

July 14, 2020

MEMORANDUM

To: Select Budget Committee
From: Aly Pennucci, Supervising Analyst and Traci Ratzliff, Analyst
Subject: Jump Start Seattle: RES 31957 and CB 119812

On Wednesday, July 15, 2020, the Select Budget Committee (Committee) will discuss and may vote on [Council Bill \(CB\) 119812](#) (COVID Relief) and [Resolution \(RES\) 31957](#) (Spending Plan Details). CB 119812 authorizes spending from the City’s two “reserve funds” in 2020 to provide support to people and businesses impacted by the COVID-19 epidemic. Resolution 31957 provides spending details for the proceeds from the recently adopted Jump Start Payroll Tax ([CB 119810](#)) by year and program area.

This memo briefly describes both proposals and amendments identified to date.

COVID Relief Bill (CB 119812)

The COVID Relief bill would authorize spending a combined \$86 million from the Emergency Fund (EMF) and the Revenue Stabilization Fund (RSF) – the two reserve funds – to support programs and services to address economic impacts in 2020 caused by COVID-19. The investments contemplated in CB 119812 would provide services and financial support to small businesses, low-income and low-wage individuals and families, people experiencing homelessness, and immigrant and refugee communities. (See Attachment A for a summary of proposed spending by investment area). The proposed bill would also affirm the Council’s intent to replenish the reserve funds in 2021 with proceeds from the payroll tax authorized by CB 119810.

Assuming adoption of the technical amendment to Section 2 of CB 119812 (see description of Amendment 1 to CB 119812 later in this memo), the reserve funds will have revised balances. Specifically, the EMF revised balance would be zero while the RSF would have a balance of \$41.9 million as shown in Table 1.

Table 1: Revised Reserve Fund Balances (Assumes adoption of CB 119812 as amended)

	EMF	RSF	Total
Beginning Balance (2020 Adopted Budget)	\$66,900,000	\$60,800,000	\$127,700,000
CB 119812 (includes Amendment 1)	(\$66,900,000)	(\$18,878,600)	(\$85,778,600)
Revised Balances	\$0	\$41,921,400	\$41,921,400

The 2020 Proposed Rebalancing Package also includes spending \$29 million from both reserve funds ([CB 119825](#)); that proposal is further described in Central Staff’s Committee materials that will be presented on July 15. Both the spending proposed in the COVID Relief bill and the

proposed use of reserve funds in the rebalancing package, can be accommodated assuming that the rebalancing package is amended to spend the same amounts but only from the RSF. If both proposals are adopted (with such an amendment to the rebalancing package), the EMF would still be zero while the RSF would have a revised balance of \$12.9 million as shown in Table 2.

Table 2: Revised Reserve Fund Balances (Assumes adoption of CB 119812 and CB 119825)

	EMF	RSF	Total
Beginning Balance (2020 Adopted Budget)	\$66,900,000	\$60,800,000	\$127,700,000
CB 119812 (with Amendment 1)	(\$66,900,000)	(\$18,878,600)	(\$85,778,600)
CB 119825 - Rebalancing Package	\$0	(\$29,030,000)	(\$29,030,000)
Revised Balances	\$0	\$12,891,400	\$12,891,400

The majority of the proposed spending authorized by the COVID Relief bill continues or expands COVID-19 relief programs and services the City has already implemented (e.g., the [Emergency Grocery Voucher Program](#)) with two exceptions. Specifically, the spending proposed to support child care providers directly and spending proposed to support immigrant and refugee communities are new areas of spending within the City’s broader COVID-19 relief efforts. On July 15, Central Staff will brief the Committee on (a) the broader COVID-19 efforts the City has implemented already and (b) the 2020 Proposed Rebalancing Package. Organized by the categories of spending listed in Attachment A, Table 3 highlights the areas of overlap between the spending proposed in the COVID Relief bill and “Other COVID-19 Response” spending by the City.

Table 3: COVID-19 Response

Spending Category*	CB 119812	Other City efforts – COVID-19 Response	Total
Small Business Support	\$18 million**	\$5 million	\$23 million
Immediate Housing	\$36 million	\$30 million	\$66 million
Immigrant and Refugee Support	\$18 million	-	\$18 million
Food Access	\$14 million	\$34 million	\$48 million
<p>* The specific programs and services may vary within each category. For example, food access spending of \$14 million is listed under CB 119812 for the Emergency Grocery Voucher program while the \$34 million for food access under “Other City efforts” includes \$14.5 million for the Voucher program and other food programs, such as food banks and meal programs.</p> <p>**Includes \$3.6 million to support child care provides specifically; the existing investments under the “Other City efforts” does not provide funding specially for child care providers.</p>			

Amendments to COVID Relief Bill (CB 119812)

As of July 14, there are four proposed amendments to CB 119812 for the Committee’s consideration as described in Attachments B through E. Councilmembers (CMs) may present additional amendments at the Committee meeting on July 15.

1. Various changes – (Attachment B, Sponsor: CM Mosqueda)

(a) Make technical corrections and clarifications and (b) incorporates substantive changes described in Central Staff's [June 30](#) memo. Change initiated by a CM other than Chair Mosqueda is noted in the amendment sheet included as Attachment B.

2. New Tiny Home Villages – (Attachment C, Sponsor: CMs Morales & Lewis)

Allocate at least \$3.6 million of the \$10.8 million of authorized spending for shelter de-intensifications efforts to establish new tiny home villages. This could accommodate between four and five new villages depending on a variety of factors, such as the opening date that impacts the cost to provide services at the villages in 2020, site conditions, and size of village. Any new villages established in 2020 will have on-going operational costs that will require identifying funding to support such operations in 2021 and beyond. The operational costs for five villages in 2021 are estimated at \$4.5 million, and \$3.6 million for four villages.

3. Small business support – (Attachment D, Sponsor: CM Strauss)

Add \$9 million in spending from the reserve funds to provide additional support for small businesses. This would increase the total amount of spending authorized by CB 119812 for small business relief from \$14.1 million to \$23.1 million, increasing total spending in 2020 to \$95 million. If this amendment is adopted, an amendment to Resolution 31957 will be necessary to reflect the increased spending. That amendment is described later in this memo and is included in Attachment L.

4. Reduction in Business and Occupation (B & O) Tax for Small Businesses – (Attachment E, Sponsor: CM Strauss)

This amendment states the Council's intent to consider legislation that would reduce the tax obligations for small businesses. The intent is to consider the needs of small businesses along with the potential impacts the reduced B&O tax revenue may have on the City's funds.

Detailed Spending Plan Resolution 31957

After passage of CB 119810 establishing the new payroll tax, Council passed [CB 119811](#) outlining eligible spending categories. CB 119811 affirmed the Council's intent to adopt a resolution outlining spending details by year and program area. The resolution also reflects the spending details included in version 1 of CB 119811 when introduced on June 22, 2020, with the following modifications (if the modification was requested by a CM other than Chair Mosqueda, the sponsoring CM is listed in parentheses):

- For Housing & Services, adds specific green building requirements for proposed affordable housing investments.
- For Housing & Services, allocates 10 percent of funds for investments to support a community acquisition, development, and program support fund to affirmatively further

fair housing and to address past discriminatory policies and practice. *(Sponsor: CM Mosqueda; as described in the [June 30](#) Central Staff memo, CM Sawant proposed a related investment that would have allocated funds specifically for investments in housing and services in the Central District).*

- For Economic Revitalization, specify that investments in businesses, workforce development, and business districts will include programs that retrain workers who are transitioning to a new profession.
- For Economic Revitalization, modify the proposed economic revitalization spending category to:
 - a. include nonprofit organizations;
 - b. prioritize investments in businesses from marginalized Seattle communities such as those led by Black, Indigenous, and People of Color (BIPOC); and
 - c. prevent economic displacement. *(Sponsor: CM Pedersen)*
- For Green New Deal (GND), allocate nine percent of funds for investments to implement GND strategies. To accommodate this addition, the allocation of funds directed to the housing and services, the Equitable Development Initiative, and economic revitalization spending categories are reduced. *(Sponsor: CM Mosqueda; as described in the [June 30](#) Central Staff memo CM Sawant and CM Morales proposed allocating funds to GND investments but at higher levels).*

Amendments to the Detailed Spending Plan (Resolution 31957)

There are seven proposed amendments as of July 13, for the committee’s consideration. Councilmembers may present additional amendments at the Committee. The specific language for each amendment and, in some cases, a more detailed description of the effect of the proposed amendment, is included in Attachment F through Attachment O.

1. Recital to support with Enhanced Green Building and Labor Standards – *(Attachment F, Sponsor: CM Mosqueda)*

Adds a recital confirming the City’s commitment to advocate and work with other public and private housing funders to modify housing funding policies to support the development of housing with enhanced green building and labor standards.

2. Equitable Development Initiative (EDI) role in community fund – *(Attachment G, Sponsor: CM Mosqueda)*

Adds language (1) stating expectation that the Office of Housing will involve the Office of Planning and Community Development’s EDI staff team and input from the permanent EDI advisory committee in the administration of the new community fund; and (2) to allow additional criteria for allocation of EDI funds to include prioritizing projects sponsored by organizations with diverse community representation on their boards.

3. Involvement of stakeholders and activities funded to implement GND – (*Attachment H, Sponsor: CM Mosqueda & Morales*)

Adds language (1) stating expectations that GND investment proposals will be informed by GND Oversight Board and other stakeholders; and (2) prioritizing program areas for funding.

4. Modifications to Economic Revitalization spending parameters – (*Attachment I, Sponsor: CM Mosqueda*)

Modifies the language in the economic revitalization section to: add to the description of proposed investments under the economic revitalization spending category to add details for investments in businesses, workforce development, and business districts to include, for example, programs that retrain workers who are transitioning to a new profession, and adds other criteria related to prioritization of funding.

5. Equitable Distribution of Funds – (*Attachment J, Sponsor: CM Juarez*)

Adds language to express the Council's intent that investments are equitably distributed to provide support and services to people living and working in neighborhoods across the city.

6. Investments in Rental Assistance – (*Attachment K, Sponsor: CMs González, Herbold and Morales*)

Requests the Executive considers developing a new rental assistance program in conjunction with developing the implementation plan and allows the program to be funded with proceeds from the payroll tax under the housing and services spending category.

7. Increase 2021 Allocation of funds to replenish reserve funds – (*Attachment L, Sponsor: CM Strauss*)

Modifies Resolution 31957 to increase the allocation of payroll tax revenues that will be needed in 2021 to replenish the reserve funds reduced in 2020 to support the spending authorized in the COVID Relief bill (CB 119812). This would increase the total amount to \$96 million in 2021 to replenish funds and reduce the other categories of spending and reduces the funding available in 2021 for continuity of services and extending funding for the 2020 COVID relief programs and services. This amendment is only needed if Amendment 3 to CB 119812 is adopted.

Amendments 8 and 9 modify the allocation of funds under the Housing and Services Category in 2022 and beyond by adjusting the specific allocation of funds by program area. As drafted, amendments 8 and 9 are mutually exclusive. Amendments 9 and 10 modify how the proposed spending is allocated across the broad spending categories in 2022 and beyond. As drafted, amendments 9 and 10 are mutually exclusive. Table 4 at the end of this section provides a side by side comparison of Amendments 8 through 10.

8. Affordable Homeownership – (*Attachment M, Sponsor: CMs Herbold and Mosqueda*)

This amendment allocates five percent of the funds under “Housing and Services” to investments in affordable homeownership programs serving households with incomes up to 80 percent of area median income and decreases by five percent the funds allocated for affordable rental housing investment. These investments would be prioritized to affirmatively further fair housing and to address past discriminatory policies and practice.

9. Modify proposed distribution of spending – (*Attachment N, Sponsor: CM Sawant*)

This amendment:

- Increases the allocation of funds for the “Housing and Services” spending category from 60 percent to 68 percent and decreases the allocation of funds for the “Economic Revitalization” spending category from 17 percent to nine percent.
- Modifies the allocation of funds under the Housing and Services spending category to increase the amount directed to create a new community fund.
- Adds language that requires owners of housing funded from the community fund to affirmatively market and use community preferences for such housing. It also states a goal of funding of at least 1,000 affordable units in the Central District, as well as other impacted communities within the first 10 years.

10. Modify proposed distribution of spending – (*Attachment O, Sponsor: CM Morales*)

This amendment would increase the proposed investments in the Equitable Development Initiative in 2022 by one percent and decreases the proposed investments in the Economic Revitalization category by one percent.

Table 4: Side by side comparison of Amendments 8-10 to RES 31957*

Spending Category (2022+ beyond)	Resolution 31957 as Introduced		Amendment 8 (CMs Herbold & Mosqueda)		Amendment 9 (CM Sawant)		Amendment 10 (CM Morales)	
	%	\$	%	\$	%	\$	%	\$
Housing and Services	60%	\$131 million	60%	\$131 million	68%	\$149 million	60%	\$131 million
<i>Affordable Rental Housing</i>	90%	\$118 million	85%	\$111 million	66%	\$98 million	90%	\$118 million
<i>Community Fund</i>	10%	\$13 million	10%	\$13 million	34%	\$51 million	10%	\$13 million
<i>Affordable Homeownership</i>	-	-	5%	\$6 million	-	-	-	-
Equitable Development Initiative	9%	\$20 million	9%	\$20 million	9%	\$20 million	10%	\$22 million
Economic Revitalization	17%	\$37 million	17%	\$37 million	9%	\$20 million	16%	\$35 million
Green New Deal	9%	\$20 million	9%	\$20 million	9%	\$20 million	9%	\$20 million
Start-up costs and ongoing administration	5%	\$11 million	5%	\$11 million	5%	\$11 million	5%	\$11 million
TOTAL	100%	\$219 million	100%	\$219 million	100%	\$219 million	100%	\$219 million

*Highlighted cells indicate a change from the RES as introduced.

Attachments:

- A. CB 119812: COVID Relief Spending Summary
- B. CB 119812: Amendment 1
- C. CB 119812: Amendment 2
- D. CB 119812: Amendment 3
- E. CB 119812: Amendment 4
- F. RES 31957: Amendment 1
- G. RES 31957: Amendment 2
- H. RES 31957: Amendment 3
- I. RES 31957: Amendment 4
- J. RES 31957: Amendment 5
- K. RES 31957: Amendment 6
- L. RES 31957: Amendment 7
- M. RES 31957: Amendment 8
- N. RES 31957: Amendment 9
- O. RES 31957: Amendment 10

cc: Kirstan Arestad, Executive Director

2020 Spending – Direct COVID Relief

Spending Category	Program Description	% of total	2020 Spending
Small Business Support	Support for Child Care Providers	4.2%	\$3.6 million
	Small Business Stabilization Fund - All other small businesses	16.4%	\$14.1 million
	Training, referral services, and technical assistance to support businesses	0.4%	\$0.3 million
	<i>Small Business Support - subtotal</i>	21%	<i>\$18 million</i>
Immediate Housing	Homelessness prevention programs & Rental assistance programs such as the United Way of King County’s Home Base program	22%	\$19 million
	Shelter de-intensification and housing or shelter options for unsheltered homeless individuals in non-congregate settings (e.g. tiny homes, hotels or motels)	13%	\$11 million
	Mortgage counseling and foreclosure prevention programs	1%	\$1 million
	Programs that support the ongoing service and operation costs of nonprofit affordable housing & shelter providers	6%	\$5 million
	<i>Immediate Housing - subtotal</i>	42%	<i>\$36 million</i>
Immigrant and Refugee Support	Direct financial assistance for immigrant and refugee households	20%	\$17 million
	Language access support for people who need help accessing and understanding assistance programs	1%	\$1 million
	<i>Immigrant and Refugee Support- subtotal</i>	21%	<i>\$18 million</i>
Food Security Programs	Continuation or expansion of the Emergency Grocery Voucher program	16%	\$14 million
	<i>Food Security - subtotal</i>	16%	<i>\$14 million</i>
TOTAL ANNUAL SPENDING:		100%	\$86 million

Amendment 1 To Council Bill (CB) 119812

Select Budget Committee

Sponsor: Chair Mosqueda¹

Amendatory language shown in track changes ~~track changes~~

Amend Section 2 pages 8-9, as follows:

Section 2. In order to pay for expenses and obligations to address the economic impacts caused by the COVID-19 epidemic that could not have been anticipated at the time of making the 2020 Budget, appropriations for the following items in the 2020 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
2.1	Executive (Office of Economic Development)	Emergency Fund (10102)	Business Services (BO-ED-X1D00)	\$14,448,000
2.2	Department of Education and Early Learning	Revenue Stabilization Fund (00166)	Early Learning (BO-EE-IL100)	\$3,612,000
2.3	Executive (Human Services Department)	Emergency Fund (10102)	Addressing Homelessness (BO-HS-H3000)	\$32,643,800
2.4	Executive (Office of Housing)	Emergency Fund (10102)	Homeownership & Sustainability (BO-HU-2000)	\$1,082,000 <u>\$1,708,200</u>
2.5	Executive (Office of Housing)	Revenue Stabilization Fund (00166)	Multifamily Housing (BO-HU-3000)	\$2,347,800 <u>\$1,721,600</u>
2.6	Executive (Office of Immigrant and Refugee Affairs)	Emergency Fund (10102)	Office of Immigrant and Refugee Affairs (BO-IA-X1N00)	\$18,100,000

¹ This amendment incorporates some of the substantive changes that were described in the July 1 central staff memo or changes described by a councilmember at the July 1 Committee meeting. If the change was initiated by a councilmember other than Chair Mosqueda, the sponsoring councilmember is listed in parentheses after the description of that specific change in the effect box at the end of this amendment.

2.7	Executive (Office of Sustainability & Environment)	Revenue Stabilization Fund (00166)	Office of Sustainability and Environment (BO-SE-X1000)	\$13,545,000
Grand Total				\$85,778,600

Amend Section 3, page 9, line 4, as follows:

Section 3. The City Council (“Council”) intends to replenish the Emergency Fund and Revenue Stabilization Fund as described in the ordinance introduced as Council Bill 119811 in 2021 and in Resolution 31957 using proceeds received from the tax authorized in Council Bill 119810.

Amend Section 4 to CB 118811 as follows:

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020 Adopted Budget, shall be subject to the following provisos:

~~1A.~~ Of the funding appropriated to the Office of Economic Development’s Business Services (BO-ED-X1D00) Budget Summary Level in the 2020 Adopted Budget, \$14.45 million of the funds shall be used to address the economic hardship small business owners and their employees, and nonprofit organizations and their employees, experience due to loss of business income, grant funding reductions, layoffs and reduced work hours for a significant percentage of this workforce as a result of the COVID-19 crisis and may be used for no other purpose. Up to five percent of these funds may be used for expenditures incurred by the department ~~or the community based nonprofit organizations (CBOs)~~ to administer the investments. The Council intends that this funding will be allocated as follows:

1. \$14.1 million to provide financial assistance to small business owners or operators and nonprofit organizations, with preference to brick and mortar small businesses, that would be used to reduce the economic hardship caused by COVID-19 crisis and assist small businesses and nonprofit organizations to comply with public health guidelines, thereby protecting the local economy by reducing the number of businesses or nonprofits that are permanently closed and jobs permanently lost due to the short- and long-term economic impacts caused by COVID-19.
2. \$315,000 to provide training, referral services, and technical assistance to support businesses, including assistance in preparing applications for federal

or state loans or grants that provide direct financial assistance to small businesses to prepare such businesses for the road to recovery.

3. The Council further intends that:
 - a. Up to \$10,000 in financial assistance may be provided to any single eligible small business owner or nonprofit organization under this proviso.
 - b. Assistance should be prioritized for businesses and nonprofit organizations who commit to not reducing wages and benefits provided prior to the COVID-19 emergency, and for business and nonprofit organizations who have historically, or recently, been unable to access -other forms of assistance through state or federal programs available to support businesses, including businesses owned by Black, Indigenous, and people of color, and those with limited English proficiency, and businesses in the creative industry. Any awards to those in the creative industry should be made in partnership with advocates in the creative industry sphere.
 - c. For purposes of this proviso, an eligible “small business” is defined as a business with five or fewer employees full time equivalent employees (FTEs) and an eligible “nonprofit organization” is a nonprofit with ten or fewer FTEs that provides community services that protect or enhance the health, safety, environment, or general welfare of people who live or work in Seattle.
 - d. The Executive should develop eligibility criteria for small businesses who have been economically impacted by the COVID-19 crisis and for whom such assistance will provide economic benefits to the public by saving or creating jobs, moderating impacts to local tax revenue by supporting continue operations of small businesses and ensuring that businesses can modify operations as necessary to comply with public health guidance.

2B. Of the funding appropriated to the Department of Education and Early Learning’s Early Learning (BO-EE-IL100) Budget Summary Level in the 2020 Adopted Budget, \$3.61 million of the funds shall be used to address the economic hardship ~~family~~-child care providers and their employees experience due to loss of income, layoffs and reduced work hours for a significant percentage of this workforce as a result of the COVID-19 crisis and may be used for no other purpose. Up to five percent of these funds may be used for expenditures incurred by the department ~~or the community based nonprofit organizations (CBOs)~~ to administer the investments. The Council intends that:

- A1. Up to \$10,000 in financial assistance may be provided to (1) any single eligible family child care provider and (2) other licensed child care providers that adhere to labor laws and has a commitment to labor harmony, under this proviso.

~~B2.~~ Up to \$500 in financial assistance may be provided to any single eligible family, friends, and neighbors (FFN) child care provider under this proviso.

~~E3.~~ Assistance should be prioritized for child care providers who commit to not reducing wages and benefits provided prior to the COVID-19 emergency, and for providers who have historically, or recently, been unable to access other forms of assistance through state or federal programs available to support businesses.

~~D4.~~ For purposes of this ordinance, (1) family child care is generally defined as licensed child care for mixed-age children and youth (0-12 years) provided by individuals operating in residential homes-; and (2) FFN child care is generally defined as an individual who is exempt from child care licensing requirements and provides in-home child care. FFN providers include grandparents, aunts and uncles, elders, older siblings, friends, neighbors, and others who help families by providing child care.

~~E5.~~ The Executive should develop eligibility criteria for ~~family~~ child care providers who have been economically impacted by the COVID-19 crisis and for whom such assistance will provide economic benefits to the public by saving or creating jobs, providing essential child care services as people return to work, and ensuring that ~~family~~-child care providers can modify operations as necessary to comply with public health guidance.

~~3C.~~ Of the funding appropriated to the Human Services Department's Addressing Homelessness (BO-HS-H3000) Budget Summary Level in the 2020 Adopted Budget, \$32.64 million of the funds shall be used to address housing insecurity by funding housing programs and services that support low-income households and people experiencing homelessness and may be used for no other purpose. Furthermore, none of the money so appropriated may be spent by the Department on congregate shelter. Up to five percent of these funds may be used for expenditures incurred by the department ~~or the CBOs~~ to administer the investments. The Council intends that the City will partner with CBOs that have a history of trust and success in reaching low-income communities and people experiencing homelessness, including experience reaching those who are traditionally marginalized or typically face barriers to enrolling in assistance programs, such as, but not limited to, language barriers, and other historically marginalized communities, to distribute the funds as follows:

~~A1.~~ \$19.5 million for existing homelessness prevention programs and rental assistance programs that serve individuals and families such as the United Way of King County's Home Base program and other programs to provide rental assistance; and

~~B2.~~ \$10.8 million for shelter de-intensification activities and housing or shelter options for unsheltered homeless individuals and families in non-congregate

settings, including costs for new tiny homes, acquiring or leasing hotels or motels or other buildings, or extending leases on such facilities; and

~~€3.~~ \$2.35 million to support the ongoing service and operation costs of shelter providers. Eligible service and operating costs can include, but are not limited to: personal protective equipment, overtime or premium pay for staff, food service, or cleaning supplies.

~~4D.~~ Of the funding appropriated to the Office of Housing's Homeownership & Sustainability (BO-HU-2000) Budget Summary Level in the 2020 Adopted Budget, \$1.1 million of the funds shall be used for mortgage counseling and foreclosure prevention programs, including costs for housing counselors, legal aid, service coordination, and direct financial assistance. The Council intends that the City will partner with CBOs that have a history of trust and success in reaching low-income communities, including experience reaching those who are traditionally marginalized or typically face barriers to enrolling in assistance programs, such as, but not limited to, language barriers, and other historically marginalized communities. Up to five percent of these funds may be used for expenditures incurred by the department ~~or the CBOs~~ to administer the investments.

~~5E.~~ Of the funding appropriated to the Office of Housing's Multifamily Housing (BO-HU-3000) Budget Summary Level in the 2020 Adopted Budget, \$2.35 million of the funds shall be used for programs that support the ongoing service and operation costs of nonprofit affordable housing providers. Eligible service and operating costs can include, but are not limited to: personal protective equipment, overtime or premium pay for staff, food service, or cleaning supplies. Up to five percent of these funds may be used for expenditures incurred by the department ~~or the CBOs~~ to administer the investments.

~~6F.~~ Of the funding appropriated to the Office of Immigrant and Refugee Affairs' ~~Office of Immigrant and Refugee Affairs~~ (BO-IA-X1N00) Budget Summary Level in the 2020 Adopted Budget, \$17.05 million shall be for (1) direct financial assistance to Seattle's low-income immigrant and refugee workers and households who have experienced the economic impacts caused by the COVID-19 crisis, and (2) to advise potential recipients of this temporary financial assistance to ensure it will not impact the recipients eligibility for, or result in loss of, any other income-tested benefits; and may be used for no other purpose. ~~Furthermore, and~~ \$1.05 million shall be for programs and services that provide language access support for low-income people who need help accessing and understanding federal, state and local assistance programs and may be spent for no other purpose. Up to ~~five-11~~ percent of these funds may be used for expenditures incurred by the department ~~or the community based nonprofit organizations (CBOs)~~ to administer the investments. The Council intends the following:

~~A1.~~ Prior to the expenditure of any funds for direct financial assistance, the Executive will partner with CBOs who have a history of trust and success in reaching immigrant and refugee communities to provide such assistance,

such as the organizations who worked with the City to distribute emergency grocery vouchers.

~~B.2~~ Assistance should include direct cash assistance, including pre-paid debit or credit cards, or other services to assist with basic living expenses. The maximum amount of financial assistance provided per individual ~~or household~~ will not exceed \$1,000.

~~C.3~~ CBOs will determine the eligibility, including criteria to confirm income eligibility, prioritizing those who experience structural or institutional barriers to accessing support from the government (e.g. language barriers, risk of deportation), are ineligible for other federal or state emergency assistance, or are receiving such assistance in a limited or delayed manner that does not meet their needs, or those who have had or whose families have had adverse health impacts from COVID. Requests for documentation of eligibility should comply with Seattle Municipal Code Section 4.18.015, ~~should not~~ impose an unnecessary burden on those applying for assistance, and should not unnecessarily delay the approval and distribution process.

~~7G~~. Of the funding appropriated to the Office of Sustainability and Environment's Office of Sustainability and Environment (BO-SE-X1000) Budget Summary Level in the 2020 Adopted Budget, \$13.6 million shall be used to continue and expand the Emergency Grocery Voucher program to allow more people participating in existing City programs to be served by this program and may be used for no other purpose. Existing City programs include, but are not limited to: Fresh Bucks, Utility Discount Program, Early Childhood Education and Assistance Program, Child Care Assistance Program, and the portion of the Seattle Preschool Program and the Pathway to Seattle Preschool Program that provide services to households that qualify for free tuition. Up to five percent of these funds may be used for expenditures incurred by the department or the CBOs to administer the investments.

The Council intends that vouchers will be made available for use at grocery stores participating in the existing Emergency Grocery Voucher program and expanded to include other community grocers and farmers markets. The Council intends that the Executive will work with CBOs that currently enroll people in the Fresh Bucks program to expand the use of vouchers by identifying culturally appropriate neighborhood grocers to participate in the voucher program.

Effect: This amendment (a) Makes technical corrections and clarifications and (b) incorporates substantive changes described in Central Staff's [June 30](#) memo. Change initiated by a CM other than Chair Mosqueda is noted after description of such changes below. If not noted, Chair Mosqueda is the sponsor.

Technical and clarifying changes:

- Correct typographical errors, renumbering sections, updating references, and other minor technical corrections throughout;
- Update the table in Section 2 to spend the balance of the Emergency Fund (\$66.9 million) and authorize spending from the Revenue Stabilization Fund for the remaining \$19 million. This was the intent but required an update to reflect current balances.
- Strengthen the proviso language to ensure spending in this category is not used for congregate shelters.

Substantive changes (by spending category)

- Small Business & Child Care Support
 - Expand eligibility criteria to allow small businesses with up to 10 FTEs (rather than five employees) to qualify for assistance and to include nonprofits with up to 10 FTEs. *(Sponsor: González and Strauss)*
 - Add in a priority to provide support to business owners with limited English proficiency. *(Sponsor: González)*
 - Expand eligibility criteria to include all child care providers that adhere to labor laws and have a commitment to labor harmony, and to include family, friends, and neighbor providers.
- Immigrant & Refugee Support
 - Allow up to \$1000 payments per eligible individual; this will allow, for example, a married couple to receive up to \$2000.
 - Increase admin support for the Office of Immigrant and Refugee Affairs from 5% to 11%. *(Sponsor: González)*
 - Expand eligible areas of spending to include providing services that will advise potential recipients of the direct financial support about how such assistance may impact their ability to remain eligible for other assistance programs. *(Sponsor: Herbold)*
 - Prioritize supporting those who experience structural or institutional barriers to accessing support from other government programs and require compliance with the City's requirements regarding making inquiries into immigration status. *(Sponsor: González)*

Amendment 2 To Council Bill (CB) 119812¹

Select Budget Committee

Sponsor: Councilmembers Morales & Lewis

Amendatory language shown in ~~track changes~~ track changes

Amend Section 4, page 11, lines 8-26 as follows:

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020 Adopted Budget, shall be subject to the following provisos:

* * *

~~3~~C. Of the funding appropriated to the Human Services Department’s Addressing Homelessness (BO-HS-H3000) Budget Summary Level in the 2020 Adopted Budget, \$32.64 million of the funds shall be used to address housing insecurity by funding housing programs and services that support low-income households and people experiencing homelessness and may be used for no other purpose. Furthermore, none of the money so appropriated may be spent by the department on congregate shelter. Up to five percent of these funds may be used for expenditures incurred by the department to administer the investments. The Council intends that the City will partner with CBOs that have a history of trust and success in reaching low-income communities and people experiencing homelessness, including experience reaching those who are traditionally marginalized or typically face barriers to enrolling in assistance programs, such as, but not limited to, language barriers, and other historically marginalized communities, to distribute the funds as follows:

~~A~~1. \$19.5 million for existing homelessness prevention programs and rental assistance programs that serve individuals and families such as the United Way of King County’s Home Base program and other programs to provide rental assistance; and

~~B~~2. \$10.8 million for shelter de-intensification activities and housing or shelter options for unsheltered homeless individuals and families in non-congregate settings, including costs for new tiny homes, acquiring or leasing hotels or motels or other buildings, or extending leases on such facilities. At least \$3.6 million of this funding shall be used to establish four or five new or expanded tiny home villages; and

~~C~~3. \$2.35 million to support the ongoing service and operation costs of shelter providers. Eligible service and operating costs can include, but are not limited to: personal protective equipment, overtime or premium pay for staff, food service, or cleaning supplies.

¹ This amendment assumes passage of Amendment 1 to CB 119812.

* * *

Effect: This amendment would allocate at least \$3.6 million of the \$10.8 million of authorized spending for shelter de-intensifications efforts to establish new tiny home villages. This could accommodate between four and five new villages depending on a variety of factors, such as the opening date that impacts the cost to provide services at the villages in 2020, site conditions, and size of village (see more details in the table below that presents different funding scenarios).

Any new villages established in 2020 will have on-going operational costs that will require identifying funding to support such operations in 2021 and beyond. The operational costs for five villages in 2021 are estimated at \$4.5 million, and \$3.6 million for four villages.

	Number Villages	Set-up Cost	Opening Date	Operations	Total
Scenario 1	5	\$3,000,000	Dec. 1, 2020 (perhaps Nov. 15)	\$375,000	\$3.375 million
Scenario 2	4	\$2,400,000	Oct. 1, 2020	\$900,000	\$3.3 million
Scenario 3	5	\$3,000,000	Nov. 1, 2020	\$750,000	\$3.75 million

- Scenario 1 assumes it takes three to four months to negotiate a contract with a service provider and commence operations.
- Scenario 2 assumes it takes two months to negotiate the agreements and commence operations.
- Scenario 3 splits the difference between scenario 1 and scenario 2.

Amendment 3 to Council Bill (CB) 119812

Select Budget Committee

Sponsor: Councilmember Strauss

Amendatory language shown in track changes ~~track changes~~

Amend Section 2 page 8, as follows:

Section 2. In order to pay for expenses and obligations to address the economic impacts caused by the COVID-19 epidemic that could not have been anticipated at the time of making the 2020 Budget, appropriations for the following items in the 2020 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
2.1	Executive (Office of Economic Development)	Emergency Fund (10102)	Business Services (BO-ED-X1D00)	\$14,448,000
<u>2.2</u>	<u>Executive (Office of Economic Development)</u>	<u>Revenue Stabilization Fund (00166)</u>	<u>Business Services (BO-ED-X1D00)</u>	<u>\$9,000,000</u>
<u>2.23</u>	Department of Education and Early Learning	Revenue Stabilization Fund (00166)	Early Learning (BO-EE-IL100)	\$3,612,000
<u>2.34</u>	Human Services Department	Emergency Fund (10102)	Addressing Homelessness (BO-HS-H3000)	\$32,643,800
<u>2.45</u>	Executive (Office of Housing)	Emergency Fund (10102)	Homeownership & Sustainability (BO-HU-2000)	\$1,708,200
<u>2.56</u>	Executive (Office of Housing)	Revenue Stabilization Fund (00166)	Multifamily Housing (BO-HU-3000)	\$1,721,600
<u>2.67</u>	Executive (Office of Immigrant and Refugee Affairs)	Emergency Fund (10102)	Office of Immigrant and Refugee Affairs (BO-IA-X1N00)	\$18,100,000

2.78	Executive (Office of Sustainability & Environment)	Revenue Stabilization Fund (00166)	Office of Sustainability and Environment (BO-SE-X1000)	\$13,545,000
Total				\$85,778,600 \$94,778,600

Amend Section 4, page 10, line 5, as follows:

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020 Adopted Budget, shall be subject to the following provisos:

A. Of the funding appropriated to the Office of Economic Development’s Business Services (BO-ED-X1D00) Budget Summary Level in the 2020 Adopted Budget, \$23.45 million of the funds shall be used to address the economic hardship small business owners and their employees experience due to loss of business income, layoffs and reduced work hours for a significant percentage of this workforce as a result of the COVID-19 crisis and may be used for no other purpose. Up to five percent of these funds may be used for expenditures incurred by the department or the community based nonprofit organizations (CBOs) to administer the investments. The Council intends that this funding will be allocated as follows:

1. ~~\$14.1~~23.1 million to provide financial assistance to small business owners or operators and nonprofit organizations that would be used to reduce the economic hardship caused by COVID-19 crisis and assist small businesses and nonprofit organizations to comply with public health guidelines, thereby protecting the local economy by reducing the number of businesses or nonprofits that are permanently closed and jobs permanently lost due to the short- and long-term economic impacts caused by COVID-19.
2. \$315,000 to provide training, referral services, and technical assistance to support businesses, including assistance in preparing applications for federal or state loans or grants that provide direct financial assistance to small businesses to prepare such businesses for the road to recovery.

* * *

Effect: This amendment adds \$9 million in spending from the reserve funds to provide additional support for small businesses. This would increase the total amount of spending authorized by CB 119812 for small business relief from \$14.1 million to \$23.1 million, increasing total spending in 2020 to \$95 million. If this amendment is adopted, an amendment to Resolution 31957 will be necessary to reflect the increased spending. If this amendment is adopted, after this proposed spending, the reserve funds would have revised balances as follows:

2020 Amounts	EMF	RSF	Total
Budgeted Balanced (2020 Adopted Budget)	\$66,900,000	\$60,800,000	\$127,700,000
CB 119812 proposed uses with this amendment	(\$66,900,000)	(\$27,878,600)	(\$94,778,600)
CB 119825 - Rebalancing Package	\$0	(\$29,030,000)	(\$29,030,000)
Revised Balances after proposed uses	\$0	\$3,891,400	\$3,891,400

Amendment 4 to Council Bill (CB) 119812

Select Budget Committee

Sponsor: Councilmember Strauss

Amendatory language shown in track changes ~~track changes~~

Add a new Section as follows

Section 4. The appropriations in Section 2 of this ordinance, amending the 2020 Adopted Budget, shall be subject to the following provisos:

* * *

Section 5. The Council intends to consider additional actions to support small businesses through a future ordinance that could reduce business and occupation tax obligations for certain small businesses.

Section 6. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Effect: This amendment affirms the Council's intent to consider legislation that would reduce the tax obligations for small businesses. The intent is to consider the needs of small businesses along with the potential impacts the reduced B&O tax revenue may have on the City's funds.

Amendment 1 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Mosqueda

Amendatory language shown in track changes ~~track changes~~

Amend to the recitals to RES 31957 as follows:

WHEREAS, on July 6, 2020, the City Council (“Council”) adopted the ordinance introduced as Council Bill (CB) 119810, authorizing the collection of a new payroll expense tax (“payroll tax”) to be imposed beginning January 2021; and

WHEREAS, the new payroll tax is anticipated to generate about \$214.3 million in proceeds in 2021, as shown in the spending plan included as Attachment 1 to this ordinance; and

WHEREAS, on July 6, 2020, the Council adopted the ordinance introduced as CB 119811, establishing the categories of spending authorized for use of the proceeds generated from the payroll tax; and

WHEREAS, the affordable housing crisis, homelessness emergency, and now the COVID-19 pandemic and related economic and unemployment emergencies, in Seattle are deeply impacting the lives of people throughout Seattle and the region and disproportionately harms people of color, immigrants, the LGBTQ community, indigenous peoples’ communities, disabled community members, and women, who already struggle against entrenched inequality; and

WHEREAS, the City is committed to advocating and working with public and private funders of housing to modify housing policies to support development of housing with enhanced green building and labor standards; and

WHEREAS, the new tax will generate significant funds that will increase the construction and preservation of new permanently affordable housing units for low-income households to address the housing affordability and homelessness crisis, will contribute to reducing Seattle's climate pollution, and will in the process support living-wage jobs, and in doing so will help the City make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, the new payroll tax is expected to provide new and sufficient revenues to allow the City, in 2021, to replenish emergency funds used in 2020 to make public assistance available to households and businesses impacted by the COVID-19 civil emergency and to provide resources to maintain services and provide longer terms solutions to address the inequities exacerbated by the COVID-19 crisis; NOW, THEREFORE,

Effect: This amendment adds a recital confirming the City's commitment to advocate and work with other public and private housing funders to modify housing funding policies to support the development of housing with enhanced green building and labor standards.

Amendment 2 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Mosqueda

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 4, line 12; page 6, line 7 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

* * *

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

* * *

2. Housing and services. Sixty percent of the proceeds may be used as follows:

* * *

b. Ten percent of the funds for housing and services may be used for a community focused acquisition, development, and program support fund to affirmatively further fair housing and to address past discriminatory policies and practices, such as redlining, restrictive racial covenants, and other discriminatory practices that have resulted in certain populations and neighborhoods prospering at the expense of others. The Office of Housing is expected to administer this fund in consultation with the Office of Planning and Community

Development's Equitable Development Initiative (EDI) team, including seeking input from the permanent EDI advisory committee.

* * *

3. Equitable Development Initiative. Nine percent of the proceeds may be used to support the Equitable Development Initiative (EDI). Funding may be used to support community-initiated equitable development projects that advance economic mobility and opportunity, prevent residential, commercial, and cultural displacement, build on local cultural assets, promote transportation mobility and connectivity, develop healthy and safe neighborhoods, and enable equitable access to all neighborhoods. Funds would be appropriated to the Office of Planning and Community Development and allocated through the EDI's existing established funding process for awarding EDI grants. This funding may be used to support both the non-housing and affordable housing components of EDI projects; this shall include funding to support community capacity development, real estate development, and other EDI grant categories. Investments in EDI projects that include an affordable housing component will be prioritized. In addition, criteria for distribution of this funding (or EDI funds) should include prioritizing projects sponsored by organizations with diverse representation on their boards, i.e. includes board members who reflect the communities these projects will serve.

Effect: Adds language (1) stating expectation that the Office of Housing will involve the Office of Planning and Community Development's EDI staff team and input from the permanent EDI advisory committee in the administration of the new community fund; and (2) to allow additional criteria for allocation of EDI funds to include prioritizing projects sponsored by organizations with diverse community representation on their boards.

Amendment 3 to Resolution 31957

Select Budget Committee

Sponsor: Councilmembers Mosqueda & Morales

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 13, lines 14-16, to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

* * *

5. Green New Deal. Nine percent of the proceeds may be used for investments that advance Seattle's Green New Deal (GND) as described in Resolution 31895. Specific investment proposals are expected to be informed by recommendations from the GND Oversight Board and stakeholders representing~~Investments should be prioritized in~~ (1) communities historically most harmed by economic, racial, and environmental injustice; and (2) workers who are in jobs that may be displaced as a result of implementation of this resolution, along with their unions, to work with them on just transition recommendations that have the objective of eliminating economic harm to affected workers. Investments will focus on contracting with entities that provide a safe, healthy, and economically beneficial working environment and who adhere to labor laws and have a commitment to labor harmony for their employees and provide a path to living wage jobs. Investments will be prioritized in communities disproportionately burdened by pollution and environmental hazards identified through analysis of socioeconomic and population health risk factors. The specific program areas prioritized for use of these funds includes:

a. Transitioning housing units in single-family and multifamily residential buildings from the use of natural gas and heating oil to electricity, and other strategies to improve the overall energy efficiency of these buildings;

b. Investing in job training programs to equip workers with the necessary skills to thrive in a green economy and ensure a just transition for workers whose jobs currently

depend on the fossil fuel industry or who have been impacted by the COVID-19 economic and unemployment crisis, and prepare new workers to support the transition to renewable energy jobs; and

c. Funding to support outreach, education, and technical assistance programs. The Executive is expected to partner with community based organizations to design and implement outreach, education, and technical assistance programs that have a history of trust and success in reaching low-income and low-wage communities, Black, Indigenous (American Indian / Alaskan Native), and People of Color, and immigrant, refugee, and limited English proficiency communities.

d. Funding to support the GND Oversight Board, including staffing costs and providing compensation to board members if participation on the board presents a financial hardship, as described in Seattle Municipal Code subsection 3.14.979.E.

Effect: The amendment:

- Adds language stating expectation that GND investment proposals will be informed by GND Oversight Board and other stakeholders representing communities harmed by economic, racial, and environmental injustice and workers who may be displaced by spending plan investments; and
- Adds language stating prioritized program areas for funding include: transitioning single and multi-family housing from use of natural gas or oil to electricity, and other strategies to improve energy efficiency of housing; investing in job training programs to equip workers to thrive in green economy; outreach, education, and technical assistance provided by community based organizations to low income, low wage communities, people of color, and immigrant and refugees and limited English proficiency communities; support for the GND Board, including staffing costs and board member compensation.

Amendment 4 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Mosqueda

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 6, lines 10-23, page 7, lines 1-12 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

* * *

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

* * *

4. Economic revitalization. Seventeen percent of the proceeds may be used to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city's workforce. Investments will prioritize programs and services that diversify the local economy and improve job quality. This should include, including investing in labor-management training programs and partnerships with organizations whose work focuses on innovative workforce strategies that support and create jobs with strong pay and benefits and provide workforce training, and aligns with the Green New Deal (GND) spending category described in this resolution . This funding is intended to address the economic hardship

small business owners and their employees, and nonprofit organizations and their employees, have experienced due to loss of business income, grant funding reductions, increased operational costs, etc., as a result of the COVID-19 emergency. This will include:

a. At least \$650,000 in 2022 to contract with an organization with expertise and experience in developing a plan and can act as a catalyst to launch programs and services that will help transition a just local economy that provides stable, safe, and healthy family sustaining jobs, and advance the goals of the GND. The Council expects that, in 2021, the Executive will convene a group that includes, but is not limited to, representatives from City departments, labor organizations, ~~and~~ small businesses, and advocates for Seattle's GND, to develop the scope of work and to select a firm to carry out this work in 2022.

b. Funding to support worker training and retraining programs for workers (1) in industries disproportionately harmed by the economic impacts from the COVID-19 emergency; (2) entering new jobs industries that are growing or are expected in the future; and (3) who are in jobs that may be displaced to due to implementation of new policies or regulations, such as workers whose jobs currently depend on the fossil fuel industry and whose jobs may be displaced as the City implements GND strategies. This should include programs that assist workers who are transitioning between professions to ensure that such a transition offers comparable or improved pay and benefits.

c. ~~Any remaining funds will be used~~ Funding to invest in nonprofits, micro businesses, and small businesses, and mid-sized businesses disproportionately impacted by the COVID-19 crises. Funding may also be used to support business organizations, and nonprofit organizations, for activities that enable ~~small~~ those businesses or nonprofit organizations to stay in or, if already displaced, to return to their communities and promote and support business

~~districts and tourism, and to support community, business districts, and other business organizations focused on retaining and growing the workforce, including job training programs that provide a path to careers that provide family-sustaining wages and benefits for Seattle residents. This should include programs to train workers for careers that assist people who are transitioning between professions to ensure that such a transition offers comparable or improved pay and benefits. Spending will focus on prioritizing an equitable distribution of these supports, with preference to fund that to businesses, and business organizations, and nonprofit organizations:~~

~~i. That provide a safe, healthy, and economically beneficial working environment for their employees by providing a safe working environment that includes, but is not limited to: codes of conduct, health care benefits, educational benefits, retirement benefits, and living wage standards;~~

~~ii. ~~From~~ marginalized Seattle communities such as those led by Black, Indigenous, and People of Color (BIPOC), immigrant and refugee communities and those with limited English proficiency, LGBTQIA+ communities, and low-income communities;~~

~~iii. That have experienced economic hardships as a result of the COVID-19 emergency; and, who provide a safe, healthy, and economically beneficial working environment for their employees by providing a safe working environment that includes, but is not limited to: codes of conduct, health care benefits, educational benefits, retirement benefits, living wage standards, and entering into a labor peace agreement with employees.~~

~~iv. That have business models that support The City of Seattle's goals to eliminate climate pollution by 2030.~~

The Council intends that businesses, business organizations, and nonprofit organizations throughout the City will be eligible to apply and that the preference categories described in this resolution are not intended to dissuade any eligible business from applying for funds.

d. Funding to support outreach, education, and technical assistance programs to ensure that businesses, business organizations, and nonprofit organizations are well positioned to compete for funding and to ensure that programs and services support the needs of these organizations.

* * *

Amend Attachment 1 to RES 31957 as shown on the next page.

Effect: This amendment modifies the description of proposed investments under the economic revitalization spending category to add details for investments in businesses, workforce development, and business districts to include, for example, programs that retrain workers who are transitioning to a new profession, identifies criteria to be considered for prioritizing these investments, specifies that this funding can be used for outreach and education, and connects these investments with related strategies under the Green New Deal spending category.

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
Continuity of Services	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% ¹	\$96 million
COVID Relief - continued	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% ¹	\$26 million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue <u>estimate</u>)			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$131 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million

¹ After replenishing the emergency fund

² In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

Business Support Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$37 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
	Start-up costs and ongoing administration	5%	\$11 million
TOTAL ANNUAL SPENDING:		100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$148 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
Business Support Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$42 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
	Start-up costs and ongoing administration	5%	\$12 million
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.

Amendment 5 To Resolution 31957

Select Budget Committee

Sponsor: Councilmember Juarez

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 2, line 12 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution. The Council intends that the investments described in this resolution are equitably distributed throughout the City, including funding programs serving low-wage working people, families, and individuals, homeless individuals and families, Black, Indigenous, People of Color (BIPOC) and other historically marginalized communities who have faced barriers to equitable access to housing, employment, and other opportunities, and small businesses owners, who live or work in neighborhoods across the City.

Effect: This amendment adds language confirming the Council's intent that investments are equitably distributed, providing needed support and services to people living and working in neighborhoods across the city.

Amendment 6 to Resolution 31957

Select Budget Committee

Sponsor: Councilmembers González, Herbold, and Morales

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 4, line 7 RES 31957 as follows:

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

* * *

2. Housing and services. Sixty percent of the proceeds may be used as follows:

a. Ninety percent of the funds for housing and services may be used for

(1) capital costs associated with the construction or acquisition of rental housing serving households with incomes at or below 30 percent of area median income (AMI), but may be used to support housing serving households with incomes at or below 60 percent of AMI, when required to support the operational costs of a proposed housing project. Such housing shall include, but is not limited to, housing serving people with disabilities, the elderly, low-wage working people, homeless individuals and families, and families with children; (2) operating and services costs of rental housing serving households with incomes at or below 30 percent of AMI; and (3) associated infrastructure to support the ongoing operations costs for the housing, such as maintenance, retrofitting, and energy efficient upgrades to support the housing. In addition, the Council requests that the Executive works with organizations representing renters and those representing landlords to determine the need for a new rental assistance program. This should include considering programs designed to: help those most in need, reduce the application burden on tenants, preserve naturally occurring affordable housing, and consider the unique financial circumstances smaller landlords may face. A recommendation for such a program, including the amount of funding needed, should be included in the implementation plan submitted to the Council in 2021, as required by the ordinance introduced as CB 119811; and

b. Ten percent of the funds for housing and services may be used for a community focused acquisition, development, and program support fund to affirmatively further fair housing and to address past discriminatory policies and practices, such as redlining, restrictive racial covenants, and other discriminatory practices that have resulted in certain populations and neighborhoods prospering at the expense of others.

* * *

Effect: This amendment would require that the Executive considers the development of a new rental assistance program and allows for this program to be funded with the payroll tax revenues allocated to support investments in housing and services.

Amendment 7 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Strauss

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 2, line 13, to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

A. In 2021, the first ~~\$86~~\$95 million may be used to replenish the City's Emergency Fund and Revenue Stabilization Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19. Any remaining proceeds from the payroll tax are intended to be used as follows:

* * *

Amend Attachment 1 to RES 31957 as shown on the last page of this amendment.

Effect: Modifies Resolution 31957 to increase the allocation of payroll tax revenues that will be needed in 2021 to replenish the reserve funds reduced in 2020 to support the spending authorized in the COVID Relief Bill (CB 119812). This would increase the total amount to \$95 million in 2021 to replenish funds and reduce the other categories of spending. This amendment is only needed if Amendment 3 to CB 119812 is adopted.

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$ 86 <u>95</u> million
Continuity of Services	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% ¹	\$ 96 <u>89</u> million
COVID Relief - continued	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% ¹	\$ 26 <u>24</u> million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue estimate)			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$131 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$37 million

¹ After replenishing the emergency fund

² In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
	Start-up costs and ongoing administration	5%	\$11 million
TOTAL ANNUAL SPENDING:		100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$148 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$42 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
	Start-up costs and ongoing administration	5%	\$12 million
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.

Amendment 8 To Resolution 31957

Select Budget Committee

Sponsor: Councilmembers Herbold & Mosqueda

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 3, line 21, page 4, line 13 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

* * *

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

* * *

2. Housing and services. Sixty percent of the proceeds may be used as follows:

a. ~~Ninety percent~~Eighty-five percent of the funds for housing and services may be used for (1) capital costs associated with the construction or acquisition of rental housing serving households with incomes at or below 30 percent of area median income (AMI), but may be used to support housing serving households with incomes at or below 60 percent of AMI, when required to support the operational costs of a proposed housing project. Such housing shall include, but is not limited to, housing serving people with disabilities, the elderly, low-wage working people, homeless individuals and families, and families with children; (2) operating and services costs of rental housing serving households with incomes at or below 30 percent of AMI; and (3) associated infrastructure to support the ongoing operations costs for the housing, such as maintenance, retrofitting, and energy efficient upgrades to support the housing; and

b. Ten percent of the funds for housing and services may be used for a community focused acquisition, development, and program support fund to affirmatively further fair housing and to address past discriminatory policies and practices, such as redlining,

restrictive racial covenants, and other discriminatory practices that have resulted in certain populations and neighborhoods prospering at the expense of others.

c. Five percent of the funds for housing and services may be used for permanently affordable homeownership opportunities serving households with incomes at or below 80 percent of AMI. Funds will assist households who are at risk of displacement from their communities or who have faced barriers to equitably accessing homeownership in all parts of the due to past discriminatory policies and practices, such as redlining, mortgage lending discrimination, or restrictive racial covenants. Funds may be used for homeowner loans, program support costs, or other costs related to the development of permanently affordable homes.

ed. It is the Council’s intent that new construction of housing projects funded with the payroll tax will be built consistent with the City’s Housing Funding Policies as adopted by Ordinance 125852, and are consistent with the following:

* * *

Amend Attachment 1 to RES 31957 as shown on the next page.

Effect: This amendment allocates 5% of the funds under “Housing and Services” to investments in permanently affordable homeownership programs serving households with incomes up to 80% of area median income and decreases by 5% the funds allocated for affordable rental housing investments. These investments would be prioritized to affirmatively further fair housing and to address past discriminatory policies and practices.

Spending Category (2022+ beyond)	As Introduced		Herbold Amendment	
	%	\$	%	\$
Housing and Services	60%	\$131 million	60%	\$131 million
<i>Affordable rental housing</i>	90%	\$118 million	85%	\$111 million
<i>Community driven fund</i>	10%	\$13 million	10%	\$13 million
<i>Affordable Homeownership</i>	-	-	5%	\$6 million
Equitable Development Initiative	9%	\$20 million	9%	\$20 million
Economic Revitalization	17%	\$37 million	17%	\$37 million
Green New Deal	9%	\$20 million	9%	\$20 million
Start-up costs and ongoing administration	5%	\$11 million	5%	\$11 million
TOTAL	100%	\$219 million	100%	\$219 million

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
Continuity of Services	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% ¹	\$96 million
COVID Relief - continued	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% ¹	\$26 million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue estimate)			
Housing and Services	<ul style="list-style-type: none"> - 9085% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices - 5% for affordable homeownership programs serving households with incomes up to 80% of AMI 	60%	\$131 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$37 million

¹ After replenishing the emergency fund

² In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
	Start-up costs and ongoing administration	5%	\$11 million
TOTAL ANNUAL SPENDING:		100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	<ul style="list-style-type: none"> - 985% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices - <u>5% for affordable homeownership programs serving households with incomes up to 80% of AMI</u> 	60%	\$148 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$42 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
	Start-up costs and ongoing administration	5%	\$12 million
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.

Amendment 9 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Sawant

Amendatory language shown in ~~track changes~~ track changes

Amend Section 1, page 3, lines 20-21, page 4, lines 8-12, to RES 31957 as follows:

* * *

2. Housing and services. Sixty~~-eight~~ percent of the proceeds may be used as follows:

a. ~~Ninety-Sixty-six~~ percent of the funds for housing and services may be used for (1) capital costs associated with the construction or acquisition of rental housing serving households with incomes at or below 30 percent of area median income (AMI), but may be used to support housing serving households with incomes at or below 60 percent of AMI, when required to support the operational costs of a proposed housing project. Such housing shall include, but is not limited to, housing serving people with disabilities, the elderly, low-wage working people, homeless individuals and families, and families with children; (2) operating and services costs of rental housing serving households with incomes at or below 30 percent of AMI; and (3) associated infrastructure to support the ongoing operations costs for the housing, such as maintenance, retrofitting, and energy efficient upgrades to support the housing; and

b. ~~Ten-Thirty-four~~ percent of the funds for housing and services may be used for a community focused acquisition, development, and program support fund to affirmatively further fair housing and to address past discriminatory policies and practices, such as redlining, restrictive racial covenants, and other discriminatory practices that have resulted in certain populations and neighborhoods prospering at the expense of others. The goal is to create 1,000 affordable units in the Central Area and other impacted communities within the first ten years. This housing shall serve households with incomes at or below 80 percent of AMI. Such housing should include a mix of unit types (studios, and one-, two-, and three-bedroom units). Consistent with the City's Housing Funding Policies as adopted by Ordinance 125308 and amended by Ordinance 125852 in 2019, owners are required to affirmatively market affordable rental and homeownership housing, taking proactive steps to promote fair access and equal

opportunity, so that individuals of similar economic levels in the same housing market area have a range of housing choices regardless of their race, familial status, disability or other protected class status. Owners shall require community preference for a portion of the housing units to address displacement, provided it can be done consistent with fair housing legal principles. Housing owners with units subject to required tenant referral arrangements, including, for example King County's Coordinated Entry for All system, will continue to receive referrals through the system approved by service funders.

c. It is the Council's intent that new construction of housing projects funded with the payroll tax will be built consistent with the City's Housing Funding Policies as adopted by Ordinance 125852, and are consistent with the following:

i. Requirements and goals that advance labor equity outcomes, such as: the payment of prevailing wages, apprenticeship utilization, and employment of Women and Minority Owned Businesses. Imposing additional requirements including, but not limited to: preferred entry to apprenticeship programs, requirements for pre-apprenticeship, mentoring or other training programs, and utilization of workers from economically distressed areas, will be considered for new construction housing projects based on the results of the evaluation of the 2nd and Mercer housing pilot project, expected in mid-2021. The implementation plan that will be adopted by the City Council in 2021 will guide spending for 2022 and 2023, and may impose further labor equity-related requirements for new construction projects and recommend any needed amendments to the City's Housing Funding Policies to impose such requirements.

ii. Prioritize projects that advance equitable development goals and address displacement, including those proposed or supported by local, community-based, non-profit organizations that are culturally relevant and historically rooted, particularly when the project site is in an area that is at high risk for displacement.

iii. Utilize well-located publicly owned properties to achieve cost savings for affordable housing development through reduced or no-cost land transfers, favorable purchase terms, and efficient funding and disposition processes.

iv. Housing projects funded entirely with this tax will be constructed with building systems that do not rely on the use of fossil fuels. Eliminating use of fossil fuels in building operations has strong climate benefits, such as reducing greenhouse gas

emissions, but may result in higher construction costs. Because other funding sources that can leverage the City's investments in affordable housing often prioritize funding projects with lower construction costs, this requirement may impact the ability to compete for those funds. The City will work with other public and private entities that fund affordable housing development to align funding policies that support development of housing designed to reduce building emissions and reduce reliance on fossil fuels.

3. Equitable Development Initiative. Nine percent of the proceeds may be used to support the Equitable Development Initiative (EDI). Funding may be used to support community-initiated equitable development projects that advance economic mobility and opportunity, prevent residential, commercial, and cultural displacement, build on local cultural assets, promote transportation mobility and connectivity, develop healthy and safe neighborhoods, and enable equitable access to all neighborhoods. Funds would be appropriated to the Office of Planning and Community Development and allocated through the EDI's existing established funding process for awarding EDI grants. This funding may be used to support both the non-housing and affordable housing components of EDI projects; this shall include funding to support community capacity development, real estate development, and other EDI grant categories. Investments in EDI projects that include an affordable housing component will be prioritized.

4. Economic revitalization. ~~Seventeen-Nine~~ percent of the proceeds may be used to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city's workforce. Investments will prioritize programs and services that diversify the local economy and improve job quality, including investing in labor-management training programs and partnerships with organizations whose work focuses on innovative workforce strategies that support and create jobs with strong pay and benefits and provide workforce training. This will include:

* * *

Amend Attachment 1 to RES 31957 as shown on the last page of this amendment.

Effect: This amendment:

- Increases the allocation of funds for the “Housing and Services” spending category from 60% to 68% and decrease the allocation of funds for the “Economic Revitalization” spending category from 17% to 9%
- Modifies the allocation of funds under the housing and services category to increase the amount directed to create a new community driven fund
- Adds language that requires owners of housing funded from the community driven fund to affirmatively market and utilize community preference for such housing and states a goal of funding at least 1,000 affordable units in the Central District and other impact communities within the first 10 years
- Adds language allowing housing funded with the community driven fund to serve households with incomes up to 80% of AMI, and modifies the allocation of funds beginning in year 2022 as follows:

Spending Category (2022+ beyond)	As Introduced		Sawant Amendment	
	%	\$	%	\$
Housing and Services	60%	\$131 million	68%	\$149 million
<i>Affordable rental housing</i>	90%	\$118 million	66%	\$98 million
<i>Community driven fund</i>	10%	\$13 million	34%	\$51 million
Equitable Development Initiative	9%	\$20 million	9%	\$20 million
Economic revitalization	17%	\$37 million	9%	\$20 million
Green New Deal	9%	\$20 million	9%	\$20 million
Start-up costs and ongoing administration	5%	\$11 million	5%	\$11 million
TOTAL	100%	\$219 million	100%	\$219 million

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
Continuity of Services	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% ¹	\$96 million
COVID Relief - continued	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% ¹	\$26 million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue estimate)			
Housing and Services	- 9066 % for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 1034 % for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices	6068 %	\$131-149 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	179 %	\$37-20 million

¹ After replenishing the emergency fund

² In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
	Start-up costs and ongoing administration	5%	\$11 million
TOTAL ANNUAL SPENDING:		100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	- 9066 % for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 1034 % for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices	6068 %	\$148-167 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	179 %	\$42-22 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
	Start-up costs and ongoing administration	5%	\$12 million
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.

Amendment 10 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Morales

Amendatory language shown in ~~track changes~~ track changes

Amend Section 1, page 5, line 19, page 6, line 8, and page 7, line 13, to RES 31957 as follows:

* * *

3. Equitable Development Initiative. ~~Nine-Ten~~ percent of the proceeds may be used to support the Equitable Development Initiative (EDI). Funding may be used to support community-initiated equitable development projects that advance economic mobility and opportunity, prevent residential, commercial, and cultural displacement, build on local cultural assets, promote transportation mobility and connectivity, develop healthy and safe neighborhoods, and enable equitable access to all neighborhoods. Funds would be appropriated to the Office of Planning and Community Development and allocated through the EDI's existing established funding process for awarding EDI grants. This funding may be used to support both the non-housing and affordable housing components of EDI projects; this shall include funding to support community capacity development, real estate development, and other EDI grant categories. Investments in EDI projects that include an affordable housing component will be prioritized.

4. Economic revitalization. ~~Seventeen-Sixteen~~ percent of the proceeds may be used to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city's workforce. Investments will prioritize programs and services that diversify the local economy and improve job quality, including investing in labor-management training programs and partnerships with organizations whose work focuses on

innovative workforce strategies that support and create jobs with strong pay and benefits and provide workforce training. This will include:

* * *

Amend Attachment 1 to RES 31957 as shown on the next page.

Effect: This amendment would increase the proposed investments in the Equitable Development Initiative in 2022 by 1% and decreases the proposed investments in the Economic Revitalization category by 1%, as follows:

Spending Category	Resolution as Introduced	Proposed Amendment
Housing and Services	60%	60%
Equitable Development Initiative	9%	10%
Economic Revitalization	16%	15%
Green New Deal	9%	9%
Start-up costs and ongoing administration	5%	5%
TOTAL	100%	100%

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
Continuity of Services	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% ¹	\$96 million
COVID Relief - continued	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% ¹	\$26 million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue <u>estimate</u>)			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$131 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9 10%	\$20 22 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17 16%	\$37 35 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million

¹ After replenishing the emergency fund

² In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

Start-up costs and ongoing administration	5%	\$11 million
TOTAL ANNUAL SPENDING:	100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	<ul style="list-style-type: none"> - 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$148 million
Equitable Development Initiative	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	10 910%	\$22-25 million
Economic Revitalization	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17 16%	\$42-39 million
Green New Deal	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
Start-up costs and ongoing administration		5%	\$12 million
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.

Amendments to COVID Relief Bill (CB 119819)

AM #	ATT #	Sponsor	Subject	Effect
1	B	Mosqueda	Various changes	(a) Make technical corrections and clarifications and (b) incorporates substantive changes described in Central Staff’s June 30 memo. Changes initiated by a CM other than Chair Mosqueda are noted in the amendment sheet included as Attachment B to this memo.
2	C	Morales & Lewis	New Tiny Home Villages	Allocate at least \$3.6 million of the \$10.8 million of authorized spending for shelter de-intensifications efforts to establish new tiny home villages. This could accommodate between four and five new villages depending on a variety of factors, such as the opening date that impacts the cost to provide services at the villages in 2020, site conditions, and size of village. Any new villages established in 2020 will have on-going operational costs that will require identifying funding to support such operations in 2021 and beyond. The operational costs for five villages in 2021 are estimated at \$4.5 million, and \$3.6 million for four villages.
3	D	Strauss	Small business support	Add \$9 million in spending from the reserve funds to provide additional support for small businesses. This would increase the total amount of spending authorized by CB 119812 for small business relief from \$14.1 million to \$23.1 million, increasing total spending in 2020 to \$95 million. If this amendment is adopted, an amendment to Resolution 31957 will be necessary to reflect the increased spending. That amendment is included in Attachment H to this memo.
4	E	Strauss	Reduction in Business and B & O Tax for Small Businesses	This amendment affirms the Council’s intent to consider legislation that would reduce the tax obligations for small businesses. The intent is to consider the needs of small businesses along with the potential impacts the reduced B&O tax revenue may have on the City’s funds.

AM = Amendment #
 ATT # = Attachment # as listed in the Central Staff memo

Amendments to Jump Start Seattle Detailed Spending Plan (Resolution 31957)

AM #	ATT #	Sponsor	Subject	Effect
1	F	Mosqueda	Recital - Enhanced Green Building and Labor Standards	Adds a recital confirming the City's commitment to advocate and work with other public and private housing funders to modify housing funding policies to support the development of housing with enhanced green building and labor standards.
2	G	Mosqueda	EDI role in community fund	Adds language (1) stating expectation that the Office of Housing will involve the Office of Planning and Community Development's Equitable Development Initiative staff team and input from the permanent EDI advisory committee in the administration of the new community fund; and (2) to allow additional criteria for allocation of EDI funds to include prioritizing projects sponsored by organizations with diverse community representation on their boards.
3	H	Mosqueda & Morales	Stakeholder involvement & GND activities funded	Adds language (1) stating expectations that GND investment proposals will be informed by GND Oversight Board and other stakeholders; and (2) prioritizing program areas for funding.
4	I	Mosqueda	Modifications to Economic Revitalization spending parameters	This amendment modifies the description of proposed investments under the economic revitalization spending category to add details for investments in businesses, workforce development, and business districts to include, for example, programs that retrain workers who are transitioning to a new profession, identifies criteria to be considered for prioritizing these investments, specifies that this funding can be used for outreach and education, and connects these investments with related strategies under the Green New Deal spending category.
5	J	Juarez	Equitable Distribution of Funds	Adds language to express the Council's intent that investments are equitably distributed to provide support and services to low-wage working people, families, and individuals, homeless individuals and families, Black, Indigenous, People of Color (BIPOC) and other historically marginalized communities living and working in neighborhoods across Seattle.
6	K	González, Morales, Herbold	Investments in Rental Assistance	Requests the Executive considers developing a new rental assistance program in conjunction with developing the implementation plan and allows the program to be funded with proceeds from the payroll tax under the housing and services spending category.

AM = Amendment #
 ATT # = Attachment # as listed in the Central Staff memo

AM #	ATT #	Sponsor	Subject	Effect
7	L	Strauss	Increase 2021 allocation of funds to replenish reserve funds	This amendment increases the allocation of funds that will be needed in 2021 to replenish the reserve funds reduced in 2020 to support the spending authorized in the COVID Relief bill (CB 119812). This would increase the total amount to \$96 million in 2021 to replenish funds and reduce the other categories of spending and reduces the funding available in 2021 for continuity of services and extending funding for the 2020 COVID relief programs and services. This amendment is only needed if Amendment 3 to CB 119812 is adopted.
8 ¹	M	Herbold & Mosqueda	Affordable Homeownership	This amendment allocates 5% of the funds under “Housing and Services” to investments in permanently affordable homeownership programs serving households with incomes up to 80% of area median income and decreases by 5% the funds allocated for affordable rental housing investments. These investments would be prioritized to affirmatively further fair housing and to address past discriminatory policies and practices.
9 ¹	N	Sawant	Modify proposed distribution of spending	This amendment: - Increases the allocation of funds for the “Housing and Services” spending category from 60% to 68% and decreases the allocation of funds for the “Economic Revitalization” spending category from 17% to 9%. - Modifies the allocation of funds under the Housing and Services spending category to increase the amount directed to create a new community fund. - Adds language that requires owners of housing funded from the community fund to affirmatively market and use community preferences for such housing. It also states a goal of funding of at least 1,000 affordable units in the Central District, as well as other impacted communities within the first 10 years.
10 ¹	O	Morales	Modify proposed distribution of spending	This amendment would increase the proposed investments in the Equitable Development Initiative in 2022 by 1% and decreases the proposed investments in the Economic Revitalization category by 1%,

¹ Amendments 8 and 9 modify the allocation of funds under the Housing and Services Category in 2022 and beyond by adjusting the specific allocation of funds by program area. As drafted, amendments 8 and 9 are mutually exclusive. Amendments 9 and 10 modify how the proposed spending is allocated across the broad spending categories in 2022 and beyond. As drafted, amendments 9 and 10 are mutually exclusive.

AM = Amendment #
 ATT # = Attachment # as listed in the Central Staff memo