses because the workforce contains significant numbers of independent contractors who are vulnerable to violations of this Chapter 14.34, the workforce is unlikely to volunteer information regarding such violations, or the Agency has gathered preliminary information indicating that a violation may have occurred.

F. A hiring entity that fails to comply with the terms of any subpoena issued under subsection 14.34.150.E in an investigation by the Agency under this Chapter 14.34 before the issuance of a Director's Order issued pursuant to subsection 14.34.160.C may not use such records in any appeal to challenge the correctness of any determination by the Agency of liability, damages owed, or penalties assessed.

G. In addition to other remedies, the Director may refer any subpoena issued under subsection 14.34.150.E to the City Attorney to seek a court order to enforce any subpoena.

H. Where the Director has reason to believe that a violation has occurred, the Director may order any appropriate temporary or interim relief to mitigate the violation or maintain the status quo pending completion of a full investigation or hearing, including but not limited to a deposit of funds or bond sufficient to satisfy a good-faith estimate of compensation, interest, damages, and penalties due. A respondent may appeal any such order in accordance with Section 14.34.180.

14.34.160 Findings of fact and determination

A. Except when there is an agreed upon settlement, the Director shall issue a written determination with findings of fact resulting from the investigation and statement of whether a violation of this Chapter 14.34 has or has not occurred based on a preponderance of the evidence before the Director.

B. If the Director determines that there is no violation of this Chapter 14.34, the Director shall issue a “Determination of No Violation” with notice of an independent contractor’s or other person’s right to appeal the decision, pursuant to Director rules.

C. If the Director determines that a violation of this Chapter 14.34 has occurred, the Director shall issue a “Director's Order” that shall include a notice of violation identifying the violation or violations.

1. The Director’s Order shall state with specificity the amounts due under this Chapter 14.34 for each violation, including payment of unpaid compensation, liquidated damages, civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to Section 14.34.170.

2. The Director's Order may specify that civil penalties and fines due to the Agency can be mitigated for respondent's timely payment of remedy due to an aggrieved party pursuant to subsection 14.34.170.A.4.

3. The Director’s Order may specify that civil penalties and fines are due to the aggrieved party rather than due to the Agency.

4. The Director's Order may direct the respondent to take such corrective action as is necessary to comply with the requirements of this Chapter 14.34, including but not limited to monitored compliance for a reasonable time period.

5. The Director's Order shall include notice of the respondent's right to appeal the decision pursuant to Section 14.34.180.

14.34.165 Complaint procedure

A. The Agency shall have the power to respond to any violations of this Chapter 14.34 with a complaint procedure.

B. The Agency may initiate a complaint procedure as an alternative enforcement method to an investigation for responding to a report or complaint by any person of a violation of this Chapter 14.34. The Director may issue rules for the complaint procedure, including but not limited to rules to establish the timeline for sending the information required by subsection 14.34.170.D and to indicate when the Agency may prioritize use of a complaint procedure prior to an investigation or in lieu of an investigation. The Director may also establish other enforcement methods to efficiently resolve violations of this Chapter 14.34.

C. The Agency may require the complainant to provide information pursuant to the complaint procedure, including but not limited to:

1. Contact information for the independent contractor and hiring entity;
2. A statement describing the proposed terms and conditions of work, such as the information required by the pre-contract disclosure pursuant to Section 14.34.050;
3. A copy of the pre-contract disclosure, payment provided to the independent contractor, or payment disclosure, if available; and
4. A statement describing the alleged violations of this Chapter 14.34.

D. The Agency shall send notices to the hiring entity and complainant, including but not limited to:

1. Notice of the alleged violation(s). The Agency shall send notice to the hiring entity of the alleged violation(s) of this Chapter 14.34. The Agency shall bear the cost of sending such notice by certified mail or by other means incurring a cost to the Agency. This notice shall include but not be limited to:
 - a. Statement of the alleged violation(s) of this Chapter 14.34; and
 - b. Description of the remedies available to an independent contractor for violation(s) of this Chapter 14.34;
2. Response from the hiring entity. Within 20 days of service of the notice to hiring entity of the alleged violation, the hiring entity shall send the Agency one of the following:
 - a. Written statement that the hiring entity provided the independent contractor with the

pre-contract disclosure, timely payment in full, or payment disclosure required by this Chapter 14.34 and proof of such disclosure(s) or payment; or

b. Written statement that the hiring entity did not provide the independent contractor the pre-contract disclosure, timely payment in full, or payment disclosure required by this Chapter 14.34 and the reason(s) for not providing such disclosure(s) or payment.

3. Notice to the complainant of the response from the hiring entity. The Agency shall send a notice to the complainant of the response from the hiring entity. This notice to the complainant shall include but not be limited to:

- a. The response from hiring entity, including any enclosures;
- b. Information on the right to bring a civil action in a court of competent jurisdiction;
- c. Any other information about the status of the complaint; and
- d. Information about the navigation program pursuant to Section 14.34.167.

4. Notice of no response. If the Agency receives no response from the hiring entity within the timeframe established by Director rule for subsection 14.34.165.D.3, the Agency shall send a notice of no response to the complainant and the hiring entity, and shall include proof that the Agency previously sent notice of the alleged violation(s) to the hiring entity.

5. Notice of closure. The Agency shall send the complainant and hiring entity notice of the Agency's completion of the complaint procedure and/or closure of the case.

E. Upon satisfying the requirements of subsections 14.34.165.C and 14.34.165.D, the Agency may close the case.

14.34.167 Navigation program

A. The Agency shall establish a navigation program that provides intake and information relating to the provisions of this Chapter 14.34.

1. The navigation program shall provide a range of information, including but not limited to:

- a. Information on the provisions and procedures of this Chapter 14.34;
- b. Model notices of the pre-contract disclosure, payment disclosure, and notice of rights required by this Chapter 14.34;
- c. General court information, including but not limited to:
 - i. Information on court procedures for filing civil actions in small claims, district court, and superior court; and
 - ii. Information on obtaining translation and interpretation services, and other courtroom services;
- d. A list of organizations that can be used to identify attorneys;
- e. Organizations providing outreach and education, and/or legal assistance to independent contractors;
- f. Information about classifying workers as employees or independent contractors; and
- g. As determined by the Director, additional information related to the provisions of this Chapter 14.34, other workplace protections for independent contractors, or other resources for resolving workplace issues.

2. The navigation program shall include outreach and education to the public on the provisions and procedures of this Chapter 14.34.

3. The navigation program shall not include legal advice from the Agency. However, if the Agency refers an independent contractor to a community organization through the navigation program, the community organization is not precluded from providing legal advice.

14.34.170 Remedies

A. The payment of unpaid compensation, liquidated damages of up to twice the amount of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest provided under this Chapter 14.34 is cumulative and is not intended to be exclusive of any other available remedies, penalties,

finances, and procedures.

1. The amounts of all civil penalties, penalties payable to aggrieved parties, and fines contained in this Section 14.34.170 shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk.

2. If a violation is ongoing when the Agency receives a complaint or opens an investigation, the Director may order payment of unpaid compensation plus interest that accrues after receipt of the complaint or after the investigation opens and before the date of the Director's Order.

3. Interest shall accrue from the date the unpaid compensation was first due at 12 percent annum, or the maximum rate permitted under RCW 19.52.020.

4. If there is a remedy due to an aggrieved party, the Director may waive part or all civil penalties and fines due to the Agency based on timely payment of the full remedy due to the aggrieved party.

a. The Director may waive the total amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within ten days of service of the Director's Order.

b. The Director may waive half the amount of civil penalties and fines due to the Agency if the Director determines that the respondent paid the full remedy due to the aggrieved party within 15 days of service of the Director's Order.

c. The Director shall not waive any amount of civil penalties and fines due to the Agency if the Director determines that the respondent has not paid the full remedy due to the aggrieved party after 15 days of service of the Director's Order.

5. When determining the amount of liquidated damages, civil penalties, penalties payable to aggrieved parties, and fines due under this Section 14.34.170 for a settlement agreement or Director's Order, including but not limited to the mitigation of civil penalties and fines due to the Agency for timely payment of

remedy due to an aggrieved party under subsection 14.34.170.A.4, the Director may consider:

- a. The total amount of unpaid compensation, liquidated damages, penalties, fines, and interest due;
- b. The nature and persistence of the violations;
- c. The extent of the respondent's culpability;
- d. The substantive or technical nature of the violations;
- e. The size, revenue, and human resources capacity of the respondent;
- f. The circumstances of each situation;
- g. The amount of penalties in similar situations; and
- h. Pursuant to rules that the Director may issue, other factors that are material and necessary to effectuate the terms of this Chapter 14.34.

B. A respondent found to be in violation of this Chapter 14.34 shall be liable for full payment of unpaid compensation due plus interest in favor of the aggrieved party under the terms of this Chapter 14.34, and other equitable relief. If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records or if a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Director may designate a daily amount for unpaid compensation due to aggrieved party. For any violation of this Chapter 14.34, the Director may assess liquidated damages in an additional amount of up to twice the unpaid compensation.

C. If the independent contractor performs agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract disclosure pursuant to Section 14.34.050, there shall be a presumption rebuttable by clear and convincing evidence, such as a written contract, that the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship.

D. A respondent found to be in violation of this Chapter 14.34 for retaliation under Section 14.34.120 shall be subject to any appropriate relief at law or equity including, but not limited to reinstatement of the

aggrieved party, front pay in lieu of reinstatement with full payment of unpaid compensation plus interest in favor of the aggrieved party under the terms of this Chapter 14.34, and liquidated damages in an additional amount of up to twice the unpaid compensation. The Director also shall order the imposition of a penalty payable to the aggrieved party of up to \$5,565.10.

E. The Director is authorized to assess civil penalties for a violation of this Chapter 14.34 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency.

1. For a first violation of this Chapter 14.34, the Director may assess a civil penalty of up to \$556.30 per aggrieved party.

2. For a second violation of this Chapter 14.34, the Director shall assess a civil penalty of up to \$1,112.60 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

3. For a third or any subsequent violation of this 14.34, the Director shall assess a civil penalty of up to \$5,565.10 per aggrieved party, or an amount equal to ten percent of the total amount of unpaid compensation, whichever is greater.

4. For purposes of this subsection 14.34.170.E, a violation is a second, third, or subsequent violation if the respondent has been a party to one, two, or more than two settlement agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than two Director's Orders, respectively, have issued against the respondent in the ten years preceding the date of the violation; otherwise, it is a first violation.

F. The Director is authorized to assess fines for a violation of this Chapter 14.34 and may specify that fines are due to the aggrieved party rather than due to the Agency. The Director is authorized to assess fines as follows:

Violation	Fine
Failure to provide written pre-contract disclosure under Section 14.34.050	Up to \$556.30 per aggrieved party

Failure to provide written payment disclosure under Section 14.34.060	Up to \$556.30 per aggrieved party
Failure to provide written notice of rights under Section 14.34.100	Up to \$556.30 per aggrieved party
Failure to retain hiring entity records for three years under subsections 14.34.110.A and 14.34.110.B	Up to \$556.30 per missing record
Failure to comply with prohibitions against retaliation for exercising rights protected under Section 14.34.120	Up to \$1,112.60 per aggrieved party
Failure to provide notice of investigation to independent contractors under subsection 14.34.150.B.2	Up to \$556.30 per aggrieved party
Failure to post or distribute public notice of failure to comply with final order under subsection 14.34.210.A.1	Up to \$556.30

For each independent contractor hired by the hiring entity, the maximum amount that may be imposed in fines in a one-year period for each type of violation listed above is \$5,565.10. For each hiring entity, if a fine for retaliation is issued, the maximum amount that may be imposed in a one-year period is \$22,259.36.

G. A respondent who willfully hinders, prevents, impedes, or interferes with the Director or Hearing Examiner in the performance of their duties under this Chapter 14.34 shall be subject to a civil penalty of not less than \$1,112.60 and not more than \$5,565.10.

H. In addition to the unpaid compensation, penalties, fines, liquidated damages, and interest, the Agency may assess against the respondent in favor of the City the reasonable costs incurred in enforcing this Chapter 14.34, including but not limited to reasonable attorneys' fees.

I. A respondent that is the subject of a settlement agreement stipulating that a violation has occurred shall count for debarment, or a final order for which all appeal rights have been exhausted, shall not be permitted to bid, or have a bid considered, on any City contract until such amounts due under the final order have been paid in full to the Director. If the respondent is the subject of a final order two times or more within a five-year period, the hiring entity shall not be allowed to bid on any City contract for two years. This subsection 14.34.170.I shall be construed to provide grounds for debarment separate from, and in addition to, those

contained in Chapter 20.70 and shall not be governed by that chapter provided that nothing in this subsection 14.34.170.I shall be construed to limit the application of Seattle Municipal Code Chapter 20.70. The Director shall notify the Director of Finance and Administrative Services of all respondents subject to debarment under this subsection 14.34.170.I.

14.34.180 Appeal period and failure to respond

A. An independent contractor or other person who claims an injury as a result of an alleged violation of this Chapter 14.34 may appeal the Determination of No Violation, pursuant to Director rules.

B. A respondent may appeal the Director's Order, including all remedies issued pursuant to Section 14.34.170, by requesting a contested hearing before the Hearing Examiner in writing within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run until 5 p.m. on the next business day.

14.34.190 Appeal procedure and failure to appear

A. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases. The hearing shall be conducted de novo and the Director shall have the burden of proving by a preponderance of the evidence that the violation or violations occurred. Upon establishing such proof, the remedies and penalties imposed by the Director shall be upheld unless it is shown that the Director abused discretion. Failure to appear for a contested hearing shall result in an order being entered finding that the respondent committed the violation stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying or reversing the Director's Order, consistent with Ordinance 126068.

14.34.200 Appeal from Hearing Examiner order

A. The respondent may obtain judicial review of the decision of the Hearing Examiner by applying for a Writ of Review in the King County Superior Court within 30 days from the date of the decision in accordance with the procedure set forth in chapter 7.16 RCW, other applicable law, and court rules.

B. The decision of the Hearing Examiner shall be final and conclusive unless review is sought in compliance with this Section 14.34.200.

14.34.210 Failure to comply with final order

A. If a respondent fails to comply within 30 days of service of any settlement agreement with the Agency, or with any final order issued by the Director or the Hearing Examiner for which all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following measures to secure compliance:

1. The Director may require the respondent to post or distribute public notice of the respondent's failure to comply in a form and manner determined by the Agency.

2. The Director may refer the matter to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the amounts due.

3. The Director may refer the matter to the City Attorney for the filing of a civil action in King County Superior Court, the Seattle Municipal Court, or any other court of competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the Director may seek to enforce a Director's Order or a final order of the Hearing Examiner under Section 14.34.190.

4. The Director may request that the City's Department of Finance and Administrative Services deny, suspend, refuse to renew, or revoke any business license held or requested by the hiring entity or person until such time as the hiring entity complies with the remedy as defined in the settlement agreement or final order. The City's Department of Finance and Administrative Services shall have the authority to deny, refuse to renew, or revoke any business license in accordance with this subsection 14.34.210.A.4.

B. No respondent that is the subject of a final order issued under this Chapter 14.34 shall quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or stock of goods without first notifying the Agency and without first notifying the respondent's successor of the amounts owed under the final order at least three business days before such transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise disposes of the respondent's business or stock of goods, the full amount of the remedy, as defined in a final order issued by the Director or the Hearing Examiner, shall become immediately due and payable. If the amount due under the final order is not paid by respondent within ten days from the date of such sale, exchange, conveyance, or disposal, the successor shall become liable for the payment of the amount due, provided that the successor has actual knowledge of the order and the amounts due or has prompt, reasonable, and effective means of accessing and verifying the fact and amount of the order and the amounts due. The successor shall withhold from the purchase price a sum sufficient to pay the amount of the full remedy. When the successor makes such payment, that payment shall be deemed a payment upon the purchase price in the amount paid, and if such payment is greater in amount than the purchase price the amount of the difference shall become a debt due such successor from the hiring entity.

14.34.220 Debt owed The City of Seattle

A. All monetary amounts due under the Director's Order shall be a debt owed to the City and may be collected in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies, provided that amounts collected by the City for unpaid compensation, liquidated damages, penalties payable to aggrieved parties, or front pay shall be held in trust by the City for the aggrieved party and, once collected by the City, shall be paid by the City to the aggrieved party.

B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the time period set forth in subsection 14.34.180.B, the Director's Order shall be final, and the Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to enforce the Director's Order by entering judgment in favor of the City finding that the respondent has failed to exhaust its administrative remedies and that all

amounts and relief contained in the order are due. The Director's Order shall constitute prima facie evidence that a violation occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to appeal the Director's Order to the Hearing Examiner within the time period set forth in subsection 14.34.180.B, and therefore has failed to exhaust the respondent's administrative remedies, shall also be admissible without further evidentiary foundation.

C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner within the time period set forth in subsection 14.34.200.A, the order of the Hearing Examiner shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's Order by entering judgment in favor of the City for all amounts and relief due under the order of the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence that the violations contained therein occurred and shall be admissible without further evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply with the order or any parts thereof, and is therefore in default, or that the respondent has failed to avail itself of judicial review in accordance with subsection 14.34.200.A, shall also be admissible without further evidentiary foundation.

D. In considering matters brought under subsections 14.34.220.B and 14.34.220.C, the Seattle Municipal Court may include within its judgment all terms, conditions, and remedies contained in the Director's Order or the order of the Hearing Examiner, whichever is applicable, that are consistent with the provisions of this Chapter 14.34.

14.34.230 Private right of action

A. Any person or class of persons that suffers an injury as a result of a violation of this Chapter 14.34, or is the subject of prohibited retaliation under Section 14.34.120, may bring a civil action in a court of competent jurisdiction against the hiring entity or other person violating this Chapter 14.34 and, upon

prevailing, may be awarded reasonable attorney fees and costs and such legal or equitable relief as may be appropriate to remedy the violation including, without limitation: the payment of any unpaid compensation plus interest due to the person and liquidated damages in an additional amount of up to twice the unpaid compensation; and a penalty payable to any aggrieved party of up to \$5,565.10 if the aggrieved party was subject to prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

B. In a civil action against the hiring entity under this Chapter 14.34 or in a breach of contract action against the hiring entity, there shall be a presumption rebuttable by clear and convincing evidence, such as a written contract, that if the independent contractor performs agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract disclosure pursuant to Section 14.34.050, the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship.

C. For purposes of this Section 14.34.230, "person" includes any entity a member of which has suffered an injury or retaliation, or any other individual or entity acting on behalf of an aggrieved party that has suffered an injury or retaliation.

D. For purposes of determining membership within a class of persons entitled to bring an action under this Section 14.34.230, two or more independent contractors are similarly situated if they:

1. Are or were hired for the same hiring entity or hiring entities, whether concurrently or otherwise, at some point during the applicable statute of limitations period,
2. Allege one or more violations that raise similar questions as to liability, and
3. Seek similar forms of relief.

E. For purposes of subsection 14.34.230.C, independent contractors shall not be considered dissimilar solely because the independent contractors':

1. Claims seek damages that differ in amount, or

2. Job titles or other means of classifying independent contractors differ in ways that are unrelated to their claims.

F. An order issued by the court may include a requirement for a hiring entity to submit a compliance report to the court and to the Agency.

14.34.233 Waiver

Any waiver by an individual of any provisions of this Chapter 14.34 shall be deemed contrary to public policy and shall be void and unenforceable.

14.34.235 Encouragement of more generous policies

A. Nothing in this Chapter 14.34 shall be construed to discourage or prohibit a hiring entity from the adoption or retention of disclosure policies more generous than the one required herein.

B. Nothing in this Chapter 14.34 shall be construed as diminishing the obligation of the hiring entity to comply with any contract, or other agreement providing more generous disclosure policies to an independent contractor than required herein.

14.34.240 Other legal requirements; effect on other laws

A. Subject to subsections 14.34.050.H, 14.34.055.C, 14.34.170.C, and 14.34.230.B, the provisions of this Chapter 14.34:

1. Supplement and do not diminish or replace any other basis of liability or requirement established by statute or common law;
2. Shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard for disclosure requirements or timely payment, or that extends other protections to independent contractors; and
3. Shall not be interpreted or applied so as to create any power or duty in conflict with federal or state law.

Nor shall this Chapter 14.34 be construed to preclude any person aggrieved from seeking judicial review of any

final administrative decision or order made under this Chapter 14.34 affecting such person. Nothing in this Section 14.34.240 shall be construed as restricting an independent contractor’s right to pursue any other remedies at law or equity for violation of the contractor’s rights.

B. A hiring entity’s failure to comply with the provisions of this Chapter 14.34 shall not render any contract between the hiring entity and an independent contractor void or voidable.

C. No provision of this Chapter 14.34 shall be construed as providing a determination about the legal classification of any individual as an employee or independent contractor.

14.34.250 Severability

The provisions of this Chapter 14.34 are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 14.34, or the application thereof to any hiring entity, independent contractor, person, or circumstance, is held to be invalid, it shall not affect the validity of the remainder of this Chapter 14.34, or the validity of its application to other persons or circumstances.

Section 2. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance 126283, is amended as follows:

3.02.125 Hearing Examiner filing fees

A. The filing fee for a case before the City Hearing Examiner is \$85, with the following exceptions:

Basis for Case	Fee in dollars
* * *	
Hazard Pay for Grocery Employees Ordinance (Ordinance 126274)	No fee
<u>Independent Contractor Protections Ordinance (Chapter 14.34)</u>	<u>No fee</u>
Land Use Code Citation (Chapter 23.91)	No fee
* * *	

* * *

Section 3. Section 3.15.000 of the Seattle Municipal Code, last amended by Ordinance 126189, is

amended as follows:

3.15.000 Office of Labor Standards created - Functions

There is created within the Executive Department an Office of Labor Standards, under the direction of the Mayor. The mission of the Office of Labor Standards is to advance labor standards through thoughtful community and business engagement, strategic enforcement and innovative policy development, with a commitment to race and social justice. The Office of Labor Standards seeks to promote greater economic opportunity and further the health, safety, and welfare of ~~((employees))~~ workers; support employers and other hiring entities in their implementation of labor standards requirements; and end barriers to workplace equity for women, communities of color, immigrants and refugees, and other vulnerable workers.

The functions of the Office of Labor Standards are as follows:

- A. Promoting labor standards through outreach, education, technical assistance, and training ~~((for employees and employers))~~;
- B. Collecting and analyzing data on labor standards enforcement;
- C. Partnering with community, businesses, and workers for stakeholder input and collaboration;
- D. Developing innovative labor standards policy;
- E. Administering and enforcing City of Seattle ordinances relating to paid sick and safe time (Chapter 14.16), use of criminal history in employment decisions (Chapter 14.17), minimum wage and minimum compensation (Chapter 14.19), wage and tip compensation requirements (Chapter 14.20), secure scheduling (Chapter 14.22), domestic workers (Chapter 14.23), hotel employees safety protections (Chapter 14.26), protecting hotel employees from injury (Chapter 14.27), improving access to medical care for hotel employees (Chapter 14.28), hotel employees job retention (Chapter 14.29), commuter benefits (Chapter 14.30), transportation network company driver deactivation protections (Chapter 14.32), transportation network company driver minimum compensation (Chapter 14.33), independent contractor protections (Chapter 14.34), and other labor standards ordinances that may be enacted in the future.

Section 4. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 126274, is amended as follows:

6.208.020 Denial, revocation of, or refusal to renew business license

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director's designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 6.208.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, or 5.52.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.
5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.
6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.
7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either:
 - a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect at the time of the final judgment order; or
 - b. If a timely appeal is made, the date of the final resolution of that appeal and any

subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.

9. Pursuant to subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, 14.23.115.A.4, 14.26.210.A.4, 14.27.210.A.4, 14.28.210.A.4, 14.30.180.A.4, ~~((and))~~ 14.33.210.A.4, and 14.34.210.A.4, subsection 100.240.A.4 of Ordinance 126091, subsection 100.240.A.4 of Ordinance 126094, and subsection 100.240.A.4 of Ordinance 126274, the applicant or licensee has failed to comply, within 30 days of service of any settlement agreement, with any final order issued by the Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, ~~((and))~~ 14.33, and 14.34, Ordinance 126091, Ordinance 126094, and Ordinance 126274 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, 14.23, 14.26, 14.27, 14.28, 14.29, 14.30, ~~((and))~~ 14.33, and 14.34, Ordinance 126091, Ordinance 126094, and Ordinance 126274 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

* * *

Section 5. Recognizing that more than 40,000 app-based workers in the City of Seattle, including people of color, immigrants, workers with disabilities, LGBTQ+ workers, and single parents are often paid subminimum wages for their work, despite the promise of good wages, flexibility and accessibility, and that the community depends on these essential workers to deliver groceries and food and provide other valuable services, the City Council intends to address this inequity by ensuring that app-based workers are paid at least the City's minimum wage under Chapter 14.19 of the Seattle Municipal Code plus reasonable expenses and all required benefits, with meaningful transparency, and have the ability to exercise the flexibility promised by app-based companies. The City intends to ensure that current definitions of worker classification under Seattle's labor standards are being effectively enforced and does not intend to establish a new classification of workers distinct from employees or independent contractors, but to ensure that all workers benefit from the protection of Seattle's labor standards. The City has consistently expressed its intent to promote greater economic opportunity and end barriers to workplace equity for all workers in Seattle. To accomplish these goals, the Council will seek to engage stakeholders in the spring and summer of 2021 on legislation that will address these inequities and create new standards to protect workers' pay, flexibility, and transparency, while ensuring workers are correctly classified under existing Seattle labor standards. The Council intends to discuss the legislation in committee in July and August 2021 and consider the legislation for a full Council vote before the start of the 2021 budget deliberations.

Section 6. Sections 1 through 4 of this ordinance shall take effect and be in force on March 1, 2022.

Section 7. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by

me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Karina Bull /x6-0078	n/a

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

Summary and background of the Legislation: In February 2019, the City Council (Council) passed [Resolution 31863](#) to address the problem of employers improperly misclassifying employees as independent contractors. The resolution requested the Office of Labor Standards (OLS) and the Labor Standards Advisory Commission (LSAC) to work on policy, outreach and enforcement proposals to address this problem. In May 2020, the LSAC recommended that the City require hiring entities to provide independent contractors (not just those who are at risk of being misclassified) with information on the proposed terms of engagement between parties and itemized pay information. The LSAC described these recommendations as the first steps toward creating more transparency and access to information for workers hired as independent contractors.

This legislation would incorporate and expand LSAC’s recommendations to establish new labor standards for many independent contractors working in Seattle. The labor standards would become effective on March 1, 2022.

Labor Standards Requirements

The legislation would require all commercial hiring entities to provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures. These requirements would apply to services with a proposed or actual compensation of \$600 or more, or reasonably expected to be \$600 either by itself and when aggregated for services between the same commercial hiring entity and independent contractor during the calendar year.

- 1. Pre-contract disclosures** – Prior to an independent contractor beginning work, a hiring entity would provide a written disclosure of the terms and conditions of the job in English and the independent contractor’s primary language. OLS would create model notices of the pre-contract disclosure in English, Spanish, and other languages.
 - If an independent contractor performed agreed-upon work for the hiring entity, the terms and conditions in the pre-contract disclosure would presumptively become part of the terms and conditions of a contract between parties. The hiring entity could rebut this presumption with clear and convincing evidence, such as a written contract.

- If a hiring entity failed to provide a pre-contract disclosure, there would be a legal presumption that the independent contractor’s claims for payment were true. The hiring entity could rebut this presumption with clear and convincing evidence, such as a written contract.
- 2. Timely payment** – A hiring entity would pay an independent contractor pursuant to the terms and conditions of the contract between parties, whether the amount of payment was specified in the contract resulting from the pre-contract disclosure or by other means such as a superseding written contract. The payment would be due on or before the date specified in the applicable contract. If the contract did not specify a due date, payment would be due no later than 30 days after the completion of the services.
 - 3. Payment disclosures** – With each payment, the hiring entity would provide a written disclosure with itemized pay information including total payment and a breakdown of the rate of pay, pay basis, tip compensation (if included) and other items.

The legislation would also require hiring entities to provide independent contractors with a notice of rights in English and the independent contractor’s primary language; retain records showing compliance for three years; and comply with anti-retaliation prohibitions.

Enforcement

OLS would implement the legislation through rulemaking, outreach, and enforcement. For enforcement, OLS would have authority to conduct complaint-based or directed investigations and/or engage in a new “complaint procedure.” The complaint procedure would serve as an information exchange between parties: OLS would provide the hiring entity with notice of an alleged violation and an opportunity to respond and would provide the hiring entity’s response to the independent contractor. OLS would not determine whether a violation has occurred. After the conclusion of this procedure, the independent contractor could pursue further enforcement of the claim in court.

In addition to filing claims with OLS, independent contractors could file a civil action for violations and could be awarded attorney fees plus costs.

Remedies for violations would include (1) provision of the pre-contract and payment disclosures, and (2) payment of up to three times the unpaid compensation plus interest. OLS could also require hiring entities to pay penalties and/or fines of up to \$556.30 per aggrieved party and per type of violation.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes x No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes x No

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

Yes. There would be financial implications for OLS (e.g., cost of creating model notices in English and other languages, providing outreach, and conducting investigations) and the Hearing Examiner (e.g., cost of conducting hearings on appeals from respondents and aggrieved parties).

Discussions are on-going with OLS about the estimated costs of implementation. OLS has initially estimated \$684,000 to hire three FTES, cover administrative costs, create the required model notices, conduct outreach, and engage in rulemaking. Central Staff plans to gather and analyze information to better understand OLS's estimate and the implications.

Is there financial cost or other impacts of *not* implementing the legislation?

There are no financial costs to the City of not implementing the legislation.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes. OLS would implement and enforce this legislation. The Hearing Examiner would conduct hearings on appeals from respondents and aggrieved parties. There also could be an undetermined number of legal referrals to the City Attorney.

b. Is a public hearing required for this legislation?

No.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

d. Does this legislation affect a piece of property?

No.

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

The Race and Social Justice Initiative is the City's commitment to eliminate racial disparities and achieve racial equity in Seattle. The implementation of this legislation would support jobs and the financial well-being of BIPOC workers hired as independent contractors – especially Black, Latinx, and immigrant workers who are overrepresented in industries that misclassify employees as independent contractors. The goal of the legislation is for properly classified independent contractors, misclassified employees, and correctly classified employees to have the same baseline rights. The legislation would require hiring entities to provide independent contractors in industries at risk of misclassifying employees as independent contractors (and all independent contractors working for commercial enterprises) with the same with job information and timely pay that is required for employees. The legislation would also create enforcement mechanisms, such as agency

enforcement of claims, agency-initiated investigations, protocols to protect the identifying information of complainants, and a new complaint procedure to encourage vulnerable workers to report violations.

Hiring entities would be required to provide a pre-contract disclosure and notice of rights in English and in the primary language(s) of the independent contractor. OLS would create and distribute model notices/templates of these documents in English and other languages.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

N/A.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

N/A.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).

OLS could publicly share information on outreach and enforcement efforts on their [on-line, interactive dashboard](#). The same metrics publicized for other labor standards could apply for this legislation (e.g., number of inquiries, number of investigations, amount of remedies). OLS also could contract with community and business organizations to conduct measurable outreach and education efforts on employee rights and employer responsibilities.

June 3, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Karina Bull, Analyst
Subject: Council Bill 120069: Independent Contractor Protections Ordinance

On June 4, 2021, the Finance and Housing Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 120069](#), legislation sponsored by Councilmember Herbold that would establish new requirements for businesses hiring independent contractors. This memo provides an overview of the legislation and proposed amendments.

Overview

This legislation would require commercial hiring entities (*i.e.*, businesses) to provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures for services valued at \$600 or more. These requirements would become effective on March 1, 2022 and would be implemented by the Office of Labor Standards (OLS).

The Committee discussed this legislation on May 4 and May 18, 2021. See [Central Staff memo dated May 3, 2021](#) and [Central Staff memo dated May 14, 2021](#) for an overview of the legislation and previous issue identification.

Amendments

Councilmember Herbold is prepared to move a substitute bill (“D2”) for the Committee’s consideration. The substitute bill contains technical corrections and substantive amendments. See Table 1 for an overview of the amendments. Any additional changes in the proposed substitute bill will be distributed as soon as they are available.

Table 1: Substitute Bill “D2”

Issue	Description
A. Recitals	The substitute bill would remove and/or revise recitals for brevity.
B. Independent Contractor Coverage	The substitute bill would not cover independent contractors where the only relationship between the independent contractor and the hiring entity is a property rental agreement, such as an agreement to lease workspace from the hiring entity. An example of this type of property rental agreement could be an independent contractor hair stylist whose only relationship with a salon is renting a booth for workspace.

Issue	Description
C. Value of services	The substitute bill would require future adjustments to the amount of compensation that triggers coverage of independent contractor services. The amount of compensation, set at \$600 in a calendar year, would be adjusted to reflect changes to the minimum amount of compensation required for the Internal Revenue Service Form 1099-NEC or equivalent IRS form for businesses reporting non-employee compensation. OLS would determine the adjustments and file a schedule of the amounts with the City Clerk.
D. Platform gig worker provisions	The substitute bill would retain coverage of platform gig workers, but would remove the following provisions specific to platform gig work: <ul style="list-style-type: none"> • Requirement to include estimated tip and service charge distribution in the pre-contract disclosure; • Requirement to provide a pre-contract disclosure at the initial time of hire and for each online order for work; • Requirement to provide a payment disclosure after completion of each online order for work; and • Requirement to provide disclosures and notice of rights in an electronic format via smartphone application or online web portal.
E. Rulemaking authority	The substitute would add a new section clarifying the Director’s authority to issue rules for the administration and enforcement of the legislation.
F. Enforcement	The substitute bill would clarify the OLS Director’s discretion to prioritize investigations of workforces that are vulnerable to violations of the legislation. The substitute bill would also give the Director more discretion to develop the complaint procedure and navigation program.
G. Effective date	The substitute bill would change the effective date of the labor standards requirements from March 1, 2022 to September 1, 2022.
H. OLS funding	In a non-codified section, the substitute bill would state Council’s intention for OLS to use the process established by Seattle Municipal Code (SMC), 3.15.007 “OLS Fund” to establish the office’s funding needs for implementation. Pursuant to SMC 3.15.007(B), the Director would certify the minimum annual contribution needed for enforcement and outreach in a letter to the Mayor and Council by September 1, 2021. The minimum annual contribution would be reflected in the 2022 Proposed Budget submitted by the Mayor to the Council.

Issue	Description
I. Platform gig worker legislation	In a non-codified section, the substitute bill would change the timeline for establishing minimum compensation and other protections for platform gig workers from late September to the end of 2021.

Next Steps

If the Committee votes on this legislation at its meeting on June 4, 2021, Council action could occur at the Full Council meeting on June 14, 2021.

Please contact me if you have questions.

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager



SEATTLE CITY COUNCIL
CENTRAL STAFF

Independent Contractor Protections Substitute Bill “D2”

COUNCIL BILL 120069, SPONSORED BY COUNCILMEMBER HERBOLD

KARINA BULL, ANALYST
FINANCE AND HOUSING COMMITTEE
JUNE 4, 2021

Introduced Legislation

- Commercial hiring entities would provide independent contractors with pre-contract disclosures, timely payment, and payment disclosures for services valued at \$600 or more.
- Effective on March 1, 2022.
- Implemented by the Office of Labor Standards (OLS).

Substitute Bill (1/7)

1. Independent Contractor Coverage

- No coverage of independent contractors where the only relationship with the hiring entity is a property rental agreement, such as an agreement to lease workspace from the hiring entity.
- Example: an independent contractor hair stylist whose only relationship with a salon is renting a booth for workspace.

Substitute Bill (2/7)

1. Value of services

- New requirement to adjust the threshold value of services (\$600 in a calendar year) to reflect IRS reporting requirements for non-employee compensation in 1099-NEC form.
- OLS would determine the adjustments and file a schedule of the amounts with the City Clerk.

Substitute Bill (3/7)

3. Platform Gig Worker Provisions

Retain coverage of platform gig workers, but remove provisions specific to platform gig work:

- Estimated tip and service charge distribution in pre-contract disclosure;
- Pre-contract disclosure at the initial time of hire and for each online order for work;
- Payment disclosure after completion of each online order for work; and
- Provision of disclosures and notice of rights in an electronic format via smartphone application or online web portal.

Substitute Bill (4/7)

4. Enforcement

- Clarify OLS Director's discretion to prioritize investigations of workforces that are vulnerable to violations of the legislation
- Give the Director more discretion to develop the complaint procedure and navigation program

Substitute Bill (5/7)

5. Effective date

- New effective date of September 1, 2022

Substitute Bill (6/7)

6. OLS Funding

- Non-codified section stating Council’s intention for OLS to use the process established by Seattle Municipal Code (SMC), 3.15.007 “OLS Fund” to establish the office’s funding needs for implementation
- OLS Director would certify the “minimum annual contribution” needed for enforcement and outreach in a letter to the Mayor and Council by September 1, 2021
- The minimum annual contribution would be included in the 2022 Proposed Budget submitted by the Mayor to the Council

Substitute Bill (7/7)

7. Platform Gig Worker Legislation

- Extend the timeline for establishing minimum compensation and other protections for platform gig workers from late September 2021 to the end of 2021

Questions?

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE relating to independent contractors in Seattle; establishing labor standards requirements for independent contractors working in Seattle; amending Sections 3.02.125, 3.15.000, and 6.208.020 of the Seattle Municipal Code; and adding a new Chapter 14.34 to the Seattle Municipal Code.

..body

WHEREAS, independent contract work is a growing source of income for workers across the country; and

WHEREAS, in 2018, the United States Bureau of Labor Statistics (BLS) reported that 6.9 percent of workers (10.6 million individuals) gain their primary source of income as an independent contractor; and

WHEREAS, a 2019 Washington State Department of Commerce study found that independent contracting is on the rise in Washington state, increasing by 15 percent from 2008 to 2016; and

WHEREAS, independent contractors have the opportunity for increased flexibility and control over their work, but they also face challenges, such as working without employee protections, non-payment or late payment, lack of information about the terms and conditions of their work, and misclassification; and

WHEREAS, ~~in 2018, studies show that timely payment is an issue for independent contractors, including~~ a Gallup, Inc. survey reported ~~ed~~ that 39 percent of independent contractors reported problems with timely and accurate payment as compared to 18 percent of employees in traditional employment; and

WHEREAS, under current law, an independent contractor's primary legal recourse for non-payment or late payment is a legal action for breach of contract in small claims court or

1 civil court, and the time and expense of going to court and/or hiring an attorney prevents
2 many independent contractors from pursuing payment claims; and

3 ~~WHEREAS, the Washington State Department of Commerce found that independent contractors~~
4 ~~reported experiencing a weaker sense of economic security than in traditional jobs and~~
5 ~~shared their interest in a more centralized contract enforcement mechanism; and~~

6 WHEREAS, in Seattle, Transportation Network Companies (TNCs) and food delivery network
7 companies must provide platform gig workers hired as independent contractors with
8 certain information about their jobs and pay, but there are not comprehensive
9 transparency requirements for all independent contractors working in Seattle; and

10 WHEREAS, a lack of transparency about job information and pay can lead to confusion or
11 disagreement about the terms and conditions of work and mask deceptive payment
12 practices; and

13 WHEREAS, large delivery businesses that make extensive use of workers hired as independent
14 contractors have come under scrutiny for improperly paying delivery drivers, including
15 failure to pay drivers all tips earned from customers or using tips to subsidize promised
16 wages, and proving wage theft is difficult when hiring entities are not required to provide
17 an itemized accounting of earnings; and

18 ~~WHEREAS, in 2017, Instacart agreed to pay \$4.6 million and make changes to how it explains~~
19 ~~its fees to customers to settle a class-action lawsuit filed by shoppers and drivers over~~
20 ~~allegations of improper tip pooling, failure to reimburse workers for business expenses,~~
21 ~~and imposing a service fee reported to look like a tip; and~~

22 ~~WHEREAS, in 2020, Door Dash agreed to pay \$2.5 million dollars in a settlement, including~~
23 ~~\$1.5 million dollars paid directly to eligible delivery drivers, with the Office of Attorney~~

1 ~~General of the District of Columbia over allegations that the company had misrepresented~~
2 ~~what tip amounts meant for worker pay and took tips from workers to lower the~~
3 ~~company's labor costs; and~~

4 ~~WHEREAS, in 2019, the Los Angeles Times reported that Amazon delivery drivers suspected~~
5 ~~that Amazon was using their tips to subsidize promised wages but did not have~~
6 ~~breakdowns of their compensation as proof of this practice, and two drivers tested their~~
7 ~~suspicious by delivering items to their homes through Amazon and by tipping themselves~~
8 ~~amounts that Amazon ultimately did not include in their compensation for the deliveries;~~
9 ~~and~~

10 ~~WHEREAS, in February 2021, Amazon agreed to pay \$61.7 million in a settlement with the~~
11 ~~Federal Trade Commission (FTC) over allegations of withholding the full amount of~~
12 ~~customer tips from AmazonFlex drivers, and the FTC alleged that Amazon withheld this~~
13 ~~amount from workers by using the worker's tips to subsidize the company's guaranteed~~
14 ~~minimum base pay to drivers for each order. As part of the settlement agreement,~~
15 ~~Amazon was prohibited from misrepresenting any driver's income or rate of pay, the~~
16 ~~amount of tips paid to workers, the amount of tips paid by customers, and making~~
17 ~~changes to how tips are used as compensation without first obtaining the worker's~~
18 ~~express informed consent; and~~

19 ~~WHEREAS, the definitions of "employee" and "employer" in local, state, and federal laws are~~
20 ~~broad, but~~ large delivery businesses and other platform businesses also rely on business
21 models that hire platform gig workers as independent contractors, thereby creating
22 barriers for gig workers to access employee protections; and

1 ~~WHEREAS, Black and Latinx workers comprise almost 42 percent of platform gig workers for~~
2 ~~large delivery businesses and other platform businesses although they comprise less than~~
3 ~~29 percent of the overall labor force; and~~

4 ~~WHEREAS, misclassification is the practice of improperly classifying employees as independent~~
5 ~~contractors; and~~

6 WHEREAS, in 2019 the Harvard Law School Labor and Worklife Program reported that 19
7 percent of employers in the Seattle-Bellevue-Tukwila area engage in misclassification –
8 ~~the practice of improperly classifying employees as independent contractors higher than~~
9 ~~the statewide misclassification average of 13 percent~~ – and that the prevalence of
10 misclassification in Washington increased from 5 percent in 2008 to 14 percent in 2017,
11 and averaged 16 percent over the past five years; and

12 WHEREAS, misclassification occurs in many growth industries such as home care, janitorial,
13 trucking, delivery, construction, personal services, hospitality and restaurants, and
14 platform gig work; and

15 WHEREAS, in 2021, the National Equity Atlas, a research partnership between PolicyLink and
16 the University of Southern California Equity Research Institute, reported that Black,
17 Latinx, and immigrant workers are overrepresented in these industries, compared to their
18 overall share of the labor force; and

19 ~~WHEREAS, Black and Latinx workers specifically comprise almost 42 percent of platform gig~~
20 ~~workers although they comprise less than 29 percent of the overall labor force; and~~

21 WHEREAS, in 2020, the National Employment Law Project reported that it is increasingly clear
22 that misclassification is an issue of racial justice as many poor workers of color and
23 immigrant workers, deprived of the core rights and protections of employees, are stuck in

1 a separate and unequal economy where they are underpaid, put in harm's way on the job,
2 and left to fend for themselves; and

3 WHEREAS, in February 2019, the City Council (Council) passed Resolution 31863 to address
4 the problem of misclassifying employees as independent contractors; and

5 WHEREAS, Resolution 31863 requested the Office of Labor Standards (OLS) and the Labor
6 Standards Advisory Commission (LSAC) to work on policy, outreach and enforcement
7 proposals to address the problem of misclassification; and

8 WHEREAS, in May 2020, the LSAC issued policy recommendations to create more
9 transparency and access to information for workers hired as independent contractors,
10 including recommendations for (1) pre-contract disclosures to provide independent
11 contractors with basic job information and (2) payment disclosures to provide a
12 description of the work performed and pay information; and

13 WHEREAS, requiring hiring entities to provide independent contractors with pre-contract and
14 payment disclosures, along with requiring timely payment, aligns with the transparency
15 and pay requirements for employees in the Wage Theft Ordinance, Seattle Municipal
16 Code (SMC) 14.20; and

17 WHEREAS, establishing rights to pre-contract and payment disclosures and timely payment
18 helps all workers hired as independent contractors, and especially those who are
19 misclassified and therefore deprived of the right to receive this information as employees;
20 and

21 WHEREAS, in 2021, the Economic Policy Institute reported that workers of color predominate
22 in the low-paying jobs where misclassification is common and all workers who are
23 misclassified suffer from lack of workplace protections but women, people of color, and

1 immigrants face unique barriers to economic insecurity and disproportionately must
2 accept low-wage, unsafe, and insecure working conditions; and

3 WHEREAS, The City of Seattle (City) is committed to ending racial disparities and achieving
4 racial equity in Seattle; and

5 WHEREAS, it is the City’s intent for correctly classified independent contractors, misclassified
6 employees, and correctly classified employees to have equal baseline rights; and

7 WHEREAS, establishing efficient enforcement mechanisms for independent contractors to
8 enforce such rights prevents theft of earned income, promotes the dignity of these vital
9 workers, and increases their economic security and ability to care for themselves and
10 their families; and

11 WHEREAS, preventing theft of an independent contractor’s earned income also promotes
12 business and economic development within the City by reducing the unfair competition
13 caused by unscrupulous hiring entities that do not pay or underpay independent
14 contractors; and

15 WHEREAS, the City is a leader on wage, labor, and workforce practices that improve workers’
16 lives, support economic security, and contribute to a fair, healthy, and vibrant economy;
17 and

18 WHEREAS, establishing new labor standards for independent contractors ~~such as requirements~~
19 ~~for pre-contract disclosures, timely payment, and payment disclosures~~, requires
20 appropriate action by the Council; NOW, THEREFORE,

21 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

22 Section 1. A new Chapter 14.34 is added to the Seattle Municipal Code as follows:

23 **Chapter 14.34 INDEPENDENT CONTRACTOR PROTECTIONS**

1 **14.34.010 Short title**

2 This Chapter 14.34 shall constitute the “Independent Contractor Protections Ordinance” and may
3 be cited as such.

4 **14.34.020 Definitions**

5 For purposes of this Chapter 14.34:

6 “Adverse action” means reducing compensation, garnishing tips or gratuities, temporarily
7 or permanently denying or limiting access to work, incentives, or bonuses, offering less desirable
8 work, terminating, deactivating, threatening, penalizing, retaliating, engaging in unfair
9 immigration-related practices, filing a false report with a government agency, or otherwise
10 discriminating against any person for any reason prohibited by Section 14.34.120. “Adverse
11 action” for an independent contractor may involve any aspect of the contractor’s work, including
12 compensation, work hours, responsibilities, or other material change in the terms and conditions
13 in the ability of the independent contractor to perform services for or through the hiring entity.

14 “Adverse action” also includes any action by the hiring entity or a person acting on the hiring
15 entity’s behalf that would dissuade a reasonable person from exercising any right afforded by
16 this Chapter 14.34.

17 “Agency” means the Office of Labor Standards and any division therein.

18 “Aggrieved party” means an independent contractor or other person who suffers tangible
19 or intangible harm due to a hiring entity or other person's violation of this Chapter 14.34.

20 “Application dispatch” means technology that allows customers to directly request
21 dispatch of independent contractors for provision of services and/or allows independent
22 contractors or hiring entities to accept requests for services and payments for services via the
23 internet using mobile interfaces such as, but not limited to, smartphone and tablet applications.

1 “City” means The City of Seattle.

2 “Commercial hiring entity” means a hiring entity regularly engaged in business or
3 commercial activity. A hiring entity is regularly engaged in business or commercial activity if
4 the hiring entity owns or operates any trade, occupation, or business, including a not for profit
5 business, or holds itself out as engaging in any trade, occupation, or business. “Commercial
6 hiring entity” does not include third parties purchasing services from hiring entities that hire
7 platform gig workers to provide prearranged services.

8 “Compensation” means the payment owed to an independent contractor by reason of
9 working for the hiring entity, including but not limited to hiring entity payments for providing
10 services, bonuses, and commissions, as well as tips and service charge distributions.

11 “Director” means the Director of the Office of Labor Standards or the Director's
12 designee.

13 “Director rules” means: (1) rules the Director or Agency may promulgate pursuant to
14 ~~subsection 14.34.130.B or 14.34.130.C~~Section 14.34.125; or (2) other rules that the Director
15 identifies, by means of an Agency Q&A, previously promulgated pursuant to authority in this
16 Title 14. Rules the Director identifies by means of an Agency Q&A shall have the force and
17 effect of law and may be relied on by hiring entities, independent contractors, and other parties to
18 determine their rights and responsibilities under this Chapter 14.34.

19 “Employ” means to suffer or permit to work.

20 “Employee” means any individual employed by an employer, including but not limited
21 to full-time employees, part-time employees, and temporary workers. An employer bears the
22 burden of proof that the individual is, as a matter of economic reality, in business for oneself
23 rather than dependent upon the alleged employer.

1 “Employer” means any individual, partnership, association, corporation, business trust,
2 or any entity, person or group of persons, or a successor thereof, that employs another person
3 and includes any such entity or person acting directly or indirectly in the interest of an
4 employer in relation to an employee. More than one entity may be the “employer” if
5 employment by one employer is not completely disassociated from employment by the other
6 employer.

7 “Hiring entity” means any individual, partnership, association, corporation, business
8 trust, or any entity, person or group of persons, or a successor thereof, that hires an independent
9 contractor to provide any service to the hiring entity or a third party.

10 “Hiring entity payment” means the amount owed to an independent contractor by
11 reason of working for the hiring entity, including but not limited to payment for providing
12 services, bonuses, and commissions.

13 “Independent contractor” means a person or entity composed of no more than one person,
14 regardless of corporate form or method of organizing the person’s business, that is hired by a
15 hiring entity as a self-employed person or entity to provide services in exchange for
16 compensation. “Independent contractor” includes a platform gig worker. “Independent
17 contractor” does not include:

18 1. Any person duly authorized to practice law and who is engaged in the practice
19 of law for the services at issue;

20 2. Any person who is a licensed medical professional acting within the scope of
21 that license for the services at issue; and

1 43. Pursuant to rules that the Director may issue, any person working in a
2 profession that is governed by a comparable code of ethics and who is working within the scope
3 of that profession for the services at issue.

4 “Online order” or “online order for work” means an order for services placed through
5 an online-enabled application or platform, including but not limited to an application dispatch
6 system, provided by a hiring entity.

7 “Platform gig worker” means an independent contractor hired by a hiring entity to
8 provide prearranged services for compensation using an online-enabled application or platform
9 to connect third parties (e.g., customers) with workers.

10 “Primary language” means the language in which the independent contractor feels
11 most comfortable communicating.

12 “Rate of inflation” means 100 percent of the annual average growth rate of the bi-
13 monthly Seattle-Tacoma-Bellevue Area Consumer Price Index for Urban Wage Earners and
14 Clerical Workers, termed CPI-W, for the 12-month period ending in August, provided that the
15 percentage increase shall not be less than zero.

16 “Respondent” means a hiring entity or any person who is alleged or found to have
17 committed a violation of this ordinance.

18 “Successor” means any person to whom a hiring entity quitting, selling out, exchanging,
19 or disposing of a business sells or otherwise conveys in bulk and not in the ordinary course of the
20 hiring entity’s business, a major part of the property, whether real or personal, tangible or
21 intangible, of the hiring entity’s business. For purposes of this definition, “person” means an
22 individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm,
23 corporation, business trust, partnership, limited liability partnership, company, joint stock

1 company, limited liability company, association, joint venture, or any other legal or commercial
2 entity.

3 “Tip” or “tips” means a verifiable sum to be presented by a customer as a gift or gratuity
4 in recognition of some service performed for the customer by the independent contractor
5 receiving the tip.

6 “Written” or “writing” means a printed or printable communication in physical or
7 electronic format, including but not limited to a communication that is transmitted through email,
8 text message, or a computer or mobile system, or that is otherwise sent and maintained
9 electronically.

10 **14.34.030 Independent contractor coverage**

11 A. For the purposes of this Chapter 14.34, covered independent contractors are limited to
12 those who perform work for a covered hiring entity, where ~~(1)†~~

13 1. The work is performed in whole or part in Seattle, and ~~(2)†~~

14 2. The hiring entity knows or has reason to know that the work is performed in
15 whole or part in Seattle, and

16 3. The hiring entity hires the independent contractor for services in the course of
17 the hiring entity’s business or commercial activity.

18 B. The determination of whether a hiring entity knows or has reason to know that work is
19 performed in whole or part in Seattle, may be demonstrated by any number of factors, including
20 but not limited to:

21 1. The hiring entity specifies the location of the work to be performed, including a
22 service area that is wholly or partially within Seattle;

1 2. The hiring entity provides a location within Seattle at which the independent
2 contractor is permitted or required to perform the work;

3 3. The independent contractor maintains a regular place of business at an address
4 in Seattle and the hiring entity is aware of this regular place of business as indicated by inclusion
5 of the independent contractor’s address in Seattle in a pre-contract disclosure, written contract,
6 payment, or other means;

7 4. The independent contractor provides information to the hiring entity indicating
8 that work will be performed in whole or part in Seattle;

9 5. The independent contractor provides services that in fact include a work-related
10 or commercial stop in Seattle; or

11 6. Pursuant to rules that the Director may issue, other factors that are material and
12 necessary to effectuate the terms of this Chapter 14.34.

13 C. If a pre-contract disclosure, payment disclosure, or a written contract references
14 Seattle as a location for services or the independent contractor’s regular place of business, there
15 shall be a presumption rebuttable by clear and convincing evidence that the hiring entity knows
16 or has reason to know that the independent contractor’s work is performed in whole or part in
17 Seattle. The lack of a reference to Seattle in the disclosures or contract does not conclusively
18 establish that a hiring entity did not know, or did not have reason to know, that work was to be
19 performed in Seattle.

20 D. Time spent by an employee in Seattle solely for the purpose of travelling through
21 Seattle from a point of origin outside Seattle to a destination outside Seattle, with no work-
22 related or commercial stops in Seattle except for refueling or the independent contractor’s

1 personal meals or errands, does not create coverage for an independent contractor under this
2 Chapter 14.34.

3 ~~EE~~. Independent contractors who are employees under Chapter 14.20 for covered hiring
4 entities are not covered independent contractors under this Chapter 14.34. Hiring entities must
5 make all required disclosures and pay all compensation owed to such workers in accordance with
6 their obligations under Chapter 14.20.

7 ~~FD~~. Independent contractors who are Transportation Network Company (TNC) drivers
8 under Chapter 14.33 for covered hiring entities are not owed pre-contract disclosures under
9 Section 14.34.050 or payment disclosures under Section 14.34.060. Hiring entities that hire TNC
10 drivers must comply with all other requirements of this Chapter 14.34, including provision of
11 timely payment under Section 14.34.055, and make all required disclosures and pay all
12 compensation owed to such workers in accordance with their obligations under Chapter 14.33.

13 G. If the only relationship between the independent contractor and the hiring entity is a
14 property rental agreement, such as an agreement to lease workspace from the hiring entity, the
15 independent contractor is not covered by this Chapter 14.34

16
17 **14.34.040 Hiring entity coverage**

18 A. For the purposes of this Chapter 14.34, ~~a~~ covered hiring entities ~~is~~ are limited to a
19 commercial hiring entity ~~iesy~~. ~~that hires an independent contractor for services in the course of the~~
20 ~~commercial hiring entity's business or commercial activity.~~

21 B. Separate entities that form an integrated enterprise shall be considered a single hiring
22 entity under this ordinance. Separate entities will be considered an integrated enterprise and a

1 single hiring entity under this ordinance where a separate entity controls the operation of another
2 entity. The factors to consider in making this assessment include, but are not limited to:

- 3 1. Degree of interrelation between the operations of multiple entities;
- 4 2. Degree to which the entities share common management;
- 5 3. Centralized control of labor relations;
- 6 4. Degree of common ownership or financial control over the entities; and
- 7 5. Use of a common brand, trade, business, or operating name.

8 **14.34.045 Value of services**

9 For the purposes of this Chapter 14.34, covered services by independent contractors are limited
10 to those with proposed or actual compensation of \$600 or more, or compensation reasonably
11 expected to be \$600 or more either by itself or when aggregated for services between the same
12 hiring entity and independent contractor during the calendar year. The threshold amount of
13 compensation contained in this Section 14.34.045 shall be adjusted to reflect the minimum
14 amount of compensation required for Internal Revenue Service (IRS) Form 1099-NEC or
15 equivalent IRS form for businesses reporting non-employee compensation. The Agency shall
16 determine the amounts and file a schedule of such amounts with the City Clerk.

17 **14.34.050 Pre-contract disclosure**

18 A. Prior to an independent contractor beginning work for the hiring entity, the hiring
19 entity shall provide the independent contractor with a written pre-contract disclosure that
20 provides itemized information on the proposed terms and conditions of work, including but not
21 limited to:

- 22 1. Current date;
- 23 2. Name of the independent contractor;

1 3. Name of the hiring entity;

2 4. Contact information for the hiring entity, including but not limited to physical
3 address, mailing address, telephone number, and/or email address as applicable;

4 5. Description of work;

5 6. Location(s) of work and regular place of business of independent contractor
6 or hiring entity;

7 7. Rate or rates of pay, including any applicable price multiplier or variable
8 pricing policy, or incentive pay applicable to the offer of work;

9 ~~8. Estimated tips and/or service charge distributions, if the hiring entity includes~~
10 ~~tips or service charge distributions as part of the offered compensation;~~

11 ~~9~~8. Pay basis (e.g., hour, day, week, monthly, fee per project, piece rate,
12 commission);

13 ~~10~~9. Tips and/or service charge distribution policy, if applicable;

14 ~~11~~10. Typical expenses incurred in the course of work and which expenses will
15 be paid or reimbursed by the hiring entity, if applicable;

16 ~~12~~11. Deductions, fees, or other charges that the hiring entity may subtract from
17 payment and accompanying policies for each type of charge, if applicable;

18 ~~13~~12. Payment schedule; and

19 ~~14~~13. Pursuant to rules that the Director may issue, other information that is
20 material and necessary to effectuate the terms of this Chapter 14.34.

21 B. Hiring entities shall satisfy the pre-contract disclosure requirements by providing the
22 required information in a single document, which may be in the form of a pre-contract

1 disclosure, contract offer, counteroffer, application, or other single document meeting the
2 disclosure requirements.

3 ~~C. Hiring entities shall provide platform gig workers with a pre-contract disclosure at~~
4 ~~the initial time of hire and for each online order for work covered by this Chapter 14.34.~~
5 ~~However, pre-contract disclosures for each online order may abbreviate or omit information~~
6 ~~required by subsections 14.34.050.A.4 and 14.34.050.A.10-13 if the hiring entity fully~~
7 ~~provided such information in the pre-contract disclosure provided at the initial time of hire and~~
8 ~~there have been no changes to such information.~~

9 DC. Hiring entities shall provide an independent contractor with written notice of any
10 change to the information required by subsection 14.34.050.A before the change takes place, or
11 as soon as practicable for retroactive changes to such information. Hiring entities may provide
12 piece-meal notice of such changes (i.e., notice separate from the single document required in
13 subsection 14.34.050.B). However, for changes to more than six of the items required by
14 subsection 14.34.050.A, hiring entities shall issue a revised single document with all
15 disclosures required by subsection 14.34.050.A.

16 ED. Hiring entities shall provide the pre-contract disclosure in English and any
17 language that the hiring entity knows or has reason to know is the primary language of the
18 independent contractor.

19 FE. The Agency shall create and distribute a model notice of the pre-contract disclosure
20 in English, Spanish, and other languages by ~~March-September~~ September 1, 2022. Hiring entities are not
21 required to use the model notice when providing the pre-contract disclosure. However, hiring
22 entities are responsible for providing the pre-contract disclosure in a format that is readily
23 accessible to the independent contractor. ~~Hiring entities of platform gig workers shall provide~~

~~the pre-contract disclosure in an electronic format via smartphone application or online web portal.~~

GF. Hiring entities shall satisfy pre-contract disclosure requirements for independent contractors working for the hiring entity as of ~~March~~September 1, 2022 by providing the required information by ~~March~~September 31, 2022 or by the date of compensation, whichever date is sooner.

HG. If the independent contractor performs agreed-upon work pursuant to the pre-contract disclosure, the terms and conditions in the pre-contract disclosure shall presumptively become part of the terms and conditions of a contract between the hiring entity and the independent contractor. This presumption shall be rebuttable by clear and convincing evidence, such as a written contract.

14.34.055 Timely payment

A. Except as otherwise provided by law, the hiring entity shall provide the independent contractor with timely compensation for work performed.

B. The hiring entity shall provide compensation that conforms to the terms and conditions of the contract between the hiring entity and the independent contractor, whether the amount of compensation is specified by the contract resulting from the pre-contract disclosure pursuant to subsection 14.34.050.HG or by other means such as a superseding written contract.

C. If the independent contractor performs agreed-upon work for the hiring entity and the hiring entity has not provided a pre-contract disclosure regarding the terms and conditions of payment, there is a rebuttable presumption that the independent contractor's alleged terms

1 and conditions of the contractual relationship are the terms and conditions of the contractual
2 relationship pursuant to subsections 14.34.170.C and 14.34.230.B.

3 D. The hiring entity shall provide the compensation as follows:

4 1. On or before the date the compensation is due under the terms and conditions
5 of the contract; or

6 2. If the contract does not specify when the hiring entity shall provide the
7 independent contractor with compensation or the mechanism by which the date for
8 compensation shall be determined, the hiring entity shall provide the independent contractor
9 with compensation no later than 30 days after the completion of the independent contractor's
10 services under the contract.

11 E. Once the independent contractor has commenced performance of the services under
12 the contract, the hiring entity shall not require as a condition of timely compensation that the
13 independent contractor accept less compensation than the amount of compensation due under
14 the contract.

15 **14.34.060 Payment disclosure**

16 A. Each time the hiring entity provides the independent contractor with compensation,
17 the hiring entity shall provide a written payment disclosure that provides itemized payment
18 information, including but not limited to:

- 19 1. Current date;
- 20 2. Name of independent contractor;
- 21 3. Name of hiring entity;
- 22 4. Description of services covered by payment (e.g., description of project, tasks
23 completed, or hours worked);

- 1 5. Location of services covered by payment;
- 2 6. Rate or rates of pay, including any applicable price multiplier or variable
- 3 pricing policy, or incentive pay applicable to the work;
- 4 7. Tip compensation and/or service charge distributions, if applicable;
- 5 8. Pay basis (e.g., hour, day, week, monthly, fee per project, piece rate,
- 6 commission) with accounting of method(s) for determining payment earned during the pay
- 7 period;
- 8 9. Expenses reimbursed, if applicable;
- 9 10. Gross payment;
- 10 11. Deductions, fees, or other charges, if applicable;
- 11 12. Net payment after deductions, fees, or other charges; and
- 12 13. Pursuant to rules that the Director may issue, other information that is material
- 13 and necessary to effectuate the terms of this Chapter 14.34.

14 B. Hiring entities shall satisfy the payment disclosure requirements in subsection
15 14.34.060.A by providing the required information in a single document, including but not
16 limited to a payment disclosure notice, paycheck stub, or an independent contractor’s invoice
17 accompanied by a single document with supplemental information as necessary.

18 ~~C. In addition to providing a payment disclosure at the time of compensation, hiring~~
19 ~~entities of platform gig workers shall provide a payment disclosure for each completed online~~
20 ~~order for work covered by this Chapter 14.34. The Director may issue rules governing the~~
21 ~~timing and content of payment disclosures for each completed online order for work.~~

22 DC. The Agency shall create and distribute a model notice of the payment disclosure in
23 English, Spanish, and other languages by March-September 1, 2022. Hiring entities are not

1 required to use the model notice when providing the payment disclosure. However, hiring
2 entities are responsible for providing the payment disclosure in a format that is readily
3 accessible to the independent contractor. ~~Hiring entities of platform gig workers shall provide~~
4 ~~the payment disclosure in an electronic format via smartphone application or online web~~
5 ~~portal.~~

6 **14.34.100 Notice of rights**

7 A. Hiring entities shall provide each independent contractor with a written notice of
8 rights established by this Chapter 14.34.

9 1. For independent contractors working for the hiring entity as of ~~March~~
10 September 1, 2022, hiring entities shall provide the notice of rights by ~~March~~ September 31,
11 2022 or by the date of compensation, whichever date is sooner.

12 2. For independent contractors hired by the hiring entity after ~~March~~ September
13 31, 2022, hiring entities shall provide the notice of rights prior to the independent contractor
14 beginning work for the hiring entity.

15 3. Hiring entities shall provide the notice of rights in English and any language
16 that the hiring entity knows or has reason to know is the primary language of the independent
17 contractor.

18 B. The notice of rights shall provide information on:

19 1. The right to pre-contract disclosures, timely payment, and payment disclosures
20 guaranteed by this Chapter 14.34;

21 2. The right to be protected from retaliation for exercising in good faith the rights
22 protected by this Chapter 14.34;

1 3. The right to file a complaint with the Agency or bring a civil action for a
2 violation of the requirements of this Chapter 14.34, including a hiring entity's failure to provide
3 a pre-contract disclosure, timely payment, and a payment disclosure, and a hiring entity or other
4 person's retaliation against an independent contractor or other person for asserting the right to
5 disclosures, timely payment, or otherwise engaging in an activity protected by this Chapter
6 14.34; and

7 4. Pursuant to rules that the Director may issue, other information that is
8 material and necessary to effectuate the terms of this Chapter 14.34.

9 C. The Agency shall create and distribute a model notice of rights in English and other
10 languages by ~~March-September~~ 1, 2022. Hiring entities are not required to use the model notice
11 when providing the notice of rights. However, hiring entities are responsible for providing the
12 notice of rights in a format that is readily accessible to the independent contractor. ~~Hiring~~
13 ~~entities of platform gig workers shall provide the notice of rights in an electronic format via~~
14 ~~smartphone application or online web portal.~~

15 **14.34.110 Hiring entity records**

16 A. Hiring entities shall retain records that document compliance with this Chapter 14.34
17 for each independent contractor.

18 B. Hiring entities shall retain the records required by subsection 14.34.110.A for a period
19 of three years.

20 C. If a hiring entity fails to retain adequate records required under subsection
21 14.34.110.A, there shall be a presumption, rebuttable by clear and convincing evidence, that the
22 hiring entity violated this Chapter 14.34 for the periods and for each independent contractor for
23 whom records were not retained.

1 **14.34.120 Retaliation prohibited**

2 A. No hiring entity or any other person shall interfere with, restrain, or deny the exercise
3 of, or the attempt to exercise, any right protected under this Chapter 14.34.

4 B. No hiring entity or any other person shall take any adverse action against any person
5 because the person has exercised in good faith the rights protected under this Chapter 14.34.
6 Such rights include, but are not limited to, the right to make inquiries about the rights protected
7 under this Chapter 14.34; the right to inform others about their rights under this Chapter 14.34;
8 the right to inform the person's hiring entity, the person's legal counsel, a union or similar
9 organization, or any other person about an alleged violation of this Chapter 14.34; the right to
10 file an oral or written complaint with the Agency or bring a civil action for an alleged violation
11 of this Chapter 14.34; the right to cooperate with the Agency in its investigations of this Chapter
12 14.34; the right to testify in a proceeding under or related to this Chapter 14.34; the right to
13 refuse to participate in an activity that would result in a violation of city, state or federal law; and
14 the right to oppose any policy, practice, or act that is unlawful under this Chapter 14.34.

15 C. No hiring entity or any other person shall communicate to a person exercising rights
16 protected in this Section 14.34.120, directly or indirectly, the willingness to inform a government
17 worker that the person is not lawfully in the United States, or to report, or to make an implied or
18 express assertion of a willingness to report, suspected citizenship or immigration status of an
19 independent contractor or family member of an independent contractor to a federal, state, or local
20 agency because the independent contractor has exercised a right under this Chapter 14.34.

21 D. It shall be a rebuttable presumption of retaliation if a hiring entity or any other person
22 takes an adverse action against a person within 90 days of the person's exercise of rights

1 protected in this Section 14.34.120. The hiring entity may rebut the presumption with clear and
2 convincing evidence that the adverse action was taken for a permissible purpose.

3 E. Proof of retaliation under this Section 14.34.120 shall be sufficient upon a showing
4 that a hiring entity or any other person has taken an adverse action against a person and the
5 person's exercise of rights protected in this Section 14.34.120 was a motivating factor in the
6 adverse action, unless the hiring entity can prove that the action would have been taken in the
7 absence of such protected activity.

8 F. The protections afforded under this Section 14.34.120 shall apply to any person who
9 mistakenly but in good faith alleges violations of this Chapter 14.34.

10 G. A complaint or other communication by any person triggers the protections of this
11 Section 14.34.120 regardless of whether the complaint or communication is in writing or makes
12 explicit reference to this Chapter 14.34.

13 **14.34.125 Rulemaking authority**

14 The Director is authorized to administer and enforce this Chapter 14.34. The Director shall
15 exercise all responsibilities under this Chapter 14.34 pursuant to rules and regulations
16 developed under Chapter 3.02. The Director is authorized to promulgate, revise, or rescind rules
17 and regulations deemed necessary, appropriate, or convenient to administer, evaluate and
18 enforce the provisions of this Chapter 14.34, providing affected entities with due process of
19 law and in conformity with the intent and purpose of this Chapter 14.34. Any guidelines or
20 rules promulgated by the Director shall have the force and effect of law and may be relied on by
21 hiring entities, independent contractors, and other parties to determine their rights and
22 responsibilities under this Chapter 14.34.

23 **14.34.130 Enforcement power and duties**

1 A. The Agency shall have the power to administer and enforce this Chapter 14.34 and
2 shall have such powers and duties in the performance of these functions as are defined in this
3 Chapter 14.34 and otherwise necessary and proper in the performance of the same and provided
4 for by law.

5 ~~B. The Agency is authorized to coordinate implementation and enforcement of this~~
6 ~~Chapter 14.34 and may promulgate appropriate guidelines or rules for such purposes.~~

7 ~~C. The Director is authorized to promulgate rules consistent with this Chapter 14.34 and~~
8 ~~Chapter 3.02. Any guidelines or rules promulgated by the Director shall have the force and effect~~
9 ~~of law and may be relied on by hiring entities, independent contractors, and other parties to~~
10 ~~determine their rights and responsibilities under this Chapter 14.34.~~

11 **14.34.140 Violation**

12 The failure of any respondent to comply with any requirement imposed on the respondent under
13 this Chapter 14.34 is a violation.

14 **14.34.150 Investigation**

15 A. The Agency shall have the power to investigate any violations of this Chapter 14.34
16 by any respondent. The Agency may prioritize investigations of workforces that are vulnerable to
17 violations of this Chapter 14.34. The Agency may initiate an investigation pursuant to Director
18 rules, including but not limited to situations when the Director has reason to believe that a
19 violation has occurred or will occur, or when circumstances show that violations are likely to
20 occur within a class of hiring entities or businesses because the workforce contains significant
21 numbers of independent contractors who are vulnerable to violations of this Chapter 14.34 or the
22 workforce is unlikely to volunteer information regarding such violations. An investigation may

1 also be initiated through the receipt by the Agency of a report or complaint filed by an
2 independent contractor or other person.

3 B. An independent contractor or other person may report to the Agency any suspected
4 violation of this Chapter 14.34. The Agency shall encourage reporting pursuant to this Section
5 14.34.150 by taking the following measures:

6 1. The Agency shall keep confidential, to the maximum extent permitted by
7 applicable laws, the name and other identifying information of the independent contractor or
8 person reporting the violation. However, with the authorization of such person, the Agency may
9 disclose the independent contractor's or person's name and identifying information as necessary
10 to enforce this Chapter 14.34 or for other appropriate purposes.

11 2. The Agency may require the hiring entity to post or otherwise notify other
12 independent contractors working for the hiring entity that the Agency is conducting an
13 investigation. The hiring entity shall provide the notice of investigation in a form, place, and
14 manner designated by the Agency. The Agency shall create the notice of investigation in English
15 and other languages.

16 3. The Agency may certify the eligibility of eligible persons for "U" Visas under
17 the provisions of 8 U.S.C. § 1184.p and 8 U.S.C. § 1101.a.15.U. This certification is subject to
18 applicable federal law and regulations, and Director rules.

19 C. The Agency's investigation shall commence within three years of the alleged violation.
20 To the extent permitted by law, the applicable statute of limitations for civil actions is tolled
21 during any investigation under this Chapter 14.34 and any administrative enforcement
22 proceeding under this Chapter 14.34 based upon the same facts. For purposes of this Chapter
23 14.34:

1 1. The Agency's investigation begins on the earlier date of when the Agency
2 receives a complaint from a person under this Chapter 14.34, or when the Agency provides
3 notice to the respondent that an investigation has commenced under this Chapter 14.34.

4 2. The Agency's investigation ends when the Agency issues a final order
5 concluding the matter and any appeals have been exhausted; the time to file any appeal has
6 expired; or the Agency notifies the respondent in writing that the investigation has been
7 otherwise resolved.

8 D. The Agency's investigation shall be conducted in an objective and impartial manner.

9 E. The Director may apply by affidavit or declaration in the form allowed under RCW
10 9A.72.085 to the Hearing Examiner for the issuance of subpoenas requiring a hiring entity to
11 produce the records required by Section 14.34.110, or for the attendance and testimony of
12 witnesses, or for the production of documents required to be retained under Section 14.34.110, or
13 any other document relevant to the issue of whether any independent contractor or group of
14 independent contractors received the information or other benefits required by this Chapter
15 14.34, and/or to whether a hiring entity has violated any provision of this Chapter 14.34. The
16 Hearing Examiner shall conduct the review without hearing as soon as practicable and shall issue
17 subpoenas upon a showing that there is reason to believe that: a violation has occurred, a
18 complaint has been filed with the Agency, that circumstances show that violations are likely to
19 occur within a class of businesses because the workforce contains significant numbers of
20 independent contractors who are vulnerable to violations of this Chapter 14.34, the workforce is
21 unlikely to volunteer information regarding such violations, or the Agency has gathered
22 preliminary information indicating that a violation may have occurred.

1 F. A hiring entity that fails to comply with the terms of any subpoena issued under
2 subsection 14.34.150.E in an investigation by the Agency under this Chapter 14.34 before the
3 issuance of a Director's Order issued pursuant to subsection 14.34.160.C may not use such
4 records in any appeal to challenge the correctness of any determination by the Agency of
5 liability, damages owed, or penalties assessed.

6 G. In addition to other remedies, the Director may refer any subpoena issued under
7 subsection 14.34.150.E to the City Attorney to seek a court order to enforce any subpoena.

8 H. Where the Director has reason to believe that a violation has occurred, the Director
9 may order any appropriate temporary or interim relief to mitigate the violation or maintain the
10 status quo pending completion of a full investigation or hearing, including but not limited to a
11 deposit of funds or bond sufficient to satisfy a good-faith estimate of compensation, interest,
12 damages, and penalties due. A respondent may appeal any such order in accordance with Section
13 14.34.180.

14 **14.34.160 Findings of fact and determination**

15 A. Except when there is an agreed upon settlement, the Director shall issue a written
16 determination with findings of fact resulting from the investigation and statement of whether a
17 violation of this Chapter 14.34 has or has not occurred based on a preponderance of the evidence
18 before the Director.

19 B. If the Director determines that there is no violation of this Chapter 14.34, the Director
20 shall issue a "Determination of No Violation" with notice of an independent contractor's or other
21 person's right to appeal the decision, pursuant to Director rules.

1 C. If the Director determines that a violation of this Chapter 14.34 has occurred, the
2 Director shall issue a “Director's Order” that shall include a notice of violation identifying the
3 violation or violations.

4 1. The Director’s Order shall state with specificity the amounts due under this
5 Chapter 14.34 for each violation, including payment of unpaid compensation, liquidated
6 damages, civil penalties, penalties payable to aggrieved parties, fines, and interest pursuant to
7 Section 14.34.170.

8 2. The Director's Order may specify that civil penalties and fines due to the
9 Agency can be mitigated for respondent's timely payment of remedy due to an aggrieved party
10 pursuant to subsection 14.34.170.A.4.

11 3. The Director’s Order may specify that civil penalties and fines are due to the
12 aggrieved party rather than due to the Agency.

13 4. The Director's Order may direct the respondent to take such corrective action as
14 is necessary to comply with the requirements of this Chapter 14.34, including but not limited to
15 monitored compliance for a reasonable time period.

16 5. The Director's Order shall include notice of the respondent's right to appeal the
17 decision pursuant to Section 14.34.180.

18 **14.34.165 Complaint procedure**

19 A. The Agency shall have the power to respond to any violations of this Chapter 14.34
20 with a complaint procedure.

21 B. The Agency may initiate a complaint procedure as an alternative enforcement method
22 to an investigation for responding to a report or complaint by any person of a violation of this
23 Chapter 14.34. The Director may issue rules for the complaint procedure, including but not

1 limited to rules to establish the timeline for sending the information required by subsection
2 14.34.170.D and to indicate when the Agency may prioritize use of a complaint procedure prior
3 to an investigation or in lieu of an investigation. The Director may also establish other
4 enforcement methods to efficiently resolve violations of this Chapter 14.34.

5 C. The Agency may require the complainant to provide information pursuant to the
6 complaint procedure, including but not limited to:

- 7 1. Contact information for the independent contractor and hiring entity;
- 8 2. A statement describing the proposed terms and conditions of work, such as the
9 information required by the pre-contract disclosure pursuant to Section 14.34.050;
- 10 3. A copy of the pre-contract disclosure, payment provided to the independent
11 contractor, or payment disclosure, if available; and
- 12 4. A statement describing the alleged violations of this Chapter 14.34.

13 D. The Agency ~~shall~~may send notices to the hiring entity and complainant, including but
14 not limited to:

15 1. Notice of the alleged violation(s). The Agency ~~shall~~may send notice to the
16 hiring entity of the alleged violation(s) of this Chapter 14.34. The Agency shall bear ~~the~~any cost
17 of sending such notice by certified mail or by other means incurring a cost to the Agency. This
18 notice ~~shall~~may include but not be limited to:

- 19 a. Statement of the alleged violation(s) of this Chapter 14.34; and
- 20 b. Description of the remedies available to an independent contractor for
21 violation(s) of this Chapter 14.34;

1 2. Response from the hiring entity. ~~Within 20 days of service of the notice to~~
2 ~~hiring entity of the alleged violation, the~~The hiring entity ~~shall~~may send the Agency ~~one of the~~
3 following:

4 a. Written statement that the hiring entity provided the independent
5 contractor with the pre-contract disclosure, timely payment in full, or payment disclosure
6 required by this Chapter 14.34 and proof of such disclosure(s) or payment; or

7 b. Written statement that the hiring entity did not provide the independent
8 contractor the pre-contract disclosure, timely payment in full, or payment disclosure required by
9 this Chapter 14.34 and the reason(s) for not providing such disclosure(s) or payment.

10 3. Notice to the complainant of the response from the hiring entity. The Agency
11 ~~shall~~may send a notice to the complainant of the response from the hiring entity. This notice to
12 the complainant ~~shall~~may include but not be limited to:

13 a. The response from hiring entity, including any enclosures;

14 b. Information on the right to bring a civil action in a court of competent
15 jurisdiction;

16 c. Any other information about the status of the complaint; and

17 d. Information about the navigation program pursuant to Section

18 14.34.167.

19 4. Notice of no response. If the Agency receives no response from the hiring
20 entity within the timeframe established by Director rule for subsection 14.34.165.D.3, the
21 Agency ~~may~~shall send a notice of no response to the complainant and the hiring entity, and ~~shall~~
22 may include proof that the Agency previously sent notice of the alleged violation(s) to the hiring
23 entity.

1 5. Notice of closure. The Agency ~~shall~~may send the complainant and hiring
2 entity notice of the Agency’s completion of the complaint procedure and/or closure of the case.

3 E. Upon satisfying the requirements of subsections 14.34.165.C and 14.34.165.D, the
4 Agency may close the case.

5 **14.34.167 Navigation program**

6 A. The Agency ~~shall~~may establish a navigation program that provides intake and
7 information relating to the provisions of this Chapter 14.34.

8 1. The navigation program ~~shall~~may provide a range of information, including
9 but not limited to:

10 a. Information on the provisions and procedures of this Chapter 14.34;

11 b. Model notices of the pre-contract disclosure, payment disclosure, and
12 notice of rights required by this Chapter 14.34;

13 c. General court information, including but not limited to:

14 i. Information on court procedures for filing civil actions in small
15 claims, district court, and superior court; and

16 ii. Information on obtaining translation and interpretation services,
17 and other courtroom services;

18 d. A list of organizations that can be used to identify attorneys;

19 e. Organizations providing outreach and education, and/or legal assistance
20 to independent contractors;

21 f. Information about classifying workers as employees or independent
22 contractors; and

1 g. As determined by the Director, additional information related to the
2 provisions of this Chapter 14.34, other workplace protections for independent contractors, or
3 other resources for resolving workplace issues.

4 2. The navigation program ~~shall~~may include outreach and education to the public
5 on the provisions and procedures of this Chapter 14.34.

6 3. The navigation program shall not include legal advice from the Agency.
7 However, if the Agency refers an independent contractor to a community organization through
8 the navigation program, the community organization is not precluded from providing legal
9 advice.

10 **14.34.170 Remedies**

11 A. The payment of unpaid compensation, liquidated damages of up to twice the amount
12 of unpaid compensation, civil penalties, penalties payable to aggrieved parties, fines, and interest
13 provided under this Chapter 14.34 is cumulative and is not intended to be exclusive of any other
14 available remedies, penalties, fines, and procedures.

15 1. The amounts of all civil penalties, penalties payable to aggrieved parties, and
16 fines contained in this Section 14.34.170 shall be increased annually to reflect the rate of
17 inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency
18 shall determine the amounts and file a schedule of such amounts with the City Clerk.

19 2. If a violation is ongoing when the Agency receives a complaint or opens an
20 investigation, the Director may order payment of unpaid compensation plus interest that accrues
21 after receipt of the complaint or after the investigation opens and before the date of the Director's
22 Order.

1 3. Interest shall accrue from the date the unpaid compensation was first due at 12
2 percent annum, or the maximum rate permitted under RCW 19.52.020.

3 4. If there is a remedy due to an aggrieved party, the Director may waive part or
4 all civil penalties and fines due to the Agency based on timely payment of the full remedy due to
5 the aggrieved party.

6 a. The Director may waive the total amount of civil penalties and fines due
7 to the Agency if the Director determines that the respondent paid the full remedy due to the
8 aggrieved party within ten days of service of the Director's Order.

9 b. The Director may waive half the amount of civil penalties and fines due
10 to the Agency if the Director determines that the respondent paid the full remedy due to the
11 aggrieved party within 15 days of service of the Director's Order.

12 c. The Director shall not waive any amount of civil penalties and fines due
13 to the Agency if the Director determines that the respondent has not paid the full remedy due to
14 the aggrieved party after 15 days of service of the Director's Order.

15 5. When determining the amount of liquidated damages, civil penalties, penalties
16 payable to aggrieved parties, and fines due under this Section 14.34.170 for a settlement
17 agreement or Director's Order, including but not limited to the mitigation of civil penalties and
18 fines due to the Agency for timely payment of remedy due to an aggrieved party under
19 subsection 14.34.170.A.4, the Director may consider:

20 a. The total amount of unpaid compensation, liquidated damages,
21 penalties, fines, and interest due;

22 b. The nature and persistence of the violations;

23 c. The extent of the respondent's culpability;

- d. The substantive or technical nature of the violations;
- e. The size, revenue, and human resources capacity of the respondent;
- f. The circumstances of each situation;
- g. The amount of penalties in similar situations; and
- h. Pursuant to rules that the Director may issue, other factors that are

material and necessary to effectuate the terms of this Chapter 14.34.

B. A respondent found to be in violation of this Chapter 14.34 shall be liable for full payment of unpaid compensation due plus interest in favor of the aggrieved party under the terms of this Chapter 14.34, and other equitable relief. If the precise amount of unpaid compensation cannot be determined due to a respondent's failure to produce records or if a respondent produces records in a manner or form which makes timely determination of the amount of unpaid compensation impracticable, the Director may designate a daily amount for unpaid compensation due to aggrieved party. For any violation of this Chapter 14.34, the Director may assess liquidated damages in an additional amount of up to twice the unpaid compensation.

C. If the independent contractor performs agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract disclosure pursuant to Section 14.34.050, there shall be a presumption rebuttable by clear and convincing evidence, such as a written contract, that the independent contractor's alleged terms and conditions of the contractual relationship are the terms and conditions of the contractual relationship.

D. A respondent found to be in violation of this Chapter 14.34 for retaliation under Section 14.34.120 shall be subject to any appropriate relief at law or equity including, but not limited to reinstatement of the aggrieved party, front pay in lieu of reinstatement with full

1 payment of unpaid compensation plus interest in favor of the aggrieved party under the terms of
2 this Chapter 14.34, and liquidated damages in an additional amount of up to twice the unpaid
3 compensation. The Director also shall order the imposition of a penalty payable to the aggrieved
4 party of up to \$5,565.10.

5 E. The Director is authorized to assess civil penalties for a violation of this Chapter 14.34
6 and may specify that civil penalties are due to the aggrieved party rather than due to the Agency.

7 1. For a first violation of this Chapter 14.34, the Director may assess a civil
8 penalty of up to \$556.30 per aggrieved party.

9 2. For a second violation of this Chapter 14.34, the Director shall assess a civil
10 penalty of up to \$1,112.60 per aggrieved party, or an amount equal to ten percent of the total
11 amount of unpaid compensation, whichever is greater.

12 3. For a third or any subsequent violation of this 14.34, the Director shall assess a
13 civil penalty of up to \$5,565.10 per aggrieved party, or an amount equal to ten percent of the
14 total amount of unpaid compensation, whichever is greater.

15 4. For purposes of this subsection 14.34.170.E, a violation is a second, third, or
16 subsequent violation if the respondent has been a party to one, two, or more than two settlement
17 agreements, respectively, stipulating that a violation has occurred; and/or one, two, or more than
18 two Director's Orders, respectively, have issued against the respondent in the ten years preceding
19 the date of the violation; otherwise, it is a first violation.

20 F. The Director is authorized to assess fines for a violation of this Chapter 14.34 and may
21 specify that fines are due to the aggrieved party rather than due to the Agency. The Director is
22 authorized to assess fines as follows:

Violation	Fine
------------------	-------------

Failure to provide written pre-contract disclosure under Section 14.34.050	Up to \$556.30 per aggrieved party
Failure to provide written payment disclosure under Section 14.34.060	Up to \$556.30 per aggrieved party
Failure to provide written notice of rights under Section 14.34.100	Up to \$556.30 per aggrieved party
Failure to retain hiring entity records for three years under subsections 14.34.110.A and 14.34.110.B	Up to \$556.30 per missing record
Failure to comply with prohibitions against retaliation for exercising rights protected under Section 14.34.120	Up to \$1,112.60 per aggrieved party
Failure to provide notice of investigation to independent contractors under subsection 14.34.150.B.2	Up to \$556.30 per aggrieved party
Failure to post or distribute public notice of failure to comply with final order under subsection 14.34.210.A.1	Up to \$556.30

1
2 For each independent contractor hired by the hiring entity, the maximum amount that may be
3 imposed in fines in a one-year period for each type of violation listed above is \$5,565.10. For
4 each hiring entity, if a fine for retaliation is issued, the maximum amount that may be imposed in
5 a one-year period is \$22,259.36.

6 G. A respondent who willfully hinders, prevents, impedes, or interferes with the Director
7 or Hearing Examiner in the performance of their duties under this Chapter 14.34 shall be subject
8 to a civil penalty of not less than \$1,112.60 and not more than \$5,565.10.

9 H. In addition to the unpaid compensation, penalties, fines, liquidated damages, and
10 interest, the Agency may assess against the respondent in favor of the City the reasonable costs
11 incurred in enforcing this Chapter 14.34, including but not limited to reasonable attorneys' fees.

12 I. A respondent that is the subject of a settlement agreement stipulating that a violation
13 has occurred shall count for debarment, or a final order for which all appeal rights have been
14 exhausted, shall not be permitted to bid, or have a bid considered, on any City contract until such
15 amounts due under the final order have been paid in full to the Director. If the respondent is the

1 subject of a final order two times or more within a five-year period, the hiring entity shall not be
2 allowed to bid on any City contract for two years. This subsection 14.34.170.I shall be construed
3 to provide grounds for debarment separate from, and in addition to, those contained in Chapter
4 20.70 and shall not be governed by that chapter provided that nothing in this subsection
5 14.34.170.I shall be construed to limit the application of Seattle Municipal Code Chapter 20.70.
6 The Director shall notify the Director of Finance and Administrative Services of all respondents
7 subject to debarment under this subsection 14.34.170.I.

8 **14.34.180 Appeal period and failure to respond**

9 A. An independent contractor or other person who claims an injury as a result of an
10 alleged violation of this Chapter 14.34 may appeal the Determination of No Violation, pursuant
11 to Director rules.

12 B. A respondent may appeal the Director's Order, including all remedies issued pursuant
13 to Section 14.34.170, by requesting a contested hearing before the Hearing Examiner in writing
14 within 15 days of service of the Director's Order. If a respondent fails to appeal the Director's
15 Order within 15 days of service, the Director's Order shall be final. If the last day of the appeal
16 period so computed is a Saturday, Sunday, or federal or City holiday, the appeal period shall run
17 until 5 p.m. on the next business day.

18 **14.34.190 Appeal procedure and failure to appear**

19 A. Contested hearings shall be conducted pursuant to the procedures for hearing
20 contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for
21 hearing contested cases. The hearing shall be conducted de novo and the Director shall have the
22 burden of proving by a preponderance of the evidence that the violation or violations occurred.
23 Upon establishing such proof, the remedies and penalties imposed by the Director shall be

1 upheld unless it is shown that the Director abused discretion. Failure to appear for a contested
2 hearing shall result in an order being entered finding that the respondent committed the violation
3 stated in the Director's Order. For good cause shown and upon terms the Hearing Examiner
4 deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

5 B. In all contested cases, the Hearing Examiner shall enter an order affirming, modifying
6 or reversing the Director's Order, consistent with Ordinance 126068.

7 **14.34.200 Appeal from Hearing Examiner order**

8 A. The respondent may obtain judicial review of the decision of the Hearing Examiner by
9 applying for a Writ of Review in the King County Superior Court within 30 days from the date
10 of the decision in accordance with the procedure set forth in chapter 7.16 RCW, other applicable
11 law, and court rules.

12 B. The decision of the Hearing Examiner shall be final and conclusive unless review is
13 sought in compliance with this Section 14.34.200.

14 **14.34.210 Failure to comply with final order**

15 A. If a respondent fails to comply within 30 days of service of any settlement agreement
16 with the Agency, or with any final order issued by the Director or the Hearing Examiner for which
17 all appeal rights have been exhausted, the Agency may pursue, but is not limited to, the following
18 measures to secure compliance:

19 1. The Director may require the respondent to post or distribute public notice of
20 the respondent's failure to comply in a form and manner determined by the Agency.

21 2. The Director may refer the matter to a collection agency. The cost to the City
22 for the collection services will be assessed as costs, at the rate agreed to between the City and the
23 collection agency, and added to the amounts due.

1 3. The Director may refer the matter to the City Attorney for the filing of a civil
2 action in King County Superior Court, the Seattle Municipal Court, or any other court of
3 competent jurisdiction to enforce such order or to collect amounts due. In the alternative, the
4 Director may seek to enforce a Director's Order or a final order of the Hearing Examiner under
5 Section 14.34.190.

6 4. The Director may request that the City's Department of Finance and
7 Administrative Services deny, suspend, refuse to renew, or revoke any business license held or
8 requested by the hiring entity or person until such time as the hiring entity complies with the
9 remedy as defined in the settlement agreement or final order. The City's Department of Finance
10 and Administrative Services shall have the authority to deny, refuse to renew, or revoke any
11 business license in accordance with this subsection 14.34.210.A.4.

12 B. No respondent that is the subject of a final order issued under this Chapter 14.34 shall
13 quit business, sell out, exchange, convey, or otherwise dispose of the respondent's business or
14 stock of goods without first notifying the Agency and without first notifying the respondent's
15 successor of the amounts owed under the final order at least three business days before such
16 transaction. At the time the respondent quits business, or sells out, exchanges, or otherwise
17 disposes of the respondent's business or stock of goods, the full amount of the remedy, as defined
18 in a final order issued by the Director or the Hearing Examiner, shall become immediately due
19 and payable. If the amount due under the final order is not paid by respondent within ten days
20 from the date of such sale, exchange, conveyance, or disposal, the successor shall become liable
21 for the payment of the amount due, provided that the successor has actual knowledge of the order
22 and the amounts due or has prompt, reasonable, and effective means of accessing and verifying
23 the fact and amount of the order and the amounts due. The successor shall withhold from the

1 purchase price a sum sufficient to pay the amount of the full remedy. When the successor makes
2 such payment, that payment shall be deemed a payment upon the purchase price in the amount
3 paid, and if such payment is greater in amount than the purchase price the amount of the
4 difference shall become a debt due such successor from the hiring entity.

5 **14.34.220 Debt owed The City of Seattle**

6 A. All monetary amounts due under the Director's Order shall be a debt owed to the City
7 and may be collected in the same manner as any other debt in like amount, which remedy shall
8 be in addition to all other existing remedies, provided that amounts collected by the City for
9 unpaid compensation, liquidated damages, penalties payable to aggrieved parties, or front pay
10 shall be held in trust by the City for the aggrieved party and, once collected by the City, shall be
11 paid by the City to the aggrieved party.

12 B. If a respondent fails to appeal a Director's Order to the Hearing Examiner within the
13 time period set forth in subsection 14.34.180.B, the Director's Order shall be final, and the
14 Director may petition the Seattle Municipal Court, or any court of competent jurisdiction, to
15 enforce the Director's Order by entering judgment in favor of the City finding that the respondent
16 has failed to exhaust its administrative remedies and that all amounts and relief contained in the
17 order are due. The Director's Order shall constitute prima facie evidence that a violation occurred
18 and shall be admissible without further evidentiary foundation. Any certifications or declarations
19 authorized under RCW 9A.72.085 containing evidence that the respondent has failed to comply
20 with the order or any parts thereof, and is therefore in default, or that the respondent has failed to
21 appeal the Director's Order to the Hearing Examiner within the time period set forth in
22 subsection 14.34.180.B, and therefore has failed to exhaust the respondent's administrative
23 remedies, shall also be admissible without further evidentiary foundation.

1 C. If a respondent fails to obtain judicial review of an order of the Hearing Examiner
2 within the time period set forth in subsection 14.34.200.A, the order of the Hearing Examiner
3 shall be final, and the Director may petition the Seattle Municipal Court to enforce the Director's
4 Order by entering judgment in favor of the City for all amounts and relief due under the order of
5 the Hearing Examiner. The order of the Hearing Examiner shall constitute conclusive evidence
6 that the violations contained therein occurred and shall be admissible without further evidentiary
7 foundation. Any certifications or declarations authorized under RCW 9A.72.085 containing
8 evidence that the respondent has failed to comply with the order or any parts thereof, and is
9 therefore in default, or that the respondent has failed to avail itself of judicial review in
10 accordance with subsection 14.34.200.A, shall also be admissible without further evidentiary
11 foundation.

12 D. In considering matters brought under subsections 14.34.220.B and 14.34.220.C, the
13 Seattle Municipal Court may include within its judgment all terms, conditions, and remedies
14 contained in the Director's Order or the order of the Hearing Examiner, whichever is applicable,
15 that are consistent with the provisions of this Chapter 14.34.

16 **14.34.230 Private right of action**

17 A. Any person or class of persons that suffers an injury as a result of a violation of this
18 Chapter 14.34, or is the subject of prohibited retaliation under Section 14.34.120, may bring a
19 civil action in a court of competent jurisdiction against the hiring entity or other person violating
20 this Chapter 14.34 and, upon prevailing, may be awarded reasonable attorney fees and costs and
21 such legal or equitable relief as may be appropriate to remedy the violation including, without
22 limitation: the payment of any unpaid compensation plus interest due to the person and
23 liquidated damages in an additional amount of up to twice the unpaid compensation; and a

1 penalty payable to any aggrieved party of up to \$5,565.10 if the aggrieved party was subject to
2 prohibited retaliation. Interest shall accrue from the date the unpaid compensation was first due
3 at 12 percent per annum, or the maximum rate permitted under RCW 19.52.020.

4 B. In a civil action against the hiring entity under this Chapter 14.34 or in a breach of
5 contract action against the hiring entity, there shall be a presumption rebuttable by clear and
6 convincing evidence, such as a written contract, that if the independent contractor performs
7 agreed-upon work for a hiring entity and the hiring entity has not provided a pre-contract
8 disclosure pursuant to Section 14.34.050, the independent contractor's alleged terms and
9 conditions of the contractual relationship are the terms and conditions of the contractual
10 relationship.

11 C. For purposes of this Section 14.34.230, "person" includes any entity a member of
12 which has suffered an injury or retaliation, or any other individual or entity acting on behalf of an
13 aggrieved party that has suffered an injury or retaliation.

14 D. For purposes of determining membership within a class of persons entitled to bring an
15 action under this Section 14.34.230, two or more independent contractors are similarly situated if
16 they:

- 17 1. Are or were hired for the same hiring entity or hiring entities, whether
- 18 concurrently or otherwise, at some point during the applicable statute of limitations period,
- 19 2. Allege one or more violations that raise similar questions as to liability, and
- 20 3. Seek similar forms of relief.

21 E. For purposes of subsection 14.34.230.C, independent contractors shall not be
22 considered dissimilar solely because the independent contractors':

- 23 1. Claims seek damages that differ in amount, or

1 2. Job titles or other means of classifying independent contractors differ in ways
2 that are unrelated to their claims.

3 F. An order issued by the court may include a requirement for a hiring entity to submit a
4 compliance report to the court and to the Agency.

5 **14.34.233 Waiver**

6 Any waiver by an individual of any provisions of this Chapter 14.34 shall be deemed contrary to
7 public policy and shall be void and unenforceable.

8 **14.34.235 Encouragement of more generous policies**

9 A. Nothing in this Chapter 14.34 shall be construed to discourage or prohibit a hiring
10 entity from the adoption or retention of disclosure policies more generous than the one required
11 herein.

12 B. Nothing in this Chapter 14.34 shall be construed as diminishing the obligation of the
13 hiring entity to comply with any contract, or other agreement providing more generous
14 disclosure policies to an independent contractor than required herein.

15 **14.34.240 Other legal requirements; effect on other laws**

16 A. Subject to subsections 14.34.050.H, 14.34.055.C, 14.34.170.C, and 14.34.230.B, the
17 provisions of this Chapter 14.34:

18 1. Supplement and do not diminish or replace any other basis of liability or
19 requirement established by statute or common law;

20 2. Shall not be construed to preempt, limit, or otherwise affect the applicability of
21 any other law, regulation, requirement, policy, or standard for disclosure requirements or timely
22 payment, or that extends other protections to independent contractors; and

1 3. Shall not be interpreted or applied so as to create any power or duty in conflict
2 with federal or state law.

3 Nor shall this Chapter 14.34 be construed to preclude any person aggrieved from seeking judicial
4 review of any final administrative decision or order made under this Chapter 14.34 affecting
5 such person. Nothing in this Section 14.34.240 shall be construed as restricting an independent
6 contractor’s right to pursue any other remedies at law or equity for violation of the contractor’s
7 rights.

8 B. A hiring entity’s failure to comply with the provisions of this Chapter 14.34 shall not
9 render any contract between the hiring entity and an independent contractor void or voidable.

10 C. No provision of this Chapter 14.34 shall be construed as providing a determination
11 about the legal classification of any individual as an employee or independent contractor.

12 **14.34.250 Severability**

13 The provisions of this Chapter 14.34 are declared to be separate and severable. If any clause,
14 sentence, paragraph, subdivision, section, subsection, or portion of this Chapter 14.34, or the
15 application thereof to any hiring entity, independent contractor, person, or circumstance, is held
16 to be invalid, it shall not affect the validity of the remainder of this Chapter 14.34, or the validity
17 of its application to other persons or circumstances.

18 Section 2. Section 3.02.125 of the Seattle Municipal Code, last amended by Ordinance
19 126283, is amended as follows:

20 **3.02.125 Hearing Examiner filing fees**

21 A. The filing fee for a case before the City Hearing Examiner is \$85, with the following
22 exceptions:

Basis for Case	Fee in dollars
-----------------------	-----------------------

* * *	
Hazard Pay for Grocery Employees Ordinance (Ordinance 126274)	No fee
<u>Independent Contractor Protections Ordinance (Chapter 14.34)</u>	<u>No fee</u>
Land Use Code Citation (Chapter 23.91)	No fee
* * *	

1

* * *

2

Section 3. Section 3.15.000 of the Seattle Municipal Code, last amended by Ordinance

3

126189, is amended as follows:

4

3.15.000 Office of Labor Standards created – Functions

5

There is created within the Executive Department an Office of Labor Standards, under the

6

direction of the Mayor. The mission of the Office of Labor Standards is to advance labor

7

standards through thoughtful community and business engagement, strategic enforcement and

8

innovative policy development, with a commitment to race and social justice. The Office of

9

Labor Standards seeks to promote greater economic opportunity and further the health, safety,

10

and welfare of ~~((employees))~~ workers; support employers and other hiring entities in their

11

implementation of labor standards requirements; and end barriers to workplace equity for

12

women, communities of color, immigrants and refugees, and other vulnerable workers.

13

The functions of the Office of Labor Standards are as follows:

14

A. Promoting labor standards through outreach, education, technical assistance, and

15

training ~~((for employees and employers))~~;

16

B. Collecting and analyzing data on labor standards enforcement;

17

C. Partnering with community, businesses, and workers for stakeholder input and

18

collaboration;

19

D. Developing innovative labor standards policy;

1 E. Administering and enforcing City of Seattle ordinances relating to paid sick and safe
2 time (Chapter 14.16), use of criminal history in employment decisions (Chapter 14.17),
3 minimum wage and minimum compensation (Chapter 14.19), wage and tip compensation
4 requirements (Chapter 14.20), secure scheduling (Chapter 14.22), domestic workers (Chapter
5 14.23), hotel employees safety protections (Chapter 14.26), protecting hotel employees from
6 injury (Chapter 14.27), improving access to medical care for hotel employees (Chapter 14.28),
7 hotel employees job retention (Chapter 14.29), commuter benefits (Chapter 14.30),
8 transportation network company driver deactivation protections (Chapter 14.32), transportation
9 network company driver minimum compensation (Chapter 14.33), independent contractor
10 protections (Chapter 14.34), and other labor standards ordinances that may be enacted in the
11 future.

12 Section 4. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last
13 amended by Ordinance 126274, is amended as follows:

14 **6.208.020 Denial, revocation of, or refusal to renew business license**

15 A. In addition to any other powers and authority provided under this Title 6, the Director,
16 or the Director's designee, has the power and authority to deny, revoke, or refuse to renew any
17 business license issued under the provisions of this Chapter 6.208. The Director, or the Director's
18 designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or
19 refusal to renew the license and on what grounds such a decision was based. The Director may
20 deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of
21 the following grounds:

- 22 1. The license was procured by fraud or false representation of fact.
- 23 2. The licensee has failed to comply with any provisions of this Chapter 6.208.

1 3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35,
2 5.38, 5.39, 5.40, 5.45, 5.46, 5.48, 5.50, or 5.52.

3 4. The licensee is in default in any payment of any license fee or tax under Title 5
4 or Title 6.

5 5. The property at which the business is located has been determined by a court to
6 be a chronic nuisance property as provided in Chapter 10.09.

7 6. The applicant or licensee has been convicted of theft under subsection
8 12A.08.060.A.4 within the last ten years.

9 7. The applicant or licensee is a person subject within the last ten years to a court
10 order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29
11 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of
12 either:

13 a. The expiration of the time for filing an appeal from the final judgment
14 order under the court rules in effect at the time of the final judgment order; or

15 b. If a timely appeal is made, the date of the final resolution of that appeal
16 and any subsequent appeals resulting in final judicial affirmation of the findings of violations of
17 chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.

18 8. The applicant or licensee is a person subject within the last ten years to a final
19 and binding citation and notice of assessment from the Washington Department of Labor and
20 Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and
21 penalties assessed therewith were not satisfied within 30 days of the date the citation became
22 final and binding.

1 Section 5. Acknowledging that implementation of Chapter 14.34 will incur additional
2 costs for the Office of Labor Standards (OLS), the City Council (Council) intends for the
3 Director of OLS to use the process established by Seattle Municipal Code, Chapter 3.15 to
4 establish the office’s funding needs. Pursuant to Section 3.15.007.B, the Director shall certify the
5 minimum annual contribution needed for enforcement and outreach operations and activities to
6 the Mayor and Council by September 1, 2021. The minimum annual contribution shall be
7 reflected in the 2022 Proposed Budget submitted by the Mayor to the City Council. The Director
8 may also make additional recommendations for staffing, funding, and program design.

9 Section 6. Recognizing that more than 40,000 app-based workers in the City of Seattle,
10 including people of color, immigrants, workers with disabilities, LGBTQ+ workers, and single
11 parents are often paid subminimum wages for their work, despite the promise of good wages,
12 flexibility and accessibility, and that the community depends on these essential workers to
13 deliver groceries and food and provide other valuable services, the City Council intends to
14 address this inequity by ensuring that app-based workers are paid at least the City’s minimum
15 wage under ~~Chapter 14.19 of the~~ Seattle Municipal Code Chapter 14.19 plus reasonable
16 expenses and all required benefits, with meaningful transparency, and have the ability to exercise
17 the flexibility promised by app-based companies. The ~~City Council~~ intends to ensure that current
18 definitions of worker classification under Seattle’s labor standards are being effectively enforced
19 and does not intend to establish a new classification of workers distinct from employees or
20 independent contractors, but to ensure that all workers benefit from the protection of Seattle’s
21 labor standards. The ~~City Council~~ has consistently expressed its intent to promote greater
22 economic opportunity and end barriers to workplace equity for all workers in Seattle. To
23 accomplish these goals, the Council will seek to engage stakeholders in the spring and summer

1 of 2021 on legislation that will address these inequities and create new standards to protect
2 workers' pay, flexibility, and transparency, while ensuring workers are correctly classified under
3 existing Seattle labor standards. The Council intends to discuss the legislation in committee in
4 July and August 2021 and consider the legislation for a full Council vote ~~before the start of the~~
5 ~~2021 budget deliberations~~by the end of 2021.

1 Section ~~67~~. Sections 1 through 4 of this ordinance shall take effect and be in force on
2 ~~March-September~~ 1, 2022.

3 Section 78. This ordinance shall take effect and be in force 30 days after its approval by
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the _____ day of _____, 2021,
7 and signed by me in open session in authentication of its passage this _____ day of
8 _____, 2021.

9 _____
10 President _____ of the City Council

11 Approved / returned unsigned / vetoed this _____ day of _____, 2021.

12 _____
13 Jenny A. Durkan, Mayor

14 Filed by me this _____ day of _____, 2021.

15 _____
16 Monica Martinez Simmons, City Clerk

17 (Seal)

Amendment 1 to Independent Contractor Protections Ordinance (CB 120069)

Sponsor: CM Herbold

Remove licensed medical professional exemption for independent contractors, authorize the OLS Director to issue rules exempting certain classes of independent contractors, and clarify that the Director’s rulemaking is discretionary

On page 9, after line 12, amend the following Section as shown below:

14.34.010 Definitions

“Independent contractor” means a person or entity composed of no more than one person, regardless of corporate form or method of organizing the person’s business, that is hired by a hiring entity as a self-employed person or entity to provide services in exchange for compensation.

1. “Independent contractor” includes a platform gig worker.

2. “Independent contractor” does not include ~~(~~

~~1. Any)) any person duly authorized to practice law and who is engaged in the practice of law for the services at issue. ((;))~~

~~((2. Any person who is a licensed medical professional acting within the scope of that license for the services at issue; and~~

~~4. Pursuant to rules that the Director may issue, any person working in a profession that is governed by a comparable code of ethics and who is working within the scope of that profession for the services at issue.))~~

3. The Director may issue rules excluding classes of independent contractors from this definition based on the Director's determination that the class of independent contractors has adequate bargaining power in establishing their business relationships with hiring entities. The Director shall not exclude classes of independent contractors from this definition who are working in professions with workforces that are vulnerable to violations of this Chapter 14.34. When considering whether classes of independent contractors are vulnerable to violations of this Chapter, the Director may consider any number of factors, including but not limited to whether classes of independent contractors work in industries prone to misclassification, have limited English proficiency, or are unlikely to volunteer information about violations.

On page 23, after line 12, amend the following Section as shown below:

14.34.125 Rulemaking authority

The Director is authorized to administer and enforce this Chapter 14.34. (~~The Director shall exercise all responsibilities under this Chapter 14.34 pursuant to rules and regulations developed under Chapter 3.02.~~) The Director is authorized to promulgate, revise, or rescind rules and regulations deemed necessary, appropriate, or convenient to administer, evaluate and enforce the provisions of this Chapter 14.34 pursuant to Chapter 3.02, providing affected entities with due process of law and in conformity with the intent and purpose of this Chapter 14.34. Any guidelines or rules promulgated by the Director shall have the force and effect of law and may be relied on by hiring entities, independent contractors, and other parties to determine their rights and responsibilities under this Chapter 14.34.

Renumber sections and correct any internal references accordingly.

Effect: This amendment would (1) remove the exemption for licensed medical professionals, (2) authorize the Office of Labor Standards Director to issue rules exempting certain classes of independent contractors, and (3) clarify that the Director’s rulemaking is discretionary.



Legislation Text

File #: Inf 1821, **Version:** 1

Housing Levy Annual Report and Discussion of Proposed Changes to Levy A & F Plan and Housing Funding Policies

Office of Housing Updates

Annual Reports: 2020 Recap

Upcoming Funding Policies Review

Emily Alvarado, Director

June 4, 2021

Office of Housing



City of Seattle

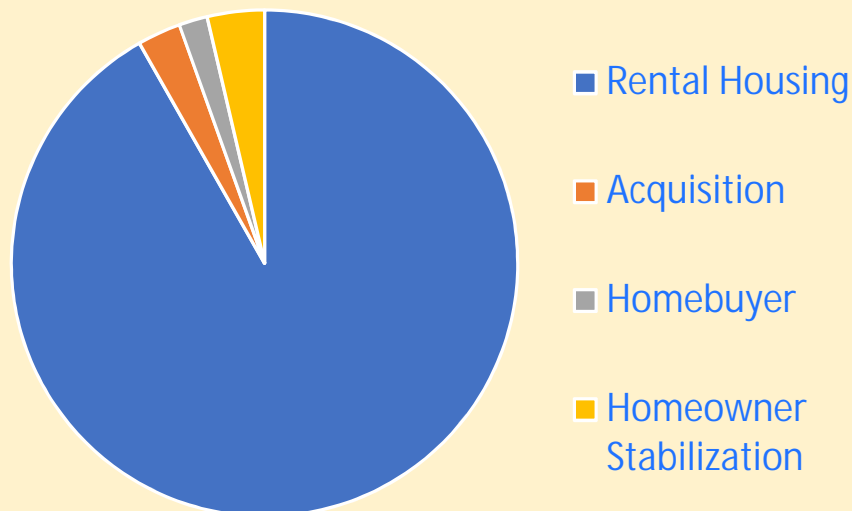
Presentation Overview

- **Investment Report**
summarizes all capital investment activity
- **Levy Report**
required by ordinance, addresses all Levy-funded programs
- **Upcoming Legislation**
Levy Administrative & Financial Plan and Housing Funding Policies

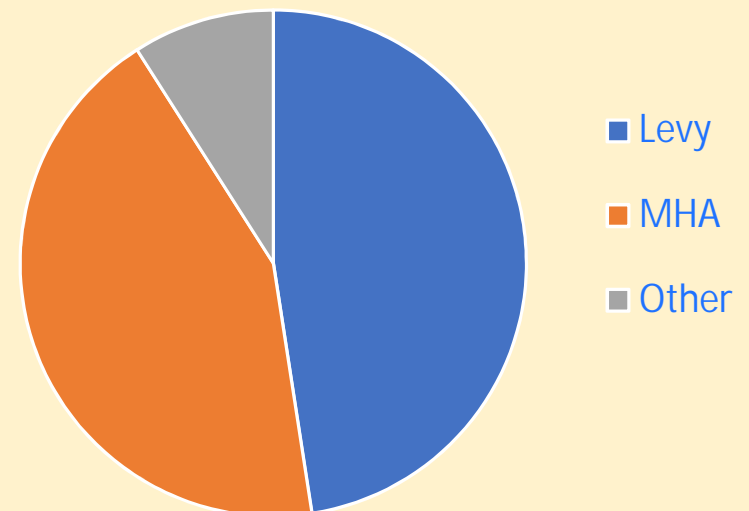


Capital Investments in 2020

Rental Housing Accounts for 92% of Expenditures

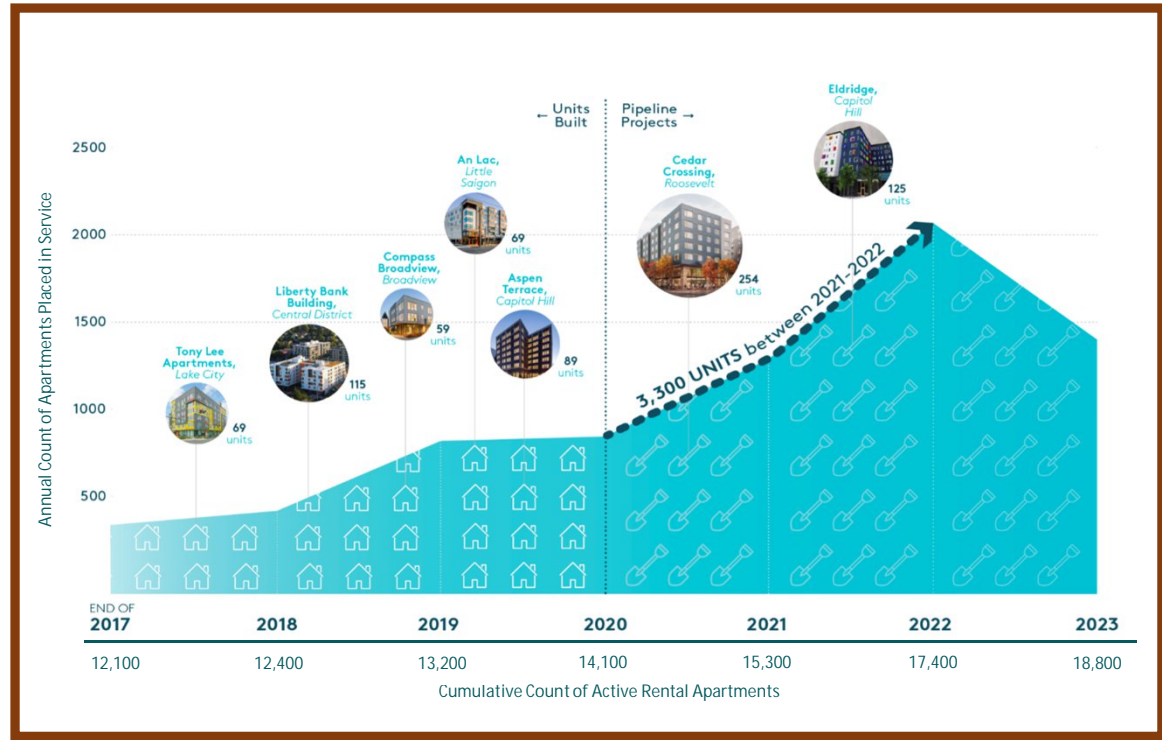
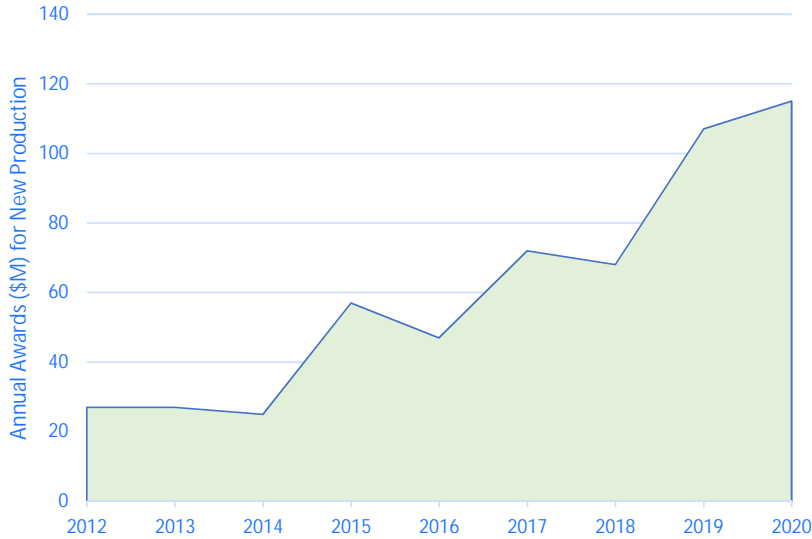


Housing Levy and MHA Payment Proceeds Dominated in 2020



Investment Levels Track Closely with Production

Funding awards (see below) predictably drive the supply of affordable housing (at right).



Three Funding Rounds Reflect Policy Priorities

SPRING

400 units

Added a funding cycle to deliver affordable homes more quickly



SUMMER

600 units

Supportive Housing Pilot
Doubled annual investment for people experiencing homelessness



FALL

300 units

Emphasized racial equity outcomes in community and organizations



Project Detail, Rental and For-Sale Housing

Name	Sponsor	Units	Investment	Neighborhood
Eclipse at Fremont	GMD	87	15.5	Fremont
Link Studios	MBHA	60	3.0	Mount Baker
Polaris Lake City	Inland Group	257	12.8	Lake City
Ballard Crossing	Plymouth	79	11.5	Ballard
Bitter Lake Housing	DESC	100	5.8	Bitter Lake
Good Shepherd Housing	LIHI	102	6.5	Central District
Green Lake Housing	DESC	124	11.2	Green Lake
Greenwood Housing	CHS	66	15.7	Greenwood
Sacred Medicine House	Chief Seattle Club	117	12.3	Lake City
Elizabeth Thomas Homes	FAME Equity Alliance/CHS	119	7.0	Rainier Beach
Mt Zion at 19th	Mount Zion Housing	61	8.4	Central District
YWCA Conversion	YWCA	114	4.5	Downtown
		1,286	114.2	
The 410	HFH	14		Capitol Hill
South Park Cottages	HFH	13	2.3	South Park
Trenton 4	HFH	4		Westwood
		31	2.3	

Additional 2020 investments in acquisitions and preservation.

Homebuyer and Homeowner Investments

Homebuyer

- Three new investments (31 homes) in permanently affordable for-sale housing, including condominiums on Capitol Hill
- Ongoing downpayment assistance

Homeowner Stabilization

- Home repair grants and loans to stabilize 46 low-income homeowners
- Almost \$4 million in energy efficiency upgrades for both single-family homes and multifamily buildings
- People of color account for about 50% of program customers

Business | Local News | Real Estate

Affordable homeowners look to build upward with

May 15, 2021 at 6:31 am | Updated May 15, 2021 at 12:13 pm

2 of 2 | A rendering of a planned Habitat for Humanity condo building on Capitol Hill, affordable for people making less than... (Courtesy JW Architects) More

By Heidi Groover
Seattle Times business reporter

By the time the average Seattle-area Habitat for Humanity homeowner buys a house, they're 38 and in a family of

WANTED: Habitat for Humanity's search begins for owners for new affordable-for-sale Seattle condos on Capitol Hill

Posted on Monday, May 24, 2021 - 9:11 am by Ari Cetron

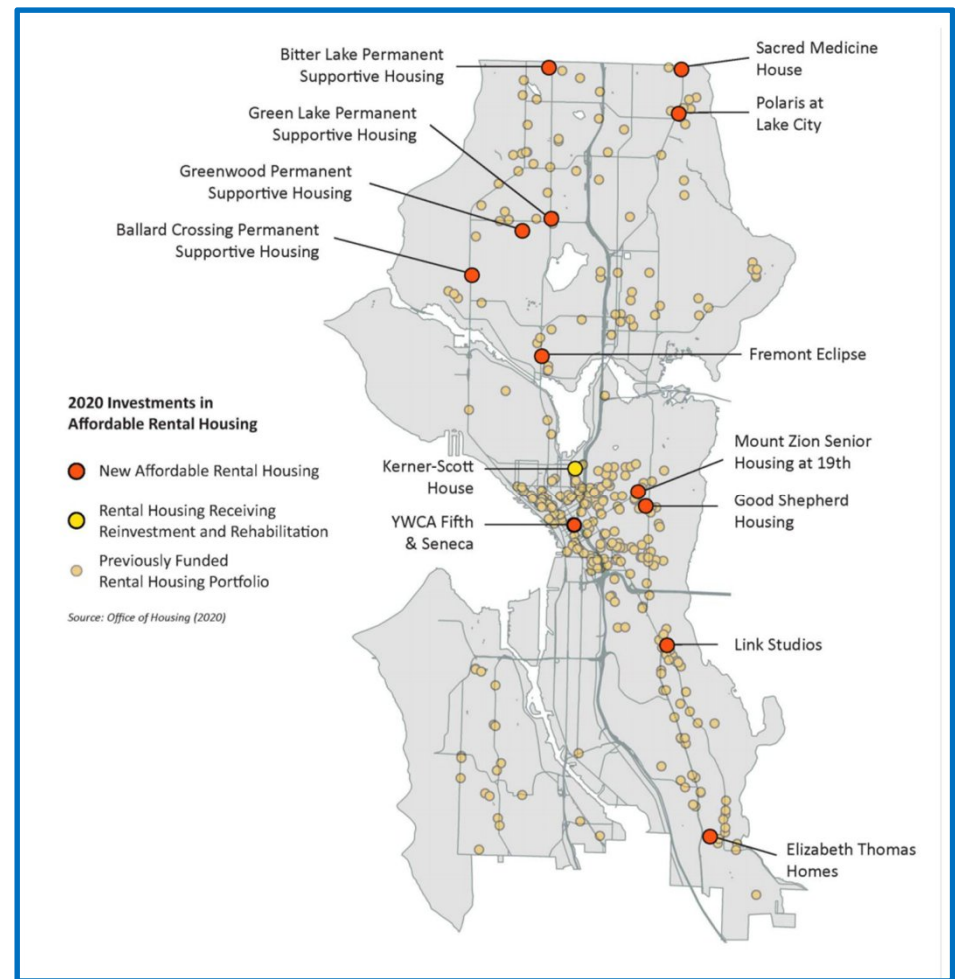
(Image: Habitat Seattle-King County)

By fall of 2022, there will be new Capitol Hill homeowners on 11th Ave E between Harrison and Republican. Thanks to **Habitat for Humanity** and its new efforts to create affordable housing on Capitol Hill and in the city's core, these new condo

Rental Housing Investments, 2020

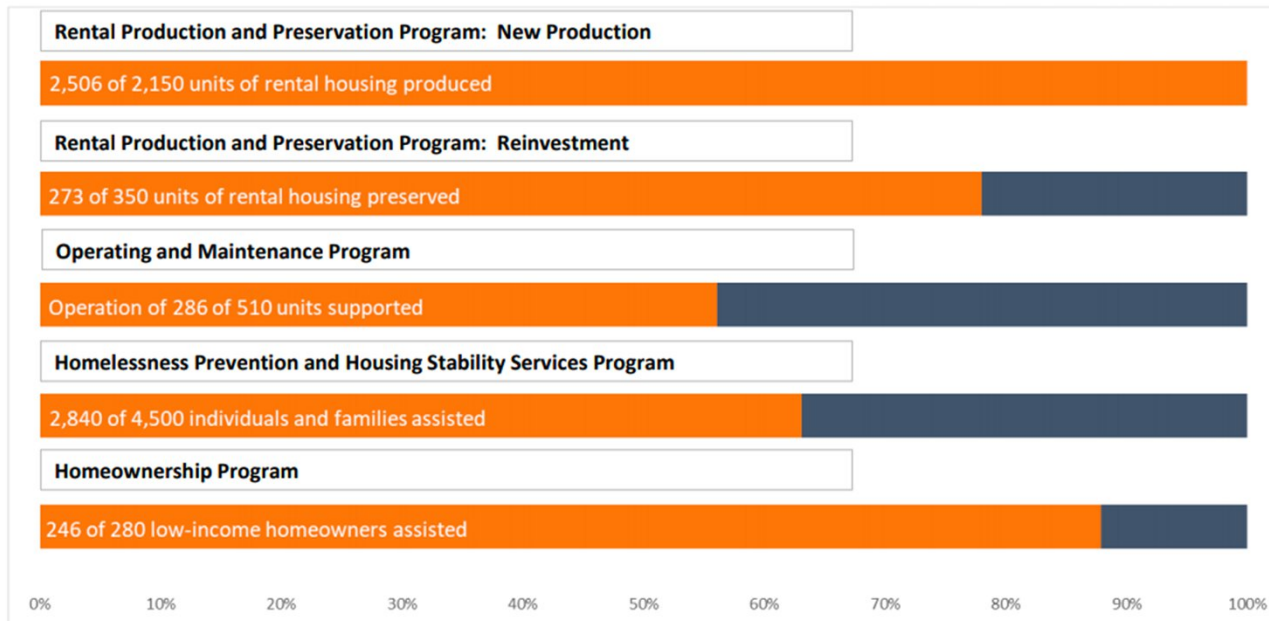
Citywide investments emphasize:

- Equitable community development and displacement prevention
- Access to opportunity
- Transit proximity



Levy Programs on Target to Meet Goals

Summary of 4-Year Progress Toward 7-Year Levy Goals (2017-2020)



* Includes 5th year of Levy capital dollars

Biennial Update to Levy Plan and Funding Policies

- Past the Levy's halfway mark, all programs are on track to meet or exceed production goals
- Existing policies' structure and flexibility allows for adaptability and resilience -- even during a pandemic. For example:
 - Homelessness prevention program poised OH to quickly deploy emergency rental assistance
 - Acquisition program poises OH to quickly capitalize on real estate opportunities
- Legislation will make targeted updates to existing policy



Levy A&F Plan and Funding Policies Proposed Revisions

Acquisitions & Preservation

- Allow loans to exceed the current limit of \$30 million in certain circumstances

Rental Housing

- Allow up to a total of 100% of eligible total development costs (up from 75%) to be financed with City supplemental funding for certain projects
- Add requirement for rental housing developers to include broadband infrastructure in new buildings
- Housing providers must adopt written policies that permit mutual terminations only in circumstances where an eviction would otherwise be filed, or when requested in writing or verbally by a tenant



Levy A&F Plan and Funding Policies Proposed Revisions

Homeownership

- Increase the subsidy per unit by \$30,000 in order to contribute meaningfully to projects and keep pace with increasing costs of development

Housing Repair

- Support the work of converting homes from oil to electric heating
- Reduce barriers in the home repair grant program to serve all households living in manufactured homes



Levy A&F Plan Stakeholder and Community Engagement

Housing Levy Oversight Committee

Convenings

- Nonprofit housing providers
- Public Meeting

Major Communications

- Blog
- Article

Next Step

June 15 Finance & Housing Committee discussion and possible vote



Questions and Discussion

