



SEATTLE CITY COUNCIL

Legislative Summary

Res 31810

Record No.: Res 31810

Type: Resolution (Res)

Status: Adopted

Version: 2

Ord. no:

In Control: City Clerk

File Created: 04/18/2018

Final Action: 05/16/2018

Title: A RESOLUTION establishing a spending plan for the proceeds generated from a new Progressive Tax on Business to address homelessness and housing affordability authorized by the ordinance introduced as Council Bill 119250.

Notes:

Date
Filed with City Clerk: 5/16/2018

Mayor's Signature:

Sponsors: González , Herbold, Mosqueda, O'Brien

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 - Proposed 5-Year Spending Plan for Business Tax - Annual Totals v6, Att 2 - System-Wide Performance Standards

Drafter: patrick.wigren@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: Yes No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	04/19/2018	sent for review	Council President's Office			
	Action Text: The Resolution (Res) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	04/19/2018	sent for review	Finance and Neighborhoods Committee			
	Action Text: The Resolution (Res) was sent for review. to the Finance and Neighborhoods Committee						
	Notes:						
1	City Council	04/23/2018	referred	Finance and Neighborhoods Committee			
1	Finance and Neighborhoods Committee	04/23/2018					

- 1 Finance and Neighborhoods Committee 04/25/2018 discussed
Action Text: The Resolution (Res) was discussed.
- 1 Finance and Neighborhoods Committee 05/02/2018 held
Action Text: The Resolution (Res) was held.
- 1 Finance and Neighborhoods Committee 05/09/2018 discussed
Action Text: The Resolution (Res) was discussed.
- 1 Finance and Neighborhoods Committee 05/09/2018 discussed
Action Text: The Resolution (Res) was discussed.
- 1 Finance and Neighborhoods Committee 05/11/2018
- 2 City Council 05/14/2018 re-referred City Council
Action Text: The Resolution (Res) was re-referred. to the City Council
Notes:
- 1 City Council 05/14/2018 adopted as amended Pass
Action Text: The Resolution (Res) was adopted as amended by the following vote, and the President signed the Resolution:
Notes: ACTION 1:

Motion was made and duly seconded to adopt Resolution 31810.

ACTION 2:

Motion was made by Councilmember González and duly seconded, to amend Resolution 31810, by substituting version 9 for version 4 of the Resolution, and substituting version 6 for version 1b of Attachment 1.

The Motion carried by the following vote:

In favor: 5 - González, Herbold, Mosqueda, O'Brien, Sawant
Opposed: 4 - Bagshaw, Harrell, Johnson, Juarez

ACTION 3:

Motion was made by Councilmember Sawant and duly seconded, to amend Resolution 31810, Section 1, as shown in the underlined language below:

Section 1. Proceeds from the new business tax imposed by the ordinance introduced as Council Bill 119244 are intended to be used to expand housing, shelter, public health, hygiene, sanitation, and other support

services for those who are homeless or at significant risk of homelessness, with priority for assisting those homeless people living unsheltered and/or with very low incomes (at or below 30 percent of area median income (AMI). It is intended that 75 percent of the proceeds from the new business tax will be used to increase the production of long-term affordable housing, and fund operations and services support for housing serving the homeless who are most vulnerable. Twenty percent of the proceeds from the new business tax will be used to increase the provision and effectiveness of shelter, public health, hygiene, sanitation, and support services to assist homeless people living unsheltered to move off the streets. It is intended that none of the revenue generated by the tax will be used to support unauthorized encampment removals. Attachment 1 to this resolution establishes the spending plan for the first five years of the new business tax.

Councilmember González left the Council Chamber at 4:43 p.m. and returned at 4:45 p.m.

The Motion failed by the following vote:

In favor: 1 - Sawant

Opposed: 8 - Bagshaw, González, Harrell, Herbold, Johnson, Juarez, Mosqueda, O'Brien

ACTION 4:

Motion was made and duly seconded to adopt Resolution 31810 as amended.

In Favor: 5 Councilmember González , Councilmember Herbold, Councilmember Mosqueda, Councilmember O'Brien, Councilmember Sawant

Opposed: 4 Councilmember Bagshaw, Council President Harrell, Councilmember Johnson, Councilmember Juarez

- 2 City Clerk 05/15/2018 submitted for Mayor
Mayor's signature
Action Text: The Resolution (Res) was submitted for Mayor's signature. to the Mayor
Notes:
- 2 Mayor 05/16/2018 returned unsigned
Action Text: The Resolution (Res) was returned unsigned.
Notes:
- 2 Mayor 05/16/2018 returned City Clerk
Action Text: The Resolution (Res) was returned. to the City Clerk
Notes:
- 2 City Clerk 05/16/2018 attested by City Clerk
Action Text: The Resolution (Res) was attested by City Clerk.
Notes:

CITY OF SEATTLE

RESOLUTION 31810

A RESOLUTION establishing a spending plan for the proceeds generated from a new Progressive Tax on Business to address homelessness and housing affordability authorized by the ordinance introduced as Council Bill 119250.

WHEREAS, the City Council adopted the ordinance introduced as Council Bill 119250, authorizing the collection of a new Progressive Tax on Business to address homelessness and housing affordability, to be imposed beginning January 1, 2019; and

WHEREAS, the new Progressive Tax on Business is anticipated to generate an average of \$47.4 million in proceeds on an annual basis, as shown in the spending plan included as Attachment 1 to this resolution; and

WHEREAS, the City faces a homelessness crisis, as evidenced by the 2017 Point-in-Time count that showed 3,857 homeless people living unsheltered in the City; and

WHEREAS, recent data from the American Community Survey showed over 29,000 households with incomes at or below 50 percent of area median income (AMI) are severely cost burdened, paying over 50 percent of their income for rent and utilities, and, as a result, are at potential risk of homelessness; and

WHEREAS, persons of color are disproportionately represented in the homeless population and for renter households who are severely cost burdened; and

WHEREAS, the City is committed to eliminating racial inequities such as these through implementation of the Race and Social Justice Initiative; and

WHEREAS, the new Progressive Tax on Business will generate significant funds to address identified inequities; and

1 WHEREAS, these additional funds will increase the construction of long-term, low-income
2 housing units to address the primary cause of homelessness and the housing affordability
3 crisis, and to ensure such housing is permanently affordable; and

4 WHEREAS, the proposed spending plan is consistent with the City's Pathways Home plan,
5 based on the recommendations of Barbara Poppe and Associates and of Focus Strategies,
6 which prioritize assisting homeless people living unsheltered by placing them into
7 housing, including permanent supportive housing, in order to end their homelessness; and

8 WHEREAS, permanent supportive housing provides housing with much needed related services,
9 such as case management, mental health, and other services required to keep vulnerable
10 individuals stably housed; and

11 WHEREAS, the proposed spending plan allocates funding generated from the new Progressive
12 Tax on Business for the capital construction of additional long-term, low-income housing
13 serving those with incomes at or below 30 percent of AMI and those with incomes from
14 30 to 60 percent of AMI, with an emphasis on assisting homeless people living
15 unsheltered in the City with incomes at or below 30 percent of AMI; and

16 WHEREAS, the City desires to expedite the development of additional affordable housing by
17 providing additional funds and prioritizing funding for projects that are ready to begin
18 development; and

19 WHEREAS, the City provides capacity-building assistance through the Equitable Development
20 Initiative to enable community organizations to prepare housing projects for
21 development; and

22 WHEREAS, several years ago, the City established a streamlined permitting process for low-
23 income housing projects to remove barriers to the development of such housing; and

1 WHEREAS, the City recently approved changes to the design review process for low-income
2 housing projects that should also improve the efficiency of this process and speed
3 development of such units; and

4 WHEREAS, the proposed spending plan allocates funding generated from the new Progressive
5 Tax on Business to address the immediate housing, shelter, public health, sanitation, and
6 other services needs of homeless people living unsheltered in the City; and

7 WHEREAS, the services funded are consistent with Resolution 18-06, adopted on March 15,
8 2018, by the King County Board of Health, which supports additional investments in
9 publicly accessible hygiene facilities, including handwashing, toilet, and shower facilities
10 for people who are homeless; and

11 WHEREAS, the City is investing in a person-centered response system that prioritizes homeless
12 families with small children, those with long histories of homelessness, and those with
13 the greatest barriers to housing stability, consistent with the Pathways Home plan; and

14 WHEREAS, the City embraces a “housing first” philosophy which endeavors to move people
15 quickly into housing and shelter by eliminating barriers to entry; and

16 WHEREAS, contracts for housing and services funded by the City include specific, measurable
17 outcomes that are to be achieved with funding provided; and

18 WHEREAS, the City and its regional partners are committed to annually assessing the
19 performance of funded programs to ensure they are operating effectively to place people
20 experiencing homelessness into shelter and ultimately into long-term housing, or provide
21 harm reduction measures to facilitate acceptance of homelessness services, and have
22 established performance standards that must be achieved by funded programs as depicted
23 in Attachment 2 to this resolution; and

1 WHEREAS, programs and services funded with the new business tax shall be required, as
2 applicable, to comply with these regionally supported performance standards; and

3 WHEREAS, homelessness is a regional issue, and the City is committed to using the additional
4 resources generated from the new Progressive Tax on Business in collaboration with
5 resources identified by our regional partners participating in All Home and One Table to
6 ensure the implementation of effective programs that address the homelessness problem;
7 and

8 WHEREAS, the City will maximize the leveraging of additional resources that may be
9 forthcoming from the State, as well as the County, to increase the number of housing
10 units serving homeless persons with incomes at or below 30% of AMI and to fund public
11 health and other services funded with the new Progressive Tax on Business; and

12 WHEREAS, the City Council passed Statement of Legislative Intent 281-1-B-2 in November
13 2017, requesting the Human Services Department to explore wage inequities for
14 contracted human service providers; and

15 WHEREAS, the City Council recognizes that wage inequities for contracted service providers
16 harm efforts to stabilize the workforce and that it is imperative to address equitable
17 workforce compensation in an effort to maintain existing homelessness programs and
18 expand program services; NOW, THEREFORE,

19 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE**
20 **MAYOR CONCURRING, THAT:**

21 Section 1. Proceeds from the new Progressive Tax on Business imposed by the ordinance
22 introduced as Council Bill 119250 are intended to be used to expand housing, shelter, public
23 health, hygiene, sanitation, and other support services for those who are homeless or at

1 significant risk of homelessness, with priority for assisting those homeless people living
2 unsheltered and/or with very low incomes (at or below 30 percent of area median income
3 (AMI)). It is intended that the proceeds from the new Progressive Tax on Business will be used
4 to increase the production of long-term affordable housing, and fund operations and services
5 support for housing serving the homeless who are most vulnerable. The proceeds from the new
6 Progressive Tax on Business will also be used to increase the provision of immediate housing,
7 shelter, public health, hygiene, sanitation, and support services to assist homeless people living
8 unsheltered to move off the streets. Attachment 1 to this resolution establishes the spending plan
9 for the first five years of the new business tax.

10 Section 2. On or before December 14, 2018, the Executive shall submit an
11 Implementation Plan for the new Progressive Tax on Business to the City Council that includes:

- 12 a) Specific spending proposal for years one through five of the new,
- 13 b) Proposed outcomes for each funded program or service;
- 14 c) How the programs or services will be implemented (i.e., responsible department, funding
15 processes, etc.);
- 16 d) Proposed policies for implementing funded programs or services; and
- 17 e) Proposal for an Oversight Committee responsible for overseeing expenditures and
18 reviewing performance of programs and services. The Executive will propose different
19 models, including but not limited to an option for a committee with oversight authority
20 for all Human Services Department homelessness investments.

21 The City Council intends to adopt modifications to the City's Housing Funding Policies to have
22 such policies apply to the revenues generated from the new Progressive Tax on Business. The

1 Council anticipates adopting such modifications when adopting the Implementation Plan in
2 December of 2018.

3 The Executive, with the support of the Seattle Office for Civil Rights, will conduct additional
4 racial equity analysis on the proposed Implementation Plan prior to submittal to the City
5 Council. The completion of this analysis shall not delay submittal of the Implementation Plan by
6 December 2018. The Executive shall work cooperatively with the City Council in the
7 development of this Implementation Plan to ensure it is consistent with the proposed Spending
8 Plan. The City Council intends to proviso funding in the 2019 budget to ensure funding is
9 appropriated consistent with the proposed Spending Plan.

10 Section 3. It is the Council's intent that all capital projects identified in the
11 implementation plan required in Section 2 of this resolution include community workforce
12 agreements, as well as requirements to meet or exceed the standards set forth in Chapter 20.37 of
13 the Seattle Municipal Code for any grants or contracts that are \$1,000,000 or more. To the extent
14 further council action is required to lower the threshold from \$5,000,000 to \$1,000,000, Council
15 intends to review SMC Chapter 20.37 and make necessary amendments. In addition, it is the
16 Council's intent that all capital projects use labor that is receiving area standard wages and bona
17 fide benefits, and that meets apprenticeship utilization of no less than 15 percent per contract and
18 no more than 20 percent per craft. To the extent required, future legislation will be developed
19 authorizing such requirements and any exceptions thereto.

20 Section 4. The Executive is requested to explore and provide recommendations on
21 funding the operation and services support for housing that would serve homeless individuals,
22 with incomes at or below 30 percent of AMI, who do not qualify for or require permanent
23 supportive housing but need housing with a lower level of services. In addition, the Executive

1 will explore models to increase the number of units serving homeless individuals with incomes at
2 or below 30 percent of AMI who need only affordable housing and no services. . In developing
3 recommendations for increasing the number of units serving those at or below 30% of AMI
4 units, the Executive shall examine the extent to which the availability of free or reduced land
5 could increase the development of such units. The Executive will also explore how persons who
6 are homeless would access additional housing provided within the current All Home referral
7 process that includes Coordinated Entry. The Executive will include recommendations along
8 with the submittal of the Implementation Plan referenced in Section 2 of this resolution.

9 Section 5. The Executive is requested to provide a report and recommendations on
10 providing funding for wage stabilization for direct service personnel providing services to people
11 experiencing homelessness, as described in Attachment 1 to this resolution, based on
12 examination of adequate staffing levels, compensation, and desired retention outcomes. This
13 examination shall be based on data gathered in response to Statement of Legislative Intent 281-1-
14 B-2, the audit of the Human Services Department's contracting processes, and input from the
15 homeless service providers. The Executive will provide a report and recommendations with
16 submittal of the Implementation Plan referenced in Section 2 of this resolution. The initial
17 funding provided in the spending plan may be supplemented with future resources to address
18 identified workforce compensation issues.

19 Section 6. The City Council may, based on the program outcomes and understanding of
20 changing needs, modify the allocation of funding for programs and services through the
21 Council's legislative and budget process.

22 Section 7. The Executive shall submit an annual report by March 1 of each year and a
23 semi-annual report by August 1 of each year beginning in the year following the authorization of

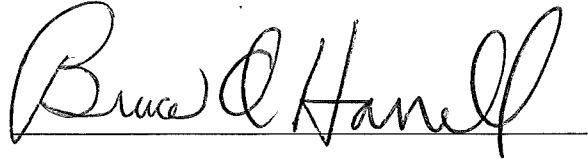
1 the New Progressive Tax on Business. These reports shall provide information on the housing
2 and services funded and the outcomes achieved because of the funding provided from the
3 proceeds from the business tax. In addition, it will include information on: apprenticeship
4 utilization percentage, priority hire utilization, utilization of women and people of color, women
5 and minority business enterprise utilization, women and people of color from pre-apprentice
6 programs. The annual report shall also include information on the leveraging of other State and
7 local sources used to provide housing and services funded by the New Progressive Tax on
8 Business.

9 Section 8. The City shall retain an independent economist to conduct an analysis of the
10 impacts of the Employee Hours Tax. Impacts to be measured include but are not limited to:
11 increases or decreases in jobs (full-time and part-time), annual gross revenues, number of
12 businesses that have relocated outside the City, and other data that directly relate to impacts on
13 businesses subjected to the new tax. The Executive shall develop a proposed scope of work for
14 this analysis, identifying specific data to be collected and estimated cost of the analysis. The
15 Executive shall submit this scope of work to the Council by September 4, 2018 along with a
16 proposed funding plan and a schedule for completing the work. The Executive shall work with
17 the City Council in the selection of the economist. The Executive shall include funding for this
18 analysis in the proposed 2018 3rd Quarter Supplemental Budget and the 2019 Proposed Budget.

19 Section 9. The City requests the State Legislature to significantly increase funding for the
20 State Housing Trust Fund that will be used as leverage for the new Progressive Tax on Business
21 and result in an increase in the number of affordable units produced by this tax. The Office of
22 Intergovernmental Relations is requested to include this request in the City's 2019 State
23 Legislative Agenda.

1 Adopted by the City Council the 14th day of May, 2018,

2 and signed by me in open session in authentication of its adoption this 14th day of
3 May, 2018.

4 

5 President _____ of the City Council

6 The Mayor concurred the _____ day of _____, 2018.

7 **Returned Unsigned by Mayor**

8 Jenny A. Durkan, Mayor

9 Filed by me this 16th day of May, 2018.

10 

11 Monica Martinez Simmons, City Clerk

12 (Seal)

13 Attachments:

14 Attachment 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals

15 Attachment 2 - System-Wide Performance Standards

Att 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals
V6

Program/Activity	Program Description	Year 1 Spending	Year 2 Spending	Year 3 Spending	Year 4 Spending	Year 5 Spending	5-Year Goal Production/ Numbers Served
Affordable Housing Inventory & Services							
Rental Housing Production to Assist Homeless Households	Capital construction of units in mixed-income housing projects serving households with incomes at 30%-60% Area Median Income (AMI) and capital construction of Permanent Supportive Housing (PSH) units serving most vulnerable homeless with incomes at 0-30% of AMI. Operating and services support for PSH units produced included below.	\$27,584,000	\$29,071,000	\$29,183,000	\$28,327,000	\$29,220,000	591 units
Operating and Services Support for PSH	Operating and services support for PSH serving most vulnerable homeless with incomes at 0-30% of AMI.	\$0	\$0	\$3,047,000	\$4,313,000	\$5,136,000	302 units
Affordable Housing Inventory and Services Subtotal		\$27,584,000	\$29,071,000	\$32,229,000	\$32,641,000	\$34,356,000	\$155,881,000
<i>% of total revenue</i>		61%	63%	68%	67%	69%	66%
Immediate Shelter, Housing, & Services							
Immediate Housing	Rental, operating, master leasing and/or capital subsidies for housing serving homeless with incomes at 0-30% AMI.	\$1,889,000	\$2,262,000	\$3,294,000	\$3,692,000	\$3,420,000	289 units
Shelter, Temporary and Emergency	Basic shelter	\$513,000	\$556,000	\$0	\$0	\$0	70 beds
	Enhanced shelter	\$4,568,000	\$4,241,000	\$3,585,000	\$3,761,000	\$3,634,000	180 beds (+50 beds in year 2)
	Innovative temporary housing	\$1,643,000	\$2,367,000	\$0	\$0	\$0	2 encampments with tiny houses, Buddy Shelters, or shelter tents, for 54.
Safety in Place	Shower and laundry trailers, and portable toilets and handwashing stations.	\$313,000	\$338,000	\$0	\$0	\$0	Example: Shower & laundry trailers, portable toilets & handwashing stations
	City-wide sanitation and garbage services such as but not limited to Seattle Public Utilities' Clean Cities program.	\$1,179,000	\$1,251,000	\$1,482,000	\$1,543,000	\$1,441,000	570,000 lbs garbage
	Services for people living in their cars, including overnight parking, case management, and criminal justice diversion outreach.	\$847,000	\$916,000	\$1,108,000	\$1,176,000	\$1,120,000	153 safe parking spaces; 310 criminal justice diversions

Att 1 - Proposed Five-Year Spending Plan for Business Tax – Annual Totals
V6

Program/Activity	Program Description	Year 1 Spending	Year 2 Spending	Year 3 Spending	Year 4 Spending	Year 5 Spending	5-Year Goal Production/ Numbers Served
Intersecting Needs	Public health services, such as women’s reproductive health care, communicable disease response including encampment management, and addiction and medical services for sheltered and unsheltered homeless.	\$1,018,000	\$1,094,000	\$1,370,000	\$1,357,000	\$1,427,000	May include communicable disease response, medical health services, reproductive health care
	Staff to provide outreach to unsheltered homeless people.	\$731,000	\$776,000	\$919,000	\$957,000	\$894,000	Behavioral health and housing navigation outreach
Workforce Stability	Wage stabilization for City-funded homelessness direct service providers to reduce turnover and vacancies for critical direct service contracts.	\$2,500,000	\$2,553,000	\$2,606,000	\$2,660,000	\$2,717,000	4% increase for direct service homeless contracts
Immediate Shelter, Housing, and Services Subtotal		\$15,201,000	\$16,355,000	\$14,365,000	\$15,148,000	\$14,653,000	\$75,723,000
<i>% of total revenue</i>		34%	35%	30%	31%	29%	32%
Start-up & Ongoing Costs							
Start-up costs and ongoing administration		\$2,300,000	\$800,000	\$800,000	\$800,000	\$800,000	\$5,500,000
<i>% of total revenue</i>		5%	2%	2%	2%	2%	2%
TOTAL ANNUAL SPENDING:		\$45,084,000	\$46,227,000	\$47,395,000	\$48,589,000	\$49,809,000	\$237,104,000

Attachment 2 System-Wide Performance Standards

Minimum Performance Standards					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay (days)	Return Rate to Homelessness		
Emergency Shelter and Enhanced Day Centers	40% Singles 65% Families 35% (Youth & Young Adults)	90 (Singles & Families) 30 (Youth & Young Adults)	10% (Singles & Families) 20% (Youth & Young Adults)	90%	85% (Singles & Families) 90% (Youth & Young Adults)
Transitional Housing	80%	150 (Singles & Families) 270 (Youth & Young Adults)	10% (Singles & Families) 20% (Youth & Young Adults)	90%	85%
Rapid Rehousing	80%	180	5% (Singles & Families) 20% (Youth & Young Adults)	90%	NA
PSH	90% (exit to or maintain PH)	NA	5% (Singles & Families) 20% (Youth & Young Adults)	90%	85%

Target Performance Standards					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay	Return Rate to Homelessness		
Emergency Shelter and Enhanced Day Centers	50% (Singles and Youth & Young Adults) 80% (Families)	30 days (Singles & Families) 20 days (Youth & Young Adults)	8% (Singles & Families) 5% (Youth & Young Adults)	90%	95%
Transitional Housing	85%	90 days (Singles & Families) 180 (Youth & Young Adults)	8% (Singles & Families) 5% (Youth & Young Adults)	95%	95%
Rapid Rehousing	85%	120 days	3% (Singles & Families) 5% (Youth & Young Adults)	95%	NA
PSH	90% (exit to or maintain PH)	NA	3% (Singles & Families) 5% (Youth & Young Adults)	95%	95%

City of Seattle HSD Performance Standards

Minimum Performance Standards: Homelessness Prevention		
Project Type	Exit Rate to PH	Return Rate to Homelessness
Homelessness Prevention	90%	3%
Target Performance Standards		
Homelessness Prevention	95%	2%

Minimum Performance Standards: Diversion	
Project Type	Exit Rate to PH
Diversion	40%
Target Performance Standards	
Diversion	50%

Minimum Performance Standards: Encampments					
Project Type	Core Outcomes			Entries from Homelessness	Utilization Rate
	Exit Rate to PH	Length of Stay (days)	Return Rate to Homelessness		
Encampments	40%	90	10%	90%	85%
Target Performance Standards					
Encampments	50%	30	8%	90%	95%

Performance Standard: Basic Day and Hygiene Centers	
Project Type	Number of Services Users
Basic Day and Hygiene Centers	Number of monthly service users as proposed in agency RFP submission

Minimum Performance Standards: Outreach and Engagement	
Project Type	Percent Referred to Shelter or an Encampment
Outreach and Engagement Programs	60%



City of Seattle
Mayor Jenny A. Durkan

May 16, 2018

Monica Martinez Simmons
Seattle City Clerk
600 4th Avenue, 3rd Floor
Seattle, WA 98124

Dear Ms. Martinez Simmons,

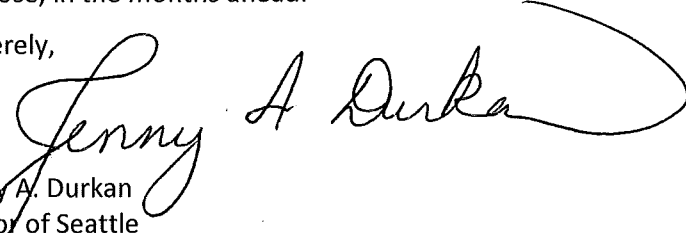
Today I signed Council Bill 119250, which authorizes a new Employee Hours Tax to raise revenues for homelessness services and the production of new affordable housing units. I am returning the accompanying Resolution 31810, which prescribes a spending plan for the revenues, without my signature or concurrence.

While I generally agree that proceeds should go toward the services as outlined in Section 1 of Resolution 31810, there are a number of issues regarding the proposed five-year spending plan attached to the legislation that need to be discussed and addressed with Council. I am confident that the differences can be worked out collaboratively, including:

- During last year's budget process, before I took office, Council funded approximately \$3.3 million in one-time funding for 2018 for transitional and supportive housing. The proposed spending plan does not continue this funding, which means 184 permanent supportive housing and transitional housing units would go offline at the end of the year. In addition, there is another \$2.7 million in one-time funding that continues hundreds of shelter beds through the end of the year. In fact, because of shelter beds going offline it is estimated that the spending plan as is would result in a net loss of 214 shelter beds. We cannot afford as a City to have fewer safe places for people as we build housing over a period of years.
- In addition, the resolution has a number of items relating to the Executive's implementation of the legislation that reflect policy issues not yet discussed or resolved with Council, including issues related to accountability and oversight.

I look forward to collaborating with Councilmembers on addressing the ongoing emergency in our City and most effectively prioritizing the spending of this new revenue. Over the past two weeks, the Executive and Legislative branches came together to find common ground on Council Bill 119250. I am confident that we will be able to do it again, forging a shared path forward to achieve our common purpose, in the months ahead.

Sincerely,


Jenny A. Durkan
Mayor of Seattle