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minimum of \$5.43 million of Equitable Development Initiative (EDI) grants to organizations for investments in community-initiated equitable development projects. The green sheet also replaces \$1,000,000 of CDBG funding for a Youth Opportunity Center in the Human Service Department's (HSD) Supporting Affordability and Livability BSL with General Fund funding. General Funds are made available for this change through the 3rd Quarter 2018 Supplemental Budget Ordinance.

EDI is a strategy to support race and social equity and anti-displacement efforts through community leadership and capacity building among the most historically marginalized groups in Seattle. In 2017, the Council established a short-term rental tax to provide an ongoing funding source for community-driven equitable development projects. In 2018, that City tax was replaced with a state tax on short-term rentals. The original City tax clearly stated the Council's intent that a minimum of \$5 million per year would go to EDI for funding for community projects. The additional resources were intended to be split between EDI projects and affordable housing capital investments tied to EDI projects. The Mayor's proposed budget swaps short-term rental tax proceeds for GF dollars to fund OPCD staffing. This green sheet augments those short-term rental proceeds with CDBG funds in order to provide at least \$5 million for EDI grants. In addition to the increase in CDBG funds, the proviso at the end of this green sheet would require that OPCD redirect \$65,052 of short-term rental tax proceeds from consulting assistance to grants, hire a new EDI staff position later in the year resulting in salary savings in 2019, or use a combination of cuts to the consulting budget and delayed hiring to maintain a minimum of \$4,000,000 of short-term rental tax proceeds for grants.

The Mayor's budget for 2018 includes \$2,000,000 for a rental assistance pilot with the Seattle Housing Authority, with the intent that \$1,000,000 be carried forward to 2019. Amendments to the 3rd Quarter supplemental ordinance would maintain these funds as excess fund balance, which would carry over into 2019. These excess funds would be swapped for CDBG funds for a youth opportunity center project that would be more appropriately funded through General Funds. The CDBG funds freed up from this project would be moved from the HSD fund to the General Fund in order to provide additional CDBG funding to the EDI program in 2019.

This green sheet would impose the following budget proviso:

"Of the appropriation in the 2019 budget for the Office of Planning and Community Development, \$4,000,000 GF and \$1,430,000 CDGB is appropriated solely for funding for community projects under the Equitable Development Initiative and may be spent for no other purpose."

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Budget Action Transactions

Budget Action Title: Add \$1M CDBG to OPCD; add a proviso to provide a total of \$5,430,000 for EDI grants; add \$1M GF to HSD for a youth opportunity center project and cut \$1M CDBG from HSD; rescind GS 29-2-B-2

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Add GF to youth opportunity center				HSD	Supporting Affordability and Livability	BO-HS-H1000	00100	2019		\$1,000,000
2	Cut CDBG funds from youth opportunity center				HSD	Supporting Affordability and Livability	BO-HS-H1000	16200	2019		(\$1,000,000)
3	Cut CDBG revenue to Human Services Fund				HSD	US Dept of Housing & Urban Development (HUD) / Community Development Block Grant (CDBG)	331110	16200	2019	(\$1,000,000)	
4	Increase CDBG revenue to General Fund				GSF	Federal Grants - CDBG	331110	00100	2019	\$1,000,000	
5	Add CDBG funds for EDI projects				OPCD	Planning and Community Development	BO-PC-X2P00	00100	2019		\$1,000,000