



## Memorandum

**To:** Debbie Tarry, City Manager

**From:** Jim Hammond, Intergovernmental Relations

**Cc:** John Norris, Assistant City Manager  
Julie Ainsworth-Taylor, Assistant City Attorney

**Re:** Meeting request from Rep. Cindy Ryu and Labor representative

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Earlier this week, Rep. Ryu requested a meeting with Mayor Scully and Deputy Mayor Robertson to discuss concerns raised by a Labor representative relating to wages paid to carpenters and other construction workers who are working on the new mixed-use projects being built in the City of Shoreline. The representative expressed his interest in bringing “awareness on how the City of Shoreline can help bring fair livable wages to carpenters and construction workers who are on those new mixed-use projects.” Rep. Ryu added two questions: are these developments using Multi-Family Tax Exemptions (MFTE), and does the City have any requirements, such as gathering information, relating to labor used on these projects? Staff are in the process of scheduling this meeting.

Below is some background information and context for the issue:

- All multifamily/mixed-use buildings currently in the development pipeline are expected to use MFTE as a key part of their financing plan.
- The City currently does not impose any requirements on developers relating to their workforce in order for them to utilize the MFTE program.
- The City does require a minimum 20% inclusionary affordable units within all MFTE projects.
- In 2021, the State Legislature amended the MFTE program and created a local option for MFTE requirements (RCW 84.12.040(6)(b)) that reads as follows:

(b) Additionally, a governing authority may adopt and implement as a contractual prerequisite to any exemption granted pursuant to RCW 84.14.020:

- (i) A requirement that applicants pay at least the prevailing rate of hourly wage established under chapter 39.12 RCW for journey level and apprentice workers on residential and commercial construction;
  - (ii) Payroll record requirements consistent with RCW 39.12.120(1);
  - (iii) Apprenticeship utilization requirements consistent with RCW 39.04.310; and
  - (iv) A contracting inclusion plan developed in consultation with the office of minority and women's business enterprises.
- A brief survey indicates that no city has taken steps to implement any such requirements at this time.
  - The City of Seattle has taken some steps in this area, however, not prompted by the recent state legislation, but in alignment with it:
    - Seattle does have a provision directing the director of the Office of Housing to gather information from developers on some Labor-related issues, such as priority hire. However, the survey is voluntary. It is currently out in the field, and it is uncertain how many responses Seattle will get.
    - Beyond that, there are currently no other Seattle requirements relating to Labor that are attached to MFTE.
    - Seattle’s MFTE will require reauthorization in 2023, and that is seen as the likely time to make any other changes, along the lines of the state legislation cited above.
    - In related work, Seattle’s Office of Housing undertook a pilot project and related study that looks at this topic:
      - A supportive housing project in Seattle was built with a “community workforce agreement” (CWA)
      - Some key metrics were assessed in this project and in other projects being developed at the same time which did not have a CWA.
      - It is expected that a report will come out of Seattle sometime over the next few weeks.

If you have any additional questions, please don’t hesitate to let me know.