Legislation Details (With Text)

File #:	Res 32093 **Version:** 2	**Name:**	
Type:	Resolution (Res)	**Status:**	Adopted
		In control:	City Clerk
On agenda:	6/13/2023		
Final Action:		**Ord. No.**	
Title:	A RESOLUTION relating to low-income housing; accompanying an ordinance requesting the 2023 Housing Levy Renewal and providing further direction regarding reporting and implementation of the programs to be funded by such levy and other housing funds.		
Sponsors:	Teresa Mosqueda		
Indexes:			
Attachments:	1. Summary and Fiscal Note, 2. Central Staff Memo, 3. Amendment #1 (CM Nelson), 4. Amendment #2 (CM Morales and CM Herbold), 5. Signed Resolution 32093, 6. Affidavit of Publication		

Date	Ver.	Action By	Action	Result
6/13/2023	2	City Clerk	attested by City Clerk	
6/13/2023	2	Mayor	returned	
6/13/2023	2	Mayor	Signed	
6/13/2023	2	City Clerk	submitted for Mayor's signature	
6/13/2023	2	City Council	adopted	Pass
6/7/2023	1	Select Committee on 2023 Housing Levy	adopt as amended	Pass
5/31/2023	1	Select Committee on 2023 Housing Levy	discussed	
5/31/2023	1	Select Committee on 2023 Housing Levy	discussed	
5/30/2023	1	City Council	referred	
3/30/2023	1	Council President's Office	sent for review	
3/29/2023	1	City Clerk	sent for review	
3/29/2023	1	Mayor	Mayor's leg transmitted to Council	

CITY OF SEATTLE

RESOLUTION _____

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

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

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

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

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

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

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

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

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

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

WHEREAS, data from the United States Department of Housing and Urban Development's (HUD)

Comprehensive Housing Affordability Strategy (CHAS) data for 2015-2019 estimates show that Black, Native, and Hispanic/Latin(a)(o)(x) residents of Seattle have homeownership rates of approximately 25 percent, whereas the average for all Seattle residents is over 46 percent; and

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

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

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

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

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

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

WHEREAS, OH aims to stabilize on-site services and operations of supportive and affordable housing, to

support continuity of care for residents and adequate compensation for essential workers providing support in City-funded buildings; and

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

WHEREAS, the Department of Finance and Administrative Services (FAS) executed Ordinance 125368 in 2017 for the City's Priority Hire program; and

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

WHEREAS, pursuant to Ordinance 125852 an assessment report for the outcomes of the 2nd and Mercer CWA was required and was published in 2022; and

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

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

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

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

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

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

Section 1. The Mayor has submitted Council Bill 120584 to the City Council, to place a proposition to

authorize a seven-year, approximately $970 million low-income housing levy ("2023 Housing Levy") on the ballot in November 2023. The intended uses of levy funds are described in Attachment 1 to Council Bill 120584. This resolution details certain activities the Executive will complete to assure successful implementation of the programs to be funded by the 2023 Housing Levy, if the ballot measure is approved by the voters.

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

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

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

- Rental Production and Preservation
- Operating, Maintenance, and Services (OMS) and OMS Stabilization
- Homeownership
- Prevention and Housing Stabilization
- Acquisition and Preservation

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

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

B. OH will continue work with community partners and affordable housing developers to explore how housing investments can complement broader community development goals including, but not limited to, affordable commercial space, and for uses necessary to meet residents' everyday needs such as commercial or non-profit groceries, childcare, health services, fresh, healthy food merchants, home goods, cultural anchors, and other desired community services. OH is requested to work with the Office of Economic Development (OED), the Office of Planning and Community Development (OPCD), and Department of Early Learning and Education (DEEL) to facilitate and coordinate different funding sources and requirements of such mixed-use projects.

C. OH will continue work with providers of affordable housing to explore the needs they are experiencing on site, and to examine the scope, definition, and funding of resident services in affordable housing, with a competitive funding process anticipated in 2024. OH is requested to submit a report to the City Council on how the providers spent the funding, particularly as it relates to wages and other items including total spending (across all funding sources), need, and metrics that demonstrate the impact to programs and residents. OH is requested to use this information in the development of 2023 Housing Levy A&F Plan policies that will guide the funding included in the Levy for non-PSH housing providers and to include this same information in the annual Levy report and the Housing Investment report.

D. OH will continue work with permanent supportive housing (PSH) providers on implementation of the PSH OMS Workforce Stabilization Fund, which was launched in 2023 with $25 million of JumpStart/Payroll Expense Tax funds. Funds are allocated by formula to PSH providers proportional to the number of PSH apartments they operate, which reflects the number of staff employed. It is the goal for this fund to primarily support increases in worker wages and workforce stabilization, while also supporting other

operating and maintenance needs occurring in PSH. OH will continue to review and analyze impacts through early implementation and make program, policy, and funding adjustments as needed. In addition, OH will develop specific reporting and performance measures such as worker retention or turnover, employee vacancy rate, wage rates paid over time to specific positions, etc., that track impacts of the funding provided to ensure that the intended goal of reducing vacancies and turnover at such projects is being achieved. PSH housing providers shall provide this information on an annual basis. This information shall be included in the annual 2023 Housing Levy report.

E. At the end of each calendar year, OH will calculate investment earnings on the 2023 Housing Levy Rental Production and Preservation (RPP) Program fund balance. OH may allocate such earnings to support predevelopment costs for projects developed by small, community-based non-profit housing developers who have barriers to accessing other sources of pre-development funding. Any unused portion of this funding may be retained in the RPP Program or proposed for use for other 2023 Housing Levy programs, if the need arises.

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

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

H. Funds for affordable homeownership opportunities may be used to serve households with incomes at or below 80 percent of AMI, with a focus on those at risk of displacement from their communities or who have faced barriers to equitably accessing homeownership in all parts of Seattle due to past discriminatory policies and practices, such as redlining, mortgage lending discrimination, or restrictive racial covenants. In addition,

OH will encourage the development of family-sized units, utilizing City-owned or publicly owned land and other incentives to reduce the cost of such units.

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

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

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

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

- Apprenticeship utilization for all labor hours
- Pre-apprenticeship graduates working on the projects
- Priority Hire utilization
- Gender, race, and ethnicity for both journey-level workers and apprentices
- Workers receiving health care and/or retirement benefits on the projects - with analysis of worker benefit eligibility after project completion
- WMBE subcontractors

- Number of bids (both prime and subcontractors)
- Cost per unit and impacts on unit production
- Residential and commercial wages paid
- Construction timelines
- Other metrics as appropriate

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

- Apprenticeship utilization
- Priority Hire utilization
- Diverse worker representation for Black, Indigenous, and other workers of color and women
- WMBE utilization

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

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

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

Section 4. OH is requested to submit proposed Housing Funding Policies that include the following

specific policies:

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

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

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

- Establish formal process for tracking when affordability requirements on City-funded projects will end;
- Conduct outreach to housing providers in advance of lapsing affordability requirements to explore how and whether OH can support the provider to extend the affordability requirements;
- Develop a package of options that could be offered to providers of such buildings that could support the continuation of affordability requirements; and
- Conduct outreach to tenants of such buildings in advance of lapsing affordability requirements about the status of the building, assistance and support for potential tenant purchase, and relocation

assistance in the event affordability requirements will cease.

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

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

E. OH will explore the need for additional housing for people in recovery from drug and alcohol addiction who need to live in a substance-free environment to maintain their recovery.

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

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

_____

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2023.

powered by Legistar™

_____

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

_____

Anne Frantilla, Interim City Clerk

(Seal)