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The entire \$480 million in LTGO bonds would be issued in 2019, requiring the City to pay approximately \$21.6 million in debt service in 2019 (one half of the ongoing annual debt service for the first year the bonds would be issued) and approximately \$43.1 million in annual debt service starting in 2020 and continuing for the next 18 years, assuming 20 year taxable bonds at 6 percent interest with 3 percent closing costs rolled into the bond amount. This proposal would require amending Council Bill 119393, which authorizes the City's 2019 LTGO bond issuance, as well as other actions including a one-week delay in adopting the City budget as described in further detail below.

This green sheet reduces the following allocations from the 2019 Proposed Budget to fund associated debt service payments in 2019:

<b>\$500,000</b>	<b>Do not approve proposed green sheet 41-6-A-1 allowing a Business &amp; Occupation tax deduction for revenue from grants, contracts, and sub-awards received as compensation for, or to support, life sciences research. Rejecting the proposed Life Sciences B&amp;O tax exemption has the effect of increasing the General Fund (GF) revenue forecast by \$500,000.</b>
<b>\$1,000,000</b>	<p>Remove the downtown tolling study from the 2019 Proposed Budget. The 2019 Proposed Budget includes \$1 million of Commercial Parking Tax (CPT) for this purpose. If the Council cuts this proposed appropriation, the CPT is a restricted funding source that may be used only for transportation purposes by State law. The following steps would be required to free up GF dollars that could be used to pay debt service on LTGO bond debt for affordable housing investments:</p> <ol style="list-style-type: none"> <li>1. Add \$1 million CPT elsewhere within the Seattle Department of Transportation (SDOT) to fund activities that were funded with GF in the 2019 Proposed Budget;</li> <li>2. Cut \$1 million GF support for these SDOT activities; and</li> <li>3. Add \$1 million in GF revenues to pay for debt service related to an LTGO bond for affordable housing.</li> </ol> <p>The Move Seattle Levy includes a requirement that the GF continue to support SDOT by a minimum amount that rises with inflation ("GF Floor") unless the City takes other actions. The Chair's Balancing Package reduces GF support to SDOT down to the GF Floor. In order for the City to reduce the GF support below the GF Floor, this budget action would amend the 2019 budget ordinance to include a finding that the housing crisis and the homeless state of civil emergency makes it necessary to use the GF in this way.</p>
<b>\$300,000</b>	Require 100% cost recovery for Seattle Fire Department vendor contracts for Emergency Medical Technicians at special events.

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**\$7,706,000** Stop the sweeps of homeless encampments. Remove all funding for the Navigation Team proposed in the Mayor’s budget and remove the addition to the Navigation Team proposed in budget action 14-97-A-2 in the balancing package.

**\$2,300,000** Remove the new computers in police cars proposed in the Mayor’s budget.

**\$372,113** Reduce the salaries of the Mayor and Councilmembers to \$70,200 (the Area Median Income). The City Charter requires that salaries may not be changed during the term of office for any elected official. Therefore, this proposal will take effect starting in 2020 for the seven Councilmembers whose term of office ends in 2019; and it takes effect in 2022 for the remaining two Councilmembers and the Mayor whose term of office ends in 2021.

This green sheet would use \$372,113 from the General Fund balance in 2019 and contribute \$372,113 to the fund balance in 2020 to make those 2020 savings available in 2019.

**\$2,932,455** Cap the salaries of City Executives at no more than \$150,000 per year. This excludes executives at SPU and SCL, represented managers, and elected officials.

**This action would require legislation which has not been introduced or referred to the Budget Committee. In order to take this action and keep the 2019 Adopted Budget balanced, the Council would need to delay action on the budget approval by one week.**

**\$8,369,000** Slow police officer hiring. This funding amount does not duplicate the elimination of the navigation team as described elsewhere in this budget action or the reductions proposed in GS-38-7-B-1.

**\$1,665,036** Eliminate the following vacant City executive positions:

- Two Executive 2 positions from SDOT;
- One Executive 1 position from the Department of Finance and Administrative Services;
- Three Executive 2 and one Executive 4 positions from the Mayor's Office;

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- One Executive 3 and one Executive 4 position from the Seattle Police Department (SPD); and
  - Two Executive 2 and one Executive 3 positions from the Seattle Department of Human Resources.

These figures do not duplicate the resources generated by capping executive salaries.

**\$25,144,604 Total**

Finally, this green sheet passes an Employee Hours Tax (EHT) on Seattle’s largest businesses that would become effective January 1 of 2020. The EHT would generate \$48 million annually to pay the approximately \$40 million in annual debt service owed in 2020. **This action would require legislation which has not been introduced or referred to the Budget Committee. In order to take this action and keep the 2020 Endorsed Budget balanced, the Council would need to delay action on the endorsed budget by one week.**

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**Budget Action Transactions**

**Budget Action Title:** Add \$480 million to OH for affordable housing, amend LTGO bond bill, add debt service, cut spending in multiple departments, and pass an updated Employee Hours Tax bill

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Increase revenue from LTGO Bond sale for affordable housing,				DEBTSVC	2019 Multipurpose LTGO Taxable Bond Proceeds	391010	36610	2019	\$480,000,000	
2	Increase OH spending on affordable housing from LTGO bond sale.				OH	Multifamily Housing	BO-HU-3000	36610	2019		\$480,000,000