



Legislation Text

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File #: CB 120864, Version: 1

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE relating to funding the Seattle Social Housing Developer; requesting that a special election be held on February 11, 2025 for submission to the qualified electors of the City of a proposition to fund the Seattle Social Housing Developer through the City's existing Payroll Expense Tax; amending Section 5.38.055 of the Seattle Municipal Code; proposing a ballot title; and ratifying and confirming certain prior acts.

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 5.38.055 of the Seattle Municipal Code, last amended by Ordinance 126719, is amended as follows:

**5.38.055 Payroll expense tax - Allocation of proceeds**

A. Notwithstanding other provisions of this Section 5.38.055, for the first five annual budgets to which this subsection 5.38.055.A applies, and as this subsection 5.38.055.A may be subsequently renewed by future ordinance, \$10,000,000 of payroll expense tax revenues is allocated for the Seattle Social Housing Developer to acquire, develop, or rehabilitate social housing and provide administrative support to the Social Housing Developer. This amount shall increase commensurate with the rate of growth of the prior year's June-to-June Consumer Price Index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor. The amounts calculated shall be rounded to the nearest whole dollar. The Office of Housing will administer the allocation. The Housing Funding Policies adopted by ordinance, as amended, apply to the allocation unless noted otherwise in this subsection 5.38.055.A.

1. Up to five percent of the total amount allocated by this subsection 5.38.055.A may be used by the Seattle Social Housing Developer to pay for its administrative costs.

2. Funds to the Seattle Social Housing Developer may be used for acquisition, construction or rehabilitation costs, including pre-development costs, of social housing, provided that the City's funding may only be used for the costs for housing residents up to 80 percent area median income (AMI). For social housing developments that include housing for residents earning above 80 percent AMI and/or commercial or other nonresidential spaces, costs associated with non-residential uses and housing for residents above 80 percent AMI are not eligible for program funding under this subsection 5.38.055.A and shall be paid for from different fund sources.

3. Capital funds may be awarded by the Office of Housing in the form of either a grant or a loan, as determined at the discretion of the Director of the Office of Housing, taking into consideration the needs of the Seattle Social Housing Developer and the intent to protect the City's long-term investment in affordable housing for low-income residents.

4. The Seattle Social Housing Developer is deemed an eligible borrower under the Housing Funding Policies. However, the Seattle Social Housing Developer must have hired a chief executive officer and chief financial officer, or their equivalents, and demonstrated that it has adequate financial controls, as determined by the Director of the Office of Housing, prior to receiving capital funding under this subsection 5.38.055.A.

5. The Seattle Social Housing Developer will not have to compete in the Office of Housing's Notice of Funding Availability (NOFA) process for its dedicated portion of capital funds, but it will need to submit a complete application for an award, as defined in the application component section of the Housing Funding Policies. Any award will be conditional upon the Office of Housing's standard underwriting and review process for affordable housing developments. The award amount is at the discretion of the Director, based upon the underwriting analysis of the project and the City's goal to leverage the maximum amount of outside funding for affordable housing projects.

6. If dedicated capital funds are not awarded to the Seattle Social Housing Developer within three years

of their original allocation, they will be made available through the Office of Housing's regular NOFA process.

7. Consistent with current and future reporting on affordable housing projects funded by the Office of Housing, the Office of Housing shall, through its Annual Report to the City Council, report on awards made to the social housing developer. Information shall include: Office of Housing funding amounts at award, closing, and completion; number of units and affordability level at project award, closing, and completion; date of loan or award closing; and date of completion. For projects at closing and completion, the Office of Housing shall also report on the other non-City fund sources and amounts used to support the development of the project.

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Section 2. The City Council and Mayor find that this ordinance is on the same subject as proposed in Initiative 137. The City Council has determined not to enact Initiative 137 and proposes this ordinance as an alternative measure dealing with the same subject pursuant to City Charter Article IV, Section 1. The City Council directs that the City Clerk file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting that the Director of Elections call and conduct a special election to be held on February 11, 2025, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance pursuant to City Charter Article IV, Section 1 and applicable law as an alternative measure different from Initiative 137 but dealing with the same subject. The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with responsibilities under RCW 29A.36.071 and RCW 29A.72.050. The following ballot title statement of subject and concise description are submitted to the City Attorney for consideration:

City of Seattle Proposition No. \_\_ concerns funding the Seattle Social Housing Developer.

This measure would fund the Seattle Social Housing Developer by allocating funds from Seattle's existing Payroll Expense Tax.

Section 3. Certification of such proposition by the City Clerk to the King County Director of Elections in accordance with law prior to the date of such election on February 11, 2025, and any other act consistent

with the authority and prior to the effective date of this ordinance, are ratified and confirmed.

Section 4. To the extent necessary to submit this ordinance to the vote of the people pursuant to Charter Article IV, subsection 1.D: this ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070. If approved by the people, this ordinance shall take full effect pursuant to Charter Article IV, subsections 1.F and 1.G.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2024, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Bruce A. Harrell, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Scheereen Dedman, City Clerk

(Seal)