

Attachment 1 to Council Budget Action TNCSPN-101-A-1

Sponsor: Councilmember Herbold

**Amend Resolution 31914 to change the specified transportation and transit purposes
identified as eligible uses of TNC tax revenues.**

Notes:

Double underlines indicate new language proposed to be added.

~~Double strikethroughs~~ indicate language proposed to be removed.

1. Remove fourth and fifth recitals of Resolution 31914 as follows:

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 a test 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 Connector Streetcar 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

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

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

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

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

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

WHEREAS, TNC drivers who have access to a driver conflict resolution center for education and representation in cases such as unwarranted deactivation will be more likely to remain in their positions over time, and such experienced drivers will improve the safety

and reliability of the TNC services provided to passengers and thus reduce the safety and reliability problems created by frequent turnover in the TNC industry; and

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

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

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

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

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

NOW, THEREFORE,

2. Amend Section 1 of Resolution 31914 as follows:

Section 1. **Spending Plan.** The City shall use the proceeds of the transportation network company (TNC) tax imposed by Chapter 5.39 of the Seattle Municipal Code to accelerate affordable housing production for low-wage workers and their families at locations that are

within the frequent transit network, make investments in transportation, including transit, and provide for workplace protections. Eligible expenditures include:

A. Funding of the administration of the TNC tax and regulations related to TNC drivers up to \$2,000,000 in the first year, for the second year and each year after up to \$1,500,000. Beginning in year five, this amount may increase each year to reflect the rate of inflation, consistent with the Consumer Price Index, and subject to appropriations.

B. Up to \$3,500,000 per year shall fund a Driver Resolution Center to provide driver resolution services and costs related to administering driver protection.

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

D. After administrative costs related to the tax and regulations of TNC drivers as described in subsection A of this section, and after funding the Driver Resolution Center and other driver protections as described in subsection B of this section, and after the funding for affordable housing as described in subsection C of this section, the remainder of revenue collected in the first six full years that the tax is imposed shall be used to support projects related to transportation and transit, including ~~the Center City Streetcar~~ the purchase of transit service and/or third party funding for the Sound Transit West Seattle and Ballard Link Extensions. Beginning in the seventh full year after adoption of this tax, after the administrative costs, funding the Driver Resolution Center, and after up to \$5,000,000 (in 2020 dollars, indexed to reflect the rate of inflation) used to support for OH-funded housing affordable to households with incomes at or below 30 percent of the median family income per year, the remainder of the net proceeds shall be used to support projects related to transportation improvements and transit.

Effect: Removes Center City Connector Streetcar from recitals and specified eligible uses for TNC tax revenues. Adds the purchase of transit service and Sound Transit West Seattle and Ballard Link Extension as specified eligible uses.