

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION adopting a spending plan for the proceeds of the Seattle Transportation Network Company tax to provide support to affordable housing near frequent transit, transportation, and a driver conflict resolution center.

..body

WHEREAS, Seattle is one of the fastest-growing major cities in the country, gaining 100,000 new residents and more than 50,000 jobs in the last 20 years, and this growth is a boon to our economy and creates greater demand for our transportation system; and

WHEREAS, Seattle families' transportation-related spending is second only to their spending on housing, and a well-functioning transportation system that provides many alternatives to the expense of car ownership makes living and working in Seattle more affordable; and

WHEREAS, public transit provides affordable and critical transportation services to all consumers; and

WHEREAS, the Seattle streetcar network has seen an increase in ridership of 18 percent in 2018, totaling a combined system-wide ridership of 1,673,000 riders; and

WHEREAS, the Center City Streetcar Connector line will provide a critical link in the Seattle streetcar network, connecting residents and visitors to regional bus lines, ferries at Coleman Docks, and light rail connections; and

WHEREAS, existing sources of funding for affordable housing are insufficient to meet the needs of all individuals and families experiencing a housing cost burden; and

WHEREAS, investments in affordable housing provide access to opportunity for low-wage workers and their families, increase mobility from poverty, and foster inclusive communities accessible to all; and

1 WHEREAS, individuals and families making in the range of \$15 to \$25 per hour are especially
2 dependent on transit for commuting to centrally located destinations such as their jobs,
3 schools, grocery stores, libraries, and clinics; and

4 WHEREAS, co-locating affordable housing investments near transit infrastructure amplifies
5 investments' capacity to simultaneously address Seattle's mobility and affordability
6 challenges; and

7 WHEREAS, transportation network companies (TNCs) provide application dispatch services
8 that allow passengers to directly request the dispatch of drivers via the internet using
9 mobile interfaces such as smartphone applications; and

10 WHEREAS, TNCs are major hiring entities, with 31,676 TNC drivers issued permits by King
11 County in 2018 as recorded by the King County Department of Licensing; and

12 WHEREAS, in the pursuit of economic opportunity, many TNC drivers are immigrants and
13 people of color who have taken on debt or invested their savings to purchase and/or lease
14 vehicles and for-hire licenses; and

15 WHEREAS, TNC drivers who have access to a driver conflict resolution center for education
16 and representation in cases such as unwarranted deactivation will be more likely to
17 remain in their positions over time, and such experienced drivers will improve the safety
18 and reliability of the TNC services provided to passengers and thus reduce the safety and
19 reliability problems created by frequent turnover in the TNC industry; and

20 WHEREAS, research shows TNCs contribute to growing traffic congestion in large U.S. cities;
21 and

22 WHEREAS, over 24 million TNC trips were taken in Seattle in 2018, showing consistent growth
23 year over year; and

1 WHEREAS, The City of Seattle intends to exercise its taxing authority, as granted by the
2 Washington State Constitution and as authorized by the Washington State Legislature,
3 and impose a tax on TNCs operating in Seattle; and

4 WHEREAS, Mayor Durkan has proposed further investments in affordable housing near transit,
5 transportation, and a driver conflict resolution center using proceeds from a tax on TNC
6 companies providing 1,000,000 rides per quarter or more on a per-ride basis; and

7 WHEREAS, the purpose of this plan is to effectuate Seattle's vision to provide housing and
8 transit opportunities for all, and support drivers in the TNC community by bringing
9 educational tools and representation that is afforded to other sectors;

10 NOW, THEREFORE,

11 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
12 **MAYOR CONCURRING, THAT:**

13 Section 1. **Spending Plan.** The City shall use the proceeds of the transportation network
14 company (TNC) tax imposed by Chapter 5.39 of the Seattle Municipal Code to accelerate
15 affordable housing production for low-wage workers and their families at locations that are
16 within the frequent transit network, make investments in transportation, including transit, and
17 provide for workplace protections. Eligible expenditures include:

18 A. Funding of the administration of the TNC tax and regulations related to TNC
19 drivers up to \$2,000,000 in the first year and up to \$1,500,000 in the second, third and fourth
20 years. Beginning in year five, this amount may increase each year to reflect the cost of
21 administrating the TNC tax and regulations, and subject to appropriations.

22 B. Up to \$3,500,000 per year shall fund a Driver Resolution Center to provide driver
23 resolution services and costs related to administering driver protections. Beginning in year five,

1 this amount may increase each year to reflect the cost of operating a Driver Resolution Center
2 and costs related to administering driver protections, and subject to appropriations.

3 C. After administrative costs related to the tax and regulations of TNC drivers, as
4 described in subsection A of this section, and after funding the Driver Resolution Center and
5 other driver protections as described in subsection B of this section, up to 50 percent of revenue
6 from the tax over its first six full years shall be used to finance acquisition, construction,
7 rehabilitation, operations, and maintenance of property to provide housing that serves low-
8 income households and provide for the housing needs of low-income households within the
9 frequent transit network, as defined by the Seattle Department of Transportation's Transit Master
10 Plan. The low-income housing funded hereby should serve households making up to 80 percent
11 of the annual median family income for the statistical area or division thereof including Seattle,
12 for which median family income is published from time to time by the U.S. Department of
13 Housing and Urban Development, or successor agency, with adjustments according to household
14 size in a manner determined by the Director of Housing. Beginning in the seventh full year after
15 adoption of this tax, up to \$5,000,000 (in 2020 dollars, indexed to reflect the rate of inflation) per
16 year shall be used to provide operating support for Office of Housing (OH)-funded housing
17 affordable to households with incomes at or below 30 percent of the median family income.

18 D. After administrative costs related to the tax and regulations of TNC drivers as
19 described in subsection A of this section, and after funding the Driver Resolution Center and
20 other driver protections as described in subsection B of this section, and after the funding for
21 affordable housing as described in subsection C of this section, the remainder of revenue
22 collected in the first six full years that the tax is imposed shall be used to support projects related
23 to transportation and transit, including the Center City Streetcar Connector. Beginning in the

1 seventh full year after adoption of this tax, after the administrative costs, funding the Driver
2 Resolution Center, and after up to \$5,000,000 (in 2020 dollars, indexed to reflect the rate of
3 inflation) used to support for OH-funded housing affordable to households with incomes at or
4 below 30 percent of the median family income per year, the remainder of the net proceeds shall
5 be used to support projects related to transportation improvements and transit.

6 Section 2. Every year, or at such other intervals as the City Council may specify, the
7 Executive shall prepare a report to include total revenue collected per year and the cost of
8 administration of the tax and regulatory oversight related to the TNC tax.

9 Section 3. Accountability and Oversight Committees. For the purpose of overseeing the
10 funding for low-income housing with access to the frequent transit network, the Housing Levy
11 Oversight Committee shall provide a report to the City Council as to the progress of funding
12 received from the TNC tax. The Director of the Office of Housing, or the Director's designee,
13 will prepare and submit to the Oversight Committee, City Council, and Mayor an annual
14 progress report on the implementation of funds from the TNC tax.

15 For the purpose of overseeing the spending of tax proceeds related to transportation
16 improvements, the Levy to Move Seattle Oversight Committee (or its successor) shall oversee
17 and monitor the progress of funding received from the tax. The Director of the Department of
18 Transportation, or assigned designee, will prepare and submit to the Oversight Committee, City
19 Council, and Mayor an annual report on the implementation of programs receiving funding from
20 the tax.

1 Adopted by the City Council the _____ day of _____, 2019,

2 and signed by me in open session in authentication of its adoption this _____ day of

3 _____, 2019.

4 _____

5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2019.

7 _____

8 Jenny A. Durkan

9 Filed by me this _____ day of _____, 2019.

10 _____

11 Monica Martinez Simmons, City Clerk

12 (Seal)