

Amendment 7 to Resolution 31957

Select Budget Committee

Sponsor: Councilmember Strauss

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

Amend Section 1, page 2, line 13, 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.

A. In 2021, the first ~~\$86~~\$95 million may be used to replenish the City's Emergency Fund and Revenue Stabilization Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19. Any remaining proceeds from the payroll tax are intended to be used as follows:

* * *

Amend Attachment 1 to RES 31957 as shown on the last page of this amendment.

Effect: Modifies Resolution 31957 to increase the allocation of payroll tax revenues that will be needed in 2021 to replenish the reserve funds reduced in 2020 to support the spending authorized in the COVID Relief Bill (CB 119812). This would increase the total amount to \$95 million in 2021 to replenish funds and reduce the other categories of spending. This amendment is only needed if Amendment 3 to CB 119812 is adopted.

Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
Replenish Emergency Fund	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 <u>95</u> million
Continuity of Services	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% ¹	\$ 96 <u>89</u> million
COVID Relief - continued	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% ¹	\$ 26 <u>24</u> million
	Start-up costs and ongoing administration ²	5% ¹	\$6 million
TOTAL ANNUAL SPENDING:		100%¹	\$214 million
2022 + Beyond Proposed Spending (based on the payroll tax revenue estimate)			
Housing and Services	<ul style="list-style-type: none"> - 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 - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$131 million
Equitable Development Initiative	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
Economic Revitalization	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

¹ After replenishing the emergency fund

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

Green New Deal	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
TOTAL ANNUAL SPENDING:		100%	\$219 million

2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)³			
Housing and Services	<ul style="list-style-type: none"> - 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 - 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices 	60%	\$148 million
Equitable Development Initiative	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
Economic Revitalization	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
Green New Deal	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
TOTAL ANNUAL SPENDING:		100%	\$246 million

³ 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.