

CITY OF SEATTLE

RESOLUTION _____

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

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

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

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

WHEREAS, the Market Rate Housing Needs and Supply Analysis conducted by the Office of Planning and Community Development in partnership with BERK Consulting in 2021 found that Seattle lacked approximately 29,710 safe, sanitary, and appropriate rental homes affordable to households earning 0-50 percent Area Median Income (AMI); and

WHEREAS, the King County Growth Management Planning Council projects that Seattle will need approximately 70,726 more housing units, including roughly 15,024 units of Permanent Supportive Housing (PSH), to meet the needs of residents with incomes between 0 percent and 80 percent of AMI by 2044; and

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

1 WHEREAS, social equity has been one of the core values guiding The City of Seattle’s (City’s)
2 Comprehensive Plan since its adoption in 1994, and the displacement of longtime
3 resident and community anchors undermines the City’s commitment to equity; and

4 WHEREAS, the City recognizes that housing instability and displacement have negative impacts
5 on the health and wellbeing of families and individuals; and

6 WHEREAS, the purchase of buildings serving households at or below 60 percent of median
7 income will preserve affordable housing units that would otherwise be lost from the
8 City’s affordable housing stock; and

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

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

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

21 WHEREAS, it is important to the City to develop and support career opportunities in the human
22 services, housing, and construction industries, particularly for women and people of color

1 who often face disproportionate unemployment and barriers to higher-paying career
2 opportunities; and

3 WHEREAS, according to the Wage Equity for Non-profit Human Services Workers study¹
4 conducted by students and faculty of the University of Washington School of Social
5 Work in 2023 in partnership with Human Services Department, Washington State
6 workers in non-profit human services fields have median annual pay that is 37 percent
7 less than workers in non-care industries; and

8 WHEREAS, according to the same wage equity study, women and Black people in King County
9 are disproportionately employed in human services fields, with women comprising 79
10 percent of the human services workforce compared with 39 percent in non-care fields,
11 and Black people comprising 13 percent of the human services workforce compared with
12 5 percent in non-care fields; and

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

16 WHEREAS, OH aims to stabilize onsite services and operations of supportive and affordable
17 housing, to support continuity of care for residents and adequate compensation for
18 essential workers providing support in City-funded buildings; and

19 WHEREAS, union representation has important benefits for workers, particularly for workers of
20 color, including better pay, benefits, working conditions, and job security; and

21 WHEREAS, the Department of Finance and Administrative Services (FAS) executed Ordinance
22 125368 for Priority Hire; and

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

1 WHEREAS, in 2018, OH and FAS executed an amendment to the City’s community workforce
2 agreement (CWA) to be included in the PSH project on City-owned property at 2nd and
3 Mercer (K-Site); and

4 WHEREAS, pursuant to Ordinance 125852 an assessment report for the outcomes of the 2nd and
5 Mercer CWA was required and was published in 2023; and

6 WHEREAS, OH engaged with, and incorporated feedback from local providers and developers,
7 labor partners, the Housing Development Consortium, FAS, and City Council throughout
8 the production of the assessment report to ensure impacts and outcomes of the CWA
9 were adequately captured; and

10 WHEREAS, the assessment of the 2nd and Mercer CWA identified impacts on apprenticeship
11 utilization, rates of hours worked by women, and utilization of women- and minority-
12 owned businesses (WMBE); and

13 WHEREAS, OH aims to strengthen its partnership with labor partners and affordable housing
14 providers, while continuing to support the production of high-quality affordable housing
15 at a scale responsive to Seattle’s ongoing housing and homelessness crisis; and

16 WHEREAS, OH seeks to collect more information on the impact of CWAs on affordable
17 housing projects; and

18 WHEREAS, OH and FAS will evaluate affordable housing projects with CWAs for labor equity
19 outcomes, such as BIPOC and women member representation, as well as subcontractor
20 diversity; NOW, THEREFORE,

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

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

7 Section 2. The Office of Housing (OH) has a goal in confronting the inequities at the
8 intersection of our work with tenants, BIPOC-led housing sponsors, housing operations and
9 services workforce, and construction labor. OH will further explore expanding its responsibility
10 as a steward of public funds for housing and economic justice.

11 Section 3. OH, with the assistance of City Council staff, the City Budget Office, and
12 other relevant Executive departments, shall develop an Administrative and Financial Plan (A & F
13 Plan) for the 2023 Housing Levy. OH should submit the A & F Plan to the City Council's
14 Finance & Housing Committee or successor committee, in the second quarter of 2024 for
15 consideration and adoption by ordinance. The A & F Plan shall be consistent with the program
16 descriptions and affordability levels established in Council Bill XXXXXXX.

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

- 19 • Rental Production and Preservation
- 20 • Operating, Maintenance, and Services (OMS) and OMS Stabilization
- 21 • Homeownership
- 22 • Prevention and Housing Stabilization
- 23 • Acquisition and Preservation

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

3 A. Efforts will be made to encourage the geographic distribution of low-income housing
4 developed with levy programs throughout the city.

5 B. OH will continue work with community partners and affordable housing developers to
6 explore how housing investments can support broader community development goals.

7 C. OH will continue work with providers of affordable housing to explore the needs they
8 are experiencing onsite, and to examine the scope, definition, and funding of Resident Services
9 in affordable housing, with a competitive funding process anticipated in 2024.

10 D. OH will continue work with Permanent Supportive Housing (PSH) providers on
11 implementation of the PSH OMS Workforce Stabilization Fund, which was launched in 2023
12 with \$25 million of JumpStart / Payroll Expense Tax funds. Funds are allocated by formula to
13 PSH providers proportional to the number of PSH apartments they operate, which reflects the
14 number of staff employed. It is the goal for this fund to primarily support increases in worker
15 wages and workforce stabilization, while also supporting other operating and maintenance needs
16 occurring in PSH. OH will continue to review and analyze impacts through early implementation
17 and make program, policy, and funding adjustments as needed.

18 E. Together, OH and the Department of Finance and Administrative Services (FAS) shall
19 work with the affordable housing community and labor partners to create an amendment to the
20 City's CWA that establishes criteria specific to affordable housing projects funded by OH, with a
21 focus on projects on City-owned sites. This will require collaborative relationship building where
22 goals of OH, FAS, the affordable housing community, and labor partners are understood and
23 honored.

1 F. It is anticipated that CWAs will be applied to between four and six OH-funded new
2 rental construction projects and OH will prioritize work on these projects early in the levy
3 period. OH will pursue CWAs for additional projects pending review of project data and
4 analysis.

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

- 8 • Apprenticeship utilization for all labor hours
- 9 • Pre-apprenticeship graduates working on the projects
- 10 • Priority hire utilization
- 11 • Gender, race, and ethnicity for both journey level workers and apprentices
- 12 • Workers receiving health care and/or retirement benefits on the projects – with
13 analysis of worker benefit eligibility after project completion
- 14 • WMBE subcontractors
- 15 • Number of bids (both prime and subcontractors)
- 16 • Cost per unit and impacts on unit production
- 17 • Residential and commercial wages paid
- 18 • Construction timelines
- 19 • Other metrics as appropriate

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

- 21 • Apprenticeship utilization
- 22 • Priority hire utilization
- 23 • Diverse worker representation for BIPOC workers and women

- WMBE utilization

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

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

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

Section 4. 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 levy program goals; details about projects awarded levy investment; and information about those served by levy programs.

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Office of Housing	Kelli Larsen	Nick Tucker

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

1. BILL SUMMARY

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

Summary and Background of the Legislation: The Mayor has submitted Council Bill **XXXXXX** to the City Council to place a proposition to authorize a seven-year approximately \$970 million low-income housing levy on the ballot in November 2023. If the bill is approved by City Council and the Levy measure is approved by the voters, the Executive will submit to the City Council for approval a new Levy Administrative and Financial Plan (A & F Plan) and Housing Funding Policies that provide guidance for all OH investments and program areas. This Resolution provides additional information and guidance about policy and programmatic work to ensure the successful implementation of the Housing Levy and other fund sources administered by OH.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?
No.

Are there financial costs or other impacts of *not* implementing the legislation?
Provisions regarding 2023 Housing Levy programs, the Operating, Maintenance, and Services and Workforce Stabilization Fund, the use of Community Workforce Agreements, the Administrative and Financial Plan, and reporting requirements are specified in the Resolution. The Resolution provides detail and clarity for these notable provisions.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
The Resolution requires the Department of Finance and Administrative Services to collaborate with the Office of Housing to implement future Community Workforce Agreements and other data collection and analysis related to this work.
- b. Is a public hearing required for this legislation?**
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.
- d. Does this legislation affect a piece of property?**
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**
The Operating, Maintenance, and Services Workforce Stabilization Fund is intended to support increased wages and workforce stability for staff who work in Permanent Supportive Housing. These workers are more likely to be women and BIPOC and are paid less on average than workers in other fields. The Community Workforce Agreement provisions specify the inclusion of labor equity goals as we collaborate to construct new projects. Finally, the new Administrative and Financial Plan for the 2023 Housing Levy will present an opportunity to implement innovative anti-displacement strategies.
- f. Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No.
 - 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No.
- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)?**
The Office of Housing will work collaboratively with housing providers, developers, labor, other City departments, and other key partners to assess impacts for workers, residents, and project costs. OH will continue refining data collection and reporting requirements to inform subsequent decision making. The Levy Administrative and Financial Plan and Housing Funding Policies will provide additional detail on these goals and reporting requirements.