



# Challenge Seattle

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2023 Annual Report

# Spotlighting Issues to Inspire Big, Bold Action



In 2023, Challenge Seattle took on some of the biggest issues facing our city and state. We spotlighted the places in our community where more action is needed, convened experts to collaborate on a response, and provided answers to inform our way forward. For example, we:

- Released a report on the housing affordability crisis in Washington State; several of our suggested actions turned into policy and funding at the end of the 2023 legislative session. That session also saw additional investments in homelessness, which was advocated for by the House Washington Coalition;
- Served over 1,000 students from South King County through our worksite tours program;
- Developed a best practice guide for employers on return to work in support of downtown recovery;
- Released a report on wildfires in Washington State, using our platform to share essential things every Washingtonian can do to prepare for wildfire season and prevent fires in the first place;
- Continued to make progress toward racial equity commitments through Washington Employers for Racial Equity and toward our vision for the mega-region through the Cascadia Innovation Corridor; and,
- Took strides in making high-speed-rail for Cascadia a reality, with a report on lessons learned from other projects to apply in our mega-region, and the submission of an application for \$200M in federal funds to advance the project.

The role of our organization is to dream big, outline paths for bold action, and help our partners across sectors achieve their visions for our city, county, and state. That work is on display in this annual report, and it's the kind of work you can expect from us in 2024 and beyond.

None of this work was done by us alone. It occurred thanks to our partners across sectors and across the state. Like the University of Washington's 1936 Olympic gold medal-winning crew team—the “boys in the boat”—by working together, we have achieved big, sometimes seemingly impossible, things.

We are proud of the progress in 2023, and we know there is more to do. We will be ready to answer the call alongside you, because together, there is nothing we can't do. To all those we worked with, we thank you for your partnership this year, and look forward to working together to manifest a brighter future,

Chris Gregoire  
Chief Executive Officer, Challenge Seattle



# “The Conspicuous Crisis”: Addressing Housing Affordability

After the release of the 2019 Challenge Seattle Report, “The Invisible Crisis,” action was taken by leaders across sectors to address the housing affordability crisis in King County. This progress is important, but not enough to address the magnitude of the affordability challenge we face today and into the future. Housing affordability is at a crisis level in Washington, and it will take a comprehensive solution and action from all of us.

To help us define the challenge we face and to inform potential action, we published the report “[The Conspicuous Crisis](#)” in partnership with Boston Consulting Group (BCG) as a follow-on to the 2019 report. Taking a broader geographic view, we worked with BCG to outline the scale and scope of the housing affordability crisis state-wide, and, through an analysis done by BCG, highlight a suite of research-and context-based actions that can provide both immediate relief and address this crisis in the long-term.

Media coverage included pieces in GeekWire, on KUOW, and an op-ed in the Seattle Times by Challenge Seattle members Brad Smith (Microsoft) and Phyllis Campbell (JPMorgan Chase).

## Four essential takeaways from the report

- Housing affordability is at a crisis level in Washington state. It disproportionately impacts people of color, burdens low- and middle-income households, and directly contributes to homelessness, which is also at a crisis level.
- The fundamental problem is we lack housing supply. This has been the case for decades, and with a growing population the problem only will worsen.
- Housing supply—at the right size, in the right place, and at the right price—is the solution to address today’s affordability crisis and meet tomorrow’s housing needs. Action should begin with zoning reform as the foundation to build upon. From there, a comprehensive portfolio of short- and long-term policy solutions is required to fully address the crisis.
- We need to act now. By taking a comprehensive approach and working together, we can and must address the pain of unaffordability today and plan for the growth of tomorrow. We have no other choice—the prosperity and well-being of our state depends on it.

# Housing and Homelessness: Historic Investments in the 2023 Legislative Session

House Washington—convened by Challenge Seattle and made up of mayors, county executives, chambers of commerce, and housing advocates—is working to create urgency around affordable housing and homelessness across Washington State.

The 2023 Legislative Session ended with historic investments in affordable housing and programs to address homelessness. More than \$1 billion was appropriated through the combined Capital Budget and Operating Budget for the 2023-25 biennium; details at right. In addition, critical policy bills were passed to address housing supply, permitting timelines, and access to homeownership—some with strong bipartisan support.

We are pleased that several of the recommended policies in our report “The Conspicuous Crisis” were enacted during the session alongside the necessary investments to increase housing supply. We thank our partners in this work for their continued advocacy on this important issue.



## 2023-25 BIENNIAL CAPITAL BUDGET HIGHLIGHTS

### **\$400M for the Housing Trust Fund:**

- \$163.6M in fully competitive funding.
- \$95M for permanent supportive housing under the Apple Health and Home program.
- \$40M for homeownership projects serving first-time low-income homebuyers.
- \$25M for housing persons with intellectual and developmental disabilities.
- \$25M for preservation of existing affordable housing, to continue to serve low-income households.
- \$6M for acquisition and preservation of mobile homes.
- \$45.3M for specific projects.

**\$60M for the Connecting Housing to Infrastructure Program (CHIP)**, which provides grants to local governments and public utility districts to assist in the cost of utility improvements or connections to new affordable housing projects.

**\$40M for the Washington State Housing Finance Commission’s Land Acquisition Program** to assist developers purchase land for affordable housing. \$17M is intended as a match for \$50M in private funding from Microsoft for use in King County.

**\$25M for Transit Oriented Development**, which is being matched with \$25M from Amazon.

**\$14.5M for homeless youth and young adult projects.**

**\$124M for weatherization and home upgrade programs.**



## 2023-25 BIENNIAL OPERATING BUDGET HIGHLIGHTS

The final Operating Budget also includes significant funding for programs to prevent and address homelessness. Highlights include:

- \$111M for grants to support emergency housing, shelter capacity, and associated support services.
- \$66M to address the decrease in document recording fee revenues that fund homeless services, ensuring programs can continue across the state.
- \$38M for permanent supportive housing through the Apple Health & Homes program.
- \$150M for the state rights-of-way safety initiative.
- \$150M implementation of House Bill 1474 to create the Covenant Investment Act, which provides homeownership opportunities for people harmed by racist real estate practices like restrictive covenants and redlining.
- \$45M to increase current homeless service grantee contracts to help stabilize the workforce.

# Partnership for Zero: Achievements and Lessons Learned

Announced in February 2022 and launched in Fall 2022, Partnership for Zero was a one-year pilot project led by the King County Regional Homelessness Authority (KCRHA). Supported by philanthropy and all Challenge Seattle members, this pilot aimed to try a new, collaborative, emergency response model for addressing unsheltered and chronic homelessness in Seattle's Downtown and Chinatown International District.

As the Partnership for Zero pilot winds down this year, successful elements are being expanded and lessons learned incorporated across the region with the support of local philanthropies. This includes work to better maximize Medicaid funds to assist people experiencing homelessness with their medical needs. Partnership for Zero also had great success identifying and acquiring available housing units and that work will be enhanced and scaled in the coming months. Additionally, work will continue to support the more than 200 individuals who were moved into housing during the program.

## During the year-long pilot, Partnership for Zero:

Resolved six long-standing encampments and **housed more than 230 people** that had been living unsheltered in Seattle's downtown and Chinatown International District.

Created new models to amass essential data and support connections to housing, including a **By Name List** and a **Housing Command Center**. The latter, which is a centralized, coordinating body for emergency management protocols and rapid problem solving, led to stronger collaboration and coordination across teams and service providers.

# Are mega-wildfires our new normal?



WILDFIRE 101:  
WHAT IS HAPPENING  
AND WHY



LEADING THROUGH  
PARTNERSHIP IN  
WASHINGTON



ONLY YOU  
CAN PREVENT  
WILDFIRES



A CHALLENGE SEATTLE REPORT | JUNE 2023

## Wildfires in Washington: Highlighting the Role We All Play

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Wildfires have been a part of life in Washington State for generations, but in recent years, the nature of wildfires has changed. The fires are bigger, burning hotter, and more devastating.

In late 2022, after another long wildfire season, the Challenge Seattle members asked: Are out-of-control wildfires inevitable, and if not, what can Washingtonians do?

In partnership with Boston Consulting Group and guided by a cross-sectoral stakeholder group of wildfire experts from Washington, we took on this question with the urgency the moment requires.

In the spring, we released the report [“Are Mega-Wildfires Our New Normal?”](#) With 81% of Washington wildfires caused by humans, the importance of and need for more public education surfaced time and time again. The report provides a detailed look at how we got to where we are today, spotlights the work already happening across sectors, and, essentially, focuses on the actions every Washingtonian can take and the responsibility we all have to prevent, protect, and recover from wildfires.

Through a public education campaign, the report was distributed to 1,000+ leaders across the state, including mayors, county executives, Tribal and community leaders, and police and firefighters, and Challenge Seattle member Eric Artz, CEO of REI, authored an op-ed in the Seattle Times.



# Cascadia Innovation Corridor: Spreading Our Vision through Local Events and Webinars



In 2023, we took a one-year hiatus from the annual Cascadia conference. We instead held and partnered with others on a series of events and webinars.

**Bellingham Forum:** On September 13th, we held the first ever local Cascadia event for leaders in Whatcom County. With 60+ attendees, the half-day event was a chance for community members to hear more about the Cascadia Innovation Corridor (CIC) and discuss opportunities to make progress toward our 2050 vision through local action on housing, transportation, and economic development. After the formal program, the Urban Land Institute, a long-time CIC partner, led a walking tour of Bellingham’s waterfront, which includes innovative housing, multi-use, and energy projects.

**Skagit Council of Governments:** In a small-group conversation with leaders from Skagit County on October 18<sup>th</sup>, Governor Gregoire provided an overview of Cascadia to set the context for the value and importance of the high-speed rail project.

**Webinars:** The CIC Steering Committee held webinars on planning for cross-border travel ahead of the FIFA 2026 games, wildfire and smoke response and prevention, and the role of digital superclusters in advancing equity in the mega-region.

In 2024, we plan to host two major events: the return of the annual Cascadia conference, focused on housing, and a separate meeting for elected leaders along the corridor on the potential benefits and opportunities of a Cascadia high-speed-rail line.

# Cascadia High-Speed Rail: Moving Full Steam Ahead

**The Seattle Times**

**A bullet train to B.C.? Here's why it's worth considering**

By **The Seattle Times** editorial board

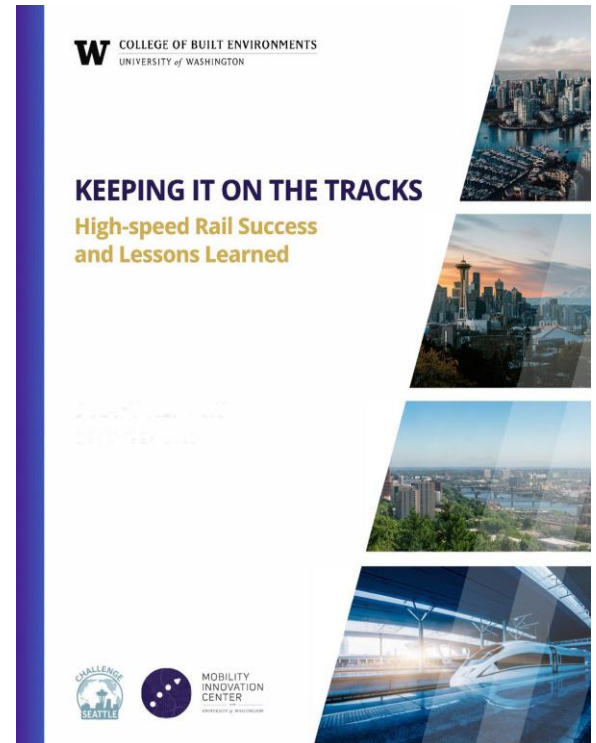
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Building on the momentum of \$154 million in Washington State funding for Cascadia high-speed rail, a public-private partnership built by Challenge Seattle advocated for federal funding for the project.

A coalition of 60+ businesses, community, environmental, and labor organizations and elected officials wrote a letter of support for a \$200 million federal grant application submitted by Washington in partnership with the State of Oregon and Province of British Columbia. This coalition also met with federal officials to make the case for why our region is ready to go on high-speed rail, and members of Washington's congressional delegation have actively supported the funding request. An announcement of successful projects is expected by year-end.

Also in 2023, the University of Washington's Mobility Innovation Center released a [report](#) on the successes and lessons learned from other high-speed rail projects, both in the United States and internationally.

One of the key findings was to plan slow, act fast. It is important to take time for planning, public engagement, public agreements, engineering, permitting, and environmental review so that decisions can be made more quickly during design and construction when costs and risks are higher. The cross-governmental team is applying this and other learnings as the project advances.

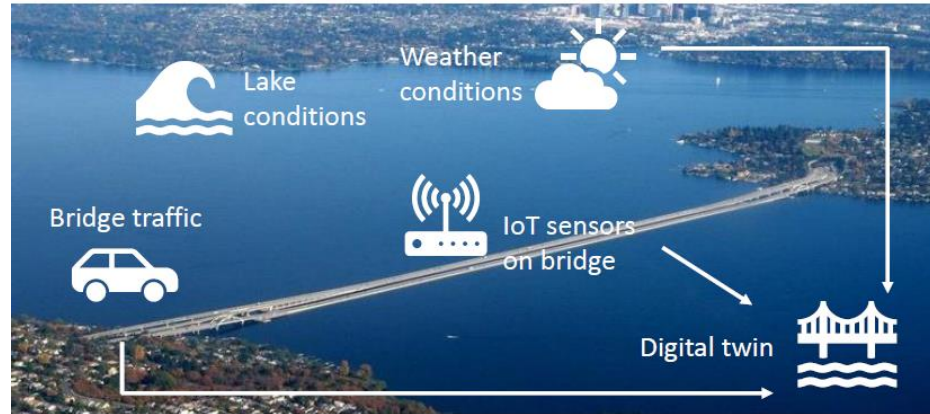




# Mobility Innovation Center: Delivering Results to Help the Region Move Forward



**Seattle Commute Study:** “Your old work week is extinct” was the headline in the Seattle Times when the MIC and Commute Seattle delivered results on post-pandemic commuting in the [Seattle Commute Study](#). 64,000 people – 1 out of 10 people who work in the city—participated in the study. The results provided new insights into how people connect to the workplace, non-commute travel, trip motivators, and more. The data generated is being used to help employers with employee commute planning and for additional research.



**I-90 Digital Twin:** This year, the Mobility Innovation Center (MIC) launched a [project to evaluate how digital twin technology](#)—real time sensors that feed a digital model—can be used to operate, maintain, and replace components on one of the most complex bridges in the world, the Interstate 90 Homer Hadley floating bridge across Lake Washington. If the methods in this proof of technology project are found to produce useful data and added value for one of WSDOT’s four floating bridges, digital twins could bring systematic change to the way transportation assets are managed. The project will be completed in 2025.



**Public-Private Partnerships for Bus Base Electrification:** Can a Public-Private Partnership (P3) help transit agencies make the switch to a zero-emission fleet? In November, the Mobility Innovation Center released "[Charging Forward](#)," which evaluates the use of a P3 for bus base conversions by looking at policy, project development, and best practices for procurement. This study was supported by King County Metro Transit and is poised to help the industry electrify to achieve their sustainability timelines and goals.

# Washington Employers for Racial Equity: Action on the Commitment to Progress

**Pay Equity Guide:** This fall, the WERE Black Talent Task Force released [“The Pay Equity Resource Guide”](#) and the Supplier Diversity Task Force released the [“Supplier Diversity Best Practices Playbook.”](#)

**Groundwater Racial Equity Training:** Annually, WERE offers each member CEO a customized racial equity learning capsule. This year, the experts at The Groundwater Institute took our CEOs through two sessions in July and one in September that unpacked the big challenges we know CEOs are facing on the road to sustaining their progress.

**CEO4Equity Series:** WERE continued its CEO webinar series with two events this year. CEO speakers candidly talked about leadership, sustaining equity work and breaking through resistance, and building an inclusive workplace culture.

**Leadership Development Pilot:** In partnership with business school leaders at Central Washington University, Seattle University, University of Washington, and Washington State University, WERE piloted a leadership 12-week program for early career professionals of color and mentors/sponsors who work with employees of color, specifically Black employees. Participants earned a Certificate, Digital Skills Badge, and Continuing Education Credits.

**Baseline Report Released:** WERE members were surveyed in 2021 and 2022 to establish a baseline against which to measure progress. Many of the metrics have not been measured previously and required WERE members to put systems in place to collect data. The baseline data was shared in a [2023 report](#), and key findings are below. The survey results provide important insights as to where our members are making progress, and where increased engagement is needed.

- **Employers are doing more to understand the experiences and sentiments of Black employees, address and remove bias, and make workplace culture inclusive.** Nearly three-quarters of WERE employers gather data on employee sentiment and review input disaggregated by race.
- **Representation of Black employees is improving on several levels.** There was an uptick in Black representation in management positions statewide from 2021 to 2022. WERE companies in the Central Puget Sound region—where 91% of WERE employees are located—also saw an increase in Black representation overall. Additionally, 12% of workers engaged in paid internships, apprenticeships, and other work-embedded learning experiences in 2022 were Black.
- **Employers are working to better support and retain Black employees.** The majority have an Employee Resource Group centered on elevating the interests and experiences of Black employees and employees of color. A majority also offer leadership training and mentorship/sponsorship programs.
- **More employers are focused on racial pay equity.** Nearly seven in 10 conducted a racial pay equity assessment in the last three years. All of those maintained or saw improvement toward pay equity since the assessment.
- **Work is needed to support the implementation and development of supplier diversity programs and increased investment in Black-owned businesses.** Forty-five percent of WERE members have a formal supplier diversity program in place, and 86% of those companies track their spend with diverse suppliers. However, the majority of companies without supplier diversity programs are unable to report their spending with suppliers disaggregated by race.



# Return to Office: Responding to Employer Needs with Best Practices

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Throughout the COVID-19 pandemic, there have been shifts in remote, hybrid, and in-office expectations. While many employers began moving towards a more formal hybrid approach to work, they lacked local data or best practices on returning to the offices.

In the spring, Challenge Seattle collaborated with employers, the Seattle Metro Chamber of Commerce, and the Downtown Seattle Association to collect data and learnings from those who had already brought employees back to some in-person work. These findings were compiled in a return-to-office [playbook](#) that focuses on best practices and policies to create flexibility for employees while making in-office work intentional, meaningful, and equitable.





# Education: A Successful Re-Launch of the Worksite Tours Program

After a hiatus during the COVID-19 pandemic, the Challenge Seattle-sponsored worksite tours program restarted. During the 2022-2023 school year, 1,000+ sophomores from 13 high schools in South King County participated in the hands-on, day-long program. Building on these successes, the program will expand to 1,800 students in the 2023-2024 school year.



*Cleveland STEM High School at Alaska Airlines*



*Kent Meridian Tech Academy at T-Mobile*



*Renton High School at Costco*



## GIX: Continued Growth and Global Expansion

The University of Washington's Global Innovation Exchange (GIX) is a novel, interdisciplinary institute in Bellevue with the mission to develop the next generation of global technology leaders. Now in its sixth year, GIX has continued to grow and expand its global reach:

- **150%** increase in graduate enrollment since 2021
- **120%** increase in corporate sponsorships since 2022
- **Two new program locations** launched in **Helsinki, Finland** and **Tokyo, Japan**
- Innovation leadership program launched in **Taipei, Taiwan**

Looking ahead, GIX aims to continue strengthening its ties to leading technology companies and universities around the world, and plans to add new graduate and professional learning programs in the years ahead.





# About Challenge Seattle

Challenge Seattle is an alliance of 22 organizations that represent some of our region's largest employers and most successful innovators. Led by former Washington State Governor Christine Gregoire, we harness our members' bold thinking, committed leadership, unique resources, and world-class talent to tackle some of our region's most pressing civic challenges.





