



# SEATTLE CITY COUNCIL

## Neighborhoods, Education, Civil Rights, and Culture Committee

### Agenda

Friday, September 22, 2023

9:30 AM

Council Chamber, City Hall  
600 4th Avenue  
Seattle, WA 98104

Tammy J. Morales, Chair  
Kshama Sawant, Vice-Chair  
Andrew J. Lewis, Member  
Sara Nelson, Member  
Dan Strauss, Member

Chair Info: 206-684-8802; [Tammy.Morales@seattle.gov](mailto:Tammy.Morales@seattle.gov)

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**SEATTLE CITY COUNCIL**  
**Neighborhoods, Education, Civil Rights, and**  
**Culture Committee**  
**Agenda**  
**September 22, 2023 - 9:30 AM**

**Meeting Location:**

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

**Committee Website:**

<https://www.seattle.gov/council/committees/neighborhoods-education-civil-rights-and-culture>

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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.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the 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.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. 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.

Pursuant to Council Rule VI.10., this Committee Meeting will not broadcast members of the public in Council Chambers during the Public Comment period.

Submit written comments to Councilmember Tammy J. Morales at [Tammy.Morales@seattle.gov](mailto:Tammy.Morales@seattle.gov)

*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

**D. Items of Business**

**1. Presentation on the Connected Communities Equitable  
Development Zoning Pilot**

Supporting  
Documents:

[Presentation](#)

[LR3 Detailed Example](#)

[Draft Legislation](#)

**Briefing and Discussion** (45 minutes)

**Presenters:** Tammy J. Morales, Committee Chair; Katy Haima, Nicolas Welch, Office of Planning and Community Development; Ketil Freeman, City Council Central Staff

**2. Workforce Equity in Promotions Audit**

Supporting  
Documents:

[Presentation](#)

[Final Report](#)

**Briefing and Discussion** (30 minutes)

**Presenters:** David G. Jones, City Auditor, and IB Osuntoki, Office of City Auditor; Jana Elliott, Seattle Human Resources Department

**3. Update on the Generational Wealth Initiative**

Supporting  
Documents:

[Final Report for Statement of Legislation Intent: DON 002 A 002](#)

**Briefing and Discussion** (30 minutes)

**Presenters:** Melia Brooks and Jackie Mena, Department of  
Neighborhoods

**E. Adjournment**



## Legislation Text

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**File #:** Inf 2325, **Version:** 1

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Presentation on the Connected Communities Equitable Development Zoning Pilot



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Equitable Development Zoning and the Connected Communities Pilot

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KETIL FREEMAN, COUNCIL CENTRAL STAFF; KATY HAIMA AND NICK WELCH, OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT (OPCD)

NEIGHBORHOODS, EDUCATION, CIVIL RIGHTS & CULTURE

SEPTEMBER 22, 2023

# Outline

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- Equitable Development Zoning: Past and Current Phases
- Evolution of Council work on the Connected Communities Pilot
- Connected Communities Pilot:
  - Purpose and intent
  - What the legislation would do
  - Potential development outcomes (LR3 example)
- Next steps

# Equitable Development Zoning: past and current phases

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**Problem:** we fund equitable development through EDI, but regulate development in ways that can hinder, delay, complicate, and add cost to these projects

**Purpose:** align land use policy with our equitable development goals

**Informed by:** interviews with EDI applicants & grantees and ongoing ED stakeholder group

ongoing

**Permitting support for EDI projects**

code changes (August 2023)

**Legislation to remove code barriers to EDI projects**

current phase

**Flexibility for equitable development**

**Opportunity:** Projects that meet definition & criteria for equitable development could unlock alternative standards and capacity



# Evolution of Council work on the Connected Communities Pilot

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- Stakeholder convening since January 2022
  - 35+ community organizations working in housing development, architecture, equitable land use, healthcare, food systems advocacy, tenant rights, homelessness services, arts, cultural anchors, and more.
  - Stakeholders identified 3 needs:
    1. Removal of barriers for small community-based organizations to develop housing in order to stop displacement of their communities.
    2. More need for a broad range of incomes in developments in every neighborhood to build and improve community cohesion, and opportunity.
    3. Leverage for low or fixed-income homeowners to fight off predatory homebuying.
- Inclusion of EDZ/EDI priorities and OPCD collaboration since June 2023
  - Addresses community demands to build a Seattle Within Reach, where services and commerce that meets everyone's needs is abundant and available within a 15-minute walk or roll of a home affordable to them.

# Connected Communities Pilot Program: Purpose and Intent

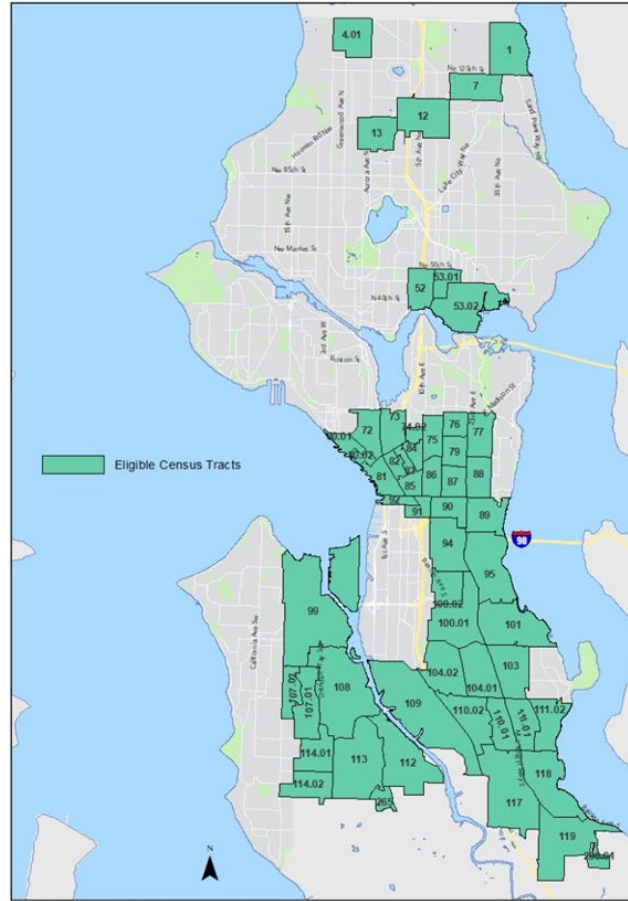
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Demonstrate the social benefits of equitable development with community-serving uses and housing available to a spectrum of household incomes through onsite affordability standards and incentives for housing and equitable development uses through partnership between public, private, and/or community-based organizations.

## Geographic Boundaries for Community Preference

# Connected Communities: Where would it apply?

In zones that allow residential uses throughout the city (except downtown) with additional development capacity available in Office of Housing Community Preference area census tracts (left) and areas with historical racially restrictive covenants (right).



Source: Seattle Office of Housing

Seattle  
Office of Housing



# Connected Communities: Eligibility and Affordability Requirements

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- **Pilot period:** applications submitted for 35 projects or through 2029
- **Eligible projects:** applicant must be, or include a partnership with, a community development organization or Public Development Authority that has as its mission development of affordable housing or equitable development uses
- **Residential affordability requirements:** 30 percent of units must be affordable to households at 80 percent of AMI for rental or 100 percent AMI for ownership

# Connected Communities: Bonus Development Capacity

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Bonus development or exempt floor available for:

- Affordable housing
- Location in a community preference area or area with historical racially restrictive covenants
- Equitable development uses
- Provision of a unit to a partner property owner who might otherwise be displaced

# Connected Communities: Development Capacity Bonus - Multifamily and Commercial Examples

	Current standards		Proposed standards			FAR exemption and owner unit incentive	
Multifamily & Commercial Zones	Height (feet)	FAR	Height (feet)	FAR	FAR in Racially Restrictive Covenant and Community Preference Areas	Maximum additional exempt FAR	FAR with owner unit incentive
Multifamily Residential zones							
LR1	30	1.3	40	1.6	1.7	0.5	0.3
LR2	40	1.4-1.6	50	1.8	1.9	1.0	0.5
LR3	40-50	1.8-2.3	65	3	3.3	1.0	0.5
Commercial & Neighborhood Commercial zones							
NC-30 / C-30	30	2.50	55	3.00	3.25	1.0	0.5
NC-40 / C-40	40	3.00	75	3.75	4.00	1.0	0.5
NC-55 / C-55	55	3.75	85	4.75	5.00	1.0	0.5
NC-65 / C-65	65	4.50	95	5.50	5.75	1.0	0.5

# Connected Communities: Development Capacity Bonus - Neighborhood Residential Examples

	Current Standards				Proposed Standards					
NR and RSL Zones	FAR	Lot coverage	Yards and setbacks	Height (feet)	FAR	Density	Lot coverage	Yards and setbacks	Height (feet)	Incentive for Owner Unit
NR1, NR2, NR3	0.5	35%	20 feet front 25 feet rear 5 feet side	30	1.0	1 unit / 1,500 sq. ft. of lot area	50%	5 from any lot line	30	0.25 FAR 60% lot coverage
Residential Small Lot (RSL)	0.75	50%	10 feet front 10 feet rear 5 feet side	30	1.25	1 unit / 1,200 sq. ft. of lot area	65%	5 from any lot line	30	0.25 FAR 75% lot coverage

# Connected Communities – Lowrise 3 Example

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- Councilmember Morales' office contracted with Schemata Workshop to develop height, bulk, and scale studies for the proposed bonuses.
- Attached to the committee agenda is an example for how developments that take advantage of these bonuses may look in a LR3 (lowrise) zoned area.

*The example will be presented in committee during this portion of the presentation.*



# Next Steps

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- Complete SEPA draft of the legislation
- SEPA Review
- Legislation introduced and referred for committee consideration in December

# Questions?

# Workforce Housing Density Bonus

Urban Design Study for City of  
Seattle OPCD

13 September 2023

9/19/2023

schemata workshop inc

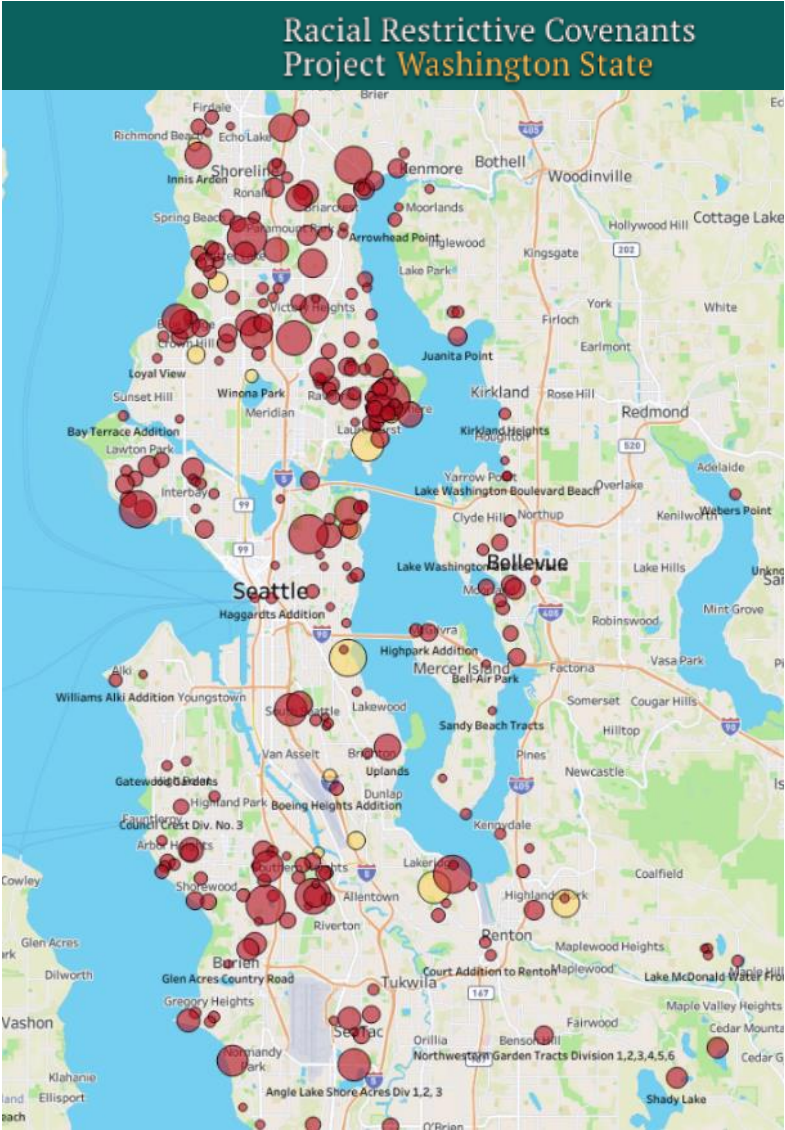
# Site Selection

## Geographic Boundaries for Community Preference



Source: Seattle Office of Housing

June 2020



- LR3 (M) – 2 parcels

# LR3 (M) – Lowrise 3 (2 Parcels Development)

Current Standard

Proposed Standard

FAR Exemption and Owner Unit Incentive



	Current Standard								Proposed Standard				FAR Exemption and Owner Unit Incentive	
	Height (feet)				FAR				Height (feet)		FAR	FAR - Racially Restrictive Covenant and Community Preference Areas	Maximum Additional Exempt FAR (Equitable Dev. Use, Family Size Units, Transit Access)	FAR Incentive for Owner Unit
	MHA suffix		No MHA suffix		MHA suffix		No MHA suffix		Inside urban village	65'	3	3.3	1.0	0.5
	Growth area	Outside growth area	Growth area	Outside growth area	Growth area	Outside growth area	Growth area	Outside growth area	Outside urban village	55'	2.5	2.7	1.0	0.5
Cottage housing	22'		22'		2.3	1.8	1.2	1.2						
Rowhouse	50'	40'	30'		2.3	1.8	1.2	1.2						
Townhouse	50'	40'	30'		2.3	1.8	1.2	1.2						
Apartments	50'	40'	40'	30'	2.3	1.8	1.5	1.3						
Yards & Setbacks	Front	7' average, 8' minimum			Additional upper-level setback requirements based on height limit and proximity to a neighborhood residential zone per SMC 23.45.518				Minimum setback of 10' to any lot line abutting single family zone					
	Side	5'												
	Rear	0' with alley, 7' with no alley												



# LR3 (M) – Current Standard

Total Parcel Area: 6,500 SF  
FAR: 2.3, Buildable Area: 14,950 SF

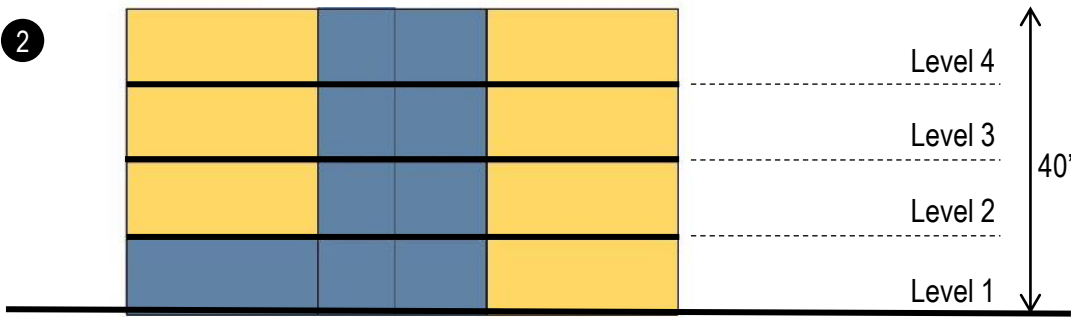
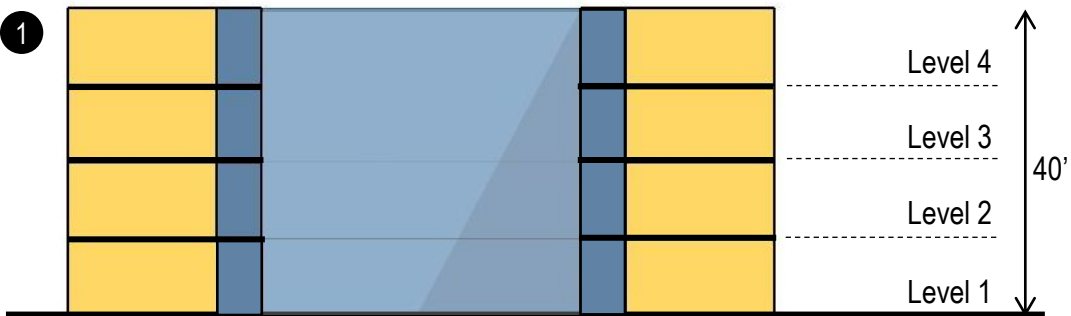


31 Units on 2 Parcels

Parcel 1	4 stories/building Total	12 Units (Market-Rate Housing) 14,950 SF
Parcel 2	4 stories/building Total	19 Units (Market-Rate Housing) 14,950 SF

Assumptions:  
15% for Circulation  
Average unit size: 800 SF/unit

9/19/2023



Market-Rate Housing  
Circulation



# LR3 (M) – Proposed Standard

Total Parcel Area: 12,000 SF (combination of 2 Parcels)

FAR: 3.3, Buildable Area: 39,600 SF

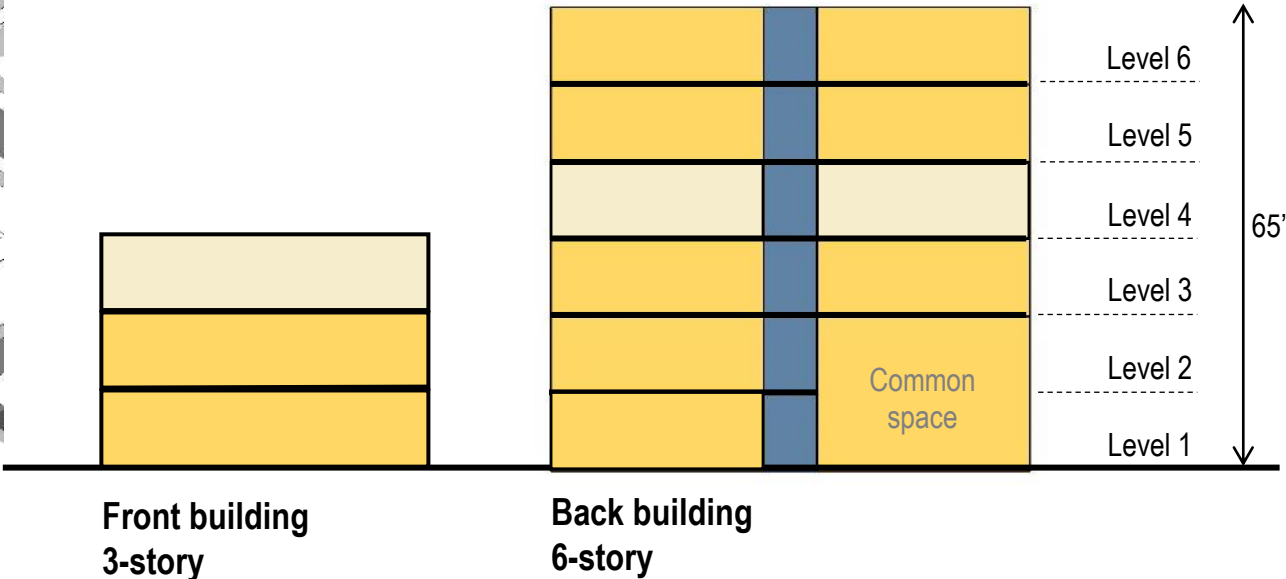


**Total:** 39,600 SF  
36 units

**Residential**

Townhouse	4 units
Market-Rate Unit	21 units
Affordable Unit (30%)	11 units

Assumptions:  
15% for Circulation  
Average unit size: 800 SF/unit, 1600 SF/townhouse  
Common space: 1600 SF



- Market-Rate Housing
- Affordable Housing
- Circulation





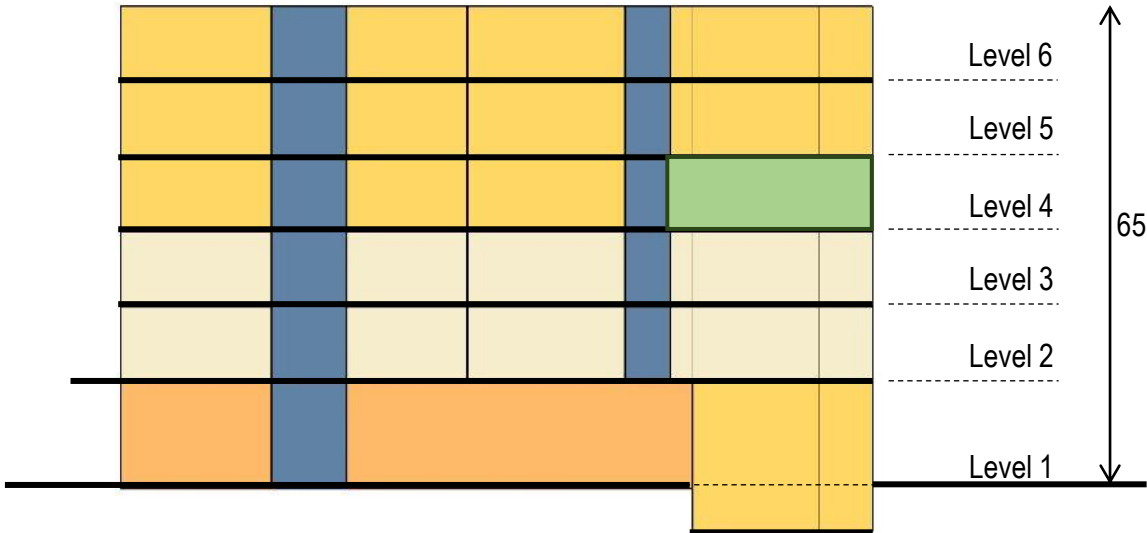
# LR3 (M) – FAR Exemption and Owner Unit Incentive

Total Parcel Area: 12,000 SF (combination of 2 Parcels)

FAR: 4.5, Buildable Area: 58,500 SF



<b>Total:</b>	<b>55,500 SF</b>	<b>6-story building</b>	
	<b>45 units</b>		
<b>Residential</b>		<b>Equitable Development</b>	<b>7,900 SF</b>
Townhouse	4 units		
Market-Rate Unit	27 units		
Affordable Unit (30%)	14 units		
Assumptions:			
15% for Circulation			
Average unit size: 800 SF/unit, 1600 SF/townhouse			
ED Programs: 20% of total SF			



- Owner
- Market-Rate Housing
- Affordable Housing
- Circulation
- ED program













LR3 (M) — Proposed Standard

schemata workshop inc

**Total Parcel Area: 12,000 SF (combination of 2 Parcels)**  
**FAR: 3.3, Buildable Area: 39,600 SF**





LR3 (M) - FAR Exemption and Owner Unit Incentive

Total Parcel Area: 12,000 SF (combination of 2 Parcel<sup>s</sup>)  
FAR: 4.5, Buildable Area: 58,500 SF





















Comparison with current standard

LR3 (M) – FAR Exemption and Owner Unit Incenti



# LR3 (M) – Lowrise 3 (2 Parcels Development)

Current Standard



Proposed Standard



FAR Exemption and Owner Unit Incentive



**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

..title

AN ORDINANCE related to land use and zoning; establishing the Connected Community Development Partnership Bonus Pilot Program; and adding a new Section 23.40.080 to the Seattle Municipal Code; and amending Sections 23.41.004, 23.58B.020, 23.58C.025, 23.84A.016, and 23.84A.018.

..body

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

Section 1. The City finds:

A. In April 2021 the City published, *Market Rate Housing Needs and Supply Analysis*, which identified the following:

a. Approximately 46,000 Seattle households are cost burdened, meaning that those households spend more than half of their incomes on rent;

b. Housing supply is not keeping pace with demand;

c. Housing costs are increasing more quickly than income;

d. Seattle has insufficient zoned capacity for “missing middle” ownership housing;

e. The rental housing market has a shortage of housing affordable and available to lower income households;

f. Approximately 34,000 lower-wage workers commute more than 25 miles to Seattle demonstrating a latent demand for affordable workforce housing; and

g. As Seattle’s share of higher income households grows development of housing for those households increases economic and physical displacement of lower-income residents.

1                   B.       With the passage of House Bill 1110, Seattle will be required to modify  
2 current land use regulations to accommodate a range of missing-middle housing types.

3                   C.       The City is currently in the process of environmental review for the next  
4 major update to the Comprehensive Plan, which must meet the requirements of HB 1110.

5                   D.       To inform future implementation of the Comprehensive Plan update, the  
6 City has an interest in exploring development pilots to demonstrate development types and  
7 partnerships that leverage community assets to provide equitable development that will not  
8 contribute to economic and physical displacement of current residents.

9           Section 2. A new Section 23.40.080 is added to the Seattle Municipal Code as follows:

10 **23.40.080 Connected Community Development Partnership Bonus Pilot Program**

11           A. This Section 23.40.080 establishes the requirements for developments the Connected  
12 Community Development Partnership Bonus Pilot Program. The purpose of the program is to  
13 demonstrate the social benefits of equitable development including community-serving uses and  
14 housing available to a spectrum of household incomes by setting onsite affordability standards  
15 and incentives for development of housing and equitable development uses through a partnership  
16 between public, private, and/or community-based organizations.

17           B. Applications and eligibility

18                   1. Enrollment period. The enrollment period for the Connected Community  
19 Development Partnership Bonus Pilot Program expires when applications meeting the  
20 requirements of this Section 23.40.080 have been submitted for 35 projects or 2029, whichever is  
21 earlier.

22                   2. Eligible development. Eligible development must:

- 1                               a. Be on property owned or controlled by a qualifying community
- 2 development organization at the date of the permit application;
- 3                               b. For development in commercial zones, must have at least 75 percent of
- 4 gross floor area in residential use; and
- 5                               c. May not be located in a designated historic district, except those
- 6 established in areas with historical exclusionary racial covenants.

7                               3. Owned and controlled. For the purposes of this Section 23.40.080 a property is

8 controlled by a qualifying community development organization when that organization has a

9 legally established and ongoing property-related interest in a property as demonstrated by:

- 10                              a. Ownership of at least 51 percent of an incorporated owner;
- 11                              b. Ownership of at least 10 percent of an incorporated owner when a
- 12 partner in an entity provides site control for development;
- 13                              c. A controlling and active management role in a corporation or
- 14 partnership that owns a property, such as a sole managing member of a limited liability company
- 15 or sole general partner of a limited partnership; or
- 16                              d. Some other beneficial interest allowing the organization to act as
- 17 applicant.

18                              4. Qualifying community development organization. A qualifying community

19 development organization must be a non-profit organization registered with the Washington

20 Secretary of State, or a Public Development Authority created pursuant to Revised Code of

21 Washington Section 35.21.730, that has as its purpose the creation or preservation of affordable

22 State or Federally subsidized housing, mixed-income affordable municipal housing built on City

23 land, or affordable commercial space, affordable arts space, community gathering spaces, or

equitable development. For the purposes of this Section 23.40.080, a qualifying community development organization can consist of a partnership among one or more qualifying community development organizations or one or more qualifying community development organizations and a partnering development entity.

C. Owner Unit Incentive. In addition to the requirements of Section 23.40.080.B, applicants seeking to utilize owner unit incentive shall:

1. Provide an affidavit or other information in a form acceptable to the Director confirming that the site is owned by a person or persons who continually resided in a dwelling unit on the site for the past 10 years with a current household income not exceeding 120 percent of area median income.

2. Provide an executed purchase and sale agreement, partnership agreement, or other binding contractual agreement affirming the applicant's obligation to provide a dwelling unit on-site for the current owner that meets the affordability requirements of this Section.

D. Affordability requirements

1. Eligible households. 30 percent of dwelling units or 33 percent of congregate residence sleeping rooms, as applicable, shall serve:

a. For rental units, households with incomes no greater than 80 percent of median income, with the goal, to the extent practicable, to offer up to 2/3 of units to households with incomes between 0 to 30 percent of area median income, adjusted by household size.

b. For ownership units, households with incomes no greater than 100 percent of median income, adjusted by household size.

2. Duration. The obligation to provide dwelling units meeting the requirements of subsection 23.40.080.C shall last for a period of 75 years from the date of the certificate of



1 occupancy or, if a certificate of occupancy is not required, from the date of the final building  
2 permit inspection for the development to which this Section 23.42.055 applies.

3 3. Affordable rent. Monthly rent shall not exceed 30 percent of a household's  
4 income, up to 80 percent of median income. For purposes of this subsection 23.40.080.C.3,  
5 "monthly rent" includes a utility allowance for heat, gas, electricity, water, sewer, and refuse  
6 collection, to the extent such items are not paid for tenants by the owner, and any recurring fees  
7 that are required as a condition of tenancy.

8 4. Affordable sale price

9 a. Affordable price – initial sales. The initial affordable sale price must be  
10 an amount in which total ongoing housing costs do not exceed 30 percent of 100 percent of  
11 median income. The Director of Housing will establish by rule the method for calculating the  
12 initial sale price including standard assumptions for determining upfront housing costs, including  
13 the down payment, and ongoing housing costs, which must include mortgage principal and  
14 interest payments, homeowner's insurance payments, homeowner or condominium association  
15 dues and assessments, and real estate taxes and other charges included in county tax billings. The  
16 Director of Housing may establish by rule a maximum down payment amount.

17 b. Affordable price – resales. Eligible households for purchase of an  
18 ownership unit subsequent to the initial sale must have incomes no greater than 100 percent of  
19 median income at initial occupancy. The Office of Housing will establish by rule the formula for  
20 calculating maximum affordable prices for sales subsequent to the initial sale to allow modest  
21 growth in homeowner equity while maintaining long-term affordability for future buyers.

22 5. Agreement. As a condition of building permit issuance for a development  
23 according to this Section 23.40.080, the property owner and the City must enter into an

1 agreement in a form acceptable to the City that includes housing covenants consistent with this  
2 Section 23.40.080 and the final plan set approved by the Department. The agreement must be  
3 recorded on the title of the property on which the low-income housing development is located.

4 E. Alternative development standards. In lieu of otherwise applicable development  
5 standards contained in Chapters 23.44, 23.45, 23.47A, 23.48 and 23.49, a proposed development  
6 that meets the requirements of this Section 23.40.080 may elect to meet the alternative  
7 development standards, as applicable, of this subsection 23.40.080.D.

8 1. Development otherwise subject to the requirements of Ch 23.44 – Residential,  
9 single family.

10 a. Lot requirements

11 1) Development on a lot that is 10,000 square feet or greater may  
12 meet the alternative development standards in subsection 23.40.080.D.1.b-e.

13 b. Proposed development on lots meeting the criteria in subsection  
14 23.40.080.D.1.a may meet the following development standards:

15 1) The minimum lot area per dwelling unit is 1,500 square feet in  
16 NR1, NR2, and NR3 zones and 1,200 square feet in RSL zones.

17 2) The maximum lot coverage is 50 percent of lot area in NR1,  
18 NR2, and NR3 zones and 65 percent in RSL zones.

19 3) The maximum FAR limit is 1.0 in NR1, NR2, and NR3 zones  
20 and 1.25 in RSL zones. The applicable FAR limit applies to the total chargeable floor area of all  
21 structures on the lot.

22 c. Owner unit incentive. Proposed development on lots providing an  
23 owner unit may meet the following development standards:

1) The maximum lot coverage is 60 percent of lot area in NR1, NR2, and NR3 zones and 75 percent in RSL zones.

2) The maximum FAR limit is 1.25 in NR1, NR2, and NR3 zones and 1.5 in RSL zones. The applicable FAR limit applies to the total chargeable floor area of all structures on the lot.

d. Permitted uses. In addition to the uses listed in Section 23.44.006, the following uses are permitted outright on lots meeting the requirements of this Section 23.40.080: apartments, cottage housing development, rowhouse development, townhouse development, and equitable development.

e. Setback requirements. No structure shall be closer than 5 feet from any lot line.

2. Development otherwise subject to the requirements of Ch 23.45 - Multifamily.

a. Floor area

1) Development permitted pursuant to Section 23.40.08- is subject to the FAR limits as shown in Table A.

**Table A for 23.40.080**

**FAR limits for development permitted pursuant to Section 23.40.080**

	<b>FAR limit</b>	<b>FAR limit in Areas with Racially Restrictive Covenants or Areas Eligible for Community Preference Policy</b>	<b>Maximum additional exempt FAR<sup>1</sup></b>	<b>Owner Unit Incentive</b>
LR1	1.6	1.7	0.5	.3
LR2	1.8	1.9	1.0	.5
LR3 outside urban centers and urban villages	2.5	2.7	1.0	.5

**Table A for 23.40.080**  
**FAR limits for development permitted pursuant to Section 23.40.080**

	<b>FAR limit</b>	<b>FAR limit in Areas with Racially Restrictive Covenants or Areas Eligible for Community Preference Policy</b>	<b>Maximum additional exempt FAR<sup>1</sup></b>	<b>Owner Unit Incentive</b>
LR3 inside urban centers and urban villages	3.0	3.3	1.0	.5
MR	5.6	5.8	1.0	.5
Footnote to Table A for 23.40.080 <sup>1</sup> Gross floor area for uses listed in subsection 23.40.080.D.3.b.2 are exempt from FAR calculations up to this amount.				

2) In addition to the FAR exemptions in subsection 23.45.510.D, an additional FAR exemption up to the total amount specified in Table A for 23.40.080 is allowed for any combination of the following floor area:

- a) Floor area in units with two or more bedrooms and a minimum net unit area of 850 square feet;
- b) Floor area in equitable development use; and
- c) Any floor area in a development located within 1/4 mile (1,320 feet) of a transit stop or station served by a frequent transit route as defined in subsection 23.54.015.B.4.

3) Split-zoned lots

- a) On lots located in two or more zones, the FAR limit for the entire lot shall be the highest FAR limit of all zones in which the lot is located, provided that:

i. At least 65 percent of the total lot area is in the zone with the highest FAR limit;

ii. No portion of the lot is located in a single-family zone; and

iii. A minimum setback of 10 feet applies for any lot line that abuts a lot in a single-family zone.

b) For the purposes of this subsection 23.40.080.D.2, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

b. Maximum height

1) Development permitted pursuant to Section 23.40.080 is subject to the height limits as shown in Table B for 23.40.080.

**Table B for 23.40.080**

**Structure height for development permitted pursuant to Section 23.40.080**

<b>Zone</b>	<b>Height limit (in feet)</b>
LR1	40
LR2	50
LR3 outside urban centers and urban villages	55
LR3 inside urban centers and urban villages	65
MR	95

2) Split-zoned lots

a) On lots located in two or more zones, the height limit for the entire lot shall be the highest height limit of all zones in which the lot is located, provided that:

i. At least 65 percent of the total lot area is in the zone with the highest height limit;

ii. No portion of the lot is located in a single-family zone; and

iii. A minimum setback of 10 feet applies for any lot line that abuts a lot in a single-family zone.

b) For the purposes of this subsection 23.40.080.D.2, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

c. Maximum density. Development permitted pursuant to Section 23.40.080 is not subject to the density limits and family-size unit requirements of Section 23.45.512.

3. Development otherwise subject to the requirements of Ch. 23.47A - Commercial

a. Maximum height

1) The applicable height limit for development permitted pursuant to Section 23.40.080 in NC zones and C zones as designated on the Official Land Use Map, Chapter 23.32 is increased as shown in Table C for 23.40.080.

**Table C for 23.40.080**

**Additional height for development permitted pursuant to Section 23.40.080**

Mapped height limit (in feet)	Height limit (in feet)
30	55
40	75
55	85
65	95
75	95
85	145
95	145

2) Split-zoned lots

a) On lots located in two or more zones, the height limit for the entire lot shall be the highest height limit of all zones in which the lot is located, provided that:

- i. At least 65 percent of the total lot area is in the zone with the highest height limit;
- ii. No portion of the lot is located in a single-family zone; and
- iii. A minimum setback of 10 feet applies for any lot line that abuts a lot in a single-family zone.

b) For the purposes of this subsection 23.40.080.d.3, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

b. Floor area

1) Development permitted pursuant to Section 23.40.080 is subject to the FAR limits as shown in Table D for 23.40.080.

**Table D for 23.40.080**

**FAR limits for development permitted pursuant to Section 23.40.080**

Mapped height limit (in feet)	FAR limit	FAR limit in Areas with Racially Restrictive Covenants or Areas Eligible for Community Preference Policy	Maximum additional exempt FAR <sup>1</sup>	Owner Unit Incentive
30	3.00	3.25	1.0	0.5
40	3.75	4.00	1.0	0.5
55	4.75	5.00	1.0	0.5



**Table D for 23.40.080**  
**FAR limits for development permitted pursuant to Section 23.40.080**

<b>Mapped height limit (in feet)</b>	<b>FAR limit</b>	<b>FAR limit in Areas with Racially Restrictive Covenants or Areas Eligible for Community Preference Policy</b>	<b>Maximum additional exempt FAR<sup>1</sup></b>	<b>Owner Unit Incentive</b>
65	4.50	5.75	1.0	0.5
75	5.50	6.00	1.0	0.5
85	7.25	7.50	2.0	0.5
95	7.50	7.75	2.0	0.5

Footnote to Table A for 23.40.080

<sup>1</sup> Gross floor area for uses listed in subsection 23.40.080.D.3.b.2 are exempt from FAR calculations up to this amount.

2) In addition to the FAR exemptions in subsection 23.47A.013.B, an additional FAR exemption up to the total amount specified in Table D for 23.40.080 is allowed for any combination of the following floor area:

a) Floor area in units with two or more bedrooms and a minimum net unit area of 850 square feet;

b) Floor area in equitable development use; and

c) Any floor area in a development located within 1/4 mile (1,320 feet) of a transit stop or station served by a frequent transit route as defined in subsection 23.54.015.B.4.

### 3. Split-zoned lots

a) On lots located in two or more zones, the FAR limit for the entire lot shall be the highest FAR limit of all zones in which the lot is located, provided that:

i. At least 65 percent of the total lot area is in the zone with the highest FAR limit;

ii. No portion of the lot is located in a single-family zone; and

iii. A minimum setback of 10 feet applies for any lot line that abuts a lot in a single-family zone.

b) For the purposes of this subsection 23.40.080.D.3, the calculation of the percentage of a lot or lots located in two or more zones may include lots that abut and are in the same ownership at the time of the permit application.

c. Upper-level setback. An upper-level setback of 8 feet from the lot line is required for any street-facing facade for portions of a structure exceeding the mapped height limit designated on the Official Land Use Map, Chapter 23.32.

4. Development otherwise subject to the requirements of Ch 23.48 - Seattle Mixed.

a. Maximum height. The applicable maximum height limit for residential uses in development permitted pursuant to Section 23.40.080 in Seattle Mixed zones is increased by the following amounts:

1) For zones with a mapped maximum height limit of 85 feet or less, 20 feet.

2) For zones with a mapped maximum height limit greater than 85 feet, 40 feet.

b. Floor area. The applicable maximum FAR limit for residential uses in development permitted pursuant to Section 23.40.080 in Seattle Mixed zones is increased by the following amounts:

1) For zones with a mapped maximum residential height limit of 85 feet or less, 1.0 FAR.

2) For zones with a mapped maximum residential height limit greater than 85 feet, 2.0 FAR.

F. Density limits. Development permitted pursuant to this Section 23.40.080 is not subject to the standards of subsections 23.45.512.A and 23.45.512.B.

Section 3. Section 23.41.004 of the Seattle Municipal Code, last amended by Ordinance 126287, is amended as follows:

**23.41.004 Applicability**

\*\*\*

B. Exemptions. The following are exempt from design review:

1. Development located in special review districts established by Chapter 23.66;
2. Development in Landmark districts established by Title 25;
3. Development within the historic character area of the Downtown Harborfront 1 zone;
4. Development that is subject to shoreline design review pursuant to Chapter 23.60A;
5. New light rail transit facilities that are subject to review by the Seattle Design Commission;
6. City facilities that are subject to review by the Seattle Design Commission;
7. Development within single-family or residential small lot zones; ~~((and))~~
8. Permanent supportive housing; and

1                   9. Development meetings the requirements of Section 23.40.080, the Connected  
2 Community Development Partnership Bonus Pilot Program.

3                   \*\*\*

4                   Section 4. Section 23.58B.020 of the Seattle Municipal Code, last amended by Ordinance  
5 125791, is amended as follows:

6 **23.58B.020 Applicability and general requirements**

7                   A.       Voluntary agreement; impact mitigation options. If an applicant elects to seek  
8 approval of a permit for a development as described according to subsection 23.58B.020.B, the  
9 applicant shall:

10                   1.       Enter into a voluntary agreement with the City to mitigate impacts on the  
11 need for affordable housing according to this Chapter 23.58B.

12                   2.       The applicant shall mitigate impacts on the need for housing affordable to  
13 households of new lower wage workers either through the payment option according to Section  
14 23.58B.040 or through the performance option according to Section 23.58B.050.

15                   3.       In the absence of a signed voluntary agreement, acceptance of the permit  
16 by the applicant shall constitute a voluntary agreement for the purpose of this Chapter 23.58B.

17                   B.       Applicability. Except as provided according to subsection 23.58B.020.C, this  
18 Chapter 23.58B shall apply to development that includes more than 4,000 square feet of gross  
19 floor area in commercial use through one of the following:

20                   1.       Construction of a new structure;

21                   2.       Construction of an addition; or

22                   3.       Change of use from residential use to commercial use.

C. Commercial development is exempt from the requirements according to this Chapter 23.58B if:

1. ~~((the))~~ The structure containing commercial uses also contains floor area in residential use that is publicly funded and/or has received an allocation of federal low-income housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument recorded on the property title and enforceable by The City of Seattle, Washington State Housing Finance Commission, State of Washington, King County, U.S. Department of Housing and Urban Development, or other similar entity as approved by the Director of Housing, (1) which restricts at least 40 percent of the residential units to occupancy by households earning no greater than 60 percent of median income, and controls the rents that may be charged, for a minimum period of 40 years, or (2) which restricts at least 40 percent of the residential units to be sold to households earning no greater than 80 percent of median income, for a minimum period of 50 years~~((:))~~; ~~((The))~~ the sale price for sales subsequent to the initial sale shall be calculated to allow modest growth in homeowner equity while maintaining long-term affordability for future buyers~~((:))~~; ~~((All))~~ all buyers of such an ownership unit subsequent to the initial sale shall be households with incomes no greater than 80 percent of median income at initial occupancy~~((:))~~ or

2. The development meets the requirements of Section 23.40.080, the Connected Community Development Partnership Bonus Pilot Program.

\*\*\*

Section 5. Section 23.58C.025 of the Seattle Municipal Code, last amended by Ordinance 125791, is amended as follows:

**23.58C.025 Applicability and general requirements**

1           A.       General. If an applicant seeks approval of a permit for development as described  
2 according to subsection 23.58C.025.B, the applicant shall comply with this Chapter 23.58C,  
3 either through the payment option according to Section 23.58C.040 or the performance option  
4 according to Section 23.58C.050.

5           B.       Applicability. Except as provided according to subsection 23.58C.025.C, this  
6 Chapter 23.58C shall apply to development that includes units, whether such development occurs  
7 through one or more of the following:

- 8                   1.       Construction of a new structure;  
9                   2.       Construction of an addition to an existing structure that results in an  
10 increase in the total number of units;  
11                   3.       Alterations within an existing structure that result in an increase in the  
12 total number of units; or  
13                   4.       Change of use that results in an increase in the total number of units.

14           C.       Exemptions. Development is exempt from the requirements of this Chapter  
15 23.58C if:

- 16                   1. ((#)) It receives public funding and/or an allocation of federal low-income  
17 housing tax credits, and is subject to a regulatory agreement, covenant, or other legal instrument  
18 recorded on the property title and enforceable by The City of Seattle, Washington State Housing  
19 Finance Commission, State of Washington, King County, U.S. Department of Housing and  
20 Urban Development, or other similar entity as approved by the Director of Housing, (1) which  
21 restricts at least 40 percent of the residential units to occupancy by households earning no greater  
22 than 60 percent of median income, and controls the rents that may be charged, for a minimum  
23 period of 40 years, or (2) which restricts at least 40 percent of the residential units to be sold to

households earning no greater than 80 percent of median income, for a minimum period of 50 years~~((:))~~; ~~((The))~~ the sale price for sales subsequent to the initial sale shall be calculated to allow modest growth in homeowner equity while maintaining long-term affordability for future buyers~~((:))~~; ~~((All))~~ all buyers of such an ownership unit subsequent to the initial sale shall be households with incomes no greater than 80 percent of median income at initial occupancy~~((:))~~ or

2. The development meets the requirements of Section 23.40.080, the Connected Community Development Partnership Bonus Pilot Program.

\*\*\*

Section 6. Section 23.84A.016 of the Seattle Municipal Code, last amended by Ordinance 126855, is amended as follows:

**23.84A.016 “H”**

\* \* \*

"Household" means a housekeeping unit consisting of any number of non-transient persons composing a single living arrangement within a dwelling unit as provided in Section 23.42.048, not otherwise subject to occupant limits in group living arrangements regulated under state law, or on short-term rentals as provided in Section 23.42.060.

"Housing, low-income" means any one or more of the following:

1. A ~~((a))~~ structure or structures for which:

~~((1.))~~ a. An application for public funding for the capital costs of development or rehabilitation of the structure(s) has been or will be submitted; and

~~((2.))~~ b. Public funding is awarded prior to issuance of the first building permit that includes the structural frame for each structure and is conditioned on one or more



regulatory agreements, covenants, or other legal instruments, enforceable by The City of Seattle, King County, State of Washington, Washington State Housing Finance Commission, or other public agency if approved by the Director of Housing, being executed and recorded on the title of the property that includes the low-income housing and such legal instruments either:

~~((a-))~~ 1) For a minimum period of 40 years, require rental of at least 40 percent of the dwelling units, small efficiency dwelling units, or congregate residence sleeping rooms as restricted units with rent and income limits no higher than 60 percent of median income; or

~~((b-))~~ 2) For a minimum period of 50 years, require at least 40 percent of the dwelling units as restricted units sold to buyers with incomes no higher than 80 percent of median income at prices (initial sale and resale) to allow modest growth in homeowner equity while maintaining long-term affordability for income-eligible buyers, all as determined by the Director of Housing.

2. Social housing, which means housing in a residential or mixed-use structure with at least 40 percent of the dwelling units affordable to households with incomes no higher than 80 percent of annual median income that is developed, publicly owned, and maintained in perpetuity by a public development authority, the charter for which specifies that its purpose is development of social housing and at a range of affordability levels within the Seattle corporate limits. Social Housing is intended to promote social cohesion, sustainability, and social equity through an intentional distribution of units to households with a broad mix of income ranges and household sizes whose incomes range between 0 percent and 120 percent of median income.

Section 7. Section 23.84A.018 of the Seattle Municipal Code, last amended by Ordinance TK, is amended as follows:

**23.84A.018 "I"**

\*\*\*

"Institution" means structure(s) and related grounds used by organizations for the provision of educational, medical, cultural, social, and/or recreational services to the community, including but not limited to the following uses:

1. "Adult care center" means an institution that regularly provides care to a group of adults for less than 24 hours a day, whether for compensation or not.

2. "College" means a post-secondary educational institution, operated by a nonprofit organization, granting associate, bachelor, and/or graduate degrees.

3. "Community club or center" means an institution used for athletic, social, civic, cultural, artistic, or recreational purposes, operated by a nonprofit organization, and open to the general public on an equal basis. Activities in a community club or center may include, but are not limited to, classes and events sponsored by nonprofit organizations, community programs for the elderly, social gatherings, educational programming, gardens, and art exhibits.

a. "Community center" means a community club or center use, providing direct services to people on the premises rather than carrying out only administrative functions, that is open to the general public without membership. Community centers may include accessory commercial uses including but not limited to commercial kitchens and food processing, craft work and maker spaces, cafes, galleries, co-working spaces, health clinics, office spaces, and retail sales of food and goods.

b. "Community club" means a community club or center use, membership to which is open to the general public on an equal basis.

4. "Child care center" means an institution that regularly provides care to a group of children for less than 24 hours a day, whether for compensation or not. Preschools, cooperative child care exchanges, and drop-in centers where children receive care by the day shall be considered to be child care centers.

5. "Community farm" means an institution, operated by a nonprofit organization, in which land and related structures are primarily used to grow or harvest plants for food, educational, cultural, or ecological restoration purposes, or to keep animals in accordance with Section 23.42.052. Additional activities may include but are not limited to indoor and outdoor classes and events, food processing and preparation, community programs and gatherings, and the sale of plants, harvested or prepared food, ornamental crops, and animal products such as eggs or honey but not including the slaughtering of animals or birds for meat.

6. "Equitable development use" means activities where all components and subcomponents of the use provide mitigation against displacement pressure for individuals, households, businesses, or institutions that comprise a cultural population at risk of displacement. An equitable development use can include but is not limited to activities such as gathering space, arts and cultural space, educational programming or classes, direct services, job training, or space for other social or civic purposes. Equitable development uses may include commercial uses including but not limited to commercial kitchens and food processing, craft work and maker spaces, cafes, galleries, co-working spaces, health clinics, office spaces, and retail sales of food and goods.

1           7. "Family support center" means an institution that offers support services and  
2 instruction to families, such as parenting classes and family counseling, and is co-located with a  
3 Department of Parks and Recreation community center.

4           ~~((7-))~~ 8. "Hospital" means an institution other than a nursing home that provides  
5 accommodations, facilities, and services over a continuous period of ~~((twenty-four ()))~~24~~(( ))~~  
6 hours or more, for observation, diagnosis, and care of individuals who are suffering from illness,  
7 injury, deformity, or abnormality or from any condition requiring obstetrical, medical, or surgical  
8 services, or alcohol or drug detoxification. ~~((This definition excludes nursing homes.))~~

9           ~~((8-))~~ 9. "Institute for advanced study" means an institution operated by a nonprofit  
10 organization for the advancement of knowledge through research, including the offering of  
11 seminars and courses, and technological and/or scientific laboratory research.

12           ~~((9-))~~ 10. "Library" means an institution where literary, musical, artistic, or reference  
13 materials are kept for use but not generally for sale.

14           ~~((10-))~~ 11. "Museum" means an institution operated by a nonprofit organization as a  
15 repository of natural, scientific, historical, cultural, or literary objects of interest or works of art,  
16 and where the collection of such items is systematically managed for the purpose of exhibiting  
17 them to the public.

18           ~~((11-))~~ 12. "Private club" means an institution used for athletic, social, or recreational  
19 purposes and operated by a private nonprofit organization, membership to which is by written  
20 invitation and election according to qualifications in the club's charter or bylaws and the use of  
21 which is generally restricted to members and their guests.



1           ~~((12.))~~ 13. "Religious facility" means an institution, such as a church, temple, mosque,  
2 synagogue, or other structure, together with its accessory structures, used primarily for religious  
3 worship.

4           ~~((13.))~~ 14. "School, elementary or secondary" means an institution operated by a public  
5 or nonprofit organization primarily used for systematic academic or vocational instruction  
6 through the twelfth grade.

7           ~~((14.))~~ 15. "School, vocational or fine arts" means an institution that teaches trades,  
8 business courses, hairdressing, and similar skills on a post-secondary level, or that teaches fine  
9 arts such as music, dance, or painting to any age group, whether operated for nonprofit or profit-  
10 making purposes, except businesses that provide training, instruction, or lessons exclusively on  
11 an individual basis, which are classified as general retail sales and service uses, and except those  
12 businesses accessory to an indoor participant sports use.

13           ~~((15.))~~ 16. "University." See "College."  
14

Section 8. The Council requests that the Director of the Seattle Department of Construction and Inspections in consultation with the Directors of the Office of Housing, Office of Economic Development, the Department of Neighborhoods, and the Equitable Development Advisory Board promulgate a list of qualifying community development organizations eligible for participation in the Connected Community Development Partnership Bonus Pilot Program by March 31, 2024. A qualifying community development organization can consist of a partnership among one or more qualifying community development organizations. Qualifying community development organizations should include incorporated entities that advocate or provide services for refugees, immigrants, communities-of-color, members of the LGBTQIA communities, members of the community experiencing homelessness, and persons at risk of economic displacement. Qualifying community development organizations should also include community-based organizations eligible for the new Jumpstart Acquisition and Preservation Program, which was added to the Housing Funding Policies through Ordinance 126611.

Section 9. The Council intends to seek funding for the Connected Community Development Partnership Bonus Pilot Program. That funding will include (1) appropriations to administer the program, (2) sources of subsidy for applicants participating in the program, and (3) funding for program participants to develop the capacity to maintain and operate development permitted pursuant to the program. By 2029, the Council will evaluate the pilot to assess its effectiveness in achieving the following objectives:

A) Providing affordable workforce housing for communities and households that are cost-burdened;

B) Providing neighborhood-serving equitable development uses;

1 C) Forestalling or preventing economic and physical displacement of current  
2 residents; and

3 D) Demonstrating a variety of missing-middle housing types that are affordable to  
4 households with a range of household incomes;

5 Section 10. This ordinance shall take effect and be in force 30 days after its approval by  
6 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
7 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

8 Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2023,  
9 and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of  
10 \_\_\_\_\_, 2023.

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\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved /      returned unsigned /      vetoed this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Scheereen Dedman, City Clerk

(Seal)

Attachments:





## Legislation Text

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**File #:** Inf 2326, **Version:** 1

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Workforce Equity in Promotions Audit

# Workforce Equity in Promotions Audit

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SEATTLE CITY COUNCIL

PRESENTATION TO THE NEIGHBORHOODS, EDUCATION, CIVIL RIGHTS,  
AND CULTURE COMMITTEE

09/22/2023



City of Seattle - Office of City Auditor

1

# Office of City Auditor

- ✓ We conduct independent, in-depth analyses and develop recommendations to improve City programs and services.
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# The City's Definition of Workforce Equity

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"Workforce Equity is when the workforce is inclusive of people of color and other marginalized or underrepresented groups at a rate representative of the greater Seattle area at all levels of City employment; where institutional and structural barriers impacting employee attraction, selection, participation, and retention have been eliminated, enabling opportunity for employment success and career growth"

*City of Seattle Workforce Equity Strategic Plan, 2016*





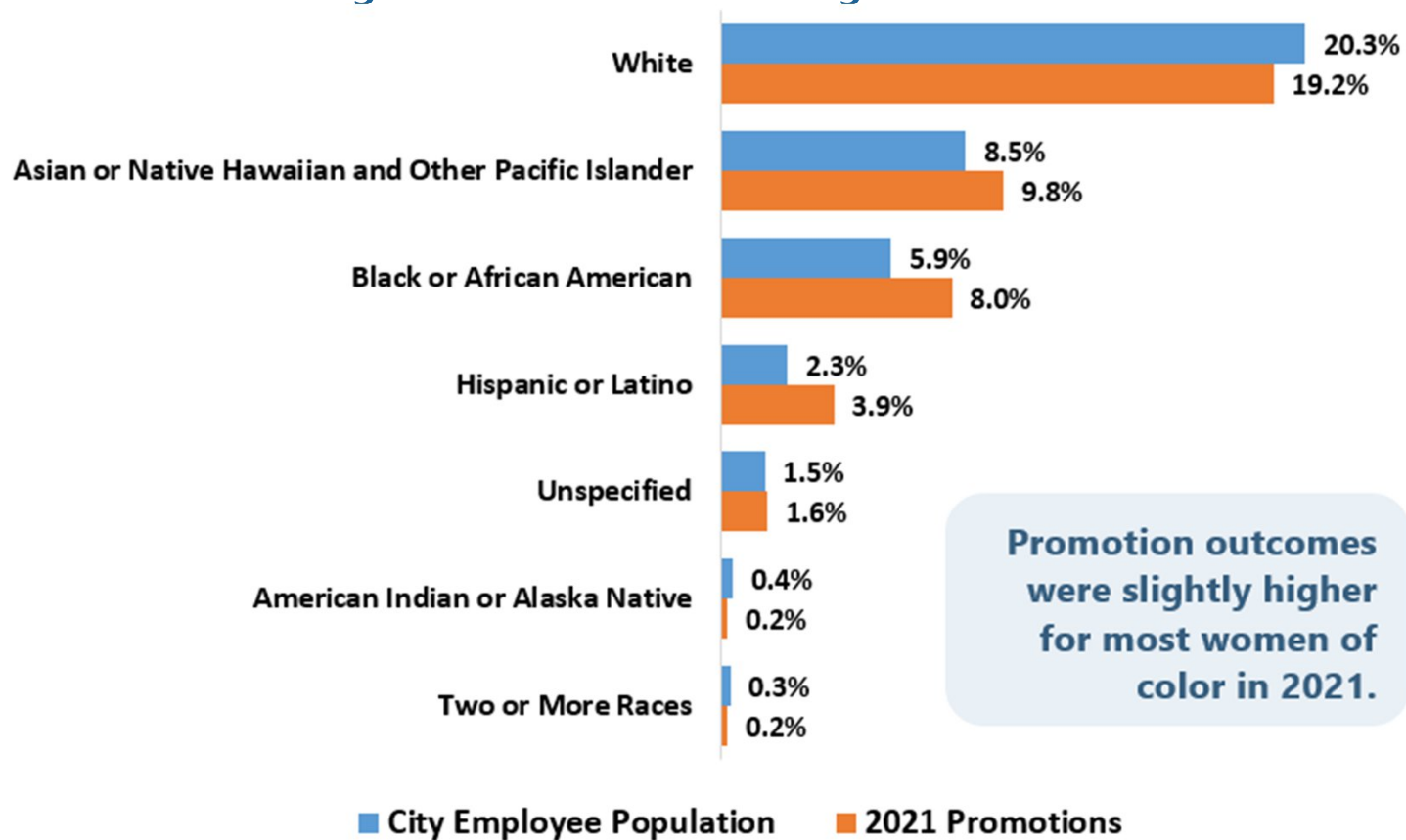
# The City Has Not Included Promotion Analysis in Its Annual Workforce Equity Reports.

The City identified promotion as an important outcome to assess in 2018.

Type of Promotion	Number of Promotions in 2021
Acting Department Head	-
Assignment	-
Bid	-
Merit	40
Return From Reduction	5
Appointment to Higher Class	667
Temporary To Regular	225
Total	937



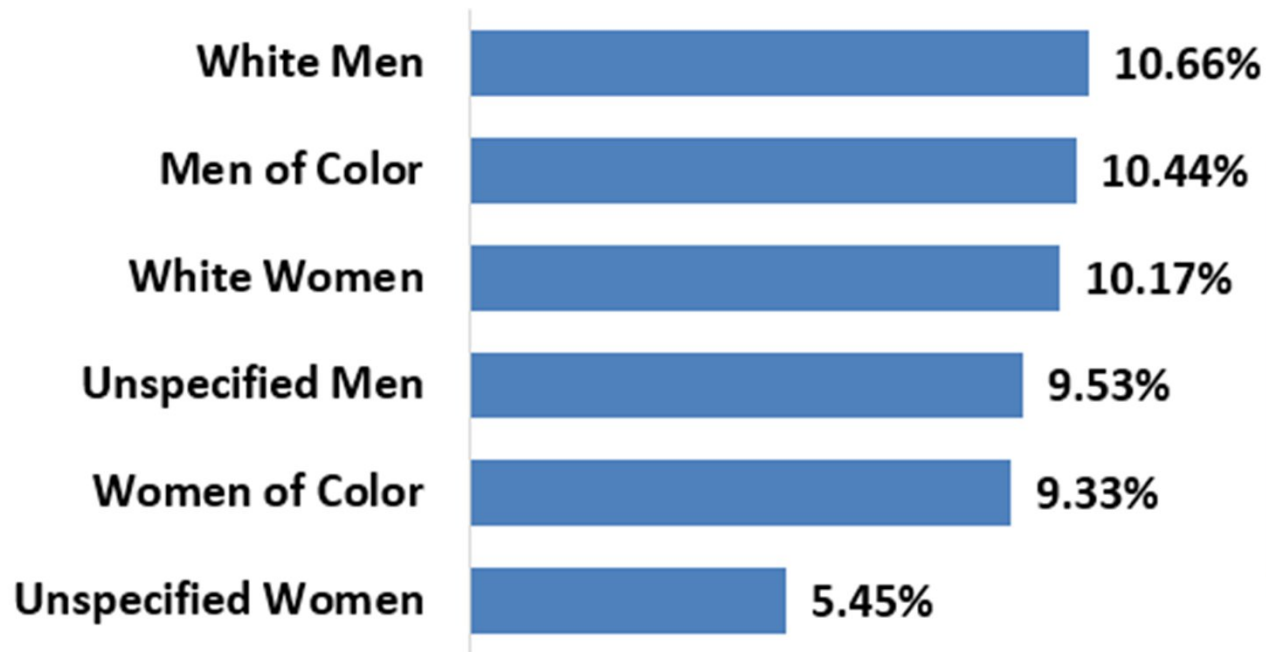
## Exhibit 5: Percentage of Female Employees and 2021 Promotions by Race/Ethnicity



Source: Office of City Auditor analysis of the City's 2021 employee promotion data.



## Exhibit 9: Average Percentage of Promotion Pay Increase in 2021 by Race/Ethnicity and Gender



**In 2021, women of color received lower promotion pay increases compared to men of color, White women, and White men.**

Source: Office of City Auditor analysis of the City's 2021 employee promotion data.



# Data Gaps in the City's Human Resources Information System Affect Analysis.

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1. 503 employees (3.9 percent of 12,956 Employees) with unidentified race/ethnicity in the 2021 data.
2. Gender categories (female, male, and unspecified) limit identification of nonbinary and genderqueer employees. 26 employees with unspecified gender in 2021 data.
3. No means of tracking and updating employees' education levels to assess if or how education level affects promotion outcomes.





# Recommendation 1

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Seattle Department of Human Resources (SDHR) should use the transition of the City's Human Resources Information System to the Workday Human Resources system as an opportunity to:

- A. Evaluate and address data gaps,
- B. Develop automated analytics and set up systems to publish regular workforce analysis including promotion and pay equity studies that use rigorous methodologies.

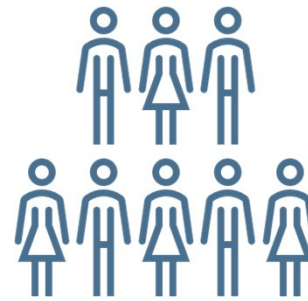


# The City has a “federated HR system” which Impacts the Implementation of Promotion Best Practices Citywide.

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SDHR implements promotion practices for 20 small departments /offices.



Large departments with semi-independent HR units implement their own promotion practices.



## Recommendation 2

SDHR and HR units should explore ways to effectively work together to ensure Citywide implementation of promotion best practices.

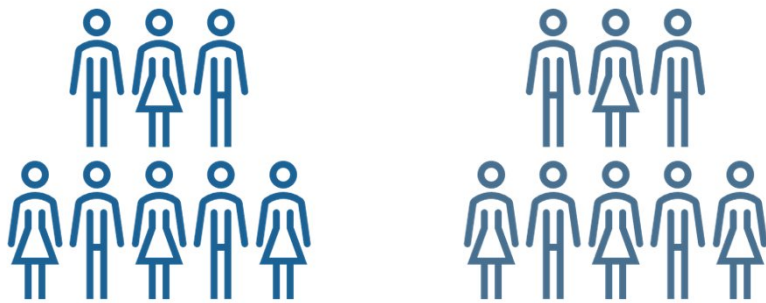


Image Source: Early Childhood Coalitions Alberta



# The City's Class Specifications System is Outdated.

The City's Class Specifications System describes the typical requirements necessary for City positions. It was developed in 1991/93 and is misaligned with current technology and business operations.

Positions	Established Date	Latest Revision
Accountant	01/02/1991	–
Senior Accountant	01/02/1991	01/14/2004
Principal Accountant	01/02/1991	01/14/2004
Managers, Engineering and Plans Review	01/07/1998	11/05/2002
Mechanical Engineering Assistant Series	01/02/1991	–
Permit Specialist Series	02/03/2006	–
Land use Planner Series	01/01/2002	–
Photographic Services Supervisor	02/01/1991	–





# Recommendation 3

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SDHR, in consultation with relevant stakeholders, should develop a multi-year plan to update the City's Class Specifications System. The plan should include a budget proposal for the City Council's consideration and a strategy for periodic updates of the Class Specifications System.



# Promotion Policies have not been reviewed with the City's Racial Equity Toolkit.

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The City can identify potential barriers to the long-term goal of an equitable workforce by analyzing promotion policies with the Racial Equity Toolkit.



## Recommendation 4

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SDHR in collaboration with the Seattle Office for Civil Rights, should adapt the City's Racial Equity Toolkit and perform a racial equity analysis of promotion policies.



# Thank you

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[www.seattle.gov/cityauditor/reports](http://www.seattle.gov/cityauditor/reports)

Contact: [ib.osuntoki@seattle.gov](mailto:ib.osuntoki@seattle.gov)

Report Reviewed by HR Managers in Seattle Department of Human Resources, Finance and Administrative Services, Seattle Department of Construction and Inspections, Seattle Police Department, Seattle Fire Department, Seattle Center, and Seattle Municipal Court.

Acknowledgements: Former Deputy City Auditor Virginia Garcia, Former Workforce Equity Director Felicia Caldwell, Office of the Employee Ombud, City Attorney's Office, Office for Civil Rights, City Affinity Groups





# Workforce Equity in Promotions Audit

**September 19, 2023**

**IB Osuntoki**

**David G. Jones, City Auditor**



**Seattle Office of City Auditor**

# Workforce Equity in Promotions Audit

## Report Highlights

### Background

The City of Seattle (City) defines workforce equity as when the workforce is inclusive of people of color and other marginalized or underrepresented groups at a rate representative of the greater Seattle area at all levels of City employment. Although the City has published reports on its progress toward workforce equity, the reports have not included any analysis of employees' promotions even though promotion has been identified as an important outcome to assess since 2018. With the intent to create baseline data on City promotions, we analyzed the City's 2021 employee data and reviewed the City's promotion practices.

### What We Found

Our analyses of Citywide data for 2021 found that promotion outcomes were slightly higher for women relative to men and employees of color relative to White Employees. However, women of color received a lower average percentage of promotion pay increase compared to other groups of employees. Our analyses were hampered by data gaps in the City's Human Resources Information System. The City has a federated human resources system which contributes to siloed practices and impairs the implementation of promotion best practices across departments. We also found that the City has an outdated Class Specifications System that presents a barrier to employees' advancement.

### Recommendations

We identified opportunities for the City to improve its promotion practices and make four recommendations to address data gaps, automate data analysis and reporting, update the Class Specifications System, improve Citywide human resources collaboration, and perform a racial equity analysis of promotion policies.

### Department Response

In their formal written response, Seattle Department of Human Resources stated that they concurred with the report's four recommendations (see Appendix A).



### WHY WE DID THIS AUDIT

This audit was conducted in response to Seattle City Councilmember Tammy Morales' request for our office to examine workforce equity by establishing City of Seattle employee promotion baseline data and determining if the City is following best practices on promotions and retention, especially for women of color.

### HOW WE DID THIS AUDIT

To accomplish the audit's objectives, we:

- Analyzed 2021 City employee data.
- Reviewed relevant state and local laws.
- Reviewed literature and articles on promotions.
- Interviewed City Human Resources staff and stakeholders.
- Reviewed the City's Class Specifications System.
- Reviewed the City's Workforce Equity Strategic Plan and Reports.

### Seattle Office of City Auditor

David G. Jones, City Auditor  
[www.seattle.gov/cityauditor](http://www.seattle.gov/cityauditor)

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# INTRODUCTION

## Audit Overview

We conducted this audit at the request of Seattle City Councilmember Tammy Morales to examine workforce equity by establishing City of Seattle employee promotion baseline data and determining if the City is following best practices on promotions and retention, especially for women of color. Our objectives were to:

- Create baseline data on the demographics of employees who were promoted and reclassified upward in 2021.
- Conduct a review of best practices or evidence-based research on workforce equity retention and promotion, especially for women of color.
- Examine whether the City of Seattle is employing these practices and research and where there are gaps.

## Background

The City of Seattle's [2016 Workforce Equity Strategic Plan](#)<sup>1</sup> defined Workforce Equity as "when the workforce is inclusive of people of color and other marginalized or underrepresented groups at a rate representative of the greater Seattle area at all levels of City employment; where institutional and structural barriers impacting employee attraction, selection, participation, and retention have been eliminated, enabling opportunity for employment success and career growth". The [annual workforce equity reports](#), published by the Seattle Department of Human Resources (SDHR), measure the City's progress on its definition of workforce equity. These reports have examined and compared the City of Seattle employee population to the population of the greater Seattle area. However, the reports have not included any analysis of employees' promotions, even though promotion was identified as an important outcome to assess in the first [workforce equity report](#) published in 2018.

The most recent workforce equity report, the [2021 Workforce Equity Update Report](#), concluded that Latinx employees remain the most underrepresented group across the entire City workforce and Women of Color are the most underrepresented at the top levels of pay and supervisory authority. Because of these disproportionalities between the City of Seattle employee population and the population of the greater Seattle area, our audit focuses on the analysis of the City's promotion and reclassification data and compared those data to the City of Seattle employee population.

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<sup>1</sup> The Workforce Equity Strategic Plan provides a history of Workforce Equity in City of Seattle government.

## Promotion and Reclassification Definitions

The [City of Seattle Personnel Rules](#) define promotion as an appointment to a class or position with a higher maximum pay rate than the one for the employee's current position. There are seven actions, described in Exhibit 1, that the City regards as promotions in its Human Resources Information System (HRIS). Promotion policies and procedures for most City employees are guided by the City's Personnel Rules.<sup>2</sup> For public safety employees, such as sworn police and uniformed fire employees, Seattle's Public Safety Civil Service Commission makes and enforces rules and develops examinations for promotions.<sup>3</sup>

Reclassification is defined in the Personnel Rules as placing a position in a different classification due to the gradual accretion of duties over six months or longer, that substantively changes its nature or scope. Reclassification requires an employee or the appointing authority<sup>4</sup> of a department to submit a Position Review Request (commonly known as a Position Description Questionnaire)<sup>5</sup> to SDHR's Class Compensation unit.

<sup>2</sup> In addition to the Personnel Rules, Bargaining Agreements can also guide promotion policies and procedures for represented positions. For example, the Local 77 agreement with Seattle City Light outlines the bid promotion type for vacancies.

<sup>3</sup> The [Seattle's Public Safety Civil Service Commission \(PSCSC\)](#) is an independent body that provides sworn police and uniformed fire employees with a quasi-judicial process for hearings on appeals concerning disciplinary actions, examination and testing, and other related issues. The PSCSC is housed within the Civil Service Commission. The [Civil Service Commission \(CSC\)](#) is a quasi-judicial body that provides fair and impartial hearings of alleged violations of the City's personnel system to most regular City employees. While the PSCSC makes and enforces rules for the administration of the personnel system for public safety employees, CSC reviews and make recommendations regarding the administration of the personnel system for most regular City employees.

<sup>4</sup> An Appointing Authority is the head of an employing unit authorized by ordinance or City Charter to employ others on behalf of the City. The term includes and can be used interchangeably with department head, department director, superintendent, or chief. An employing unit is any department of the City, and, within the Executive and Legislative Departments, any office created by ordinance (City of Seattle Personnel Rules). Elected officials such as City Councilmembers, City Attorney, and Municipal Court Judges head their respective employing units (City Council President for the Legislative Department, City Attorney for the City Attorney's Office, and Presiding Judge for the Seattle Municipal Court).

<sup>5</sup> A Position Description Questionnaire is the form used by the SDHR's Compensation and Classification Division to review the work of a position to determine the best classification for the work. For executive-level positions, a Job Summary Questionnaire is required for the review. The [Personnel Rules](#) provide more detail on the reclassification process.



**Exhibit 1: Actions That Are Promotions in the City's Human Resources Information System**

Promotion Action	Type	Description	Competitive (posted in NEOGOV)*
<b>PROADH</b>	Acting Department Head	Use to show an employee acting as a department head.	No
<b>PROASG</b>	Assignment	Use to show a sworn officer assigned to a specialty title, e.g., Police Officer to Police Officer-Patrol or Fire Fighter to Fire Fighter-Marine Unit.	No
<b>PROBID</b>	Bid	Use to show the promotion of a Local 77 employee by a special bid process.	No
<b>PROMER</b>	Merit	Use to change an employee's rate of pay due to merit. This action is used for employees who receive salary increments based on performance. For Step Progression titles only.	No
<b>PRORRD</b>	Return From Reduction	Use to show an employee took a voluntary reduction and is now returning to their previous title.	No
<b>PROSSQ</b>	Appointment to Higher Class	Use to show an employee who is promoted to a new higher class, in the same or different class. This is what SDHR used to call a Subsequent Appointment.	Yes
<b>PROTTR</b>	Temporary To Regular	Use to show a temporary employee is being appointed permanently.	Most often**

\*NEOGOVS is the City's hiring platform where available positions are posted.

\*\*This promotion is often competitive but sometimes appointing authorities have the power to appoint a temporary employee to a permanent position.

Source: Seattle Department of Human Resources

### Promotion Pay Policies and Procedures

The City's Personnel Rules<sup>6</sup> describe the policies and procedures for determining promotion pay increases. For employees in the step progression pay program (i.e., classified positions) who are promoted, the Personnel Rules require them to be placed at the step in the new salary range closest to one step over their current salary. Employees who are either in the discretionary pay program (i.e., exempt positions) or promoted into discretionary pay programs (e.g., Strategic Advisors and Managers) can be placed anywhere within the pay band of the new position, with the appointing authority's approval.

<sup>6</sup> Section 3.1.4 B of the Personnel Rules titled Salary Step Placement for the Step Progression Pay Program.

## Types of Promotions in 2021

In 2021, 937 employees were promoted in the City.<sup>7</sup> As Exhibit 2 shows, 667 employees were promoted to higher classes, 225 temporary employees were appointed to permanent positions, 40 employees received merit promotions, and five employees returned to their previous positions from voluntary reductions.

### Exhibit 2: Types of Promotions in 2021

Promotion Action	Type of Promotion	Number of Promotions (%)
<b>PROMER</b>	Merit	40 (4.3)
<b>PROSSQ</b>	Appointment to Higher Class	667 (71.2)
<b>PRORRD</b>	Return From Reduction	5 (0.5)
<b>PROTTR</b>	Temporary To Regular	225 (24.0)

Source: Office of City Auditor analysis of the City's 2021 promotion data.

<sup>7</sup> Our analysis excluded employees who were promoted in 2021 but left the City on or before December 31, 2021.

## PROMOTION DATA ANALYSES

### Section Summary

Our analyses of Citywide data for 2021 found that promotion outcomes<sup>8</sup> were slightly higher for women relative to men and for employees of color relative to White Employees. We found that most women of color had slightly higher promotion outcomes than other employees although their average percentage of promotion pay increase was lower than other groups of employees.<sup>9</sup> However, our analyses do not explain the reasons for the differences in promotion outcomes because we could not adjust for all observable and unobservable factors that could influence promotion. Therefore, our analyses do not establish a causal relationship between employees' demographics and promotion outcomes.

### Data and Analyses Overview

As of December 31, 2021, there were 12,956 City of Seattle employees. In 2021, 937 employees were promoted, and 75 employees were reclassified. We excluded employees who were promoted in 2021 but left the City by December 31, 2021. Our analyses focused on the promotion data due to the relatively small number of employees who were reclassified in 2021. We assessed the reliability of the data from the City's HRIS that SDHR provided to us and concluded that the dataset was sufficient and appropriate for this audit. However, we found gaps in the data which we discuss below.

We conducted descriptive analyses which calculated for the average percentage of promotion pay increase, frequencies, and percentages of promotions and reclassifications, in addition to adjusted analyses which controlled for some factors that could influence promotion using the multivariate regression analysis method.<sup>10</sup> Adjusting for these factors means we were able to estimate if there are differences in the odds of promotion for employees of color and White employees even if they have the same number of years of service, hourly rate, employment class, employee status, full time status, union representation, and gender. However, we could not adjust for all the observable and unobservable factors, such as education and out-of-

<sup>8</sup> Promotion outcomes include the following calculations: frequencies and percentages of promotions, promotion rates, and adjusted odds of promotion which we assessed as the odds of promotion in one group compared to the odds of promotion in another group. See Appendix G for a detailed description of our analyses methods and Appendix H for a detailed description of our results.

<sup>9</sup> Female employees whose race/ethnicity was unspecified have the lowest average percentage of promotion pay increase.

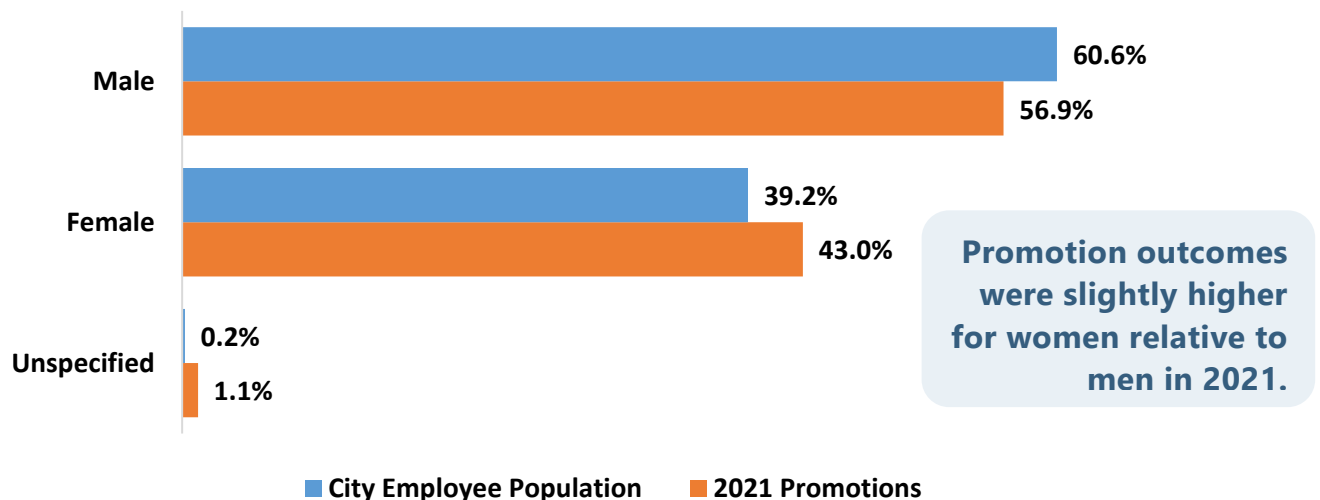
<sup>10</sup> The multivariate statistical methods have been used to examine promotion outcomes in multiple studies. For example, the U.S. Government Accountability Office's [State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity](#) audit published in 2020 used a multivariate statistical regression method (duration regression analysis) to examine promotion outcomes.

class experience,<sup>11</sup> that could influence promotions due to data limitations. Therefore, our analyses do not explain the reasons for the differences in promotion outcomes. Also, our analyses do not establish a causal relationship between employees' demographics and promotional outcomes. We present the major findings below. See Appendix G for detailed description of our analyses methods, Appendix H for detailed description of our results, and Appendix I for department-level analysis.

## Promotion Outcomes Were Slightly Higher in 2021 for Women Relative to Men and for Employees of Color Relative to White Employees.

The number and percentages of women promoted in 2021 were slightly higher relative to their representation in the City employee population. As Exhibit 3 shows, women comprised 43 percent of 2021 promotions compared to 39.2 percent of the City employee population. Men comprised 56.9 percent of 2021 promotions compared to 60.6 percent of the City employee population. The promotion rate for women was 7.9 percent compared with 6.8 percent for men and the odds of promotion for women were 1.143 times higher than the odds of promotion for men in 2021 (see Appendix H).

**Exhibit 3: Percentage of City Employees and 2021 Promotions by Gender**



Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

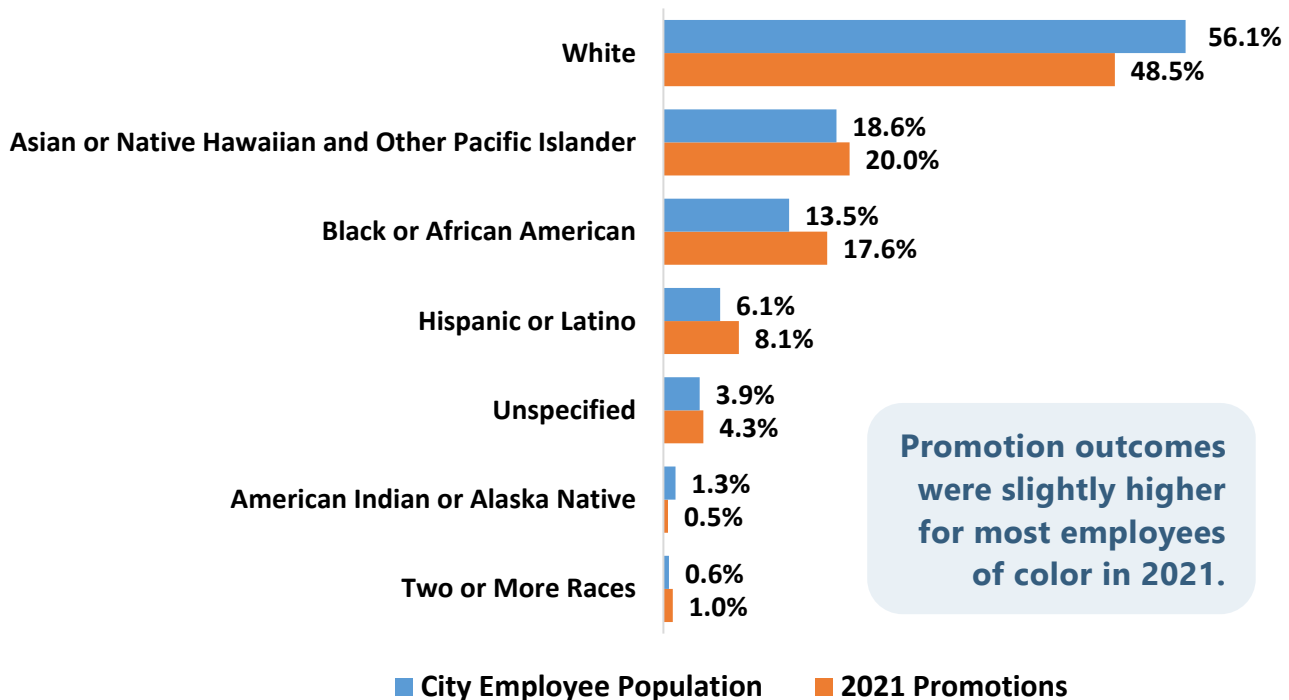
<sup>11</sup> Out-of-class is the temporary assignment of one or more employees to perform the normal ongoing duties and responsibilities associated with a higher-paying title (SMC 4.20.300). Reasons for out-of-class assignments include absence of employee who usually perform those duties, position vacancy, peak workload periods, and completions of special projects. These assignments are intended to support employees' development and address business need. Out-of-Class assignments are limited to six months unless extended by department head. (Personnel Rule 3.5)

## Promotion Outcomes Were Slightly Higher for Most Employees of Color in 2021.

The number and percentages of employees of color promoted in 2021 were slightly higher relative to their representation in the City employee population, except for American Indian or Alaska Native employees. As Exhibit 4 shows, Asian or Native Hawaiian and Other Pacific Islander employees made up 20 percent of 2021 promotions compared to 18.6 percent of the City employee population; Black or African American employees made up 17.6 percent of 2021 promotions compared to 13.5 percent of the City employee population; Hispanic or Latino employees made up 8.1 percent of 2021 promotions compared to 6.1 percent of the City employee population; employees with two or more races made up one percent of 2021 promotions compared to 0.6 percent of the City employee population. However, American Indian or Alaska Native employees had a lower portion of 2021 promotions, 0.5 percent compared to 1.3 percent of the City employee population. White employees made up 48.5 percent of 2021 promotions compared to 56.1 percent of the City employee population.<sup>12</sup>

In addition, the promotion rate for employees of color was 8.5 percent compared with 6.2 percent for White employees and the odds of promotion for employees of color were 1.457 times higher than the odds of promotion for White employees in 2021 (see Appendix H).

**Exhibit 4: Percentage of City Employees and 2021 Promotions by Race/Ethnicity**



Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

<sup>12</sup> Note that our analysis did not compare the City of Seattle workforce to the population of the greater Seattle area. Our focus is on City of Seattle employee population. See Appendix G for a detailed description of our methods.

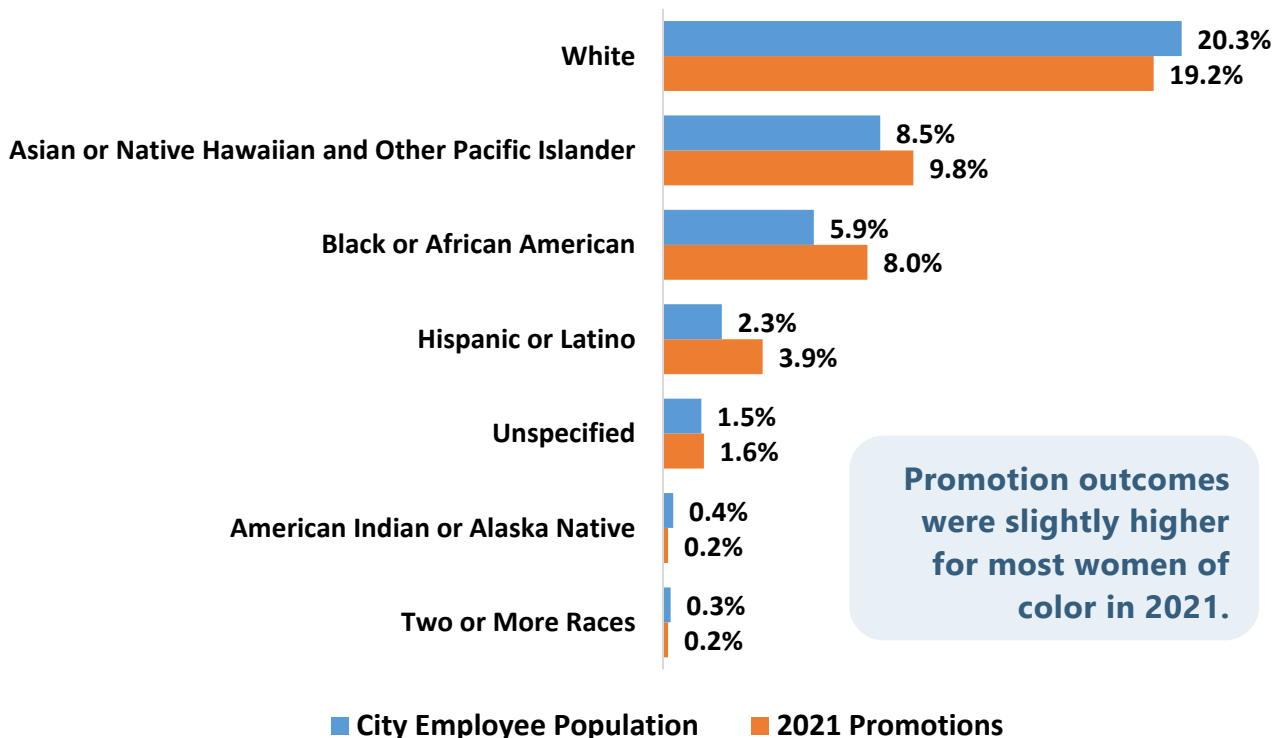


## Promotion Outcomes were Slightly Higher for Most Women of Color in 2021.

The numbers and percentages of women of color promoted in 2021 were generally higher compared to their representation in the City employee population, except for American Indian or Alaska Native women and women with two or more races. As Exhibit 5 shows, Asian or Native Hawaiian and Other Pacific Islander women comprised 9.8 percent of 2021 promotions compared to 8.5 percent of the City employee population; Black or African American women comprised eight percent of 2021 promotions compared to 5.9 percent of the City employee population; Hispanic or Latino women comprised 3.9 percent of 2021 promotions compared to 2.3 percent of the City employee population. However, American Indian or Alaska Native women had a lower share of 2021 promotions, 0.2 percent compared to 0.4 percent of the City employee population and women with two or more races comprised 0.2 percent of 2021 promotions compared to 0.3 percent share of the City employee population. White women comprised 19.2 percent of 2021 promotions compared to 20.3 percent of the City employee population.

In addition, the odds of promotion for women of color were 1.491 times higher than the odds of promotion for White women in 2021, the odds of promotion for women of color were 1.123 times higher than the odds of promotion for men of color, and the odds of promotion for women of color were 1.698 times higher than the odds of promotion for White men in 2021 (see Appendix H).

**Exhibit 5: Percentage of Female Employees and 2021 Promotions by Race/Ethnicity**



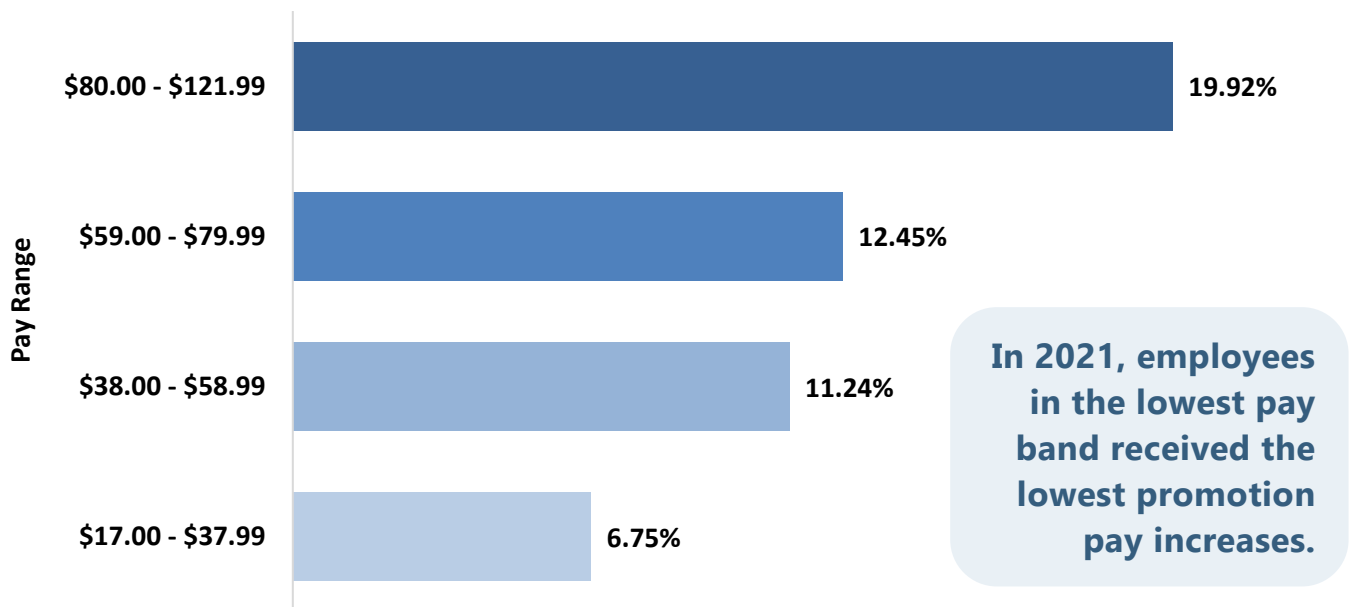
Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

## In 2021, the Average Percentages of Promotion Pay Increase Differed by Pay Band, Gender, and Race/Ethnicity.

### In 2021, Employees in the Lowest Pay Band Received the Lowest Promotion Pay Increase.

Employees in the lowest pay band in 2021 received the lowest average promotion pay increase compared to employees in the higher pay bands. As shown in Exhibit 6, employees who made between \$17.00 and \$37.99 per hour received an average promotion pay increase of 6.75 percent, compared to employees who made between \$80.00 and \$121.99 per hour who received an average promotion pay increase of 19.92 percent. Employees who made between \$38.00 and \$58.99 per hour received an average promotion pay increase of 11.24 percent and employees who made between \$59.00 and \$79.99 received an average promotion pay increase of 12.45 percent. This means that when employees in the lower pay band are promoted in 2021, they were given smaller pay raises compared to when employees in the higher pay bands were promoted.

**Exhibit 6: Average Percentage of Promotion Pay Increase in 2021 by Pay Band**

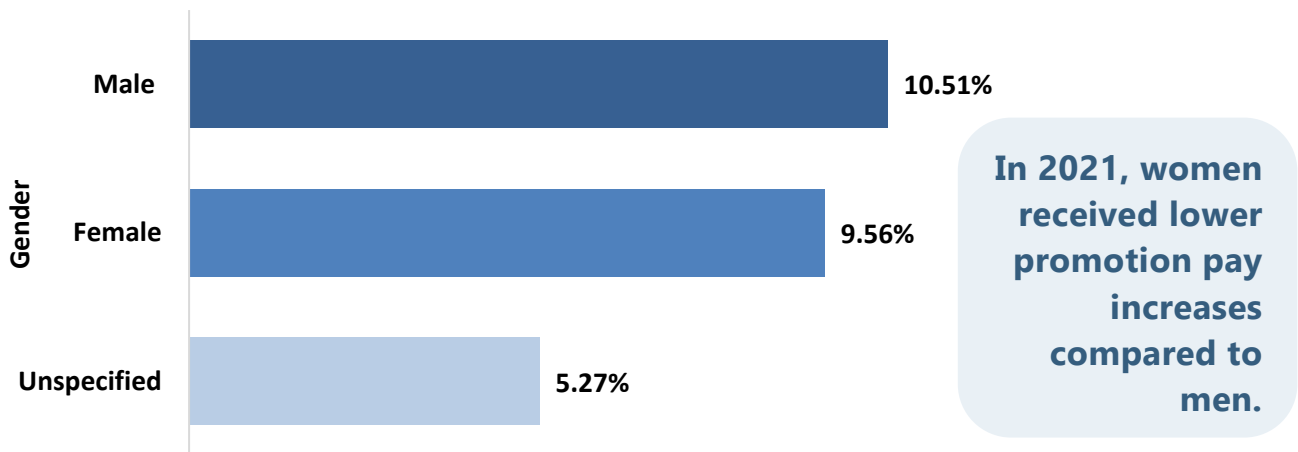


Source: Office of City Auditor analysis of the City's 2021 employee promotion data

## In 2021, Women Received Lower Promotion Pay Increases Compared to Men.

Women who were promoted in 2021 received an average promotion pay increase of 9.56 percent compared to men who received an average promotion pay increase of 10.51 percent (see Exhibit 7). There was only one City employee with unspecified gender<sup>13</sup> who was promoted in 2021 and received a promotion pay increase of 5.27 percent.

**Exhibit 7: Average Percentage of Promotion Pay Increase in 2021 by Gender**

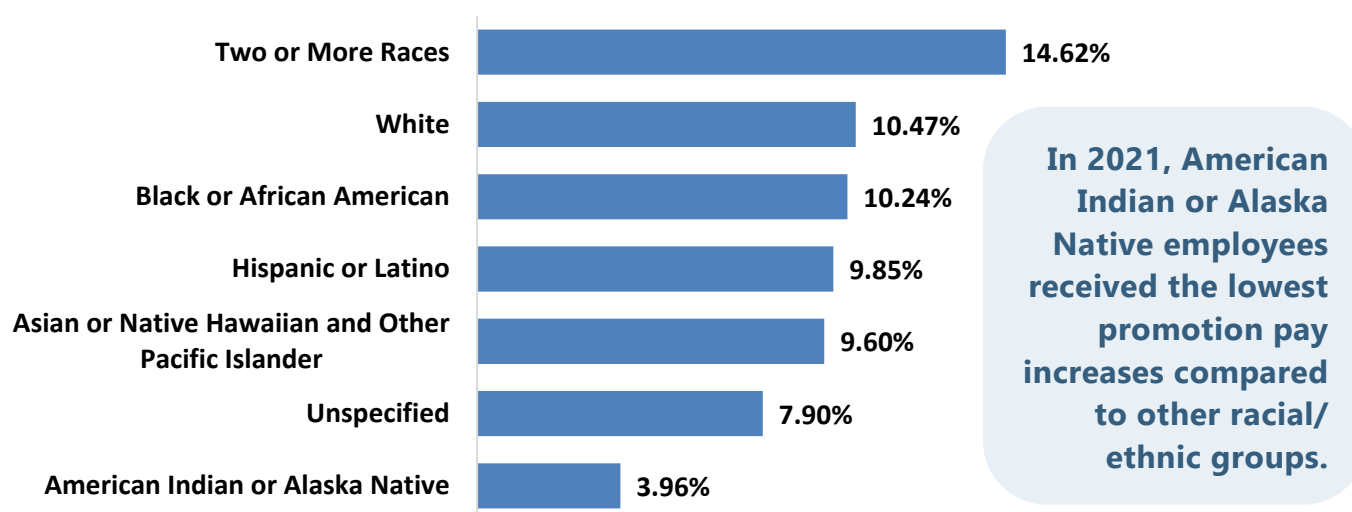


Source: Office of City Auditor analysis of the City's 2021 employee promotion data.

## In 2021, American Indian or Alaska Native Employees Received the Lowest Promotion Pay Increase Compared to Other Racial/Ethnic Groups.

The average percentage of promotion pay increase for employees who were promoted in 2021 varied by race/ethnicity. American Indian or Alaska Native employees received the lowest average promotion pay increase of 3.96 percent compared to the highest average promotion pay increase of 14.62 percent received by employees with two or more races (see Exhibit 8). White employees received an average promotion pay increase of 10.47 percent, Black or African American employees received an average promotion pay increase of 10.24 percent, Hispanic or Latino employees received an average promotion pay increase of 9.85 percent, Asian or Native Hawaiian and Other Pacific Islander employees received an average promotion pay increase of 9.6 percent, and employees with unspecified race/ethnicity received an average promotion pay increase of 7.9 percent.

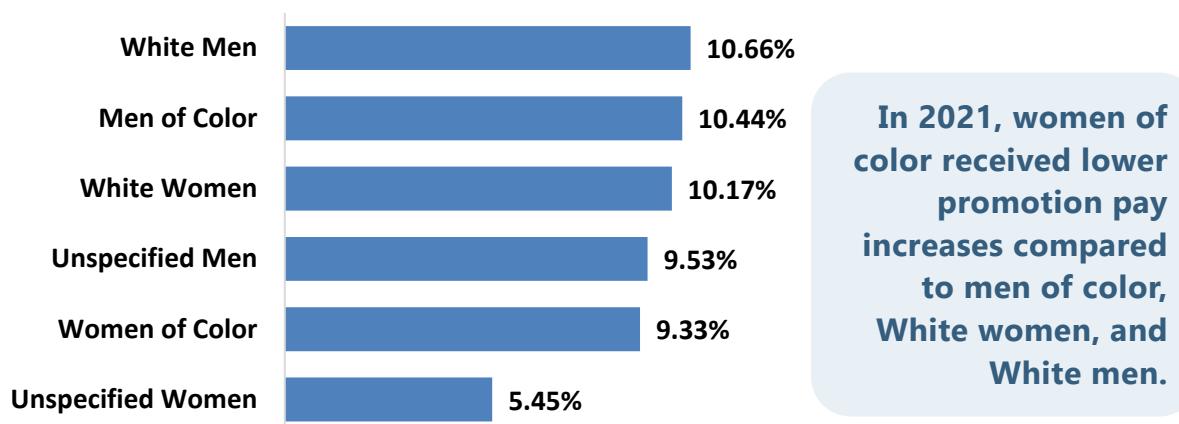
<sup>13</sup> See our discussion below about gaps in the City's data. Also, see Appendix H for a detailed description of our results.

**Exhibit 8: Average Percentage of Promotion Pay Increase in 2021 by Race/Ethnicity**

Source: Office of City Auditor analysis of the City's 2021 employee promotion data.

**In 2021, Women of Color Received Lower Promotion Pay Increase Compared to Men of Color, White Women, and White Men.**

The average percentage of promotion pay increase for women of color who were promoted in 2021 was lower compared with that of White women, men of color, and White men. As Exhibit 9 shows, women of color received an average promotion pay increase of 9.33 percent compared to White women who received an average promotion pay increase of 10.17 percent. Men of color received an average promotion pay increase of 10.44 percent and White men received an average promotion pay increase of 10.66 percent.

**Exhibit 9: Average Percentage of Promotion Pay Increase in 2021 by Race/Ethnicity and Gender**

Source: Office of City Auditor analysis of the City's 2021 employee promotion data.

## Data Gaps and Opportunity for Streamlining Data Analysis

### The City Has Not Included Promotion Analysis in Its Workforce Equity Reports.

The City's Executive Order 2015-02 which established the Workforce Equity Initiative requires SDHR to support continuous analytics of Citywide data and outcomes.<sup>14</sup> The 2015 City of Seattle Workforce Pay Equity and Utilization Report<sup>15</sup> also recommended that the City annually monitor promotion opportunities, promotion pools, and actual promotions. Although promotion analysis was identified as an important outcome to assess in the [first workforce equity report](#) published in 2018, we found that none of the subsequent reports have included an analysis of promotion. The 2021 Workforce Equity report (the latest available as of the writing of this report) indicated that there is a challenge in how to define "promotion" in a way that will yield viable results using existing HRIS data. We did not find this a challenge in our analysis of the 2021 data because the City has a list of actions (Exhibit 1) to identify promotions. The lack of analysis of promotion data in the workforce equity reports obstructs transparency in the promotion process and may contribute to employees' complaints about promotions.<sup>16</sup>

### Gaps in the City's Human Resources Information System Data Affect Data Analysis.

The City's Human Resources Information System (HRIS), which was implemented about 25 years ago, has data gaps and limitations that affected our analyses. For example, there are 503 employees with unidentified race/ethnicity in the HRIS 2021 employees' data.<sup>17</sup> This represents about 3.9 percent of the 12,956 employees in the City of Seattle in 2021. In addition, there was inconsistency in the number of race/ethnicity categories in the datasets we analyzed. The City employee dataset has seven race/ethnicity categories while the promotion dataset has eight race/ethnicity categories. Native Hawaiian and Other Pacific Islander employees who were promoted in 2021 were grouped as Asian in the City employee dataset. These race/ethnicity limitations affected the disaggregation of data during our analysis.

Additionally, we found that there were 26 employees with unspecified gender in the 2021 HRIS employees' data. HRIS has a limited gender identification of female, male, and unspecified, which limit

<sup>14</sup> The Executive Order 2015-02: Workforce Equity Initiative, which was supported by City Council Resolution 31588, stated that SDHR, in conjunction with SOCR where appropriate, will support continued and ongoing analytics of Citywide data and outcomes (Section 2c) and support continued transparency in government, including determining the methodology and technology to publish City Employee salaries by position and department (Section 2d).

<sup>15</sup> In 2015, SDHR contracted with DCI Consulting Group, Inc., a human resources consulting firm, to complete a workforce pay equity and utilization analysis of City employees.

<sup>16</sup> See Appendix C for an analysis of employees' complaints and legal cases related to promotion and reclassification.

<sup>17</sup> Employees are able to self-report their race/ethnicity in the City's Employee Self Service system. SDHR also works with departments to clean up the race/ethnicity data every two years for the City's federal reporting process. When we asked SDHR to run the 2021 data against the most recently completed clean up, only one employee out of the 503 employees had an updated race/ethnicity information.



identification of nonbinary and genderqueer employees. The limited gender categories could prevent the City from identifying and addressing potential disparities faced by nonbinary and genderqueer employees.<sup>18</sup>

We were unable to include employees' education levels in our analysis of promotion odds because the HRIS does not have complete or accurate data on education. Education level is not a required entry when onboarding new employees and for employees who completed their education while working for the City, there are no means of tracking and updating their education levels. Therefore, we could not assess if or how education level is associated with promotion outcomes.

### The Transition of the City's HRIS to Workday HR Offers an Opportunity to Address Data Gaps and Streamline Analysis.

The City's Human Resources Information System (HRIS) is transitioning to Workday HR<sup>19</sup> in 2024. The transition to Workday HR is an opportunity for the City to design and implement systems that will address the gaps in Citywide data and develop processes and structures for the automation of data collection, analysis, and reporting. The Workday system will let City employees view and/or update their personal data and job information. The Workday system also offers reporting and analytics features that will enable better tracking of trends and provide helpful data to guide decision-making.

#### Exhibit 10: Workday HR Integrated Functionalities



Source: Seattle Department of Human Resources

<sup>18</sup> The Executive Order 2015-02: Workforce Equity Initiative, which was supported by City Council Resolution 31588, stated that SDHR, in conjunction with SOCR where appropriate, will identify effective and innovative best practices to attract and retain women and people of color, including continued analysis of data collection policies relating to sexual orientation, and gender identity, including transgender or gender non-conforming people (Section 1f. iv.).

<sup>19</sup> SDHR describes Workday as a secure, mobile-accessible, and cloud-based system that minimizes compliance and support risks for the workforce. City employees will be able to use the Workday system to view pay slips, personal data, job information, make benefits elections, complete ESS timesheets, request time off and more. New employees will be able to complete onboarding tasks directly in Workday.

## **Recommendation 1**

**The Seattle Department of Human Resources (SDHR) should use the transition of the City's Human Resources Information System to the Workday Human Resources system as an opportunity to evaluate and address data gaps, develop automated analytics, and set up systems to publish regular workforce analysis, including promotion and pay equity studies that use rigorous methodologies. For example, SDHR could explore A) onboarding functions that promote employees' demographics identification and B) automated reporting and analytics features that streamline workforce analyses of promotion and pay equity.**

## “BEST” PRACTICES FOR PROMOTIONS

### Section Summary

Our review of relevant literature and articles yielded a list of promotion best practices from the U.S. Equal Employment Opportunity Commission (EEOC). We identified improvement opportunities for the City based on these best practices.

### Promotion Best Practices from the U.S. Equal Employment Opportunity Commission.

The list of best practices for promotions discussed in this section is from the U.S. Equal Employment Opportunity Commission (EEOC).<sup>20</sup> In 1997, the EEOC published a report that examined business practices by which employers are complying with their equal employment opportunity obligations and diversity goals through creative or innovative methods. The report, titled [Best Practices of Private Sector Employers](#), synthesized practices from different companies to produce a list of best practice ideas including those that apply to promotion and advancement. According to the report, “a best practice promotes equal employment opportunity and addresses one or more barriers that adversely affect equal employment opportunity. Not only does a best practice present serious commitment from management to EEO objectives, but it also addresses management accountability for equal employment opportunity.”

Although the EEOC report was published over 25 years ago, we found that the best practices in the report are still supported by recent literature on practices that promote workforce equity. A list of the literature we reviewed is included in Appendix E.

For simplicity and adaptability, we grouped the EEOC’s best practices into nine categories that are most applicable to the City (see Appendix E). We summarized the City’s practices for each category and identified ways the City could improve its current practices (Exhibit 11). The City’s practices we described are limited to seven departments that we interviewed during this audit.<sup>21</sup> As stated in the City’s

<sup>20</sup> The EEOC is a federal commission responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy and related conditions, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information. The laws cover most employers with at least 15 employees and apply to all types of work situations including hiring, firing, promotions, harassment, training, wages, and benefits. In addition to enforcing laws, the EEOC also helps with voluntary compliance through education, training, outreach, and policy guidance. (EEOC [Overview | U.S. Equal Employment Opportunity Commission \(eoc.gov\)](#))

<sup>21</sup> The departments we interviewed include the Seattle Department of Human Resources (SDHR), Finance and Administrative Services (FAS), Seattle Department of Construction and Inspections (SDCI), Seattle Police Department (SPD), Seattle Fire Department (SFD), Seattle Center, and Seattle Municipal Court (SMC). FAS, SDCI, SPD, SFD, Seattle Center, and SMC are six of seven large departments in which women of color were a lower percentage of promoted employees compared to their portion of the department employee population (more than two percent difference) in our department-level analysis of the 2021 promotion data. See Appendix I for more detail on the department-level analysis.

[Workforce Equity Strategic Plan](#), recommendations for advancing equity in the workforce cannot and should not be limited to just one report or plan. The City should continue to explore strategies and best practices that will advance workforce equity in the City of Seattle.

**Exhibit 11: Equal Employment Opportunity Commission Best Practices Categories and Summary of City of Seattle's Practices**

This table summarizes the practices that SDHR and some departments' HR units are using to promote workforce equity in promotions at the time of our audit. We identified ways the practices could be improve and/or implemented Citywide.

<b>Best Practices Category</b>	<b>SDHR and Some Departments' HR Units* Practices</b>	<b>Improvement Opportunity</b>
<b>Promotion Policies and Procedures</b>	The City of Seattle Personnel Rules are the main policies and procedures for promotions in the City.	Departments and employees could benefit from a guide to the policies on promotion and reclassification. This could ensure consistent interpretation of the personnel rules and treatment of City employees.
<b>Short- and Long-term Strategic Planning</b>	The City has engaged in long-strategic planning with the workforce equity strategic plans. However, racial equity analysis on promotion practices has not been performed as a short-term strategic plan to identify potential barriers to the long-term goal of an equitable workforce.	Completing a racial equity analysis on promotion could provide an opportunity for the City to engage in short-term strategic planning for workforce equity. See Recommendation 4.
<b>Clearly Defined Criteria and Pathways</b>	The City's <a href="#">Class Specifications System</a> is outdated. This creates unclear criteria and irrelevant requirements for positions.	We recommend that SDHR should develop a plan to update the Class Specifications System. See Recommendation 3.
<b>Communication of Opportunities</b>	Some departments (e.g., Seattle Center) have mechanisms in place for the dissemination of information about promotion opportunities within their departments. The <a href="#">City's hiring platform</a> , <a href="#">NEOGOV</a> , also has features that let City employees be notified of career opportunities.	The City could explore additional ways to enhance the dissemination of promotional opportunities within and across departments.



Best Practices Category	SDHR and Some Departments' HR Units* Practices	Improvement Opportunity
<b>Hiring Panel Training</b>	The departments we interviewed have different requirements and training for people on hiring panels. SDHR has the <a href="#">Talent, Experience, and Alignment (TEA)</a> hiring process methodology which places a stronger emphasis on applicants' potential, skills, and values. Some departments (e.g., Seattle Municipal Court and SDHR's supported departments/offices) have adopted the TEA methodology.	The City could benefit from a collaborative HR system to ensure that promotion best practices are implemented Citywide and core training and requirements for people serving on hiring panels are consistent. See Recommendation 2.
<b>Development Tools and Mentorship</b>	The City has a <a href="#">Career Development Hub</a> with resources about professional growth and skills development. This includes the <a href="#">Cornerstone system</a> with self-paced learning and training opportunities for employees. Regular employees also have access to the <a href="#">City's Career Quest flash mentorship</a> programs. <a href="#">Eight departments (e.g., SDCI, Seattle Center, SDHR)</a> have specific mentorship programs.	As noted on the <a href="#">Mentorship program page</a> , the City should explore software that enhances and streamlines mentorship across all City departments.
<b>Career Management</b>	The City has an <a href="#">E3 Performance Management System</a> which lets employees track and manage their goals before review periods. The E3 system was developed to create a Citywide process that is consistent across all departments. However, not all departments use the E3 system. The E3 system also has an optional development planning function that lets employees plan for their professional career growth in the City.	The City could benefit from a collaborative HR system that promotes Citywide buy-in from departments' HR units for tools available for employees' career management. See Recommendation 2.

Best Practices Category	SDHR and Some Departments' HR Units* Practices	Improvement Opportunity
<b>Transfer and Rotation Opportunities</b>	The City has an <a href="#">Out-of-Class (OOC) system</a> that offers employees opportunities to work in positions temporarily. However, HR Managers told us that the system has flaws. For example, a minimum qualification review is not required for short-term OOC positions. This means an OOC employee may not qualify for a position if it becomes permanent. Also, an OOC opportunity that ended more than a year before a promotion is not considered relevant for promotion salary step placement.	SDHR and relevant stakeholders could explore how to update and strengthen the City's OOC system.
<b>Accountability</b>	All the departments we interviewed told us that workforce equity is at the foundation of their HR practices. However, the City's federated HR system dilutes accountability for workforce equity. Also, promotion analysis has not been included in the annual workforce equity reports, which the City identified as an accountability mechanism for workforce equity in the <a href="#">2016 Workforce Equity Strategic Plan</a> .	A collaborative HR system, such as a Community of Practice framework, could offer an additional layer of accountability in addition to the annual workforce equity reports. See Recommendations 1 and 2.

\*The practices we highlighted are limited to the departments we interviewed during this audit. These departments include the Seattle Department of Human Resources (SDHR), Finance and Administrative Services (FAS), Seattle Department of Construction and Inspections (SDCI), Seattle Police Department (SPD), Seattle Fire Department (SFD), Seattle Center, and Seattle Municipal Court (SMC).

## THE CITY'S HUMAN RESOURCES SYSTEM

### Section Summary

The City's Human Resources (HR) system is a decentralized framework that contributes to siloed practices among departments and hinders Citywide HR collaboration. This system impacts the implementation of promotion best practices across the City.

### The City Has a Federated HR System Which Hinders Collaboration.

The City of Seattle Human Resources system is a decentralized framework consisting of:

- 1) Seattle Department of Human Resources (SDHR) which delivers some HR services namely HR Investigations, Benefits Administration, Deferred Compensation, Compensation and Classification, Workers' Compensation, Safety, and Workforce Analytics and Reporting, across all City departments/offices;
- 2) 20 small departments/offices that rely on SDHR for all other HR services such as Talent Acquisition (i.e., Recruitment) and Development; and
- 3) Large departments (e.g., FAS, SDCI, SFD, SPD, etc.) with semi-independent HR units. The HR units manage HR services such as Talent Acquisition (i.e., Recruitment) and Development for their respective departments.

The City refers to this decentralized framework as a "federated HR system". See Appendix D for lists of departments/offices supported by SDHR and departments with HR units.

The Seattle Municipal Code (SMC) contributes to the City's federated HR system. In our review of the SMC, we found that the SDHR Director has the authority to promulgate, amend, or rescind rules for the administration of the personnel system of the City generally. However, Appointing Authorities<sup>22</sup> (for example, SDCI Director, FAS Director, etc.) have the authority to appoint, assign, and dismiss all employees in conformance with the City's personnel ordinances and rules. This system of power distribution means that departments may choose not to implement practices that SDHR recommends if those practices are not specifically stipulated in the City's Personnel Rules or an ordinance.

<sup>22</sup> An Appointing Authority is the head of an employing unit authorized by ordinance or City Charter to employ others on behalf of the City. The term includes and can be used interchangeably with department head, department director, superintendent, or chief. An employing unit is any department of the City, and within the Executive and Legislative Departments, any office created by ordinance (City of Seattle Personnel Rules). Elected officials such as City Councilmembers, City Attorney, and Municipal Court Judges head their respective employing units (City Council President for the Legislative Department, City Attorney for the City Attorney's Office, and Presiding Judge for the Seattle Municipal Court).

## **The City's Federated HR System Impacts the Implementation of Promotion Best Practices Citywide.**

While the City's federated HR system ensures that large departments with nuances in their operations and union relations have their HR units to address their unique needs, it has contributed to isolated practices among departments.

The City's federated HR system has hindered collaboration among SDHR and departments' HR units on promotion best practices that could be implemented Citywide. Although SDHR convenes a monthly Human Resources Leadership Team meeting to share information with HR leaders across the City, SDHR staff told us that they do not have visibility over large departments' HR practices nor the authority to compel those departments to implement practices that SDHR is using for the 20 small departments it supports with all HR services. SDHR staff stated that they lack centralized authority over Citywide workforce equity initiatives due to the City's federated HR system.

An example is the Talent, Experience, and Alignment (TEA) hiring process methodology. TEA is the hiring process methodology implemented by SDHR across the 20 small departments it supports with all HR services. SDHR stated that TEA reflects the City's commitment to antiracism by removing barriers from the hiring process, deemphasizing formal education and years of experience, and placing a stronger emphasis on the applicants' potential, skills, and values. Although some departments' HR units (e.g., Seattle Municipal Court) have adopted TEA, it has not been implemented Citywide.

## **A Community of Practice System Could Offer a Model for Citywide HR Collaboration.**

The City needs a collaborative HR system to help ensure that SDHR and other departments' HR units can effectively work together to address gaps in the implementation of promotion best practices Citywide and explore innovative practices that could be implemented throughout the City to ensure workforce equity. A resourced Community of Practice system, which SDHR used extensively during the pandemic, could be a model for Citywide HR collaboration. A Harvard Business Review article defined Communities of Practice as groups of professionals who meet regularly and are bound by shared expertise and passion for a joint enterprise. Their activities may include finding solutions to an issue, sharing their experiences, skills, and knowledge, and identifying creative ways that foster innovative approaches to problems.<sup>23</sup>

The City's Human Resources Leadership Team could be modeled from an information-sharing function into a Community of Practice system

<sup>23</sup> The [World Bank's Collaboration for Development program](#) recognized that the Communities of Practice (CoPs) framework can take many forms and consist of many elements. However, most have three basic building blocks: 1) Purpose of the community (what it does and why it exists), 2) People that form the community (the who of the community, including stakeholders), and 3) Practice by which the community functions (how the community organizes itself, its operating principles, and its governance mechanisms).

that promotes collaboration and ensures that challenges to Citywide implementations of current promotion best practices are effectively resolved. But the success of a Community of Practice system will depend on the participation of all departments' HR units and the willingness of Appointing Authorities to implement recommended practices. The Community of Practice system aligns with Executive Order 2015-02: Workforce Equity Initiative, which requires departments to act and devote all resources to support the direction, spirit, and mandates of the Workforce Equity Initiative including the work of analyzing and developing strategies to address potential workforce inequity and align employee-related policies, practices, and processes Citywide.<sup>24</sup>

In addition, if implemented at the HR leadership team level, the Community of Practice framework offers an additional layer of accountability for workforce equity, specifically, peer accountability among City HR units. The current system of accountability for workforce equity in the City hinges on the annual workforce equity reports, which describe activities undertaken to promote workforce equity and the incremental progress made.<sup>25</sup> As we discussed in the first section of this report, promotion analysis has not been included in the City's workforce equity reports.

## **Recommendation 2**

**The Seattle Department of Human Resources (SDHR), in collaboration with other City departments' Human Resources (HR) units, should explore ways to effectively work together to ensure Citywide implementation of promotion best practices. SDHR could consider modeling the City's Human Resources Leadership Team into a Community of Practice system that allows HR Leaders to collaboratively explore how to expand current promotion best practices Citywide.**

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<sup>24</sup> Executive Order 2015-02, which was supported by City Council Resolution 31588, also requires departments to work to create consolidated and aligned HR policies, processes, and practices that impact the City's ability to maintain consistent and equitable treatment of employees Citywide, such as recruitment and hiring, performance management, promotions, out-of-class assignments, part-time assignments, compensation determinations, discipline determinations, and employee development. (Section 1f. i.)

<sup>25</sup> The City's [Workforce Equity Strategic](#) Plan established the current system of accountability for workforce equity. It requires SDHR to develop and provide annual reports to the Mayor and City Council.



## THE CITY'S CLASS SPECIFICATIONS SYSTEM

### Section Summary

The [City's Class Specifications System](#) describes typical duties, responsibilities, minimum qualifications, work environment, licenses, certifications, and other requirements necessary for City positions. In our review of 17 class specifications, we found six class specifications in use that had not been updated since the positions were established in 1991 and none of the class specifications had been updated in the last 15 years. Outdated specifications can limit both the number and diversity of candidates who apply for those positions, and irrelevant requirements could further limit the pools of qualified candidates.

### The City's Class Specification System is Outdated.

The City of Seattle [Personnel Rules](#) defined a Class Specification as a written description of a classification that includes a title, a description of distinguishing characteristics, a statement of duties and responsibilities, and a statement of minimum qualifications. These descriptions typically consist of characteristic duties, responsibilities, minimum qualifications, work environment, licenses, certifications, and other requirements necessary for City positions.

Multiple City HR managers told us that the City's Class Specifications System has not been updated since it was developed in 1991/93. The HR managers identified the outdated Class Specifications System as a systemic issue that poses problems to employees' advancement and could be contributing to disparities in promotions across departments.<sup>26</sup>

We found that the Class Specifications System has not been updated to ensure descriptions include relevant competencies, skills, and abilities that are required to perform the job. Outdated and irrelevant requirements that could present barriers to candidates have not been eliminated from the class specifications. For example, the Land Use Planner, Permit Specialist, and Engineering and Plans Review series require a State of Washington driver's license or evidence of equivalent mobility in the class specifications. SDCI HR staff told us that other means of transportation, other than driving, could be used for getting around the City to fulfill some of these positions' responsibilities. Furthermore, our review did not find a description of what qualifies as "equivalent mobility". SDCI and FAS HR staff also told us that they had experienced problems with the minimum qualifications review for employees who have international degrees

<sup>26</sup> See Appendix I for our department-level analysis of the City's 2021 promotion data.

and certificates because the City does not recognize these degrees as meeting education requirements.

In addition, our review of 17 class specifications suggested by HR managers, found six class specifications (e.g., Accountant, Mechanical Engineering Assistant) that have not been updated since the positions were established in 1991.<sup>27</sup> None of the class specifications we reviewed have been updated in the last 15 years including the Senior Accountant and Principal Accountant specifications which have not been updated since 2004. FAS HR staff explained that the outdated class specifications create misalignment with current technology and business operations and prevent the use of equivalencies in meeting minimum qualifications, which can contribute to the structural barriers to employees' advancement.

### **The City's Outdated Class Specifications System Presents a Barrier to Employees.**

One of the best practices for promotion and career advancement, identified by the U.S. Equal Employment Opportunity Commission (EEOC), is for employers to eliminate practices that exclude or present barriers to minorities, women, persons with disabilities, older persons, or any individuals. The City's outdated Class Specifications System presents a barrier to employees. Using obsolete and unclear descriptions of positions' characteristics, duties, responsibilities, and minimum qualifications in job announcements can limit both the number and diversity of candidates who apply for those positions, and irrelevant requirements can further limit the pools of qualified candidates.

The City recently took a step in the process of updating the Class Specifications System with the passage of the ordinance that established the Race and Social Justice Initiative (RSJI) as City policy.<sup>28</sup> [The ordinance](#) included a request for SDHR to provide the City Council with a plan and proposed timeline for determining how it would consider issues of position classification and exemption from the civil service related to race and social justice work by December 31, 2023.

## **Recommendation 3**

**The Seattle Department of Human Resources, in consultation with relevant stakeholders, should develop a multi-year plan to update the City's Class Specifications System. The plan should include a budget proposal for the City Council's consideration and a strategy for periodic updates of the Class Specifications System.**

<sup>27</sup> See Appendix F for a list of the class specifications we reviewed based on HR managers' suggestions.

<sup>28</sup> The City's [Race and Social Justice Initiative Ordinance](#) went into effect in May 2023.

## RACIAL EQUITY ANALYSIS

### Section Summary

SDHR and the departments' HR managers<sup>29</sup> told us they consider RSJI factors in their processes, but none of the departments had completed a racial equity analysis on promotion and reclassification practices at the time of our audit. Completing and sharing a racial equity analysis will increase transparency in City's promotion and reclassification practices and could help the City identify and address issues of workforce inequities.

### Promotion and Reclassification Policies Have Not Been Reviewed Through the City's Racial Equity Toolkit.

The City's Race and Social Justice Initiative (Executive Order 2014-02) calls for all City departments to eliminate racial disparities and directs departments to use the Racial Equity Toolkit (RET) developed by the Seattle Office for Civil Rights (SOCR) to review departmental work and to incorporate a racial equity lens in Citywide initiatives. In the City's HR system, this means workforce equity, which SDHR states is the City's commitment to eliminate racial disparities and achieve equity for the City's employees. While HR managers told us they use RSJI factors in their processes, none of the City's HR units had completed a racial equity analysis on promotion and reclassification policies and practices nor submitted a RET on promotion and reclassification policies and practices to SOCR at the time of our audit.<sup>30</sup> HR managers explained that the current RET was not designed for HR processes and needs to be adapted to analyze HR policies and practices. By analyzing promotion policies with the RET, the City can identify potential barriers to the City's long-term goal of an equitable workforce. Completing and sharing a RET on promotion will increase transparency in the City's promotion and reclassification policies and practices.

In addition, the City's [Workforce Equity Strategic Plan](#) recommended that workforce equity strategies should be analyzed with the RET as part of the plan's implementation process.

### Recommendation 4

**The Seattle Department of Human Resources, in collaboration with the Seattle Office for Civil Rights, should adapt the City's Racial Equity Toolkit and perform a racial equity analysis of promotion and reclassification policies.**

<sup>29</sup> The HR managers we interviewed were from Seattle Department of Human Resources, Finance and Administrative Services, Seattle Department of Constructions and Inspections, Seattle Police Department, Seattle Fire Department, Seattle Center, and Seattle Municipal Court.

<sup>30</sup> SOCR maintains a Racial Equity Actions database where departments can submit the Racial Equity Toolkits they completed. We searched SOCR [City Racial Equity Actions](#) database and found only one action related to Human Resources that was submitted by Seattle Department of Transportation (SDOT). SDOT's action was to launch multi-module leadership training, diversity hiring/HR roundtable plan, and a plan for data collection in 2021-2022.

## OBJECTIVES, SCOPE, AND METHODOLOGY

### Objectives

We conducted this audit at the request of Seattle City Councilmember Tammy Morales to examine workforce equity by establishing City of Seattle employee promotion baseline data and determining if the City is following best practices on promotions and retention, especially for women of color. Our objectives were to:

- Create baseline data on the demographics of employees who were promoted and reclassified upward in 2021.
- Conduct a review of best practices or evidence-based research of workforce equity retention and promotion, especially for women of color.
- Examine whether the City of Seattle is employing these practices and research and where there are gaps.

### Scope

This audit data analysis focused on the City of Seattle employee population in 2021. With the intent to create baseline data on promotions and reclassifications, we analyzed the 2021 data, which was the most recent year available when we started this audit in 2022. The City HR practices we reviewed were those in place during this audit's data collection phase.

### Methodology

To accomplish this audit's objectives, we performed the following:

- Analyzed 2021 data for the City of Seattle employee population including promotion and reclassification datasets. See Appendix G for a detailed description of our analyses methods.
- Reviewed state and local laws and City of Seattle ordinances and executive orders related to promotion and reclassification including the Seattle Municipal Code and the City of Seattle Personnel Rules.
- Reviewed City employees' complaints and legal cases related to promotion and reclassification in 2021.
- Reviewed literature and articles on promotion best practices, especially for women of color.
- Reviewed the City's Class Specifications System.
- Reviewed the City's Workforce Equity Strategic Plan and Reports.
- Interviewed Human Resources staff from seven departments, Seattle Office for Civil Rights staff, Office of Employee Ombud staff, City Attorney's Office staff, and members of City Affinity Groups listed on SDHR's website.

We would like to thank the Human Resources staff we interviewed for their cooperation; and the Seattle Office for Civil Rights staff, Office of

Employee Ombud staff, City Attorney's Office staff, and Affinity Groups members for their valuable input. We also want to express our gratitude to the former City Workforce Equity Director Felecia Caldwell who met with us during retirement and former Deputy City Auditor Virginia Garcia who was a member of our audit team until her retirement in May.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



## APPENDIX A

### Seattle Department of Human Resources Response



**Seattle**  
**Human Resources**

Kimberly Loving, Director

**Date:** July 24, 2023  
**To:** David G. Jones, City Auditor  
**From:** Kimberly Loving, Seattle Human Resources Director  
**Subject:** Workforce Equity in Promotions Departmental Response to Audit Recommendations

Dear David,

The work that your team and the Seattle Department of Human Resources (SDHR) department have accomplished by collaborating on the Workforce Equity in Promotions Audit this year will help move our equity needle toward identifiable solution-oriented results. As a result of the audit, SDHR will focus on the specific and relevant recommendations to ensure the next steps include attainable best practices and programs to support the City of Seattle's focus on closing the equity gap in the workforce when looking at employee promotions.

The audit findings were favorable in promotional outcomes for Women and Women of Color, while at the same time finding that Women of Color received a lower average percentage of promotion pay increases compared to other groups of employees. These findings also identified that the City of Seattle's Human Resources Information System creates barriers to data collection that would ensure measurements of success could be drilled down to a greater degree in all departments and positions.

SDHR fully concurs with all four recommendations, and we look forward to working collaboratively with other City of Seattle departments as stakeholders to meet the timelines and milestones for the work. Below SDHR is providing a response to the outlined auditor's Recommendations 1 and 3:

**Recommendation 1:** The Seattle Departments of Human Resources (SDHR) should use the transition from the City's antiquated Human Resources (HR) system to the Workday HR system as an opportunity to evaluate and address data gaps, develop automated analytics, and set up systems to Publish regular workforce analysis. SDHR could explore A) onboarding functions that promote Employees' demographic identification and B) automated reporting and analytics features that Streamline workforce analyses of promotion and pay equity.

**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q4, 2025

**SDHR Response:** As the Workday implementation moves through stabilization and City leaders become familiar with the tools of the system, a subcommittee will be convened to discuss and gaps in the department's ability to evaluate the data and analytics.

**Recommendation 3:** the Seattle Department of Human Resources, in consultation with relevant stakeholders, should develop a multi-year plan to update the City's Class Specifications System. The plan should include a budget proposal for the City Council consideration and strategy for periodic Updates of the Class Specifications System.


**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q4 2025

**SDHR Response:** SDHR has worked with the City Budget Office to establish a baseline budget in

2024 for a one-time funding to perform a comprehensive examination of the City-wide Classification And Compensation Program ("Program"). The review is necessary to ensure the Program will Strategically align with City priorities, effectively support retention and attraction of employees, Promote pay equity and compliance with pay equity laws, follow industry best practices and be Legally defensible. At the conclusion of the study, SDHR will then look at Recommendation 3 of this audit to align a multi-year plan to update the system and implement a strategy for ongoing update to the Program.

Sincerely,

 (Jul 24, 2023 09:24 PDT)

Kimberly Loving  
Director of Human Resources

## APPENDIX B

### List of Recommendations

**Recommendation 1:** The Seattle Department of Human Resources (SDHR) should use the transition of the City's Human Resources Information System to the Workday Human Resources system as an opportunity to evaluate and address data gaps, develop automated analytics, and set up systems to publish regular workforce analysis, including promotion and pay equity studies that use rigorous methodologies. For example, SDHR could explore A) onboarding functions that promote employees' demographics identification and B) automated reporting and analytics features that streamline workforce analyses of promotion and pay equity.

**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q2, 2025

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**Recommendation 2:** The Seattle Department of Human Resources (SDHR), in collaboration with other City departments' Human Resources (HR) units, should explore ways to effectively work together to ensure Citywide implementation of promotion best practices. SDHR could consider modeling the City's Human Resources Leadership Team into a Community of Practice system that allows HR Leaders to collaboratively explore how to expand current promotion best practices Citywide.

**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q4, 2024

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**Recommendation 3:** The Seattle Department of Human Resources, in consultation with relevant stakeholders, should develop a multi-year plan to update the City's Class Specifications System. The plan should include a budget proposal for the City Council's consideration and a strategy for periodic updates of the Class Specifications System.

**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q4, 2025

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**Recommendation 4:** The Seattle Department of Human Resources, in collaboration with the Seattle Office for Civil Rights, should adapt the City's Racial Equity Toolkit and perform a racial equity analysis of promotion and reclassification policies.

**SDHR Concurrence:** Concur

**Estimated Date of Completion:** Q4, 2024

## APPENDIX C

### Complaints and Cases about Promotion and Reclassification in 2021

Four City departments handle employees' grievances and legal cases related to promotion and reclassification.

1. [Seattle Department of Human Resources' \(SDHR\) Human Resources Investigative Unit \(HRIU\)](#) investigates complaints and alleged violations of applicable City Personnel Rules, and/or related policies. This includes allegations of harassment, discrimination, and misconduct. Any current or former City of Seattle employee, their management, Human Resources representative, union representative, or shop steward may request an HRIU investigation.
2. [Seattle Office for Civil Rights \(SOCR\)](#) enforces Seattle's civil rights laws, which include protections against discrimination in employment. It has jurisdiction within Seattle City limits, which includes people employed by the City of Seattle.
3. [Office of the Employee Ombud's \(OEO\)](#) mission is to ensure that City employees have access to a resource for informally addressing workplace concerns fairly and equitably.
4. The [City Attorney's Office's \(CAO\) Employment Section](#) along with the City's Human Resources Department, is responsible for personnel policy development and labor relations matters, including litigation, civil service, and arbitration proceedings.

These departments reported that they handled 23 complaints and two legal cases related to promotion and/or reclassification in 2021.

Department Investigating	No. of Cases	Involved Departments	Status	Complainant's Race/Ethnicity	Gender	Financial Impact
CAO	2	SDOT SCL	Both cases are still open	Black/African - 2	Male - 2	To Be Determined
SDHR	7	ITD SPD SDOT - 2 SCL OAC FAS	All seven cases have been closed with "Unsupported Claim" conclusions.	Black/African American - 5 Asian - 1 Hispanic or Latino - 1	Male - 5 Female - 2	None for all seven cases.
OEO	15	OEO could not provide the involved departments due to confidentiality issues.	All 15 cases have been closed.	Asian - 4 Caucasian - 5 Black/African American - 3 Hispanic or Latino - 1 Unknown - 2	Male - 9 Female - 6	None for all 15 cases.
SOCR	1	FAS	Case closed with the conclusion of "No Reasonable Cause".	Black/African American - 1	Male - 1	None

SDOT – Seattle Department of Transportation, SCL – Seattle City Light, ITD – Information Technology Department, SPD – Seattle Police Department, OAC – Office of Arts and Culture, FAS – Finance and Administrative Services

Sources: City Attorney's Office, Seattle Department of Human Resources, Office of the Employee Ombud, Seattle Office for Civil Rights.

## APPENDIX D

### Lists of Departments/Offices Supported by SDHR and Departments with Semi-Independent HR Units

#### 20 Small Departments/Offices SDHR Supports with all HR Services

City Budget Office  
 Civil Service Commission  
 Community Police Commission  
 Department of Education and Early Learning  
 Department of Neighborhoods  
 Ethics and Elections Commission  
 Mayor's Office  
 Office for Civil Rights  
 Office of Arts and Culture  
 Office of Economic and Revenue Forecasts  
 Office of Economic Development (+ Office of Film & Music)  
 Office of Emergency Management  
 Office of Housing  
 Office of Immigrant & Refugee Affairs  
 Office of Intergovernmental Relations  
 Office of Labor Standards  
 Office of Planning & Community Development  
 Office of Sustainability & the Environment  
 Office of the Employee Ombud  
 Seattle Department of Human Resources

#### Large Departments with HR Units

City Attorney's Office  
 Community Safety and Communications Center  
 Finance and Administrative Services  
 Human Services Department  
 Legislative Department  
 Seattle Fire Department  
 Seattle Information and Technology Department  
 Seattle Municipal Court  
 Seattle Parks and Recreation  
 Seattle Police Department  
 Seattle Center  
 Seattle City Light  
 Seattle Department of Construction and Inspections  
 Seattle Department of Transportation  
 Seattle Public Library  
 Seattle Public Utilities



## APPENDIX E

### Research and Articles on “Best” Practices for Promotions

#### EEOC Best Practice Ideas Applicable to Promotion and Advancement

The [Best Practices of Private Sector Employers | U.S. Equal Employment Opportunity Commission \(eeoc.gov\)](https://www.eeoc.gov/best-practices-private-sector-employers) report was published in 1997. The report examined business practices by which employers are complying with their Equal Employment Opportunity (EEO) obligations and diversity goals through creative or innovative methods.

According to the report, “a best practice promotes equal employment opportunity and addresses one or more barriers that adversely affect equal employment opportunity. Not only does a best practice present serious commitment from management to EEO objectives, but it also addresses management accountability for equal employment opportunity.”

The report identified the following as barriers that adversely affect EEO in career advancement and promotion:

- Lack of employee access to mentoring.
- Deficient performance evaluation and promotion processes.
- Lack of management training.
- Lack of opportunities for career development and rotational job assignments.
- Failing to provide reasonable accommodation to qualified individuals with disabilities.
- Poor career planning and development.
- Little or no access to informal networks of communication.
- Inability to get feedback.
- Different standards of performance and disparate treatment.
- Lack of career counseling and exclusion from career ladders.
- Lack of equal access to assignments that provide key career experiences.
- Lack of equal access to assignments that provide visibility and interaction with senior managers.
- EEO directors not included in the recruitment process for higher levels.
- Limited pool of targeted group of persons with required qualifications.
- Failure to post/advertise promotional opportunities.

The EEOC report also synthesized practices from different companies to produce a list of best practice ideas applicable to promotion and advancement. For simplicity and adaptability purposes, we grouped the identified best practice ideas applicable to promotion and advancement into nine categories that are most applicable to the City.

The nine categories we grouped the best practices into include:

1. Promotion Policies and Procedures
  - Establish a policy for promotion and career advancement, including criteria, procedures, responsible individuals, and the applicability of diversity and affirmative action.
2. Short- and Long-term Strategic Planning
  - Engage in short-term and long-term strategic planning: Define aims; Identify the applicable barriers to equal employment opportunity; Make a road map for implementing the plan.
  - Provide for succession planning.
  - Develop methods to identify high-potential persons.

- Build talent pools.
- 3. Clearly defined Criteria and Pathways
  - Communicate the competencies, skills, and abilities required.
  - Eliminate practices that exclude or present barriers to minorities, women, persons with disabilities, older persons, or any individuals.
- 4. Communication of Opportunities
  - Establish a communication network notifying interested persons of opportunities, including advertising within the organization and, where applicable, not only with the general media, but with minorities, persons with disabilities, older persons, and women-focused media.
- 5. Hiring Panel Training
  - Ensure that personnel involved in the promotion and advancement process are well trained in their equal employment opportunity responsibilities.
- 6. Development Tools and Mentorship
  - Provide sufficient training and opportunities for additional education.
  - Establish mentoring and networking programs and systems to help develop high-potential individuals.
- 7. Career Management
  - Provide tools to enable employees to self-manage their careers.
  - Provide employee resource centers, so individuals may have more opportunities to develop career plans.
  - Ensure that tools for continuous learning and optimum job performance are available.
  - Develop career plans and programs for high-potential employees.
- 8. Transfer and Rotation Opportunities
  - Provide job transfer/rotation programs for career-enhancing developmental experiences.
- 9. Accountability
  - Include progress in equal employment opportunity in advancement and promotion as factors in management evaluation.

**Additional Sources for Best Practices for Promotions**

- U.S. Equal Employment Opportunity Commission – [Best Practices of Private Sector Employers | U.S. Equal Employment Opportunity Commission \(eoc.gov\)](#) Pages 106-126; 229
- U.S. Department of Labor (Office of Federal Contract Compliance Programs) – [Best Practices for Ensuring Equal Opportunity in Promotions | U.S. Department of Labor \(dol.gov\)](#)
- State of Vermont – [Promotions & Advancements Best Practices | Workplaces For All \(vermont.gov\)](#)

**Additional Research and Articles on Workforce Equity in Promotions**

Pace, C. (2018). [How Women of Color Get to Senior Management](#). Harvard Business Review

This article is based on dissertation case study research into how women of color at a Fortune 500 company get into leadership roles. It presented three steps organizations can take to elevate women of color to leadership roles: educate managers about the work realities faced by women of color; integrate conversations on workplace biases into sponsorship programs; and ensure women of color's access to essential business experiences.

Liu, S. et al. (2019). [Patching the "Leaky Pipeline": Interventions for Women of Color Faculty in STEM Academia](#). APA PsycNet

This article used intersectionality theory to identify the specific barriers in selection, promotion, and retention faced by women of color faculty within the scope of academic Science, Technology, Engineering, and Mathematics (STEM) careers. The article also proposed interventions to address these barriers. Some interventions identified for retention and promotion are: Creating Social Support Networks; Mentorship Programs; Establishing Transparent and Equal Workload Distributions; Formally Rewarding Service Work.

Orr, C.D. & Conner M.L. (2020). [Women of Color: The Path to Equity in the Public Sector | icma.org](https://www.icma.org/resources/publications/women-of-color-the-path-to-equity-in-the-public-sector). International City/County Management Association

This article from two members of the National Forum for Black Public Administrators (NFBPA) highlighted the role of mentorship in the career development of women of color and how membership organizations like NFBPA can be a source of support and skill sharing for employees. It advocated for professional development opportunities and flexible work schedules to support mentor relationships.

Hale, J. & Zamora, S. (2022). [Trends in Talent Attraction and Retention](https://www.centerforadvancedhumanresources.com/trends-in-talent-attraction-and-retention). Center for Advanced Human Resources Studies, Cornell University.

This white paper from two researchers from Cornell University's Center for Advanced Human Resources Studies was a benchmarking study conducted with 16 global partners of the Center to gain a holistic understanding of how employers are handling the rapid shifts in the labor market due to proclaimed higher-than-usual levels of attrition. The article's findings highlighted how emerging trends in talent attraction and retention practices by firms taking transformative actions amidst the "Great Resignation". It identified a simple four-step framework that includes equipping organizational members with a well-rounded skill set to mitigate toxic behaviors and ensure psychological safety is embedded in day-to-day practices; connecting members across increasingly disaggregated organizations by launching a clear and consistent communication strategy; development by normalizing recurring coaching and career conversations, democratizing learning opportunities, offering talent exchange programs, rotation programs, and gig assignments; and tracking data and delivering results informed by employee sentiment, sense of belonging, intent to leave, among others.

## APPENDIX F

### Class Specifications We Reviewed

The [City's Class Specifications System](#) provides descriptions of characteristic duties, responsibilities, minimum qualifications, work environment, licenses, certifications, and other requirements necessary for City positions. Our review of 17 class specifications suggested by HR managers found six class specifications in use that had not been updated since the positions were established in 1991 and none of the class specifications had been updated in the last 15 years.

Positions	Established Date	Latest Revision
Accountant	01/02/1991	–
Senior Accountant	01/02/1991	01/14/2004
Principal Accountant	01/02/1991	01/14/2004
Manager 1, Engineering and Plans Review	01/07/1998	11/05/2002
Manager 2, Engineering and Plans Review	01/07/1998	11/05/2002
Manager 3, Engineering and Plans Review	01/07/1998	11/05/2002
Mechanical Engineering Assistant I	01/02/1991	–
Mechanical Engineering Assistant II	01/02/1991	–
Mechanical Engineering Assistant III	01/02/1991	–
Permit Specialist (Entry)	02/03/2006	–
Permit Specialist I	02/03/2006	–
Permit Specialist II	02/03/2006	–
Land use Planner I	01/01/2002	–
Land use Planner II	01/01/2002	–
Land use Planner III	01/01/2002	–
Land use Planner IV	01/01/2002	–
Photographic Services Supervisor	02/01/1991	–

Source: City of Seattle's Class Specifications System

## APPENDIX G

### Descriptive and Adjusted Analyses of Citywide 2021 Promotion Data

#### Descriptive Analysis

We calculated frequencies and percentages of promotions and reclassifications for our descriptive analysis. We also calculated promotion rates as the number of promoted employees in each category divided by the number of employees in that category. We stratified our data by departments, race/ethnicity, and gender, and reported the frequency and percentages of promotions and reclassifications. We computed the average percentage increase in pay that employees got when they were promoted (i.e., promotion raises) in 2021 and stratified the data by pay band, gender, and race/ethnicity.

#### Adjusted Analysis

We performed adjusted analyses using the multivariate regression analysis method to examine the statistical relationships between race/ethnicity, and promotion and gender and promotion. The multivariate models accounted for factors that could influence promotion, including years of service, hourly rate, employment class, employee status, full time status, union representation, in addition to race/ethnicity and gender. Adjusting for these factors means we were able to estimate if there are differences in the odds of promotion for employees of color and White employees even if they have identical characteristics such as years of service, hourly rate, employment class, employee status, full time status, union representation, and gender. However, we could not adjust for all the observable factors, such as education and out-of-class experience, that could influence promotions due to data limitations. According to SDHR, the City's Human Resources Information System (HRIS) does not have complete or accurate data on education because it is not a required entry when onboarding new employees.

Our analytical method could not control for unobservable factors such as performance evaluation, employees' skills, and motivation. Therefore, our analyses do not explain the reasons for differences in promotion outcomes. Also, our analyses do not establish a causal relationship between demographics and promotion outcomes, (i.e., correlation does not imply causation). These analyses aim to provide insights and help identify potential areas of concern; however, they should be interpreted with caution.

#### Detailed Description of Analyses Methods

The 2021 City of Seattle employee data from SDHR was used to explore the associations between employee demographics and promotion outcomes. The analytical steps include:

- Descriptive analysis was completed using Excel and the statistical software package R (version 4.2.2). Adjusted analysis was completed using R (v 4.2.2).
- Frequency and percentages of promotions and reclassifications were reported for categorical variables – race/ethnicity, gender, employee status, employee class, and time (part or full-time).
- We calculated the skewness and kurtosis of the quantitative variables. The median and interquartile ranges were reported for the quantitative variables – hourly rate and years of service – because of their skewed distributions.



- The variables were stratified by race/ethnicity and gender to report the promotion rates for each group of employees. Promotion rates were calculated as the number of promoted employees in each category divided by the number of employees in that category.
- We calculated the average percentage increase in pay that employees got when they were promoted (i.e., promotion raises) in 2021 and stratified the data by pay band, gender, and race/ethnicity.
- Adjusted analysis – bivariate and multivariate methods – were used to examine the statistical relationship between gender, racial/ethnicity, and promotion.
- Bivariate analyses were used to explore the association between promotion and each variable in 2021. Mann-Whitney U tests (also called Wilcoxon Rank Sum Test) were used to assess the associations between promotion and quantitative variables with skewed distributions, including hourly rate and years of service. Pearson's Chi-squared tests and Fisher's Exact tests were used to assess the associations between promotions and categorical variables, including race/ethnicity, gender, employee status, employee class, and time. Fisher's Exact tests were reported due to the small sample sizes of some variables.
- To determine whether race/ethnicity and gender were predictive of promotion, bivariate logistic regressions were used to assess the association between each predictor variable and promotion. A focus of this audit is the association between promotion and race/ethnicity and gender, which we assessed by multivariate logistic regression models that controlled for other predictor variables.
- Multivariate logistic regression models were used due to the relatively small population of City employees. These models provide insights into the extent to which race/ethnicity and gender are related to promotion outcomes after accounting for other predictive variables, but the models do not establish the variables as key causal factors. The results produced adjusted odds ratios of promotion.
- For the multivariate logistic regression models, the quantitative variables – hourly rate and years of services – were transformed (i.e., squared) to normalize the data for the models because these continuous variables were not normally distributed.
- For exploratory analysis, the predictor variables were used to run the following multivariate models:
  - Model 1: controlled for Gender and Race/Ethnicity
  - Model 2: controlled for Years of Service, Years of Service squared, Gender, and Race/Ethnicity
  - Model 3: controlled for Years of Service, Years of Service squared, Hourly rate, Hourly rate squared, Gender, and Race/Ethnicity
  - Model 4: controlled for all the variables (Years of Service, Years of Service squared, Hourly rate, Hourly rate squared, Hourly rate, Time, Employee Status, Union Representation, Race/Ethnicity, Gender, and Employment Class)
  - Model 5: controlled for all the variables except Hourly rate, Hourly rate squared, and Union Representation (presented in the body of the report)
- Finally, we ran multivariate models using data filtered by Gender and Race/Ethnicity:
  - Model 6a: controlled for all variables (Females Only)
  - Model 6b: controlled for all variables except Hourly rate, Hourly rate squared, and Union (Females Only)
  - Model 7a: controlled for all variables (Males Only)

- Model 7b: controlled for all variables except Hourly rate, Hourly rate squared, and Union (Males Only)
  - Model 8a: controlled for all variables (for People of Color Only)
  - Model 8b: controlled for all variables except Hourly rate, Hourly rate squared, and Union (for People of Color Only)
  - Model 9a: controlled for all variables (for Whites Only)
  - Model 9b: controlled for all variables except Hourly rate, Hourly rate squared, and Union (for Whites Only)
  - Model 10: Odds of Women of Color vs. White Men
- There are observable variables/factors such as education and out-of-class experience that may affect promotions that we could not account for because SDHR do not have complete or accurate data on those factors. Additionally, we were not able to control for unobservable factors such as performance evaluation, employees' skills, and motivation. As a result, our analyses do not explain the reason for the differences in the odds of promotion nor do our analyses establish a causal relationship between the variables and promotion outcomes.
- Our analysis did not adjust for factors such as age when entering the City, veteran's status, and employees' occupations/positions.
- Odds Ratio Interpretation:
  - $OR = 1$  means the variable does not affect the odds of promotion.
  - $OR > 1$  means the variable is associated with higher odds of promotion.
  - $OR < 1$  variable is associated with lower odds of promotion.
  - Note that OR of 3.0 does not mean that promotion is thrice as likely to occur, but rather the odds are threefold greater.
  - Note that OR greater than one does not establish a causal relationship. i.e., correlation does not imply causation.
- p-value Interpretation: this represents the statistical significance for which the analysis results in the rejection of the Null Hypothesis that there is no difference in the odds of promotion. For this analysis, we established statistical significance at  $p < 0.05$ .

## APPENDIX H

### Detailed Results of Analyses on Citywide 2021 Promotion Data

#### Promotion Outcomes Were Slightly Higher for Women Relative to Men in 2021.

Our descriptive analysis shows that the number and percentages of women promoted in 2021 were slightly high relative to their representation in the City employee population. As Table 1 shows, women comprised 43 percent of 2021 promotions compared to 39.2 percent of the employee population. Men comprised 56.9 percent of 2021 promotions compared to 60.6 percent of the employee population.

The descriptive analysis in Table 2 shows that the promotion rate for women was higher than that of men in 2021. We calculated promotion rates as the number of promoted employees in each category divided by the number of employees in that category. The promotion rate for women was 7.9 percent compared with 6.8 percent for men. However, our promotion rate calculation does not account for the different factors besides gender that may affect promotions.

Our adjusted analysis of the 2021 data, controlling and accounting for factors other than gender that could influence promotions (such as years of service, hourly rate, employment class, employee status, full time status, union representation, and race/ethnicity), found that the promotion odds were slightly higher for women compared to men (Table 3, Model 5). After adjusting for factors that could influence promotions, the odds of promotion for women were 1.143 times higher than the odds of promotion for men in 2021 (the corresponding 95 percent Confidence Interval is 0.990, 1.320). The adjusted odds ratio is not statistically significant ( $p=0.067$ ). It is important to note that saying “women are 1.143 times more likely to be promoted than men” is not an accurate interpretation of the odds ratio. The odds ratio compares the odds of promotion in one group to the odds of promotion in another group.

**Table 1: Number and Percentage of City Employees, Promotions, and Reclassifications in 2021**

<sup>^</sup>	All Employees Number (%)	Promotions Number (%)	Reclassification Number (%)
Race/Ethnicity			
American Indian or Alaska Native	168 (1.3)	5 (0.5)	2 (2.7)
Asian or Native Hawaiian and Other Pacific Islander	2408 (18.6)	188 (20.0)	11 (14.7)
Black or African American	1745 (13.5)	165 (17.6)	11 (14.7)
Hispanic or Latino	784 (6.1)	76 (8.1)	2 (2.7)
Two or More Races	79 (0.6)	9 (1.0)	0 (0.0)
Not Specified	503 (3.9)	40 (4.3)	1 (1.3)
White	7269 (56.1)	454 (48.5)	48 (64.0)
Gender			
Female	5082 (39.2)	403 (43.0)	47 (62.7)
Male	7848 (60.6)	533 (56.9)	28 (37.3)
Unknown (N)	26 (0.2)	1 (1.1)	0 (0.0)
Union Representation			
Represented	9473 (73.1)	686 (73.2)	
Non-represented	3483 (26.9)	251 (26.8)	
Employee Status			
Regular	11270 (87.0)	934 (99.7)	75 (100.0)
Temporary	1686 (13.0)	3 (0.3)	0 (0.0)
Employee Class			
Exempt	3542 (27.3)	160 (17.1)	15 (20.0)
Non-exempt	7292 (56.3)	632 (67.4)	60 (80.0)
Public Safety	2122 (16.4)	145 (15.5)	0 (0.0)
Time			
Full Time	10583 (81.7)	871 (93.0)	74 (98.7)
Part Time	2373 (18.3)	66 (7.0)	1 (1.3)

<sup>^</sup>Column percentages are reported for the total in each category. Adding percentages in some categories (e.g., race/ethnicity) may be over 100 due to rounding.

Source: Office of City Auditor analysis of the City's 2021 employee population, promotion, and reclassification data.

**Table 2: City Employees Characteristics and Bivariate Associations with Promotions in 2021**

	<b>All N=12956</b>	<b>Promotions N=937</b>	
	Median (IQR)	Median (IQR)	p-value <sup>a</sup>
Years of Service (years)	8.0 (3.0, 17.5)	4.0 (2.0, 11.0)	<0.001*
Hourly Rate (\$)	44.9 (33.1, 57.3)	43.0 (32.8, 57.0)	0.761
<sup>1</sup>	N (%)	N (%Rate)	p-value <sup>b</sup>
Gender			0.040*
Male	7848 (60.6)	533 (6.8)	
Female	5082 (39.2)	403 (7.9)	
Unspecified	26 (0.2)	1 (3.8)	
Race/Ethnicity			<0.001*
White	7269 (56.1)	454 (6.2)	
People of Color	5184 (40.0)	443 (8.5)	
Unspecified	503 (3.9)	40 (8.0)	
Employment Class			<0.001*
Non-exempt	7292 (56.3)	632 (8.7)	
Exempt	3542 (27.3)	160 (4.5)	
Public Safety	2122 (16.4)	145 (6.8)	
Time			<0.001*
Full Time	10583 (81.7)	871 (8.2)	
Part Time	2373 (18.3)	66 (2.8)	
Employee Status			<0.001*
Regular	11270 (87.0)	934 (8.3)	
Temporary	1686 (13.0)	3 (0.2)	
Union Representation			0.970
Represented	9473 (73.1)	686 (7.2)	
Non-represented	3483 (26.9)	251 (7.2)	

<sup>a</sup>Mann Whitney test<sup>b</sup>Fisher's Exact test

\*.05 Significance level

<sup>1</sup> Column percentages are reported for the total in each category while the promotions columns are reported as rates for each row.

IQR = Interquartile Range

p-value Interpretation: this represents the statistical significance for which the analysis results in the rejection of the Null Hypothesis that there is no difference in the odds of promotion. For this analysis, we established statistical significance at  $p < 0.05$ .

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

**Table 3: Comparing Factors Associated with Promotions in 2021**

			<b>Multivariate Model 5</b>	
	Crude OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.951 (0.942, 0.959)	<0.001*	0.895 (0.875, 0.917)	<0.001*
Years squared	0.998 (0.998, 0.999)	<0.001*	1.001 (1.001, 1.002)	<0.001*
Hourly Rate (\$)	1.003 (0.999, 1.007)	0.140	~~~	~~~
Hourly Rate squared	1.000 (1.000, 1.000)	0.187	~~~	~~~
Time (part time vs full time)	0.319 (0.245, 0.408)	<0.001*	0.963 (0.716, 1.274)	0.794
Employee Status (temporary vs permanent)	0.020 (0.005, 0.051)	<0.001*	0.013 (0.003, 0.034)	<0.001*
Union (represented vs non-represented)	1.005 (0.866, 1.170)	0.945	~~~	~~~
Race/Ethnicity		<0.001*		<0.001*
White (reference)				
People of Color	1.403 (1.224, 1.607)	<0.001*	1.457 (1.266, 1.677)	<0.001*
Unspecified	1.297 (0.913, 1.793)	0.130	0.919 (0.642, 1.282)	0.630
Gender		0.040*		0.081
Male (reference)				
Female	1.182 (1.033, 1.352)	0.015*	1.143 (0.990, 1.320)	0.067
Unspecified	0.549 (0.031, 2.596)	0.557	0.349 (0.019, 1.719)	0.308
Employment Class		<0.001*		0.299
Non-exempt (reference)				
Exempt	0.499 (0.416, 0.594)	<0.001*	0.858 (0.704, 1.040)	0.125
Public Safety	0.773 (0.639, 0.929)	0.007*	0.970 (0.793, 1.179)	0.763

OR= Odds Ratio      \*.05 Significance level      ~~~Variable was not included in the model

95% CI = 95% Confidence Interval

Crude ORs do not consider other factors that could influence promotion.

Adjusted ORs consider factors that could influence promotions that were included in the model.

Odds Ratio Interpretation:

- OR = 1 means the variable does not affect the odds of promotion.
- OR > 1 means the variable is associated with higher odds of promotion.
- OR < 1 means the variable is associated with lower odds of promotion.
- Note that OR of 3.0 does not mean that promotion is thrice as likely to occur, but rather the odds are threefold greater.
- Note that OR greater than one does not establish a causal relationship. i.e., correlation does not imply causation.

p-value Interpretation: this represents the statistical significance for which the analysis results in the rejection of the Null Hypothesis that there is no difference in the odds of promotion. For this analysis, we established statistical significance at  $p < 0.05$ .

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.



## Promotion Outcomes Were Slightly Higher for Employees of Color Compared to White Employees in 2021.

Our descriptive analysis shows that the number and percentages of employees of color promoted in 2021 were generally high relative to their representation in the City employee population, except for American Indian or Alaska Native employees. As Table 1 shows, Asian or Native Hawaiian and Other Pacific Islander employees made up 20 percent of 2021 promotions compared to 18.6 percent of the employee population; Black or African American employees made up 17.6 percent of 2021 promotions compared to 13.5 percent of the employee population; Hispanic or Latino employees made up 8.1 percent of 2021 promotions compared to 6.1 percent of the employee population; employees with two or more races made up 1 percent of 2021 promotions compared to 0.6 percent of the employee population. However, American Indian or Alaska Native employees had a lower makeup of 2021 promotions, 0.5 percent compared to 1.3 percent of the employee population. White employees made up 48.5 percent of 2021 promotions compared to 56.1 percent of the employee population. Note that our analysis did not compare the City of Seattle workforce to the population of the greater Seattle area. Our focus is on City of Seattle employee population.

Table 2 shows that the promotion rate for employees of color was higher than that of White employees in 2021. We calculated promotion rates as the number of promoted employees in each category divided by the number of employees in that category. The promotion rate for employees of color was 8.5 percent compared with 6.2 percent for White employees. However, our promotion rate calculation does not account for the different factors besides race/ethnicity that may affect promotions.

Our adjusted analysis of the 2021 data, controlling and accounting for factors other than race/ethnicity that could influence promotions (such as years of service, hourly rate, employment class, employee status, full time status, union representation, and gender), found that the promotion odds were slightly higher for employees of color compared to White employees (see Table 3, Model 5). After adjusting for factors that could influence promotions, the odds of promotion for employees of color were 1.457 times higher than the odds of promotion for White employees in 2021 (the corresponding 95 percent Confidence Interval is 1.266, 1.677). The adjusted odds ratio is statistically significant ( $p < 0.001$ ). It is important to note that saying “employees of color are 1.457 times more likely to be promoted than White employees” is not an accurate interpretation of the odds ratio. The odds ratio compares the odds of promotion in one group to the odds of promotion in another group.

## Promotion Outcomes Were Slightly Higher for Women of Color Compared to Other Groups of Employees in 2021.

Our descriptive analysis shows that the numbers and percentages of women of color promoted in 2021 were generally higher compared to the total number of women of color in the City employees population, except for American Indian or Alaska Native women and women with two or more races. As Table 4 shows, Asian or Native Hawaiian and other Pacific Islander women comprised 9.8 percent of 2021 promotions compared to 8.5 percent of the employee population; Black or African American women comprised 8.0 percent of 2021 promotions compared to 5.9 percent of the employee population; Hispanic or Latino women comprised 3.9 percent of 2021 promotions compared to 2.3 percent of the employee population. However, American Indian or Alaska Native women had a lower share of 2021 promotions, 0.2 percent compared to 0.4 percent of the employee population and women

with two or more races had 0.2 percent of 2021 promotions compared to a 0.3 percent share of the employee population. White women comprised 19.2 percent of 2021 promotions compared to 20.3 percent of the employee population.

Our adjusted analysis of 2021 data, controlling and accounting for factors other than race/ethnicity and gender that could influence promotions (such as years of service, hourly rate, employment class, employee status, full time status, and union representation), found that the promotion odds were slightly higher for women of color compared to White women (see Table 13), men of color (see Table 15), and White men (see Table 17). After adjusting for factors that could influence promotions, the odds of promotion for women of color were 1.491 times higher than the odds of promotion for White women in 2021 (the corresponding 95 percent Confidence Interval is 1.203, 1.850). The adjusted odds ratio is statistically significant ( $p < 0.001$ ). After adjusting for factors that could influence promotions, the odds of promotion for women of color were 1.123 times higher than the odds of promotion for men of color in 2021 (the corresponding 95 percent Confidence Interval is 0.913, 1.382). The adjusted odds ratio is not statistically significant ( $p = 0.273$ ). After adjusting for factors that could influence promotions, the odds of promotion for women of color were 1.698 times higher than the odds of promotion for White men in 2021 (the corresponding 95 percent Confidence Interval is 1.379, 2.089). The adjusted odds ratio is statistically significant ( $p < 0.001$ ). It is important to note that saying “women of color are 1.491 times more likely to be promoted than White women” or “women of color are 1.123 times more likely to be promoted than men of color” or “women of color are 1.698 times more likely to be promoted than White men” are not accurate interpretations of odds ratios. The odds ratios compare odds of promotion in one group to the odds of promotion in another group.

**Table 4: City Employees, Promotions, and Reclassifications by Race/Ethnicity and Gender in 2021**

	All Employees Number (%) ^	Promotions Number (%)	Reclassification Number (%)
American Indian/Alaska Native	168 (1.3)	5 (0.5)	2 (2.7)
Female	58 (0.4)	2 (0.2)	1 (1.3)
Male	110 (0.8)	3 (0.3)	1 (1.3)
Asian or Native Hawaiian and Other Pacific Islander	2408 (18.6)	188 (20.1)	11 (14.7)
Female	1102 (8.5)	92 (9.8)	10 (13.3)
Male	1305 (10.1)	96 (10.2)	1 (1.3)
Unspecified	1 (0.0)	0 (0.0)	0 (0.0)
Black or African American	1745 (13.5)	165 (17.6)	11 (14.7)
Female	762 (5.9)	75 (8.0)	7 (9.3)
Male	983 (7.6)	90 (9.6)	4 (5.3)
Hispanic or Latino	784 (6.1)	76 (8.1)	2 (2.7)
Female	304 (2.3)	37 (3.9)	1 (1.3)
Male	480 (3.7)	39 (4.2)	1 (1.3)
Not Specified	503 (3.9)	40 (4.3)	1 (1.3)
Female	188 (1.5)	15 (1.6)	0 (0.0)
Male	304 (2.3)	24 (2.6)	1 (1.3)
Unspecified	11 (0.1)	1 (0.1)	0 (0.0)
Two or More Races	79 (0.6)	9 (1.0)	0 (0.0)
Female	36 (0.3)	2 (0.2)	0 (0.0)

	All Employees Number (%) ^	Promotions Number (%)	Reclassification Number (%)
Male	40 (0.3)	7 (0.7)	0 (0.0)
Unspecified	3 (0.0)	0 (0.0)	0 (0.0)
White	7269 (56.1)	454 (48.5)	48 (64.0)
Female	2632 (20.3)	180 (19.2)	28 (37.3)
Male	4626 (35.7)	274 (29.2)	20 (26.7)
Unspecified	11 (0.1)	0 (0.0)	0 (0.0)

^Column percentages are reported for the total in each category.

Source: Office of City Auditor analysis of the City's 2021 employee population, promotion, and reclassification data.

**Table 5: City Employees and Promotions, Stratified Characteristics by Gender in 2021**

	Female Employees Total	Female Employees Promotions	Male Employees Total	Male Employees Promotions
	Median (IQR)	Median (IQR)	Median (IQR)	Median (IQR)
Years of Service (years)	7.0 (2.0, 16.0)	4.0 (2.0, 8.0)	8.0 (3.5, 19.0)	5.0 (2.0, 13.0)
Hourly rate (\$)	41.7 (30.1, 54.3)	41.7 (31.2, 55.0)	47.6 (34.7, 59.1)	44.0 (35.2, 59.5)
<sup>1</sup>	N (%)	N (%Rate)	N(%)	N (%Rate)
Race/Ethnicity				
White	2632 (51.8)	180 (6.8)	4626 (58.9)	274 (5.9)
People of Color	2262 (44.5)	208 (9.2)	2918 (37.2)	235 (8.1)
Unspecified	188 (3.7)	15 (8.0)	304 (3.9)	24 (7.9)
Employment Class				
Non-exempt	3005 (59.1)	291 (9.7)	4279 (54.5)	341 (8.0)
Exempt	1831 (36)	90 (4.9)	1693 (21.6)	69 (4.1)
Public Safety	246 (4.8)	22 (8.9)	1876 (23.9)	123 (6.6)
Time				
Full Time	3854 (75.8)	364 (9.4)	6721 (85.6)	507 (7.5)
Part Time	1228 (24.2)	39 (3.2)	1127 (14.4)	26 (2.3)
Employee Status				
Regular	4274 (84.1)	400 (9.4)	6975 (88.9)	533 (7.6)
Temporary	807 (15.9)	3 (0.4)	873 (11.1)	0 (0.0)
Union Representation				
Represented	3095 (60.9)	253 (8.2)	6363 (81.1)	432 (6.8)
Non-represented	1987 (39.1)	150 (7.5)	1485 (18.9)	101 (6.8)

There were 26 employees with unspecified gender.

<sup>1</sup> Column percentages are reported for the total in each category while the Promotions columns are reported as rates for each row.

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

**Table 6: City Employees and Promotions, Stratified Characteristics by Race/Ethnicity in 2021**

	Employees of Color Total	Employees of Color Promotions	White Employees Total	White Employees Promotions
	Median (IQR)	Median (IQR)	Median (IQR)	Median (IQR)
Years of Service (years)	7.0 (2.5, 18.0)	4.0 (2.0, 10.0)	8.0 (4.0, 18.0)	4.0 (2.0, 12.0)
Hourly rate (\$)	39.5 (29.5, 53.3)	40.1 (29.3, 52.3)	49.4 (36.9, 59.5)	47.6 (37.1, 60.0)
<sup>1</sup>	N (%)	N (%Rate)	N(%)	N (%Rate)
Gender				
Male	2918 (56.3)	235 (8.1)	4626 (63.6)	274 (5.9)
Female	2262 (43.6)	208 (9.2)	2632 (36.2)	180 (6.8)
Unspecified	4 (0.1)	0 (0.0)	11 (0.2)	0 (0.0)
Employment Class				
Non-exempt	3125 (60.3)	311 (10.0)	3859 (53.1)	288 (7.5)
Exempt	1558 (30.1)	92 (5.9)	1859 (25.6)	64 (3.4)
Public Safety	501 (9.7)	40 (8.0)	1551 (21.3)	102 (6.6)
Time				
Full Time	4073 (78.6)	396 (9.7)	6097 (83.9)	437 (7.2)
Part Time	1111 (21.4)	47 (4.2)	1172 (16.1)	17 (1.5)
Employee Status				
Regular	4376 (84.4)	440 (10.1)	6463 (88.9)	454 (7.0)
Temporary	808 (15.6)	3 (0.4)	806 (11.1)	0 (0.0)
Union Representation				
Represented	3784 (73.0)	323 (8.5)	5318 (73.2)	334 (6.3)
Non-represented	1400 (27.0)	120 (8.6)	1951 (26.8)	120 (6.2)

There were 503 employees with unspecified race/ethnicity.

<sup>1</sup> Column percentages are reported for the total in each category while the Promotions columns are reported as rates for each row.

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

## Results of Analyses on Citywide 2021 Promotion Pay Data

**Table 7: Average Promotion Pay Increase by Pay Band**

Salary Band	City of Seattle Employees	Number of Promotions	Average Hourly Rate for Employees who got promoted (95% CI)	Average % Increase (95% CI)
*Band 1 (\$0.00 - \$16.99)	79	0	0	0
Band 2 (\$17.00 - \$37.99)	4639	342	30.49 (30.01, 30.96)	6.75 (5.70, 7.81)
Band 3 (\$38.00 - \$58.99)	5385	380	47.24 (46.66, 47.81)	11.24 (10.02, 12.46)
Band 4 (\$59.00 - \$79.99)	2607	188	66.67 (65.88, 67.46)	12.45 (10.82, 14.09)
Band 5 (\$80.00 - \$121.99)	246	27	91.47 (88.00, 94.94)	19.92 (14.62, 25.23)

\*Includes Civil Service Commissioners, Youth Employment Enrollees, Work Training Enrollees, and Student Assistants

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 8: Average Promotion Pay Increase by Gender**

Gender	Number of Promotions	Average Hourly rate (95% CI)	Average % Increase (95% CI)
Male	533	47.79 (46.39, 49.19)	10.51 (9.55, 11.47)
Female	403	44.38 (42.86, 45.91)	9.56 (8.39, 10.74)
Unspecified	1	22.56	5.27

Source: Office of City Auditor analysis of the City's 2021 employee promotion data

**Table 9: Average Promotion Pay Increase by Race/Ethnicity**

Race/Ethnicity	Number of Promotions	Average Hourly rate (95% CI)	Average % Increase (95% CI)
American Indian or Alaska Native	5	42.55 (29.64, 55.46)	3.96 (-2.41, 10.32)
Asian or Native Hawaiian and Other Pacific Islander	188	43.48 (41.14, 45.83)	9.60 (7.99, 11.20)
Black or African American	165	43.51 (40.75, 46.26)	10.24 (8.41, 12.08)
Hispanic or Latino	76	41.99 (38.96, 45.01)	9.85 (7.09, 12.62)
Two or More Races	9	41.72 (35.53, 47.90)	14.62 (7.91, 21.33)
Not Specified	40	47.45 (42.37, 52.54)	7.90 (3.94, 11.85)
White	454	49.23 (47.82, 60.64)	10.47 (9.41, 11.52)

Source: Office of City Auditor analysis of the City's 2021 employee promotion data

**Table 10: Average Promotion Pay Increase by Race and Gender**

	Number of Promotions	Average Hourly Rate (95% CI)	Average % Increase (95% CI)
Women of Color	208	42.47 (40.26, 44.69)	9.33 (7.65, 11.02)
White Women	180	46.72 (44.60, 48.84)	10.17 (8.53, 11.82)
Unspecified Women	15	42.85 (35.82, 49.87)	5.45 (-2.23, 13.14)
Men of Color	235	43.82 (41.70, 45.94)	10.44 (9.03, 11.84)
White Men	274	50.88 (49.02, 52.74)	10.66 (9.28, 12.04)
Unspecified Men	24	51.37 (44.76, 57.99)	9.53 (5.13, 13.93)

Source: Office of City Auditor analysis of the City's 2021 employee promotion data

## Results of Multivariate Logistic Regression

Model 1: controlled for Gender and Race/Ethnicity

Model 2: controlled for Years of Service, Years of Service squared, Gender, and Race/Ethnicity

Model 3: controlled for Years of Service, Years of Service squared, Hourly rate, Hourly rate squared, Gender, and Race/Ethnicity

Model 4: controlled for all the variables - Years of Service, Years of Service squared, Hourly rate, Hourly rate squared, Time, Employee Status, Union Representation, Race/Ethnicity, Gender, and Employment Class

Model 5: controlled for all the variables except Hourly rate, Hourly rate squared, and Union Representation (presented in the body of the report)

**Table 11: Comparing Factors Associated with Promotions in 2021**

	Crude OR (95% CI)	p-value	Multivariate Model 1		Multivariate Model 2	
			Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.951 (0.942, 0.959)	<0.001*			0.947 (0.925, 0.970)	<0.001
Years squared	0.998 (0.998, 0.999)	<0.001*			1.000 (0.999, 1.001)	0.681
Hourly Rate (\$)	1.003 (0.999, 1.007)	0.140				
Hourly Rate squared	1.000 (1.000, 1.000)	0.187				
Time (part time vs full time)	0.319 (0.245, 0.408)	<0.001*				
Employee Status (temporary vs permanent)	0.020 (0.005, 0.051)	<0.001*				
Union (represented vs non-represented)	1.005 (0.866, 1.170)	0.945				
Race/Ethnicity		<0.001*		<0.001*		<0.001*
White (reference)						



			Multivariate Model 1		Multivariate Model 2	
	Crude OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
People of Color	1.403 (1.224, 1.607)	<0.001*	1.387 (1.210, 1.590)	<0.001*	1.346 (1.173, 1.545)	<0.001*
Unspecified	1.297 (0.913, 1.793)	0.130	1.307 (0.919, 1.809)	0.120	1.012 (0.710, 1.406)	0.945
Gender		0.040*		0.087		0.262
Male (reference)						
Female	1.182 (1.033, 1.352)	0.015*	1.155 (1.008, 1.321)	0.037*	1.080 (0.942, 1.237)	0.269
Unspecified	0.549 (0.031, 2.596)	0.557	0.533 (0.030, 2.542)	0.539	0.363 (0.020, 1.731)	0.322
Employment Class		<0.001*				
Non-exempt (reference)						
Exempt	0.499 (0.416, 0.594)	<0.001*				
Public Safety	0.773 (0.639, 0.929)	0.007*				

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

**Table 12: Comparing Factors Associated with Promotions in 2021**

	Multivariate Model 3		Multivariate Model 4		Multivariate Model 5	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.926 (0.904, 0.949)	<0.001*	0.895 (0.874, 0.918)	<0.001*	0.895 (0.875, 0.917)	<0.001*
Years squared	1.001 (1.000, 1.001)	0.147	1.001 (1.001, 1.002)	<0.001*	1.001 (1.001, 1.002)	<0.001*
Hourly Rate (\$)	1.031 (1.015, 1.049)	<0.001*	0.968 (0.951, 0.986)	0.001*		
Hourly Rate squared	1.000 (1.000, 1.000)	0.058	1.000 (1.000, 1.000)	<0.001*		
Time (part time vs full time)			0.908 (0.658, 1.236)	0.545	0.963 (0.716, 1.274)	0.794
Employee Status (temporary vs permanent)			0.013 (0.003, 0.034)	<0.001*	0.013 (0.003, 0.034)	<0.001*
Union (represented vs non-represented)			1.024 (0.852, 1.234)	0.803		
Race/Ethnicity		<0.001		<0.001		<0.001*
White (reference)						
People of Color	1.484 (1.289, 1.708)	<0.001*	1.444 (1.252, 1.666)	<0.001*	1.457 (1.266, 1.677)	<0.001*
Unspecified	1.007 (0.705, 1.400)	0.970	0.913 (0.638, 1.275)	0.606	0.919 (0.642, 1.282)	0.630
Gender		0.162		0.062		0.081
Male (reference)						
Female	1.119 (0.976, 1.283)	0.107	1.158 (1.001, 1.340)	0.048*	1.143 (0.990, 1.320)	0.067
Unspecified	0.423 (0.024, 2.030)	0.402	0.352 (0.019, 1.739)	0.313	0.349 (0.019, 1.719)	0.308
Employment Class				0.075		0.299
Non-exempt (reference)						

	Multivariate Model 3		Multivariate Model 4		Multivariate Model 5	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Exempt			0.776 (0.620, 0.966)	0.025*	0.858 (0.704, 1.040)	0.125
Public Safety			0.993 (0.806, 1.217)	0.945	0.970 (0.793, 1.179)	0.763

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 13: Comparing Factors Associated with Promotions (for Female Employees) in 2021**

Model 6a: controlled for all variables.

Model 6b: controlled for all variables except Hourly Rate and Union.

	Multivariate Model 6a		Multivariate Model 6b	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.886 (0.854, 0.919)	<0.001*	0.884 (0.854, 0.917)	<0.001*
Years squared	1.001 (1.001, 1.003)	0.006*	1.002 (1.001, 1.003)	0.005*
Hourly Rate (\$)	0.983 (0.958, 1.008)	0.176		
Hourly Rate squared	1.000 (1.000, 1.000)	0.136		
Time (part time vs full time)	0.824 (0.538, 1.233)	0.354	0.869 (0.586, 1.256)	0.464
Employee Status (temporary vs permanent)	0.027 (0.006, 0.075)	<0.001*	0.027 (0.006, 0.077)	<0.001*
Union (represented vs non-represented)	1.035 (0.805, 1.334)	0.791		
Race/Ethnicity		0.001*		<0.001*
White (reference)				
People of Color	1.477 (1.187, 1.839)	<0.001*	1.491 (1.203, 1.850)	<0.001*
Unspecified	0.807 (0.443, 1.372)	0.454	0.811 (0.446, 1.379)	0.465
Employment Class		0.219		0.188
Non-exempt (reference)				
Exempt	0.784 (0.582, 1.049)	0.105	0.797 (0.607, 1.035)	0.094
Public Safety	1.130 (0.680, 1.798)	0.622	1.122 (0.685, 1.757)	0.630

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 14: Comparing Factors Associated with Promotions (for Male Employees) in 2021**

Model 7a: controlled for all variables.

Model 7b: controlled for all variables except Hourly Rate, Hourly Rate squared, and Union.

	Multivariate Model 7a		Multivariate Model 7b	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.901 (0.873, 0.931)	<0.001*	0.902 (0.875, 0.931)	<0.001*
Years squared	1.001 (1.000, 1.002)	0.034*	1.001 (1.000, 1.002)	0.020*
Hourly Rate (\$)	0.961 (0.938, 0.983)	0.001*		
Hourly Rate squared	1.000 (1.000, 1.001)	<0.001*		
Time (part time vs full time)	1.063 (0.642, 1.718)	0.853	1.131 (0.714, 1.729)	0.634
Employee Status (temporary vs permanent)	0.004 (0.000, 0.028)	<0.001*	0.004 (0.000, 0.026)	<0.001*
Union (represented vs non-represented)	1.008 (0.766, 1.336)	0.941		
Race/Ethnicity		0.001*		0.001*
White (reference)				
People of Color	1.422 (1.177, 1.718)	<0.001*	1.431 (1.188, 1.723)	<0.001*
Unspecified	0.982 (0.618, 1.499)	0.881	0.988 (0.622, 1.507)	0.902
Employment Class		0.299		0.848
Non-exempt (reference)				
Exempt	0.775 (0.551, 1.075)	0.126	0.939 (0.700, 1.243)	0.643
Public Safety	0.983 (0.779, 1.236)	0.888	0.956 (0.765, 1.187)	0.677

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 15: Comparing Factors Associated with Promotions (for Employees of Color) in 2021**

Model 8a: controlled for all variables.

Model 8b: controlled for all variables except Hourly rate, Hourly rate squared, and Union.

	Multivariate Model 8a		Multivariate Model 8b	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.910 (0.878, 0.944)	<0.001*	0.909 (0.878, 0.943)	<0.001*
Years squared	1.001 (1.000, 1.002)	0.203	1.001 (1.000, 1.002)	0.162
Hourly Rate (\$)	0.960 (0.935, 0.986)	0.003*		
Hourly Rate squared	1.000 (1.000, 1.001)	0.001*		
Time (part time vs full time)	1.097 (0.724, 1.634)	0.658	1.221 (0.840, 1.741)	0.289
Employee Status (temporary vs permanent)	0.015 (0.004, 0.043)	<0.001*	0.015 (0.004, 0.043)	<0.001*
Union (represented vs non-represented)	1.026 (0.785, 1.350)	0.853		
Gender		0.205		0.262
Male (reference)				
Female	1.142 (0.925, 1.410)	0.217	1.123 (0.913, 1.382)	0.273
Unspecified	0.000	0.962	0.000	0.963

	Multivariate Model 8a		Multivariate Model 8b	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Employment Class		0.636		0.723
Non-exempt (reference)				
Exempt	0.878 (0.641, 1.192)	0.409	0.970 (0.736, 1.268)	0.828
Public Safety	0.907 (0.618, 1.304)	0.609	0.866 (0.597, 1.227)	0.431

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 16: Comparing Factors Associated with Promotions (for Whites Employees) in 2021**

Model 9a: controlled for all variables.

Model 9b: controlled for all variables except Hourly rate, Hourly rate squared, and Union.

	Multivariate Model 9a		Multivariate Model 9b	
	Adjusted OR (95% CI)	p-value	Adjusted OR (95% CI)	p-value
Years of Service (years)	0.873 (0.845, 0.903)	<0.001*	0.875 (0.847, 0.904)	<0.001*
Years squared	1.002 (1.001, 1.003)	<0.001*	1.002 (1.001, 1.003)	<0.001*
Hourly Rate (\$)	0.979 (0.953, 1.004)	0.096		
Hourly Rate squared	1.000 (1.000, 1.000)	0.026*		
Time (part time vs full time)	0.624 (0.347, 1.058)	0.081	0.625 (0.359, 1.021)	0.061
Employee Status (temporary vs permanent)	0.000	<0.001*	0.000	<0.001*
Union (represented vs non-represented)	1.046 (0.804, 1.370)	0.738		
Gender		0.090		0.102
Male (reference)				
Female	1.199 (0.970, 1.480)	0.092	1.185 (0.961, 1.458)	0.111
Unspecified	0.000	0.993	0.000	0.993
Employment Class		0.096		0.169
Non-exempt (reference)				
Exempt	0.707 (0.506, 0.977)	0.039*	0.772 (0.572, 1.028)	0.084
Public Safety	1.046 (0.807, 1.349)	0.733	1.044 (0.814, 1.331)	0.732

OR= Odds Ratio; \*.05 Significance level

Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data

**Table 17: Comparing Promotion Odds (Women of Color vs White Men) in 2021**

	Crude OR (95% CI)	p-value	~Adjusted OR (95% CI)	p-value
Women of Color vs White Men	1.608 (1.332, 1.939)	<0.001*	1.698 (1.379, 2.089)	<0.001*

OR= Odds Ratio; \*.05 Significance level

~Adjusted for years of service, years of service squared, employment class, time, and employee status.

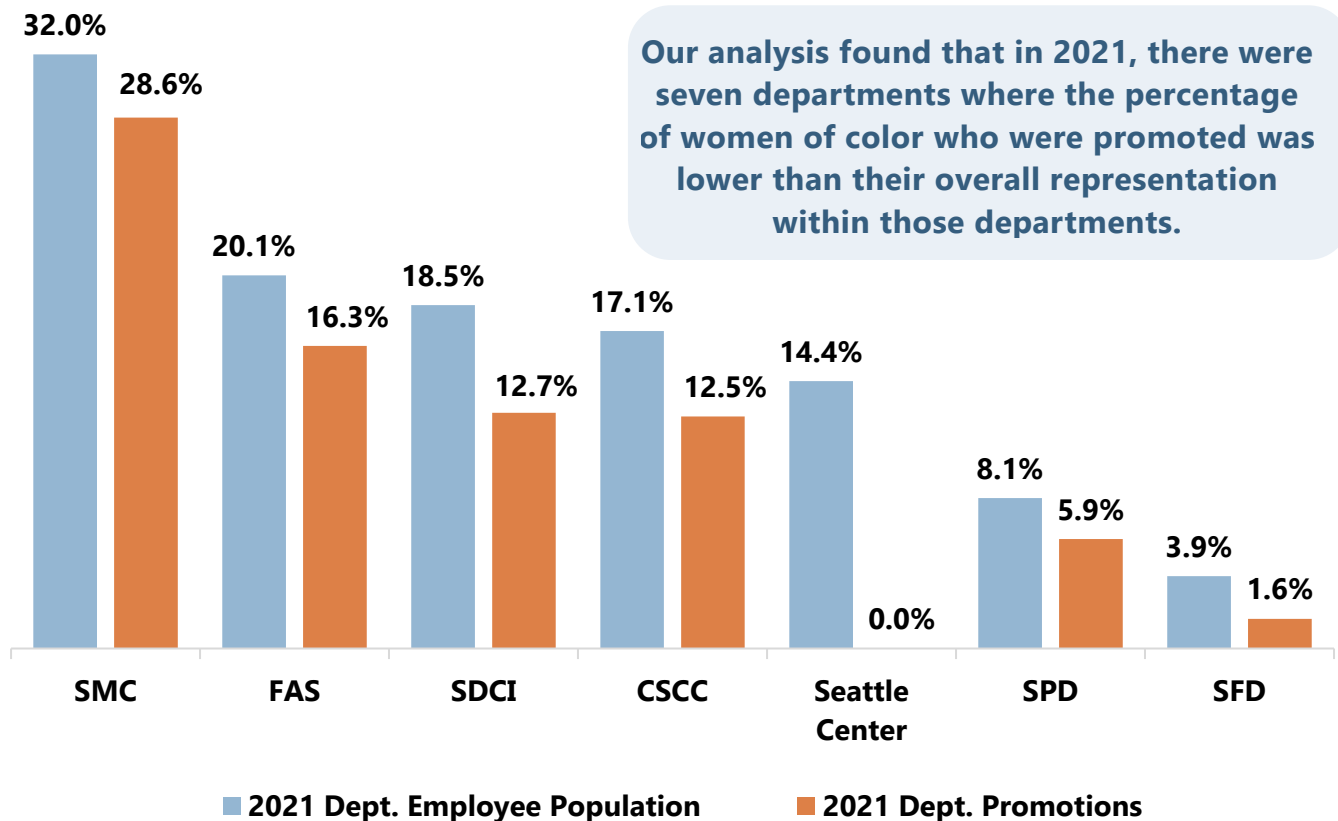
Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

## APPENDIX I

### Department-level Analysis of 2021 Promotion Data

We conducted descriptive analysis for department-level data by calculating the frequencies and percentages of promotions and reclassifications for the 18 City departments with over 100 employees in 2021 (see table below). The 18 departments represented about 96 percent of the City employee population, 95 percent of promotions, and 95 percent of reclassifications in 2021. We identified departments with more than two percentage point difference between the portion of women of color and their proportion of employees who were promoted in 2021. Our analysis found that in 2021 there were seven departments in which women of color were a lower percentage of promoted employees compared to their portion of the department employee population (more than two percent difference). These departments are Finance and Administrative Services (FAS), Seattle Department of Constructions and Inspections (SDCI), Seattle Police Department (SPD), Seattle Fire Department (SFD), Seattle Center, Seattle Municipal Court (SMC), and Community Safety and Communication Center (CSCC) (see Exhibit 11). We interviewed HR managers from FAS, SDCI, SPD, SFD, SMC, and Seattle Center. They explained that 2021 was a challenging year for their department due to the COVID-19 pandemic disruptions and cited some of the issues we discussed in this report as potential causes of the disproportionality.

#### Percentages of Women of Color in Promotions vs. Department Employees Population in 2021



Source: Office of City Auditor analysis of the City's 2021 employee population and promotion data.

## Department-Level Analysis of Promotions and Reclassifications by Gender and Race/Ethnicity in 2021

Eighteen departments (with >100 Employees) representing about 96 percent of the City workforce, 95 percent of promotions, and 95 percent of reclassifications in 2021.

<sup>^</sup>	All Employees Number (%)	Promotions Number (%)	Reclassification Number (%)
<b>Departments</b>			
<b>Community Safety and Comm Ctr Dept.</b>	<b>117 (0.9)</b>	<b>16 (1.7)</b>	<b>0</b>
Women of Unspecified Race	9 (7.7)	0	0
Women of Color	20 (17.1)	2 (12.5)	0
White Women	49 (41.9)	4 (25.0)	0
Men of Unspecified Race	7 (6.0)	0	0
Men of Color	5 (4.3)	2 (12.5)	0
White Men	27 (23.1)	8 (50.0)	0
<b>Seattle Dept. of Construction &amp; Inspections</b>	<b>426 (3.3)</b>	<b>55 (5.9)</b>	<b>5 (6.7)</b>
Women of Unspecified Race	14 (3.3)	2 (3.6)	0
Women of Color	79 (18.5)	7 (12.7)	0
White Women	86 (20.2)	16 (29.1)	2 (40.0)
Men of Unspecified Race	22 (5.2)	2 (3.6)	0
Men of Color	74 (17.4)	9 (16.4)	0
White Men	151 (35.4)	19 (34.5)	3 (60.0)
<b>Dept. of Education &amp; Early Learning</b>	<b>120 (0.9)</b>	<b>10 (1.1)</b>	<b>0</b>
Women of Unspecified Race	5 (4.2)	0	0
Women of Color	62 (51.7)	6 (60.0)	0
White Women	28 (23.3)	2 (20.0)	0
Men of Color	17 (14.2)	1 (10.0)	0
White Men	8 (6.7)	1 (10.0)	0
<b>Finance &amp; Administrative Services</b>	<b>578 (4.5)</b>	<b>49 (5.2)</b>	<b>3 (4.0)</b>
Women of Unspecified Race	8 (1.4)	2 (4.1)	0
Women of Color	116 (20.1)	8 (16.3)	2 (66.7)
White Women	134 (23.2)	10 (20.4)	1 (33.3)
Men of Unspecified Race	17 (2.9)	4 (8.2)	0
Men of Color	122 (21.1)	14 (28.6)	0
White Men	181 (31.3)	11 (22.4)	0
<b>*Seattle Fire Department</b>	<b>1109 (8.6)</b>	<b>62 (6.6)</b>	<b>1 (1.3)</b>
Women of Unspecified Race	2 (0.2)	0	0
Women of Color	43 (3.9)	1 (1.6)	0
White Women	106 (9.6)	8 (12.9)	0
Men of Unspecified Race	16 (1.4)	0	0
Men of Color	220 (19.8)	13 (21.0)	0
White Men	722 (65.1)	40 (64.5)	1 (100.0)
<b>Human Services Department</b>	<b>399 (3.1)</b>	<b>46 (4.9)</b>	<b>13 (17.3)</b>
Women of Unspecified Race	9 (2.3)	1 (2.2)	0



^	All Employees Number (%)	Promotions Number (%)	Reclassification Number (%)
Women of Color	160 (40.1)	29 (63.0)	3 (23.1)
White Women	138 (34.6)	11 (23.9)	8 (61.5)
Men of Unspecified Race	5 (1.3)	0	0
Men of Color	47 (11.8)	2 (4.3)	1 (7.7)
White Men	39 (9.8)	3 (6.5)	1 (7.7)
White Unspecified Gender	1 (0.3)	0	0
<b>Information Technology Department</b>	<b>612 (4.7)</b>	<b>34 (3.6)</b>	<b>3 (4.0)</b>
Women of Unspecified Race	7 (1.1)	1 (2.9)	0
Women of Color	104 (17.0)	12 (35.3)	0
White Women	119 (19.4)	5 (14.7)	1 (33.3)
Men of Unspecified Race	11 (1.8)	1 (2.9)	0
Men of Color	144 (23.5)	7 (20.6)	0
White Men	227 (37.1)	8 (23.5)	2 (66.7)
<b>Law Department (City Attorney's Office)</b>	<b>181 (1.4)</b>	<b>2 (0.2)</b>	<b>0</b>
Women of Unspecified Race	3 (1.7)	0	0
Women of Color	38 (21.0)	1 (50.0)	0
White Women	85 (47.0)	1 (50.0)	0
Men of Unspecified Race	3 (1.7)	0	0
Men of Color	8 (4.4)	0	0
White Men	44 (24.3)	0	0
<b>Legislative Department</b>	<b>103 (0.8)</b>	<b>3 (0.3)</b>	<b>5 (6.7)</b>
Women of Unspecified Race	1 (1.0)	0	0
Women of Color	29 (28.2)	2 (66.7)	0
White Women	30 (29.1)	0	3 (60.0)
Men of Color	9 (8.7)	0	0
White Men	33 (32.0)	1 (33.3)	2 (40.0)
Unspecified Gender and Race	1 (1.0)	0	0
<b>Seattle Municipal Court</b>	<b>228 (1.8)</b>	<b>14 (1.5)</b>	<b>1 (1.3)</b>
Women of Unspecified Race	2 (0.9)	0	0
Women of Color	73 (32.0)	4 (28.6)	1 (100.0)
White Women	70 (30.7)	6 (42.9)	0
Men of Unspecified Race	1 (0.4)	0	0
Men of Color	44 (19.3)	4 (28.6)	0
White Men	38 (16.7)	0	0
<b>Seattle Parks &amp; Recreation</b>	<b>1485 (11.5)</b>	<b>86 (9.2)</b>	<b>3 (4.0)</b>
Women of Unspecified Race	9 (0.6)	0	0
Women of Color	316 (21.3)	23 (26.7)	1 (33.3)
White Women	279 (18.8)	15 (17.4)	1 (33.3)
Men of Unspecified Race	16 (1.1)	0	0
Men of Color	492 (33.1)	32 (37.2)	1 (33.3)
White Men	372 (25.1)	16 (18.6)	0
Unspecified Gender and Race	1 (0.1)	0	0
<b>*Seattle Police Department</b>	<b>1600 (12.3)</b>	<b>119 (12.7)</b>	<b>4 (5.3)</b>

^	All Employees Number (%)	Promotions Number (%)	Reclassification Number (%)
Women of Unspecified Race	21 (1.3)	1 (0.8)	0
Women of Color	129 (8.1)	7 (5.9)	2 (50.0)
White Women	276 (17.3)	26 (21.8)	1 (25.0)
Men of Unspecified Race	56 (3.5)	5 (4.2)	0
Men of Color	337 (21.1)	30 (25.2)	0
White Men	778 (48.6)	50 (42.0)	1 (25.0)
Unspecified Gender and Race	2 (0.1)	0	0
White Unspecified Gender	1 (0.1)	0	0
<b>Seattle Center</b>	<b>591 (4.6)</b>	<b>5 (0.5)</b>	<b>0</b>
Women of Unspecified Race	6 (1.0)	0	0
Women of Color	85 (14.4)	0	0
White Women	136 (23.0)	1 (20.0)	0
Men of Unspecified Race	6 (1.0)	0	0
Men of Color	92 (15.6)	3 (60.0)	0
White Men	265 (44.8)	1 (20.0)	0
Unspecified Gender and Race	1 (0.2)	0	0
<b>Seattle City Light</b>	<b>1660 (12.8)</b>	<b>104 (11.1)</b>	<b>7 (9.3)</b>
Women of Unspecified Race	26 (1.6)	1 (1.0)	0
Women of Color	215 (13.0)	13 (12.5)	2 (28.6)
White Women	240 (14.5)	17 (16.3)	2 (28.6)
Men of Unspecified Race	87 (5.2)	7 (6.7)	1 (14.3)
Men of Color	391 (23.6)	26 (25.0)	1 (14.3)
White Men	700 (42.2)	40 (38.5)	1 (14.3)
Unspecified Gender and Race	1 (0.1)	0	0
<b>Seattle Dept. of Human Resource</b>	<b>106 (0.8)</b>	<b>6 (0.6)</b>	<b>4 (5.3)</b>
Women of Unspecified Race	5 (4.7)	1 (16.7)	0
Women of Color	36 (34.0)	2 (33.3)	0
White Women	36 (34.0)	1 (16.7)	4 (100.0)
Men of Unspecified Race	1 (0.9)	0	0
Men of Color	6 (5.7)	2 (33.3)	0
White Men	22 (20.8)	0	0
<b>Seattle Dept. of Transportation</b>	<b>1044 (8.1)</b>	<b>102 (10.9)</b>	<b>10 (13.3)</b>
Women of Unspecified Race	16 (1.5)	1 (1.0)	0
Women of Color	164 (15.7)	16 (15.7)	5 (50.0)
White Women	190 (18.2)	19 (18.6)	0
Men of Unspecified Race	19 (1.8)	4 (3.9)	0
Men of Color	312 (29.9)	31 (30.4)	1 (10.0)
White Men	340 (32.6)	31 (30.4)	4 (40.0)
Unspecified Gender and Race	1 (0.1)	0	0
Person of Color Unspecified Gender	1 (0.1)	0	0
White Unspecified Gender	1 (0.1)	0	0
<b>Seattle Public Library</b>	<b>629 (4.9)</b>	<b>56 (6.0)</b>	<b>3 (4.0)</b>
Women of Unspecified Race	9 (1.4)	1 (1.8)	0

^	All Employees Number (%)	Promotions Number (%)	Reclassification Number (%)
Women of Color	165 (26.2)	22 (39.3)	0
White Women	184 (29.3)	11 (19.6)	1 (33.3)
Men of Unspecified Race	9 (1.4)	0	0
Men of Color	125 (19.9)	15 (26.8)	1 (33.3)
White Men	125 (19.9)	6 (10.7)	1 (33.3)
Unspecified Gender and Race	2 (0.3)	1 (1.8)	0
Person of Color Unspecified Gender	3 (0.5)	0	0
White Unspecified Gender	7 (1.1)	0	0
<b>Seattle Public Utilities</b>	<b>1433 (11.1)</b>	<b>122 (13.0)</b>	<b>9 (12.0)</b>
Women of Unspecified Race	16 (1.1)	3 (2.5)	0
Women of Color	251 (17.5)	34 (27.9)	1 (11.1)
White Women	277 (19.3)	18 (14.8)	2 (22.2)
Men of Unspecified Race	23 (1.6)	1 (0.8)	0
Men of Color	398 (27.8)	37 (30.3)	2 (22.2)
White Men	466 (32.5)	29 (23.8)	4 (44.4)
Unspecified Gender and Race	1 (0.1)	0	0
White Unspecified Gender	1 (0.1)	0	0

^ may add up to less than or over 100% due to approximation

\* The Fire and Police departments consist of sworn police and uniformed fire employees in the Public Safety Civil Service System which makes and enforces rules and develops examinations for promotions (Public Safety Civil Service Commission [Rules of Practice and Procedure](#)).

Source: Office of City Auditor analysis of the City's 2021 employee population, promotion, and reclassification data

## APPENDIX J

### Seattle Office of City Auditor Mission, Background, and Quality Assurance

#### **Our Mission:**

To help the City of Seattle achieve honest, efficient management and full accountability throughout City government. We serve the public interest by providing the City Council, Mayor, and City department heads with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of Seattle residents.

#### **Background:**

Seattle voters established our office by a 1991 amendment to the City Charter. The office is an independent department within the legislative branch of City government. The City Auditor reports to the City Council and has a four-year term to ensure their independence in deciding what work the office should perform and reporting the results of this work. The Office of City Auditor conducts performance audits and non-audit projects covering City of Seattle programs, departments, grants, and contracts. The City Auditor's goal is to ensure that the City of Seattle is run as effectively, efficiently, and equitably as possible in compliance with applicable laws and regulations.

#### **How We Ensure Quality:**

The office's work is performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. These standards provide guidelines for audit planning, fieldwork, quality control systems, staff training, and reporting of results. In addition, the standards require that external auditors periodically review our office's policies, procedures, and activities to ensure that we adhere to these professional standards.

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## Legislation Text

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**File #:** Inf 2327, **Version:** 1

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Update on the Generational Wealth Initiative



# Memo

**Date:** September 15, 2023

**To:** The Honorable Members of Seattle City Council

**From:** Jenifer Chao, Interim Director, Department of Neighborhoods  
Melia Brooks, Division Director, Community Innovations, DON  
Jackie Mena, Manager, Community Wealth & Investments, DON

**Subject:** DON-002-A-002 Equitable Economy & Community Wealth Building SLI Final Report

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## **Project Background and Context**

The City of Seattle's Generational Wealth Initiative was developed to find community-centered solutions to the longstanding racial wealth gap between residents from different racial backgrounds. Our funding and mission are the result of a community taskforce investment sparked by the 2020 protests following the murder of George Floyd. As such, our initiative is rooted in the movement for racial justice.

During fall 2021, Seattle City Council issued a Statement of Legislative Intent (SLI) that further supported the mission of the initiative by requesting that the Department of Neighborhoods (DON) prepare a report on "community wealth building and equitable economy strategies to reduce the racial wealth gap." Council requested that DON partner with City departments and consultants to provide "a comprehensive evaluation of the City's programs," identify "gaps and opportunities to more effectively deliver programs and services to the community," and make recommendations for how the City can "provide a consistent ladder out of poverty."

In May 2022, DON selected People's Economy Lab, Headwater People, and The Vida Agency through a competitive Request for Proposals process to support the Generational Wealth Initiative in producing the attached report.

## **Report Development**

The Department of Neighborhoods with support from Headwater People convened a Black, Indigenous, People of Color (BIPOC) Generational Wealth Building Roundtable composed of community leaders, entrepreneurs, and active changemakers representing various BIPOC communities and neighborhoods throughout Seattle. The group was engaged for a period of 14 months to identify key areas of interest for data collection and to provide guidance on research priorities, strategies, and case studies.

Since December 2021, the Department of Neighborhood, with the support of The Vida Agency, partnered with City departments to build structures for long-term collaboration and learning.



Participating City departments included the Office of Economic Development, the Office of Housing, the Human Services Department, the Office of Planning and Community Development, the Department of Finance and Administrative Services, Office for Civil Rights, Seattle Public Utilities, the Office of Arts and Culture, and the Department of Education and Early Learning. City departments helped identify current wealth building strategies and programs, elevated common barriers, identified opportunities to be more effective, and shared findings from past community engagement efforts. These reflections are integrated in the final report; and departments had an active role in contributing to and reviewing the information included in the report.

People's Economy Lab (PEL) served as the research team, exploring community wealth building efforts in other cities, and integrating those findings with local perspectives. PEL worked with our many stakeholders to explore the varied dimensions of wealth building and was able to develop a wealth building framework for the City of Seattle that reflects both community and City perspectives. PEL served as the primary author of the final report and recommendations, bringing together the contributions of our community stakeholders, consultants, and departmental teams.

This report provides strong recommendations that will help inform how the City moves forward in addressing the racial wealth gap in Seattle. That strength comes from direct feedback from the communities most impacted by extractive economic systems, as well as perspectives from City staff and community-based organizations working to implement solutions. The proposed investments and framework aim to address systems of entrenched inequity and outline bold actions Seattle can take to build a more equitable city.

# BIPOC Generational Wealth Building Strategies Research & Analysis Project - Report for Seattle City Council

August 2023

*Written by: People's Economy Lab*

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# Executive Summary

## Closing the Racial Wealth Gap

This project envisions a Seattle where all residents, no matter their race or ethnicity, can access the resources they need to survive and thrive; a Seattle where every individual, family, and community has equitable opportunities to build and retain wealth for financial and economic stability.

However, hundreds of years of structural racism have deprived Black, Indigenous, and other communities of color (BIPOC) of assets and resources that accumulate and transfer from one generation to the next. The racial wealth gap results from the compiled effects of four centuries of systemic racism that have produced the enclosure of economic power and wealth within white communities and stripped power and wealth from communities of color. ***As a result, 33.1% of Black households and 27.4% of Latino families report having zero net worth, and Native American communities don't even show up in the data.***

## Understanding The Racial Wealth Gap

The racial wealth gap is an immense and complex problem with deep structural roots spanning generations. No matter how hard they work to overcome them, BIPOC communities face persistent obstacles across the dimensions of family wealth building. Critical factors that contribute to wealth accumulation are not accessible to them; the generative wealth life cycle that white families experience is not a reality for them; and the factor most predictive of wealth generation, the stock of wealth from parents or grandparents, is limited or insignificant for them.

## The Role of Cities in Addressing the Racial Wealth Gap

Transformational system change at a national, and even global, scale is necessary to solve the racial wealth gap, and municipal governments have the opportunity and obligation to lay the groundwork for this locally. City governments have a responsibility to use their power to address persistent, systemic conditions that limit access to wealth for BIPOC communities and to combat long-standing patterns that perpetuate structural barriers to wealth building for them. The City of Chicago, a civic partnership in Atlanta, major institutions in Cleveland, and other cities have all met this moment with action by supporting BIPOC-led Community Wealth Building strategies. Seattle can do this as well, by adopting a comprehensive strategy for transformation locally and creating the systems and culture within our institutions to drive sustained and effective implementation led by BIPOC communities.

## Recommended Approach: Community Wealth Building

This report recommends the City of Seattle adopt Community Wealth Building, an economic development model that transforms local economies by creating *direct community ownership*

*and control of productive assets.* The current affordability crisis Seattle faces is rooted in the extractive nature of our local economy which has been designed over hundreds of years to benefit white communities at the expense of BIPOC communities. Adopting Community Wealth Building as the City's guiding framework will lay the foundation for a restorative economic system where democratic ownership can advance equity, and social and racial justice. The Community Wealth Building strategies we propose for Seattle are:

- Broad-based Worker Ownership
  - ensuring workers receive a fairer share of the wealth they help create for businesses where they are employed
- Access to Affordable Capital and Community Controlled Capital
  - supporting lending, investment, and endowment funds that give underserved communities the power to govern and control how capital is allocated
- Community Ownership of Real Estate
  - leveraging shared property ownership for the “common good” of a defined community
- Progressive Procurement
  - bringing together local governments and place-based anchor institutions to recirculate wealth in their communities through intentionally equitable and regenerative procurement practices
- Equitable Small Business Ecosystems
  - addressing structural barriers that curtail access and opportunity for business owners of color, women entrepreneurs, people with low incomes, and businesses located in under-invested neighborhoods
- Asset Building and Wealth Retention Programs
  - investing in comprehensive intergenerational programs designed to reduce the rate of real property loss by BIPOC communities through education, intergenerational financial management, tax management, and innovative options to leverage their assets

These strategies were identified by People's Economy Lab after researching the efforts of cities across the world and connecting them back to the priorities that have been elevated by our local BIPOC communities.

## **Recommended Actions**

Three immediate steps the City of Seattle can take to implement this work include:

1. Commit to Community Wealth Building as the City's guiding framework and strategy to advance generational wealth building for BIPOC communities through *legislative action, integration in the One Seattle comprehensive plan, and funding to build out a formal Community Wealth Building initiative.*
2. *Honor the commitment to make substantial investments over 10 years through a complete pathway for BIPOC communities to gain ownership and control of their*

*productive assets. This includes direct investments in BIPOC-led and-serving organizations, funding community wealth building pilot projects, and a Community Wealth Ecosystem Building Program that supports an interconnected network of partners that provide high-quality, specialized, and culturally-relevant capacity building and technical assistance services.*

3. Retain and recirculate City spending locally and equitably in BIPOC communities through a *formal commitment with targets, transparency, and a clear plan for implementation.*

Realizing the recommended actions and adopting Community Wealth Building as the City's guiding framework will require shifts in how the City does business, how and where the City invests, and what policies govern Seattle. **This report recommends the City of Seattle dedicate 30 million dollars annually for 10 years in order to advance Community Wealth Building and begin to remedy the impacts of the racial wealth gap locally.**

People's Economy Lab presents these findings and recommendations based on 15 months of external research and analysis, community-based participatory research, guidance from the BIPOC Generational Wealth Building Community Roundtable, learnings from eight ongoing Community Wealth Building pilot projects, and input and support from Headwater People Consulting, the Vida Agency, the City of Seattle Department of Neighborhoods, Office of Economic Development, Department of Housing, Generational Wealth Building Interdepartmental Team, and the Democracy Collaborative.



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# Understanding Wealth and the Racial Wealth Gap

The racial wealth gap is traditionally understood as the disparity in wealth (the difference between an individual or families' gross assets and their liabilities) between white people and people of color, particularly Black, Latino, and Indigenous people in the United States. Hundreds of years of structural racism have deprived Black, Indigenous, and other communities of color of assets and resources that accumulate and transfer from one generation to the next. The racial wealth gap results from the compiled effects of four centuries of systemic racism that have produced the enclosure of economic power and wealth within white communities and stripped power and wealth from communities of color.

The modern process of wealth extraction in the U.S. began in the second half of the 17th century when European settlers stripped Indigenous peoples of their lands and sovereignty and enslaved Africans, preventing them from fully participating in the economy and reaping the fruits of their own labor. Throughout U.S. history, government has implemented public policies with the purpose of building wealth for white Americans while impeding wealth building opportunities for Indigenous and people of color. Examples include the 1862 Homestead Act, which granted more than 270 million acres of land to private citizens and displaced Native Americans, and the 1935 Social Security Act, which established new retirement and unemployment support for workers but excluded 65% of the African American workforce.

In the 1970s, elected officials implemented a series of “neoliberal” government policies and programs that resulted in tax cuts for the wealthy, deregulation and financialization, the removal of social safety nets and withholding of affordable healthcare, mass incarceration, and the reduction of worker bargaining power. While less explicit than direct seizure of land and labor, these policies, when aligned with corporate consolidations, reduced competition, and stronger influence of the wealthy in politics, have led to steep increases in the racial wealth gap.

Economic exclusion and the racial wealth gap are reinforced by generations of injustice in employment, housing, education, health, and government policies. As beneficiaries of these explicit and implicit historical legacies, white people have gained and retained significantly more wealth and capital assets over generations than people of color. Researchers estimate that the typical white family today has twelve times the wealth of the typical Indigenous family, eight times the wealth of the typical Black family, and five times the wealth of the typical Latino family.

## Racial Wealth Realities in Seattle

Seattle is one of the most prosperous, educated, and politically progressive major cities in the United States. However, our local histories and socio-economic realities reflect the dominant arc of racial injustice that we see across the nation. Prosperity Now's 2021 report, [“The Racial Wealth Divide in Seattle,”](#) aptly describes the persistent and yawning economic inequality in our city:

*“Seattle touts a healthy economy and is one of the fastest growing major cities in the US. But the economic prosperity and wealth that has come from these two points has not been spread out equally. While Seattle has a rich, growing and diverse population and a culture that appears progressive, people and communities of color remain on the margins of the rising economy. When comparing Seattle’s white residents to residents of color, we see massive income and wealth gaps, racially disparate unemployment rates and higher rates of cost-burdened renters. As in most major U.S. cities, inequality in Seattle has been ingrained in the economic and social growth since the city’s inception.”*

Although local wealth data is fairly limited, the report highlights clear indicators of the significant economic disparities that are experienced by BIPOC communities in Seattle (2020):

- 33.1% of Black households and 27.4% of Latino families report having zero net worth
- Median income for families of color is significantly lower than that of white families:
  - 67% lower for Indigenous families
  - 58% lower for Black families
  - 33% lower for Latino families
- While the homeownership rate was 51% for white families, it was:
  - 29% for Indigenous families
  - 27% for Latino families
  - 26% for Black families

Better information is needed to disaggregate this data to better understand the differences within and between race/ethnicities and refugee/immigrant countries of origin, including but not limited to the Asian Pacific Islander community.

## Generational Wealth Building

We must understand the dynamics of generational wealth within the dominant capitalist economy if we want to comprehend the racial wealth gap and identify strategies to address it.

We used McKinsey & Company’s wealth-generation framework for families to guide our understanding of family wealth building. This framework was developed in 2018 after a literature review of more than 100 studies and articles that explore the racial wealth gap and was published in the firm’s August 2019 report, *The Economic Impact of Closing the Racial Wealth Gap*.<sup>1</sup> It asserts that four elements account for the majority of a family’s ability to build wealth across a generation:

1. **Community Context** - *Where families begin the wealth-building process.* Each community is composed of the collection of public and private assets that overlap with its

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<sup>1</sup> Noel, Nick., Pinder, Duwain., Stewart III, Shelley., Wright, Jason. *Economic Impact of Closing the Racial Wealth Gap*. McKinsey and Company, August 2019.

economic, social, cultural, and political networks and institutions and reinforce existing socioeconomic patterns.

2. **Family Wealth** - *How families develop the stock of wealth available to them.* This wealth reflects the net value of a family's pool of financial and nonfinancial assets. For example, the value of a family's home, small business, and retirement accounts plus a family's liquid assets, less the value of its credit card debt, business loans, and student loans, would make up that family's wealth.
3. **Family Income** - *Cash flow a family receives* from entrepreneurship or its members' participation in the labor market.
4. **Family Savings** - *How families interact with the rules that govern savings and wealth creation*, as well as the tools and benefits that families can access to manage household expenses, smooth consumption, and add to family wealth and community context.

Ideal wealth-building scenarios require favorable circumstances across all four of these dimensions. However, due to entrenched systemic racism, wealth building for Black, Latino, and Indigenous families is constrained by unmet needs and obstacles across these dimensions compared with white families, driving a widening racial wealth gap. Factors that contribute to wealth accumulation are heavily affected by structural racism and include:

1. Intergenerational transfers of wealth within families
2. Conditions where one lives, such as poverty rates, home values and housing segregation
3. Geographic and financial barriers to human capital formation (e.g., elevated costs for education limited job prospects in region)
4. Discrimination in labor markets and/or racially motivated segmentation
5. Racial biases in policies and practices of government, institutions, and the private sector

## Closing the Racial Wealth Gap

Our research on generational wealth building has made it clear that the racial wealth gap is an immense and complex problem with deep structural roots spanning generations. No matter how hard they work to overcome them, BIPOC communities face obstacles across the dimensions of family wealth building. As a consequence of these realities, BIPOC communities are largely inhibited from access to wealth generation. This is a systemic, national, and multigenerational problem that will require a solution at the same level to solve it. Our research affirms the conclusions of [\*What We Get Wrong About Closing the Racial Wealth Gap\*](#), a 2018 report from Samuel DuBois Cook Center on Social Equity at Duke University:

“We contend that the cause of the gap must be found in the structural characteristics of the American economy, heavily infused at every point with both an inheritance of racism and the ongoing authority of white supremacy... For the gap to be closed, America must undergo a vast social transformation produced by the adoption of bold national policies,

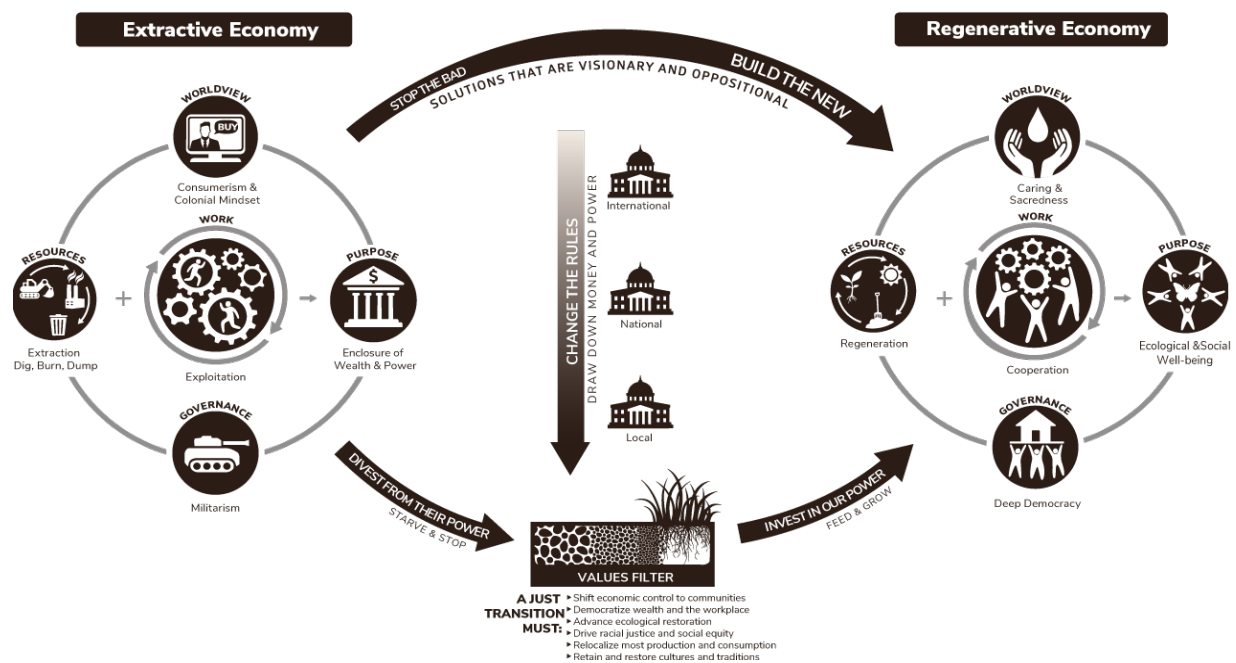
policies that will forge a way forward by addressing, finally, the long-standing consequences of slavery, the Jim Crow years that followed, and ongoing racism and discrimination that exist in our society today.”

## Wealth in the Restorative Economy

While we recognize that transformational system change at a national scale is the only lasting solution to the racial wealth gap, we contend that municipal governments have the opportunity and obligation to lay the groundwork. City governments have a responsibility to use their power to address persistent, systemic conditions that limit access to wealth for BIPOC communities and to combat long-standing patterns that perpetuate structural barriers to wealth building for them.

To do this effectively, city governments should adopt comprehensive strategies for transformation locally and create the systems and culture within their institutions to drive sustained and effective implementation. We believe that this work should be rooted in a commitment to Restorative Economics and a renewed vision of wealth that is in harmony with the Just Transition Framework.

The [Just Transition Framework](#), described by Oakland, California collective Movement Generation, asserts that each economy has a purpose, an outcome that we choose to manage toward. It may be the accumulation of money and the enclosure of wealth and power, which we see in practice here in Seattle and many places across the world. But the purpose can also look different. We can design an economy and manage it toward universal well-being, healthy soil and food, clean water and air, and justice and freedom. This project envisions a Seattle economy with a purpose rooted in well-being and justice.



([Just Transition Framework](#) by Movement Generation)

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## Community Wealth Building

Community Wealth Building (CWB) is an economic development model, described by Democracy Collaborative, that transforms local economies by giving communities direct ownership and control of their productive assets. CWB is a way of organizing our local economies to ensure that they genuinely work for all people. As described above, the crises we face, such as the racial wealth gap, are driven by the extractive nature of our dominant economic system, which is characterized by concentrated ownership, community disinvestment, attacks on labor, environmental degradation, and structural social and racial injustice. CWB addresses these realities by laying the groundwork for an economic system where broad and democratic ownership supports equity, and social and racial justice.

According to Brookings report, *The Emerging Solidarity Economy*:

“For as long as these inequities in wealth and ownership have tainted America’s economic fabric, Black families and other economically excluded populations have piloted collective ownership models—including communal farming plots, Black commons, Freedom Farms, Black credit unions, mutual aid networks, and community land trusts. These models are not only about collective ownership of property, but also about fostering community self-reliance, community-led development, and redistributing power from exploitative systems.”

The Community Wealth Building framework is especially powerful as the defining framework of a local government. It challenges the failing approaches that have been widely accepted in American economic development and addresses wealth inequality at its core.

It achieves this through the following five pillars of direct intervention into local economies:

1. **Inclusive and Democratic Enterprise.** Cities should have multiple forms of worker and consumer cooperatives, social enterprises, public ownership, municipal enterprise, and more, based on the recognition that the ownership of productive capital is at the heart of where power lies in any political-economic system.
2. **Locally Rooted Finance.** Cities and local institutions should redirect money in service of the real economy through public and community banks, credit unions, and targeted public pension investments.
3. **Fair Work.** Every worker must receive a living wage and real power in, and control of, their workplace for decent work conditions and advancing trade union rights.
4. **Just Use of Land and Property.** Cities should mobilize land and property assets to build real wealth in communities, bring local land and real estate development back under community control, and combat speculation and displacement.

5. **Progressive Procurement.** Local governments and place-based “anchor institutions” should lead with procurement practices that re-localize economic activity, build local multipliers, and end leakage and financial extraction.

According to Democracy Collaborative:

“Community Wealth Building keeps hard-earned wealth in the hands of the people and communities that create it in the first place. Instead of extraction and exploitation, CWB creates an economy that produces equity as its everyday, natural function – and in doing so, shifts the behavior and attitudes of people, communities, cities, and potentially the United States as a whole.”

## Community Wealth Building in Other Cities

Cities across the nation and the world have embraced CWB as their core strategy to transform their economy and anchor power in disenfranchised communities. We have identified the following as valuable examples of how CWB is being harnessed by city governments, BIPOC communities, and other stakeholders.

### Chicago, Illinois

In 2019, newly elected Mayor Lori Lightfoot took office, leading an administration determined to address the city’s racial wealth gap and the lack of investment in traditionally Black and Latino communities. They created the Office of Equity and Racial Justice (OERJ) and appointed the city’s first-ever chief equity officer, tasked with achieving “equity in the city’s service delivery, decision-making, and resource distribution.” The OERJ identified Community Wealth Building as a key means for transformative change that can finally deliver inclusive development with equity and justice at its core. They engaged the Democracy Collaborative to help focus and advance a comprehensive Community Wealth Building strategy and action plan to position Chicago as a national leader in equitable, inclusive, and sustainable economic development.

In September 2022, the City of Chicago launched the Community Wealth Building Pilot, a \$15 million program to create opportunities for low-income residents to build wealth through shared asset ownership. The pilot program, supported by funding from the Chicago Recovery Plan, is addressing access to business ownership, home ownership, land stewardship, and commercial real estate by investing in organizations that are starting and sustaining Community Wealth Building models, including:

1. **Worker Cooperatives (Business Ownership)** – Businesses owned & democratically controlled by their employees, rather than by one owner, several partners, or outside shareholders
2. **Limited-Equity Housing Cooperatives (Home Ownership)** – Housing owned & managed by a cooperative made up of low-income members who each purchase shares at below-market rates



3. **Community Land Trusts (Land Stewardship)** – Organizations governed by community that own land in perpetuity while residential and commercial tenants own or rent the structures atop the land via a 99-year ground lease
4. **Community Investment Vehicles (Commercial Real Estate)** – A legal investment mechanism that provides collective community investment in neighborhood assets based on shared development goal(s)

## Atlanta, Georgia

In 2017, in response to the continuing crisis of inequity confronting Atlanta, the Kendeda Fund and the Annie E. Casey Foundation relaunched the Atlanta Wealth Building Initiative (AWBI), an intermediary that seeks to achieve shared prosperity by closing the racial wealth gap through Community Wealth Building strategies. The AWBI is a community of investors, advocates, and activists working to transform systems and structures of capital to create opportunities for African Americans and people of color in Atlanta and across the South. It promotes understanding of Community Wealth Building strategies to cultivate the engagement, capacity, and leadership necessary to shape a new economic narrative in Atlanta. It also aims to re-engineer and redesign Atlanta's economic ecosystem so that all sectors consider how to integrate the economic well-being of its most disenfranchised families and communities into their strategy and operations. The AWBI:

1. **Leads by advancing bold ideas** - Introduces new and innovative economic empowerment models to the Atlanta market, including new concepts and ideas that push against the status quo, as well as Community Wealth Building practices and approaches that have proven successful in other places.
2. **Builds by activating people** - Convenes communities of practice that bring partners together to explore and implement innovative Community Wealth Building strategies.
3. **Invests by deploying capital equitably** - Creates innovative financial products such as loans, grants, and credit enhancements that it uses to fund and facilitate Community Wealth Building projects.

Since 2018, AWBI has invested more than \$2M in exploratory and planning grants to advance the work of key partners with the mission to elevate Community Wealth Building as a viable and leading economic development strategy, particularly through the enhancement and growth of Black-owned businesses.

## Cleveland, Ohio

The Greater University Circle Initiative, which includes the City of Cleveland, Cleveland Foundation, anchor institutions, community-based organizations, and other civic leaders, came together in 2007 to spur an economic breakthrough in Cleveland by creating living wage jobs and asset-building opportunities in six low-income, predominantly Black neighborhoods. The initiative partnered with Democracy Collaborative to develop progressive procurement and worker-owned enterprise strategies. They created the Evergreen Cooperatives, a network of green industrial enterprises that supply goods and services to large local anchor institutions like

the Cleveland Clinic and Case Western University. Evergreen launched in 2009 and is owned by its employees, the vast majority of whom are Black, largely returning citizens, who live in nearby historically underserved and under-resourced neighborhoods.

The initiative is built on five strategic pillars:

1. Leveraging a portion of the multi-billion dollar annual business expenditures of anchor institutions into the surrounding neighborhoods
2. Establishing a robust network of Evergreen Cooperative enterprises based on Community Wealth Building and ownership models designed to service these institutional needs
3. Building on the growing momentum to create environmentally sustainable energy and green-collar jobs
4. Linking the entire effort to expanding sectors of the economy (e.g., health and sustainable energy) that are recipients of large-scale public investment
5. Developing the financing and management capacities to take this effort to scale, and move beyond a few boutique projects or models in order to have significant municipal impact

After more than a decade in existence, Evergreen Cooperatives has thrived, adding three more cooperatives to its ranks, growing from two companies with a total of 18 worker-owners in 2010 to five companies with approximately 320 worker-owners. Worker-owners are paid 20-25% higher wages than employees at the cooperative's competitors.

Based on these examples from Chicago, Atlanta, and Cleveland, the Community Roundtable guided us as research consultants to dive deeper into a whole-city approach to the way we think about Community Wealth Building Strategies for Seattle

## **A Community Wealth Building Framework for Seattle**

As People's Economy Lab (PEL) explored various CWB strategies to address each of the focus areas and priorities set by the Community Roundtable, we identified six strategies for BIPOC communities in Seattle that we believe can most effectively meet the goals identified in our research and community engagement.

### **Broad-based Worker Ownership**

Broad-based worker ownership structures are arrangements that ensure workers receive a fairer share of the wealth they help create for businesses where they are employed. These programs, which reward workers based on a company's collective performance rather than on individual performance, help raise wages, generate wealth among workers, sustain quality jobs, and build stronger businesses. Research shows that these programs support the long-term stability and profitability of local businesses and even do a better job boosting firm-level productivity than does performance pay for individual workers. The most common forms of

employee ownership in the U.S. are employee stock ownership plans, worker cooperatives, and employee ownership trusts.

This strategy stabilizes and builds family wealth by providing access to business ownership and supporting consistent employment.

Examples:

- Evergreen Cooperatives
- NYC Worker Cooperatives Development Initiative

## Access to Affordable Capital and Community-Controlled Capital

Access to affordable capital is a challenge for BIPOC communities due to historical discrimination, biased lending decisions, limited networks, and power dynamics where the source of capital controls decisions. Industry concentration, credit history disparities, and financial education gaps worsen the situation, underscoring the need for policy changes, diverse representation in finance, and targeted support programs to counter these systemic issues. Community-controlled capital models are lending, investment, and endowment funds that give underserved communities the power to govern and control how capital is allocated. They aim to democratize capital and shift economic power to people who are normally excluded or marginalized from the financial system. These funds are accountable to community priorities and plans and are owned and controlled by the people they serve. Expanding community-controlled capital is a powerful way to reframe power relationships and capital flows, and to model how equitable and restorative financial systems can work.

This strategy builds family wealth by increasing business income and value through accessible and affordable capital and investment opportunities.

Examples:

- Real People's Fund
- The Ujima Fund - Boston Ujima Project

## Community Ownership of Real Estate

Community Ownership of Real Estate is a set of strategies and structures that leverage shared property ownership for the “common good” of a defined community. What is meant by the “common good” varies but often includes preserving affordability, building wealth, and harnessing control of local assets. These strategies include models and structures with diverse governance entities and degrees of democratic decision making. Some are focused on housing, while others are focused on commercial real estate. The definition of “community” varies based on the model. Most models stipulate geographic boundaries while some prioritize specific groups of residents, particularly those with lower incomes. The nature of “ownership” also varies from model to model. In general, the benefits and obligations of ownership are shared between individuals and the community, enabling the community to pool resources, often using a system

of shares. Shares belonging to individuals then represent equity that can be grown, traded, or borrowed against.

This strategy builds family wealth by reducing and stabilizing the cost of housing, providing accessible and affordable residential and commercial real estate ownership opportunities, and supporting business income through the reduction and stabilization of business costs.

Examples:

- U-Lex Affordable Residential Cooperative - Homesight
- LA Community Owned Real Estate - Inclusive Action for the City

## Progressive Procurement

Progressive procurement practices are strategies that bring together local governments and place-based anchor institutions to recirculate wealth in their communities through intentionally equitable and regenerative procurement practices that re-localize economic activity, build local multipliers, and end leakage and financial extraction. These strategies harness the immense spending power of governments and anchor institutions to keep progressively larger proportions of the amount that these institutions spend in the local economy. Procurement is specifically channeled towards firms and institutions that shift power to individuals and families largely excluded from power in the dominant economy, including worker-owned cooperatives and social enterprises.

This strategy builds family wealth by increasing business income and value through accessible sources of revenue, and stabilizing family income through consistent employment.

Examples:

- The Cleveland Model
- Preston, UK

## Equitable Small Business Ecosystems

Small business ecosystems are high-functioning local networks of allied organizations that generate the conditions and supports all entrepreneurs need to thrive, to launch and expand their businesses, and to sustain them in the face of impediments to growth and economic shocks. These conditions include access to affordable capital, technology, markets, capacity building, and affordable retail space. Building an equitable ecosystem for small business means actively identifying and addressing structural barriers that curtail access and opportunity for business owners, particularly business owners of color, women entrepreneurs, people with low incomes, and businesses located in under-invested neighborhoods.

This strategy builds family wealth by increasing business income and value through access to resources and services that help increase business revenues and reduce costs.

Examples:

- African American Entrepreneurs Institute - Main Street Launch
- BIPOC Economic HUBS - African Careers, Education & Resources Inc.

## Asset Building and Wealth Retention Programs

WRAP programs are comprehensive intergenerational programs designed to reduce the rate of real property loss by BIPOC communities by educating them about their property and estate planning, intergenerational financial management, tax management, and innovative options to leverage their assets. These programs focus on advancing economic justice for people of color by providing robust and restorative human capital support that removes traditional work silos and fills gaps created by structural racism in the dominant economy.

This strategy builds family wealth by preventing the loss of value of assets, growing the value of assets, generating revenue from assets, and reducing the costs associated with valuable assets.

Examples:

- Black Family Land Trust Inc. - WRAP Program
- LISC Jacksonville - Family Wealth Creation Program

## The Limits of Community Wealth Building Alone

Our report focuses on building generational wealth for BIPOC communities through a Community Wealth Building framework. This is a necessary component of reducing the racial wealth gap, but we recognize the strategies of CWB alone are insufficient. For example, growing BIPOC wealth at a linear rate while white wealth is growing at an exponential rate, or even at the same linear rate, is not sufficient to reduce the current gap. A comprehensive approach to closing the racial wealth gap must include complimentary approaches to addressing the systemic drivers that have cemented disparities. This includes policies that constrain the continued growth of and redistribute the wealth and power of those already in a dominant position while also focusing on building community wealth. There must be action on the global, national, state, and local levels to address systemic factors in:

- **Democracy** – Rolling back voter suppression and gerrymandering nationwide
- **Capital** – Limiting the global waves of capital/finance that have disrupted local economies
- **Work** – Strengthening worker power through worker ownership, unions, and their standing in law above the needs of corporations and shareholders
- **Public Goods** – Public provisioning of basic needs for disabled people, elderly people, and other people with fixed incomes, as well as the general public (e.g. free education, healthcare, basic food, housing, transportation etc.)

- **Security** – Protection from things that can punch through generational wealth, like skyrocketing housing costs, health events or deaths of income earners, weather/climate disruptions, and other tragedies
- **Taxation** – Creating progressive wealth and income taxes, limits on income ratios between highest and lowest paid employees, or limits on excessive compensation



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## Building Economic Resilience in Seattle

To be effective, efforts to advance BIPOC wealth building must address the unique needs, challenges, and realities of communities that experience racialized economic injustice. Over many years, City of Seattle departments have worked with community partners to identify where the system is working against communities of color, where organizations are facing barriers, and where residents are finding gaps in the resources available. This section of our report elevates the experiences of BIPOC community members that have engaged with the City and participated in the Generational Wealth Initiative, and it identifies key actions BIPOC believe will best support economic resilience for our local communities.

### BIPOC Small Business Cohorts and Engagement

In an already inequitable small business landscape, BIPOC-owned small businesses experienced some of the harshest impacts of the 2020 coronavirus pandemic. Data from the Federal Reserve Bank of New York show Black-owned businesses were twice as likely as white-owned businesses to permanently close during the pandemic. The Office of Economic Development (OED) has worked closely with neighborhood business district leaders through the years to understand the challenges they face. In 2021, they brought leaders from the City's equity districts together to explore community wealth building models as a way to promote economic resilience coming out of the pandemic. The discussions reinforced that commercial affordability and community/business ownership were priorities for BIPOC entrepreneurs who were being challenged by rising rents and rampant displacement from commercial spaces. BIPOC entrepreneurs also emphasized the need to break down silos in the City and build accountability between community and government. They highlighted the power of organizing, the need for coalition building among local businesses to support equitable development in Seattle, and they elevated specific strategies for their neighborhoods. The discussions resulted in the development of the Business Community Ownership Fund and in a continuum of strategies to support community ownership of real estate and access to affordable capital.

OED continued engaging BIPOC stakeholders throughout 2022 and 2023, bringing together cohorts of small businesses, business district leaders, and community grantees to organize and build power. Together the cohorts developed shared demands that would support a more racially just economic development system in Seattle.

The demands described a need for:

1. power-sharing structures and more investments in engaging BIPOC stakeholders
2. stronger networks for accessing resources, and
3. scaling investments and exploring models for supporting wealth building and economic justice.

Fundamental to the guidance of stakeholders was the intersectionality of their needs. They recognized that the work of other departments, in addition to OED, was critical to achieving racial equity. Strategies like land trusts and tenant organizing were identified by the cohorts, overall naming the need for more interdepartmental collaboration focused on supporting economic and racial justice comprehensively at the City.

## **Generational Wealth Initiative Community Roundtable**

The Generational Wealth Initiative Community Roundtable was brought together in June 2022 to help identify how the City of Seattle could address the racial wealth gap locally and help BIPOC communities build generational wealth. Participants represent community members, small business owners, non-profit leaders, and housing developers. Some members currently serve on the City's equity-focused advisory groups and others are engaging formally with the City for the first time.

Similar to the feedback collected by OED over the last few years, roundtable members recognized generational and community wealth building as highly intersectional and pointed to the need for resources in the areas of education, workforce, business supports, health, and housing.

Education and learning in particular was strongly emphasized by the group especially as it relates to the transfer of knowledge within a community and intergenerationally within families. They identified the need for both formal and informal pathways to opportunity, including mentorship, access to affordable higher education, exposure to trades through apprenticeships, and re-entry programs for the formerly incarcerated in their list of ideas. They also described the need for early investments in future generations, encouraging the City to strengthen investments in early childhood education, banking programs for youth, and the development of programs that support wealth building education for families.

For roundtable members, generational and community wealth building efforts were deeply connected to reparations. They recognized the need for these investments to support healing and trust building. Though communities saw the need for BIPOC communities to grow wealth, they also advocated that solutions to the racial wealth gap take into account history and provide a space for communities to imagine their own futures in ways that connect to their cultures and experiences.

## **Generational Wealth Initiative Pilot Projects**

With funding allocated by the Equitable Communities Initiative Taskforce, the Department of Neighborhoods funded community pilots that support BIPOC Wealth Building Education and Empowerment and aim to advance the strategies identified for community wealth building in Seattle. These investments are structured to support a collaborative model for working with communities, one that shares power and grows the capacity for community-based organizations to implement change. Pilots began their work in January 2023, and over the last eight months,

pilot leads have offered valuable insights into their experiences working within their communities and in partnership with the City.

One of the earliest challenges encountered by pilot leads was the tension between using funds to address imminent needs and long-term visioning. Specifically, how to allocate resources in a way that would both increase collective capacity and knowledge of community wealth building strategies, and provide meaningful resources for their communities, as the design criteria emphasized. This prioritization raised both strategic and ethical considerations, as they sought to balance short and long-term needs, and the decision making process shed light on the unfair and complex expectations BIPOC communities must navigate when provided with limited resources to address long-standing systemic problems. As projects progress, they are finding their own ways through this tension. They have advocated for these funds to support communities on their own terms, which requires flexibility and curiosity on the part of administrators. Additionally, they have emphasized the need for government partners to demonstrate trust, and provide space for communities to “fail forward”, as a way to facilitate true “for us, by us” solutions.

*From our experiences, we know it is critical that the City of Seattle start investing in long-term, sustainable funding for BIPOC-led organizations and community projects. This funding must include flexible dollars that will help us build our capacity to do community wealth building work. Too many BIPOC-led organizations are understaffed, underpaid, under-resourced, and thus forced to focus on survival rather than innovation and transformation. We are forced to jump from one RFP process to another, constantly submitting applications to prove our value and worth to City departments. This is not the most efficient use of our time. We want funding processes rooted in trust that truly recognize our BIPOC organizations as essential partners to the City of Seattle as we work to reach our shared goals for our communities.*

- Analia Bertoni, Executive Director of Villa Comunitaria

Pilot leads also valued their participation in a cohort and their connection to other organizations navigating similar tensions. Rather than competing against peers in the roundtable for funds and carrying out projects in isolation, pilot leads advocated for the opportunity to co-develop projects and for administrators to facilitate spaces for the exchange of resources, ideas, and support. Community building among projects has resulted in expanded connections and networks, and has allowed project funds to support multiple partners. Through these cohorts, participants have identified the strengths, skills, and assets that exist in local communities while also pointing out gaps – most distinctly, not having BIPOC technical assistance partners to lean on when building out projects.

Lastly, pilot project leads discussed the necessity for communities to have the time to heal their relationship to money, sharing the conclusion that our current economic structures are built from the exploitation and commodification of Black and brown bodies and labor, and so, building new structures will require healing from the past in order to envision the future.

## Crosscutting Themes from Engagement

Across the City's discussions with BIPOC communities about wealth building, several themes emerged. The following guidance provides poignant direction for how the City can best advance community wealth building in Seattle and address the racial wealth gap.

- Look at whole systems to address racial and economic inequity, this work is intersectional and impacts many aspects of life.
- Policies and strategies should be identified and developed with the communities most impacted.
- Change requires time, flexibility, relationships, and trust.
- Invest in building a strong social fabric made up of diverse supports and resources.
- It is not just about new funding or policies, the City should examine and change existing structures and funding policies that perpetuate inequity.
- Challenge white supremacist norms as they show up in grantmaking, evaluation, goal setting, resource allocation, and decision-making.

This guidance and the wealth building programs and strategies explored in this report are not new ideas. They are reflected in several reports following City engagement efforts of the last decade and most recently appeared in the Equitable Communities Task Force Implementation Plan and in the Black Brilliance Research Project. The need for the City to do work differently and support the advancement of wealth building and healing for BIPOC communities will continue to show up in engagement efforts, if a strong commitment is not made to address the impacts of racial and economic injustice on BIPOC communities.

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## Current Efforts to Build Community Wealth

Seattle has strong investments in Community Wealth Building (CWB), and several departments have identified CWB as a priority either through dedication of a new division, as is the case at the Office of Economic Development, or through inclusion of CWB in strategic plans, as has been done at Seattle Public Utilities, Office of Sustainability and the Environment, and the Office of Planning and Community Development, to name a few. Using Democracy Collaborative's Community Wealth Building research as a frame, 17 programs were identified as current, ongoing investments in community wealth building. These building block investments span five departments and support community ownership of real estate, small business ecosystems, asset building and wealth retention, and progressive procurement. The City does not currently have ongoing programs dedicated to supporting the strategies of community controlled capital and broad-based worker ownership, although the Generational Wealth Initiative is currently funding pilots working to advance these strategies.

Though several departments and programs have made commitments to advancing community wealth building through their work, the City of Seattle does not currently have a shared framework to guide alignment across strategies, funding priorities, policy change, or impact evaluation, and capacity to support alignment is limited or non-existent. This has created difficulties for communities and City staff alike, and has kept the City from addressing economic issues comprehensively. While some shared resources do exist, like the Equitable Development Monitoring Program, there is room for expanding a tool like this to include Community Wealth Building and to integrate the resource into the work of more departments. Stronger alignment across programs can ensure these investments actually reach BIPOC communities, which is not a guarantee in our current model for investing. In order to advance BIPOC Community Wealth Building in Seattle, the City needs to support departments by creating a guiding framework, mechanisms of organizing, shared tools, and by adding capacity to this effort.

Additionally, the transformative power of Seattle's current CWB efforts can be unlocked by coordinating various streams of work from different City departments in an intentional and interconnected way. Bringing multiple CWB strategies to bear simultaneously can create powerful wedge strategies that are more impactful for our BIPOC communities. For example, the Office of Economic Development's CWB Division brings together programs that offer small business technical assistance, business ownership funds, and access to affordable capital. Together these programs work in synergy to serve the same BIPOC entrepreneurs. This kind of wedge approach can more effectively cultivate the conditions that our BIPOC communities need to sustain successful CWB projects and, as a City, we can begin to build these wedge strategies across departments. While structural racism creates multiple barriers for BIPOC generational wealth building, we must take a multidimensional and synergistic approach to combating these forces to be truly effective in this work.

## Current Building Block Programs

CWB Strategy	Department	Program	Funding Source(s) Funding
Asset Building and Wealth Retention	Office of Housing	Home Repair Grants and Foreclosure Prevention Loans	2016 Seattle Housing Levy
Asset Building and Wealth Retention	Office of Housing	Purchase Assistance Loans and Development Subsidy Investments	2016 Seattle Housing Levy, MHA Fees, Payroll Expense Tax
Asset Building and Wealth Retention	Office of Housing	Home Repair Loans, HomeWise Weatherization Program	Seattle Housing Levy, Federal & Local Funding
Progressive Procurement	Seattle Public Utilities	Apprenticeship Program	Rate Payer Funds
Progressive Procurement	Seattle Public Utilities	Internal Systems improvement	Rate Payer Funds
Progressive Procurement	Finance and Administrative Services Department	PC Purchasing Budget	General Fund
Progressive Procurement	Finance and Administrative Services Department	Priority Hire	General Fund, Private Funds
Progressive Procurement	Finance and Administrative Services Department	Technical Assistance Program	General Fund
Progressive Procurement	Office of Economic Development	Workforce Development Program	Payroll Expense tax, General Fund
Progressive Procurement, Small Business Ecosystems	Office of Economic Development	Liberty Project; Business Technical Assistance	Payroll Expense Tax, General Fund
Small Business Ecosystems	Office of Economic Development	Key Industries and Workforce Development Programs	CLFR, ECI, General Fund
Small Business Ecosystems	Office of Economic Development	Seattle Restored	CLFR, Payroll Expense Tax
Small Business Ecosystems	Office of Economic Development	Tenant Improvement Fund	Payroll Expense Tax, CDBG
Small Business Ecosystems, Community Ownership of Real Estate	Office of Economic Development	Business Community Ownership Fund	Payroll Expense Tax
Small Business Ecosystems, Community Ownership of Real Estate, Access to Affordable Capital	Office of Economic Development	Capital Access Program	CFLR, Payroll Expense Tax
Community Ownership of Real Estate	Office of Planning and Community Development	Equitable Development Initiative Fund	Short-term Rental Tax, Payroll Expense Tax
Community Ownership of Real Estate	Office of Planning and Community Development	Equitable Development, BIPOC Workforce Development Program	General Fund
* No investments in <i>broad-based worker ownership</i> or <i>community-controlled capital</i> were identified through engagement with departments.			
GREEN indicates sustainable funding			
YELLOW indicates somewhat sustainable funding			
RED indicates unstable funding			



## Shared Barriers to Long-term Success

### Volatile Funding Sources

While the City currently has 17 building block investments in CWB, many of these programs are still relatively new despite long-term community recognition of their need. The Office of Economic Development, for example, was able to implement several Community Wealth Building programs in 2020 using one-time, federal CLFR funds. These funds served as a catalyst for implementation of community-identified strategies, and the programs that resulted have remained because of the City's new Payroll Expense Tax which took effect in 2021. Similarly, the Generational Wealth Initiative, which is currently funding community-led pilots to advance the six identified CWB strategies, was initially funded using limited-term dollars allocated as a response to the demonstrations for Black lives in 2020. The initiative has remained active due to Seattle City Council action which extended the initiative's funds for another 1-2 years using Payroll Expense Tax revenue, but the initiative is expected to end in December of 2024.

Of the 17 building block investments, nearly half depend on the new Payroll Expense Tax for funding, and more than half are expected to fluctuate based on possible shortfalls, reductions, or redirection to other City priorities. An additional three programs funded through the City's housing levy, will depend on voter support this November. Overall, it is difficult for programs to work toward changing long-standing systemic problems when funding sources are limited or subject to major changes from year to year. In order to transition to a regenerative economy that supports BIPOC communities, Seattle must build stability and longevity for current and future investments in community wealth building.

### Expectations and Evaluation of Impact

Additionally, departments face difficulties when working with communities to forge new types of projects and Community Wealth Building models. For example, before seeking funding for a viable capital project, many BIPOC community groups first require support with capacity building and technical assistance. These investments, which often support research, learning, public education, coalition building, and other important yet intangible benefits, don't often align with the expected timelines or types of measurable outcomes that the City Budget Office and City Leadership use to quantify impact. Therefore, these types of investments either aren't made or are funded unofficially by departments by carving funding out of other areas of work. Even when organizations do receive capacity building funds, there are significant holes in Seattle's local technical assistance landscape and even less resources when you overlay culturally relevant approaches to technical assistance. This makes it difficult for our capacity building investments to support local partners effectively and efficiently in their project development efforts. All and all, an organizing structure for identifying and tackling barriers and difficulties experienced across departments could help develop a more enabling environment for Community Wealth Building projects and support transforming our local economy.

## Shared Policy Barriers

City of Seattle departments leading current Community Wealth Building programs identified common policy barriers that prevent programs from having the desired impact on communities. Examples include the State's gift of public funds and prevailing wage policies, which keep our programs from being able to implement strategies that have been successful at growing community wealth in other cities. There are also policies that need to be implemented like Tenant/Community Opportunity to Purchase laws which other cities have passed. These policies are crucial to growing limited equity co-operatives and other democratically owned and managed housing models. At the City, legislation is developed and passed by Seattle City Council and state lobbying is done through the Office of Intergovernmental Relations. But, departments don't always have active channels of communication to elevate the policies that are necessary for advancing their work or that are preventing strategies from being successfully implemented. In order to build a local landscape that allows for Community Wealth Building, departments will need clearer channels for collaborating with City policy makers and lobbyists, and identified pathways for elevating shared policy needs.

## Other Possible Investments in Community Wealth Building

### Property Disposition

Discussions among departments identified several term-limited property disposition projects that have also served as investments in Community Wealth Building. The Office of Housing's Rainier Valley Homeownership Initiative, for example, is a partnership with Sound Transit whereby staging parcels left over from the first light rail project have been developed into affordable homeownership opportunities. Similarly, the Tiny Cultural Space pilot led by the Office of Arts and Culture, in partnership with Finance and Administrative Services Department (FAS), is activating hard-to-develop, City-owned parcels with tiny cultural community spaces. In 2021, Estelita's Library was selected as the first tiny cultural space, and since completion, the site has become a new community asset in Seattle's Central District. They currently have a 5-year lease but projects like these could grow to be better aligned with a community ownership of real estate strategy in the long term. Other projects identified include the City's Mutually Offsetting Benefits buildings and Red Barn Farm. While these disposition processes have been imperfect and at times harmful, they present an opportunity for the City to develop a more intentional strategy for supporting BIPOC Community Wealth Building through reexamination of our surplus lands and forthcoming property disposition processes.

### Arts-based Wealth Building

In 2019 the Office of Arts and Culture had two programs that directly contributed to the City's Community Wealth Building efforts: *The Cultural Space Program* which aimed to "preserve, create and activate cultural square footage in the city of Seattle" and the *Cultural Facilities Fund* which supported Seattle arts, heritage, and cultural organizations with facility projects that

created greater access for those who have been excluded from owning, managing and leasing property. These programs were early investments by the City of Seattle in community ownership of real estate, and the Cultural Space Program reached a key milestone in December of 2020 when it officially launched The Cultural Space Agency, a new Public Development Authority, which is chartered to develop real estate projects in partnership with BIPOC communities. Since reaching this milestone and concurrent leadership changes at the department, neither the Cultural Space Program or the Cultural Facilities Fund has been active and the future of these programs is yet to be determined. Still, they serve as powerful examples for how community wealth building can be embedded throughout departments across the City.

## City WMBE Procurement

Over the last couple of years, the Finance and Administrative Services Department (FAS) has initiated internal processes to strengthen the City's procurement of Women and Minority-owned Business Enterprises (WMBE). The department has invested in WMBE training for staff and, with funding from a Bloomberg grant, they are working with a consulting firm to review City spending and identify recommendations for increasing WMBE utilization. The review is expected to last a total of three years and began in 2022. Once developed, the recommendations could present a strong foundation for creating a City progressive procurement plan and setting new targets for recirculating City spending into local BIPOC communities. Seattle Public Utilities (SPU) has been leading their own internal discussion around progressive procurement, and together FAS and SPU could lead capital departments in redeveloping their procurement policies and structures.

## Planning and Capital Investments

Based on McKinsey and Company's four dimensions of family wealth building study, it is clear the City of Seattle participates in building wealth for residents primarily through community context. Defined by McKinsey as "the collection of public and private assets in a given community," community context is the main way the City supports our residents in building wealth. This includes investments in streets, parks, community centers, and utilities. While this report was unable to review the City's process for planning and capital investments, it is important to know that these investments can be designed to address the racial wealth gap and serve as wealth building tools for BIPOC communities.

## Organizing Other Wealth Building Strategies

After reviewing 74 programs, several of the City's current programmatic investments supported wealth building through primarily two of the McKinsey drivers, family wealth—the net value of a family's pool of financial and nonfinancial assets—and family income—the cash flow a family receives from entrepreneurship or its members' participation in the labor market. Programs associated with these drivers were largely focused on homeownership, youth employment, entrepreneurship, and workforce development that increased access to key industries.

One example of these investments is the Equity and Youth Program at the Office of Arts and Culture which invests in employment pipelines for artists of all ages by facilitating professional development opportunities, school and community arts partnerships, arts education initiatives (The Creative Advantage), and career-connected learning in the arts and creative industries.

Programs that focus on workforce development and employment in particular spanned several departments including Office of Arts and Culture, Department of Education and Early Learning, Office of Economic Development, Seattle Public Utilities, and the Human Services Department. Though these programs don't directly fit within the identified community wealth building strategies, they do support economic mobility for families and individuals. Shared alignment among these programs, especially if focused on addressing the racial wealth gap, could help advance racial and economic equity in combination with community wealth building programs.

## **Applying Learning to Build a One City Approach**

Taking into consideration the guidance communities have provided City departments for building BIPOC economic resilience, the Generational Wealth Initiative (GWI) is modeling new ways of approaching City collaboration, decision-making, and investments.

In June of 2023, the GWI Interdepartmental Team launched a series of workshops with the aim of creating a space for learning about community wealth building programs, unpacking obstacles and opportunities, inspiring partnership and action, and envisioning a shared path for investing and supporting BIPOC communities in building wealth with existing resources. Workshops are hosted by different departments and this year the topics include business ownership, restorative land and housing strategies, and wealth building through city planning. These workshops are designed to help combat departmental isolation and siloed decision-making, as well as invite a new culture for interdepartmental collaboration, problem-solving, and alignment.

This year the GWI will also support a collaborative budgeting process, allocating \$1M in initiative's funding in partnership with the GWI Community Roundtable and the GWI Inter-Departmental Team, through a shared spending plan that reflects priorities and opportunities that have been elevated by community and departments over the last year. This process will help develop new ways of growing stakeholder participation in the budgeting process and will ideally result in intersectional investments that meet multiple community needs and leverage resources across departments.

Though the Generational Wealth Initiative is only funded through 2024, the initiative's approach to engagement, collaboration, and decision-making can serve as a proof of concept for how City programs can center guidance from community, building trust and accountability along the way.

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## Recommendations for the City of Seattle

Based on general research, analysis, community engagement, and community participatory research, People's Economy Lab recommends the City of Seattle to implement the following recommendations to advance BIPOC generational wealth building:

### 1. **Commit to Community Wealth Building (CWB) as the City's guiding framework and strategy to advance generational wealth building for BIPOC communities.**

- a. Develop a Community Wealth Building framework that aims to transform our local economy by giving BIPOC communities direct ownership and control of their productive assets.
- b. Ensure the 2024 comprehensive One Seattle Plan reflects CWB as a priority and that policies included in the plan work to address structural contributors to the racial wealth gap. Land and development are essential factors in both racial wealth gap and community wealth building. As the City's guiding vision for what gets built, and where, the Comprehensive Plan is a vital opportunity to integrate CWB strategies, like community ownership of real estate, broad-based worker ownership and progressive procurement into the goals and measures for each planning element, including housing, transportation, climate, and more. Place-based strategies are critical to an overall CWB approach.
- c. Establish a BIPOC Community Wealth Building Initiative through legislative action to provide administration, staffing, and evaluation, to support departmental alignment, legislative engagement, and a community governance structure that includes broad based participation in the City's CWB framework. While the framework should be held by a stewarding office or department - it should provide for engagement by the departments, Mayor's Office, Councilmembers, BIPOC communities and partners. Once established, the initiative will:
  - i. build a comprehensive internal plan for City government that lays out actions for reshaping Seattle's local economy across each pillar of CWB.
  - ii. be governed through community participatory tools, such as community assemblies or participatory allocation of resources
  - iii. inform Mayor's Office, Councilmembers and central staff on CWB and racial wealth gap implications and opportunities of legislative proposals and develops proposals
  - iv. build a system and tools for evaluating impact and tracking and communicating progress towards community-identified goals and the performance of the Initiative, policies, and investments based on quantitative

data and qualitative feedback that centers BIPOC communities with lower-wealth.

**2. Honor the commitment to make substantial investments over 10 years through funding a complete pathway for BIPOC communities to gain ownership and control of their productive assets.**

These additional funds would go to addressing key gaps in our current investment model and would rely on sustaining current investments in BIPOC community wealth building. This includes investments in:

- a. Building out the infrastructure and capacity of BIPOC-led, BIPOC-serving organizations committed to advancing community wealth building strategies.
- b. CWB pilot projects that focus on researching, learning, and/or testing models for advancing the following BIPOC-identified strategies:
  - i. Broad-based Worker Ownership
  - ii. Community Controlled Capital and Access to Affordable Capital
  - iii. Community Ownership of Real Estate
  - iv. Progressive Procurement
  - v. Equitable Small Business Ecosystems
  - vi. Wealth Retention and Asset Building Programs
- c. Community Wealth Ecosystem Building Program to fund an interconnected network of partners to provide high-quality, specialized, and culturally-relevant capacity building, technical assistance, and capital to eligible nonprofit organizations and businesses starting, sustaining, and scaling CWB models.
- d. Community organizing resources and public education campaigns that share knowledge about wealth building strategies and help grow community participation in transitioning to a restorative economy.

**3. Retain and recirculate the City of Seattle's spending locally and equitably in BIPOC communities.**

- a. Set targets for and make a commitment to prioritize procurement expenditures towards worker-owned enterprises comprising or explicitly benefiting BIPOC communities.
- b. Set targets for and make a commitment to direct a portion of the City's multi-million-dollar affordable housing expenditures towards community ownership of real estate models.
- c. Identify opportunities to align other investments that aren't explicitly targeted to Community Wealth Building, but with high potential CWB value, to identified strategies, while preserving their primary purpose. This may include, Green New Deal investments, investments in housing, foodsystems, education and infrastructure investments, from stormwater to transportation and beyond

## Budget Estimates

	EXISTING INVESTMENTS	COMPLETE INVESTMENTS
<b><u>Recommendation 1</u></b>		
BIPOC Community Wealth Initiative	<p><b>2.5 FTE (≈ 370K annually)</b></p> <p>(1 program administration, 1 community engagement, .5 communications)</p> <p><b>400K program costs</b> (research, facilitation, and engagement)</p> <p>Current Investments are term-limited 2022-2024.</p>	<p><b>7 FTE (≈ 1.06M annually)</b></p> <p>(1 manager, 2 program administration, 1 community engagement, 1-2 evaluation, 1 communications)</p> <p><b>400K program costs</b> (research, facilitation, and engagement)</p>
<b><u>Recommendation 2</u></b>		
Direct Investment in BIPOC Organizations	<p><b>No current dedicated funding</b></p> <p>Most City funding is project or program based and does not fund organizational infrastructure and capacity.</p>	<p><b>10M+ annually</b></p> <p>(Average investment of 200K would support about 1 FTE and some organizational development)</p>
CWB Pilots	<p><b>2M, one-time funding, one department</b></p> <p>2022 pilots were funded at 150K over 2 years. Feedback from certain pilots indicated the need for twice as much to maximize vision based on their scope.</p>	<p><b>5-10M annually, across departments</b></p> <p>Depending on topic/scope a pilot would likely need 60-300k annually. We recommend funding at 2 levels to create a pipeline for organizational development.</p>
Community Wealth Ecosystem Building Program	<p><b>No current dedicated funding</b></p> <p>Some departments have blanket capacity building contracts that support grant writing, etc. Other departments provide in house technical assistance, and others approach project by project. Very few contracts are with BIPOC firms.</p>	<p><b>Up to 6M annually, across departments</b></p> <p>Currently there are few BIPOC organizations that provide technical assistance. Seeding an ecosystem of partners would require 200-300K per new agency or 100-200K per existing agency.</p>
Community Organizing and Public Education	<p><b>No current dedicated funding</b></p> <p>Investments are usually one-time, meet a term-limited need, and are carved out of program budgets.</p>	<p><b>1-2M annually, across departments</b></p> <p>Average cost for 1 FTE community organizer is 140K.</p>
<b><u>Recommendation 3</u></b>		
Retain and Recirculate City of Seattle's Spending	Will require department staff time, a commitment to redirect existing resources, and the capacity from BIPOC Wealth Building Initiative staff (see staffing recommendations).	



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## Conclusion

Our research on generational wealth building has made it clear that the racial wealth gap is an immense and complex systemic problem with deep structural roots spanning generations. We believe that the City of Seattle can take its first steps toward a restorative economy by committing to Community Wealth Building as the City's guiding framework and strategy to advance generational wealth building for BIPOC communities.

Our work with the Community Roundtable and the community participatory research partners has been extremely valuable, and we recommend the City continue to invest in this community-centered process. The Community Roundtable will continue its community of practice and focus on forming relationships that will allow them to reimagine a new way of being grounded in cooperation, inclusion, and abundance by piloting Community Wealth Building strategies to achieve broad-based BIPOC ownership and control of productive assets in our communities.

We recommend aligning the City's comprehensive plan, all its policies, and its policy advocacy with state, county, and federal governments to address structural contributors to the racial wealth gap. The City of Seattle can shift ownership and control and leverage its own power toward BIPOC Community Wealth Building.

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- Natalie Thomson, Human Services Department
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# Appendix

## Community Participatory Research Reports

- Urban Native Community (Citywide) - *sləpələbəx<sup>w</sup>* (Rising Tides)
- African- American Community (Central District) - Wa Na Wari
- Latino Community, (South Park) - Villa Comunitaria

## Community Roundtable Presentation Deck

- Community Wealth Building Examples

## Community Wealth Building Models and Programs

## Just Transition Framework (MG)

## National Community Wealth Building Program and Setup