



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Tuesday, April 6, 2021

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
M. Lorena González, Member
Andrew J. Lewis, Member
Dan Strauss, Member
Tammy J. Morales, Alternate

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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SEATTLE CITY COUNCIL
Finance and Housing Committee
Agenda
April 6, 2021 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

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 Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.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 Mosqueda at Teresa.Mosqueda@seattle.gov

Sign-up to provide Public Comment at the meeting 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 253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

**1. Presentation from Cities on American Rescue Plan Funding
Briefing and Discussion**

Presenters: Vanessa Fuentes, Councilmember, City of Austin, Texas; Robin Kniech, Councilmember, Denver, Colorado; Lisa Bender, Council President, Minneapolis City Council; Aly Pennucci, Council Central Staff

2. [Appt 01831](#) Appointment of Dan Torres as member, Sweetened Beverage Tax Community Advisory Board, for a term to August 31, 2021.

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Hannah Hill, Office of Sustainability and Environment

3. [Appt 01859](#) Appointment of Joel Shapiro as member, Labor Standards Advisory Commission, for a term to April 30, 2023.

Attachments: [Appointment Packet](#)

Briefing, Discussion, and Possible Vote

Presenter: Kerem Levitas, Office of Labor Standards

4. Transparency Requirements for Contract Workers

Supporting Documents:

[Recommendations on Independent Contractor Transparency Presentation](#)

Briefing and Discussion

Presenters: Liz Ford, and Gay Gilmore, Labor Standards Advisory Commission; Kerem Levitas, Office of Labor Standards; Karina Bull, Council Central Staff

- 5. [CB 120018](#) AN ORDINANCE relating to grant funds from non-City sources; amending Ordinance 126237, which adopted the 2021 Budget; authorizing the Mayor or Mayor’s designees to accept specified grants and execute related agreements for and on behalf of the City; changing appropriations to various departments; and ratifying and confirming certain prior acts.**

Supporting Documents:

[Summary and Fiscal Note Presentation \(4/6/21\)](#)
[Council Central Staff Memo \(4/6/21\)](#)
[Amendment 2](#)
[Amendment 3](#)
[Amendment 1](#)

Briefing, Discussion, and Possible Vote

Presenters: Emily Alvarado, Director, Office of Housing; Traci Ratzliff, Brian Goodnight, and Eric McConaghy; Council Central Staff

6. [CB 120029](#) **AN ORDINANCE amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and adding provisos; all by a 3/4 vote of the City Council.**

Supporting

Documents:

[Summary and Fiscal Note](#)

[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Cuc Vu, Director, Office of Immigrant and Refugee Affairs; Tanya Kim, Human Services Department; Adrienne Thompson, Mayor's Office; Ben Noble, Director, City Budget Office; Amarah Khan, Director, Office of the Employee Ombud

7. [CB 120030](#) **AN ORDINANCE relating to taxation; amending the payroll expense tax on persons engaging in business in Seattle; amending Section 5.38.020 of the Seattle Municipal Code; and adding a new Section 5.38.025 to the Seattle Municipal Code.**

Supporting

Documents:

[Summary and Fiscal Note](#)

[Council Central Staff Memo- CB120030](#)

Briefing, Discussion, and Possible Vote

Presenters: Dan Eder and Tom Mikesell, Council Central Staff

E. Adjournment



Legislation Text

File #: Inf 1780, **Version:** 1

Presentation from Cities on American Rescue Plan Funding



Legislation Text

File #: Appt 01831, **Version:** 1

Appointment of Dan Torres as member, Sweetened Beverage Tax Community Advisory Board, for a term to August 31, 2021.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Dan Torres		
Board/Commission Name: Sweetened Beverage Tax Community Advisory Board		Position Title: Early Learning Representative (Pos. #11)
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment		Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input type="checkbox"/> Council <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Other: <i>Fill in appointing authority</i>	Date Appointed: 3/5/2021	Term of Position: * 9/1/2017 to 8/31/2021 <input checked="" type="checkbox"/> <i>Serving remaining term of a vacant position</i>
Residential Neighborhood: Ravenna/Laurelhurst	Zip Code: 98105	Contact Phone No.: [REDACTED]
Background: Dan Torres has focused his career on systems work to support families and promote equity. Dan joined the Bezos Family Foundation (BFF) in October of 2019 to cultivate partnerships for the Vroom program. Vroom provides science-based tools to families and caregivers to further child development. He was the Executive Director of the Washington State Essentials for Childhood initiative, a cross systems, public private partnership with a vision that all children in Washington state thrive in safe, stable and nurturing relationships and environments. He also previously served as the Director of Policy and Partnerships at Thrive Washington. In that role he directed the community momentum strategy for 10 early learning regional coalitions and developed Thrive Washington’s legislative agenda. Dan spent the beginning of his career focused on child welfare policy as an associate at the Center for the Study of Social Policy and at Casey Family Programs.		
Authorizing Signature (original signature): 		Appointing Signatory: Jenny A. Durkan Mayor of Seattle

*Term begin and end date is fixed and tied to the position and not the appointment date.

DAN TORRES

Results based leader experienced working with jurisdictions across the country on system building efforts. Proven track record gaining consensus and driving change with partners including public agency staff, providers, foundation leaders, and families. Broad experience managing complex bodies of work in both the public and private sector. Adept at both qualitative and quantitative data analysis, survey design, stakeholder interviews, and focus groups. Contributed to written products on system change distributed broadly to the field.

- Organizational Leadership
- Strategic Planning
- Data Analysis
- Equity Driven
- Coalition Building
- Results Based Facilitation

Employment

Senior Program Manager, Vroom
Bezos Family Foundation, Seattle, WA

October 2019-Present

Vroom is a global program of the Bezos Family Foundation which provides free, science-based tips and tools to help parents and caregivers promote child development.

- Leads Vroom team efforts to cultivate and support partnerships at the state and national level.
- Coordinates grant making strategy both domestically and internationally, also oversees measurement and evaluation approach.

Executive Director, Essentials for Childhood
Washington State Department of Health, Tumwater, WA

2017-September 2019

Statewide collective impact initiative focused on ensuring all children in Washington State thrive in safe, stable and nurturing relationships and environments.

- Led a steering committee representing over 35 organizations statewide and two active workgroups toward concrete, measurable action.
- Established initial policy priorities focused on expanding quality home visiting and piloting the Help Me Grow systems approach.
- Secured 1.1 million dollars in private funding to complement a 1.6 million dollar new federal grant to sustain and grow the scope of the initiative.
- Essentials for Childhood became a DOH section with a team of five direct reports and multiple projects focused on systems building.

Director of Policy and Partnerships
Thrive Washington, Seattle, WA

2014-2017

Public private partnership to advance high-quality early learning – with a commitment to innovation and equity – throughout Washington State.

- Director of the community momentum strategy for Washington State's ten early learning regional coalitions. Responsible for leading technical assistance approach, coordinating peer learning opportunities, evaluation, state to local coordination, guiding programmatic vision, serving as point of contact for major funders, and managing five staff.
- Responsible for the annual development of the Thrive Washington legislative agenda and lead on organizational policy development priorities.
- Primary point of contact for key state to local partnerships including the Early Learning Advisory Council and Early Learning Action Alliance.
- Focus on policy and family engagement resulted in large, multi-year investments from the Bill and Melinda Gates Foundation and the W.K. Kellogg foundation.

Community Partnerships Manager
Thrive by Five Washington, Seattle, WA

2012-2014

- In partnership with state and local organizations committed to equity, developed the Washington State racial equity theory of change in early learning, supported the advancing racial equity community of practice, developed and launched a racial equity in early learning grants strategy.
- Conceptualized and implemented an organizational shift towards a grass roots policy approach. Held a key role engaging Thrive board in the development of an externally facing set of legislative priorities.

Associate
Center for the Study of Social Policy, New York, NY

2007--2012

A national policy organization focused on creating new ideas and promoting public policies that produce equal opportunities and better futures for all children and families, especially those most often left behind.

- Tracked the performance of both New Jersey and Georgia's child welfare system. Conducted case record reviews on health care for foster youth, transitioning youth outcomes, investigative practice, shelter utilization, and mental health service availability. Responsible for writing sections of several reports distributed to the public on systemic outcomes.
- Created a learning network of jurisdictions interested in developing strategies for connecting youth and families involved with the child welfare system to economic supports. Provided onsite technical assistance to network members in Los Angeles, Wake County, and Louisville.
- Provided technical assistance to community based agencies in Los Angeles on the development of primary prevention strategies.
- Contributed to staffing and planning cross-learning forums for foundations, public agencies, and community providers.
- Assisted the Annie E Casey foundation in developing a strategic plan on implementing a model for short-term technical assistance engagements.

Project Coordinator-Best Practices

2004--2007

Prevention and Family Support, Casey Family Programs, Seattle, WA

A national foundation with a \$3 billion endowment, focused on shaping public policy and system change to improve the lives of vulnerable children and families in America.

- Created a neighborhood based collaboration to prevent child abuse and neglect in Los Angeles consisting of both governmental and community based agencies.
- Developed partnership criteria and long term planning goals for the collaborative, led staffing efforts including organizing and facilitating a local panel of community partners to select finalists for site coordinators.
- Produced long-term growth plans for the Powerful Families program, developed budgets and performance targets for emerging work.
- Facilitated focus groups in Los Angeles, New York, Texas, and Alaska to determine where gaps in social services exist nationwide for kinship caregivers.

Research Specialist

2004

Research Services, Casey Family Programs, Seattle, WA

- Conducted literature reviews for a foster care alumni study with Harvard University, and the states of Oregon and Washington.
- Reviewed SPSS and other statistical software output to design tables to present the results for a broad dissemination effort.
- Edited various alumni study reports and chapters.

EDUCATION

Master of Public Administration, Evans School of Public Affairs
University of Washington, Seattle, WA

2004

Bachelor of Science - Political Science
Oregon State University, Corvallis, OR

2001

COMMUNITY LEADERSHIP

Social Venture Partners Brainerd Fellow

2006--2007

- Selected for competitive fellowship for organization dedicated to providing volunteer professional expertise to nonprofits to promote social change.

Board Member Latino Community Fund of Washington State

2006-2007

- One of founding members of emerging nonprofit dedicated to fighting issues directly affecting Latino Communities in Washington State.

Sweetened Beverage Tax Community Advisory Board

11 Members: Pursuant to Ordinance 125324, all members subject to City Council confirmation, two and four-year terms for initial appointments, four-year terms thereafter:

- 5 City Council-appointed
- 6 Mayor-appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
2	NB	N/A	1.	Food Access Representative	Jaimée Marsh	9/1/2017	8/31/2021	1	Council
3	F	2	2.	Food Access Representative	Barbara Baquero	9/1/2019	8/31/2023	1	Mayor
6	F	5	3.	Food Access Representative	Rebecca Finkel	9/1/2019	8/31/2023	1	Mayor
			4.	Community Representative		9/1/2019	8/31/2023	1	Mayor
2	F	2	5.	Community Representative	Tanika Thompson	9/1/2019	8/31/2023	1	Council
1	F	2	6.	Public Health Representative	Christina Wong	9/1/2019	8/31/2023	1	Council
3	F	4	7.	Public Health Representative	Laura Flores Cantrell	9/1/2017	8/31/2021	1	Council
6	F	1	8.	Public Health Representative	Jennifer Hey	9/1/2017	8/31/2021	1	Mayor
			9.	Public Health Representative	Paul E. Sherman	9/1/2017	8/31/2021	1	Mayor
2	F	N/A	10.	Early Learning Representative	Munira Mohamed	9/1/2019	8/31/2023	1	Council
			11.	Early Learning Representative	Dan Torres	9/1/2017	8/31/2021	1	Mayor

SELF-IDENTIFIED DIVERSITY CHART

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial					
Mayor		4			1		1			2								
Council		4		1	1	3	1											
Other																		
Total		8		1	2	3	2			2								

Key:

- *D List the corresponding Diversity Chart number (1 through 9)
 - **G List gender, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown
 - RD Residential Council District number 1 through 7 or N/A
- Diversity information is self-identified and is voluntary.*

**Term begin and end date is fixed and tied to the position and not the appointment date.*



Legislation Text

File #: Appt 01859, **Version:** 1

Appointment of Joel Shapiro as member, Labor Standards Advisory Commission, for a term to April 30, 2023.

The Appointment Packet is provided as an attachment.



City of Seattle Boards & Commissions Notice of Appointment

Appointee Name: Joel Shapiro		
Board/Commission Name: Labor Standards Advisory Commission		Position Title: Member, Position 15
<input checked="" type="checkbox"/> Appointment OR <input type="checkbox"/> Reappointment		Council Confirmation required? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Appointing Authority: <input type="checkbox"/> Council <input type="checkbox"/> Mayor <input checked="" type="checkbox"/> Other: <i>Commission</i>	Date Appointed: 5/1/2021	Term of Position: * 5/1/2021 to 4/30/2023 <input type="checkbox"/> <i>Serving remaining term of a vacant position</i>
Residential Neighborhood: Beacon Hill	Zip Code: 98144	Contact Phone No.: 
Background: Joel Shapiro is one of the founders and co-CEO of Dumpling. Dumpling aims to level the playing field for workers in the Gig Economy through an ownership model that allows personal shoppers to start their own grocery delivery businesses. With Dumpling, personal shoppers set their own prices, work with the clients they want to work with, and earn significantly more than with traditional app-based gig work. Prior to founding Dumpling, Joel spent over 10 years at National Instruments in various product, marketing, and business development roles. He was born and raised in Seattle and holds a bachelor's degree in Computer Science from the University of Tennessee and an MBA from the University of Texas.		
Authorizing Signature (original signature): 		Appointing Signatory: Gay Gilmore Co-Chair, LSAC

*Term begin and end date is fixed and tied to the position and not appointment date.

Joel Shapiro

Seattle, WA

Summary

Joel is one of the founders and co-CEO of Dumpling. Dumpling is flipping the gig economy on its head with an ownership model for workers that gives them more control over the way they work, and allows them to capture a much greater and more balanced amount of the wealth being generated in their industries.

Prior to founding Dumpling, Joel spent over 10 years at National Instruments in various product, marketing, and business development roles. He was born and raised in Seattle and holds a bachelor's degree in Computer Science from the University of Tennessee and an MBA from the University of Texas.

Experience

Co-Founder / Co-CEO

dumpling

Oct 2016 - Present (4 years 6 months +)

Dumpling aims to level the playing field for workers in the Gig Economy through an ownership model that allows personal shoppers to start their own grocery delivery businesses. Dumpling started as a Voice of the Worker platform to help advocate for and drive change for the working class. The voices of thousands of independent contractors who felt underpaid, exploited, and taken for granted by on-demand grocery delivery apps quickly alerted us to the ugly realities of the gig economy.

We quickly realized that the only thing keeping these workers from going out on their own and working directly with customers was access to the right technology, funding, and support. Since that point, Dumpling has been dedicated to building a platform that centers the worker and gives them everything they need to start and run their own grocery delivery businesses. With this ownership model, personal shoppers set their own prices, work with the clients they want to work with, and ultimately, earn significantly more than they do with traditional on-demand apps.

There are now over 2000 personal shoppers across all 50 states that use Dumpling to power their own local, grocery delivery businesses.

Marketing Director, Emerging Markets

NI (National Instruments)

Aug 2012 - Jun 2016 (3 years 11 months)

- Led a 50+ person marketing organization, with an annual budget of over \$5M USD, across NI's Emerging Market's region, covering India, South East Asia, Russia, the Middle East, Oceania and Africa
- Responsible for all aspects of marketing, including Marcom (lead generation, events, digital and social media, PR and Advertising, etc.), Technical Field Marketing (sales enablement, large opportunity support, global product strategy), and Marketing Operations – consistently achieving local and regional marketing targets

- Developed strong leaders throughout the region that were able to effectively balance local needs and opportunities with the overall company objectives and long-term strategy

Sales and Business Development Manager, Energy, Asia/RoW

NI (National Instruments)

Sep 2009 - Aug 2012 (3 years)

- Responsible for driving adoption of National Instruments' products in the high-growth areas of Renewable Energy and Smart Grid across the Asia/RoW sales region (China, Japan, Korea, Taiwan, India, Russia, South East Asia, the Middle East, Oceania, and Africa)
- Exceeded sales quotas for all 6 consecutive, ½ year periods, achieving National Instrument's Gold, Sapphire, and Ruby sales levels.
- Led a cross-functional effort to analyze NI's commission strategy and industry best practices for sale's commission structures specifically for large, cross-territory sales opportunities. Presented recommendations that are currently implemented across National Instrument's global sales force

Group Product Marketing Manager

NI (National Instruments)

Sep 2004 - Oct 2009 (5 years 2 months)

- Drove business strategy and outbound marketing efforts for National Instrument's Industrial Measurement and Control (IMC) product lines which achieved double-digit revenue growth each year, and grew by over 60% to over \$100M during my tenure
- Managed a team of 10+ technical product managers, mentored team members on product management and career development
- Collaborated on the creation of the company-wide, initial corporate social responsibility report, helping to formulate metrics and outbound communication strategy

Applications Engineer

NI (National Instruments)

Sep 2002 - Sep 2004 (2 years 1 month)

Education



The University of Texas at Austin - Red McCombs School of Business

Master of Business Administration (M.B.A.)

2010 - 2012



University of Tennessee, Knoxville

Bachelor's Degree, Computer Science

1997 - 2002

Labor Standards Advisory Commission

15 Members: Pursuant to *Ord. 124643*, all members subject to City Council confirmation, 2-year terms:

- 7 City Council-appointed
- 7 Mayor-appointed
- 1 Other Appointing Authority-appointed (specify): Commission-appointed

Roster:

*D	**G	RD	Position No.	Position Title	Name	Term Begin Date	Term End Date	Term #	Appointed By
	F	2	1.	Commissioner	Elizabeth Ford	5/1/19	4/30/21	2	Mayor
			2.	Commissioner	Vacant	5/1/20	4/30/22		Mayor
			3.	Commissioner	Vacant	5/1/19	4/30/21		Mayor
			4.	Commissioner	Vacant	5/1/20	4/30/22		Mayor
			5.	Commissioner	Vacant	5/1/19	4/30/21		Mayor
6	M		6.	Commissioner	Andrew Beane	5/1/20	4/30/22	2	Mayor
	F		7.	Commissioner	Betsy McFeely	5/1/19	4/30/21	1	Mayor
			8.	Commissioner	Artie Nosrati	5/1/20	4/30/22	2	City Council
			9.	Commissioner	Will Pittz	5/1/19	4/30/21	1	City Council
6	F	1	10.	Commissioner	Samantha Grad	5/1/20	4/30/22	2	City Council
			11.	Commissioner	Gay Gilmore	5/1/19	4/30/21	1	City Council
6	F	NA	12.	Commissioner	Ilona Lohrey	5/1/20	4/30/22	1	City Council
6	F	2	13.	Commissioner	Marilyn P. Watkins	5/1/19	4/30/21	1	City Council
1	F	3	14.	Commissioner	Jeanie Chunn	5/1/20	4/30/22	1	City Council
1	M	2	15.	Commissioner	Joel Shapiro	5/1/21	04/30/23	1	Commission

SELF-IDENTIFIED DIVERSITY CHART

					(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Male	Female	Transgender	NB/ O/ U	Asian	Black/ African American	Hispanic/ Latino	American Indian/ Alaska Native	Other	Caucasian/ Non-Hispanic	Pacific Islander	Middle Eastern	Multiracial
Mayor	1	2								1			
Council		4			1					3			
Other					1								
Total	1	6			2					4			

Key:

*D List the corresponding *Diversity Chart* number (1 through 9)

**G List *gender*, M= Male, F= Female, T= Transgender, NB= Non-Binary O= Other U= Unknown

RD Residential Council District number 1 through 7 or N/A

Diversity information is self-identified and is voluntary.



Legislation Text

File #: Inf 1781, **Version:** 1

Transparency Requirements for Contract Workers

MEMORANDUM

To: Office of Labor Standards
From: Labor Standards Advisory Commission (LSAC)
Date: May 6, 2020
Subject: Recommendations on Independent Contractor Transparency

I. Background

On February 19, 2019, Council passed Resolution 31863 calling on the Labor Standards Advisory Commission (LSAC) to develop a work program to assist the Office of Labor Standards (OLS) on the issue of independent contractor misclassification.¹

In response, LSAC formed a Misclassification Subcommittee comprised of four LSAC members: Elizabeth Ford, Seattle University School of Law professor and former Legal Director of the Fair Work Center; Mona Smith, business attorney; Anthony Burnett, President of MBD Staffing; and Artie Nosrati, Field Director at Working Washington. Rather than attempting to redefine the test for independent contractors, the subcommittee has concentrated on information barriers that those who are currently designated as independent contractors face.

In its May 6, 2020 meeting, LSAC voted to endorse the subcommittee's recommendations and presents those recommendations to OLS here. LSAC determined that such action was necessary and routine pursuant to the Governor's [Proclamation 20-28](#).

II. Introduction

Part of the charge given to LSAC was to base our recommendations on the report created by the Washington State Department of Commerce pursuant to Substitute Senate Bill 6032, §127 (2018). When it is published, that report will include information regarding the following:

- Needs of workers earning income as independent contractors including sources of income;

¹ The specific charge for LSAC was as follows:

Develop a work program identifying how they will work with OLS on the issue of misclassification, particularly how they can assist OLS by providing input on effective strategies based on their experience and existing worker and business associations. LSAC should consider how they can assist OLS in engaging parties affected by the issue of misclassification through stakeholder groups and public hearings.

This recommendation represents a first step on which there is support from business and worker advocates on the Commission. Should OLS choose to move this recommendation forward, the Commission will develop a work plan related to community engagement.

- Amount of their income derived from independent work; and
- Discussion of the benefits provided to such workers.²

However, the Department’s report has not yet been issued in part because of challenges in data collection. Specifically, since so much of its data collection will be based on self-reporting, the interim report identifies a series of gaps in the information available to the workers themselves.

The interim study also points to a few dynamics that help to inform this set of initial recommendations. First, there seems to be clear underreporting of independent contractor status among workers. That is, workers do not accurately report themselves to be independent contractors. Second, there is a connection between independent contractor misclassification and the underground economy. Often vulnerable workers will be told that they are independent contractors and therefore not entitled to any information about their employment. Finally, in the gig economy, the diversity of platforms – and therefore the diversity of payment methodology - has increased dramatically over the past five years.

Thus, LSAC recommends this first, modest step toward creating more transparency and access to information among those currently classified as independent contractors.

III. Recommendation

LSAC recommends a policy requiring hiring entities to provide independent contractor workers with the information necessary to understand (1) the terms of the relationship between an independent contractor and a hiring entity and (2) what work is covered in each payment received. More simply, independent contractors should be able to understand the terms of their engagement and determine whether those terms have been satisfied.

a. Pre-contract Disclosures

Prior to beginning work, a hiring entity should be required to provide independent contractor workers with enough information to understand who they are working for, how to contact the hiring entity, and the pay they can expect to receive for the work. The following is a list of the types of disclosures we recommend be required. These are intended as examples and not prescriptions.³

- i. Name of hiring entity;
- ii. Physical address of the hiring entity;
- iii. Telephone number and, if applicable, email address of the hiring entity;
- iv. Rate or rates of pay for the contractor;
- v. Typical expenses incurred in the course of the work, if any, and which expenses will be paid or reimbursed by the hiring entity ;

² <https://www.commerce.wa.gov/about-us/research-services/independent-contractor-employment-in-washington-state/> (last visited 1/1/20).

³ It is sensible to us that those disclosure would track, where practicable, the disclosures required by Seattle’s Wage Theft Ordinance, SMC 14.20, in the employer/employee context.

- vi. Pay basis, and where payment is made on other than an hourly basis, it is sensible to require disclosure of the method for determining pay so that the contractor can determine if payment comports with the agreement;
- vii. Tip and/or service charge policy.
- viii. Payment Schedule

Further, when providing outreach and education on any eventual transparency requirement, OLS should consider providing a model notice for independent contractors informing them of business licensing requirements.

b. Disclosure at time of Payment

At the time of payment, a hiring entity should be required to provide independent contractor workers with information detailing the work the payment covers. The following is a list of the types of disclosures we recommend be required.

- i. A description of the work for which payment is being made, whether by description of the project; tasks completed, or hours worked;
- ii. All rate or rates of pay whether paid on hourly, salary, commission, piece rate, project, or combination thereof, or other basis;
- iii. Tip or service charge compensation;
- iv. Pay basis (e.g. hour, shift, day, week, commission) and what hours or work is compensated by which pay basis;⁴
- v. Gross earnings; and
- vi. All deductions, fees, or other charges for that pay period.

c. Hiring Entity Coverage

LSAC recommends that these policies apply to hiring entities who (1) retain both employees and independent contractors or (2) retain five or more independent contractors on a consistent basis, but do not retain any employees. The first coverage requirement will ensure that a private party hiring an individual contractor on an isolated basis is not required to provide the disclosures described above (e.g. an individual hiring a plumber or an independent contractor hair stylist). The second coverage requirement ensures that hiring entities that have an exclusively independent contractor workforce must still provide transparency disclosures. Policymakers should consider how to define “consistent basis” and look to the treatment of coverage thresholds in existing labor standards such as the Minimum Wage Ordinance, Commuter Benefits Ordinance, and Paid Sick and Safe Time ordinance.

d. Other Considerations

⁴ The policy should consider how to describe work that is compensated on a non-hourly basis such that workers understand what they are being paid for

Finally, we note that in most cases where there is a written contract for services, that contract should provide the necessary pre-contract disclosures. For others, we recommend OLS develop model notices or other tools to assist hiring entities in complying.

Labor Standards Advisory Commission

Independent Contractor Transparency Recommendations

Labor Standards Advisory Commission

LSAC was designed to create a forum for community, labor, and business to come together “to achieve workplace equity for women, communities of color, immigrants and refugees, and other vulnerable workers.” SMC 3.15.010

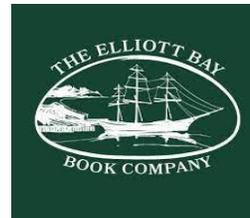
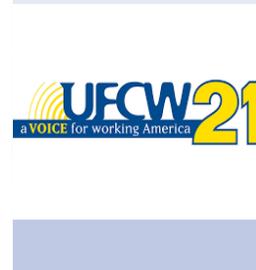
Our work takes the form of recommendations and advice: “[to] advise the Office of Labor Standards, Mayor, City Council, and other City departments with respect to matters affecting labor standards generally and wages, working conditions, safety, and health of workers specifically.” SMC 3.15.010

LSAC Composition

- 15 Members
- 7 Mayoral Appointments
- 7 Council Appointments
- 1 Commission Appointment



Who We Are



LSAC Independent Contractor Working Group

Mona Smith – Greater Seattle Business Association

Liz Ford – Seattle University

Artie Nosrati – Working Washington

Anthony Burnett – MDB Staffing

Gay Gilmore – Optimism Brewing

Liz Ford – Seattle University

Artie Nostrati – Working Washington

Joel Shapiro - Dumpling

April 2020 – Working Group completes first recommendation complete

May 2020- Commission approves recommendation.

June 2020 –recommendation sent to Council.

February 2021 - Invitation to this Committee

Our February 2019 Charge from the Council

- Develop a work program identifying how LSAC will work with OLS on the issue of misclassification, particularly how LSAC can assist OLS by providing input on effective strategies based on their experience and [sic] existing worker and business associations.

Patricia Lee (Eder)
LEG RES misclassification
D5

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CITY OF SEATTLE
RESOLUTION 31863

A RESOLUTION relating to misclassifications of workers as independent contractors when they should be designated as employees; requesting semi-annual updates to the Council starting at the end of the 3rd quarter of 2019 on the work the Office of Labor Standards and Labor Standards Advisory Commission is doing to investigate and correct misclassifications.

WHEREAS, beginning with the 1938 Fair Labor Standards Act (FLSA), 29 U.S.C. Section 201, *et seq.*, federal, state, and local governments have regulated the wages, benefits, and working conditions of many workers working in the private sector and government; and

WHEREAS, these labor laws have covered workers that have been defined as “employees” in various statutes, ordinances, and regulations; and

WHEREAS, coverage and protection under many labor laws have excluded workers who were not defined as “employees” either explicitly or because they did not meet the legal definition of “employee”; and

Washington Dept. of Commerce Study

Independent Contractor Study

Department of Commerce

What can research tell us about the needs of workers earning income as independent contractors, their sources of income, and access to benefits?

PRIMARY METHODS

1. Co-develop multi-pronged approach with Advisory Committee
2. Analyze existing federal data sources
3. Assess usefulness of state records
4. Conduct focus groups
5. Design and launch online survey

USES AND LIMITATIONS

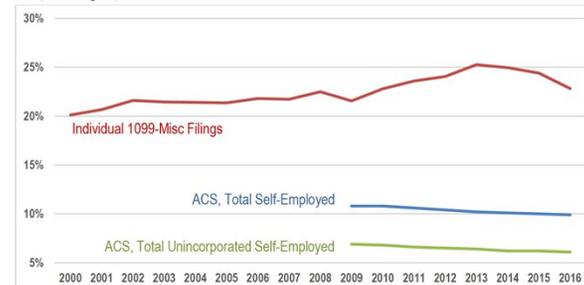
Improve data systems to measure non-traditional work

Understand economic

EXPECTED OUTCOMES

The final report will estimate the general size of the independent contractor workforce, describe the geographic distribution of self-employment across the state, and provide economic information about non-traditional work for the below topics. To the greatest extent possible, the analysis will include location, industry, and demographic breakdowns.

Figure 6: Percentage of Self-Employment Based on 1099-Misc Form and American Community Survey Data, Washington, 2000-2016



Source: Department of Commerce calculations of "American Community Survey 5-Year Estimates," occupation by class of worker for the civilian employed population 16 years and older. Accessed through American Fact Finder. Calculations are from raw counts of taxpayer identification numbers (TINs) that include 1099-Misc reported income to the IRS. IRS counts were provided by the Federal Reserve Board of Governors with permission from the IRS.

WHEREAS, in 2018, the Washington Legislature charged the Department of Commerce with delivering a study by June 1, 2019 on independent contractor employment which must include information on the needs of workers earning income as independent contractors including sources of income, the amount of their income derived from independent work, and a discussion of the benefits provided to such workers; and

Available at: <https://deptofcommerce.app.box.com/v/independent-contractor-study>

Notice of Employment

Time of Hire:



Employer Name



Address, telephone,
email



Rates of pay &
eligibility for overtime



Tip Policy



Pay Basis



Pay Day

Paycheck:



Hours worked



Rate of Pay



Gross Pay



Tip Compensation



Pay Basis



Deductions

LSAC's Recommendation

LSAC recommends a policy requiring hiring entities to provide independent contractor workers with the information necessary to understand (1) the terms of the relationship between an independent contractor and a hiring entity and (2) what work is covered in each payment received. More simply, independent contractors should be able to understand the terms of their engagement and determine whether those terms have been satisfied.

This recommendation represents a first step on which there is support from business, community, and worker advocates on the Commission.

Independent Contractor Disclosures

Pre-Contract



Hiring entity contact information



Rate or Rate of Pay



Typical expenses



Pay basis



Tip Policy



Payment Schedule

Time of Payment



Description of work



Rate or Rates of Pay



Pay basis;



Tip or service charges;



Gross earnings



Deductions, fees, or other charges

Coverage Limitations

- ensure that a private party hiring an individual contractor on an isolated basis is not required to provide the disclosures described above (e.g. an individual hiring a plumber or an independent contractor hair stylist).
- ensures that hiring entities that have an exclusively independent contractor workforce must still provide transparency disclosures.
- Should apply to hiring entities who:
 - retain both employees and independent contractors or
 - retain five or more independent contractors on a consistent basis, but do not retain any employees.

Other Considerations

Enforcement:

- Unlike other labor standards, this recommendation would require only notice.
- Accordingly, unique enforcement models should be considered.

Outreach and Education:

- Legislation would cover both workers and hiring entities who are not accustomed to labor standards rights and obligations.
- Council should consider appropriate outreach methods and resources necessary to make any legislation successful.

Questions



Legislation Text

File #: CB 120018, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to grant funds from non-City sources; amending Ordinance 126237, which adopted the 2021 Budget; authorizing the Mayor or Mayor’s designees to accept specified grants and execute related agreements for and on behalf of the City; changing appropriations to various departments; and ratifying and confirming certain prior acts.

WHEREAS, more than half of Seattle’s residents are renters, and even before COVID-19, a substantial share of renters paid more than 30 percent of their income to remain stably housed; and

WHEREAS, the global COVID-19 crisis shows that our collective health depends on people being stably housed; and

WHEREAS, Seattle renters are facing job loss, struggling with childcare, and dealing with other unprecedented financial burdens stemming from the global COVID-19 crisis, leaving many unable to pay rent; and

WHEREAS, notwithstanding Governor Inslee’s eviction moratorium, renters need to pay their rent to ensure long-term housing stability; and

WHEREAS, before the COVID-19 pandemic, people of color already experienced more negative health and life outcomes due to systemic inequities and discrimination; and

WHEREAS, these outcomes have become especially apparent during the pandemic as reflected in communities of color being disproportionately impacted by infections, deaths, and the resulting economic fallout; and

WHEREAS, national best practices highlight that, in order to have the most effective and greatest impact in providing equitable access to rent assistance programs by those most impacted by the pandemic, racial equity strategies are necessary; and

WHEREAS, these strategies are best informed and implemented by the people most deeply and directly impacted by the pandemic, most often by organizations based in communities of color and led by members of those communities with priorities on cultural competence, language access, and focused on addressing barriers caused by institutional and structural inequities; and

WHEREAS, data shows that those most disproportionately impacted by COVID-19 include the following communities: Black/African American, American Indian/Alaska Native, Hispanic/Latinx, Native Hawaiian/Pacific Islanders, and Immigrant/Refugees; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor, the Director of the Office of Housing, the Director of Seattle Public Utilities, the General Manager of Seattle City Light, and their respective designees, are authorized to accept the following non-City funding from the grantors listed below; and to execute, deliver, and perform, on behalf of The City of Seattle, agreements for the purposes described below. The funds, when received, shall be deposited in the receiving funds identified below to support the appropriations in Section 2 of this ordinance.

Item	Department	Grantor	Purpose	Fund	Amount
1.1	Executive (Office of Housing)	U.S. Treasury - Emergency Rental Assistance	Rental assistance and eviction prevention	Low-Income Housing Fund (16400)	\$20,522,605
1.2	Executive (Office of Housing)	U.S. Treasury - Emergency Rental Assistance	Rental assistance program administration	Office of Housing Fund (16600)	\$700,000
1.3	City Light (SCL)	U.S. Treasury - Emergency Rental Assistance	Emergency utility assistance	Light Fund (41000)	\$1,000,000
1.4	Seattle Public Utilities	U.S. Treasury - Emergency Rental Assistance	Emergency utility assistance	Water Fund (43000)	\$500,000
Total					\$22,722,605

Section 2. Contingent upon the execution of the grant or other funding agreement authorized in Section

1 of this ordinance, the appropriations for the following items in the 2021 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
2.1	Executive (Office of Housing)	Low-Income Housing Fund (16400)	Multifamily Housing (BO-HU-3000)	\$20,522,605
2.2	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (BO-HU-1000)	\$700,000
Total				\$21,222,605

Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

Section 3. Of the appropriations in items 2.1 and 2.2 of this ordinance,

A. \$6,200,000 from item 2.1 will be appropriated to community based agencies that have an established track record of serving communities that 1) have been disproportionately impacted by COVID-19; and, 2) have a disproportionate need for rental assistance; and that have experience in managing rent assistance and/or homeless prevention dollars particularly during the current COVID-19 public health emergency for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

B. \$8,000,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

C. \$6,322,605 from item 2.1 and \$700,000 from item 2.2 is appropriated to the Office of Housing for the purposes of rent assistance, homelessness prevention services, and associated administration costs, for publicly-subsidized rent- and income-restricted affordable housing units, and may be spent for no other purpose.

Section 4. Any act consistent with the authority of this ordinance taken after its passage and prior to its

effective date is ratified and confirmed.

Section 5. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
OH	Rebecca Guerra/233-0066	Miguel Jimenez/684-5805

** 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: AN ORDINANCE relating to grant funds from non-City sources; amending Ordinance 126237, which adopted the 2021 Budget; authorizing the Mayor or Mayor’s designees to accept specified grants and execute related agreements for and on behalf of the City; changing appropriations to various departments; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: In order to mitigate the impacts of the COVID-19 pandemic, the United States Treasury allocated \$25 billion in Emergency Rental Assistance funding in December 2020, of which the City of Seattle will receive approximately \$22.7 million. The funding will be allocated as follows:

- \$8M sub-award to the United Way of King County (UWKC) as a subrecipient to provide rental assistance (including rent arrearages) through the Office of Housing. Up to 10% of this may be used by the United Way for administrative costs.
- \$7M through the Office of Housing to assist tenants in publicly-subsidized rent- and income-restricted affordable housing. Of this total, 10% will be used for administrative costs, which includes 1.0 FTE term-limited Senior Grants & Contracts Specialist, as well as the purchase of a technology solution that will benefit all components of the grant and all partner agencies.
- \$6.2M to community-based organizations to achieve targeted racial equity outcomes. Funds will be awarded to agencies that have an established track record of serving communities that 1) have been disproportionately impacted by Covid-19; and, 2) have a disproportionate need for rental assistance; and that have experience in managing rent assistance and/or homeless prevention dollars particularly during the current Covid-19 public health emergency. Up to 10% of this may be used by the recipient agencies for administrative costs.
- \$1.5M for SCL/SPU emergency utility assistance to customers who have outstanding balances on their utility bills and are eligible for current emergency assistance programs. Of this amount, \$1M would be allocated to SCL and \$500,000 to SPU. It is anticipated that these funds would reduce arrearages thereby helping to prevent rental evictions.
 - o SCL – this would provide assistance to approximately 215 UDP delinquent accounts and fund up to 2% of the non-UDP customer delinquent amounts.
 - o SPU – these amounts would help 119 SPU UPD customers with their combined arrears of \$240,000 in excess of the emergency assistance credits SPU can

provide. In addition, it can help roughly 5% of the 2156 non-UDP customers who have combined delinquent balances of \$4.8 million beyond the emergency assistance SPU is able to provide.

The recommended funding allocation builds upon successes accomplished through City-funded COVID-19 rent assistance delivery in 2020 and expands partnerships to further racial equity outcomes. The recommended funding allocation reflects national best practices to: 1) allocate rent assistance to renters most vulnerable to COVID-19's health and economic impacts, particularly, communities of color; 2) administer rent assistance funds through existing channels; and 3) target resources to those with the lowest incomes.

To ensure racially equitable outcomes the recommended funding allocation includes awards to community based organizations with expertise serving populations who have been disproportionately impacted by COVID-19 and awards offered to providers of publicly-subsidized rent- and income-restricted affordable housing. This reflects input from BIPOC-led community-based organizations and national best practices, which both recommend partnerships with organizations embedded in communities most impacted by housing instability and COVID-19.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes ___ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
			\$21,222,605	
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
			\$22,722,605	
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

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.

Is there financial cost or other impacts of *not* implementing the legislation?
 The City would forego \$22.7 million of federal funding directly made available to the City in order to provide residents with emergency rental and utility assistance.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2021 Appropriation Change	2022 Estimated Appropriation Change
Low-Income Housing Fund (16400)	Exec (OH)	Multifamily Housing (BO-HU-3000)	\$20,522,605	
Office of Housing Fund (16600)	Exec (OH)	Leadership & Administration (BO-HU-1000)	\$700,000	
TOTAL			\$21,222,605	

*See budget book to obtain the appropriate Budget Control Level for your department.

Is this change one-time or ongoing?

One-time

3.b. Revenues/Reimbursements

X This legislation adds, changes, or deletes revenues or reimbursements.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Dept	Revenue Source	2021 Revenue	2022 Estimated Revenue
Low-Income Housing Fund (16400)	Exec (OH)	US Treasury – Emergency Rental Assistance Funds	\$20,522,605	
Light Fund (41000)	City Light (SCL)	US Treasury – Emergency Rental Assistance Funds	\$1,000,000	
Water Fund (43000)	Seattle Public Utilities (SPU)	US Treasury – Emergency Rental Assistance Funds	\$500,000	
Office of Housing Fund (16600)	Exec (OH)	US Treasury – Emergency Rental Assistance Funds	\$700,000	
TOTAL			\$22,722,605	

Is this change one-time or ongoing?

One-time

3.c. Positions

_____ This legislation adds, changes, or deletes positions.

Position Notes: OH proposes addressing its administrative needs with a term-limited out-of-class position for a Senior Grants & Contract Specialist.

4. OTHER IMPLICATIONS

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

Multiple City departments are affected, as described above.

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 pandemic has had disproportionate health and economic impacts on people of color and low-income residents. In the Seattle MSA (King, Pierce, Snohomish Cos.), recent data showed that 11% of white households report they are not current on rent, compared to 21% of Latino households and 18% of Black households, which compounds pre-COVID housing instability and homelessness disproportionately experienced by households of color. This proposed funding allocation seeks to deepen equitable outcomes through targeted racial equity strategies, including with BIPOC-led or focused organizations. In addition, OH will partner with community organizations to provide equitable engagement and language access assistance to non-English speaking communities through funds offered by OIRA.

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).**

N/A

List attachments/exhibits below:



SEATTLE CITY COUNCIL
CENTRAL STAFF

Council Bill 120018: Emergency Rental & Utility Assistance

TRACI RATZLIFF, LEGISLATIVE ANALYST
FINANCE AND HOUSING COMMITTEE
APRIL 6, 2021

Council Bill 120018: Summary

- Accepts and authorizes spending of the \$22.7 million allocated to the City from the Federal Consolidated Appropriations Act, 2021, passed in December 2020
- Builds on framework established for COVID-19 rental assistance provided over the last year
- Proposed uses include rent & utility assistance

Emergency Rental & Utility Assistance Eligibility

Eligible Households

- Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs, or experienced a financial hardship due to COVID-19;
- Demonstrates a risk of experiencing homelessness or housing instability; and
- Has a household income at or below 80% AMI.

Eligible Costs

- 90% for direct financial assistance, including rent, rental arrears, utilities and home energy costs, utilities and home energy costs arrears, and other expenses related to housing
- 10% for housing stability services and administrative costs

Ongoing Need for Rental Assistance

- > 13,000 Seattle renters behind on rent payments
- Typical arrears of 1.5 to 3 months (\$3,000 - \$5,000 per household)
- 11% of white households report behind on rent payments compared to 21% of Latino households and 18% of black households

Source: Extrapolated from Seattle-Bellevue-Tacoma Metro Area Pulse Survey

Proposed Allocations of \$22.7 million

Amount	Administrator	Purpose
\$ 8 million	United Way	Rental assistance for low-income tenants and small landlords applying on behalf of eligible tenants.
\$ 7 million	Office of Housing	Rental assistance for the low-income tenants in publicly subsidized affordable housing.
\$6.2 million	Community Based Organizations	Rental assistance and support services for low-income tenants disproportionately impacted by COVID-19.
\$1.5 million	Seattle City Light Seattle Public Utilities	Emergency utility assistance for low-income renters with outstanding utility bills.

Proposed Amendments to CB 120018

- 1. Eliminate the \$1.5 million proposed for utility assistance and reallocates those funds to rental assistance programs (\$750,000 to United Way and \$750,000 to Office of Housing)**
– Councilmember Mosqueda
- 2. Add internet services as an eligible cost for rental assistance funding**
– Councilmember Mosqueda on behalf of Councilmember Pedersen
- 3. Require proactive outreach to landlords regarding available rental assistance funding**
– Councilmember Herbold

Questions?

April 1, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Traci Ratzliff, Analyst
Subject: Council Bill 120018 appropriating \$22.7 million in Federal Assistance for Rental and Utility Assistance

On April 6, the Finance and Housing Committee will discuss and may vote on amendments and a recommendation for [Council Bill \(CB\) 120018](#). This legislation accepts \$22.7 million of funding from the Federal Coronavirus Response and Relief Supplemental Appropriations Act approved in December of 2020 and appropriates this funding for rental and utility assistance for eligible households. This legislation was initially discussed at the March 16 Finance and Housing Committee meeting.

This memorandum (1) provides a brief summary of the bill; and (2) describes potential amendments identified by Councilmembers.

Summary of Bill

The legislation accepts the funding from the federal grant and allocates the \$22.7 million in rental and utility assistance funding as follows:

1. \$8 million to the United Way of King County (UWKC) to support the tenant lottery rental assistance program. Tenants and landlords with up to four tenants in need of assistance, will be eligible to apply for this funding. Up to 10 percent of this funding may be used for administrative costs.
2. \$7 million to the Office of Housing (OH) to assist tenants in publicly subsidized rent- and income-restricted affordable housing units. Housing providers who own and/or operate these projects will be eligible to apply for this funding. Up to 10 percent of this funding may be used for administrative costs, including the purchase of a technology solution that will be used by all partner agencies to process and track program payments.
3. \$6.2 million to community-based organizations that have an established track record of serving communities disproportionately impacted by the pandemic and have a significant need for rental assistance. Up to 10 percent of this funding may be used for administrative costs.
4. \$1.5 million to Seattle Public Utilities (\$500,000) and Seattle City Light (\$1 million) to provide utility assistance to renters who are behind on water, sewer, and/or electricity payments.

For further details on the federal program see the [PowerPoint presentation](#) discussed at the March 16 committee meeting.

Proposed Amendments (as of April 1)

The three proposed amendments described below will be considered at the April 6 committee meeting:

1. Eliminate \$1.5 million in funding for utility assistance and reallocate funding to rental assistance (Councilmember Mosqueda).

This amendment would eliminate the \$1.5 million in funding proposed for Seattle City Light (\$1 million) and Seattle Public Utilities (\$500k) for utility assistance. \$750,000 in funding would be added to the \$8 million proposed for the United Way and \$750,000 would be added to the \$7 million proposed for to increase funding for rental assistance (see Attachment 1 for the specific amendment language).

2. Add internet services as eligible cost to be funded (Councilmember Mosqueda on behalf of Councilmember Pedersen).

This amendment would add “internet services” as an eligible cost that could be funded with rental assistance funding allocated by Community Based Organizations (CBO’s). CBO’s would work directly with clients to determine need for such assistance relative to the need for rental assistance and, as appropriate, make payments to internet providers. A formal U.S Department of Treasury document indicates that internet services costs are eligible for coverage with the rental assistance funding but recognizes this could reduce the amount of funds available for rental assistance and therefore directs grantees to adopt policies that govern in what circumstances covering this cost would be appropriate. OH would develop program guidelines to address this requirement for such policies if this amendment is adopted (see Attachment 2 for the specific amendment language).

3. Require proactive outreach to landlords regarding available rental assistance funding (Councilmember Herbold).

This amendment would add language directing OH, in cooperation with the United Way, to do proactive outreach to landlords of multifamily housing who are struggling with mortgage debt, regarding availability of rental assistance funding. United Way and OH will operate programs that allow landlords to apply for rental assistance on behalf of tenants and are therefore asked to do marketing of this program to landlords who may be in need of assistance, particularly those who may be struggling with paying mortgages (see Attachment 3 for the specific amendment language).

Attachments:

1. Amendment 1
2. Amendment 2
3. Amendment 3

cc: Dan Eder, Interim Director
Aly Pennucci, Policy and Budget Manager

Amendment 1 to CB 120018

Sponsor: Councilmember Mosqueda

Eliminate \$1.5 million proposed for utility assistance and reallocate funding to rental assistance

Amend Section 1 to CB 120018 as follows:

Item	Department	Grantor	Purpose	Fund	Amount
1.1	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance and eviction prevention	Low-Income Housing Fund (16400)	(\$20,522,605) <u>\$22,022,605</u>
1.2	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance program administration	Office of Housing Fund (16600)	\$700,000
1.3	City Light (SCL)	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Light Fund (41000)	\$1,000,000
1.4	Seattle Public Utilities	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Water Fund (43000)	\$500,000)
Total					\$22,722,605

Amend Section 2 to CB 120018 as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
2.1	Executive (Office of Housing)	Low-Income Housing Fund (16400)	Multifamily Housing (BO-HU-3000)	(\$20,522,605) <u>\$22,022,605</u>
2.2	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (BO-HU-1000)	\$700,000
Total				(\$21,222,605) <u>\$22,722,605</u>

Amend subsections 3.B and 3.C to CB 120018 as follows:

B. (~~(\$8,000,000)~~ \$8,750,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

On page 4, line 1 after "A" modify the language as follows:

C. (~~(\$6,322,605)~~ \$7,072,605 from item 2.1 and \$700,000 from item 2.2 is appropriated to the Office of Housing for the purposes of rent assistance, homelessness prevention services, and associated administration costs, for publicly-subsidized rent- and income-restricted affordable housing units, and may be spent for no other purpose.

Effect: This amendment would eliminate the \$1.5 million proposed for utility assistance in Seattle City Light (\$1 million) and Seattle Public Utilities (\$500,000) and reallocates \$750,000 to United Way and \$750,000 to the Office of Housing to be used for rental assistance.

Amendment 2 to CB 120018

Sponsor: Councilmember Mosqueda on behalf of Councilmember Pedersen

Add internet services as eligible cost to be funded

Amend subsection 3.A to CB 120018 as follows:

Section 3. Of the appropriations in items 2.1 and 2.2 of this ordinance,

A. \$6,200,000 from item 2.1 will be appropriated to community based agencies that have an established track record of serving communities that 1) have been disproportionately impacted by COVID-19; and, 2) have a disproportionate need for rental assistance; and that have experience in managing rent assistance and/or homeless prevention dollars particularly during the current COVID-19 public health emergency for the purposes of rent assistance and other housing related costs including internet services, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

Effect: This amendment would add “internet services” as an eligible cost that could be funded with rental assistance funding allocated by Community Based Organizations (CBO’s). CBO’s will work directly with clients to determine need for such assistance relative to the need for rental assistance and will, as appropriate, make payments to internet providers. A formal U.S Department of Treasury document indicates that internet services costs are eligible for coverage with the rental assistance funding but recognizes this could reduce the amount of funds available for rental assistance and therefore directs grantees to adopt policies that govern in what circumstances covering this cost would be appropriate. OH would develop program guidelines to address this requirement for such policies if this amendment is adopted.

Amendment 3 to CB 120018

Sponsor: Councilmember Herbold

Proactive outreach to landlords

Amend subsection 3.B to CB 120018 as follows:

B. \$8,000,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose. The Office of Housing, in cooperation with the United Way, will do proactive outreach to landlords who may be struggling with mortgage debt, regarding availability of rental assistance funding.

Effect: This amendment would direct the Office of Housing and the United Way to do proactive outreach regarding available rental assistance funding to landlords who may be struggling with mortgage debt due to rental payment delinquencies.

Amendment 2 to CB 120018

Sponsor: Councilmember Mosqueda on behalf of Councilmember Pedersen

Add internet services as eligible cost to be funded

Amend subsection 3.A to CB 120018 as follows:

Section 3. Of the appropriations in items 2.1 and 2.2 of this ordinance,

A. \$6,200,000 from item 2.1 will be appropriated to community based agencies that have an established track record of serving communities that 1) have been disproportionately impacted by COVID-19; and, 2) have a disproportionate need for rental assistance; and that have experience in managing rent assistance and/or homeless prevention dollars particularly during the current COVID-19 public health emergency for the purposes of rent assistance and other housing related costs including internet services, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

Effect: This amendment would add “internet services” as an eligible cost that could be funded with rental assistance funding allocated by Community Based Organizations (CBO’s). CBO’s will work directly with clients to determine need for such assistance relative to the need for rental assistance and will, as appropriate, make payments to internet providers. A formal U.S Department of Treasury document indicates that internet services costs are eligible for coverage with the rental assistance funding but recognizes this could reduce the amount of funds available for rental assistance and therefore directs grantees to adopt policies that govern in what circumstances covering this cost would be appropriate. OH would develop program guidelines to address this requirement for such policies if this amendment is adopted.

Amendment 3 to CB 120018

Sponsor: Councilmember Herbold

Proactive outreach to landlords

Amend subsection 3.B to CB 120018 as follows:

B. \$8,000,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose. The Office of Housing, in cooperation with the United Way, will do proactive outreach to landlords who may be struggling with mortgage debt, regarding availability of rental assistance funding.

Effect: This amendment would direct the Office of Housing and the United Way to do proactive outreach regarding available rental assistance funding to landlords who may be struggling with mortgage debt due to rental payment delinquencies.

Amendment 1 to CB 120018

Sponsor: Councilmember Mosqueda

Eliminate \$1.5 million proposed for utility assistance and reallocate funding to rental assistance

Amend Section 1 to CB 120018 as follows:

Section 1. The Mayor, the Director of the Office of Housing, and their respective designees, are authorized to accept the following non-City funding from the grantors listed below; and to execute, deliver, and perform, on behalf of The City of Seattle, agreements for the purposes described below. The funds, when received, shall be deposited in the receiving funds identified below to support the appropriations in Section 2 of this ordinance.

Item	Department	Grantor	Purpose	Fund	Amount
1.1	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance and eviction prevention	Low- Income Housing Fund (16400)	(\$20,522,605) <u>\$22,022,605</u>
1.2	Executive (Office of Housing)	U.S. Treasury – Emergency Rental Assistance	Rental assistance program administration	Office of Housing Fund (16600)	\$700,000
1.3	City Light (SCL)	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Light Fund (41000)	\$1,000,000
1.4	Seattle Public Utilities	U.S. Treasury – Emergency Rental Assistance	Emergency utility assistance	Water Fund (43000)	\$500,000)
Total					\$22,722,605

Amend Section 2 to CB 120018 as follows:

Item	Department	Fund	Budget Summary Level/ BCL Code	Amount
2.1	Executive (Office of Housing)	Low-Income Housing Fund (16400)	Multifamily Housing (BO-HU-3000)	(\$20,522,605) \$22,022,605
2.2	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (BO-HU-1000)	\$700,000
Total				(\$21,222,605) \$22,722,605

Amend subsections 3.B and 3.C to CB 120018 as follows:

B. ~~(\$8,000,000)~~ \$8,750,000 from item 2.1 is appropriated via a subaward as a subrecipient to United Way of King County for the purposes of rent assistance, homelessness prevention services, and associated administration costs, and may be spent for no other purpose.

On page 4, line 1 after “A” modify the language as follows:

C. ~~(\$6,322,605)~~ \$7,072,605 from item 2.1 and \$700,000 from item 2.2 is appropriated to the Office of Housing for the purposes of rent assistance, homelessness prevention services, and associated administration costs, for publicly-subsidized rent- and income-restricted affordable housing units, and may be spent for no other purpose.

Effect: This amendment would eliminate the \$1.5 million proposed for utility assistance in Seattle City Light (\$1 million) and Seattle Public Utilities (\$500,000) and reallocates \$750,000 to United Way and \$750,000 to the Office of Housing to be used for rental assistance.



Legislation Text

File #: CB 120029, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and adding provisos; all by a 3/4 vote of the City Council.

WHEREAS, the racism, xenophobia, and intolerance against Asian American Pacific Islander (“AAPI”) people is rooted in American history from the Chinese Exclusion Act of 1882 to prohibit the immigration of Chinese laborers, to the unconscionable internment of Japanese American citizens during World War II guided by an idea that Asian Americans are “perpetual foreigners,” to the murder of Vincent Chin that ignited a national call to address anti-Asian bias and racial intolerance - and importantly, propelled Asian Americans into the civil rights movement; and

WHEREAS, the recent mass murders of eight people, six of them Asian American women, in Atlanta, Georgia, has highlighted the violent, racist anti-Asian American sentiment that has been surging in our country; and

WHEREAS, inflammatory and racist rhetoric during the COVID-19 pandemic across the country has stoked unfounded fears and perpetuated stigma about Asian Americans, specifically Chinese Americans, and have contributed to increasing rates of bullying, harassment, and hate crimes against AAPI persons; and

WHEREAS, since the start of the pandemic, there has been a frightening increase in violence and discrimination in cities across the country against members of the AAPI community, including Seattle’s Chinatown-International District, where an alarming random act of violence occurred against a Japanese American teacher who was out walking and shopping; and

WHEREAS, elder Asian-Americans have been targeted by violent assaults and robberies, some of them fatal in other West Coast cities; and

WHEREAS, the Center for the Study of Hate and Extremism at California State University, San Bernardino has reported that anti-Asian hate crime in 16 of America's largest cities increased 149 percent in 2020 based on an analysis of official preliminary police data, with the first spike occurring in March and April amidst a rise in COVID cases and negative stereotyping of Asians relating to the pandemic; and

WHEREAS, the impact of the pandemic on the AAPI community in the City of Seattle is particularly profound. Beyond the pandemic's effect on public health, economic growth, education, medical services, food supply, and international relations, the AAPI community has been blamed for the pandemic and the target of hate and violence; and

WHEREAS, the national Pew Research Center has reported that 40 percent of U.S. adults believe "it has become more common for people to express racist views toward Asians since the pandemic began"; and

WHEREAS, according to a report issued by the organization Stop AAPI Hate, it has received a staggering 3,795 reports of anti-Asian hate incidents over a March 19, 2020 to February 28, 2021 period; and

WHEREAS, the FBI has reported more than 2,500 reports of anti-Asian hate incidents related to COVID-19 between March and September 2020 across the U.S., and this number understates the actual number of anti-Asian hate incidents because most incidents are not reported; and

WHEREAS, often mistrust of government and law enforcement among AAPI communities leads to underreporting of hate crimes due to the belief that reporting a hate crime will not address the underlying bias and racially-motivated crimes; and

WHEREAS, The City of Seattle supports inclusion and belonging for people of all races, ethnicities, genders, and national origins. The City condemns and combats racism, xenophobia, violence, and hate crimes against AAPI persons and will take measures to ensure that all persons are treated with dignity, equity, and respect - no matter their race, ethnicity, primary language, country of origin, religious beliefs,

gender, or background; and

WHEREAS, the Executive’s outreach and engagement with the AAPI community in Seattle has identified investments in community safety and wellness to provide bystander training, public awareness campaign and direct funding for community organizations to add additional capacity for services that include: mental health support, counseling, trauma response and care, and advocacy; community based grants informed by community in areas that have been identified as gaps; mini-grants to youth led organizations to focus on youth support; and, small business grants directed to those businesses that have had a direct impact and crime prevention support; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2021, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2021 Budget, appropriation for the following items in the 2021 Budget are increased from the funds shown, as follows:

Item	Fund	Department	Budget Summary Level	Amount
1.1	General Fund (00100)	Executive (Office of the Employee Ombud)	Office of Employee Ombud (BO-EM-V10MB)	\$155,000
1.2	General Fund (00100)	Human Services Department	Supporting Safe Communities (BO-HS-H4000)	\$400,000
1.3	General Fund (00100)	Executive (Office for Civil Rights)	Civil Rights (BO-CR-X1R00)	\$50,000
1.4	General Fund (00100)	Executive (Office of Economic Development)	Business Services (BO-ED-X1D00)	\$100,000
Total				\$705,000

Section 2. This ordinance imposes three provisos, as follows:

“Of the appropriations in the 2021 budget for the Civil Rights Budget Summary Level (BO-CR-X1R00) in the Office for Civil Rights, \$50,000 is appropriated solely for contracts with community-based organizations to support the Coalition Against Hate and Bias and may be spent for no other purpose.”

“Of the appropriations in the 2021 budget for the K-12 Programs Budget Summary Level (BO-EE-IL200) in the Department of Education and Early Learning, \$100,000 is appropriated solely for mini-grants to youth-led groups and clubs for special projects focused on issues of racism, discrimination, and bias and may be spent for no other purpose.”

“Of the appropriations in the 2021 budget for the Criminal Investigations Budget Summary Level (BO-SP-P7000) in the Seattle Police Department, \$150,000 is appropriated solely for a Bias Crimes Prevention Coordinator(s) and may be spent for no other purpose.”

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
City Budget Office		Adam Schaefer / 4-8358

** 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: AN ORDINANCE amending Ordinance 126237, which adopted the 2021 Budget; changing appropriations to various departments and budget control levels, and from various funds in the Budget; and adding provisos; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: This legislation increases and repurposes appropriations in the 2021 Budget to address an increase in hate crimes in Seattle. It provides an overall commitment of \$1 million.

Section 1 of the Council Bill increases 2021 appropriations by \$705,000 of General Fund (with a plan to use additional funding from external sources that were not available at the time of the creation of the 2021 Adopted Budget):

- \$155,000 in the Office of Employee Ombud to hire a Strategic Advisor or Senior Planner (1.0 FTE) to coordinate Hate Crimes short-term and long-term work. This includes coordinating on the Hate Crimes Executive Order, community engagement, community mapping, education, bystander training in coordination with CAIR Washington, overseeing public campaign and the City’s Inter-Departmental Team.
- \$100,000 in the Human Services Department for Community Based Organization Intervention Funding, including– advocacy, counseling, mental health support, trauma response, and care.
- \$300,000 in the Human Services Department in Innovation Funds to Community Based Organizations that will be based on a future Request for Proposals.
- \$50,000 in the Office for Civil Rights for contracts with community-based organizations to support the Coalition Against Hate and Bias.
- \$100,000 in the Office of Economic Department to engage with businesses that have been impacted by hate and bias crimes. The money would be eligible through the small business grants, which could include covering insurance costs.

Section 2 of the Council Bill directs existing 2021 appropriations in departments for work addressing and preventing hate crimes, and imposes provisos to ensure that these resources are used for these specific purposes:

- An additional \$50,000 in the Office for Civil Rights for contracts with community-based organizations to support the Coalition Against Hate and Bias.
- \$100,000 in the Department of Education and Early Learning, for mini-grants to youth-led groups and clubs for special projects focused on issues of racism, discrimination, and bias.

- \$150,000 in the Seattle Police Department for one or more Bias Crimes Prevention Coordinators with expertise in performance-based outreach to prevent hate-based crimes.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes ___ No

Appropriation change (\$):	General Fund \$		Other \$	
	2021	2022	2021	2022
	\$705,000			
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2021	2022	2021	2022
Positions affected:	No. of Positions		Total FTE Change	
	2021	2022	2021	2022

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.

Is there financial cost or other impacts of *not* implementing the legislation?
 No.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/##*	2021 Appropriation Change	2022 Estimated Appropriation Change
General Fund (00100)	OEO	Office of Employee Ombud (BO-EM-V10MB)	\$155,000	
General Fund (00100)	HSD	Supporting Safe Communities (BO-HS-H4000)	\$400,000	
General Fund (00100)	OCR	Civil Rights (BO-CR-X1R00)	\$50,000	

General Fund (00100)	OED	Business Services (BO-ED-X1D00)	\$100,000	
TOTAL			\$705,000	

*See budget book to obtain the appropriate Budget Control Level for your department.

Is this change one-time or ongoing?

One-time.

3.b. Revenues/Reimbursements

_____ This legislation adds, changes, or deletes revenues or reimbursements.

3.c. Positions

_____ This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

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

Yes, this legislation impacts the budgets of the Office of Employee Ombud, Human Services Department, Office of Economic Development, Department of Education and Early Learning, Office for Civil Rights, and the Seattle Police Department.

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 long history of hate crimes in the United States and in Seattle have kept the City and the people who live, work, and visit Seattle from reaching their full potential. This legislation reaffirms the City's commitment to respond to hate crimes and support victims of hate crimes. The legislation includes funding for community-based solutions to support businesses and individuals who have been impacted by hate crimes.

Appropriations are being made through this legislation to address the underlying causes of hate motivated violence through trainings and awareness building instead of focusing on the

crimes alone which tend to be symptomatic of deep-rooted exclusion and dehumanization of the targeted groups.

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).

N/A

List attachments/exhibits below:

Hate Crimes Prevention Appropriation

Amending Ordinance 126237

Presentation to City Council

April 6, 2021



City of Seattle

Background

- Hate Crimes Executive Order – Feb 2020
- The impact of the pandemic on the Asian-American community in City of Seattle is particularly profound.
- Beyond the pandemic's effect on public health, economic growth, education, medical services, food supply, and international relations, the Asian-American community has been blamed for the pandemic and the target of hate and violence.
- Reports of anti-Asian hate incidents are at unprecedented highs.
 - 2,500+ related to COVID-19 (March and September 2020) (FBI)
 - 3,800+ reported on #stopaapihate in 2020



Outreach to Community

- City departments continue to engage community-based organizations to learn and develop strategies to address hate and violence
- OLS, HSD, OEO, and OCR have connected with:
 - Korean Community Service Center
 - International District Emergency Center
 - King County Coalition Against Hate and Bias
 - Massage Parlor Workers Outreach Project
- HSD participates in weekly community collective meeting



Community Feedback

Here are some of the initial areas/strategies the group identified in response to anti-Asian hate:

- 1) Public Awareness/Education
- 2) Community-led Safety Pilot Programs
- 3) Community education on policing and anti-Blackness
- 4) Community Capacity for mental health/crisis support for survivors and community members
- 5) Policy/Advocacy



City Response

Allocation of resources based on community feedback with a focus on community capacity building and grants:

1. Community Safety and Wellness
2. Community Organization Support



Community Safety and Wellness

- Strategic Advisor 2
 - Fully execute Hate Crimes Executive Order.
 - Lead community and City efforts for community mapping, capacity building and outreach.
 - Coordinate on curriculum, bystander training and cultural intelligence training.
 - OEO Investment: new funding \$155k
- Bias Crime Prevention Coordinator
 - Expertise in performance-based outreach to prevent hate-based crimes.
 - Work with community organizations and businesses to utilizing crime prevention by environmental design.
 - Investment: existing funding \$150k

Community Organizations Support

- Community Based Organization Intervention Funding – Scale up contracts for advocacy, counseling, mental health support, trauma response and care
 - HSD Investment: \$100k new funding
- Community Grant Programs – Innovation funds working with community to develop the grant qualifications
 - HSD Investment: \$300k new funding



Community Organizations Support

- Coalition Against Hate and Bias – Direct grants to community-based organizations.
 - SOCR Investment: \$50k new funding; \$50k carryforward
- Youth-led Programs – Mini-grants to youth-led groups and clubs for special projects focused on issues of racism, discrimination and bias.
 - DEEL Investment: \$100k levy underspend
- Small Business Grants – Further engage with business community to identify specific needs due to impacts on hate crimes (e.g. increased insurance costs).
 - OED Investment: \$100k new funding



Legislation Text

File #: CB 120030, **Version:** 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to taxation; amending the payroll expense tax on persons engaging in business in Seattle; amending Section 5.38.020 of the Seattle Municipal Code; and adding a new Section 5.38.025 to the Seattle Municipal Code.

WHEREAS, on July 6, 2020, the City Council enacted Ordinance 126108, which added a new Chapter 5.38 to the Seattle Municipal Code to impose a payroll expense tax on persons engaging in business in Seattle; and

WHEREAS, in the fall of 2020, the Department of Finance and Administrative Services (FAS) conducted a rulemaking process and then published a Director's Rule for the payroll tax; and

WHEREAS, during the rulemaking process, FAS staff received numerous questions from businesses about how to apply the payroll expense allocation methodology included in the ordinance, especially in situations when employees split their time between work in Seattle and work in other jurisdictions; and

WHEREAS, the City intends that businesses have an understandable, streamlined, and efficient methodology to determine their payroll expense subject to the tax; and

WHEREAS, this Ordinance therefore adds an additional method that businesses may choose to use to determine their payroll expense subject to the tax, based on the proportion of an employee's hours worked in Seattle compared to the employee's total hours worked in all locations; and

WHEREAS, businesses may choose to use either the original method or the new method to determine their

payroll expense subject to the tax for each tax year; and

WHEREAS, this ordinance amends Chapter 5.38 to facilitate the imposition, calculation, and administration of the payroll expense tax; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5.38.020 of the Seattle Municipal Code, enacted by Ordinance 126108, is amended as follows:

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:

* * *

“Payroll expense” means the compensation paid in Seattle to employees under Section 5.38.025. ((

~~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 their 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 their service in any city, and the employee resides in Seattle.))~~

* * *

Section 2. A new Section 5.38.025 is added to of the Seattle Municipal Code as follows:

5.38.025 Determining compensation paid in Seattle to employees

A. For each tax year, the taxpayer shall select one of the methods in subsection 5.38.025.B or subsection 5.38.025.C to determine the compensation paid in Seattle to the taxpayer’s employees. The taxpayer shall

follow the same method for all employees for the entire tax year.

B. Under this subsection 5.38.025.B, the amount of compensation paid in Seattle to employees shall be:

1. One hundred percent of the compensation paid to employees who perform work exclusively within Seattle; and

2. For employees who perform work partly within and partly outside Seattle, the compensation paid in Seattle to those employees shall be, for each individual employee, the portion of the employee's annual compensation which the total number of the employee's hours worked within Seattle bears to the total number of the employee's hours worked within and outside Seattle.

3. Taxpayers who calculate payroll expense under subsection 5.38.025.B may exclude from the measure of the tax the payroll expense of employees who work within Seattle less than 40 hours during the tax year.

C. If the taxpayer does not select the method in subsection 5.38.025.B, then the amount of compensation paid in Seattle to employees shall be determined as follows. 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 their 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 their service in any city, and the employee resides in Seattle.

D. The taxpayer shall use the same method under this Section 5.38.025 to determine whether the exemption under subsection 5.38.040.A applies and to calculate any tax owed under Section 5.38.030.

Section 3. 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 4. Sections 1 and 2 of this ordinance apply both prospectively and retroactively to January 1, 2021.

Section 5. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Tom Mikesell/ 48735	n/a

* 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: AN ORDINANCE relating to taxation; amending the payroll expense tax on persons engaging in business in Seattle; amending Section 5.38.020 of the Seattle Municipal Code; and adding a new Section 5.38.025 to the Seattle Municipal Code.

Summary and background of the Legislation:

Seattle imposes a tax on business payrolls of \$7 million or more annually. The tax applies at different rates determined by size of business and level of individual compensation. The payroll tax applies only to employee payroll expense in Seattle as determined through a three-part test. A payroll expense for an employee is subject to the tax if it meets any of the following criteria:

- Employee is primarily assigned to Seattle;
- Employee performs 50 percent or more of their work in Seattle; or
- Employee resides in Seattle and does not perform 50 percent or more of their work in a single city.

This legislation would add an additional method for businesses to use to determine Seattle payroll subject to the tax. Specifically, this new method would allow businesses to allocate employee payroll expenses based on hours worked in Seattle in proportion to the employee's total hours worked. Businesses would be able to use the original payroll assignment methodology if they choose to do so.

Each year, every covered business must choose either the original method or the new method for all employees to calculate total annual Seattle payroll, to determine the applicable tax rate, and to determine the resulting tax liability.

2. CAPITAL IMPROVEMENT PROGRAM

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

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

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

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

Is this change one-time or ongoing?

Ongoing

Revenue/Reimbursement Notes:

Providing a second method to calculate payroll expense tax liability will likely result in lower revenue collections. This is because individual firms that would have lower tax liability with the new method will likely use it in lieu of the existing method, while firms that have a lower calculated tax liability using the existing method will continue to use the existing method.

It is not possible to calculate the impact on overall revenues compared to the amount budgeted for 2021.

3.c. Positions

This legislation adds, changes, or deletes positions.

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

4. OTHER IMPLICATIONS

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

The Department of Finance and Administrative Services administers the payroll expense tax and would be responsible for implementing this change.

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?

N/A

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).

N/A

List attachments/exhibits below:

March 29, 2021

MEMORANDUM

To: Finance & Housing Committee
From: Tom Mikesell, Analyst
Subject: CB 120030 – Payroll Expense Assignment Method

On April 6, 2021, the Finance and Housing Committee will discuss and possibly vote on Council Bill (CB) 120030 that would add an additional, alternate method for Seattle businesses to use in calculating business payroll expenses subject to the JumpStart Seattle payroll expense tax (“payroll tax”).

Background

Passed by the City Council on July 6, 2020, [Ordinance 126108](#) imposed a tax on business payrolls of \$7 million or more annually. The tax applies at different rates determined by size of business and level of individual compensation. The payroll tax applies only to employee payroll expense in Seattle as determined through a three-part test. A payroll expense for an employee is currently subject to the tax if it meets any of the following criteria:

- Employee is primarily assigned to Seattle;
- Employee performs 50 percent or more of their work in Seattle; or
- Employee resides in Seattle and does not perform 50 percent or more of their work in a single city.

Additional Payroll Assignment Method in CB 120030

In the fall of 2020, tax administration staff with the Department of Finance and Administrative Services (FAS) conducted a rulemaking process and then published a [Director’s Rule](#) for the payroll tax. During the rulemaking process, FAS staff received numerous questions from businesses about how to apply the payroll assignment methodology included in the ordinance. Some businesses questioned whether it was fair to apply the full measure of the payroll tax when employees split their time between work in Seattle and work in other jurisdictions.

In response to that feedback, CB 120030 would add an additional method for businesses to use to determine Seattle assigned payroll. Businesses would be able to use the original payroll assignment methodology if they choose to do so. CB 120030 would add a new option allowing businesses to allocate employee payroll expenses based on hours worked in Seattle in proportion to the employee’s total hours worked. The new methodology addresses the feedback that FAS received during its rulemaking process.

Each year, every covered business must choose either the original method or the new method for all employees to calculate total annual Seattle payroll, to determine the applicable tax rate, and to determine the resulting tax liability.

Revenue Impacts

The 2021 Adopted Budget includes \$214 million in new General Fund revenue from this tax. It seems reasonable to assume that some businesses will calculate potential tax liability using both methods and then select the one that results in the lowest tax liability, balanced against any added administrative costs; and other businesses will continue to use the original methodology. All other things being equal, this would naturally result in some reduction in the amount of tax revenues that the City would collect.

However, due to limitations of the Washington State Employment Security Department data used to estimate 2021 revenue, it is not possible to estimate the potential revenue impact from providing the alternative payroll assignment method in CB 120030.

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