



SEATTLE CITY COUNCIL

Community Economic Development Committee

Agenda

Tuesday, June 15, 2021

2:00 PM

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

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

Chair Info: 206-684-8802; Tammy.Morales@seattle.gov

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206-684-8888 (TTY Relay 7-1-1), email CouncilAgenda@Seattle.gov, or visit
<http://seattle.gov/cityclerk/accommodations>.



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Agenda
June 15, 2021 - 2:00 PM

Meeting Location:

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Committee Website:

<http://www.seattle.gov/council/committees/community-economic-development>

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State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature.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 2:00 p.m. Community Economic Development Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Community Economic Development Committee meeting will begin two hours before the 2:00 p.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Morales at Tammy.Morales@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. Building an Equitable Economy - Discussion and Strategies

Supporting
Documents:

[Considerations for ARPA Funding Presentation](#)

[Disaster Gentrification Presentation](#)

Briefing and Discussion (60 minutes)

Considerations for ARPA Funding Priorities

Presenter: Ryan Donahue, Brookings Institution

Community-Centered Economy

Presenter: Njuguna Gishuru, People's Economy Lab

Disaster Gentrification

Presenters: Gregory Davis, Rainier Beach Action Coalition (RBAC);
Yordanos Teferi, Multicultural Community Coalition (MCC)

E. Adjournment



Legislation Text

File #: Inf 1829, **Version:** 1

Community Economic Development Committee

Considerations for ARPA Funding Priorities

June 15, 2021

About



Greater Seattle Partners
City of Seattle OED
City of Portland
Elevate Akron
Indianapolis Chamber
State of Oregon

Contact: ryan@rmdonahue.com

BROOKINGS

Projects:

Minneapolis, Denver, Grand Rapids,
San Diego, Indy, Nashville, Birmingham

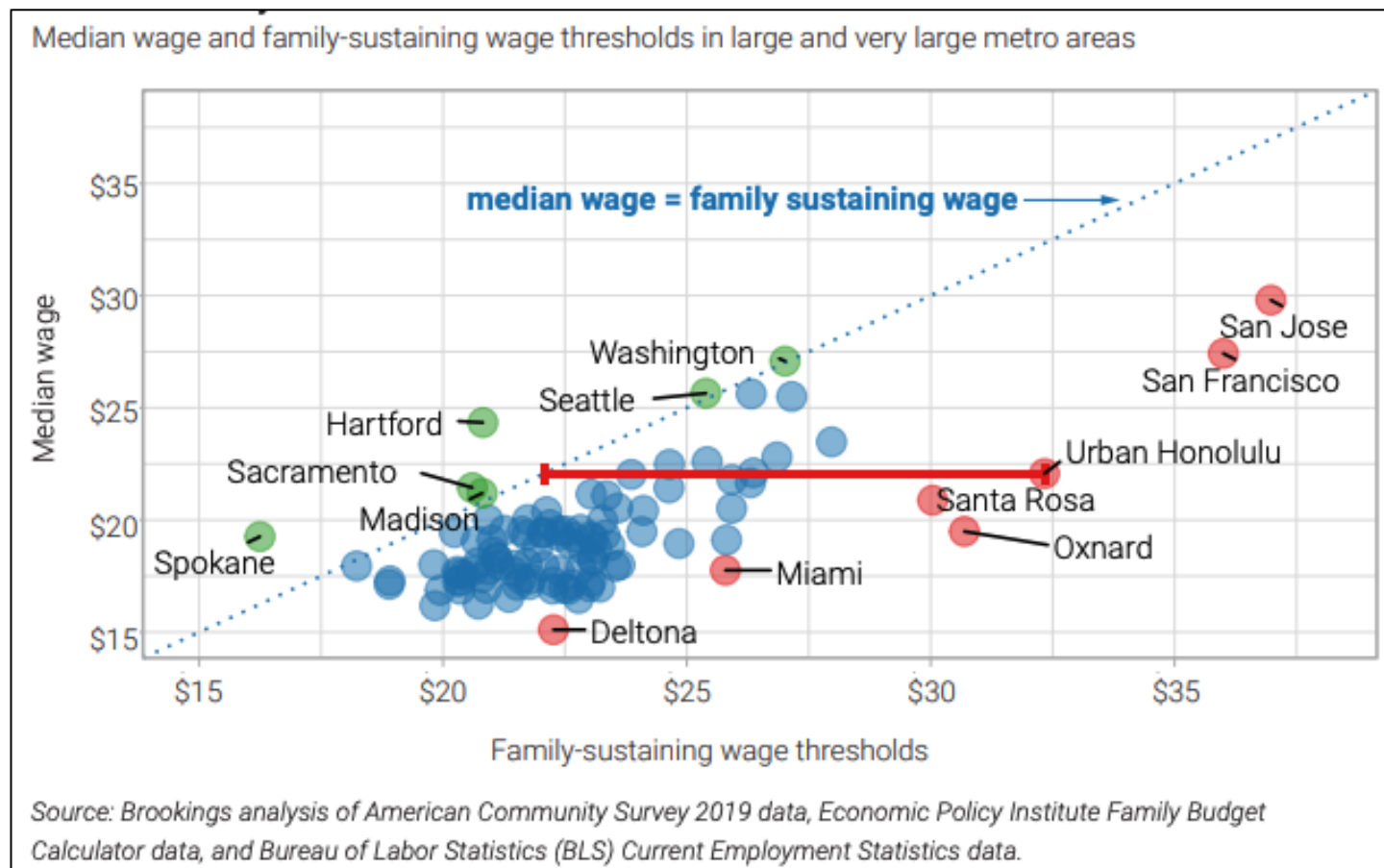
Research:

Covid recovery, cluster initiatives,
inclusive growth, exports

Outline

- 1. Defining the problem**
- 2. A model of equitable economic development**
- 3. Potential responses to invest in**

Defining (what isn't) the problem



Takeaways:

Seattle metro area is 1 of just 5 large metros nationwide where median wage = family-sustaining wage.

Seattle metro area is not even close to San Francisco. We have choices.

Seattle metro area should seek to connect more people to the engines of its economy.

Defining the problem

Covid revealed weaknesses and inequities in the economy - recovery requires confronting these.

1. Not enough opportunity

Pre-covid, **46%** of the workforce in Greater Seattle was out of work or low-wage jobs. (860,000 people in total.)

Pre-covid, number of young firms grew by **only 8%** in Greater Seattle, versus 25% in Denver, 30% in Nashville, 47% in Austin.

2. Inequitable access to opportunity

Jobs: Greater Seattle ranked in the **bottom third** of large metro areas for Black and Hispanic representation in tech jobs and management roles.

Businesses: only **8%** of high-growth firms owned by people of color (who are 35% of the workforce).

Geography: Greater Seattle ranked **49th of 53** large metro areas for progress on geographic inclusion.

A model for equitable economic development

1.

Job creation

Creating more good jobs, by creating and growing innovative firms/industries.

- Scale-up firms in key industries (i.e., the Rad Power opportunity)

2.

Job preparation

Developing skills relevant to good jobs via high-quality, intensive "earn and learn" programs.

- Investments of \$10-\$20k in 6-12 month programs w/ wrap-around supports

3.

Business practices

Helping firms adopt new practices around people, policy, procurement.

- Management is a technology.

4.

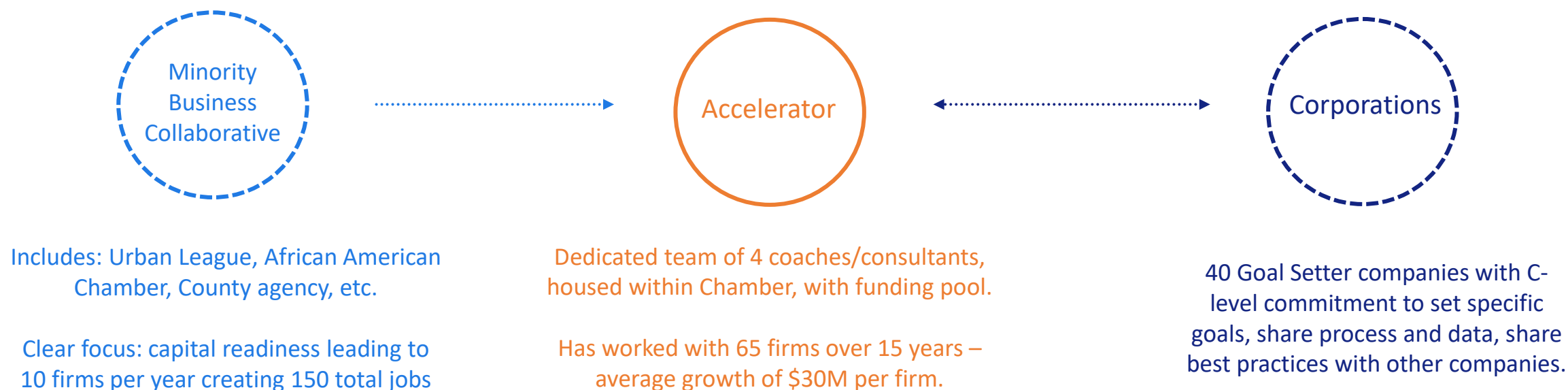
Access to opportunity

Access to jobs, access to wealth-building opportunities.

- Wealth-building broader than entrepreneurship + homeownership.

Potential investments – job creation

Coaching, capital, and connections for high-potential firms – the Cincinnati model.



Note: implementation in Seattle would look different – Ascend (UW) and Impact WA as technical assistance providers; Business Impact NW and Craft 3 as capital providers...

Potential investments – job preparation

Extend the reach and increase the diversity of existing high-impact programs.

Example: Year Up

Impact: rigorous national evaluation finds *“earnings gains among the highest ever found in a high-quality [study] in the field of workforce development.”*

Challenge: participants in this and similar programs need to take 6-12 months off, earning no income. Minimal upward mobility after initial earnings gains.

Opportunities

New occupations? Could Seattle de-risk entry into new fields that provide more opportunity?

New businesses? Could Seattle subsidize participation by smaller firms?

More supports? Could Seattle help replicate the Ada approach – low-interest loans, subsidized childcare, etc.?

Potential investments – access to opportunity

Widen the aperture beyond small business creation

**Example: Worker Ownership Initiative,
Minneapolis-St. Paul**

Nexus Community Partners: team of four consultants who work with firms before, during, and after co-op conversion.

City of Minneapolis: co-op technical assistance program (C-TAP) covers the cost of 50 hours of one-on-one consulting for aspiring or current co-ops.



Potential impact: 20 co-op conversions per year.

More productivity, business retention, more democratic economy, more equitable wealth creation.

Potential investments – access to opportunity

Portland's Community Investment Trust is a unique but replicable model:

- Mercy Corps and two impact investors bought commercial property in gentrifying neighborhood
- Local residents buy shares (\$10 to \$100 /mo) to own building in 3yrs (62% women, 49% immigrants)
- Building is leased by primarily minority-owned businesses and nonprofits



Parting thoughts

1. **Need offense as well as defense:** can't just stabilize, need to proactively create new jobs and opportunities in the advanced economy.
2. **Need to operate at scale:** link with regional systems to operate at scale of thousands, not tens or hundreds.
3. **There are investment-ready opportunities:** being developed here and across the U.S.

DISASTER GENTRIFICATION IN KING COUNTY

AND HOW TO STOP IT FROM HAPPENING AGAIN

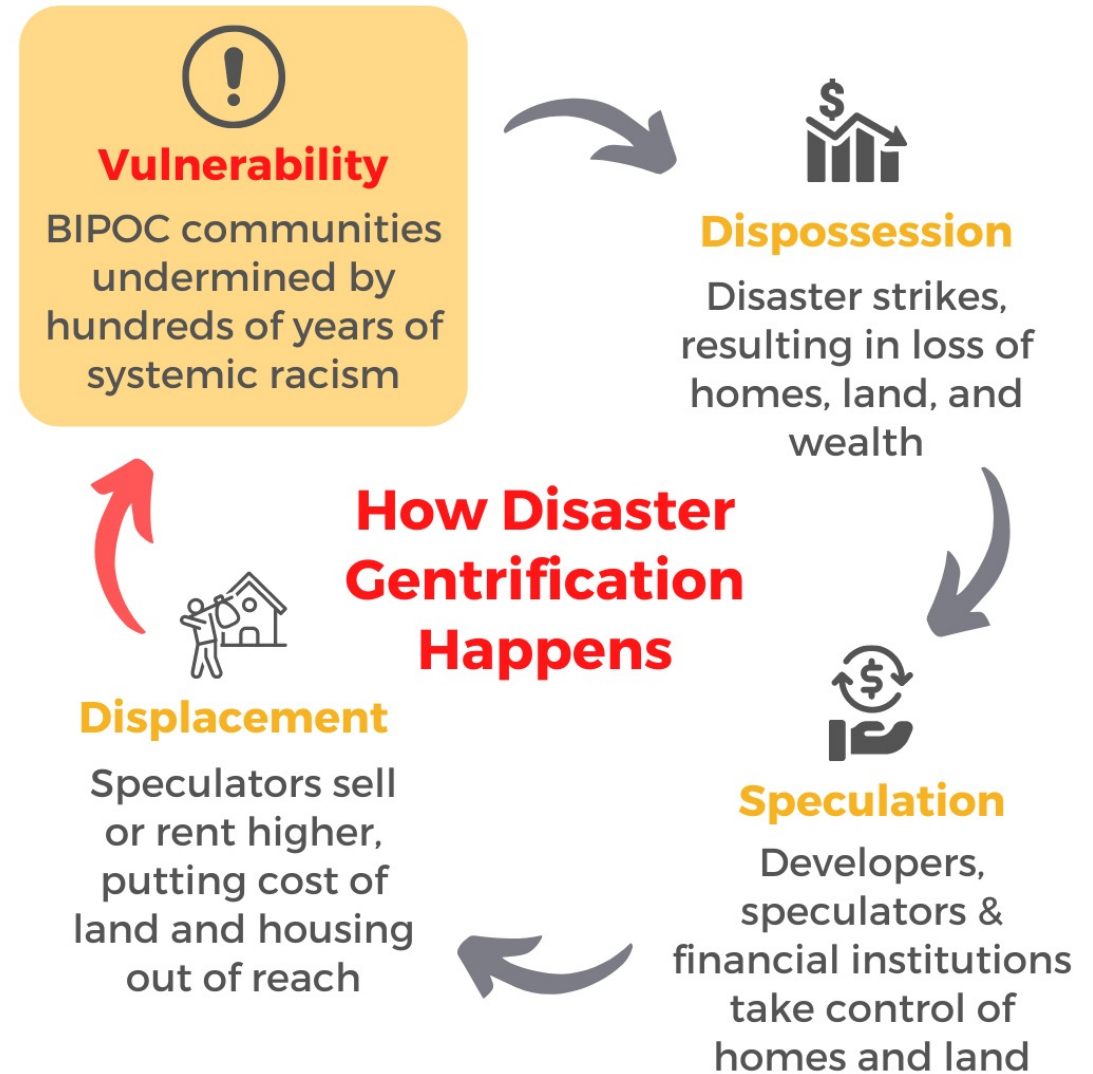
MULTICULTURAL COMMUNITY COALITION
RAINIER BEACH ACTION COALITION
PUGET SOUND SAGE

MAY 2021



Disaster Gentrification

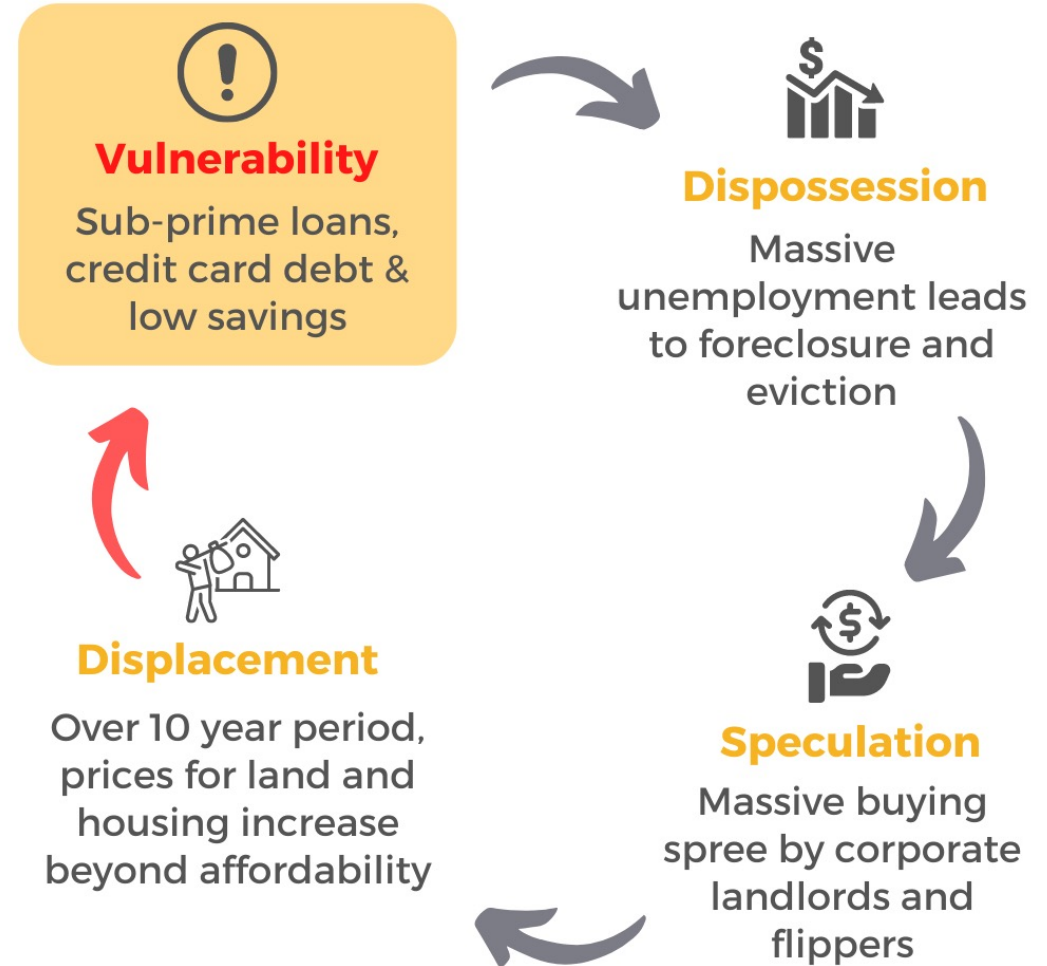
When people with wealth take advantage of a disaster to buy and/or take land and housing for cheap from lower-income people, and then sell or rent to higher-income people for a profit.



The 2007-2008 Mortgage Crisis and 'Recovery'

- Foreclosures occurred disproportionately in BIPOC neighborhoods in Seattle and South King County.
- In all of 2013, major investors bought about 3,100 single-family homes, five times more than in 2012.
- One in 11 Black adults was evicted between 2013 and 2017

Disaster Gentrification During the Great Recession



A Recipe for COVID-19 Disaster Gentrification



As of April 2021 in Washington State

239,000

people are behind on rent.

BIPOC tenants are **twice as likely** to have fallen behind on rent.

Sources: U.S. Census Bureau, American Enterprise Institute, Bargaining For the Common Good



By February 2021, FHA loans in Washington State

16% were delinquent

12% were seriously delinquent

Nationally, FHA delinquencies have been at their **highest rate since 1979.**

Sources: U.S. Census Bureau, American Enterprise Institute, Bargaining For the Common Good

Vulnerability



The **top twenty corporate landlords** in the United States have amassed

\$245 billion

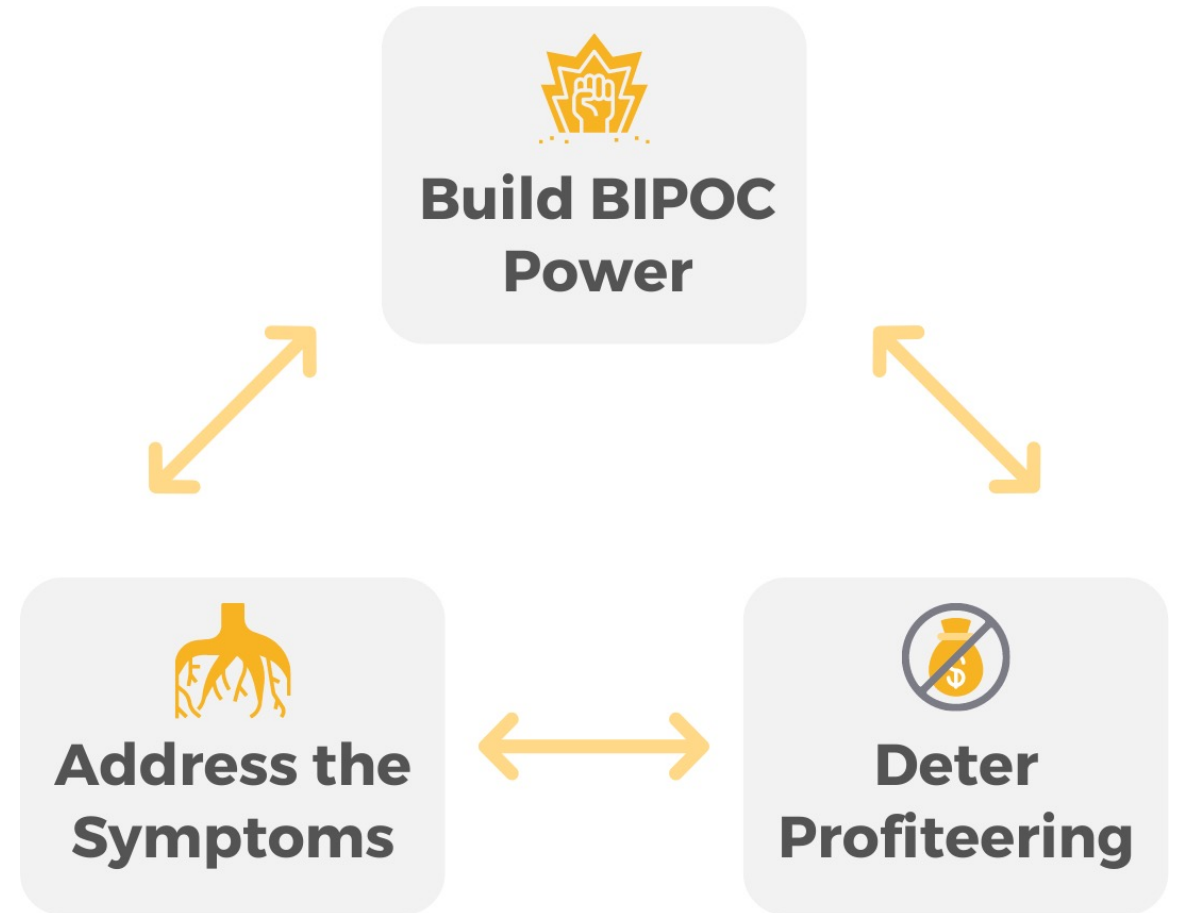
to purchase properties across the country

Sources: U.S. Census Bureau, American Enterprise Institute, Bargaining For the Common Good

Speculation

Our local governments need to act NOW to prevent dispossession and displacement of BIPOC communities.

Policy Solutions



1. COMMUNITY ACQUISITION AND PRESERVATION FUNDS

“Community Stewardship of Land”

- Preserve Existing Housing and Commercial Property Serving Low-Income, BIPOC communities
- Invest in Community-Driven, Equitable Development

Examples:

Washington D.C. Affordable Housing Preservation Fund ; Equitable Development Initiative; Dudley Street Neighborhood Initiative; Community Investment Trusts



Community Stewardship of Land

transforms land from something that creates individual and corporate wealth into a shared resource that generates community prosperity.

- Values Driven
- Collective ownership and self Determination
- Democratic decision making and governance
- Permanent or long-term use
- Builds community power



2. TENANT/COMMUNITY OPPORTUNITY TO PURCHASE ACT



Examples:

- Washington D.C. Tenant Opportunity to Purchase Act
- San Francisco Community Opportunity to Purchase
- California SB 1079 (foreclosure focused)

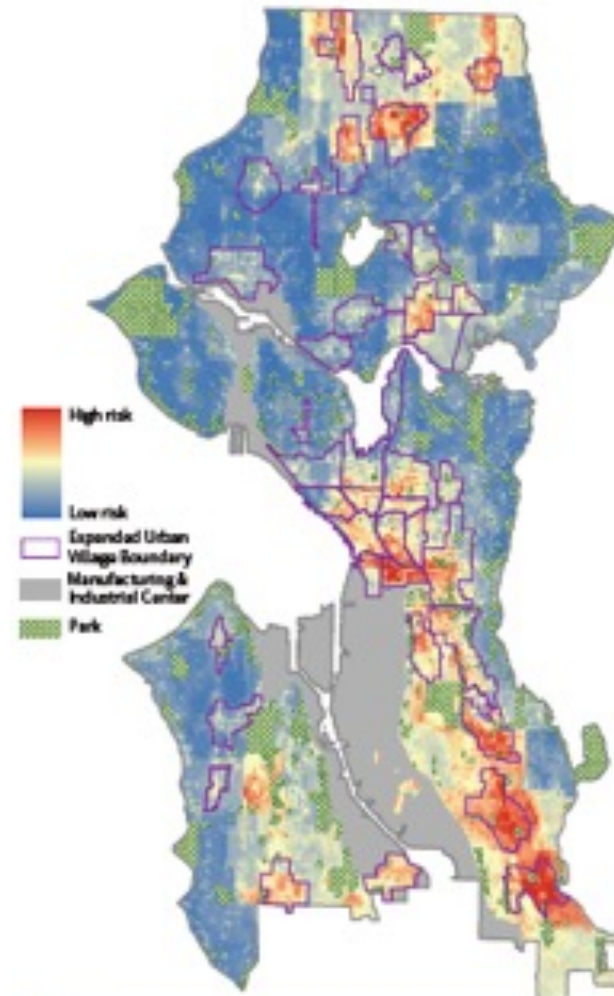
3. EQUITABLE DEVELOPMENT ZONES

Designate Areas with high risk of displacement and/or low access to opportunity as equitable development zones.

- Community Planning Power
- Community Development Review
- Community-Led Public Development Authority

Examples: Seattle Historic and Special Review Districts; Cultural Spaces PDA

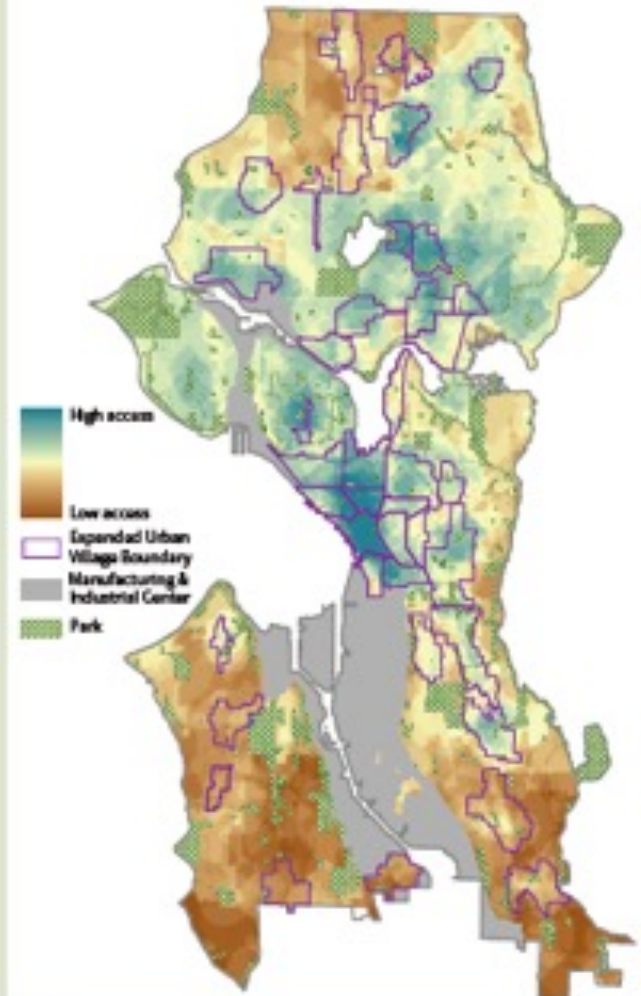
Displacement Risk Index



Criteria:

- Communities of color
- Low English speaking ability
- Low educational attainment
- Renter households
- Housing cost-burdened households
- Low household income
- Proximity to core businesses
- Proximity to school, park, community center, or library
- Proximity to high-income neighborhood
- Travel time to regional job center
- Proximity to transit

Access to Opportunity Index



Criteria:

- High-performing elementary and middle schools
- Above-average high school graduation rate
- Number of jobs within two-mile radius
- Increase in median home value
- Access to light rail / streetcar
- Proximity to a library
- Proximity to a community center
- Proximity to a park
- Proximity to a public health facility
- Access to fresh produce

Please note that you may only register your name(s) and address on this list if you are the actual homeowner.

Name 1:	<input type="text"/>
Name 2: (if applicable)	<input type="text"/>
Street Address:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text" value="New York"/>
	<input type="text"/>

News

- Cease and Desist Zones
- Real Estate CE Update
- Informational Session on Proposed Ventilation Requirements (nails)
- Governor's Message on Worker Exploitation
- Public Hearings for Cease and Desist Zones
- Trainee Regulations Proposal
- Real Estate Board Approves Regs to Strengthen Fair Housing Enforcement Efforts
- Wage Bond Calculator
- Nail Specialty Trainee Registration
- Wage Bond Form
- Notice of Adoption of Emergency Regulations for Appearance Enhancement

4. NON-SOLICITATION/CEASE AND DESIST ZONES

- Prevents vulnerable communities from receiving Real Estate canvassing, flyering, contacting
- Non-solicitation zone: a designated area where real estate solicitation practices are banned outright.
- Cease and desist zones: an opt-in system where residents would register with a city agency who would add them to a 'no knock' list disseminated to all real estate agents

Examples: New York Non-Solicitation/Cease and Desist Zones; New Jersey No Knock Ordinance

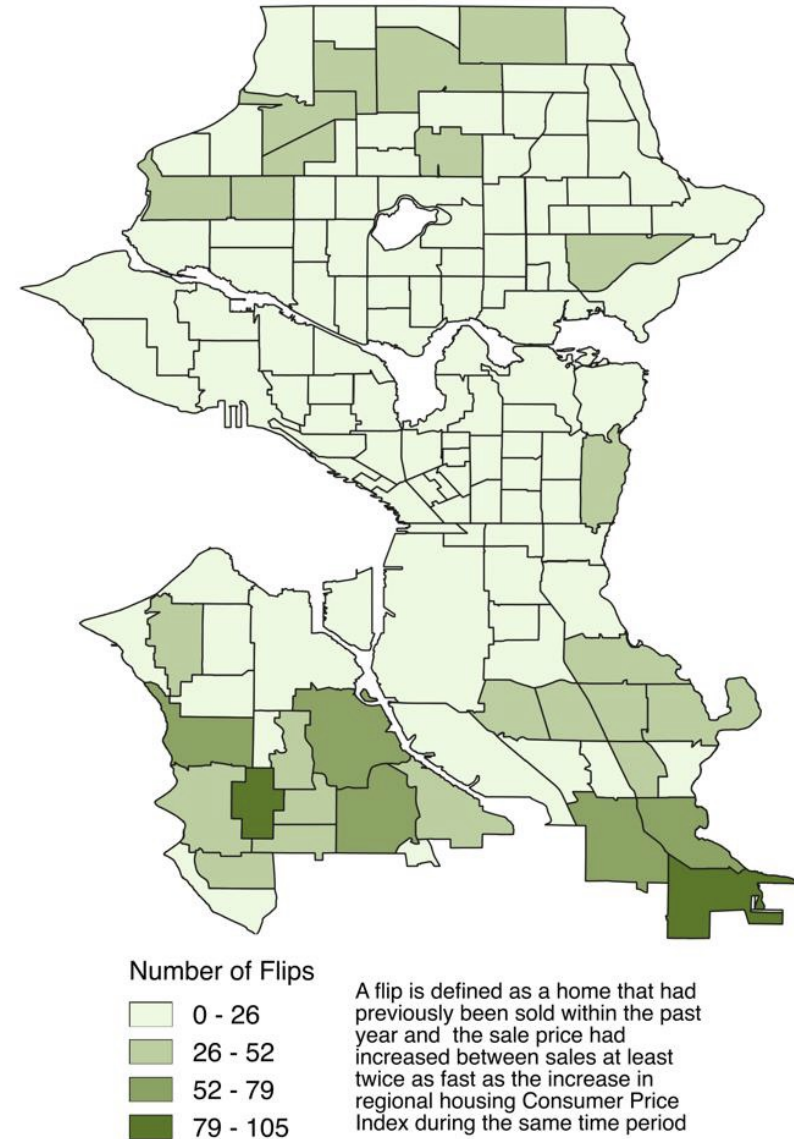
5. FLIPPING TAX (WA legislature)

- A sales tax on homes sold within a specific time frame from the last purchase.
- The best policies have graduated rates.
- A successful policy will set the tax rate at a rate that is high enough to actually deter flipping activity.

Examples: 2014 San Francisco Initiative;
NY Senate Bill S5376:

Seattle Single Family Home Flips by Census Tract 2015-2019

Data from: Seattle Open Data, which used King
County Assessor Data





Cancel Rent Debt; Extend Eviction Moratoria; Prevent Foreclosures

- Advocate at Federal and State levels for rent debt cancellation
- Extend Eviction Moratorium
- Create a defense to eviction if a tenant's failure to pay rent is due to the pandemic;
- Continue to make rent Relief contingent on some level of debt cancellation and increased tenant protections... for longer period
- Aggressively prevent foreclosures and stabilize BIPOC homeowners

Top Priorities:

BUDGET: Community Acquisition Fund

- Need the city to earmark money to buy, vulnerable properties, through community accountable process, now!
- Seed money for Community Investment Fund and additional funding for Community Stewardship of Land Infrastructure

LEGISLATIVE: Tenant/Community Opportunity to Purchase Act

- Give additional rights to tenants, community organizations and the city to be able to purchase vulnerable properties and properties that will go through foreclosure

Learn More:

Report and learning tool available at:

<https://www.pugetsoundsage.org/disaster-gentrification/>



www.mcc-othello.org



www.pugetsoundsage.org



www.rbcoalition.org

