



Date: July 23, 2019

To: Councilmember Lisa Herbold, Chair
Councilmember Kshama Sawant
Councilmember Mike O'Brien
Councilmember Rob Johnson

From: Bobby Lee, Director, Office of Economic Development

Subject: **Overview of OED 2018 RSJI Actions and Accomplishments**

The Office of Economic Development (OED) will be presenting on its 2018 Race & Social Justice Initiative efforts on July 23, 2019 at the Civil Rights, Utilities, Economic Development & Arts Committee. This memo provides a preview of that presentation and highlights the critical aspects of our work to advance racial equity.

Our Mission

To create an inclusive economy that is robust and sustainable, OED is committed to balancing economic growth with the pursuit of racial equity and social justice. OED works to promote access to economic opportunities for all of Seattle's diverse communities and it supports economic development that is financially, environmentally, and socially sustainable. OED supports this vision through: investing in programs and partnerships that create a healthy business environment where local companies are empowered to grow and compete; improving access to career pathways in demand for our local talent; and supporting specific industry sectors that are uniquely competitive or desirable to providing family-wage jobs and support for small businesses. The work of the Office of Film + Music has been embedded within OED, with OFM's mission to support and equitably grow the creative economy with a focus on the film, nightlife and special events sectors. Woven through OED's and OFM's vision, mission, and values are the guiding principles of the Race and Social Justice Initiative – to achieve racial equity and eliminate racial disparities in Seattle. Our accomplishments in 2018 below exemplify our commitment to achieving racial equity by improving access and inclusion for people of color (POC) and centering POCs at design, decision-making, and evaluation.

Summary of 2018 Accomplishments

The Race & Social Justice Initiative measures the community outcomes in 'Equity Areas'. Of those areas, OED and OFM have programmatic efforts which can be found under: Equitable Development, Jobs/Economic Justice, and Service Equity. Within each area, the City engages one of three strategies: using departmental programs and projects to eliminate racial inequity, building racial equity into department policies, and partnering with City departments, the community, and other institutions. We highlight our significant contributions to the Initiative and the City's racial justice goals within these strategies and share the key obstacles we faced and our efforts to shift internal culture. As well, we also highlight our work engaging Racial Equity Toolkits (RETs) in four program areas.



Equity Area: Equitable Development

OED's Only in Seattle (OIS) neighborhood business district (NBD) program strives to achieve equity across race within business districts and in small businesses. Their goal is to help these NBDs grow by providing them support through OIS.

- In 2018, Only in Seattle provided funding and staff support to build organizational capacity in 11 districts serving communities of color: Beacon Hill, Central Area, Chinatown-ID, Little Saigon, Delridge, Hillman City, Lake City, MLK-Othello, Mount Baker, Rainier Beach, and South Park.
- In addition, OIS also worked with NBDs to develop a plan to collect and compile data on race and gender of businesses from seven business districts (Ballard, Mt. Baker, Chinatown-ID, Little Saigon, MLK Othello, Central Area, U-District) to give the NBDs a better understanding of their own makeup and to support targeted outreach to ensure representation. Additional data will be collected in four additional districts in 2019.
- OIS also uses the strategy of enhancing community partnerships. In 2018, OIS completed projects with Department of Neighborhoods Community Liaisons in seven districts, conducting outreach to 117 businesses.
- OIS conducted its 4th annual racial equity training for district managers in 2018. Eighteen people from 15 organizations in 14 neighborhoods learned tools to overcome individual and organizational racial implicit bias and better serve business owners of color in their districts.
- In 2018, OIS also ran a small business financing program with Community Development Block Grant dollars in which OED disbursed \$138,956 benefitting 25 WMBEs. Each business owner saved \$500 and participated in 12 hours of training and, in exchange, received a \$4,000 matching grant from OED. OED prioritized outreach to WMBE businesses in South Park, Central Area and Rainier Valley.

OED's Entrepreneurship & Industry (E&I) team seeks to support targeted industry sectors where Seattle is showing a competitive advantage for providing family-wage jobs and support for small businesses. This program furthered the RSJI by:

- Partnering with UW's DICE (Diversity in Clean Energy) group to engage the Clean Tech industry toward building collaborations and connections. E&I supported their efforts to diversify this often white-male dominated sector.

OED's Small Business Development (SBD) team instructs its staff to conduct its business outreach and provide direct business assistance to WMBE businesses. Team members also conduct 'External Office Hours' outreach which essentially brings the office to neighborhoods. In locations hosted by OED community partners, OED staff connect WMBE businesses to resources such as Technical Assistance (TA) and financing options (community lenders Mercy Corps NW, Craft 3, and Grow America Fund).

- The SBD Team conducted over 90 hours of external office hours and direct assistance to approximately 100 WMBEs.



Equity Area: Jobs/Economic Justice

OED's programming seeks to achieve racial equity by supporting access to living wage jobs by including enhancements to school-to-job pipeline programs and support of STEM opportunities. We engage in this work through our programs.

OED's E&I team supported job development and economic justice in a variety of ways.

- **TechHire & Tech Talent Pipeline** are two programs run by OED's Startup Business Advocate which sought to make connections between the technology industry and young adults of color. The focus of these connections was to technology training, industry familiarization, and on the job networking opportunities. As well, this program was intentional about spending at least 50% of the StartupSeattle budget and office hours with individuals and businesses that identify as women and/or POC owned.
- **Restaurant Success** organized and conducted Restaurant Success Orientations and Food Business Roadshows to help ensure that information related to requirements along with regulations for opening and expanding restaurants is accessible to different communities. Staff conducted 14 workshops (in partnership with SPL, SCORE/SBA, University of Washington, Project Feast, Washington State Food Truck Association, along with a private restaurant consultant company). Staff also participated in two business resource open houses and 16 outreach events. In addition, this program worked with OIS staff to organize commercial lease education workshops in Chinatown/International District to support businesses to remain local or find competitive leases.
- **EnviroStars**, the green business recognition program, aimed to support small businesses 'green' their operations. A WMBE firm was selected for the next 3-year contract to administrate the EnviroStars program and OED was successful in getting a grant to support in-language business assistance, along with funds to conduct interviews as well as a focus group (in-language) to understand challenges and hear suggestions in improving the program.

OED's Workforce Development team seeks to enhance the opportunities for both low income and low skill youth and adults by creating pathways to living wage careers through a variety of career connected learning opportunities.

- Through contracts with community-based organizations, OED supported 393 low income adult learners to complete training in high growth industries, while 449 adults were placed in jobs.
- Youth internships are one example of this work. While we do not have data broken out by the race of our internship participants, we do have specific parameters and goals with our subcontractors for targeting low-income youth of color. In total, 3,704 youth participate in a paid work experience.
- 695 youth participated in career connected learning event. Of the 695, 133 were focused on the creative economy – activities included Try-a-Trade Media Arts day, Film Tours and employer tours. Youth targeted for these events were Rainier Beach, Franklin and Cleveland High schools, as well as our community partners, Juma and CareerLink.

OED's Finance & Operations team oversees the general operations of the office. The team has engaged to build racial equity into departmental policies and procedures as well as to track the outcomes of OED's investments. More specifically:



- OED sets and tracks annual WMBE contracting goals. In 2018, OED's total spending with WMBE vendors registered with the City was 11.5%; however, this number rises to 13/6% when we account for the vendors known to be WMBEs, but who are not formally registered with the City. Of the total \$5.4 million spent by OED in 2018, \$3.9 million of those expenditures were made with nonprofit organizations (NPO) and municipal or quasi-governmental organizations like the Seattle Colleges, Business Improvement Areas (BIAs), and the Port of Seattle, all of which are not eligible for WMBE status. Factoring out these ineligible expenditures, OED's spending with WMBEs rises dramatically to 77% or approximately \$732,000 out of \$951,000.
- OED has engaged in space planning over the past couple of years. In 2018, we undertook a RET which led us to analyze race and staff workspace location. We found that a disproportionate number of our POC staff were assigned interior workspaces, further away from natural light. As a result, OED is reorganizing our layout to allow for more POC staff to have desirable cubicle spaces adjacent to natural light and with the new adjustable furniture now available.

Equity Area: Service Equity

OED's SBD team also continued a partnership with Ventures, a non-profit organization that supports people of color and immigrants to gain skills to launch a small business. Through our contract:

- Ventures served a total of 234 individuals, 29% which were low or extremely low income, providing business financial management technical assistant (please note that 67% of those served did not report their income). 28 of the 187 individuals assisted were existing business owners.

Office of Film + Music looked for ways to engage community in racial equity work through the following efforts:

- OFM coordinated with the **Summer Skills Center's Intro to Video Production Course** to bring 14 9th–12th graders to the set of a major motion picture being filmed in Seattle. Staff accompanied students on set as they watched filmmaking in action, spoke with cast and crew about their roles on the set, and learned about all the moving parts that make a film happen. The Summer Skills Center Program provides free Career and Technical Educations (CTE) courses to Seattle Public Schools students entering 9th – 12th grade.
- OFM partnered with the Seattle Music Commission (SMC) to support the seventh annual City of **Music Career Day**, youth and community roundtables, and other outreach events that increase access for people of color to the music industry.
- Fall of 2018, OFM and the SMC launched the **Seattle Music Ecosystem Study survey** to explore the root causes of racial disparities in the music industry.
- The SMC partnered with Equity Matters, a racial equity training company, to facilitate **Racial Equity Training for Seattle Music Industry workers** targeting venue owners and employees. The training was attended by representatives from KEXP, Nectar Lounge, Seattle Theater Group, Taste of the Caribbean, Africatown, Fremont Abbey Arts, Flame Production, Artist Trust, Seattle Chamber Music and more.
- OFM staff undertook a **Nightlife Equity Study**. Staff engaged in a RET and implemented a study to collect and analyze information from business owners and constituents in the nightlife sector who have been historically marginalized. Surveys were conducted with the East African, Cambodian,



Latinx, and Vietnamese communities. In developing the survey, we consulted with OIRA, OCR and the Immigrant and Refugee Commission. This was a very limited in scope survey that was designed to give us a baseline understanding of some of the issues facing the Refugee and Immigrant communities.

As we reflect on our work from 2018, we find that there are a few key strategies that best supported our efforts to engage our work with a racial equity lens. Addressing issues of equity through program design is made easier with engagement from diverse representation. This holds true with the importance of hiring a diverse staff and as we engage our community partners. (See attachment 2 for more detail on the demographics for our staff.) As well, pushing program staff to collect as well as reflect on racial data helps to ensure that our outreach efforts are targeted. This confirms that our programs are impacting the communities of color we intend to serve. Lastly, staffs' ability to engage in this work is contingent on their understanding of institutional racism, racial oppression and implicit bias. Supporting their professional development with racial equity training leads to their successful implementation of antiracist strategies, making progress towards racial equity possible.

Summary of 2018 Challenges

There were several challenges that staff faced when moving our programming forward with a race and social justice lens. Implementing programming with an equity lens will become easier with practice; however, other challenges represent institutional obstacles and are barriers about which our team continually comes up against and around which we find it difficult to navigate.

- **Time & Resources** - We have found that equity work takes more and different resources (staff time and budget) than we have allocated traditionally to our program budgets. A new way of doing business requires us to slow down and allow more time to engage a more diverse group of partners. Having a diverse and representative staff is critical to engaging a diverse community and requires changes in our hiring processes. As well, we have worked to change how we engage in contracting, and push for smaller contracts with a variety of diverse vendors, rather than one large contract with a single vendor. This approach requires more administration to execute, greater contract oversight and engagement with our vendors
- **Lack of universal approach to engaging community** – We have found that across departments there is inconsistency in engaging and listening to community. This difference impacts the City's work as a whole and can also create problems which OED staff may be called in to resolve after the fact.
- **Developing a Learning Culture** – To tackle the issue of racial equity OED has identified the need to foster a continuous improvement and learning culture. The approach requires continued training/professional development related to supporting racial equity and recognizing implicit bias.
- **Community Partners Need Training** – Though we have had some initial success with training partners in racial equity through our work in the Only in Seattle program, this model needs to be expanded to include more of our partners. We have seen the cascading effect of training community partners, but this approach takes time and dedicated budget. Without it, community partners tend to recreate the same white dominated narrative.
- **Impacts of a Political Landscape** – With City Council members representing different geographic regions and with the nature of politics to respond to a voter base, politicians are eager to see investments made within certain communities. Although natural, this reality puts pressure to spread available resources across the whole city, rather than to target them on our most vulnerable



populations, our communities of color. As such, our efforts can often be curtailed or diffused when we see the need to invest in those most in need.

Racial Equity Toolkit Applications

In 2018, our office undertook seven racial equity toolkits (RETs), four of which were completed and shared with the Mayor's Office and the Office for Civil Rights. Below we have provided a summary of the racial equity outcomes for four RETs and included additional detail on the last two as per Council's direction:

- **Seattle Trans Economic Empowerment Project with Ingersoll Gender Center** – The racial equity goal of this work is to increase access to and participation in career awareness, education and training to the transgender community, paying attention to transgender POC (TPOC), ultimately leading to higher employment rates for the transgender community and a more inclusive workplace.
- **Refugee & Immigrant Nightlife Equity** – Through this RET, we sought to understand how specific communities interacted with and consumed nightlife in the City. Did they integrate with the greater population, do they seek out different experiences, do they have barriers to participation, are there subcultures the city is unaware of and therefore unable to include when developing policy? The goal then is to be cognizant of these issues to be fully inclusive when addressing nightlife policy.
- **Youth Employment Career Awareness** – The racial equity goal of this RET was to increase access to and participation in career awareness, education and training to youth of color, ultimately leading to lower unemployment rates for Seattle's youth of color.

In 2015, the Youth Employment Initiative (MYEI) was launched, which connected Seattle youth ages 14-24 with paid internships and employment opportunities to address Seattle's high youth unemployment rate. The City has heard from the community, employers, and young people directly that young people need more opportunities in a variety of work experiences that meet young people where they are. OED has proposed to redirect MYEI dollars (from solely focusing on internships) to a broader career connected learning strategy that includes additional career exposure, awareness, and training activities to reach more youth and provide developmentally appropriate activities.

We reviewed the Innovation and Performance Team's interviews with over 80 young people, families and communities, looked at economic and employment indicators for our priority populations, sent surveys to youth and employer partners of MYEI (including previous survey responses), and analyzed the region's workforce strategy group's recommendations for K-12 and Opportunity Youth.

The benefits of this new approach of developing career connected learning strategies is that it will connect youth, along a developmental continuum, to employers and experiences that best match their readiness level. Partnerships with community-based organizations can tailor opportunities to best meet the needs of their youth as opposed to a uniform, one size fits all approach. The funding will be allocated to youth providers and schools based on the needs of their youth and will include career preparation, awareness, exposure, exploration, immersion, and training and more. This strategy will allow us to serve more young people in a variety of career experiences than previous iterations and meet our identified outcome of increasing opportunities for more youth. With a new RFP for community organizations and schools, those closest to the priority population will have greater flexibility and more authority to create programs that best serve the needs of their community. With this model, community has more decision-making power.



- **Commercial Lease Education** – The racial equity goal of our Commercial Lease Education program is to help preserve the cultural diversity of neighborhood business districts and attract more culturally diverse businesses by:
 - 1) Increasing access to information and business services for business owners of color
 - 2) Providing access to information in culturally appropriate ways

To provide more detail on this work, it is important to understand the current context in which businesses are operating. Due to rapid development in the city, businesses are facing a host of issues with regard to finding affordable commercial spaces such as: increasing costs due to rent and new regulations, changing demographics and customers, redevelopment in neighborhoods throughout the city, tenant improvement financing needs to remodel existing spaces or to build out new spaces and a lack of business support services tailored to help with displacement pressures.

Part of the path to this goal is providing business workshops in the Chinatown-ID that focus on lease education, the process of building out a space, and how to find financing. The Chinatown-ID/Little Saigon was chosen as the first neighborhood to receive this series of commercial lease education workshops due to the rapid development in the area creating displacement pressure on existing businesses. The goal of this workshop series is to see if other neighborhoods throughout the city who are experiencing similar issues might be interested in implementing these workshops for their own business communities.

One unresolved issue is that we know that other neighborhoods are experiencing rapid development and risk of businesses being displaced who could potentially benefit from these services but either don't have the capacity or have a different strategy in mitigating these challenges. Further, we see the need for better marketing of the pilot program and overall small business resources offered to small businesses and neighborhood business district organizations through OED.

Conclusion

Beyond the examples provided above, OED and OFM will continue to work to institutionalize the use of the Racial Equity Toolkit by employing it frequently throughout our work. We are appreciative of this opportunity to share our RSJI work with Councilmembers so they can gain a better understanding of our overall progress toward racial equity. As well, this process also offers the larger community an opportunity to bear witness to the City's commitment to racial justice and experience the scale and scope of our racial equity work. We look forward to reporting the continued progress made this year in 2020.

Cc: Mariko Lockhart, Interim Director, Seattle Office for Civil Rights
Iman Ibrahim, Seattle Office for Civil Rights
Yolanda Ho, Council Central Staff
Miranda Waslala, City Budget Office

Attachments: 1. OED 2018 Workplan Reflection
2. OED Staff Demographic Information