

Seattle COVID-19 Response and 2020 Budget Rebalancing: Q&A

July 1, 2020



Questions and Answers - Balancing Strategy

Q: Why only using 25% of the City's emergency funds in 2020?

Significant budget shortfalls persist into 2021, and emergency funds will be needed to help minimize what will already be dramatic spending reductions for next year. The estimated budget shortfall for 2021 is \$290+M.

Q: Regarding 2019 year-end and other one-time resources being used to balance for 2020, please specify funds and amounts.

The \$35.7 million includes:

- \$20.6 million - 2019 Ending Undesignated General Fund balance
- \$5.0 million - Rejection of requested carry-forwards
- \$2.9 million - IT allocation "rebate"
- \$1.8 million - Healthcare Fund "rebate"
- \$5.4 million - planning reserve reductions

Questions and Answers - Balancing Strategy

Q: Please specify amounts of reprioritized levy and MPD resources

Source	Amount
Move Seattle Levy	\$10,000,000
Metropolitan Parks District	\$10,000,000
Families, Education, Preschool and Promise Levy	\$2,000,000
Library Levy	\$1,600,000
Reprioritize Grant Funding	\$900,000
Total	\$24,500,000

Q: Regarding expenditures in response to COVID-10, to what extent are these expenditures that have already been made, versus future or proposed expenditures?

Approximately \$143M of the \$230+M in COVID spending summarized in the previous presentation has already been spent. Of the remaining ~\$90M, about ~\$40M is committed to critical services including shelter, hygiene, testing, supports for first responders, and maintaining related City services.

Questions and Answers - DEEL

Q: With regard to the reprioritization of Levy resource, which projects are affected the \$2 million FEPP Levy reprioritization?

- \$1.31 million from programming savings due to school closures including Quality Teaching Funds, Comprehensive Support Funds, and Preschool Facilities
- \$656,000 in salary savings from vacant positions in DEEL in 2020
- \$25,000 in consultant contracts

Q: How does this reduction square with the commitment to preserve programs that invest in community, listed under the racial justice priorities, which specifically named FEPP as one of those programs?

- Transferring \$2 million of GF expenses to the Levy allows the preservation of GF-funded programs including the Nurse-Family Partnership and the Parent-Child Home Program.
- The FEPP levy reductions will have minimal impact on service delivery. DEEL deliberately sought to limit reductions to racial justice priorities. The bulk of the FEPP reductions are for programming savings related to school closures and salary savings. DEEL maintained funding for contracts that have a specific race and social justice focus such as anti-bias training, and English-language learner professional development.

DEEL: Culturally Specific and Responsive Programming (CSR)

CSR investments offer school-based and community programming that reflects racial and cultural diversity and incorporates students' culture, history, language, and socialization into core pedagogy, curricular materials, and academic learning and enrichment activities.

Current CSR Programs:

- ***Kingmakers***
 - Currently in four schools: Aki Kurose, Asa Mercer, Denny International, and Interagency Academy.
 - Will expand to two additional schools this upcoming school year.
- ***Mentoring***
- ***Educator Diversity***

DEEL: Proposed \$5 million additional funding for CSR in 20/21

- \$5 million in savings and 2011 FEL fund balance could be used to serve students furthest from educational justice.
- Spending must be consistent with the goals of the voter-approved levies.
- Funding will support a community-developed Saturday academy for young Black men. The 1K Black Men Initiative (launched from the “We Want to Live Rally”) will partner with ACE Academy to provide a Saturday Experience for Black boys that focuses on development in education, health and wellness, and social and community connections.
- Community Engagement: DEEL will consult with community stakeholders, including the Our Best Advisory Council (OBAC), to develop recommendations for the remaining funds.
 - OBAC is a diverse group of nearly 50 leaders of African ancestry (diaspora) from the philanthropic, nonprofit, faith, civic, academic, business and government sectors.

Questions and Answers - Homelessness

Q: Does city intend to keep the 2 shower trailers and other added hygiene facilities through year end?

Yes, and we have proposed to use funds from the Commerce Grant to ensure that these services will be available even if FEMA resources are not available through year-end.

Q: The proposed COVID spending includes \$2.53M for “non-congregate sheltering” – To what does this refer?

“Non-congregate” shelter is a term within the context of federal FEMA funding and refers to shelter that provides individual living arrangements, in this case tiny home villages.

Questions and Answers - Homelessness

Q: Proposed CRF spending includes \$8M for rental assistance (\$1.6M/month through October) - is this intended for Home Base or another similar existing program?

\$4M will go to HSD; and \$4M to OH. HSD will devote a portion to Home Base and use a portion to expand existing contracts for homelessness prevention. OH will invest in rental housing assistance for city-funded affordable housing projects.

Q: What is the total amount that will go toward direct rental assistance in this rebalancing package?

Total = \$14.3M (including: \$4.2M CDBG, \$8M CRF, \$750K ESG, \$426K HOPWA, and \$910K Housing Levy)

Q: Human Services Dept – will there be any impact on the planned transition to the Regional Homelessness Authority, in terms of timing, staffing level, etc.?

From a funding perspective, the rebalancing packages leaves the \$1.65M one-time start-up funds in-tact. From a timing perspective, there will be a brief delay in hiring the Authority's CEO, with them coming onboard in September rather than this summer as originally planned.

Q: What assets and strategies are available for the expansion of tiny house villages?

Of the new resources coming to the City for homelessness, the State Department of Commerce funds (~\$11m, joint application with the County) are an eligible source. ESG is not eligible, and it is unlikely that CDBG is eligible.

HUD Emergency Solutions Grant (ESG)

- Annual base award: ~\$800,000
- CARES Act ESG amounts:
 - Round 1: \$2,829,807
 - \$2.1m to support provision of meals at emergency shelters
 - \$750k swap with GF to support rental assistance and/or eviction prevention programs
 - Round 2: ~\$26,000,000 (KC to receive ~\$11,000,000)

Allowable Uses Include:

- Street Outreach
- Emergency Shelter (includes renovation/conversion of existing space, shelter operations, and client services – but excludes general acquisition of new shelter and setup/operations at tiny house villages)
- Rapid Re-Housing (including rental and financial assistance and services costs such as housing search, mediation, legal services, and credit repair)
- Homelessness Prevention
- HMIS data collection and analysis
- Administrative Activities (general management, oversight, and coordination)

Questions and Answers - Continued

Q: Last week’s presentation indicated that the “Mayor has committed to invest \$100 million in BIPOC communities in 2021 budget” How much of this is new? How much is carryover from existing spending across departments?

The Mayor intends to engage in a community-driven process to determine what form these investments will take and the funding that will support them, and does anticipate that significant new resources will be dedicated to this purpose.

Q: The proposed funding package includes “\$325,000 for Hotel – First responders” and \$3.07M for “Essential Workers – Hotel.” Can you speak to the difference here?

The total amount was for a contract that ran through June. The \$3.07M is for all types of uses of the hotel that is not specifically attributed to a first responder. The \$325,000 is for the estimated amount for first responders. Actual final costs are expected to be about \$2M. The City is submitting the total hotel costs to FEMA for reimbursement. Going forward the City has established a contract for a per night for first responders that need isolation or quarantine due to COVID-19.

Q: Has the \$1.4 M CDBG funding Council appropriated for shelter de-densification been spent yet?

It has not; the Executive generally believes that further expansion of shelter services should occur after a process that engages broad community representation, including those disproportionately impacted by homelessness, and a financial assessment that identifies sustainable funding for the expansion that has already occurred in response to COVID-19.

Questions and Answers - Office of Housing

Q: How many total increased housing units, and of what type, funded as an emergency response?

- The City has invested or plans to invest over \$16M (\$20M including funds being used to backfill for shortfalls of other revenues) from Federal, State, and Levy emergency COVID-19 resources for **housing and homelessness prevention**.
- These investments include critical supports for PSH, and significant rental assistance and homelessness prevention dollars, to keep our neighbors healthy and securely housed.
- These investments are in addition to our joint efforts with the County to stand up new shelter and shelter de-densification efforts as a response to COVID-19.
- In addition to these Federal and State investments for housing, as part of COVID-19 emergency response the Office of Housing is issuing the **Special Permanent Supportive Housing NOFA**, which we anticipate will bring on at estimated 500 additional PSH units by Fall 2021 and is funded by the Housing Levy.

Questions and Answers - Parks

Q: How much is being redirected of MPD funds for General Fund supported activities?

\$10 million is being redirected from MPD capital to SPR's operating budget to replace both General Fund and "earned" revenues that will not be realized due to COVID-19.

Q: SPR is reducing discretionary operational costs including mowing and weeding – with increased use of parks expected due to COVID-19 restrictions, is this sustainable?

Due to the hiring freeze, SPR did not hire seasonal labor and is holding some vacancies in the Park and Environment Division which will reduce capacity in this division for 2020; however, the department still has regular staff who perform this work year-round. Some of these regular employees were either displaced from their work due to COVID-19 risk, not working due to facility closures, or were redeployed to other mission essential functions in response to COVID-19. With appropriate safety protocols, the department is beginning to redeploy these staff to focus on increased mowing and other cleaning and maintenance needs.

Q: Which Parks capital projects will see reduced spending with the Mayor's revised 2020 budget proposal?

See next 2 slides.

Questions and Answers - Parks

Master Project #	Master Project Title	Specific Projects Impacted	Proposed Reduction	Funding Source
MC-PR-21015	Battery Street Portal Park Development	Planning/design for Battery Street Portal Park	(\$625,000)	MPD
MC-PR-41001	Major Maintenance Backlog	Soundview Playfield: lighting replacement will continue; removes field renovation from project scope. REET funding also reduced for Soundview.	(\$3,427,928)	MPD
MC-PR-21001	Park Land Acquisition and Leverage Fund	n/a	(\$1,021,364)	MPD (\$1M); REET (\$20k)
MC-PR-21003	Develop 14 New Parks	Reduces budget and postpones work on most remaining land banked sites; these could be completed with funding from the next cycle of the Park District. Impacted projects: 48th & Charleston (\$870k), Ernst Park Addition Development (\$495k), Morgan Junction RUV (\$653k), Wedgewood (\$989k), and West Seattle Junction (\$1.6M). REET funding for North Rainier will be reduced by \$1.3M but funding is expected to be replenished through grants.	(\$5,957,201)	MPD (\$4.7M); REET (\$1.3M)
MC-PR-21004	Connect to Greenways	Putting the initiative on hold impacts four sites including Maple Leaf Reservoir Park, Dr. Blanche Lavizzo Park, Judkins Park and Roxhill Park. Expect minimal impacts such as not providing wayfinding, pavement markings and signage that would clarify and improve the user experience.	(\$289,871)	MPD



Questions and Answers - Parks

Master Project #	Master Project Title	Specific Projects Impacted	Proposed Reduction	Funding Source
MC-PR-41070	Athletic Field Replacements	Soundview Playfield (\$385k): lighting replacement will continue; removes field renovation from project scope. MPD funding also reduced. Ballard Playfield (\$1.01M): lighting replacement will continue; removes field renovation from project scope.	(\$1,385,745)	REET
MC-PR-41072	Queen Anne Turf Field Replacement	West Queen Anne: Delays the synthetic field conversion; lighting replacement planned to continue at this time.	(\$1,800,000)	REET
MC-PR-41030	Municipal Energy Efficiency Program	MEEP funding supplemented community center stabilization project budgets. Physical construction of the following sites will not begin until 2021 and therefore MEEP funding is not needed in 2020: South Park, Jefferson, Magnolia, Hiawatha. Funding may be reevaluated as part of the 2021 process.	(\$466,349)	REET
MC-PR-41029	Park Upgrade Program	The Seattle Conservation Corps (SCC) reduced its number of enrollees in the program to adjust to reduced number of projects that can be completed within the Park Upgrade Program this year due to the COVID-19 work restrictions. These are typically small-scale capital projects. SPR has been notified the SCC will receive an additional \$250,000 in Federal Community Services Block Grant for this program this year which will offset some of this reduction.	(\$660,000)	CDBG
MC-PR-21006	Aquarium Expansion Project	Postpones funding for this project that has been delayed due to the COVID-19 pandemic. Prior City appropriations are unchanged. Project timeline and timing of City funding will be re-evaluated in 2021.	(\$9,000,000)	REET

Questions and Answers - SPD

Q: Who is leading the community engagement process for SPD reform; who has been asked to participate? What can you tell us about this process and its expected outcome? What will the funds be spent on? Will participants/experts be remunerated for their participation?

Deputy Mayor Ranganathan will provide a verbal update on this process.

Q: How much has the SPD spent year-to-date and how much do they have left allocated to that department?

SPD has spent \$195M year-to-date, and given the planned 2020 reductions noted previously this leaves approximately the same amount unspent.

Questions and Answers - SDOT

Q: Are there potential for additional savings (above \$8 million identified by Exec) from cancelling Center City Streetcar? What costs are associated with completing procurement?

No; the costs associated with “completing procurement” include the staff time to complete negotiations and terminate the current contract, and coordination with FTA. We estimate these costs to be approximately \$150,000. We have retained \$1 million of funding to pay for costs incurred earlier this year and these remaining issues.

Further Questions?

