



Wednesday October 24, 2018

Build Social Housing – Budget Amendment

The Housing Crisis

Seattle has had a housing crisis that, while making big developers, speculators, and property management corporations richer, has been devastating for the lives of tens of thousands of working people. Across the city, skyrocketing rents have driven people out of their homes and neighborhoods, often out of the city altogether, or worse, into homelessness. Hundreds of thousands more just barely manage to stay in their homes, with [nearly 23,000 very poor working families having to pay more than half of their income on rent](#).

When the Mayor and majority of the Councilmembers led the charge to repeal the Amazon tax, they declared that they would have an alternate solution. But now, Seattle's political establishment has shamefully proposed investing less than 1% of the 2019 budget in building affordable housing. In her budget address this year, Mayor Durkan declared that we have to live "within our means." Our People's Budget movement rejects the idea that working people have to accept austerity while the rich get richer. This city doesn't lack the resources to solve the housing crisis. Its leadership has lacked the political will.

So the People's Budget movement is putting forward our plan to invest about \$48 million per year to fund social housing - that is, publicly funded permanently affordable housing. This memo details three options for funding the social housing. I urge Councilmembers to join me in supporting these funding options to build new housing.

Affordable Housing Budget Option 1

Given the seriousness of the housing and homelessness crisis, Council should make affordable housing the priority. Below is a list of budget items that are less urgent than housing, or in some cases, actually harmful, and should be cut. This is one example of how the city could prioritize social housing.

Source of Funding	Funds
Stop the sweeps of homeless people. They are inhumane, ineffective, and a harmful waste of funds.	\$7,662,000
Cut new computers in cop cars.	\$7,100,000
No tolls on city streets. Tolls are regressive taxes.	\$1,000,000
Cut Mayor and Councilmember salaries to the Area Median Income (\$70,200/year).	\$665,724
Cap City executive salaries at no more than \$150,000/year.	\$5,091,867
Slow new police officer hiring, because funding affordable housing will help reduce crime more.	\$12,000,000
Reduce the number of City executives, because everyone has too many bosses, and eliminate vacant City positions.	\$14,500,000
Total	\$48 million

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Affordable Housing Budget Option 2

Bring back the Amazon Tax. Around the country, community organizers are putting different types of big business taxes on their local ballots to fund social housing, inspired by what Seattle almost did this summer, before the repeal. A big business tax like the **Amazon Tax would raise \$48 million per year**, and it should all go towards building affordable housing. This would build hundreds of affordable units each year.

Affordable Housing Budget Option 3

Council could take out a bond to fund social housing like it has done to fund other major projects like the reconstruction of Mercer Street. **A \$480 million bond could build three to five thousand homes** up front. The city would have to pay that bond off over time (\$36 million/year), but thousands of families would have affordable housing during those years. The \$36 million per year could be paid for either with the redirection of funds described in Option 1, or with a progressive tax on big business as described in Option 2.

For questions on the above, please contact Ted Virdone, Policy Analyst in the office of Councilmember Sawant, at Ted.Virdone@seattle.gov.



Mayor's Proposed Budget

Below are tables from pages 227 and 231 of the Mayor's proposed budget. The first shows all the sources of revenues for affordable housing. Notice that none of those sources are discretionary funds. The second table shows how much funding is proposed to go toward affordable housing. Notice that there is a \$0 increase in funding for affordable housing since last year.

Office of Housing

Revenue Overview

2019 Estimated Revenues

Summit Code	Source	2018 Adopted	2019 Proposed	2020 Proposed
411100	Property Tax Levy	37,862,143	37,862,143	37,862,143
433010	Federal grants - CDBG	1,057,278	1,057,278	1,057,278
433010	Federal Grants - Weatherization	632,734	1,000,000	1,000,000
434010	State Grants - Weatherization	975,000	600,000	600,000
445810	Bonus/MHA Capital	18,000,000	18,000,000	18,000,000
461110	Investment Earnings	2,000,000	2,000,000	2,000,000
469930	Program Income	4,000,000	4,000,000	4,000,000
471010	Federal Grants-HOME Program	2,262,246	2,968,574	2,968,574
569990	Local Grants-Weatherization	1,665,000	1,707,000	1,750,000
	Total Low-Income Housing Fund Revenues	68,454,401	69,194,995	69,237,995

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Multifamily Lending Program

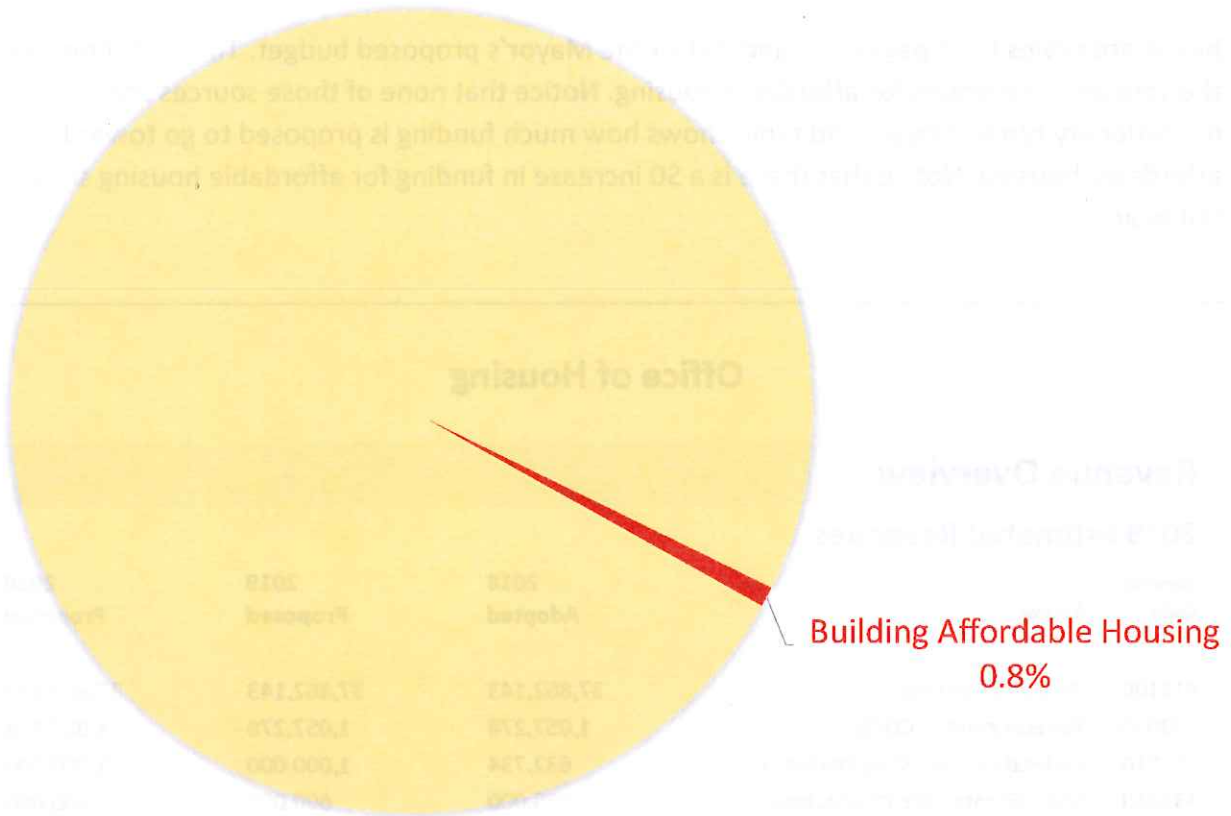
The purpose of the Multifamily Lending program is to employ the Housing Levy and other federal and local funding to make low-interest loans to developers to develop or preserve affordable multifamily rental housing.

Expenditures/FTE	2018 Adopted	2019 Proposed	2020 Proposed
Multifamily Lending	49,620,985	49,620,985	49,621,737
Full-time Equivalents Total	6.00	6.00	6.00

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MAYOR'S TOTAL CITY BUDGET



Mayor's Discretionary Spending on Police* vs. Housing



*Not yet including funds added in the new SPOG contract