

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION establishing a spending plan for the proceeds generated from a new Progressive Tax on Bbusiness ~~tax~~ to address homelessness and housing affordability authorized by the ordinance introduced as Council Bill 119250.

..body

WHEREAS, the City Council adopted the ordinance introduced as Council Bill 119250,

authorizing the collection of a new Progressive Tax on Bbusiness ~~tax~~ to address

homelessness and housing affordability, to be imposed beginning January 1, 2019; and

WHEREAS, the new Progressive Tax on Bbusiness ~~tax~~ is anticipated to generate \$75 million in proceeds on an annual basis, as shown in the spending plan included as Attachment 1 to this resolution; and

WHEREAS, the City faces a homelessness crisis, as evidenced by the 2017 Point-in-Time count that showed 3,857 homeless people living unsheltered in the City; and

WHEREAS, recent data from the American Community Survey showed over 29,000 households with incomes at or below 50 percent of area median income (AMI) are severely cost burdened, paying over 50 percent of their income for rent and utilities, and, as a result, are at potential risk of homelessness; and

WHEREAS, persons of color are disproportionately represented in the homeless population and for renter households who are severely cost burdened; and

WHEREAS, the City is committed to eliminating racial inequities such as these through implementation of the Race and Social Justice Initiative; and

WHEREAS, the new Progressive Tax on Business will generate significant funds to address identified inequities; and

1 WHEREAS, these additional funds ~~are needed to~~will increase the construction of long-term,
2 low-income housing units to address the primary cause of homelessness and the housing
3 affordability crisis, and to ensure such housing is permanently affordable; and

4 WHEREAS, the proposed spending plan is consistent with the City's Pathways Home plan,
5 based on the recommendations of Barbara Poppe and Associates and of Focus Strategies,
6 which prioritize assisting homeless people living unsheltered by placing them into
7 housing, including permanent supportive housing, in order to end their homelessness; and

8 WHEREAS, permanent supportive housing provides housing with much needed related services,
9 such as case management, mental health, and other services required to keep vulnerable
10 individuals stably housed; and

11 WHEREAS, the proposed spending plan allocates ~~75 percent of the~~ funding generated from the
12 new Progressive Tax on Bbusiness ~~tax~~ for the capital construction of additional long-
13 term, low-income housing serving those with incomes at or below 30 percent of AMI and
14 those with incomes from 30 to 60 percent of AMI, with an emphasis on assisting
15 homeless people living unsheltered in the City with incomes at or below 30 percent of
16 AMI; and

17 WHEREAS, the City desires to expedite the development of additional affordable housing by
18 providing additional funds and prioritizing funding for projects that are ready to begin
19 development; and

20 WHEREAS, the City provides capacity-building assistance through the Equitable Development
21 Initiative to enable community organizations to prepare housing projects for
22 development; and

1 WHEREAS, several years ago, the City established a streamlined permitting process for low-
2 income housing projects to remove barriers to the development of such housing; and

3 WHEREAS, the City recently approved changes to the design review process for low-income
4 housing projects that should also improve the efficiency of this process and speed
5 development of such units; and

6 WHEREAS, the proposed spending plan allocates ~~20 percent of the~~ funding generated from the
7 new Progressive Tax on Business ~~tax~~ to address the immediate housing, shelter, public
8 health, sanitation, and other services needs of homeless people living unsheltered in the
9 City; and

10 WHEREAS, the services funded are consistent with Resolution 18-06, adopted on March 15,
11 2018, by the King County Board of Health, which supports additional investments in
12 publicly accessible hygiene facilities, including handwashing, toilet, and shower facilities
13 for people who are homeless; and

14 WHEREAS, the City is investing in a person-centered response system that prioritizes homeless
15 families with small children, those with long histories of homelessness, and those with
16 the greatest barriers to housing stability, consistent with the Pathways Home plan; and

17 WHEREAS, the City embraces a “housing first” philosophy which endeavors to move people
18 quickly into housing and shelter by eliminating barriers to entry; and

19 WHEREAS, contracts for housing and services funded by the City include specific, measurable
20 outcomes that are to be achieved with funding provided; and

21 WHEREAS, the City and its regional partners are committed to annually assessing the
22 performance of funded programs to ensure they are operating effectively to place people
23 experiencing homelessness into shelter and ultimately into long-term housing, or provide

1 harm reduction measures to facilitate acceptance of homelessness services, and have
2 established performance standards that must be achieved by funded programs as depicted
3 in Attachment 2 to this resolution; and

4 WHEREAS, programs and services funded with the new business tax shall be required, as
5 applicable, to comply with these regionally supported performance standards; and

6 WHEREAS, homelessness is a regional issue, and the City is committed to using the additional
7 resources generated from the new Progressive Tax on Business tax in collaboration with
8 resources identified by our regional partners participating in All Home and One Table to
9 ensure the implementation of effective programs that address the homelessness problem;
10 and

11 WHEREAS, the City will maximize the leveraging of additional resources that may be
12 forthcoming from the State, as well as the County, to increase the number of housing
13 units serving homeless persons with incomes at or below 30% of AMI and to fund public
14 health and other services funded with the new Progressive Tax on Business; and

15 WHEREAS, the City Council passed Statement of Legislative Intent 281-1-B-2 in November
16 2017, requesting the Human Services Department to explore wage inequities for
17 contracted human service providers; and

18 WHEREAS, the City Council recognizes that wage inequities for contracted service providers
19 harm efforts to stabilize the workforce and that it is imperative to address equitable
20 workforce compensation in an effort to maintain existing homelessness programs and
21 expand program services; NOW, THEREFORE,

22 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
23 **MAYOR CONCURRING, THAT:**

1 Section 1. Proceeds from the new Progressive Tax on Bbusiness ~~tax~~ imposed by the
2 ordinance introduced as Council Bill ~~119244-119250~~ are intended to be used to expand housing,
3 shelter, public health, hygiene, sanitation, and other support services for those who are homeless
4 or at significant risk of homelessness, with priority for assisting those homeless people living
5 unsheltered and/or with very low incomes (at or below 30 percent of area median income
6 (AMI)). It is intended that ~~75 percent of~~ the proceeds from the new Progressive Tax on Bbusiness
7 ~~tax~~ will be used to increase the production of long-term affordable housing, and fund operations
8 and services support for housing serving the homeless who are most vulnerable. ~~Twenty percent~~
9 ~~of~~ The proceeds from the new Progressive Tax on Bbusiness ~~tax~~ will also be used to increase the
10 provision of immediate housing, and effectiveness of shelter, public health, hygiene, sanitation,
11 and support services to assist homeless people living unsheltered to move off the streets.
12 Attachment 1 to this resolution establishes the spending plan for the first five years of the new
13 business tax.

14 Section 2. On or before December 14, 2018, the Executive shall submit an
15 Implementation Plan for the new Progressive Tax on Business to the City Council that includes:

- 16 a) Sspecific spending proposal for years one through five of the new ~~_business tax, including~~
- 17 b) Pproposed outcomes for each funded program or service;
- 18 c) Hhow the programs or services will be implemented (i.e., responsible department,
19 funding processes, etc.); ~~and~~
- 20 d) Pproposed policies for implementing funded programs or services; and
- 21 e) Proposal for an Oversight Committee responsible for overseeing expenditures and
22 reviewing performance of programs and services.- The Executive will propose different

1 models, including but not limited to an option for a committee with oversight authority
2 for all Human Services Department homelessness investments.

3 The City Council intends to adopt modifications to the City's Housing Funding Policies to have
4 such policies apply to the revenues generated from the new Progressive Tax on Business. The
5 Council anticipates adopting such modifications when adopting the Implementation Plan in
6 December of 2018.

7 The Executive, with the support of the Seattle Office of Civil Rights, will conduct additional
8 racial equity analysis on the proposed Implementation Plan prior to submittal to the City
9 Council. The Executive shall work cooperatively with the City Council in the development of
10 this Implementation Plan to ensure it is consistent with the proposed Spending Plan. The City
11 Council intends to provide funding in the 2019 budget to ensure funding is appropriated
12 consistent with the proposed Spending Plan.

13 Section 3. It is the Council's intent that all capital projects identified in the
14 implementation plan required in Section 2 of this resolution include community workforce
15 agreements, as well as requirements to meet or exceed the standards set forth in Chapter 20.37 of
16 the Seattle Municipal Code for any grants or contracts that are \$1,000,000 or more. To the extent
17 further council action is required to lower the threshold from \$5,000,000 to \$1,000,000, Council
18 intends to review SMC Chapter 20.37 and make necessary amendments. In addition, it is the
19 Council's intent that all capital projects use labor that is receiving area standard wages and bona
20 fide benefits, and that meets apprenticeship utilization of no less than 15 percent per contract and
21 no more than 20 percent per craft. To the extent required, future legislation will be developed
22 authorizing such requirements and any exceptions thereto.
23

1 Section 4. The Executive is requested to explore and provide recommendations on
2 funding the operation and services support for housing that would serve homeless individuals,
3 with incomes at or below 30 percent of AMI, who do not qualify for or require permanent
4 supportive housing but need housing with a lower level of services. In addition, the Executive
5 will explore models to increase the number of units serving homeless individuals with incomes at
6 or below 30 percent of AMI who need only affordable housing and no services. ~~and/or long-~~
7 term rental subsidy. In developing recommendations for increasing the number of units serving
8 those at or below 30% of AMI units, the Executive shall examine the extent to which the
9 availability of free or reduced land could increase the development of such units. The Executive
10 will also explore how persons who are homeless would access additional housing provided
11 within the current All Home referral process that includes Coordinated Entry. The Executive will
12 include ~~a report and~~ recommendations along with the submittal of the Implementation Plan
13 referenced in Section 2 of this resolution.

14 Section 54. The Executive is requested to provide a report and recommendations on
15 providing funding for wage stabilization for direct service personnel providing services to people
16 experiencing homelessness, as described in Attachment 1 to this resolution, based on
17 examination of adequate staffing levels, compensation, and desired retention outcomes. This
18 examination shall be based on data gathered in response to Statement of Legislative Intent 281-1-
19 B-2, the audit of the Human Services Department's contracting processes, and input from the
20 homeless service providers. The Executive will provide a report and recommendations with
21 submittal of the Implementation Plan referenced in Section 2 of this resolution. The initial
22 funding provided in the spending plan may be supplemented with future resources to address
23 identified workforce compensation issues.

1 Section ~~65~~. The City Council may, based on the program outcomes and understanding of
2 changing needs, modify the allocation of funding for programs and services through the
3 Council's legislative and budget process.

4 Section ~~76~~. The Executive shall submit an annual report by March 1 of each year and a
5 semi-annual report by August 1 of each year beginning in the year following the authorization of
6 the ~~New Progressive Tax on B~~business-tax. These reports shall provide information on the
7 housing and services funded and the outcomes achieved because of the funding provided from
8 the proceeds from the business tax. In addition, it will include information on: apprenticeship
9 utilization percentage, priority hire utilization, utilization of women and people of color, women
10 and minority business enterprise utilization, women and people of color from pre-apprentice
11 programs. The annual report shall also include information on the leveraging of other State and
12 local sources used to provide housing and services funded by the New Progressive Tax on
13 Business.

14 Section 8. The City shall retain an independent economist to conduct an analysis of the
15 impacts of the Employee Hours Tax. Impacts to be measured include but are not limited to:
16 increases or decreases in jobs (full-time and part-time), annual gross revenues, number of
17 businesses that have relocated outside the City, and other data that directly relate to impacts on
18 businesses subjected to the new tax. The Executive shall develop a proposed scope of work for
19 this analysis, identifying specific data to be collected and estimated cost of the analysis. The
20 Executive shall submit this scope of work to the Council by September 4, 2018 along with a
21 proposed funding plan and a schedule for completing the work. The Executive shall work with
22 the City Council in the selection of the economist. The Executive shall include funding for this
23 analysis in the proposed 2018 3rd Quarter Supplemental Budget and the 2019 Proposed Budget.

1 Section 9. The City requests the State Legislature to significantly increase funding for the
2 State Housing Trust Fund that will be used as leverage for the new Progressive Tax on Business
3 and result in an increase in the number of affordable units produced by this tax. The Office of
4 Intergovernmental Relations is requested to include this request in the City's 2019 State
5 Legislative Agenda.
6
7

1 Adopted by the City Council the _____ day of _____, 2018,
2 and signed by me in open session in authentication of its adoption this _____ day of
3 _____, 2018.

4 _____
5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2018.

7 _____
8 Jenny A. Durkan, Mayor

9 Filed by me this _____ day of _____, 2018.

10 _____
11 Monica Martinez Simmons, City Clerk

12 (Seal)

- 13 Attachments:
14 Attachment 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals
15 Attachment 2 - System-Wide Performance Standards

Att 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals

V1bV2

Program/Activity	Program Description	Year 1 Spending	Year 2 Spending	Year 3 Spending	Year 4 Spending	Year 5 Spending	5-year Goal Production/ Numbers Served
Affordable Housing Inventory & Services (75% of funding): Office of Housing							
Rental Housing Production ¹	Funds capital construction of units in mixed-income housing projects serving households with incomes at 30%-60% Area Median Income (AMI) and capital construction of Permanent Supportive Housing (PSH) units serving most vulnerable homeless with incomes at 0-30% of AMI. Operating and services support for PSH units produced included below.	\$50,700,000	\$51,400,000	\$48,701,624	\$46,250,049	\$43,757,330	1,045 units
	Funds debt service on \$25 million bond issuance every year for first five years to fund capital construction of units in mixed-income housing projects serving households with incomes at 30-60% of AMI.	\$2,000,000	\$4,000,000	\$6,000,000	\$8,000,000	\$10,000,000	735 units
Operating and Services Support ²	Operating and services support for PSH serving most vulnerable homeless with incomes at 0-30% of AMI.	\$0	\$0	\$4,722,376	\$6,422,431	\$8,188,599	445 units
Shelter and Services (20% of funding): Human Services Department							
Shelter, Temporary and Emergency	Funds support emergency, temporary, and enhanced shelters, navigation centers, tiny houses for unsheltered individuals and households.	\$6,500,000	\$6,630,000	\$6,762,600	\$6,897,852	\$7,035,809	362 shelter beds 2 encampments (100 tiny houses)
Safety in Place	Funds support safety in place services for unsheltered individuals and households, including hygiene services; City-wide sanitation and garbage services such as but not limited to Seattle Public Utilities' Clean Cities program; services to those living in RVs and cars, such as black water removal, portable bathrooms/wash stations, trash removal, and fees recovery for parking violations.	\$3,500,000	\$3,570,000	\$3,641,400	\$3,714,228	\$3,788,513	97 safe parking spaces 5 hygiene centers 500,000 lbs garbage
Intersecting Needs	Funds support public health services, such as an additional mobile medical van, women's reproductive health care, communicable disease response, and addiction and medical services for sheltered and unsheltered homeless; and criminal justice diversion programming involving substance abuse services.	\$2,500,000	\$2,550,000	\$2,601,000	\$2,653,020	\$2,706,080	500 criminal justice diversion referrals 1 mobile medical van

¹ See Fiscal Note Attachment A "Detailed Information on Affordable Housing Inventory and Services" for further details.

² Ibid.

Att 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals

V1bV2

Program/Activity	Program-Description	Year-1 Spending	Year-2 Spending	Year-3 Spending	Year-4 Spending	Year-5 Spending	5-year-Goal Production/ Numbers Served
Workforce-Stability	Funds wage-stabilization for City-funded homelessness direct-service providers to reduce turnover and vacancies for critical direct-service contracts.	\$2,500,000	\$2,550,000	\$2,601,000	\$2,653,020	\$2,706,080	4% increase for direct-service homeless contracts
Start-up and Ongoing Administrative Costs: Finance and Administrative Services	Funds estimated initial start-up costs and ongoing costs for collecting new revenue	\$7,300,000	\$5,800,000	\$3,000,000	\$3,000,000	\$3,000,000	N/A
TOTAL ANNUAL SPENDING:		\$75,000,000	\$76,500,000	\$78,030,000	\$79,590,600	\$81,182,412	N/A

Program/Activity	Program Description	Year 1 Spending	Year 2 Spending	Year 3 Spending	Year 4 Spending	Year 5 Spending	5-Year Goal Production/ Numbers Served
Affordable Housing Inventory & Services							
Rental Housing Production	Capital construction of units in mixed-income housing projects serving households with incomes at 30%-60% Area Median Income (AMI) and capital construction of Permanent Supportive Housing (PSH) units serving most vulnerable homeless with incomes at 0-30% of AMI. Operating and services support for PSH units produced included below.	\$39,360,000	\$39,939,000	\$37,112,000	\$34,525,000	\$40,783,000	756 units
	Debt service on \$25 million bond issuance every year for first five years to fund capital construction of units in mixed-income housing projects serving households with incomes at 30-60% of AMI.	\$2,000,000	\$4,000,000	\$6,000,000	\$8,000,000	\$10,000,000	735 units
Operating and Services Support for PSH	Operating and services support for PSH serving most vulnerable homeless with incomes at 0-30% of AMI.	\$0	\$0	\$4,722,000	\$6,422,000	\$8,189,000	445 units
Affordable Housing Inventory and Services Subtotal		\$41,360,000	\$43,939,000	\$47,835,000	\$48,947,000	\$58,972,000	\$241,052,000
<i>% of total revenue</i>		<i>56%</i>	<i>58%</i>	<i>60%</i>	<i>65%</i>	<i>69%</i>	<i>65%</i>
Immediate Shelter, Housing, & Services							
Immediate Housing	Rental, operating, and/or capital subsidies for housing serving homeless with incomes at 0-30% AMI.	\$6,050,000	\$6,292,000	\$6,544,000	\$6,805,000	\$7,078,000	603 units
Shelter, Temporary and Emergency	Basic shelter	\$1,000,000	\$1,020,000	\$1,040,000	\$1,061,000	\$1,082,000	161 beds
	Enhanced shelter	\$8,900,000	\$7,788,000	\$5,556,000	\$5,600,000	\$5,795,000	321 beds

Att 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals

V1bV2

<u>Program/Activity</u>	<u>Program Description</u>	<u>Year 1 Spending</u>	<u>Year 2 Spending</u>	<u>Year 3 Spending</u>	<u>Year 4 Spending</u>	<u>Year 5 Spending</u>	<u>5-Year Goal Production/ Numbers Served</u>
	<u>Innovative temporary housing</u>	<u>\$3,200,000</u>	<u>\$4,348,000</u>	<u>\$6,537,000</u>	<u>\$1,116,000</u>	<u>\$0</u>	<u>Example: Tiny houses, Buddy Shelter, shelter tents.</u>
<u>Safety in Place</u>	<u>Shower and laundry trailers, and portable toilets and handwashing stations.</u>	<u>\$610,000</u>	<u>\$622,000</u>	<u>\$635,000</u>	<u>\$647,000</u>	<u>\$660,000</u>	<u>Example: Shower & laundry trailers, portable toilets & handwashing stations</u>
	<u>City-wide sanitation and garbage services such as but not limited to Seattle Public Utilities' Clean Cities program.</u>	<u>\$2,297,000</u>	<u>\$2,297,000</u>	<u>\$2,297,000</u>	<u>\$2,297,000</u>	<u>\$2,297,000</u>	<u>660,000 lbs garbage</u>
	<u>Services for people living in their cars, including overnight parking, case management, and criminal justice diversion outreach.</u>	<u>\$1,650,000</u>	<u>\$1,683,000</u>	<u>\$1,717,000</u>	<u>\$1,751,000</u>	<u>\$1,786,000</u>	<u>157 safe parking spaces; 500 criminal justice diversions</u>
<u>Intersecting Needs</u>	<u>Public health services, such as women's reproductive health care, communicable disease response including encampment management, and addiction and medical services for sheltered and unsheltered homeless.</u>	<u>\$2,150,000</u>	<u>\$2,193,000</u>	<u>\$2,237,000</u>	<u>\$2,282,000</u>	<u>\$2,327,000</u>	<u>Communicable disease response, mental and medical health services, reproductive health care</u>
	<u>Staff to provide outreach to unsheltered homeless people.</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>	<u>\$1,900,000</u>	<u>Behavioral health and housing navigation outreach</u>
<u>Workforce Stability</u>	<u>Wage stabilization for City-funded homelessness direct service providers to reduce turnover and vacancies for critical direct service contracts.</u>	<u>\$2,500,000</u>	<u>\$2,550,000</u>	<u>\$2,601,000</u>	<u>\$2,653,000</u>	<u>\$2,706,000</u>	<u>4% increase for direct service homeless contracts</u>
<u>Immediate Shelter, Housing, and Services Subtotal</u>		<u>\$30,257,000</u>	<u>\$30,693,000</u>	<u>\$31,064,000</u>	<u>\$26,112,000</u>	<u>\$25,631,000</u>	<u>\$143,757,000</u>
<u>% of total revenue</u>		<u>41%</u>	<u>41%</u>	<u>39%</u>	<u>34%</u>	<u>30%</u>	<u>37%</u>
<u>Start-up & Ongoing Costs</u>							
<u>Start-up costs and ongoing administration</u>		<u>\$2,300,000³</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$800,000</u>	<u>\$5,500,000</u>
<u>% of total revenue</u>		<u>3%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
<u>TOTAL ANNUAL SPENDING:</u>		<u>\$73,917,000</u>	<u>\$75,432,000</u>	<u>\$79,698,000</u>	<u>\$75,859,000</u>	<u>\$85,403,000</u>	<u>\$390,309,000</u>

³ Includes \$1.5M loan in Year zero (2018) for EHT start up.

Attachment 2 System-Wide Performance Standards

Minimum Performance Standards					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay (days)	Return Rate to Homelessness		
Emergency Shelter and Enhanced Day Centers	40% Singles 65% Families 35% (Youth & Young Adults)	90 (Singles & Families) 30 (Youth & Young Adults)	10% (Singles & Families) 20% (Youth & Young Adults)	90%	85% (Singles & Families) 90% (Youth & Young Adults)
Transitional Housing	80%	150 (Singles & Families) 270 (Youth & Young Adults)	10% (Singles & Families) 20% (Youth & Young Adults)	90%	85%
Rapid Rehousing	80%	180	5% (Singles & Families) 20% (Youth & Young Adults)	90%	NA
PSH	90% (exit to or maintain PH)	NA	5% (Singles & Families) 20% (Youth & Young Adults)	90%	85%

Target Performance Standards					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay	Return Rate to Homelessness		
Emergency Shelter and Enhanced Day Centers	50% (Singles and Youth & Young Adults) 80% (Families)	30 days (Singles & Families) 20 days (Youth & Young Adults)	8% (Singles & Families) 5% (Youth & Young Adults)	90%	95%
Transitional Housing	85%	90 days (Singles & Families) 180 (Youth & Young Adults)	8% (Singles & Families) 5% (Youth & Young Adults)	95%	95%
Rapid Rehousing	85%	120 days	3% (Singles & Families) 5% (Youth & Young Adults)	95%	NA
PSH	90% (exit to or maintain PH)	NA	3% (Singles & Families) 5% (Youth & Young Adults)	95%	95%

City of Seattle HSD Performance Standards

Minimum Performance Standards: Homelessness Prevention		
Project Type	Exit Rate to PH	Return Rate to Homelessness
Homelessness Prevention	90%	3%
Target Performance Standards		
Homelessness Prevention	95%	2%

Minimum Performance Standards: Diversion	
Project Type	Exit Rate to PH
Diversion	40%
Target Performance Standards	
Diversion	50%

Minimum Performance Standards: Encampments					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay (days)	Return Rate to Homelessness		
Encampments	40%	90	10%	90%	85%
Target Performance Standards					
Encampments	50%	30	8%	90%	95%

Performance Standard: Basic Day and Hygiene Centers	
Project Type	Number of Services Users
Basic Day and Hygiene Centers	Number of monthly service users as proposed in agency RFP submission

Minimum Performance Standards: Outreach and Engagement	
Project Type	Percent Referred to Shelter or an Encampment
Outreach and Engagement Programs	60%

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Traci Ratzliff & Alan Lee/ 4-8153 or 6-9107	Katie Tassery/Wasala Miranda

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

1. BILL SUMMARY

Legislation Title: A RESOLUTION establishing a spending plan for the proceeds generated from a new business tax to address homelessness and housing affordability authorized by the ordinance introduced as Council Bill 119250

- 1. Summary and background of the Legislation:** This resolution adopts a spending plan for the \$75 million annual generated from a new business hours tax authorized by the ordinance introduced as Council Bill 119250. The new tax is authorized beginning January 1, 2019. See Attachment 1 to the resolution for summary of the programs and funding levels.

2. CAPITAL IMPROVEMENT PROGRAM

- a. Does this legislation create, fund, or amend a CIP Project?** Yes No
If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

3. SUMMARY OF FINANCIAL IMPLICATIONS

- a. Does this legislation amend the Adopted Budget?** Yes No
If there are no changes to appropriations, revenues, or positions, please delete the table below.
- b. Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**
If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.
The new funds that will be collected and the programs that will be funded will not begin until January 1, 2019. Budget impacts will begin with 2019 budget.
- c. Is there financial cost or other impacts of *not* implementing the legislation?**
Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.
The City is experiencing significant homelessness and affordable housing crises. The proposed funding and programs attempt to provide additional resources to address these problems.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.d., 3.e., and 3.f. and answer the questions in Section 4.

4. OTHER IMPLICATIONS

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

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

Yes. Human Services Department, Office of Housing, Finance and Administrative Services, Department of Parks and Recreation

b. Is a public hearing required for this legislation?

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

No

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

If yes, please describe the measures taken to comply with RCW 64.06.080.

No

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

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No

e. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

No

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities.

Individuals from vulnerable and historically disadvantaged communities are disproportionately impacted by homelessness. Therefore, any attempts to provide resources to address this problem could help to address this disproportionality.

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

This answer should highlight measurable outputs and outcomes.

See Attached outcomes associated with proposed spending plan

List attachments/exhibits below:

Attachment A – Detailed Information on Affordable Housing Inventory and Services

Attachment A
Detailed Information on Affordable Housing Inventory and Services

Program/Activity	Program Description	5-year Production Goal
Rental Production	<p><u>Total Units</u></p> <p>Capital construction of housing units serving households from 30-60% of Area Median Income (AMI). Avg. \$170,000 per unit. No services or operating support.</p> <p>Capital Construction of Permanent Supportive Housing (PSH) units serving most vulnerable persons who are homeless with incomes at 0-30% of AMI. Avg. \$312,000 per unit.</p> <p>Bond issuance of \$25 million for first five years funds capital construction of housing units serving households with incomes from 30-60% of AMI. Avg. \$170,000 per unit. No services or operating support.</p>	<p align="center"><u>1,491</u></p> <p>311 units - serving 30-60% of AMI (Average 120 units per year) 218 units 30-60% of AMI 93 units 30% of AMI</p> <p>445 units – serving 0-30% of AMI (Average 89 units per year)</p> <p>735 units - serving 30-60% of AMI (Average 147 units per year) 515 units 30-60% of AMI 220 units 30% of AMI</p>
Operating and Services Support	<p>Funds operating and services support for Permanent Supportive Housing serving most vulnerable persons who are homeless with incomes at 0-30% of AMI. Avg.\$17,000 per unit/per year for 20 years.</p>	<p>445 units – serving 0-30% of AMI (Average 89 units per year)</p>