

**Amendment 4 to Resolution 31957**

**Select Budget Committee**

**Sponsor: Councilmember Mosqueda**

Amendatory language shown in track changes ~~track changes~~

Amend Section 1, page 6, lines 10-23, page 7, lines 1-12 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

\* \* \*

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

\* \* \*

4. Economic revitalization. Seventeen percent of the proceeds may be used to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city's workforce. Investments will prioritize programs and services that diversify the local economy and improve job quality. This should include, including investing in labor-management training programs and partnerships with organizations whose work focuses on innovative workforce strategies that support and create jobs with strong pay and benefits and provide workforce training, and aligns with the Green New Deal (GND) spending category described in this resolution . This funding is intended to address the economic hardship

small business owners and their employees, and nonprofit organizations and their employees, have experienced due to loss of business income, grant funding reductions, increased operational costs, etc., as a result of the COVID-19 emergency. This will include:

a. At least \$650,000 in 2022 to contract with an organization with expertise and experience in developing a plan and can act as a catalyst to launch programs and services that will help transition a just local economy that provides stable, safe, and healthy family sustaining jobs, and advance the goals of the GND. The Council expects that, in 2021, the Executive will convene a group that includes, but is not limited to, representatives from City departments, labor organizations, ~~and~~ small businesses, and advocates for Seattle's GND, to develop the scope of work and to select a firm to carry out this work in 2022.

b. Funding to support worker training and retraining programs for workers (1) in industries disproportionately harmed by the economic impacts from the COVID-19 emergency; (2) entering new jobs industries that are growing or are expected in the future; and (3) who are in jobs that may be displaced to due to implementation of new policies or regulations, such as workers whose jobs currently depend on the fossil fuel industry and whose jobs may be displaced as the City implements GND strategies. This should include programs that assist workers who are transitioning between professions to ensure that such a transition offers comparable or improved pay and benefits.

c. ~~Any remaining funds will be used~~ Funding to invest in nonprofits, micro businesses, and small businesses, and mid-sized businesses disproportionately impacted by the COVID-19 crises. Funding may also be used to support business organizations, and nonprofit organizations, for activities that enable ~~small~~ those businesses or nonprofit organizations to stay in or, if already displaced, to return to their communities and promote and support business

~~districts and tourism, and to support community, business districts, and other business organizations focused on retaining and growing the workforce, including job training programs that provide a path to careers that provide family-sustaining wages and benefits for Seattle residents. This should include programs to train workers for careers that assist people who are transitioning between professions to ensure that such a transition offers comparable or improved pay and benefits. Spending will focus on prioritizing an equitable distribution of these supports, with preference to fund that to businesses, and business organizations, and nonprofit organizations:~~

~~i. That provide a safe, healthy, and economically beneficial working environment for their employees by providing a safe working environment that includes, but is not limited to: codes of conduct, health care benefits, educational benefits, retirement benefits, and living wage standards;~~

~~ii. ~~From~~ marginalized Seattle communities such as those led by Black, Indigenous, and People of Color (BIPOC), immigrant and refugee communities and those with limited English proficiency, LGBTQIA+ communities, and low-income communities;~~

~~iii. That have experienced economic hardships as a result of the COVID-19 emergency; and, who provide a safe, healthy, and economically beneficial working environment for their employees by providing a safe working environment that includes, but is not limited to: codes of conduct, health care benefits, educational benefits, retirement benefits, living wage standards, and entering into a labor peace agreement with employees.~~

~~iv. That have business models that support The City of Seattle's goals to eliminate climate pollution by 2030.~~

The Council intends that businesses, business organizations, and nonprofit organizations throughout the City will be eligible to apply and that the preference categories described in this resolution are not intended to dissuade any eligible business from applying for funds.

d. Funding to support outreach, education, and technical assistance programs to ensure that businesses, business organizations, and nonprofit organizations are well positioned to compete for funding and to ensure that programs and services support the needs of these organizations.

\* \* \*

Amend Attachment 1 to RES 31957 as shown on the next page.

**Effect:** This amendment modifies the description of proposed investments under the economic revitalization spending category to add details for investments in businesses, workforce development, and business districts to include, for example, programs that retrain workers who are transitioning to a new profession, identifies criteria to be considered for prioritizing these investments, specifies that this funding can be used for outreach and education, and connects these investments with related strategies under the Green New Deal spending category.

### Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
<b>Replenish Emergency Fund</b>	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
<b>Continuity of Services</b>	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% <sup>1</sup>	\$96 million
<b>COVID Relief - continued</b>	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% <sup>1</sup>	\$26 million
	Start-up costs and ongoing administration <sup>2</sup>	5% <sup>1</sup>	\$6 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%<sup>1</sup></b>	<b>\$214 million</b>
2022 + Beyond Proposed Spending (based on the payroll tax revenue <u>estimate</u> )			
<b>Housing and Services</b>	<ul style="list-style-type: none"> <li>- 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and</li> <li>- 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices</li> </ul>	60%	\$131 million
<b>Equitable Development Initiative</b>	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million

<sup>1</sup> After replenishing the emergency fund

<sup>2</sup> In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

<b>Business Support Economic Revitalization</b>	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$37 million
<b>Green New Deal</b>	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
	Start-up costs and ongoing administration	5%	\$11 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%</b>	<b>\$219 million</b>

<b>2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)<sup>3</sup></b>			
<b>Housing and Services</b>	<ul style="list-style-type: none"> <li>- 90% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and</li> <li>- 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices</li> </ul>	60%	\$148 million
<b>Equitable Development Initiative</b>	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
<b>Business Support Economic Revitalization</b>	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$42 million
<b>Green New Deal</b>	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
	Start-up costs and ongoing administration	5%	\$12 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%</b>	<b>\$246 million</b>

<sup>3</sup> Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.