

CITY OF SEATTLE

RESOLUTION _____

..title

A RESOLUTION establishing a spending plan for the proceeds generated from a new business tax to address homelessness and housing affordability authorized by the ordinance introduced as Council Bill _____.

..body

WHEREAS, the City Council adopted the ordinance introduced as Council Bill _____,

authorizing the collection of a new business tax to address homelessness and housing affordability, to be imposed beginning January 1, 2019; and

WHEREAS, the new business tax is anticipated to generate \$75 million in proceeds on an annual basis, as shown in the spending plan included as Attachment 1 to this resolution; and

WHEREAS, the City faces a homelessness crisis, as evidenced by the 2017 Point-in-Time count that showed 3,857 homeless people living unsheltered in the City; and

WHEREAS, recent data from the American Community Survey showed over 29,000 households with incomes at or below 50 percent of area median income (AMI) are severely cost burdened, paying over 50 percent of their income for rent and utilities, and, as a result, are at potential risk of homelessness; and

WHEREAS, additional funds are needed to increase the construction of long-term, low-income housing units to address the primary cause of homelessness and the housing affordability crisis, and to ensure such housing is permanently affordable; and

WHEREAS, the proposed spending plan is consistent with the City's Pathways Home plan, based on the recommendations of Barbara Poppe and Associates and of Focus Strategies, which prioritize assisting homeless people living unsheltered by placing them into housing, including permanent supportive housing, in order to end their homelessness; and

1 WHEREAS, permanent supportive housing provides housing with much needed related services,
2 such as case management, mental health, and other services required to keep vulnerable
3 individuals stably housed; and

4 WHEREAS, the proposed spending plan allocates 75 percent of the funding generated from the
5 new business tax for the capital construction of additional long-term, low-income housing
6 serving those with incomes at or below 30 percent of AMI and those with incomes from
7 30 to 60 percent of AMI, with an emphasis on assisting homeless people living
8 unsheltered in the City with incomes at or below 30 percent of AMI; and

9 WHEREAS, the City desires to expedite the development of additional affordable housing by
10 providing additional funds and prioritizing funding for projects that are ready to begin
11 development; and

12 WHEREAS, the City provides capacity-building assistance through the Equitable Development
13 Initiative to enable community organizations to prepare housing projects for
14 development; and

15 WHEREAS, several years ago, the City established a streamlined permitting process for low-
16 income housing projects to remove barriers to the development of such housing; and

17 WHEREAS, the City recently approved changes to the design review process for low-income
18 housing projects that should also improve the efficiency of this process and speed
19 development of such units; and

20 WHEREAS, the proposed spending plan allocates 20 percent of the funding generated from the
21 new business tax to address the immediate shelter, public health, sanitation, and other
22 services needs of homeless people living unsheltered in the City; and

1 WHEREAS, the services funded are consistent with Resolution 18-06, adopted on March 15,
2 2018, by the King County Board of Health, which supports additional investments in
3 publicly accessible hygiene facilities, including handwashing, toilet, and shower facilities
4 for people who are homeless; and

5 WHEREAS, the City is investing in a person-centered response system that prioritizes homeless
6 families with small children, those with long histories of homelessness, and those with
7 the greatest barriers to housing stability, consistent with the Pathways Home plan; and

8 WHEREAS, the City embraces a “housing first” philosophy which endeavors to move people
9 quickly into housing and shelter by eliminating barriers to entry; and

10 WHEREAS, contracts for housing and services funded by the City include specific, measurable
11 outcomes that are to be achieved with funding provided; and

12 WHEREAS, the City and its regional partners are committed to annually assessing the
13 performance of funded programs to ensure they are operating effectively to place people
14 experiencing homelessness into shelter and ultimately into long-term housing, or provide
15 harm reduction measures to facilitate acceptance of homelessness services, and have
16 established performance standards that must be achieved by funded programs as depicted
17 in Attachment 2 to this resolution; and

18 WHEREAS, programs and services funded with the new business tax shall be required, as
19 applicable, to comply with these regionally supported performance standards; and

20 WHEREAS, homelessness is a regional issue, and the City is committed to using the additional
21 resources generated from the new business tax in collaboration with resources identified
22 by our regional partners participating in All Home and One Table to ensure the
23 implementation of effective programs that address the homelessness problem; and

1 WHEREAS, the City Council passed Statement of Legislative Intent 281-1-B-2 in November
2 2017, requesting the Human Services Department to explore wage inequities for
3 contracted human service providers; and

4 WHEREAS, the City Council recognizes that wage inequities for contracted service providers
5 harm efforts to stabilize the workforce and that it is imperative to address equitable
6 workforce compensation in an effort to maintain existing homelessness programs and
7 expand program services; NOW, THEREFORE,

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

10 Section 1. Proceeds from the new business tax imposed by the ordinance introduced as
11 Council Bill [REDACTED] are intended to be used to expand housing, shelter, public health, hygiene,
12 sanitation, and other support services for those who are homeless or at significant risk of
13 homelessness, with priority for assisting those homeless people living unsheltered and/or with
14 very low incomes (at or below 30 percent of area median income (AMI)). It is intended that 75
15 percent of the proceeds from the new business tax will be used to increase the production of
16 long-term affordable housing, and fund operations and services support for housing serving the
17 homeless who are most vulnerable. Twenty percent of the proceeds from the new business tax
18 will be used to increase the provision and effectiveness of shelter, public health, hygiene,
19 sanitation, and support services to assist homeless people living unsheltered to move off the
20 streets. Attachment 1 to this resolution establishes the spending plan for the first five years of the
21 new business tax.

22 Section 2. On or before December 14, 2018, the Executive shall submit an
23 Implementation Plan to the City Council that includes: specific spending proposal for years one

1 through five of the new business tax, including proposed outcomes for each funded program or
2 service; how the programs or services will be implemented (i.e., responsible department, funding
3 processes, etc.); and proposed policies for implementing funded programs or services.

4 Section 3. The Executive is requested to explore and provide recommendations on
5 funding the operation and services support for housing that would serve homeless individuals,
6 with incomes at or below 30 percent of AMI, who do not qualify for or require permanent
7 supportive housing but need housing with a lower level of services and/or long-term rental
8 subsidy. The Executive will include a report and recommendations along with the submittal of
9 the Implementation Plan referenced in Section 2 of this resolution.

10 Section 4. The Executive is requested to provide a report and recommendations on
11 providing funding for wage stabilization for direct service personnel providing services to people
12 experiencing homelessness, as described in Attachment 1 to this resolution, based on
13 examination of adequate staffing levels, compensation, and desired retention outcomes. This
14 examination shall be based on data gathered in response to Statement of Legislative Intent 281-1-
15 B-2, the audit of the Human Services Department’s contracting processes, and input from the
16 homeless service providers. The Executive will provide a report and recommendations with
17 submittal of the Implementation Plan referenced in Section 2 of this resolution. The initial
18 funding provided in the spending plan may be supplemented with future resources to address
19 identified workforce compensation issues.

20 Section 5. The City Council may, based on the program outcomes and understanding of
21 changing needs, modify the allocation of funding for programs and services through the
22 Council’s legislative and budget process.

1 Section 6. The Executive shall submit an annual report by March 1 of each year and a
2 semi-annual report by August 1 of each year beginning in the year following the authorization of
3 the new business tax. These reports shall provide information on the housing and services funded
4 and the outcomes achieved because of the funding provided from the proceeds from the business
5 tax.

1 Adopted by the City Council the _____ day of _____, 2018,
2 and signed by me in open session in authentication of its adoption this _____ day of
3 _____, 2018.

4 _____
5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2018.

7 _____
8 Jenny A. Durkan, Mayor

9 Filed by me this _____ day of _____, 2018.

10 _____
11 Monica Martinez Simmons, City Clerk

12 (Seal)

- 13 Attachments:
14 Attachment 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals
15 Attachment 2 - System-Wide Performance Standards