



SEATTLE CITY COUNCIL

Sustainability and Renters' Rights Committee

Agenda

Thursday, May 21, 2020

6:00 PM

Special Meeting

Remote Meeting. Call listen line at 206-684-8566 or access Seattle Channel online.

Kshama Sawant, Chair
Tammy J. Morales, Vice-Chair
Debora Juarez, Member
Andrew J. Lewis, Member
Alex Pedersen, Member
Teresa Mosqueda, Alternate

Chair Info: 206-684-8803; Kshama.Sawant@seattle.gov

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Sustainability and Renters' Rights Committee
Agenda
May 21, 2020 - 6:00 PM
Special Meeting

Meeting Location:

Remote Meeting. Call listen line at 206-684-8566 or access Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/sustainability-and-renters-rights>

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.

In-person attendance is currently prohibited per the Washington Governor's Proclamation No. 20-28.2 until May 31, 2020. Meeting participation is limited to access by telephone conference line and Seattle Channel online.

Register online to speak during the Public Comment period at the 6:00 p.m. Sustainability and Renters' Rights Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Sustainability and Renters' Rights Committee meeting will begin two hours before the 6:00 p.m. 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.

Submit written comments to Councilmember Sawant at Kshama.Sawant@seattle.gov

Sign-up to provide Public Comment at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 206-684-8566

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

Register online to speak during the Public Comment period at the 6:00 p.m. Sustainability and Renters' Rights Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

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D. Items of Business

1. **Tax on Corporate Payroll to Fund Emergency Aid, Jobs, Affordable Housing, and Green New Deal in Response to COVID Crisis**

Supporting Documents:

[CB 119772 - Corporate Payroll Tax](#)
[CB 119773 - Corporate Payroll Tax Interfund Loan](#)
[CB 119774 - Corporate Payroll Tax Funding Plan](#)
[Central Staff Memo \(4/27/20\)](#)

Briefing and Discussion (60 minutes)

Presenters: Sarah E. Myhre Ph.D., Climate Scientist; Zoe Sansted, Vice President, University of Washington Housestaff Association; Molly Whittaker, Member of Laborers Local 242; Collin Moen, Member of the International Brotherhood of Electrical Workers Local 46; Logan Swan, Member of Ironworkers Local 86; Paula Lukaszek, President, Washington Federation of State Employees Local 1488; Matt Maley, Member of the Seattle Education Association; Aly Pennucci and Traci Ratzliff, Council Central Staff

2. **Strengthening Renters' Rights Under COVID Crisis and Supporting Grassroots Organizing for Full Suspension of Rent, Mortgage, and Utility Payments**

Briefing and Discussion (30 minutes)

Presenters: Sean Case, Jason Redmond, and Victoria Price, Renter Organizers

E. Adjournment



Legislation Text

File #: Inf 1635, **Version:** 1



Legislation Text

File #: CB 119772, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, the Mayor declared a civil emergency on March 3, 2020, and the City Council modified the civil emergency proclamation by adopting Resolution 31937 on March 5, 2020; and

WHEREAS, The City of Seattle’s 2020 Budget fully appropriates all available municipal revenues to address the many and varied needs of the community; and

WHEREAS, the City Council has determined that there is no viable alternative available for advancing a core City objective during a time of civil emergency; and

WHEREAS, The City of Seattle intends to exercise its taxing authority, as granted by the Washington State Constitution and as authorized by the Washington State Legislature; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that:

A. There is no viable alternative to meet a core City objective.

B. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in Seattle related to the COVID-19 virus.

C. On March 11, 2020, the Governor of Washington State and the Local Health Officer for Public Health - Seattle & King County issued parallel orders prohibiting gatherings of 250 people or more for social,

spiritual, and recreational activities in King County.

D. On March 13, 2020, the Governor of Washington State issued an emergency order announcing all K-12 schools in Washington to be closed from March 17, 2020, through April 24, 2020, to combat the spread of the disease.

E. On March 13, 2020, the President of the United States declared a national emergency to allow the government to marshal additional resources to combat the virus.

F. On March 23, 2020, the Governor of Washington State issued an emergency order (“the Stay Home, Stay Safe order”) announcing that “[a]ll people in Washington State shall immediately cease leaving their home or place of residence except: (1) to conduct or participate in essential activities, and/or (2) for employment in essential business services.”

G. As of April 1, 2020, the Washington State Department of Health confirmed 5,984 cases of COVID-19 and 247 deaths caused by the virus.

H. The COVID-19 crisis has had a significant adverse impact on the local economy, impacting the retail, restaurant, and other industries, resulting in layoffs and reduced work hours for a significant percentage of this workforce and loss of income for small businesses. These impacts are being felt most strongly by people with low incomes who have become unemployed or had their work hours severely reduced.

I. There are at least 38,000 businesses in Seattle employing a minimum of 655,000 individuals. Since the Governor of Washington State closed or limited operations of many businesses in the state, over 133,000 individuals statewide and 37,000 individuals in King County, alone, have filed for unemployment insurance in just the first weeks. Unemployment insurance generally only covers a portion of lost wages. Those filing for unemployment insurance will, in all likelihood, only increase as the closure continues. This will put more and more Seattle households, particularly low-income households, in financial peril.

J. Federal and state assistance to people with low incomes will not be sufficient to meet their basic needs during the COVID-19 public health and economic crisis. Additional financial support to people with low

incomes is necessary to help meet their basic needs such as housing, food, and medical care, and to help minimize impacts to public health as well as the local economy.

K. The City's Adopted 2020 Budget fully appropriates all available municipal revenues to address the many and varied needs of the community.

L. On March 17, *The Seattle Times* quoted the City Budget Director as saying that a "best-case scenario" would be that the COVID 19 civil emergency causes as little as a \$110 million or seven percent reduction in General Fund revenues available for City spending priorities in 2020 (and this estimate was made prior to the Governor's emergency order closing all restaurants, bars, and other non-essential businesses).

M. This bill will impose a new payroll expense tax on the largest businesses that will provide new revenues to allow the City, through the procedures described herein, to make immediate cash assistance available to those households most impacted by the COVID-19 civil emergency.

N. The City will provide such immediate cash assistance through Council Bill (CB) 119774.

O. The interfund loan contemplated in CB 119773 is necessary to provide the immediate cash assistance through CB 119774 and is dependent on the tax authorized by this bill going into effect immediately and not being overturned by referendum.

P. As a result of the City having already fully committed the City's General Fund through the 2020 Adopted Budget and of the anticipated decrease in General Fund revenues, other means of repaying the interfund loans authorized by CB 119773 would not be feasible if the tax authorized by this bill were overturned by referendum.

Section 2. A new Chapter 5.38 is added to the Seattle Municipal Code as follows:

Chapter 5.38 TAX ON CORPORATE PAYROLL

5.38.010 Administrative provisions

All of the provisions contained in Chapter 5.55 shall have full force and application with respect to taxes imposed under the provisions of this Chapter 5.38 except as may be expressly stated to the contrary herein.

5.38.020 Definitions

The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.38 except as may be expressly stated to the contrary herein. The following additional definitions shall apply throughout this Chapter 5.38:

“Business” has the same meaning as that term is defined in SMC 5.30.020. Depending on the context, “business” may also mean a person engaging in business in Seattle.

“Compensation” means remuneration as that term is defined in RCW 50A.05.010, net distributions, or incentive payments, including guaranteed payments, whether based on profit or otherwise, earned for services rendered or work performed, whether paid directly or through an agent, and whether in cash or in property or the right to receive property. “Compensation” does not include payments to an owner of a pass-through entity that are not earned for services rendered or work performed, such as return of capital, investment income, or other income from passive activities.

“Employee” means any individual who performs work, labor, or personal services of any nature for compensation paid by a business. For purposes of this Chapter 5.38, the term “employee”:

1. Includes individuals who are members of limited liability companies, members of professional limited liability companies, partners, other owners of pass-through entities, and sole proprietors; and
2. Includes individuals who would be considered to be independent contractors for purposes of the business license tax under subsection 5.45.090.S.

“Grocery business” means:

1. A business whose primary business is making retail sales of food and food ingredients to consumers that are exempt from the retail sales tax under RCW 82.08.0293; and
2. A business whose primary business is making wholesale sales of food and food ingredients that will be exempt from the retail sales tax under RCW 82.08.0293 when resold by the purchaser.

For subsections (1) and (2) of this definition, “primary business” means that 75 percent of the gross

income of the business for purposes of calculating the business license tax under Chapter 5.45 is attributable to that business activity.

“Local government entity” has the same meaning as that term is defined in RCW 4.96.010.

“Net distribution” means the draws from net income by any owner of a pass-through entity. Taxable distributions are limited by the amount of draws or net income for that owner, whichever is less. If the owner’s draw exceeds that individual’s net profit, the excess draw is a return of capital. A return of capital is not taxable because it is a liquidation of an owner’s assets.

“Pass-through entity” includes a trust, partnership, corporation described in Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability partnership, professional corporation, and any other person or entity which is not subject to the income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or which is allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such person or entity.

“Payroll expense” means the compensation paid in Seattle to employees. Compensation is paid in Seattle to an employee if:

1. The employee is primarily assigned within Seattle;
2. The employee is not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of the employee’s service for the tax period in Seattle; or
3. The employee is not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of the employee’s service in any one city, and the employee resides in Seattle.

“Primarily assigned” means the business location of the taxpayer where the employee performs the employee’s duties.

“Remuneration” has the same meaning as that term is defined in RCW 50A.05.010.

“Tax on corporate payroll” means the payroll expense tax imposed by this Chapter 5.38.

“Taxpayer” means any person who engages in any business in Seattle or who performs any act for

which a tax is imposed under this Chapter 5.38.

5.38.030 Tax imposed-Rate

A. A tax on corporate payroll is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the tax on corporate payroll due shall be the payroll expense of the business for the tax period, subject to any deductions authorized under this Chapter 5.38, and multiplied by a rate of 1.30 percent.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees' compensation to pay for this tax.

5.38.040 Allocation and apportionment

A. The Director may adopt procedures to allow taxpayers who have payroll expenses consisting of work done and services provided within and outside Seattle to use a representative test period or conduct a survey based on factual data to arrive at a formula with which to calculate the percentage of payroll expense attributable to Seattle. Any formula so established will be subject to review and correction by the Director.

B. If the payroll expense as defined in Section 5.38.020 does not fairly represent the extent of the compensation paid by the taxpayer to its employees that is attributable to work performed or services rendered in Seattle, the taxpayer may petition the Director for, or the Director may require, the employment of another method to effectuate an equitable allocation and apportionment.

C. Nothing in this Chapter 5.38 shall be construed as requiring the payment of any tax for engaging in business when such payment would be in violation of the Constitution or a statute of the United States or of the Constitution or a statute of the State of Washington. Notwithstanding anything to the contrary herein, if imposition of the City's tax would place an undue burden upon interstate commerce or violate other constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City's tax to as much of the taxpayer's activities as may be subject to the

City's taxing authority.

D. Businesses engaging temporary or contracted employees shall report and pay the tax on the payroll expense of such temporary or contracted employees, whether or not they are from an employment agency.

5.38.050 Exemptions from the tax on corporate payroll

A. The following are exempt from the tax on corporate payroll:

1. Any business having payroll expense, as defined under subsection 5.38.020, of \$7,000,000 or less in the most recent complete calendar year.
2. Any business engaged in business in Seattle as a grocery business.
3. Any business having a formally recognized exemption from income tax pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as amended.
4. Any individual who is an independent contractor for purposes of the business license tax under Section 5.45.090.S and whose compensation is included in the payroll expense of another business subject to the tax imposed by Section 5.38.030.
5. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:
 - a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.
 - b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.
 - c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.
 - d. Federal and state government agencies and any local governmental entity.

B. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust the

amount of the exemption in subsection 5.38.050.A.1 as follows:

1. The amount shall increase commensurate with the rate of growth of the prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor;
2. If the annual change in the CPI-U is negative, no adjustment to the amount must be made; and
3. The amount calculated shall be rounded to the nearest whole dollar.

5.38.060 Tax on corporate payroll-When due

The tax on corporate payroll imposed by this Chapter 5.38 shall be due and payable in accordance with Section 5.55.040. The tax on corporate payroll shall be due and payable on an annual basis for 2020 and the measure of the tax shall be prorated based on the effective date of the tax. For years subsequent to 2020, the tax on corporate payroll shall be due quarterly. Notwithstanding Section 5.55.040, the tax due for 2020 and 2021 shall be payable on the same date that the tax payment for the fourth quarter of 2021 is due. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the tax on corporate payroll at the same time as they file their final business license tax return under Chapter 5.45.

5.38.070 Tax in addition to other license fees or taxes

The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute, or ordinance whether imposed or levied by the City, the State, or other governmental entity or political subdivision.

5.38.080 Tax part of operating overhead

It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

5.38.090 Rules and regulations

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but not limited to rules to determine the payroll expense attributable to work performed and services rendered by employees in Seattle.

Section 3. Section 5.30.010 of the Seattle Municipal Code, last amended by Ordinance 125934, is amended as follows:

5.30.010 Definition provisions

The definitions contained in this Chapter 5.30 shall apply to the following chapters of the Seattle Municipal Code: Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and 5.55 (General Administrative Provisions) unless expressly provided for otherwise therein, and shall also apply to other chapters and sections of the Seattle Municipal Code in the manner and to the extent expressly indicated in each chapter or section. Words in the singular number shall include the plural and the plural shall include the singular. Words in one gender shall include all other genders.

Section 4. Subsections 5.30.060.B and 5.30.060.C of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

5.30.060 Definitions, T-Z

* * *

B. “Taxable gross income of the business and the value of products,” as used in Section 5.55.030 to determine the business license tax certificate fee, and “taxable gross income” (~~means~~) mean the taxpayer’s total amount of gross proceeds of sale, gross income of the business, and the value of products, less any deductions available to the taxpayer under Chapter 5.45.

C. “Taxpayer” means any “person,” as herein defined, required by Chapter 5.55 to have a business license tax certificate, or liable for any license, tax, or fee, or for the collection of any tax or fee, under Chapters 5.32 (Revenue Code), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax), or who engages in any business or who performs any act for which a tax or fee is imposed under those chapters.

* * *

Section 5. Section 5.55.010 of the Seattle Municipal Code, which was last amended by Ordinance 125934, is amended as follows:

5.55.010 Application of chapter stated

Unless expressly stated to the contrary in each chapter, the provisions of this Chapter 5.55 shall apply with respect to the licenses and taxes imposed under this Chapter 5.55 and Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and under other titles, chapters, and sections in such manner and to such extent as indicated in each such title, chapter, or section.

Section 6. Subsection 5.55.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

5.55.040 When due and payable-Reporting periods-Monthly, quarterly, and annual returns-Threshold provisions-Computing time periods-Failure to file returns p

A. Other than any annual license fee or registration fee assessed under this Chapter 5.55, the taxes imposed by Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate

Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may use discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for punch boards and pull-tabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return.

* * *

Section 7. Subsection 5.55.060.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

5.55.060 Records to be preserved-Examination-Inspection-Search warrants-Estoppel to question assessment

A. Every person liable for any fee or tax imposed by this Chapter 5.55 and Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53 shall keep and preserve, for a period of five years after filing a tax return, such records as may be necessary to determine the amount of any fee or tax for which the person may be liable; which records shall include copies of all federal income tax and state tax returns and reports made by the person. All books, records, papers, invoices, ticket stubs, vendor lists, gambling games, and payout information, inventories, stocks of merchandise, and other data, including federal income tax and state tax returns, and reports needed to determine the accuracy of any taxes due, shall be open for inspection or examination at any time by the Director or a duly authorized agent. Every person's business premises shall be open for inspection or examination by the Director or a duly authorized agent. For the purposes of this Section 5.55.060, for the tax imposed by Chapter 5.53, "business premises" means wherever the person's business records and tax documents are maintained and does not mean every site owned or operated by the person.

* * *

Section 8. Subsection 5.55.150.E of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

5.55.150 Appeal to the Hearing Examiner

* * *

E. The Hearing Examiner shall ascertain the correct amount of the tax, fee, interest, or penalty due either by affirming, reversing, or modifying an action of the Director. Reversal or modification is proper if the Director's assessment or refund denial violates the terms of this Chapter 5.55, or Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53.

* * *

Section 9. Section 5.55.165 of the Seattle Municipal Code, which section was last amended by Ordinance 125934, are amended as follows:

5.55.165 Director of Finance and Administrative Services to make rules

The Director of Finance and Administrative Services shall have the power and it shall be the Director's duty, from time to time, to adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.55, with Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.47, 5.46, 5.48, 5.50, 5.52, or 5.53, or with law for the purpose of carrying out the provisions of such chapters, and it shall be unlawful to violate or fail to comply with any such rule or regulation.

Section 10. Subsections 5.55.220.A and 5.55.220.B of the Seattle Municipal Code, which section was last amended by Ordinance 125934, are amended as follows:

5.55.220 Unlawful actions-Violation-Penalties

A. It shall be unlawful for any person subject to the provisions of this Chapter 5.55 or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53:

1. To violate or fail to comply with any of the provisions of this Chapter 5.55, or Chapters 5.32,

5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53, or any lawful rule or regulation adopted by the Director;

2. To make or manufacture any license required by this Chapter 5.55 except upon authority of the Director;

3. To make any false statement on any license, application, or tax return;

4. To aid or abet any person in any attempt to evade payment of a license fee or tax;

5. To refuse admission to the Director to inspect the premises and/or records as required by this Chapter 5.55, or to otherwise interfere with the Director in the performance of duties imposed by Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53;

6. To fail to appear or testify in response to a subpoena issued pursuant to Section 3.02.120 in any proceeding to determine compliance with this Chapter 5.55 and Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53;

7. To testify falsely in any investigation, audit, or proceeding conducted pursuant to this Chapter 5.55;

8. To continue to engage in any business activity, profession, trade, or occupation after the revocation of or during a period of suspension of a business license tax certificate issued under Section 5.55.030; or

9. In any manner, to hinder or delay the City or any of its officers in carrying out the provisions of this Chapter 5.55 or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53.

B. Each violation of or failure to comply with the provisions of this Chapter 5.55, or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53 shall constitute a separate offense. Except as provided in subsection 5.55.220.C, any person who commits an act defined in subsection 5.55.220.A is guilty of a gross misdemeanor, punishable in accordance with Section 12A.02.070. The provisions of Chapters 12A.02 and 12A.04 apply to the offenses defined in subsection 5.55.220.A, except that liability is absolute and

none of the mental states described in Section 12A.04.030 need be proved.

* * *

Section 11. Subsection 5.55.230.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

5.55.230 Denial, revocation of, or refusal to renew business license tax certificate

A. The Director, or the Director’s designee, has the power and authority to deny, revoke, or refuse to renew any business license tax certificate or amusement device license issued under the provisions of this Chapter 5.55. The Director, or the Director’s designee, shall notify such applicant or licensee in writing by mail in accordance with Section 5.55.180 of the denial of, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any business license tax certificate or other license issued under this Chapter 5.55 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 5.55.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.

* * *

Section 12. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

6.208.020 Denial, revocation of, or refusal to renew business license

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director’s designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director’s designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds

such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 6.208.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, or 5.52.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.
5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.
6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.
7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either: a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect at the time of the final judgment order; or b. If a timely appeal is made, the date of the final resolution of that appeal and any subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.
8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.
9. Pursuant to subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, and 14.23.115.A.4, the applicant or licensee has failed to comply, within 30 days of service of

any settlement agreement, with any final order issued by the Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

* * *

Section 13. Severability. If any part, provision, or section of this ordinance is held to be void or unconstitutional, all other parts, provisions, and sections of this ordinance not expressly so held to be void or unconstitutional shall continue in full force and effect.

Section 14. Effective date of tax. Sections 1 through 13 of this ordinance shall take effect on June 1, 2020.

Section 15. Based on the findings of fact set forth in Section 1 of this ordinance, the Council finds and declares that this ordinance is a public emergency ordinance, which shall take effect immediately and is necessary for the protection of the public health, safety, and welfare.

Section 16. By reason of the findings set out in Section 1 of this ordinance, and the emergency that is hereby declared to exist, this ordinance shall become effective immediately upon its passage by a 3/4 vote of the Council and its approval by the Mayor, as provided by Article IV, subsection 1.1 of the Charter of the City.

Passed by a 3/4 vote of all members of the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its passage this

_____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)



Legislation Text

File #: CB 119773, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of responses to the civil emergency; authorizing the loan of funds from the Low Income Housing Fund to the General Fund; authorizing the loan of funds from the Housing Incentive Fund to the General Fund; authorizing the loan of funds from the Families Education and Preschool Promise Levy Fund to the General Fund; authorizing the loan of funds from the Move Seattle Levy Fund to the General Fund; authorizing the loan of funds from the Seattle Parks District Fund to the General Fund; authorizing the loan of funds from the 2019 Library Levy Fund to the General Fund; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, on November 2, 2015, the Mayor issued a Civil Emergency to address the homelessness crisis in the City of Seattle; and

WHEREAS, on November 3, 2015, the City Council adopted Resolution 31630, ratifying and confirming the Mayoral Proclamation of Civil Emergency; and

WHEREAS, the Civil Emergency to address the homelessness crisis is still in effect today; and

WHEREAS, the Mayor declared a civil emergency on March 3, 2020, and the City Council modified the civil emergency proclamation by adopting Resolution 31937 on March 5, 2020; and

WHEREAS, the City Council adopted an ordinance, introduced as Council Bill 119772, authorizing a tax on corporate payroll to be implemented and administered by the Department of Finance and Administrative Services effective January 1, 2021 with the first tax payments from taxpayers due on January 31, 2021; and

WHEREAS, regarding use of the proceeds of these interfund loans for an emergency response to the COVID-

19 civil emergency, the City Council has determined that there is no viable alternative available for advancing a core City objective during a time of civil emergency; and

WHEREAS, there is sufficient cash in the Low Income Housing Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Housing Incentive Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Families Education and Preschool Promise Levy Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Move Seattle Levy Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Seattle Park District Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the 2019 Library Levy Fund to support a loan of up to \$50,000,000 through the end of 2020; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that:

A. There is no viable alternative to meet a core City objective. The extraordinary circumstances discussed in this section call for an exception to the Debt Management Policies approved by Resolution 31553 as contemplated by the Introduction to the Policies, and therefore the Director of Finance is authorized to make loans as provided for in this ordinance.

B. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of Seattle related to the COVID-19 virus.

C. On March 11, 2020, the Governor of Washington State and the Local Health Officer for Public Health - Seattle & King County issued parallel orders prohibiting gatherings of 250 people or more for social,

spiritual and recreational activities in King County.

D. On March 13, 2020, the Governor of Washington state issued an emergency order announcing all K-12 schools in Washington to be closed from March 17, 2020 through April 24, 2020 to combat the spread of the disease.

E. On March 13, 2020, the President of the United States declared a national emergency to allow the government to marshal additional resources to combat the virus.

F. On March 23, 2020, the Governor of Washington State issued an emergency order (“the Stay Home, Stay Safe” order) announcing that “[a]ll people in Washington State shall immediately cease leaving their home or place of residence except: (1) to conduct or participate in essential activities, and/or (2) for employment in essential business services.”

G. As of April 1, 2020, the Washington State Department of Health confirmed 5,984 cases of COVID-19 and 247 deaths caused by the virus.

H. The COVID-19 crisis has had a significant impact on the local economy impacting the retail, restaurant and other industries resulting in layoffs and reduced work hours for a significant percentage of this workforce and loss of income for small businesses. These impacts are being felt most strongly by people with low incomes who have become unemployed or had their work hours severely reduced.

I. There are at least 38,000 businesses in the City of Seattle employing a minimum of 655,000 individuals. Since the Governor of Washington closed or limited operations of many businesses in the state, over 133,000 individuals statewide and 37,000 individuals in King County, alone, have filed for unemployment insurance in just the first weeks. Unemployment insurance generally only covers a portion of lost wages. Those filing for unemployment insurance will, in all likelihood, only increase as the closure continues. This will put more and more Seattle households, particularly low-income households, in financial peril.

J. Federal and state assistance to people with low low-incomes will not be sufficient to meet their basic needs during the COVID-19 public health and economic crisis. Additional financial support to people low-

incomes is necessary to help meet their basic needs such as housing, food, and medical needs, and to help minimize impacts to public health as well as the local economy.

K. The City's Adopted 2020 Budget fully appropriates all available municipal revenues to address the many and varied needs of the community.

L. On March 17, the Seattle Times quoted the City Budget Director as saying that a "best-case scenario" would be that the COVID 19 civil emergency causes as little as a \$110 million or 7% reduction in General Fund revenues available for City spending priorities in 2020 (and this estimate was made prior to the Governor's emergency order closing all restaurants, bars, and other non-essential businesses).

M. The City will provide such immediate cash assistance through Council Bill 119774.

N. The City will impose a new payroll expense tax through Council Bill 119772 on the largest businesses that will provide new revenues to allow the City to make immediate cash assistance available to those households most impacted by the COVID-19 civil emergency.

O. The interfund loan contemplated in this Council Bill is dependent on the tax authorized by Council Bill 119772 going into effect immediately and not being overturned by referendum.

P. As a result of the City having already fully committed the City's General Fund through the 2020 Adopted Budget and of the anticipated decrease in General Fund revenues, other means of repaying the interfund loans authorized by this Council Bill would not be feasible if the tax authorized by Council Bill 119772 were overturned by referendum.

Section 2. The City Council finds that there is no viable alternative to meet a core City objective, and therefore the Director of Finance is authorized to make a series of loans that shall not exceed a combined total of \$200,000,000 from the funds identified in this ordinance. The Director of Finance shall coordinate the loan amounts and sources in a manner that minimizes or eliminates the need to forestall capital projects or operations expenditures that would otherwise have required use of cash for the period of the loans.

Section 3. Within 21 days of the effective date of this ordinance, the Director of Finance shall report to

the Finance and Housing Committee:

A. The specific amounts borrowed from each fund to achieve the combined total \$200,000,000 in loans; and

B. A summary of any capital projects or operations that were delayed or required to reduce spending because they would otherwise have required use of cash from each fund during the period of the loan.

Section 4. The Director of Finance is authorized to make a loan of not more than \$60,000,000 of principal and interest outstanding at any one time from the Low Income Housing Fund (16400) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 5. The entire principal and interest amount of the loan authorized in Section 4 of this ordinance, and owed by the General Fund to the Low Income Housing Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 6. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Housing Incentive Fund (16430) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 7. The entire principal and interest amount of the loan authorized in Section 6 of this ordinance, and owed by the General Fund to the Housing Incentive Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 8. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Families Education and Preschool Promise Levy

Fund (17871) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 9. The entire principal and interest amount of the loan authorized in Section 8 of this ordinance, and owed by the General Fund to the Families Education and Preschool Promise Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 10. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Move Seattle Levy Fund (10398) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 11. The entire principal and interest amount of the loan authorized in Section 10 of this ordinance, and owed by the General Fund to the Move Seattle Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 12. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Seattle Park District Fund (19710) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 13. The entire principal and interest amount of the loan authorized in Section 12 of this ordinance, and owed by the General Fund to the Seattle Park District Fund, is intended to be repaid no later

than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 14. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the 2019 Library Levy Fund (18200) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 15. The entire principal and interest amount of the loan authorized in Section 14 of this ordinance, and owed by the General Fund to the 2019 Library Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 16. The Director of Finance may effectuate the loans authorized in this ordinance by transferring cash to the General Fund until no later than December 31, 2020. The Director of Finance is further authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

Section 17. Based on the findings of fact set forth in Section 1 of this ordinance, the Council finds and declares that this ordinance is a public emergency ordinance, which shall take effect immediately and is necessary for the protection of the public health, safety, and welfare.

Section 18. By reason of the findings set out in this ordinance, and the emergency that is declared to exist, this ordinance shall become effective immediately upon a passage by a 3/4 vote of the Council, and its approval by the Mayor, as provided in Article IV, subsection 1.I of the Charter of the City.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)



Legislation Text

File #: CB 119774, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE establishing a spending plan for the proceeds generated from the payroll expense tax authorized by the ordinance introduced as Council Bill 119772 to fund immediate cash assistance for low-income households impacted by the COVID-19 crisis in 2020 and the development of social housing that is permanently affordable, high-quality, and energy-efficient, to fund housing-related components of Seattle’s Green New Deal as articulated in Resolution 31895, and to fund other investments; establishing a Social Housing Board and amending the duties of the Green New Deal Oversight Board to make funding recommendations; establishing a requirement for an Implementation Plan; adding a new Section 3.14.750 to, and amending Section 3.14.979 of, the Seattle Municipal Code; amending Ordinance 126000, which adopted the 2020 Budget; changing appropriations to various departments and budget control levels, and from various funds in the 2020 Budget; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, the City Council (“Council”) adopted the ordinance introduced as Council Bill 119772,

authorizing the collection of a new payroll expense tax (“tax on corporate payroll”) to be imposed beginning June 2020; and

WHEREAS, the new tax on corporate payroll is anticipated to generate an average of \$500 million in proceeds on an annual basis, as shown in the spending plan included as Attachment 1 to this ordinance; and

WHEREAS, on November 2, 2015, the Mayor issued a Proclamation of Civil Emergency to address the homelessness crisis in the City of Seattle; and

WHEREAS, on November 3, 2015, the City Council adopted Resolution 31630, ratifying and confirming the Mayoral Proclamation of Civil Emergency; and

WHEREAS, the Civil Emergency to address the homelessness crisis is still in effect today; and

WHEREAS, Seattle has been in the throes of a stunning and unprecedented affordable housing and homelessness crisis, which is now being greatly exacerbated and complicated by the COVID-19 pandemic and related economic and unemployment crisis described more below. Sky-high rents and soaring home prices have been and are driving working-class households, seniors, students, and especially working families of color out of Seattle, and sometimes into homelessness; and

WHEREAS, the affordable housing crisis, and now the COVID-19 pandemic and related economic and unemployment emergencies, in Seattle are deeply impacting the lives of people throughout Seattle and the region and disproportionately harms people of color, immigrants, the LGBTQ community, indigenous peoples' communities, disabled community members, and women, who already struggle against entrenched inequality; and

WHEREAS, even as Seattle experienced a record-breaking construction boom, being recognized as the nation's construction crane capital three years running, the housing crisis worsened, showing that the for-profit market has failed working people; and

WHEREAS, average rents in Seattle rose 69 percent between 2010 and 2018, far beyond the rate of inflation and more than double the national average; and

WHEREAS, numerous studies have shown that rising rent increases homelessness. One such study showed that each \$100 increase in the average rent caused a 15 percent increase in homelessness in urban areas; and

WHEREAS, the affordable housing crisis is no better for homebuyers, with the median price of recently sold homes reaching a staggering \$713,900, putting home ownership out of reach for the vast majority of working people; and

WHEREAS, the affordable housing crisis puts housing out of reach for teachers, bus and truck drivers, healthcare workers, construction workers, city employees, restaurant and bar workers, and a slew of other workers who daily make Seattle run, and furthermore is driving out seniors and others who survive on fixed incomes; and

WHEREAS, more than 4,280 students in Seattle Public Schools are homeless or have unstable housing; and

WHEREAS, even before the COVID-19 emergency, thousands of Seattle renters faced eviction threats every year, and in September 2018, the Seattle Women’s Commission and the King County Bar Association jointly published *Losing Home: The Human Cost of Eviction in Seattle*, finding that more than half of Seattle renters receiving eviction notices in 2017 owed one month’s rent or less, and most tenants who are evicted become homeless; and

WHEREAS, the *Losing Home* report found that evictions in Seattle fall disproportionately on women and people of color, with people of color constituting about 35 percent of renters, and nearly 52 percent of evictions involved people of color; and

WHEREAS, the soaring cost of housing is destroying the social fabric of communities through gentrification, driving people away from their friends and family, faith communities, small businesses, and neighborhoods, as exemplified by the fact that the number of Black residents in Seattle’s Central District has plunged from 70 percent in the 1970s to under 20 percent today; and

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

WHEREAS, housing is a human right and Seattle urgently needs bold public policy to solve the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, the private housing market has failed, and will continue to fail, to meet basic human housing needs; and

WHEREAS, the people of Seattle therefore need a significant expansion of social housing (publicly-owned or publicly-controlled housing), where rents are permanently affordable, stable, predictable, and fair; and

WHEREAS, in 2001, the Seattle City Council (“Council”) adopted, with the Mayor concurring, Resolution 30316, supporting efforts to curb global warming, adopting greenhouse gas (GHG) emission reduction

goals for Seattle, and committing to ongoing efforts to achieve these goals; and

WHEREAS, the 2016 Greenhouse Gas Inventory, published in February 2019, found that total greenhouse gas emissions in Seattle rose by one percent between 2014 and 2016, and that in order to achieve the goals of the Climate Action Plan adopted via Resolution 31447, Seattle's emissions reduction rate needs to increase by a factor of seven; and

WHEREAS, in August 2016, the Council adopted, with the Mayor concurring, Resolution 31681 to advance the efforts of the Equity & Environment Agenda, adopting goals for all environmental and sustainability work in Seattle that prioritize communities of color, immigrants, refugees, people with low-incomes, youth, and limited-English proficiency individuals; and

WHEREAS, in October 2016, the Council adopted, with the Mayor concurring, Resolution 31712, endorsing community principles for green jobs, defining a green job as one that preserves or enhances environmental health as well as the economic and social well-being of people and communities, centers on communities most negatively impacted by climate change, and pays a living wage while providing career pathways; and

WHEREAS, the City Council adopted Resolution 31895 establishing a Green New Deal for Seattle; and

WHEREAS, in August 2019, Resolution 31895 recognized that, while it has made some progress towards reducing its dependence on fossil fuels, the current pace of progress is insufficient to make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, Resolution 31895 established key goals and committed the City to implement comprehensive strategies as described in Section 1 of this ordinance; and

WHEREAS, Resolution 31895 envisioned the need to establish a dedicated revenue source in order to implement Green New Deal strategies; and

WHEREAS, climate activists in Seattle and worldwide, led by young people, have organized mass mobilizations and strikes demanding that government take immediate and dramatic action to address the

climate crisis; and

WHEREAS, in Seattle, these demands for a Green New Deal for Seattle have been bravely led by many people and communities, including middle- and high-school students, workers in the tech industry, indigenous communities, and communities of color; and

WHEREAS, the new tax on corporate payroll will generate significant funds to address identified inequities and to respond to the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, these additional funds will provide immediate financial relief and in the long-term will increase the construction and preservation of thousands of units of permanently affordable housing for low- and moderate-income households to address the housing affordability and homelessness crisis, will contribute to reducing Seattle's climate pollution, and will in the process support thousands of unionized, living-wage jobs, and in doing so will help the City make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, the World Health Organization has announced novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, on February 29, 2020 the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19, and

WHEREAS, on March 13, 2020 the President of the United States declared a national state of emergency in response to the COVID-19 pandemic; and

WHEREAS, on March 25, 2020 the Washington Governor issued Proclamation 20-25, prohibiting all people in Washington State from leaving their homes and all non-essential businesses in Washington State from conducting business ("Stay Home - Stay Healthy Proclamation"); and

WHEREAS, these actions are appropriate for public health reasons but have severe economic impacts on families and individuals in Seattle; and

WHEREAS, these impacts are being felt most strongly by people with low incomes who have become unemployed or had their work hours severely reduced; and

WHEREAS, federal and state assistance to people with low incomes will not be sufficient to meet their basic needs during this public health and financial crisis; and

WHEREAS, without additional financial support, many people with low incomes will face severe financial hardship which will have significant negative impacts, including but not limited to public health impacts, greater housing insecurity, as well as impacts to small businesses and the local economy; and

WHEREAS, the City can provide immediate cash assistance to households impacted by this crisis to help meet their basic needs; and

WHEREAS, the City will use an interfund loan authorized by the ordinance introduced as Council Bill 119773 to provide funding to support the immediate cash assistance to eligible households in 2020, to be repaid with proceeds from the new tax on corporate payroll collected in 2021; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Findings. The City Council finds that:

A. Supporting the development and preservation of stable and permanently affordable housing for people experiencing homelessness and also for low- and middle-income households with incomes up to 100 percent of the area median income (AMI) is a fundamental governmental purpose and will result in numerous benefits to the City as described below.

B. Data from the 2012-2016 American Community Survey (ACS) shows that: over 65,000 households in Seattle with incomes at or below 100 percent of AMI are cost burdened, paying more than 30 percent of their income for rent and utilities; and 29,000 households with incomes at or below 50 percent of area 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.

C. The 2019 point-in-time count of people experiencing homelessness in King County found at least 5,228 individuals living unsheltered in addition to at least 5,971 more individuals who are experiencing homelessness but are sheltered, for a total of at least 11,119 individuals who are experiencing homelessness.

D. Increased investments in stable and permanently affordable housing will reduce the number of households that are cost burdened or severely cost burdened, which should help with the prevention of homelessness and the severe associated harms and costs.

E. Publicly-funded workers, such as teachers, firefighters, public servants, law enforcement, nurses, social workers, and transit operators, including those in professions historically underrepresented by persons and communities of color, often cannot afford to live in the communities in which they serve due to increasing housing costs. Employees of nonprofit organizations who help deliver essential public services on contract, as well as those who help provide essential services to the poor and infirm as part of their organizational mission, are similarly housing cost constrained.

F. It will benefit the City if public employees and other middle-income and low-income employees are able to find affordable housing in the communities where they work.

G. Stable and permanently affordable housing for low-income and middle-income residents is expected to result in stronger educational outcomes for children and better health outcomes for families.

H. In certain cases, mixed-income affordable housing projects may be desirable and may contribute to the long-term sustainability of the project.

I. Additional permanently affordable housing is also anticipated to result in benefits to the economy, such as generating additional tax revenue to the City and supporting construction jobs related to the development of new housing as described in the April 2015 National Association of Home Builders (NAHB) report that showed construction of a 100 unit multifamily building supported 90 construction jobs.

J. Climate change is altering Washington's seasonal temperature and rainfall patterns. This change can

result in introducing new or exacerbating existing health risks, such as heat-related illnesses, increased risk of breathing and heart problems from smoke exposure, food and water contamination, traumatic injuries, mental health problems from flooding and other weather extremes, and increased exposure to infectious diseases.

While the City has made some progress towards reducing its dependence on fossil fuels, the primary source of carbon dioxide emissions, as one strategy to address climate change, that progress is insufficient to make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable.

K. Energy for heating, cooling, and powering buildings accounted for more than one-third of Seattle's greenhouse gas emissions in 2016.

L. Implementing housing-related strategies outlined in the City's Green New Deal, Resolution 31895, will help achieve the goals outlined in that resolution to create a future where Seattle residents can live healthy, prosperous lives, free of toxic chemicals and fossil fuels, and where the social and ecological well-being of all people is a priority. These housing-related strategies include the following:

1. Creating more permanently affordable housing, located near transit hubs, green space, and neighborhood amenities to reduce dependence on private vehicles;
2. Using anti-displacement strategies and alternative housing models, such as: acquisition of existing affordable housing in areas at risk of displacement, community-owned cooperative housing, community land ownership, and community land conservation that will allow communities to grow and prosper within Seattle;
3. Increasing housing density as a means to meet both current unmet demand for affordable housing and projected future population growth;
4. Supporting the transition of housing from the use of natural gas and heating oil to electricity;
5. Strengthening green building standards for new construction to minimize emissions while maximizing energy efficiency; and
6. Expanding renewable energy jobs and investing in job training programs that equip all

workers with the necessary skills to thrive in the green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry (e.g., retraining mechanics to service electric vehicles) and prepare new workers to support the transition to a renewable energy economy.

M. The failure to make adequate provision for housing affordable to households with incomes at or below 100 percent of AMI can push many households to seek housing further away from work, which leads to increased greenhouse gas emissions from transportation, as well as congestion on the transportation infrastructure. Providing for more housing affordable to households with incomes at or below 100 percent of AMI in the City could result in commute trip reductions, less traffic for City residents and City employees, less City spending on transportation infrastructure, and a reduction in greenhouse gas emissions.

N. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of Seattle related to the COVID-19 virus.

O. On March 11, 2020, the Governor of Washington State and the Local Health Officer for Public Health - Seattle & King County issued parallel orders prohibiting gatherings of 250 people or more for social, spiritual and recreational activities in King County.

P. On March 13, 2020, the Governor of Washington state issued an emergency order announcing all K-12 schools in Washington to be closed from March 17, 2020 through April 24, 2020 to combat the spread of the disease.

Q. On March 13, 2020, the President of the United States declared a national emergency to allow the government to marshal additional resources to combat the virus.

R. On March 23, 2020, the Governor of Washington State issued an emergency order (“the Stay Home, Stay Safe” order) announcing that “[a]ll people in Washington State shall immediately cease leaving their home or place of residence except: (1) to conduct or participate in essential activities, and/or (2) for employment in essential business services.”

S. As of April 1, 2020, the Washington State Department of Health confirmed 5,984 cases of COVID-19

and 247 deaths caused by the virus.

T. The COVID-19 crisis has had a significant impact on the local economy impacting the retail, restaurant, construction, gig economy, and other industries resulting in layoffs and reduced work hours for a significant percentage of this workforce and loss of income for small businesses. These impacts are being felt most strongly by people with low incomes who have become unemployed or had their work hours severely reduced and will have both immediate and long-term impacts.

U. There are at least 38,000 businesses in the City of Seattle employing a minimum of 655,000 individuals. Since the Governor of Washington closed or limited operations of many businesses in the state, over 133,000 individuals statewide and 37,000 individuals in King County, alone, have filed for unemployment insurance in just the first weeks. Unemployment insurance generally only covers a portion of lost wages. Those filing for unemployment insurance will, in all likelihood, only increase as the closure continues. This will put more and more Seattle households, particularly low-income households, in financial peril.

V. Federal and state assistance is inaccessible to many people with low-incomes, is being delayed for many others, and will not be sufficient to meet their basic needs during the COVID-19 public health and financial crisis. Additional and immediate financial support to people with low-incomes is necessary to help meet their basic needs and to help minimize impacts to public health as well as the local economy.

W. The economic impacts from the COVID-19 emergency are drastic and immediate, but are also expected to last much longer than the civil shut-down emergency itself.

X. The spending plan is being tailored to address both immediate and long-term, basic human health and housing needs created by the multiple and overlapping crises, which include the long-running affordable housing and homelessness crisis, which has now been greatly exacerbated and complicated by the COVID-19 pandemic and related economic and unemployment crises, as well as the longer-term climate change crisis which nevertheless requires prompt and bold action now.

Y. Investments in affordable housing and Seattle's Green New Deal are necessary to help counteract the

economic and health impacts caused by the COVID-19 crisis by creating jobs and increasing the supply of long-term affordable housing that will be needed by people who saw a significant reductions in income due to employment changes stemming from the crisis.

Section 2. Proceeds from the new tax on corporate payroll imposed by the ordinance introduced as Council Bill 119772 shall be used as described in subsections 2.A through 2.D of this ordinance. Immediate cash assistance to low-income households impacted by COVID-19 crisis will be provided in 2020 and funded by an interfund loan authorized by the ordinance introduced as Council Bill 119773. Proceeds from the tax on corporate payroll will be used to repay this loan. Attachment 1 to this ordinance establishes the proposed spending plan for the first five years of the tax on corporate payroll. The spending plan may be amended from time to time by the City Council by ordinance.

A. Implementation and administrative costs. No more than five percent of the proceeds in the first year shall be used to fund one-time expenditures to implement and administer the tax on corporate payroll authorized by the ordinance introduced as Council Bill 119772 and to implement the investments in Housing and Services, Green New Deal housing-related strategies, and cash assistance for low-income households impacted by the COVID-19 crisis, described in Section 2 of this ordinance. No more than three percent of the proceeds in subsequent years shall be used to fund the ongoing administrative functions to assess and collect the tax and administer the investments in Housing and Services and Green New Deal housing-related strategies described in Section 2 of this ordinance.

B. Cash assistance for low-income households impacted by COVID-19 crisis. In 2021, approximately \$205,000,000 shall be allocated to pay back the interfund loan authorized by the ordinance introduced as Council Bill 119773, used in 2020 to provide cash assistance to low-income households in Seattle in response to the economic impacts of the COVID-19 crisis. The economic impacts caused be COVID-19 include but are not limited to loss or reduction in income because of: illness; loss of employment; reduction in compensated hours of work; business or office closure; a need to miss work to care for a family member or child, where that

care is uncompensated; or other similar loss of income due to the COVID-19 crisis. These funds could serve up to 100,000 Seattle households with monthly payments of \$500 for four months.

1. Distribution

a. Up to \$100,000,000 will be distributed first to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, that provide a direct financial benefit, including, but not limited to: the Utility Discount Program, Early Childhood Education and Assistance Program, Child Care Assistance Program, households that qualify for free tuition in the Seattle Preschool Program and Pathway to Seattle Preschool Program, and Fresh Bucks.

b. Up to \$100,000,000 will be distributed to low-income households economically impacted by the COVID-19 crisis but not enrolled in existing City assistance programs that provide a direct financial benefit (e.g. food vouchers, child care tuition assistance, utility discounts). The distribution should prioritize those who experience structural or institutional barriers to accessing support from the government (e.g. language barriers, fear of deportation, experiencing homelessness, lack of a permanent address, experiencing domestic violence, seniors), and those who require assistance immediately (i.e. people who are recently unemployed or had their work hours severely reduced). The Executive shall establish eligibility criteria for distributing cash assistance to low-income households who are not receiving cash assistance through the process established in subsection 2.B.1.a but have been economically impacted by the COVID-19 crisis.

c. After distributing the first of the four payments to households described in subsections 2.B.1.a and 2.B.1.b of this ordinance, any remaining, unallocated funds may be distributed to either households enrolled in existing City assistance programs or to households identified in subsection 2.B.1.b.

2. For purposes of this ordinance, a low-income household means: (1) any household that is eligible for existing City assistance programs, or State assistance programs administered by the City; or (2) households not enrolled in such programs that have been impacted by the COVID-19 crisis and meet eligibility criteria established by the Executive.

3. The Executive shall establish criteria and a process to distribute the cash assistance to households described in subsection 2.B.1.b of this ordinance and shall provide a written report or briefing to the City Council on the prior to distributing funds.

4. The Executive shall provide a monthly report to the City Council on the distribution of the cash assistance. The report shall include details on the spending to date, including information on the households receiving the cash assistance, and modifications made, if any, to the process or criteria used for distribution. The first report shall be due two weeks after the first payment is distributed.

C. Housing and services. Seventy-five percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to develop and preserve permanently affordable social housing for households experiencing homelessness and those with incomes between zero and 100 percent of AMI as will be further defined in the implementation plan described in Section 4 of this ordinance. Newly constructed housing will be built consistent with the Seattle's Green New Deal strategies to equitably increase building energy efficiency and decrease use of fossil fuels in homes, as outlined in Resolution 31895. Such housing will be publicly owned or be publicly rent-controlled and regulated through appropriate legal agreements between the City and the housing providers. Such legal agreements shall specify the affordability requirements, including limiting annual rent increases for tenants to not more than the annual percentage increase in the housing component of the consumer price index for rent of primary residences for the Seattle area. The proceeds for housing and services may be used for:

1. Developing and preserving permanently affordable rental housing for households with incomes between zero and 100 percent of AMI. Such housing may be mixed-income and may also include, and funds may be used to provide, related and needed community services and spaces such as affordable childcare, community gathering spaces, and open space;

2. Funding to support the ongoing operations and services for permanent supportive housing

units, including an array of comprehensive services such as counseling and treatment, disability support, skills training, job search assistance, and other services needed to maintain housing stability; and

3. Acquiring existing affordable housing, particularly in areas at high risk for displacement of existing low-income and moderate-income households.

D. Green New Deal housing related strategies. Twenty-five percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to investments in the following programs to implement the housing-related strategies called for in the Green New Deal. Investments shall be prioritized in communities historically most harmed by economic, racial, and environmental injustice.

1. Transitioning housing units from the use of natural gas and heating oil to electricity;

2. Solar installations;

3. Weatherization of existing residences, with a focus on housing for renters; and

4. Investing in job training programs to equip workers with the necessary skills to thrive in a

green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry or who have been impacted by the COVID-19 economic and unemployment crisis, and prepare new workers to support the transition to renewable energy jobs. Specific investment proposals shall be informed by recommendations from the Green New Deal Oversight Board. The Green New Deal Oversight Board shall invite workers who are directly employed by the fossil fuel industry, or who have been impacted by the COVID-19 economic and unemployment crisis, or who are in jobs that may be displaced as a result of implementation of this spending plan, along with their unions, to work with them on just transition recommendations that have the objective of eliminating economic harm to affected workers.

Section 3. A new Section 3.14.750 of the Seattle Municipal Code is added to Subchapter V of Chapter 3.14 as follows:

3.14.750 Social Housing Board established

A. Establishment. There is established a Social Housing Board that shall make recommendations to the City Council and Mayor on the housing programs and related services that will be funded with the proceeds from the new tax on corporate payroll, established by the ordinance introduced as Council Bill 119772. Duties of the Board shall include the following:

1. Providing ongoing program and policy review, oversight, and monitoring of expenditures in the housing and services category, and review the performance of programs and services funded by the tax on corporate payroll.

2. Providing recommendations on the development and any future modifications to the implementation plan and funding policies for housing programs funded with the proceeds from the tax on corporate payroll.

3. Reviewing and providing recommendations to the City Council annually on the formation of requests for proposals that the Office of Housing issues to solicit development proposals from public and nonprofit housing providers.

4. Providing recommendations annually to the City Council on City budget priorities for housing and priority City actions in a given year for use of funds generated from the tax on corporate payroll. The City Council shall act on the recommendations through the annual budget process following a public hearing.

5. Coordinating efforts with the Green New Deal Oversight Board in Section 3.14.979 as needed, meeting at least annually to coordinate activities and to invite public comment and input on their work.

B. Membership. The Social Housing Board shall be comprised of 23 members serving two-year terms, with three members from each Council district, plus two or more designated young adult members, whose terms and method of appointment are governed by the Get Engaged Program in Chapter 3.51. Members of the Social Housing Board should include renters and homeowners, individuals from historically underrepresented groups, as well as individuals with housing development and finance experience.

C. Selection process

1. Members of the Social Housing Board other than the Get Engaged members shall be appointed by the City Council. Each of the seven City Councilmembers who represents a district shall nominate three people who live in the Councilmember's district. Initial terms end on December 31, 2023; subsequent terms end every two years thereafter. Any vacancy in an unexpired term of an appointed position shall be filled in the same manner as the original appointment.

2. If the City Charter is amended to allow for an election of members to the Social Housing Board, beginning in the 2023 primary and general election, for terms starting on January 1, 2024 and every two years thereafter, all members of the Social Housing Board except the Get Engaged members shall be elected. Voters in each City Council district are eligible to vote for the three representatives from the corresponding City Council district. If the City Charter is amended, the City Council intends to consider legislation to establish a regulatory framework governing such election. Vacancies between elections will be filled by the selection process in subsection 3.14.750.C.1.

D. A member whose term is ending may continue on an interim basis as a member with voting rights until such time as a successor for that position has been appointed or elected. This subsection 3.14.750.D does not apply to the Get Engaged members.

E. Any member may request an excused absence from any Social Housing Board meeting. The Social Housing Board may recommend, by a majority vote of all members of the Social Housing Board, that the City Council remove any Council-appointed member who is absent without excuse from three or more consecutive Board meetings. Any member may resign from the Social Housing Board at any time by notifying the City Council in writing. The City Council may remove any Council-appointed member for cause.

F. Meetings of the Social Housing Board

1. The Social Housing Board shall meet as a whole at least four times each year to conduct a quarterly review of social housing development in Seattle, to take public comment, and to make recommendations on program or policy changes to City Council and the Mayor. The Social Housing Board

shall seek input from the public to inform their recommendations to the City Council and the Mayor. The Director of the Office of Housing shall make public in a timely manner a schedule and location of the Social Housing Board meetings.

2. Meeting notifications, agendas, minutes of proceedings, findings, and recommendations, civic engagement information, and any other materials shall be available to the public and posted on the Social Housing Board's website.

3. All meetings of the Social Housing Board shall be held in the evening in a location that is accessible and conveniently located to the public. Social Housing Board meetings shall be open to the public.

G. The Office of Housing shall provide staff support for the Social Housing Board as needed to ensure their ability to function and to maintain the Social Housing Board's website.

Section 4. Section 3.14.979 of the Seattle Municipal Code, enacted by Ordinance 125926, is amended as follows:

3.14.979 Green New Deal Oversight Board

A. There is established a Green New Deal Oversight Board (Board) that shall advise and make recommendations to the Mayor and City Council related to the Green New Deal for Seattle and monitor progress in meeting intended outcomes and goals. Duties of the Board shall include the following:

1. Providing proposals for the design of new policies, programs, and projects and for modifications to existing policies, programs, and projects to the Mayor, City Council, and City departments that advance the Green New Deal for Seattle;

2. Supporting the planning and implementation of individual City departmental actions, policies, programs, and practices, to make Seattle climate-pollution free by 2030;

3. Providing recommendations on City budget priorities and priority City actions;

4. Coordinating efforts with the Environmental Justice Committee, Equitable Development Initiative Advisory Board, Transportation Equity Workgroup, and other City Boards and Commissions, as

needed((-)) , and meeting at least annually with the Social Housing Board to coordinate activities and to invite public comment and input on their work;

5. Submitting an initial workplan to the Council and the Mayor by July 1, 2020, and provide an updated workplan annually thereafter. The workplan should:

a. Define what constitutes a policy, program, or project that advances the Green New Deal for Seattle;

b. Identify the Board's annual scope of work, including priorities, goals, outcomes, and key stakeholders to consult; and

c. Provide an annual engagement plan for collaborating with existing committees, boards, and commissions whose scope align with those of the Board((-)) ;

6. Reviewing a semiannual, or at a frequency determined by the workplan, report of outcomes and indicators for the previous year related to policies, programs, and projects related to the Green New Deal for Seattle((-)) ; and

7. Making recommendations to the City Council and Mayor on Green New Deal housing related strategies that will be funded with the proceeds from the tax on corporate payroll, including recommendations on the development and any future modifications to the implementation plan.

* * *

Section 5. Implementation plan. On or before DATE, the Executive shall submit an Implementation Plan for the new tax on corporate payroll to the City Council. The Plan may be amended by ordinance. The plan shall include:

A. A specific spending proposal for the Housing and Services and Green New Deal investments years one through five consistent with the program areas described in subsections 2.C and 2.D of this ordinance;

B. Proposed outcomes for each funded program or service;

C. How the programs or services will be implemented (such as responsible department and funding

processes);

D. Proposed policies for implementing funded programs or services, prioritizing investments in communities historically most harmed by economic, racial, and environmental injustice, at high risk of displacement; and

E. Proposal for working with the Social Housing Board and the Green New Deal Oversight Board to provide ongoing program and policy review, oversight and monitoring of expenditures, and reviewing performance of programs and services as the plan is implemented.

The City Council intends to adopt modifications to the City's Housing Funding Policies to have such policies apply to the revenues generated from the new tax on corporate payroll. This shall include changes to reflect annual reporting requirements for investments made using the proceeds from the tax on corporate payroll. The Council anticipates adopting such modifications when adopting the Implementation Plan in 2020.

The Executive shall work with the City Council, the Social Housing Board, and the Green New Deal Oversight Board in the development of this Implementation Plan to ensure it is consistent with the proposed Spending Plan. The City Council intends to add a proviso to funding in the 2021 budget to ensure funding is appropriated consistent with the proposed Spending Plan found in Attachment 1 to this ordinance, as may be amended by the City Council.

Section 6. It is the Council's intent that new construction multi-family housing development projects described in Section 2 of this ordinance, regardless of whether the project is or is not considered a public works project, shall be consistent with the standards set forth in Chapter 20.37 of the Seattle Municipal Code, known as the Priority Hire Program, and the standards described below. Such standards shall include: hiring of workers who are from economically distressed ZIP codes and apprenticeship utilization; and other standards such as payment of commercial prevailing wages which shall be included in a Community Workforce Agreement. New construction housing development projects shall also demonstrate adherence to labor laws and a commitment to labor harmony.

Section 7. In order to pay for necessary costs and expenses incurred or to be incurred in 2020, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2020 Budget, contingent appropriations for the following items in the 2020 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
#1	TBD	General Fund	TBD	\$200,000,000

Section 8. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 9. Based on the findings of fact set forth in Section 1 of this ordinance, the Council finds and declares that this ordinance is a public emergency ordinance, which shall take effect immediately and is necessary for the protection of the public health, safety, and welfare.

Section 10. By reason of the findings set out in this ordinance, and the emergency that is declared to exist, this ordinance shall become effective immediately upon a passage by a 3/4 vote of the Council, and its approval by the Mayor, as provided in Article IV, subsection 1.I of the Charter of the City.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2020, and signed by me in open session in authentication of its passage this _____ day of _____, 2020.

President _____ of the City Council

Approved by me this _____ day of _____, 2020.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2020.

Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 - Proposed Five-Year Spending Plan

April 27, 2020

MEMORANDUM

To: Select Budget Committee
From: Traci Ratzliff, Yolanda Ho, Amy Gore, Analysts, and Aly Pennucci, Supervising Analyst
Subject: Response to Questions on Payroll Expense Tax Package - Spending Plan

On Wednesday, April 22, 2020 the Select Budget Committee (“Select Committee”) began discussions on the proposed Payroll Expense Tax package – Spending Plan and Appropriation bill ([Council Bill 119774](#)). This memo provides additional information for the Select Committee in response to that discussion and questions raised in the days immediately following. The questions and requests for information are arranged by the following categories:

- A. General inquiries related to the entire spending plan proposal or to both social housing and Green New Deal (GND) investments (pg. 1)**
 - B. Cash Assistance (pg.3)**
 - C. Social Housing Investments (pg. 6)**
- A. General inquiries related to the entire spending plan proposal or to both social housing and GND investments**
1. Please provide a table that includes expenditures by year (including proposed spending in 2020).
 2. How many jobs can we estimate could be supported by the proposed social housing and GND investments?

Appendix 1 (pg. 9) to this memo includes a table with the proposed expenditures by year.

Information available to estimate the number of jobs that could be supported by the proposed investments varies. In some cases, the data available includes information only about direct jobs supported while others combine direct and indirect jobs, and still others include direct, indirect, and induced job estimates.¹ The information described below is taken from a number of sources that employ different methodologies to estimate jobs supported by investments in a particular industry; therefore it should be understood as one approach to roughly estimate jobs that could be supported, but the actual number of jobs created or supported by the proposed investments may be higher or lower than what is described. Further, the estimates do not account for jobs that are lost because of changes in

¹ Direct jobs are jobs supported directly by the new investment (e.g. workers on a construction site); indirect jobs are jobs supported as a result of the new investment (e.g. a paint supply store that supplies the construction project); induced jobs are supported as a result of the spending on goods and services resulting from the people directly and indirectly employed through the new investment (e.g. buying groceries or paying rent).

an industry (e.g. one job in the fossil fuel economy is “redirected” to a job in the green economy”) or other reductions in jobs due to market conditions (e.g. construction jobs for market rate development may decline in a recession, but the same type of job could be supported during the recession through government investments in affordable housing development).

- Table 1 summarizes the estimated number of jobs that could be supported or created from the proposed social housing investments. This includes direct and indirect jobs supported by the construction of new housing units and direct jobs that support the operation and provision of on-site services at newly constructed permanent supportive housing (PSH) units.
- Table 2 summarizes the estimated number of jobs that could be supported or created from the GND investments. The rule of thumb method described includes the estimated direct, indirect, and induced jobs supported by the investment. The City’s job tool estimates direct construction-related jobs only.
- Table 3 includes a summary of the direct, indirect, and induced jobs supported by the investments in new construction housing units and the GND investments using the rule of thumb method.

New Construction Housing Unit Development Job Estimate

According to the April 2015 National Association of Home Builders (NAHB) [report](#), construction of a 100-unit multifamily building supports 90 jobs (this includes direct construction jobs and indirect jobs in the wholesale and retail trades, and in business and professional services). The same study indicates that a 100-unit multifamily building supports 71 jobs by the induced spending in the local economy.

The spending plan estimates that about 3,500 units of affordable housing will be funded in the first five years of the tax and an additional 3,100 units by year 10 for a total of 6,600 new housing units. Based on this information, we estimate the funding will support 3,150 direct and indirect jobs by the end of five years and 5,940 direct and indirect jobs by the end of 10 years.

New Permanent Supportive Housing (PSH) Project Job Estimate

Each new PSH project will require staff to support the operations and provision of on-site services for each building. On average, City-funded PSH buildings require 20 full-time employees to operate and provide services at such buildings. Some buildings may have more or less staffing depending on the operating model.

The average City-funded PSH building includes 100 units. The spending plan estimates that 1,400 units of PSH will be funded in the first five years of the tax and an additional 1,300 units by year 10 for a total of 2,700 PSH units. Based on this information, we estimate that

the investments made in the first five years will fund the development of 14 new PSH buildings requiring 280 direct jobs to support these projects after construction is completed and by year 10 an additional 13 PSH buildings will be funded, requiring an additional 260 direct jobs to support these projects for a total of 540 jobs needed to staff the new PSH units funded in the first 10 years. It should be noted that completion and opening of these projects will happen over the course of the five to 10+ years, as they are being financed and constructed.

Table 1: Summary of Job Estimates from proposed social housing investments

	5-Year Unit Estimate	5-Year Job Estimate	10-Year Unit Estimate	10-Year Job Estimate
New Construction – direct and indirect jobs	3,500	3,150	6,600	5,940
New Construction – induced jobs	3,500	2,485	6,600	4,686
PSH Projects – direct jobs	1,400	280	2,700	540

GND Related Investment Job Estimate

There is no common methodology for projecting job creation or support as a result of energy efficiency (EE) investments, though there are a couple of resources and tools that we can draw upon to develop estimates:

- A rule of thumb is that for every \$1 million in EE investments, 17 jobs are supported. Grist has a good overview of the background and principles in this estimate: <https://grist.org/green-jobs/2011-11-18-how-does-energy-efficiency-create-jobs/>.
- The City also has a jobs tool, developed by Inclusive Economics as part of the Bloomberg American Climate Cities Challenge. Note that the tool does not account for job losses, or any other jobs created or supported in the supply chain (e.g. manufacturers or distributor jobs for HVAC). This tool is simply projecting the local contractor job impact; thus, the estimates are substantially lower.

Table 2 presents an estimate of jobs calculated by both methods using the GND investment amounts proposed. For ease of analysis, GND investments were assumed to be entirely dedicated to converting homes from fossil fuel-based heat sources (i.e., heating oil or natural gas) to electric heat pumps in the jobs tool.

Table 2: Summary of Job Estimates from proposed GND investments

Method	5-Year Job Estimate	10-Year Job Estimate
Rule of thumb	11,010	22,860
Jobs tool	2,500	4,370

Table 3: Summary of Job Estimates from proposed New Construction Housing Investments and GND investments

Jobs Supported by Category (direct, indirect, and induced jobs) *	Years 1-5	Years 1-10
Housing: New Construction (per 100 units)	5,640	10,630
GND: Home Heat Conversion (per \$1M invested)	11,010	22,860

*All numbers rounded to the nearest 10

B. Cash Assistance

1. Please provide a table comparing the eligibility program for the programs that could be used to distribute the first \$100 million of emergency cash assistance.

As proposed, 50 percent of the funds (\$100 million) for the emergency cash assistance would be distributed to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, such as Fresh Bucks, the Child Care Assistance Program, and the Early Childhood Education and Assistance Program. Please see Appendix 2 (pg. 10) to this memo for a table that provides a comparison of the income thresholds for certain City administered programs.

2. What is the City’s role, if any, in administering the State’s Early Childhood Education and Assistance Program (ECEAP)? Does the City have access to the enrollment data for ECEAP families, including names, addresses, and income information that could be used to distribute cash assistance?

The Department of Education and Early Learning (DEEL) is an ECEAP contractor; the City administers ECEAP funds by subcontracting with community-based organizations (CBOs). The City receives state grants funds for this program; the City does not supplement those funds with City dollars.

DEEL is the contractor to the State and then subcontracts with providers to provide ECEAP services. DEEL’s staff provides contract monitoring, technical assistance and program quality assurance activities but enrollment is handled entirely by the subcontracted CBOs. The City has contact information for ECEAP families served through the City’s contract. However, the City ran into issues with the emergency grocery voucher program because ECEAP eligibility is not tied to residency exclusively. If you live or work in Seattle, you’re eligible for DEEL’s ECEAP program. This caused confusion with the grocery voucher program because they did not enroll any family that participates in ECEAP through the City’s contract if they had an address outside of the City (e.g. families that enrolled through the City because the work in the City but did not reside in the City; in some cases, if they have moved into the City since enrolling they may have been missed). The grocery vouchers also

were not sent to any family enrolled in Seattle Preschool Program or Pathway who moved out of the City.

3. Are there other models that could inform the proposed plan to distribute cash assistance (e.g. the model the City of Austin, TX is using to distribute funding)?

As described in question one, to distribute the emergency cash assistance as quickly as possible, the proposal in CB 119774 builds on the [Emergency Grocery Voucher Program](#) by distributing 50 percent of the funds (\$100 million) to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, such as Fresh Bucks, the Child Care Assistance Program, and the ECEAP. The remaining \$100 million would be distributed to those impacted by the COVID-19 crisis but not enrolled in an existing City assistance programs, or State assistance programs administered by the City.

Appendix 3 (pg. 12) provides a comparison of the process used to distribute specific types of assistance for the following programs:

- *Seattle's Emergency Grocery Voucher Program:* Launched in March 2020, the [grocery voucher program](#) distributed \$5 million in grocery vouchers to 6,250 households impacted by the COVID-19 crisis. The program is continuing to raise money to distribute additional vouchers.
- *United Way-King County Rental Assistance:* In April 2020, with a \$1 million contribution from the City and \$4 million from other public and private contributions, the United Way expanded their [HomeBase](#) program to provide one month of rental assistance to households with incomes below 50% of Area Median Income and who have been economically impacted by COVID-19 and are behind in rent. United Way estimates that approximately 2000 families will be assisted with the initial \$5 million investment. The program is actively fund raising to provide additional assistance; the Council will consider legislation that could provide additional resources for this program; the Mayor has proposed allocating an additional \$1.5 million in Community Development Block Grant funding received as part of the CARES Act Funding.
- *Austin, TX COVID-19 Emergency Relief:* In April 2020, the Austin City Council established Austin's [Relief in a State of Emergency \(RISE\)](#) program following adoption of [Ordinance No. 20200409-087](#), which appropriates \$15 million for COVID-19 emergency relief, and [Resolution #20200409-81](#), which directs the distribution of the emergency relief funds.

The main difference between the programs described and the proposal in CB 119774 is that these programs rely 100 percent on partnerships with nonprofit organizations while the proposal in CB 119774 would have the City distributing at least half of the funds directly. However, CB 119774 does not foreclose on the possibility of working with nonprofit CBOs to distribute at least half of the emergency cash assistance. Further, Councilmember Sawant has asked Central Staff to prepare an amendment for the Select

Committee’s consideration at a later date that would state explicitly that at least half of the funding could be distributed through partnerships with CBOs.

4. Please provide options to ensure that people will not be asked to disclose immigration status in order to receive cash assistance.

The proposed legislation specifies that the distribution of the second round of cash assistance “prioritize those who experience structural or institutional barriers to accessing support from the government (e.g., language barriers, fear of deportation, experiencing homelessness, lack of a permanent address, experiencing domestic violence, seniors), and those who require assistance immediately (i.e., people who are recently unemployed or had their work hours severely reduced).”

According to [Seattle Municipal Code \(SMC\) 4.18.015](#), “...unless otherwise required by law or by court order, no Seattle City officer or employee shall inquire into the immigration status of any person, or engage in activities designed to ascertain the immigration status of any person.” Since being established in 2002, this policy has been reaffirmed by the Mayor and Council, most recently in adoption of [Resolution 31890](#) in 2019.

To meet the objective of the proposed legislation and to comply with the SMC:

- Qualifying for assistance should not require any questions about immigration status, nor should it require proof of citizenship or other documentation related to immigration status. This is consistent with the current provision of services in the City of Seattle.
- The program should use trusted intermediaries that work with immigrant and refugee communities and are capable of culturally competent service delivery, including with individuals regardless of their immigration status. This is consistent with the approach taken for the grocery voucher program and rent assistance program.

5. In CB 119774, Sections 2.B.1.a and 2.B.1.b describe two different groups of households – one already enrolled in City administered programs, and the other whose finances have been negatively impacted by COVID. Given what we know about the economic impact of COVID, and the response to other direct assistance programs such as Small Business Stabilization Fund and rental assistance, it’s reasonable to think that many more than 100,000 households may fall into the second “bucket” alone. Given that, can you speak to the decisions to include both groups, versus just households negatively impacted by COVID?

The two stage distribution included in the proposal was intended to both get funds out quickly (to existing program clients) as well as to give the Exec time to develop a more robust and equitable way of identifying those negatively impacted by COVID but who are not enrolled in assistance programs.

6. Can you speak to the decision to provide flat payments, instead of scaling the payments to the size of the household or even to the degree of the need? For instance, households that are enrolled in the Utility Discount Program and Fresh Bucks must qualify based on gross income, with the threshold set by household size. It's reasonable to think that a \$500 payment would go a lot farther in a household of 1 than in a household of 5 people.

A flat payment allows funds to be distributed quicker with less need for applicants to supply information and for that information to be verified. A variable approach to cash assistance is possible, but will require more time to develop the program and distribute funds.

7. Is there a possibility that the direct payments may make some households ineligible for other services or programs they currently depend upon? For instance, when eligibility is determined by income?

Possibly. Central Staff will follow-up with more information when available.

C. Social Housing Investments

1. Provide data showing households who are rent burdened to help understand where there is the greatest need.

Rent burden is typically defined as spending more than 30 percent of household income on rent. US Department of Housing and Urban Development uses two categories to describe households who are rent burdened: (a) rent burdened households (those paying 30 percent to 50 percent of their income for rent) and (b) severely rent burdened households (those paying more than 50 percent of their income for rent). The data summarized in Table 4 shows that:

- Of households with incomes \leq 80 percent area median income AMI, 34 percent (29,300 households) are rent burdened and about 36 percent (30,900 households) are severely rent burdened.
- Of households with incomes $>$ 80 percent AMI, nine percent (7,200 households) are rent burdened; less than one percent (640 households) are severely rent burdened.

Table 4: Renter Households Rent Burdened by Income Level

Household Income Level (% AMI)	Not Rent Burdened	Rent Burdened $>$ 30% to 50%	Severely Rent Burdened $>$ 50%	Total	% Rent Burdened $>$ 30% to 50%	% Severely Rent Burdened $>$ 50%
\leq 30% AMI	10,105	6,685	23,570	40,360	16.6%	58.4%
$>$ 30% to 50% AMI	4,490	12,720	6,200	23,410	54.3%	26.5%
$>$ 50% to 80% AMI	11,460	9,895	1,145	22,500	44.0%	5.1%
$>$ 80% to 100% AMI	12,255	4,540	340	17,135	26.5%	2.0%
$>$ 100% AMI	57,420	2,700	200	60,320	4.5%	0.3%
Total	95,725	36,540	31,455	163,720	22.3%	19.2%

Source: 2012-2016 American Community Survey CHAS Data

2. How many permanent support housing (PSH) units are needed in Seattle?

The 2019 Point-in-time count found approximately 8,000 people experiencing homelessness in the City (not in any sort of permanent housing, such as PSH). Of those, it is estimated that more than 1,500 experience chronic homelessness. If one assumes PSH is the best intervention for these individuals, then an additional 1,500 PSH beds are needed to house the number of people currently experiencing chronic homelessness. There are currently 2,967 permanent supportive housing units supported by the City of Seattle.

3. Please provide a more detailed breakdown of the housing estimates.²

Table 5: Estimate of Affordable Housing Units

	Estimated # of Units Funded: Years 1-5*	Estimated # of Units Funded: Years 1-10*
Permanent Supportive Housing and housing serving tenants with incomes <30% AMI	1,400	2,700
Housing serving tenants with incomes between 30% to 80% AMI	1,600	3,100
Housing serving tenants with incomes >80% AMI	400	800
Acquisition of existing buildings (to be converted to income- and rent-restricted units serving households with incomes from 0-100% AMI)	2,100	4,000
Total	5,600	10,600

**All numbers rounded to the nearest 100*

4. Beginning in 2023, members of the proposed Social Housing Board would be elected by the people if a Charter Amendment is made to allow for that election. Are there other examples of oversight boards that are an elected body in the City?

The Charter, as far back as 1890, states the Library Board is appointed by the Mayor and Council, according to City Archivist.

² Please see the assumptions that informed these estimates described on page 4 of the [Central Staff memo](#) presented at the 04/22/2020 Select Committee Meeting

5. Section 2C in CB 119774 ties allowable rent increase limits in newly constructed social housing to the annual percent increase in the housing component of the Consumer Price Index (CPI) for residences in Seattle. Seattle has experienced nation-leading increases in rent, so this wouldn't seem to slow down rent increases much. If this metric were applied to recent years, for instance, we could have seen rent increases of 6.4 percent in 2017, 5.9 percent in 2018, and then 4.1 percent in 2019. What alternate measures were considered, and why was this chosen?

This is a policy choice and could be tied to a different CPI or the maximum annual increase could establish a maximum increase or both (e.g. it could be limited to CPI up to x percent but never more than x percent). Based on the Housing component of the CPI for the last three years, here is what would have been permitted in terms of annual increases in rent: 2017 6.4 percent; 2018 5.9 percent and 2019 4.1 percent.

CPI-Housing, being a subset of the aggregate index CPI-ALL ITEMS, meets the same criteria for reliability, third-party objectivity, consistently updated schedule, and local market focus as CPI-ALL ITEMS does. CPI-Shelter, however, is better than CPI-ALL ITEMS at tracking changes in average multifamily residential rents.

6. The Social Housing Board is described as having responsibility for oversight of housing programs created by this legislation and making recommendations to the City Council and Executive. Does the Social Housing Board have decision-making authority? How would this new board interact with the Council's committee with oversight of housing, which is tasked with policy direction, oversight and recommendations on Housing policies and programs, including the Office of Housing, investing and promoting the development and preservation of affordable housing for workers, families and retirees?

The Social Housing Board would provide guidance but would not have decision making-authority. Ultimately the authority to spend money generated through this tax would reside with the Council and would be determined annually when the City considers the annual budget.

How this board would interact with the Council, with the Office of Housing, and other boards may be address in the implementation plan but generally speaking is expected to interact in a manner similar to other boards that advise the City on policy and budget priorities.

Appendices:

1. Proposed Expenditures by Years
2. Eligibility Criteria for Existing City Run or Administered Programs
3. Assistance Programs Comparison

cc: Kirstan Arestad, Executive Director

Appendix 1: Proposed Expenditures by Year

Program/Activity	Program Description	2020 Spending	2021 Spending	2022 Spending	2023 Spending	2024 Spending	2025 Spending	Total
Emergency Cash Assistance								
Cash Assistance to Low Income Households Impacted by COVID-19	Provide cash assistance to Seattle households (HH) during the COVID-19 Crisis. These funds could serve up to 100,000 Seattle households with monthly payments of five hundred dollars for four months.	\$200 million	-	-	-	-	-	\$200 million For 100,000 HH
Interfund loan repayment	Pay back the interfund loan (including interest) used in 2020 to provide the \$200 million in emergency cash assistance.	-	\$5 million ¹	-	-	-	-	Up to \$5 million for the interest payment on
Affordable Housing Inventory & Services								
Rental Housing Production to Assist Households from Zero to 100% of AMI	Capital construction or acquisition of units in affordable housing projects, including mixed income, permanently serving households with incomes from 0% of Area Median Income (AMI) to 100% of AMI.	-	\$414 million	\$362 million	\$362 million	\$361 million	\$361 million	\$1.8 billion 5-Year Goal: 5,600 units
Operating and Services Support for PSH	Operating and services support for PSH serving the most vulnerable homeless with incomes at 0-30% of AMI.	-	-	\$9 million	\$17 million	\$25 million	\$33 million	\$84 million Supporting 1,400 PSH units
Affordable Housing Inventory and Services Subtotal		-	\$414 million	\$371 million	\$378 million	\$386 million	\$394 million	\$1.9 billion
% of revenue (after start-up and ongoing administrative costs)		-	55%	75%	75%	75%	75%	
Green New Deal Implementation								
Green New Deal Implementation	Fund the following strategies to help implement Seattle’s Green New Deal as articulated in Resolution 31895: investments to convert residential housing units from natural gas and heating oil to electric heat; solar installations; weatherization of existing residences; and investing in job training programs to equip workers with the necessary skills to thrive in the green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry.	-	\$138 million	\$124 million	\$126 million	\$129 million	\$131 million	\$648 million
% of total revenue		-	18%	25%	25%	25%	25%	23%
Start-up & Ongoing Costs								
Start-up costs and ongoing administration		-	\$29 million	\$15 million	\$16 million	\$16 million	\$16 million	\$92 million
% of total revenue		-	5%	3%	3%	3%	3%	3%
TOTAL ANNUAL SPENDING:		\$200 million	\$586 million	\$510 million	\$520 million	\$531 million	\$541 million	\$2.9 billion

¹ The spending plan assumes that in 2020, the City will use an interfund loan to direct \$200 million dollars to be distributed as cash assistance directly to low-income households in the City of Seattle in response to the impacts of the COVID-19 emergency. In 2021, the payroll tax revenue generated in 2020 but collected in 2021 will be used first to pay back that interfund loan, including interest.

Appendix 2: Eligibility Criteria for Existing City Run or Administered Programs

Household/ Family Size	Early Childhood Education and Assistance Program <i>110% Federal Poverty Level</i>	Child Care Assistance Program <i>200 - 350% Federal Poverty Level</i>	Utility Discount Program <i>70% State Median Income</i>	Seattle Preschool Program <i>350% Federal Poverty Level</i>	Fresh Bucks <i>80% Area Median Income (HUD)</i>
1	\$14,036	\$25,520 – \$44,660	\$35,592	\$44,660	\$61,800
2	\$18,964	\$34,480 – \$60,340	\$46,548	\$60,340	\$70,600
3	\$23,892	\$43,440 – \$76,020	\$57,492	\$76,020	\$79,450
4	\$28,820	\$52,400 – \$91,700	\$68,448	\$91,700	\$88,250
5	\$33,748	\$61,360 – \$107,380	\$79,404	\$107,380	\$95,350
6	\$38,676	\$70,320 – \$123,060	\$90,348	\$123,060	\$102,400
7	\$43,604	\$79,280 – \$138,740	\$92,400	\$138,740	\$109,450
8	\$48,532	\$88,240 – \$154,420	\$94,464	\$154,420	\$116,500
9	\$53,460	\$97,200 – \$170,100	\$95,516	\$170,100	\$123,550
10	\$58,388	\$106,160 – \$185,780	\$98,568	\$185,780	\$130,650

Appendix 3: Assistance Programs Comparison

	Austin RISE	United Way-King County Rental Assistance²	Seattle’s Emergency Grocery Voucher Program
Total Funding	\$15 million	\$5 million	\$5 million
Assistance Provided	<ul style="list-style-type: none"> • Improve food access; • Assist with rental or mortgage payments; • Assist with necessary bills (e.g. utility bills); • Assist with medical expenses; • Assist with the purchase of diapers, baby formula and other child-care expenses; • Assist survivors of domestic violence; • Provide case management; or • Provide other direct relief services provided by CBO to assist individuals and families in meeting basic needs, including essential hygiene, and alleviating hardships. • Provide direct cash assistance 	One month’s rent payment – maximum amount based on unit size.	\$800 in vouchers to purchase food, cleaning supplies, and other household goods at any Safeway store in Washington state. The benefit is provided in two batches of \$400/month.
Priority Populations	<ul style="list-style-type: none"> • Meet broad eligibility standards for Austin Public Health grant programs, such as a family income at or below 200% of federal poverty income guidelines; • Have experienced a significant hardship or loss of household income related to the COVID-19 pandemic; • Are ineligible for other forms of significant governmental relief (such as the CARES Act) or are receiving such relief in a limited or delayed manner that does not meet their needs; and • People who have tested positive for COVID-19 or have a high probability of infection based on contact tracing, while maintaining appropriate confidentiality. 	Any low-income household economically impacted by COVID-19 and behind on rent.	For this first round of vouchers, the priority was to identify those who may be most in need who could also be enrolled quickly. The City prioritized families enrolled in existing programs with closest ties to communities of color, and those programs developed with extensive race and social justice analysis.
Eligibility	<ul style="list-style-type: none"> • Live in Austin • Eligibility for, or enrollment in, other means-tested benefits programs, such as SNAP or Medicaid, may be considered as a substitute for income or demonstration of need, but this standard may not be required for eligibility. 	<ul style="list-style-type: none"> • Live in King County • Are behind in rent • Are economically impacted by COVID-19 • Income is at or below 50% of AMI (see the UWKC program webpage for details on the income thresholds) 	<p>Are enrolled in the following programs:</p> <ul style="list-style-type: none"> • Child Care Assistance Program (CCAP) • Early Childhood Education and Assistance Program (ECEAP), all enrolled families that are below 350% of FPL • Seattle Preschool Program and Pathway to Seattle Preschool Program – all enrolled families that are below 350% of FPL • Seattle Parks and Recreation’s list of families/households who are currently receiving City Scholarships for School-Age Care (SAC) • Fresh Bucks
Application Process	Individuals work with community organizations to access assistance.	On-line application available for completion; 2-1-1 could be contacted for assistance in completing application; or community-based organizations could be contacted for assistance completing application	<p>For the first distribution Families enrolled in the programs described previously automatically received a voucher.</p> <p>For the second round of distribution, CBOs would request and receive vouchers to serve up to 100-200 families.</p>
Distribution Method	Austin Public Health has initially partnered with four organizations (Catholic Charities, Asian Family Support Services, El Buen Samaritano, and Austin Area Urban League), and developed an application process for other organizations to apply for funds.	Urban League, Solid Ground, and Wellspring selected to implement the program. These organizations review completed applications and make payments directly to landlords once they approve applications. Each agency is given administration funding to cover costs of implementing program and can draw down funds for rent payments from a centralized pool of funds held by United Way.	The City mailed vouchers for families enrolled in the programs described previously. 2,000 additional vouchers will be distributed to displaced workers via CBOs. The following CBOs will be distributing these vouchers: Asian Counseling and Referral Services, API Chaya, Casa Latina, Entre Hermanos, Fair Work Center, Ingersoll Gender Center, Lake City Collective, Providence Regina House, Refugee Women’s Alliance, United Indians of All Tribes, Villa Comunitaria, and West African Community Council.

² Additional fund raising ongoing; the [CB 119785](#) would provide an additional \$1.5 million for this program.



Legislation Text

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