

Amendment 2 to Council Bill (CB) 119812

Full Council – July 20, 2020

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>\$4,700,000</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
Grand Total				\$85,778,600 \$90,478,600

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 using proceeds received from the tax authorized in Council Bill 119810.

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, ~~\$14.45~~19.1 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 to administer the investments. The Council intends that this funding will be allocated as follows:

1. ~~\$14.4~~18.8 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 ten or fewer 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.

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Effect: This amendment adds \$4.7 million spending from the reserve funds to provide additional support for small businesses and nonprofit organization, increasing. This would increase the total amount of spending authorized by CB 119812 for small business relief from \$14.1 million to \$18.8 million, increasing total spending in 2020 to \$90.5 million. If this amendment is adopted, an amendment to Resolution 31957 will be necessary to reflect the increased spending.

If this amendment is adopted, and CB , the reserve funds would have revised balances as follows:

2020 Amounts	EMF	RSF	Total
Beginning Balance (2020 Adopted Budget)	\$66,900,000	\$60,800,000	\$127,700,000
CB 119812	(\$66,900,000)	(\$18,878,600)	(\$85,778,600)
CB 119825 - Rebalancing Package	\$0	(\$29,030,000)	(\$29,030,000)
CM Strauss AM 1 to CB 119812	\$0	(\$4,700,000)	(\$4,700,000)
Revised Balances after Am 2	\$0	\$8,191,400	\$8,191,400