

May 24, 2023

MEMORANDUM

To: Select Committee on 2023 Housing Levy
From: Traci Ratzliff and Jennifer LaBrecque, Analysts
Subject: Summary of 2023 Housing Levy Legislation as Introduced and Proposed Amendments

On May 3, the Select Committee on the 2023 Housing Levy discussed the Mayor’s Proposed 2023 Housing Levy, initial policy issues and options identified by Central Staff, and Councilmember’s initial proposed amendments to the Housing Levy legislation. This information is fully described in the [April 28th Central Staff Memo](#).

Councilmember Mosqueda, chair of the Select Committee, incorporated a number of the proposals discussed at the May 3 committee meeting into Council Bill (CB) 120584 and Resolution (RES) 32093 that will be introduced next week. Exhibit A shows changes made to Attachment A of CB 120584 and Exhibit B show changes made to RES 32093. These changes are also summarized in Tables 1 and 2. In addition, technical corrections recommended by the Law Department were made to the resolution that are not shown in track changes. There are additional Councilmember proposed amendments that were not included in the legislation, and those amendments are described in Tables 3 and 4. Exhibit C and Exhibit D show the specific language included in these additional amendments.

The proposed CB 120584 and RES 32093, as introduced, and additional Councilmember proposed amendments will be discussed at the May 31 Select Committee meeting.

Table 1. Amendment included in CB 120584 (Exhibit A)

Amendment	Sponsor	Page
<p>Description: Modify the description of Administrative Costs in Attachment A to allow holding costs and predevelopment costs for land in the City’s possession to be covered by administrative funding.</p> <p>Effect: Clarifies that costs associated with maintaining land in City possession prior to development and predevelopment/consultant costs related to determining suitability of affordable housing development on City-owned or publicly owned sites are legal uses of administrative funds.</p>	Mosqueda	1

Table 2: Amendments included in RES 32093 (Exhibit B)

Amendment	Sponsor	Page #
<p>Description: Add language to the Levy Administration and Financial (A&F) Plan authorizing the Office of Housing (OH) to use investment earnings from the Rental Production and Preservation (RPP) program for pre-development costs for projects being developed by small community based non-profit housing developers.</p> <p>Effect: Allows OH to use anticipated investment earnings for predevelopment costs for projects being developed by small community based non-profit housing developers. If funds are not needed for this purpose, they would be used in the RPP program or for other Levy programs if the need arises. The RPP program is estimated to generate over \$25 million in investment earnings over the seven-year Levy period.</p>	Mosqueda	7
<p>Description: Add language to the Levy A&F Plan requesting OH to provide information on proposed expenditures of Levy administrative revenues as part of the annual budget process.</p> <p>Effect: Requests OH to specifically provide information on planned expenditures of administrative revenues to ensure that funds targeted for administrative costs are needed and that there are no surplus funds that could be re-directed to other Levy-funded housing programs in the annual budget process.</p>	Mosqueda	8
<p>Description: Add language to the Levy A&F Plan that establishes priorities for the RPP program that include, but are not limited to: 1) Support for project sponsors grounded in Black, Indigenous, People Of Color (BIPOC) communities; and 2) Development of family-sized units utilizing City-owned or publicly owned land and other incentives to reduce costs of such units.</p> <p>Effect: Sets out Council’s intent concerning two key priorities, along with others, for the RPP program. The Levy proposal assumes the development of two- and three-bedroom units in the RPP program, with additional units developed with JumpStart funding, but the production of more of these units is desired. The development of large units can be costly, so any effort to reduce costs by use of free or discounted publicly owned land or other potential cost-saving measures could help to support the further development of such units.</p>	Mosqueda	8
<p>Description: Add language to the Levy A&F Plan for the Homeownership program that encourages the development of family-sized units utilizing City-owned or publicly owned land and other incentives to reduce the cost of such units.</p> <p>Effect: Sets out Council’s interest in encouraging the development of family-sized units. The Levy proposal assumes development of two-, three-, and four-bedroom units in the Affordable Homeownership program, but more units of that size are desired. As previously noted, development of large units can be costly, so any effort to reduce costs by use of free or discounted publicly owned land or other measures could help to support the further development of such units.</p>	Mosqueda	8

Amendment	Sponsor	Page #
<p>Description: Add language to the Levy A&F Plan for the Homeownership program that establishes a focus for those at risk of displacement from their communities or who have faced barriers to equitably accessing homeownership in all parts of the city due to past discriminatory policies and practices, such as redlining, mortgage lending discrimination, or restrictive racial covenants.</p> <p>Effect: Sets out Council’s intent for the Homeownership program to assist in addressing key race and social equity goals along with meeting the overall homeownership needs of those with incomes at or below 80% of Area Median Income (AMI).</p>	Herbold/ Mosqueda	8
<p>Description: Add language to the Levy A&F Plan to encourage OH to work with community partners and affordable housing developers to explore mixed-use projects that include broader community development goals, such as childcare, health services, affordable commercial space, and other community services. OH is also requested to work with relevant City departments to facilitate and coordinate different funding sources and requirements to support such mixed-use projects.</p> <p>Effect: States Council’s interest in encouraging development of mixed-use projects that include affordable housing and community development services desired by community members.</p>	Herbold/ Mosqueda	6
<p>Description: Add language to the A&F Plan to encourage geographic distribution of low-income housing developed with Levy programs throughout the city, with a focus on areas with a high risk of displacement and underserved by previous affordable housing development.</p> <p>Effect: States Council’s interest in encouraging development of affordable housing throughout the city, including in areas at high risk of displacement and those currently underserved with affordable housing.</p>	Herbold	6
<p>Description: Requests OH to provide a report to the Council on the use of resident services funding that was provided to non-Permanent Supportive Housing (PSH) projects in 2021. OH would be requested to use information from this report to develop policies for the Levy A&F Plan that would guide use of funding included in the 2023 proposed Levy for such services in non-PSH projects.</p> <p>Effect: Requests report that would show how non-PSH providers have used 2021 funding, in particular, to support staff wages and other spending. This report would inform policies regarding the use of the 2023 Levy funds for this purpose. OH would also be requested to report on the use of this funding in the annual Levy report.</p>	Herbold/ Mosqueda	6

Amendment	Sponsor	Page #
<p>Description: Requests OH to develop specific reporting and performance measures for workforce stabilization funding that would be included in the Levy A&F Plan.</p> <p>Effect: Establishes reporting and performance measures for the new Workforce Stabilization program that will be provided to PSH housing projects. The intent is to track impacts of the funding provided to ensure that the goal of reducing vacancies and turnover at such projects is achieved. Reporting measures could include: worker retention or turnover, employee vacancy rate, and wage rates paid over time to specific positions. PSH housing providers would provide this information on an annual basis. This information would be included in the annual Levy report.</p>	Nelson	7
<p>Description: Requests OH to explore extending the length of time rental assistance could be provided by the Homelessness Prevention program.</p> <p>Effect: Requests that OH explore providing a longer period of rental assistance to those served by the Homelessness Prevention program in order to ensure long-term housing stability. The City’s current Homelessness Prevention program provides up to 12 months of assistance over a 36-month period. This may not be adequate for some households to achieve housing stability.</p>	Nelson	8
<p>Description: Requests language be added to the Housing Funding Policies requesting OH to work with housing providers to encourage participation in the Housing Connector program, when appropriate.</p> <p>Effect: Requests OH to encourage non-profit housing providers to participate in the Housing Connector program in an effort to increase the number of OH-regulated units available through this program, when appropriate. The Housing Connector program works with community-based organizations to connect homeless and formerly homeless individuals with case management services and placement in both private and non-profit owned rental housing units.</p>	Mosqueda	11
<p>Description: Requests language be added to the Housing Funding Policies that will require OH to: 1) collect vacancy information at least annually from City-funded projects, 2) make the data available to the King County Regional Homelessness Authority, 3) assess such vacancy data, and 4) report to the Council on trends or issues warranting policy modifications or support beyond what is currently supported by the 2023 proposed Housing Levy.</p> <p>Effect: Requests that OH evaluate relevant trends following the COVID pandemic that may warrant other support or policies beyond the workforce stabilization and resident services funding already included in the Levy, with the goal of minimizing vacancies.</p>	Mosqueda/ Pedersen	12

Amendment	Sponsor	Page #
<p>Description: Requests language be added to the Housing Funding Policies to establish a formal program that seeks to preserve existing City-funded affordable housing projects that are reaching the end of their mandatory affordability requirements. In addition, requests OH to consider whether a set aside of additional funding, beyond what is provided in the proposed Preservation program, could be made available to housing providers who agree to extend affordability requirements. Funding could be used for deferred maintenance and capital needs for such projects.</p> <p>Effect: Establishes formal program, with a goal of preserving as many City-funded projects, as feasible, as long-term affordable housing. Includes providing information and support to tenants of such housing. The proposal incorporates activities already being performed by OH.</p>	Herbold	11
<p>Description: Requests OH to establish a goal for the acquisition of buildings that would apply to all housing revenue sources, including, but not limited to, the Housing Levy. One of the stated priorities for acquisitions would include a focus on the acquisition of buildings in areas at high risk for displacement and areas underserved by previous affordable housing development. OH will explore the need for additional staff or consultants to operationalize this effort.</p> <p>Effect: Acquisitions covered by this goal would include affordable, unsubsidized housing and/or land owned by private, for-profit entities and newly constructed buildings available for purchase from private, for-profit entities.</p>	Herbold	10

Table 3: Additional proposed Amendment to CB 120584 (Exhibit C)

#	Proposed Amendment	Sponsor
1	<p>Description: Add language in Attachment A to CB 120584 authorizing up to 10 percent of the Rental Production program to be used to develop workforce housing serving households from 61–80 percent of AMI.</p> <p>Effect: Allows up to \$9 million over seven years to be used for rental housing for households with incomes between 61–80 percent of AMI. The current Levy proposal restricts funding to rental housing at or below 60 percent AMI. Both the 2002 and 2009 Levies allowed a portion of funds to be used for households up to 80 percent AMI. The usefulness of this amendment to developers will depend in part on the amount of other leveraged funds, if they need higher income units to subsidize the project costs and whether or not units need to average to 60 percent AMI, as required by the Low-Income Housing Tax Credit program. The City administers other housing programs which provide income and rent restricted rental units for households between 61–80 percent AMI, including the Multi-Family Tax Exemption program.</p>	Nelson

Table 4: Additional proposed Amendment to RES 32093 (Exhibit D)

#	Proposed Amendment	Sponsor
2	<p>Description: Requests OH to explore the need for housing for people in recovery from drug and alcohol addiction who need to live in a substance-free environment. If there is an identified need for such housing, OH would be requested to encourage additional development of this type of housing.</p> <p>Effect: Requests exploration of the need for housing specifically for those recovering from substance abuse addictions. Several non-profit providers provide housing for such individuals, but this may not meet the need for this type of housing.</p>	Nelson

Next Steps

On June 7, the Select Committee will meet to discuss and possibly vote on the Housing Levy legislation package and proposed amendments.

Attachments:

- Exhibit A. Amendment included in CB 120584, as introduced
- Exhibit B. Amendments included in RES 32093, as introduced
- Exhibit C. Additional proposed amendment to CB 120584
- Exhibit D. Additional proposed amendment to RES 32093

cc: Esther Handy, Director
 Aly Pennucci, Deputy Director
 Brian Goodnight, Lead Analyst

Exhibit A

Amendment to CB 120584- Low-Income Housing Levy
Sponsor: Councilmember Mosqueda

Attachment A
2023 Housing Levy Programs

PROGRAM	TOTAL FUNDING (7 Years)	ESTIMATED HOUSING PRODUCED/ HOUSHOLDS ASSISTED	POPULATION AND AFFORDABILITY LEVELS
Rental Production and Preservation	\$707,270,379	3,516	<ul style="list-style-type: none"> • Families and individuals with incomes at or below 60% AMI. • At least 60% of the sum of Rental Production and OMS program funds support housing with rents affordable to individuals and families at or below 30% AMI.
Operating, Maintenance, and Services (OMS) & OMS Stabilization	\$122,300,000	1,156	OMS support supplements rent paid by residents at or below 30% AMI
Homeownership	\$50,689,796	367	Current and prospective homeowner households at or below 80% AMI
Prevention and Housing Stabilization	\$30,000,000	4,500	Assistance for individuals and families at or below 50% AMI
Acquisition and Preservation	Up to \$30,000,000 <i>No additional funding; Short-term loans will be made using Levy funds not yet reserved through other Levy programs.</i>		Rental or homeownership housing that will serve households at or below 80% AMI
Program Administration	\$60,000,000	N/A	Program support staff and related costs
Total	\$970,260,175	9,539	

PROGRAM DESCRIPTIONS

Rental Production and Preservation

- New construction of rental housing for low-income households, including people with disabilities, older adults, homeless individuals and families, low-wage working people, and families with children.
- Reinvestment in existing affordable housing to make critical capital improvements.
- Rehabilitation of existing multi-family housing with affordability requirements imposed.
- Acquisition of affordable subsidized and market-rate buildings for long-term affordable rental housing.

Operating, Maintenance, and Services (OMS) & OMS Stabilization

- Operating support for Levy-funded buildings, supplementing rent paid by residents, including formerly homeless and other residents with supportive service needs.
- Wage stabilization support for supportive housing workers serving residents who have experienced homelessness and who are living with extremely low incomes.

Homeownership

- Development of new, high-quality, permanently affordable homes.
- Emergency home repair grants to assist with maintaining stable housing.
- Foreclosure prevention assistance for homeowners who are at risk of losing their homes through foreclosure.
- Assistance to eligible home buyers through home purchase loans.
- Acquisition of affordable subsidized and market-rate rental buildings for the creation of homeownership opportunities.

Prevention and Housing Stabilization

- Rent assistance and stabilization services for low-income individuals and families to prevent eviction, support housing stability, and address homelessness.

Acquisition and Preservation

- Short-term acquisition loans for cost-effective purchases of buildings or land for rental or homeownership development. This program will prioritize the acquisition of occupied buildings.

Administration

- Program support staff and related costs
- Support the costs associated with maintaining land that is in city-possession prior to development.
- Fund predevelopment/consultant costs related to determining suitability of sites (city owned, publicly owned, etc.) and preparing sites for affordable housing development.

1 Exhibit B

2 Amendment to RES 32093 - Relating to Low-Income Housing Levy

3 Sponsor: Councilmember Mosqueda

4
5 **CITY OF SEATTLE**

6 **RESOLUTION 32093**

7 ..title

8 A RESOLUTION relating to low-income housing; accompanying an ordinance requesting the
9 2023 Housing Levy Renewal and providing further direction regarding reporting and
10 implementation of the programs to be funded by such levy and other housing funds.

11 ..body

12 WHEREAS, since 1981 Seattle voters have approved six ballot measures to provide affordable
13 housing for low-income residents; and

14 WHEREAS, the Office of Housing (OH) strives to affirmatively further fair housing for the City
15 of Seattle, increase and preserve the supply of affordable homes, and ensure access to
16 safe, healthy housing for residents living with very low incomes and residents
17 experiencing homelessness; and

18 WHEREAS, all of the prior housing levy measures have met or exceeded established production
19 goals for units developed and households assisted; and

20 WHEREAS, the *Market Rate Housing Needs and Supply Analysis* conducted by the Office of
21 Planning and Community Development in partnership with BERK Consulting in 2021
22 found that Seattle lacked approximately 29,710 safe, sanitary, and appropriate rental
23 homes affordable to households earning 50 percent or less of area median income (AMI);
24 and

25 WHEREAS, the King County Growth Management Planning Council projects that Seattle will
26 need approximately 70,726 more housing units, including roughly 15,024 units of

1 permanent supportive housing (PSH), to meet the needs of residents with incomes at or
2 below 80 percent of AMI by 2044; and

3 WHEREAS, in an effort to meet the need for affordable housing, the Mayor proposes an
4 approximately \$970 million, seven-year low-income housing levy (“2023 Housing
5 Levy”); and

6 WHEREAS, social equity has been one of the core values guiding The City of Seattle’s (“City”)
7 Comprehensive Plan since its adoption in 1994, and the displacement of longtime
8 residents and community anchors undermines the City’s commitment to equity; and

9 WHEREAS, the City recognizes that housing instability and displacement have negative impacts
10 on the health and well-being of families and individuals; and

11 WHEREAS, the purchase of buildings serving households at or below 60 percent of AMI will
12 preserve affordable housing units that would otherwise be lost from the City’s affordable
13 housing stock; and

14 WHEREAS, data from the United States Department of Housing and Urban Development’s
15 (HUD) Comprehensive Housing Affordability Strategy (CHAS) data for 2015-2019
16 estimates show that Black, Native, and Hispanic/Latin(a)(o)(x) residents of Seattle have
17 homeownership rates of approximately 25 percent, whereas the average for all Seattle
18 residents is over 46 percent; and

19 WHEREAS, the City has expressed a desire to support the creation of more affordable housing
20 developed by organizations that are led by and primarily serve residents who are Black,
21 Indigenous, and other people of color (BIPOC), address disproportionate burdens faced
22 by BIPOC residents and others in the housing market, and create communities that are
23 inclusive and culturally responsive; and

1 WHEREAS, the 2023 Housing Levy provides the opportunity to implement innovative anti-
2 displacement strategies; and

3 WHEREAS, it is important to the City to develop and support career opportunities in the human
4 services, housing, and construction industries, particularly for women and people of color
5 who often face disproportionate unemployment and barriers to higher-paying career
6 opportunities; and

7 WHEREAS, according to the study *Wage Equity for Non-Profit Human Services Workers*¹,
8 conducted by students and faculty of the University of Washington School of Social
9 Work in 2023 in partnership with the City's Human Services Department, Washington
10 State workers in non-profit human services fields have median annual pay that is 37
11 percent less than workers in non-care industries; and

12 WHEREAS, according to the same wage equity study, women and Black people in King County
13 are disproportionately employed in human services fields, with women comprising 79
14 percent of the human services workforce compared with 39 percent in non-care fields,
15 and Black people comprising 13 percent of the human services workforce compared with
16 five percent in non-care fields; and

17 WHEREAS, operators of PSH face workforce shortages and, according to an internal analysis
18 conducted by OH, currently operate with open position rates of approximately 20 percent,
19 which is harmful to both the workforce and the residents they serve; and

20 WHEREAS, OH aims to stabilize on-site services and operations of supportive and affordable
21 housing, to support continuity of care for residents and adequate compensation for
22 essential workers providing support in City-funded buildings; and

¹ <https://socialwork.uw.edu/wageequitystudy>

1 WHEREAS, union representation has important benefits for workers, particularly for workers of
2 color, including better pay, benefits, working conditions, and job security; and
3 WHEREAS, the Department of Finance and Administrative Services (FAS) executed Ordinance
4 125368 in 2017 for the City’s Priority Hire program; and
5 WHEREAS, in 2018, OH and FAS executed an amendment to the City’s community workforce
6 agreement (CWA) to be included in the PSH project on City-owned property at 2nd and
7 Mercer (“K-Site”); and
8 WHEREAS, pursuant to Ordinance 125852 an assessment report for the outcomes of the 2nd and
9 Mercer CWA was required and was published in 2022; and
10 WHEREAS, OH engaged with, and incorporated feedback from local providers and developers,
11 labor partners, the Housing Development Consortium, FAS, and the City Council
12 throughout the production of the assessment report to ensure impacts and outcomes of the
13 CWA were adequately captured; and
14 WHEREAS, the assessment of the 2nd and Mercer CWA identified impacts on apprenticeship
15 utilization, rates of hours worked by women, and utilization of woman- and minority-
16 owned businesses (WMBE); and
17 WHEREAS, OH aims to strengthen its partnership with labor partners and affordable housing
18 providers, while continuing to support the production of high-quality affordable housing
19 at a scale responsive to Seattle’s ongoing housing and homelessness crisis; and
20 WHEREAS, OH seeks to collect more information on the impact of CWAs on affordable
21 housing projects; and

1 WHEREAS, OH and FAS will evaluate affordable housing projects with CWAs for labor equity
2 outcomes, such as BIPOC and woman member representation, as well as subcontractor
3 diversity; NOW, THEREFORE,

4 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
5 **MAYOR CONCURRING, THAT:**

6 Section 1. The Mayor has submitted Council Bill 120584 to the City Council, to place a
7 proposition to authorize a seven-year, approximately \$970 million low-income housing levy
8 (“2023 Housing Levy”) on the ballot in November 2023. The intended uses of levy funds are
9 described in Attachment 1 to Council Bill 120584. This resolution details certain activities the
10 Executive will complete to assure successful implementation of the programs to be funded by the
11 2023 Housing Levy, if the ballot measure is approved by the voters.

12 Section 2. The Office of Housing (OH) has a goal of confronting the inequities at the
13 intersection of our work with tenants, housing sponsors led by Black, Indigenous, and other
14 people of color, housing operations and services workforce, and construction labor. OH will
15 further explore expanding its responsibility as a steward of public funds for housing and
16 economic justice.

17 Section 3. OH, with the assistance of City Council staff, the City Budget Office, and
18 other relevant Executive departments, shall develop an Administrative and Financial Plan (“A&F
19 Plan”) for the 2023 Housing Levy. OH should submit the A&F Plan to the City Council’s
20 Finance & Housing Committee or successor committee, in the second quarter of 2024 for
21 consideration and adoption by ordinance. The A&F Plan shall be consistent with the program
22 descriptions and affordability levels established in Council Bill 120584.

1 In preparing the A&F Plan for submittal to the City Council, OH is requested to develop
2 policies and guidelines for the following programs and activities:

- 3 • Rental Production and Preservation
- 4 • Operating, Maintenance, and Services (OMS) and OMS Stabilization
- 5 • Homeownership
- 6 • Prevention and Housing Stabilization
- 7 • Acquisition and Preservation

8 OH will submit a proposed A&F Plan and Housing Funding Policies that includes the
9 following specific policies:

10 A. Efforts will be made to encourage the geographic distribution of low-income housing
11 developed with 2023 Housing Levy programs throughout Seattle, with a focus on areas with a
12 high risk of displacement and underserved by previous affordable housing development.

13 B. OH will continue work with community partners and affordable housing developers to
14 explore how housing investments can support broader community development goals including
15 but not limited to child care, health services, affordable commercial space, and other desired
16 community services. OH is requested to work with the Office of Economic Development (OED),
17 the Office of Planning and Community Development (OPCD), and Department of Early
18 Learning and Education (DEEL) to facilitate and coordinate different funding sources and
19 requirements of such mixed-use projects.

20 C. OH will continue work with providers of affordable housing to explore the needs they
21 are experiencing on site, and to examine the scope, definition, and funding of resident services in
22 affordable housing, with a competitive funding process anticipated in 2024. OH is requested to
23 submit a report to the City Council on how the providers spent the funding, particularly as it

1 relates to wages and other items including total spending (across all funding sources), need, and
2 metrics that demonstrate the impact to programs and residents. OH is requested to use this
3 information in the development of 2023 Housing Levy A&F Plan policies that will guide the
4 funding included in the Levy for non-PSH housing providers and to include this same
5 information in the annual Levy report and the Housing Investment report.

6 D. OH will continue work with permanent supportive housing (PSH) providers on
7 implementation of the PSH OMS Workforce Stabilization Fund, which was launched in 2023
8 with \$25 million of JumpStart/Payroll Expense Tax funds. Funds are allocated by formula to
9 PSH providers proportional to the number of PSH apartments they operate, which reflects the
10 number of staff employed. It is the goal for this fund to primarily support increases in worker
11 wages and workforce stabilization, while also supporting other operating and maintenance needs
12 occurring in PSH. OH will continue to review and analyze impacts through early implementation
13 and make program, policy, and funding adjustments as needed. In addition, OH will develop
14 specific reporting and performance measures such as worker retention or turnover, employee
15 vacancy rate, wage rates paid over time to specific positions, etc., that track impacts of the
16 funding provided to ensure that the intended goal of reducing vacancies and turnover at such
17 projects is being achieved. PSH housing providers shall provide this information on an annual
18 basis. This information shall be included in the annual 2023 Housing Levy report.

19 E. At the end of each calendar year, OH will calculate investment earnings on the 2023
20 Housing Levy Rental Production and Preservation (RPP) Program fund balance. OH may
21 allocate such earnings to support predevelopment costs for projects developed by small,
22 community-based non-profit housing developers who have barriers to accessing other sources of

1 pre-development funding. Any unused portion of this funding may be retained in the RPP
2 Program or proposed for use for other 2023 Housing Levy programs, if the need arises.

3 F. OH, as part of the annual City budget process, will provide information on proposed
4 expenditures of Levy administrative funds for the upcoming year, relative to available
5 revenues. This annual review will ensure funds designated for administrative costs are needed
6 and that there are no surplus funds that could be re-directed to other Levy-funded programs.

7 G. Priorities for the RPP Program include, but are not limited to: (1) support for project
8 sponsors working to address housing inequities through connections with Black, Indigenous, and
9 other communities of color and other historically excluded from equitable access to housing; and
10 (2) development of family-sized units utilizing City-owned or publicly owned land and other
11 incentives to reduce costs of such units.

12 H. Funds for affordable homeownership opportunities may be used to serve households
13 with incomes at or below 80 percent of AMI, with a focus on those at risk of displacement from
14 their communities or who have faced barriers to equitably accessing homeownership in all parts
15 of Seattle due to past discriminatory policies and practices, such as redlining, mortgage lending
16 discrimination, or restrictive racial covenants. In addition, OH will encourage the development
17 of family-sized units, utilizing City-owned or publicly owned land and other incentives to reduce
18 the cost of such units.

19 I. As part of the development of policies for the homelessness prevention program, OH
20 will explore the length of time rental assistance is provided by the program and consider whether
21 a period longer than 12 months should be authorized to ensure that families and individuals
22 achieve housing stability.

1 J. Together, OH and the Department of Finance and Administrative Services (FAS) shall
2 work with the affordable housing community and labor partners to create an amendment to the
3 City's CWA that establishes criteria specific to affordable housing projects funded by OH, with a
4 focus on projects on City-owned sites. This will require collaborative relationship building where
5 goals of OH, FAS, the affordable housing community, and labor partners are understood and
6 honored.

7 K. It is anticipated that CWAs will be applied to between four and six OH-funded new
8 rental construction projects and OH will prioritize work on these projects early in the 2023
9 Housing Levy period. OH will pursue CWAs for additional projects pending review of project
10 data and analysis.

11 L. Quantitative and qualitative analysis will be performed by a neutral third-party to
12 compare CWA and equivalent non-CWA projects. The following labor equity goals and other
13 measures are anticipated to be tracked and reported as part of this analysis:

- 14 • Apprenticeship utilization for all labor hours
- 15 • Pre-apprenticeship graduates working on the projects
- 16 • Priority Hire utilization
- 17 • Gender, race, and ethnicity for both journey-level workers and apprentices
- 18 • Workers receiving health care and/or retirement benefits on the projects – with
19 analysis of worker benefit eligibility after project completion
- 20 • WMBE subcontractors
- 21 • Number of bids (both prime and subcontractors)
- 22 • Cost per unit and impacts on unit production
- 23 • Residential and commercial wages paid

- 1 • Construction timelines
- 2 • Other metrics as appropriate

3 CWA projects are anticipated to have labor equity and equity goals for the following activities:

- 4 • Apprenticeship utilization
- 5 • Priority Hire utilization
- 6 • Diverse worker representation for Black, Indigenous, and other workers of color and
7 women
- 8 • WMBE utilization

9 M. The City and labor partners understand and acknowledge that Seattle faces an
10 affordable housing and homelessness crisis and that the City must produce as many units of
11 high-quality affordable housing as quickly and safely as possible, while also promoting labor
12 equity. Labor partners are committing to ensure sufficient diverse journey-level workers and
13 apprentice hires will be available through the hiring hall and apprenticeship programs for
14 affordable housing projects with CWAs. OH and labor partners understand it is complex to meet
15 these goals and will work in partnership with contractors and other key partners to address any
16 challenges or barriers.

17 N. OH and FAS shall work in partnership to implement the CWA and related FAS
18 monitoring and FAS enforcement. Additional resources are provided by OH administration funds
19 to support increased monitoring and enforcement.

20 O. OH shall report to Council the results of this work on CWAs and submit proposed
21 updates to the City's Housing Funding Policies to incorporate additional labor equity provisions.

22 Section 4. OH is requested to submit proposed Housing Funding Policies that include the
23 following specific policies:

1 A. OH will establish a goal for the acquisition of buildings that would apply to all
2 housing revenue sources, including, but not limited to, the 2023 Housing Levy. The proposed
3 goal would be included in the City’s Housing Funding Policies. Acquisitions covered by this
4 goal would include: affordable, unsubsidized housing and/or land owned by private, for-profit
5 entities; and newly constructed buildings available for purchase from private, for-profit entities.
6 In addition, one of the stated priorities for this program would include a focus on the acquisition
7 of buildings in areas at high risk for displacement and areas underserved by previous affordable
8 housing development. OH will explore the need for additional staff or consultants to
9 operationalize this effort.

10 B. OH will work with housing providers to encourage participation in the Housing
11 Connector Program, when appropriate.

12 C. OH is requested to develop a formal program that seeks to preserve existing City-
13 funded affordable housing projects that are coming to the end of the mandated affordability
14 requirements. The goal of this program would be to preserve as many of these projects as
15 possible as long-term affordable housing. The proposed program would be included in the City’s
16 Housing Funding Policies. The program would include the following elements:

- 17 • Establish formal process for tracking when affordability requirements on City-funded
18 projects will end;
- 19 • Conduct outreach to housing providers in advance of lapsing affordability
20 requirements to explore how and whether OH can support the provider to extend the
21 affordability requirements;
- 22 • Develop a package of options that could be offered to providers of such buildings that
23 could support the continuation of affordability requirements; and

- Conduct outreach to tenants of such buildings in advance of lapsing affordability requirements about the status of the building, assistance and support for potential tenant purchase, and relocation assistance in the event affordability requirements will cease.

In addition, OH is requested to consider whether a set-aside of funding, beyond what is provided in the proposed preservation program, could be made available to support housing providers who agree to extend affordability requirements. Such funding could be used for deferred maintenance and capital needs.

D. OH will collect vacancy information no less frequently than annually from City-funded projects, will assess such vacancy data, and will make it available to the King County Regional Homelessness Authority. With a goal of assisting in minimizing vacancies, assessment by OH may include relevant trends following the COVID pandemic that may warrant further support for providers beyond the workforce stabilization and resident services included in the 2023 Housing Levy, which are anticipated to help address issues related to vacancies such as staff turnover and maintenance needs. OH will report to the City Council on the data and identify trends or issues warranting policy modifications or support beyond what is proposed to be funded by the 2023 Housing Levy.

Section 5. OH shall submit a progress report to the Mayor and the City Council by June 30 every year. The report will include: information about progress in meeting 2023 Housing Levy program goals; details about projects awarded Levy investment; and information about those served by Levy programs.

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Adopted by the City Council the _____ day of _____, 2023,
and signed by me in open session in authentication of its adoption this _____ day of
_____, 2023.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Anne Frantilla, Interim City Clerk

(Seal)

Exhibit C
Amendment #1 to CB 120584 - Low-Income Housing Levy
Sponsor: Councilmember Nelson

Attachment A
2023 Housing Levy Programs

PROGRAM	TOTAL FUNDING (7 Years)	ESTIMATED HOUSING PRODUCED/ HOUSHOLDS ASSISTED	POPULATION AND AFFORDABILITY LEVELS
Rental Production and Preservation	\$707,270,379	3,516	<ul style="list-style-type: none"> • Families and individuals with incomes at or below 60% AMI. • <u>Up to 10% of Rental Production and Preservation funds may be spent on housing serving families and individuals with incomes from 61% to 80% of AMI.</u> • At least 60% of the sum of Rental Production and OMS program funds support housing with rents affordable to individuals and families at or below 30% AMI.
Operating, Maintenance, and Services (OMS) & OMS Stabilization	\$122,300,000	1,156	OMS support supplements rent paid by residents at or below 30% AMI
Homeownership	\$50,689,796	367	Current and prospective homeowner households at or below 80% AMI
Prevention and Housing Stabilization	\$30,000,000	4,500	Assistance for individuals and families at or below 50% AMI
Acquisition and Preservation	<p style="text-align: center;">Up to \$30,000,000</p> <p style="text-align: center;"><i>No additional funding; Short-term loans will be made using Levy funds not yet reserved through other Levy programs.</i></p>		Rental or homeownership housing that will serve households at or below 80% AMI
Program Administration	\$60,000,000	N/A	Program support staff and related costs
Total	\$970,260,175	9,539	

PROGRAM DESCRIPTIONS

Rental Production and Preservation

- New construction of rental housing for low-income households, including people with disabilities, older adults, homeless individuals and families, low-wage working people, and families with children.
- Reinvestment in existing affordable housing to make critical capital improvements.
- Rehabilitation of existing multi-family housing with affordability requirements imposed.
- Acquisition of affordable subsidized and market-rate buildings for long-term affordable rental housing.

Operating, Maintenance, and Services (OMS) & OMS Stabilization

- Operating support for Levy-funded buildings, supplementing rent paid by residents, including formerly homeless and other residents with supportive service needs.
- Wage stabilization support for supportive housing workers serving residents who have experienced homelessness and who are living with extremely low incomes.

Homeownership

- Development of new, high-quality, permanently affordable homes.
- Emergency home repair grants to assist with maintaining stable housing.
- Foreclosure prevention assistance for homeowners who are at risk of losing their homes through foreclosure.
- Assistance to eligible home buyers through home purchase loans.
- Acquisition of affordable subsidized and market-rate rental buildings for the creation of homeownership opportunities.

Prevention and Housing Stabilization

- Rent assistance and stabilization services for low-income individuals and families to prevent eviction, support housing stability, and address homelessness.

Acquisition and Preservation

- Short-term acquisition loans for cost-effective purchases of buildings or land for rental or homeownership development. This program will prioritize the acquisition of occupied buildings.

Exhibit D

Amendment #2 to RES 32093 - Relating to Low-Income Housing

Sponsor: Councilmember Nelson

Add a new Subsection to Section 4 as follows:

D. OH will explore the need for housing for people in recovery from drug and alcohol addiction who need to live in a substance-free environment to maintain their recovery. If OH identifies unmet need for such housing, OH will encourage development of additional recovery housing.