



SEATTLE CITY COUNCIL

Select Budget Committee

Agenda

Thursday, October 17, 2019

9:30 AM

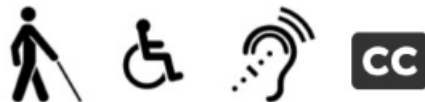
Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

Sally Bagshaw, Chair
M. Lorena González, Member
Bruce Harrell, Member
Lisa Herbold, Member
Debora Juarez, Member
Teresa Mosqueda, Member
Mike O'Brien, Member
Abel Pacheco, Member
Kshama Sawant, Member

Chair Info: 206-684-8801; Sally.Bagshaw@seattle.gov
[Watch Council Meetings Live](#) [View Past Council Meetings](#)

Council Chamber Listen Line: 206-684-8566

For accessibility information and for accommodation requests, please call 206-684-8888 (TTY Relay 7-1-1), email CouncilAgenda@Seattle.gov, or visit <http://seattle.gov/cityclerk/accommodations>.



SEATTLE CITY COUNCIL
Select Budget Committee
Agenda
October 17, 2019 - 9:30 AM

Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<http://www.seattle.gov/council/committees/budget>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

BUDGET DELIBERATIONS & ISSUE IDENTIFICATION

Council Central Staff will present an overview of key changes to City Department operating and capital budgets, identify issues for possible further examination, and highlight Councilmember requests for revisions to the Mayor's Proposed 2020 budget.

SESSION I - 9:30 a.m.

A. Call To Order

B. Approval of the Agenda

C. Items of Business

1. Office of Housing (OH)

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Traci Ratzliff, Analyst, Aly Pennucci, Supervising Analyst, and Tom Mikesell, Budget Coordinator, Council Central Staff

2. Homelessness Response

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Jeff Simms, Brian Goodnight, and Traci Ratzliff, Analysts, and Tom Mikesell, Budget Coordinator, Council Central Staff

3. Human Services Department (HSD)

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Amy Gore and Jeff Simms, Analysts, and Tom Mikesell, Budget Coordinator, Council Central Staff

SESSION II - 2:00 p.m.

4. Department of Education and Early Learning (DEEL)

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Brian Goodnight, Analyst, and Lise Kaye, Budget Coordinator, Council Central Staff

5. Office for Civil Rights (OCR)

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Asha Venkataraman, Analyst, and Lise Kaye, Budget Coordinator, Council Central Staff

6. Office of Economic Development (OED)

Supporting
Documents:

[Central Staff Memo](#)

Briefing and Discussion

Presenters: Yolanda Ho, Analyst, and Lise Kaye, Budget Coordinator, Council Central Staff

D. Public Comment**E. Adjournment**



Legislation Text

File #: Inf 1546, **Version:** 1

Office of Housing (OH)

Budget Deliberations – October 17, 2019

Office of Housing

Staff: Traci Ratzliff, Analyst, and Aly Pennucci, Supervising Analyst

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Leadership and Administration</i>	\$6,116	\$6,128	\$5,393	(12%)
<i>Homeownership and Sustainability</i>	\$6,468	\$6,469	\$30,229	367%
<i>Multifamily Housing</i>	\$56,770	\$56,771	\$88,411	55%
Total Appropriation	\$69,354	\$69,368	\$124,033	79%
Total FTEs	45.00	45.00	46.00	1.00
Fund Sources				
<i>General Fund</i>	\$776	\$754	\$486	(35%)
<i>Other Sources</i>	\$68,578	\$68,614	\$123,548	80%
Total Funding	\$69,354	\$69,368	\$124,034	79%

Background

The 2020 Proposed Budget for the Office of Housing (OH) is \$124 million, an increase of \$55 million (79 percent) over the 2020 Endorsed Budget. The table above shows the changes in OH's budget by Budget Summary Level (BSL).

Significant changes in the 2020 Proposed Budget for OH are highlighted below. These include notable changes for which there are no issues identified at this time and changes with identified issues for the Council's consideration.

Notable Proposed Changes

1. \$22 million investment for development of Permanent Supportive Housing (PSH)

In 2019, the State legislature adopted [House Bill \(HB\) 1406](#) authorizing local jurisdictions to implement a local sales tax to fund affordable or supportive housing. The Council adopted [Ordinance 125887](#) in August 2019 authorizing the imposition and use of this authority locally. The proposed budget adds funding from the sales tax to support the capital costs to develop 175 new units of PSH for homeless households.

The capital costs to develop the PSH units would be covered by the issuance of an \$18 million General Obligation bond and \$4 million of revenues generated from the tax in 2020. In 2021 and beyond the revenues generated from the sales tax will be used to pay the \$1.8 million in debt service on the bond and \$2.2 million to fund the ongoing operating and maintenance costs

required to support the operation of the PSH units. The sales tax is authorized for 20 years. The repayment period on the bond will be 18 years. The annual operating and maintenance costs in the 175 PSH units will be covered for 20 years; a replacement funding source will be needed at the end of this period. Central Staff has not identified any issues at this point with this proposal.

2. \$270,000 for Heating Oil Conversion Program

The proposed budget adds funding to OH's budget from the new oil heat tax for a Heating Oil Conversion Program. This Program will help low-income homeowners convert a home's heating source from oil to a sustainable heating source such as electric heat. Low-income renter households enrolled in the Seattle City Light's Utility Discount Program who live in homes heated with oil will also be eligible for assistance of up to \$120 a year to mitigate the higher costs of purchasing heating oil. Renters will be eligible for assistance until the home converts to another heat source. Central Staff has not identified any issues at this point with this proposal.

Issue Identification

1. \$25 Million in Real Estate Excise Tax (REET) II Funding for Affordable Rental Housing

In 2019, the State Legislature passed [HB 1219](#) giving cities and counties authority to use real estate excise tax II (REET II) revenues to support capital investments in affordable housing and homelessness projects. The proposed 2020 budget states that the Executive intends to utilize this authority to appropriate \$5 million of REET II annually in 2021 through 2025 to fund the development of affordable housing. The appropriation authority will be included in the 2021 and 2022 Proposed Budgets submitted to Council next Fall. The Executive has stated that OH will make funding commitments to rental housing projects that applied to the 2019 Notice of Funding Availability (NOFA) process to reflect these future appropriations. This funding strategy is feasible because the City would not be releasing funds for these affordable housing projects until the project begins construction, typically eighteen months to two years after receiving a funding commitment from the City.

The authorization to use REET II for this purpose expires January 1, 2026. The ability to spend these funds for housing is limited only by the REET funding commitments made to transportation- and utility-related capital projects that must be funded over the next several years. The Executive has, through the Capital Improvement Plan (CIP), allocated remaining available REET II funding in 2021 to 2025 primarily to parks-related capital improvements. The Council could re-allocate REET II funding from other uses to affordable housing to take advantage of the time limited use of REET II for this purpose.

Options:

- A. Increase use of REET II for affordable housing projects by reallocating a portion of REET II funds; or
- B. No Action.

2. Mercer Property Sales Proceeds: Housing Investments

Proceeds from the sale of the Mercer sale would add one-time resources to support new spending in 2020. Approximately 45 percent of the proceeds are proposed for the following investments in housing and land acquisition programs:

i. \$15 Million for Development of Permanently Affordable Homeownership

These funds would assist households earning less than 80 percent of Area Median Income (AMI) to become homeowners. The funds would be used as follows:

- \$11 million to acquire land, potentially from Sound Transit, for development of affordable homeownership projects;
- \$996,000 in reserve to fund five years of annual staffing costs, property maintenance costs (fencing, trash pick-up, etc.) and other program costs associated with land acquisitions. An additional FTE is proposed to support these efforts, as well as the proposed Accessory Dwelling Unit (ADU) Loan Program (described below). Actual development of projects on sites acquired with this funding are likely years away; and
- \$3 million to fund an employer-supported homeownership program. City resources would leverage contributions by employers to a homeownership fund that would allow eligible workers with incomes between 80 and 120 percent of AMI to purchase a home of their choice in Seattle. City funds would assist home buyers below 80 percent of AMI and ensure that homes purchased are made permanently affordable to future owners of such homes. Up to \$1 million of the \$3 million would be used for start-up program operations, staffing costs and related administration of an outside entity who would assist with program implementation. No employers have been asked to commit funds to this program.

ii. \$6 million for Accessory Dwelling Unit Loan Program

These funds would help low- and moderate-income homeowners develop affordable ADUs. Approximately \$5.4 million would be directed to a loan fund and the additional \$600,000 would be used for other programmatic components (staffing, tenant screenings, trainings, etc.).

The proposed program focuses on both homeowner stabilization and increasing the supply of rent- and income-restricted rental housing by providing low-cost loans up to \$150,000 to homeowners at or below 120 percent of AMI to create ADUs with a 10-year rent- and income-restriction. Homeowners with incomes between 80 percent and 120 percent of AMI would be eligible for a loan with a 20-year term at a two percent interest rate. Homeowners with incomes at or below 80 percent of AMI could obtain a loan at zero (0) percent interest with a 30-year term, but payments would be deferred for the first 10-years when the rent- and income-restriction would apply.

It is unknown how the regulatory changes ([Ordinance 125854](#)) and the other programmatic work the City is working on to implement [Executive Order 2019-04](#) will impact

homeowners' ability to obtain financing to build ADUs, and the City is in the early stages of implementing a pilot program that would provide small loans (up to \$50,000) to low-income homeowners that can be used for ADUs (created in [response to SLI 24-3-1-2019](#)). In addition, a Racial Equity Toolkit (RET) has not been completed to inform the details of the program to ensure the program will meet the needs of the households this program is intended to support (note, however, the Executive has committed to completing a RET in early 2020 to support racial equity outcomes in outreach and program implementation. A smaller investment of public dollars may be warranted; and there may be opportunities to partner with a nonprofit lender to make a smaller City investment to create a loan fund that could be leveraged by the lender.

If the primary goal of this program is an **anti-displacement** strategy for low-income homeowners, there may be an opportunity to have a geographic focus for the program and/or lower the income-threshold for homeowner eligibility.

If the primary goal is to **increase affordable housing options** in single-family zones through the production of rent- and income-restricted rental units, removing an income limit for the homeowner/applicant and exploring opportunities to modify the requirements for the income-restrictions for the rental unit may be possible. However, lowering the income eligibility for both the homeowner and the renter may reduce participation because the risk of taking on the loan for low-income homeowners combined with the rent restriction may be too high.

iii. **\$41.7 Million for a Strategic Investment Fund**

The proposed budget adds \$41.7 million to Finance General to create a fund for strategic investments. These investments are intended to achieve multiple community benefits through development of mixed-use and mixed-income projects that include housing, affordable commercial and cultural space, public open space, and childcare. An interdisciplinary team including relevant city departments (OH, Office of Planning and Community Development (OPCD), Office of Economic Development, Department of Neighborhoods, and City Budget Office) and community partners experienced in community organizing/development will establish criteria and principles regarding use of these funds. This team will assist with identifying potential priority acquisitions utilizing available funds. The Executive will submit a spending plan to the City Council in the first or second quarter of 2020. Development of actual projects on property acquired with this funding is likely years away.

Options:

- A. Reallocate some or all funds described above from the Mercer property sale to address other Council priorities. This funding could be redirected to increase funding for affordable housing projects that applied through the 2019 NOFA and are ready to begin development.
- B. For the proposed ADU Loan Program described under 3(ii) above, the following options could be considered (note that some options could be combined):
 - B1) Redirect all or a portion of the \$6 million investment to support other Council priorities.
 - B2) Request the Executive work with a nonprofit lender to leverage this investment (either the full \$6 million or a smaller investment), and redirect the remaining funds to support other Council priorities. This option could include imposing a proviso on the funds until the Executive has completed a RET and fully developed the programmatic details.
 - B3) Request specific programmatic details, such as modifying income limits for the borrowers or the renters or including a geographic focus.
- C. No Action.

Budget Actions Proposed by Councilmembers as of October 10, 2019

1. **\$43 million of additional funding for 2019 Rental Housing NOFA projects (Councilmember Mosqueda)** – This action would redirect \$28 million from the Mercer properties sales proceeds from the proposed site acquisition, employer-supported homeownership, and the ADU loan program, and would increase the use of REET II funds by \$3 million a year for five years, to fund housing projects that have submitted proposals in OH's 2019 Rental Housing NOFA. Many of the projects seeking funding through the NOFA are ready to begin development. The addition of these funds will increase the total funds available for the 2019 NOFA to \$134 million. The Mayor's Proposed Budget provides \$91 million. In August 2019, projects totaling \$190 million indicated an Intent to Apply for funds in the 2019 NOFA.
2. **\$100,000 to implement Affirmative Marketing and Community Preference Plans (Councilmember Mosqueda)** – This action would add \$100,000 to OH's budget to support implementation of Community Preference policies for levy-funded affordable housing projects in neighborhoods at high risk of displacement. Funding would assist non-profit housing developers working with community partners to conduct outreach and affirmative marketing efforts that will lead to successful implementation of a community preference policy at specific levy-funded affordable housing projects. Such efforts seek to allow people to stay in or return to neighborhoods where they have long time social, cultural, faith and family ties.

OH and OPCD would also be asked to coordinate on the compilation of data for Community Preference areas, to be made available to housing developers organizations pursuing community preference strategies.

3. **\$20 million to fund debt service on \$500 million bond to fund affordable housing (Councilmember Sawant)** – This action would redirect \$20 million from the Mercer properties sales proceeds in 2020 to fund the partial year’s debt service payment on a \$500 million bond to fund development of 5,000 units of affordable housing.
4. **\$220,000 for pre-development costs for an affordable housing project in Little Saigon (Councilmember Harrell)** – This would add \$220,000 to OH’s budget to support pre-development costs for a proposed housing project in Little Saigon that will assist American Indian and Alaskan Native individuals.
5. **Modify proposed investment for the ADU Loan Program (Councilmember González)** – This action would reduce the proposed \$6 million investment for the ADU Loan Program to \$2.5 million and place a proviso on the funds until a RET has been completed and the programmatic details are fully developed. The remaining funds, \$3.5 million, would be redirected to (1) support the Equitable Development Initiative; and (2) coordinate work between OH and community land trusts for housing stabilization and community ownership.



Legislation Text

File #: Inf 1547, **Version:** 1

Homelessness Response

Budget Deliberations – October 17, 2019

HOMELESSNESS RESPONSE

Staff: Jeff Simms, Brian Goodnight, and Traci Ratzliff, Analysts

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed ¹	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Human Services (HSD)</i>	\$80,629	\$81,948	\$89,863	9.7%
<i>a. Permanent Supportive Housing</i>	\$16,807	\$17,255	\$17,255	0.0%
<i>b. Basic Shelters</i>	\$3,689	\$2,997	\$2,997	0.0%
<i>c. Enhanced Shelters</i>	\$19,888	\$21,793	\$21,793	0.0%
<i>d. Sanctioned Encampments</i>	\$3,889	\$4,835	\$6,097	26.1%
<i>e. Day and Hygiene Services</i>	\$5,161	\$5,397	\$5,397	0.0%
<i>f. Transitional Housing</i>	\$2,885	\$2,876	\$2,876	0.0%
<i>g. Outreach</i>	\$5,273	\$6,174	\$6,299	2.0%
<i>h. Rapid Re-Housing</i>	\$7,859	\$8,104	\$8,104	0.0%
<i>i. Diversion</i>	\$2,033	\$2,086	\$2,086	0.0%
<i>j. Prevention</i>	\$3,326	\$3,316	\$3,316	0.0%
<i>k. Healthcare for the Homeless</i>	\$2,948	\$3,029	\$3,029	0.0%
<i>l. Other²</i>	\$6,871	\$4,086	\$10,614	159.8%
<i>Finance General</i>	\$0	\$0	\$2,400	--
<i>Police Department (SPD)</i>	\$2,266	\$2,351	\$2,351	0.0%
<i>Public Utilities (SPU)</i>	\$1,276	\$1,315	\$1,737	32.2%
<i>Finance & Administrative Services (FAS)</i>	\$1,689	\$1,768	\$2,133	20.6%
<i>Parks & Recreation (SPR)</i>	\$1,421	\$1,421	\$1,521 ³	7.0%
<i>Housing (OH)</i>	\$2,158	\$1,952	\$1,952	0.0%
<i>Education & Early Learning (DEEL)</i>	\$475	\$957	\$957	0.0%
<i>Construction & Inspections (SDCI)</i>	\$443	\$459	\$459	0.0%
<i>Public Library (SPL)</i>	\$110	\$110	\$255	131.8%
<i>Neighborhoods (DON)</i>	\$51	\$55	\$55	0.0%
<i>Transportation (SDOT)</i>	\$20	\$20	\$20	0.0%
Total Funding	\$90,538	\$92,356	\$103,703	12.3%

1. HSD sublines in 2020 Endorsed are estimated amounts. Intervention specific totals in HSD are not available.

2. Includes increased or new investments in the Navigation Team, Seattle Housing Authority Rental Assistance Pilot, and start-up costs for the Regional Authority on Homelessness.

3. Updated following the presentation to the Select Budget Committee on Oct. 2, 2019.

Background

This paper describes proposed changes in the City's investments for homelessness in the 2020 Proposed Budget compared to the 2020 Endorsed Budget. The 2020 Proposed Budget adds \$11.3 million in resources to address homelessness above the 2020 Endorsed Budget, a proposed

total of \$103.7 million. In addition to new and expanded programs, this includes new Federal McKinney-Vento Grant funds, contract inflation, and other technical adjustments.

Human Services Department

The proposed budget adds \$8.3 million to the Human Services Department (HSD) for new or expanded homelessness programs above the 2020 Endorsed Budget. Of that increase, \$6.5 million is one-time funding.

Table 1: New or Expanded HSD Homelessness Programs in the 2020 Proposed Budget (\$ in 1,000s)

Investment	One-Time Proposed Amount	On-Going Proposed Amount
Chief Seattle Club Clinic	\$1,000	-
Navigation Team Expansion	-	\$326
On-Site Nurses	\$650	-
Nurse line	\$3	\$37
Jail Shelter*	\$2,000	\$400
SHA Rental Assistance Pilot	\$515	-
Safe Parking	\$125	-
Tiny Home Village Relocation	\$1,262	-
Regional Governance Start-Up	\$919	\$1,080
Total	\$6,474	\$1,843

* Denotes funds placed into Finance General while the proposal is finalized.

In addition to the changes outlined under issue identification, the proposed budget adds the following funding and staffing:

- **Chief Seattle Club Capital Investment** - \$1 million in one-time funding to support the construction of a health clinic in the ?al?al. The one-time funds are proceeds from the street vacation associated with the Convention Center.
- **Enhanced Shelter in King County Jail** - \$2.4 million to open and operate an enhanced shelter in the King County Correctional Facility. This investment will be discussed in the examination of criminal justice investments at the Select Budget Committee meeting on October 21.
- **On-Site Nurses and Nurse Call Line** - \$650,000 to provide after-hours nurse support at five shelters and permanent supportive housing (PSH) facilities and \$40,000 to open and operate a nurse call line available to staff and clients at homeless services agencies. These additions to the budget will be discussed in the examination of the criminal justice investments at the Select Budget Committee meeting on October 21.
- **Navigation Team Staff** – \$326,461 to maintain the 2019 expansion of the Navigation Team. In total, four new positions were added to the team, but one-time funds were used to create two of them. Two System Navigator positions were added using funding originally added in the 2019 Adopted Budget to expand outreach services and add an additional mental health professional to the Navigation Team. The System Navigators provide outreach services for the Navigation Team. Two Field Coordinator positions were also added using one-time funding. They manage the assessment of unsanctioned encampments for removal and coordinate the

resources for clean-ups. The Proposed Budget provides on-going support to retain them. Total investments for the Navigation Team in the Proposed Budget are described in Table 2, including this \$326,461 increase.

Table 2: Navigation Team Funding and Staff by Department (\$ in 1,000s)

Department	2019 Adopted		2020 Endorsed		2020 Proposed		% Change 2020 Endorsed to 2020 Proposed	
	Funding	FTE	Funding	FTE	Funding	FTE	Funding	FTE
HSD	\$2,455	13	\$2,455	13	\$3,322	17	35.3%	30.8%
SPD	\$2,266	13	\$2,351	13	\$2,351	13	0.0%	--
FAS	\$1,314	-	\$1,314	-	\$1,314	-	--	--
SPR	\$1,308	-	\$1,308	-	\$1,408	-	7.7%	--
Total	\$7,343	26	\$7,428	26	\$8,395	30	13.0%	15.4%

Seattle Public Utilities Clean City Programs

SPU manages a suite of programs under the moniker of Clean City that address issues such as litter, illegal dumping, graffiti, abandoned vehicles, and rodent abatement. In 2017, the City added three pilot programs related to homelessness: Encampment Trash, Litter Abatement, and Sharps Collection. In 2018, the Recreational Vehicle (RV) Remediation program was added as a fourth pilot program. Overall, the 2020 Proposed Budget includes approximately \$10.5 million of appropriations for the Clean City suite of programs. Table 3 shows the adopted, endorsed, and proposed appropriations for the four homelessness-related programs:

Table 3: Clean City Programs Related to Homelessness (\$ in 1,000s)

Program	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Encampment Trash	\$219	\$226	\$249	10.4%
Litter Abatement	\$428	\$440	\$533	21.0%
Sharps Collection	\$428	\$443	\$447	0.9%
RV Remediation Pilot	\$199	\$205	\$508	147.4%
Total	\$1,276	\$1,315	\$1,737	32.2%

Note: Values may not add to total shown due to rounding.

The Encampment Trash, Litter Abatement, and Sharps Collections programs all graduated out of the pilot stage in the 2019 Adopted Budget. In the 2020 Proposed Budget, the service levels for these programs are maintained. The increases between the endorsed and proposed budgets shown in Table 3 reflect increased disposal costs resulting from higher volumes of waste and a rising disposal rate.

The RV Remediation Pilot program is the area with a significant increase in the 2020 Proposed budget. The Executive's proposal would double the number of sites serviced each month from an average of seven to an average of 14. The increased funding would support additional contractor costs and a temporary Planning and Development Specialist II (1.0 FTE). The proposed budget also adds funding to SPR (\$100,000) and FAS (\$200,000) to support the expansion.

Seattle Parks and Recreation

The 2020 Proposed Budget includes \$113,000 to support existing shower services for homeless individuals provided at four community centers (Delridge, Green Lake, Miller, and Rainier). SPR has indicated there are challenges providing shower services at these centers including safety concerns, damage to facilities, and additional maintenance demands that they argue existing resources do not cover. If services are proposed for expansion, SPR would need additional funding to address unsupported costs at existing community centers offering shower services. These costs include: staff training (handling blood borne pathogens, de-escalation techniques, mental health first aid), repair and major maintenance expenses related to intensive shower use, and towel service (not currently provided but recommended). The ongoing, annual cost for such activities is estimated to range from \$125,000 to \$225,000. This cost would be in addition to costs associated with expanding shower services to existing or new community centers.

Issue Identification

1. Seattle Housing Authority Rental Assistance Pilot

In 2018, the Mayor launched a pilot to provide short-term rental supports for individuals on the waiting list to receive long-term housing vouchers from the Seattle Housing Authority (SHA). The initial pilot assumed households eligible for the pilot would need this short-term rental assistance for no more than 12 months. However, in October 2018, SHA changed its policies for long-term vouchers to respond to increasing rents in the Seattle area, which resulted in much longer waiting periods for households in the pilot.

The 2020 Proposed Budget adds \$515,000 to the pilot to ensure none of the households in the pilot lose their short-term rental support in 2020 before they receive their SHA voucher. According to projections provided by HSD, approximately 40 of the 72 households still receiving assistance through the pilot will require assistance into 2021 and additional appropriations would be necessary to maintain their housing. By that time, those households will have been on the SHA waitlist for nearly four years and some could expect to remain on the waitlist for years more.

Options:

- A. Do not increase funding for the pilot, likely creating housing instability or homelessness for these households.
- B. Increase funding for the pilot. This could include identifying additional one-time funds that could carry forward into subsequent years to fulfill the commitment to keep households in the pilot housed until they receive a SHA voucher.
- C. No action.

2. Safe Parking Pilot

The 2019 Adopted Budget added \$250,000 to develop a pilot program to serve individuals living in cars or other vehicles, except recreational vehicles. After exploring the option of creating a single larger parking lot for this pilot, HSD determined that providing this service at several small parking lots at faith-based organizations around the City would be a more viable approach. The funds, to date, supported the expansion of the program at Our Redeemer Lutheran Church from two parking spaces to seven parking spaces and provided funds for case management for individuals utilizing those spaces. HSD hopes to identify more faith-based organizations as partners to add an additional 23 spaces this year, for a total of 30 parking spaces. The proposed expansion takes \$125,000 in unspent funds from 2019 and uses those to support expansion beyond 30 spaces in 2020.

Options:

- A. Do not increase the funding for the pilot, allowing a year to examine the results of expanding to new locations as currently supported in the 2020 Endorsed Budget.
- B. Reduce proposed funding for the pilot in 2020 due to the limited increase in safe parking spaces.
- C. No action.

3. Relocation of Tiny Home Villages

The Proposed Budget adds \$1.3 million to address the relocation of two tiny home villages whose permits are about to expire, Georgetown and Northlake. These one-time funds are proceeds from the sale of the Mercer Mega-block that are designated to support homeless services. The amount in the proposed budget assumes these two villages would operate until their current permit expires and then replace the village with an enhanced shelter or new location for a sanctioned encampment. This investment adds \$50,000 for each encampment to ramp down services, \$516,000 in start-up costs for new locations, and \$469,000 for increased operating costs (assuming higher costs per bed for new location). The estimate also adds \$177,000 to continue operating both encampments for three months on top of the \$177,000 included in the base budget.

Options:

- A. Do not provide funds to move either encampment, saving \$1.3 million.
- B. Do not increase the operational funds above 2019, saving \$469,000.
- C. Move only one of the two encampments.
- D. Redirect the \$177,000 that duplicates funds provided in the base budget to support other Council priorities, leaving \$1,084,000 for the relocation of these villages.

4. Costs to Create Regional Authority on Homelessness

The Proposed Budget adds \$2 million in 2020 to start up a regional authority on homelessness. This consists of \$919,000 in true one-time costs, such as the setup of technology systems, moving costs, and an executive search firm. The remaining \$1,080,000 is for on-going new costs, primarily nearly \$900,000 to hire three executive series staff, a chief of staff, and a director of human resources for the new entity.

The conceptual organizational chart for the regional authority envisions around 50 staff. This would result in a ratio of one executive series staff member (i.e., executive director or deputy director) for every 16 FTEs. It would be 1:12 if the Chief of Staff is also included as executive staff. That ratio for city departments is an average of 1:48. For example, HSD has one executive position for every 55 FTEs and the Office of Housing has one for every 22 FTEs.

Options:

- A. Change the number of executive staff funded in 2020 and beyond.
- B. Negotiate with King County to share the costs of executive staff for the new authority.
- C. No action.

Budget Actions Proposed by Councilmembers as of October 10, 2019

Emergency Services

1. **\$900,000 to Start-Up and Operate a New Tiny Home Village (Councilmember Mosqueda)** – This action would add \$350,000 in one-time costs to establish a new Tiny Home Village with approximately 40 tiny homes for 65-75 individuals and adds \$550,000 in ongoing operational funds. The tiny homes would be donated by the Low-Income Housing Institute.
2. **Report on Sites for a Pallet Shelter or Tiny Home Village and Associated Costs Statement of Legislative Intent (SLI) (Councilmember Mosqueda)** – This action would request a site search to place a 40-pallet shelter or 25-50 tiny homes in Seattle and develop a cost estimate for on-going operations.
3. **\$10,800,000 to Establish and Operate 20 New Tiny Home Villages (Councilmember Sawant)** – This action would redirect the \$1.3 million in the 2020 Proposed Budget for relocating two tiny home villages and adds \$10.8 million, for a total of \$12 million, to open 20 new tiny home villages. In addition, a proviso would be added to ensure no funds are used to relocate or shut down existing tiny home villages.
4. **\$1,200,000 to Fund an Enhanced Shelter for Homeless Youth (Councilmember Sawant)** – This action would add \$1.2 million to relocate the shelter formerly operated by Peace for the Streets by Kids from the Streets to a new location and provides funds for three years of operations.

5. **\$58,148 to Provide Menstrual Product in Shelter Programs (Councilmember Juarez)** – This action would add \$58,138 to provide free menstruation products to women staying in a city shelter or tiny house village.
6. **\$100,000 to Support Legal Services for Youth and Children Who Experience or Are At Risk of Experiencing Homelessness (Councilmember Gonzalez)** – This action would add \$100,000 on-going funds to provide legal services and representation for youth experiencing or at risk of experiencing homelessness in a range of cases, including child welfare proceedings, juvenile court, youth and family immigration matters, and youth and young adult homelessness civil legal services. Currently, Legal Counsel for Youth and Children provides this service but relies on non-City funds for these operations that will no longer be available.

Over-Represented Populations

7. **\$1,230,632 to Expand Homelessness Services to American Indian and Alaska Native Individuals Experiencing Homelessness (Councilmember Juarez)** – This action would add \$1.2 million for rapid re-housing, diversion, day center, and homelessness prevention services to individuals experiencing homelessness who are American Indian or Alaska Native. Funds would be used to contract with a non-profit organization that specializes in serving this community.
8. **\$374,517 to Expand Rapid Re-Housing Services to American Indian and Alaska Native Individuals Experiencing Homelessness (Councilmember Gonzalez)** – This action would add \$374,518 for rapid re-housing services to individuals experiencing homelessness who are American Indian or Alaska Native. Funds would be used to contract with a non-profit organization that specializes in serving this community, such as Chief Seattle Club.

Unsheltered Response

9. **\$273,000 to Add Two Positions to Respond to Homeless Encampments in North Seattle (Councilmember Juarez)** – This action would add \$273,000 and 2.0 FTEs to the Navigation team for a System Navigator and a Field Coordinator to assess and conduct outreach to residents of encampments in North Seattle.
10. **Cut \$8,387,000 from the Navigation Team to Support Other Homeless Services (Councilmember Sawant)** – This action would cut all expenditures related to the Navigation Team in 2020 and redirect those funds for other homeless services. Cuts would be made to the relevant budget programs in HSD, SPD, FAS, and SPR.
11. **Impose a Proviso on Funds for the Navigation Team (Councilmember Herbold)** – This action would impose a proviso on funding for the Navigation Team. Funds in HSD to support the Navigation Team would continue to be contingent on reporting certain performance metrics and responding to recommendations from the Office of the City Auditor. To address unsatisfactory responses from the current proviso, Council action would be necessary to release the funding quarterly.

12. Provide Funds to Start-Up a Mobile Needle Exchange Program (Councilmember Pacheco) – This action would add one-time and on-going funds (amounts to be determined) to launch a mobile needle exchange program.

13. \$206,472 to Extend a Pilot Providing Mental Health Outreach Workers in the University District and Ballard (Councilmember Pacheco) – This action would add \$206,472 GF to extend an existing pilot that supports two mental health professionals who conduct outreach in the University District and Ballard. The proposed funding is sufficient to continue these activities for 24 months.

14. Encampment Trash Program Expansion (Councilmember Herbold) – This action would add funding (amount to be determined) to SPU to expand the Encampment Trash program through a partnership with a nonprofit provider. Partnering with a nonprofit provider that can identify feasible sites, explain how the program works, distribute the purple bags used by the program, and monitor participating sites should allow for a more efficient expansion than would be possible with only City staffing resources.

Vehicular Residents

15. \$381,968 to Start-up and Operate an Overnight-Only Safe Parking Lot (Councilmember Pacheco) – This action would add \$33,410 for one-time costs and \$348,458 for on-going costs to support a safe parking lot for 20 to 30 vehicles at the University Heights Center. This funding includes the cost of a case manager and three part-time parking organizers for the overnight only safe parking lot. This action may require changes to the existing service agreement for the facility.

16. \$200,000 to Fund a Scofflaw Mitigation Team (Councilmember O'Brien) – This action adds \$200,000 for part-time outreach staff and flexible financial assistance to mitigate parking offenses for people experiencing homelessness who reside in vehicles.

Hygiene Facilities

17. \$2,010,000 to Develop and Staff Mobile Bathroom Facilities (Councilmember Herbold) – This action adds \$1.3 million for one-time start-up costs and \$726,000 for on-going operational funds to create staffed mobile restrooms. The locations would be equipped to dispose of needles and pet waste, as well.

18. \$1,500,000 to Develop and Staff Mobile Bathroom Facilities (Councilmember Sawant) – This action adds \$770,000 for one-time start-up costs and \$730,000 for on-going operational funds to create staffed mobile restrooms. The locations would be equipped to dispose of needles and pet waste, as well.

19. \$244,000 for Expansion of Shower Services for Homeless Individuals. (Councilmember Bagshaw and Councilmember Herbold) – This action would add \$244,000 to: (1) expand hours for shower services at Miller Community Center and provide new shower services at Meadowbrook Community Center for homeless individuals; (2) implement a pilot program for

providing towel service at centers providing shower services for homeless individuals; and (3) make needed repairs and perform major maintenance work related to the increased use of showers at the five community centers providing shower services. SPR is requested to schedule hours for these services as early in the morning, as possible and explore the use of disposable, compostable towels as a potential cost efficient, environmentally friendly option for the towel pilot.

20. Funding to expand cleaning of restrooms in City parks (Councilmember Herbold) – This action would add funding (amount to be determined) and FTEs to expand cleaning of restrooms in City parks.



Legislation Text

File #: Inf 1548, **Version:** 1

Human Services Department (HSD)

Budget Deliberations – October 17, 2019

HUMAN SERVICES DEPARTMENT (HSD)

Staff: Amy Gore and Jeff Simms, Analysts

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Addressing Homelessness</i>	\$80,629	\$81,948	\$89,863	9.7%
<i>Promoting Healthy Aging</i>	\$42,021	\$43,849	\$48,512	10.6%
<i>Preparing Youth for Success</i>	\$19,510	\$19,777	\$20,989	6.1%
<i>Supporting Affordability and Livability</i>	\$23,597	\$21,803	\$28,888	32.5%
<i>Promoting Public Health</i>	\$11,882	\$11,093	\$11,865	7.0%
<i>Supporting Safe Communities</i>	\$9,392	\$9,436	\$10,608	12.4%
<i>Leadership and Administration</i>	\$11,224	\$11,844	\$12,503	5.6%
Total Appropriation	\$198,255	\$199,750	\$223,228	11.8%
Total FTEs	382.75	382.75	384.75	0.5%
Fund Source(s)				
<i>General Fund</i>	\$123,330	\$124,667	\$129,881	4.2%
<i>Sweetened Beverage Tax Fund</i>	-	-	\$5,150	-
<i>Unrestricted Cumulative Reserve Fund</i>	-	-	\$1,500	-
<i>Short-Term Rental Tax Fund</i>	-	-	\$3,300	-
<i>Human Services Fund</i>	\$74,925	\$75,083	\$83,397	11.1%
Total Funding	\$198,255	\$199,750	\$223,228	11.8%

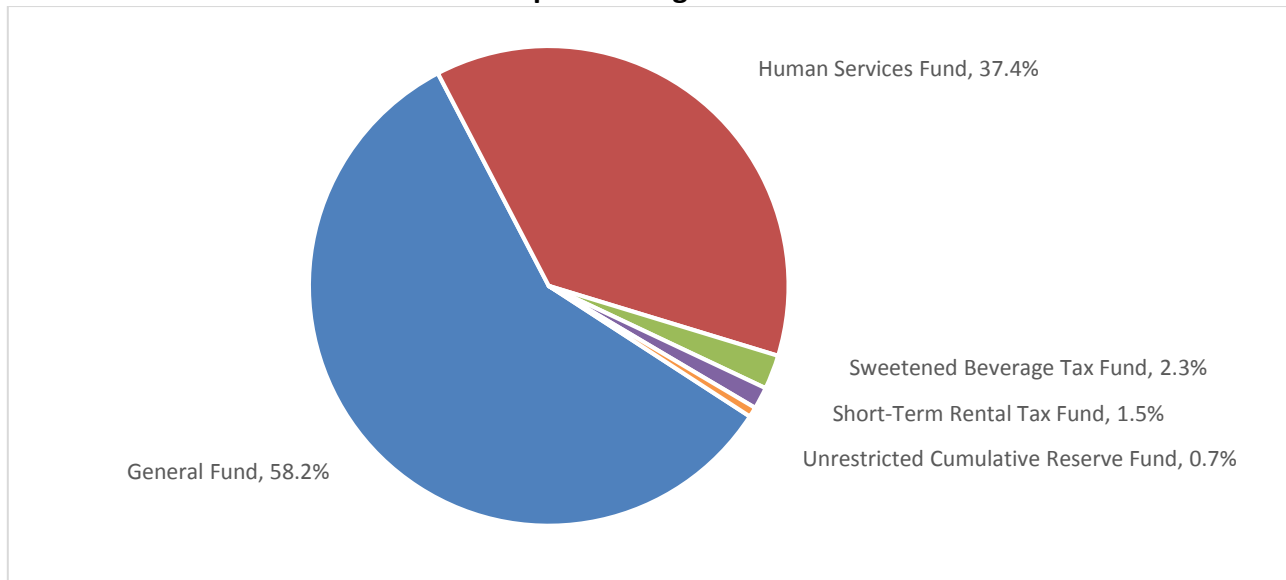
Background

The 2020 Proposed Budget for the Human Services Department (HSD) is \$223.2 million, an increase of \$23.5 million (11.8 percent) from the 2020 Endorsed Budget and an increase of \$24.9 million (12.6 percent) from the 2019 Adopted Budget. This increase continues the recent trend of HSD budget growth outpacing the growth of both General Fund (GF) expenditures and total budget expenditures. The largest increase, \$7.9 million, is in homelessness programming; these items are discussed separately in the Budget Deliberations paper on homelessness.

In 2019, Council passed [CB 119551](#) and [CB 119402](#) creating separate funds for Sweetened Beverage Tax (SBT) and Short-Term Rental Tax (STRT) and clarifying spending priorities for these revenues. The 2020 Proposed Budget reflects these changes, with \$5.2 million of the department's revenue now coming from the SBT Fund and \$3.3 million from the STRT Fund.

The 2020 Endorsed Budget was \$199.8 million, with 62.4 percent of revenues from the General Fund and 37.6 percent from the Human Services Fund. The 2020 Proposed Budget revenues are 58.2 percent General Fund, 37.4 percent Human Services fund, 2.3 percent SBT Fund, 1.5 percent STRT Fund and 0.7 percent from the Unrestricted Cumulative Reserve Fund.

2020 Proposed Budget Fund Source



Other changes from the 2020 Endorsed Budget for HSD are highlighted below. They include (1) general items that impact the HSD budget but for which there are no issues identified at this time and (2) items with identified issues for the Council’s consideration.

General Items:

1. Baseline Budget Changes

Of the \$23.5 million increase in HSD’s proposed budget, \$3.5 million is for baseline changes, including citywide adjustments for standard cost changes, an increase for the City’s share of the 2020 State Paid Family Medical Leave, and the Annual Wage Increase in the tentative agreement between the City and the Coalition of Unions.

2. Inflationary Increase for HSD Contracts

Over 72 percent of HSD’s appropriations support contracts with community organizations that provide services in HSD’s key priority areas. These contracts are funded both by General Fund and through state or Federal Grants, such as Community Development Block Grants (CDBG), and now through special revenue funds as described above.

From 2014 to 2018, the adopted budget included an inflationary adjustment ranging from 0.6 percent to 2.3 percent to be applied only to GF contracts. The 2019 Adopted Budget included a two percent inflationary adjustment for both GF and non-GF contracts. The 2020 Endorsed Budget included an additional two percent inflationary adjustment for GF contracts, but did not include funding for an inflationary adjustment for non-GF contracts.

In 2019, Council passed [CB 119542](#) requiring annual inflationary adjustments to both GF and non-GF HSD contracts equal to the average increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the preceding year. The 2020 Endorsed Budget added

\$739,770 to increase the GF contracts adjustment from the already-funded 2.0 percent increase to 2.6 percent, and \$825,228 to provide non-GF contracts a 2.6 percent increase, consistent with CB 119542. The 2020 Proposed Budget adds \$1.6 million GF for contract inflation; combined with the \$1.9 million from the endorsed budget, the total funding for contract inflation for 2020 is \$3.5 million.

3. King County Domestic Violence Hotline

The 2020 Proposed Budget adds \$375,000 for a county-wide Domestic Violence Hotline. This increase would supplement funds from the King County Veterans, Seniors & Human Services Levy to create, operate and staff a countywide, 24-hour, multi-lingual, multi-modal domestic violence hotline. King County levy funding is anticipated to be \$725,000 in 2020, increasing to \$770,000 in 2023, totaling \$3.3 million. HSD does not currently fund domestic violence hotline services, though several of the contracted partners do provide limited hotline services.

4. Seattle Youth Employment Program Year-Round Expansion

The 2020 Proposed Budget adds \$310,019 GF and two additional FTEs to expand the Seattle Youth Employment Program (SYEP). In 2019, SYEP enrolled 311 youth in Summer internships. This funding will expand the Summer internship program to 400 youth as well as provide a year-round skills-development program for 200 youth. These funds will support two Youth Development Counselors.

5. Statewide Human Services Advocacy

The 2020 Proposed Budget adds \$25,000 GF for contracted statewide human services advocacy. While this item is an add of \$25,000 to the HSD budget, it represents a reduction in funding from previous years; in 2019, funding for this contract was \$80,000 and managed by the Office of Intergovernmental Affairs.

6. CDBG Capital Investments

The 2020 Proposed Budget adds \$2.0 million from CDBG resources for capital investments which will support two projects:

- \$1.0 million for Seattle Housing Authority (SHA) – SHA will use these funds to upgrade fire alarm systems and other building maintenance needs which will improve safety for residents and reduce the number of false alarms that require Seattle Fire Department responses.
- \$1.0 million for International Community Health Services (ICHS) – These funds will be used to complete the facility for Program of All-Inclusive Care for the Elderly (PACE) serving the Asian Pacific Islander community.

In the past, CDBG funds have been allocated to various community projects; however, many organizations find reporting requirements and other stipulations of the CDBG funds to be too onerous to use.

7. Grant Funded Appropriations

The 2020 Proposed Budget adds \$6.6 million in increased grant-funded appropriations, which will support the following programmatic changes:

- \$1.5 million in HUD McKinney for Permanent Supportive Housing and Transitional Housing;
- \$590,000 in Housing Opportunities for People with AIDS for Permanent Supportive Housing;
- \$370,000 in use of OH Housing Levy funds for Prevention;
- \$3.1 million in Title XIX Medicaid for case management for older adults and adults with disabilities; and
- \$760,000 in Older Americans Act for senior nutrition, health promotion, and community living connections

8. Leadership and Administration Division (LAD) Staffing

The LAD Division is projected to spend \$1.2 million (13 percent) over their 2019 Adopted Budget appropriation of \$8.5 million, primarily in personnel spending. This is due, in part, to staff vacancies being filled by temporary or out of class employees. HSD is currently restructuring the division and believes that the division will be “right sized” after the transition of the Homelessness Strategies and Investments division to the regional authority on homelessness.

Issue Identification

1. Safety Request for Proposal (RFP) Ramp-Down Funding

In 2019, HSD released the Safety RFP and provided \$4.4 million in contracts spread across 14 community organizations. The Safety RFP was the result of a two-year co-designed process to update the Seattle Youth Violence Prevention Initiative (SYVPI). Changes included two new primary strategies for the program, systems navigation and trauma intervention, and a new priority population of 18 to 24-year-olds harmed by the criminal legal system in Seattle.

The 2020 Proposed Budget adds twelve months of ramp-down funding (January - December) for eight community partners previously funded by SYVPI who were not selected as part of the 2019 Safety RFP. (A ninth unfunded application, King County Superior Court, is not included in the bridge funding.) Some of these programs may be more competitive through other RFPs, including a Youth Development RFP that will be released in 2020.

Options:

1. Reduce the proposed ramp-down funding and redirect \$328,000 to \$656,000 to other programs, such as the upcoming Youth Development RFP.
2. Cut proposed ramp-down funding and redirect \$1.3 million to other programs, such as the upcoming Youth Development RFP.
3. No action.

2. Additional Staff to Support the Utility Discount Program (UDP)

The UDP provides eligible households with a 60 percent discount on their City Light electric bill and a 50 percent discount on their Seattle Public Utilities bill. To qualify for the program, household income must be lower than 70 percent of Washington State's median income. In 2014, responsibility for enrolling qualified households was moved to HSD, though program funding is shared by City Light and Seattle Public Utilities.

Currently, an estimated 98,000 households in Seattle are eligible for the program and 32,821 households are enrolled in the program. The goal of the program is to enroll 34,000 households. There are 14.0 FTEs supporting UDP:

- 2.0 Administrative Specialist 1s;
- 9.0 Program Intake Representatives;
- 2.0 Sr Program Intake Representatives; and
- 1.0 Program Supervisor

According to data provided by HSD, the 14 staff members field an average of 3,200 calls per month. During the third quarter of 2019, UDP received 9,647 calls and enrolled 631 households. The 2020 Proposed Budget will increase the programs capacity by adding two FTEs, one Admin Specialist 1 and one Program Intake Representative, at an annual cost of \$167,000.

According to [SLI Response 40-1-B-1](#) provided to Council in June of 2019, cross-enrollment from other programs have “proven particularly effective” in increasing enrollment in the program. For example, developing a partnership with SHA in 2016 led to 7,000 new households enrolled, the highest increase in the program's history. The SLI sets forth several strategies to optimize the UDP, including:

- Conduct a self-certification pilot with “fast-track” application;
- Pursue additional cross-enrollment opportunities;
- Develop strategic outreach and marketing plan; and
- Launch a customer self-service portal

Options:

1. Add an FTE and funding (amount to be determined) focused on the strategies outlined in [SLI Response 40-1-B-1](#).
2. No action.

3. SBT-Backed Investment in Food Banks and HSD Staff Capacity

The 2020 Proposed Budget adds \$1,125,000 in SBT revenue for Food Banks and staffing, bringing total SBT funding to \$5.1 million in 2020. Of the \$1.1 million, \$825,000 will go to expanded funding for Food Banks and \$300,000 for 2.0 FTEs.

The two new staff include a Strategic Advisor II position which will be charged with communicating with stakeholders, including the SBT Community Advisory Board, the Mayor's office and Council. The second position is a Senior Grants and Contracts Specialist who will develop, execute and monitor contracts for SBT-funded programs.

Options:

1. Reduce funding and reclassify the two new positions as a Grants and Contracts Specialist or Strategic Advisor I and use salary cost savings to fund programming.
2. No action.

Budget Actions Proposed by Councilmembers as of October 10, 2019

Leadership and Administration

- 1. Report and Recommendations on Contracts with American Indian and Alaska Native (AI/AN) Organizations Statement of Legislative Intent (SLI) (Councilmember Juarez)** – This action would create a SLI requesting a report on existing HSD contracts with AI/AN organizations as well as recommendations to ensure funding for these organizations is equitable and sufficient. On September 9, 2019, the City Council adopted [Resolution 31900](#), establishing a work plan to address the Missing and Murdered Indigenous Women and Girls (MMIWG) crisis in the City of Seattle. The resolution included a request that HSD submit a report on funding adequacy for the AI/AN community to the Civic Development, Public Assets, and Native Communities Committee (or its successor committee) by the first quarter of 2020. This SLI would formalize that request and create a transparent conversation between City Council and HSD on MMIWG priorities.
- 2. Study on the Value of Human Services Work (Councilmember Sawant)** – This action would add \$102,000 one-time funding to HSD to contract with an organization that has experience organizing and coordinating human services providers, such as the Seattle Human Services Coalition, to conduct an analysis of the value of human services work and equitable compensation. This budget action would fund a study into the disparity between compensation for human service work in Seattle, and the compensation for other jobs requiring similar levels of education, expertise, difficulty, and danger.
- 3. Equity Organizing in Human Services (Councilmember Sawant)** – This action would add \$102,000 ongoing funds to HSD to contract with a non-profit organization that has experience in the operations of human services in Seattle, such as the Seattle Human Services Coalition, to pilot a racial equity organizing project integrated into the delivery of human services.

4. **Human Services Lobbying and Advocacy (Councilmember O'Brien)** – This action would add \$60,000 of ongoing funding to HSD to contract with a non-profit organization to conduct state-wide lobbying and advocacy with a focus on addressing poverty and creating opportunities for everyone to prosper through people-centered approaches. The 2020 Proposed Budget includes \$25,000 for this purpose; this proposal would bring total funding to \$85,000.

Promoting Healthy Aging

5. **Transportation and Senior Activities for Low-Income Seniors (Councilmember Sawant)** – This action would add \$30,000 ongoing funds to HSD to contract with a non-profit community-based organization, such as the Vietnamese Senior Association, to fund transportation and senior activities for low income seniors. The Vietnamese Senior Association serves low income seniors in the Chinatown/International District, who rely on subsidized bus passes for transportation and senior activities. This budget action would provide funds to subsidize bus passes for the seniors the Vietnamese Senior Association serves and accommodate senior activities in 2020 and ongoing.
6. **Capital Costs for LGBTQ-Affirming Senior Advocacy Organization (Councilmember Sawant)** – This action would add \$50,000 one-time funds to HSD to fund the capital costs of the minimal buildout of interim office space for an LGBTQ Affirming Senior non-profit organization, such as GenPRIDE, to continue operating before moving into the new LGBTQ Affirming Senior housing project on Broadway on Capitol Hill. This will allow these LGBTQ senior advocacy services to remain available on Capitol Hill until their permanent home comes online.

Supporting Affordability and Livability

7. **UDP Direct Line and Warm Hand-Off (Councilmember Mosqueda)** – This action would impose a proviso on the two new FTEs for the UDP in the 2020 Proposed Budget, to be lifted after the development of a dedicated service provider line and warm hand-off process. HSD depends on service providers to refer applicants to the UDP; currently, providers are reporting long wait times on the existing UDP customer service phone line. A dedicated line and warm hand off would assist in the enrollment of new UDP customers and be a more efficient use of service providers' and clients' time. The proviso would be imposed on FTE funding beginning in July of 2020, with the expectation that the two new staff will enable the development of the dedicated service provider line and warm hand-off process during the first half of 2020.
8. **Career Development for Transgender and Gender Non-Conforming Job Seekers (Councilmember Sawant)** – This action would add \$30,000 ongoing funds to HSD to contract for career development and job search services for transgender and gender non-conforming job seekers. Funding of \$30,000 is sufficient to provide 200 Seattle residents \$150 scholarships to participate in a career development program designed to support transgender and gender non-conforming people overcoming discrimination and other barriers to entering and succeeding in the workplace.

Supporting Safe Communities

- 9. Legal Support for Sexual Violence Survivors (Councilmember Sawant)** – This action would add \$186,300 ongoing funds to HSD to contract for legal representation for non-intimate partner sexual violence survivors. This legal support would be focused on defending the civil rights and wishes of sexual violence survivors regardless of the criminal and civil judicial systems' procedures and responses. This legal support includes protecting survivors' privacy rights.

Preparing Youth for Success

- 10. Culturally- and Linguistically-Competent Summer and After School Programming (Councilmember Pacheco)** – This action would add \$72,724 ongoing funds to HSD to contract with a culturally and linguistically competent non-profit, such as El Centro de la Raza, to continue providing summer and after school programming serving Latino, Spanish-speaking low-income youth beyond existing contracts which expire in June of 2020.
- 11. American Indian and Alaska Native Youth Development through Sports (Councilmember Juarez)** – This action would add \$150,000 ongoing funds to HSD to contract with a 501(c) 3 non-profit dedicated to empowering native youth to live healthy lives by providing awareness, prevention and character enrichment using sport as a modality, such as Rise Above, to increase mentorship opportunities through the delivery of culturally relevant, pro-social interactions with tribal youth.

Promoting Public Health

- 12. Harm-Reduction Outreach for Street-Based Sex Workers and Drug Users (Councilmember Mosqueda)** – This action would add \$280,000 ongoing funds to an organization providing direct outreach to street-based sex workers and drug users, such as The Green Light Project, to provide safe sex supplies, safe injection supplies, fentanyl test kits, and other resources at no-cost to recipients.
- 13. Educational Program on HIV/AIDS and Other Chronic Illness Targeted to the African American Diaspora (Councilmember Harrell)** – This action would add \$55,000 ongoing funds to support educational services on HIV/AIDS and chronic diseases with a focus of reaching the African American diaspora in Seattle. These funds would be added to the base contract with Seattle-King County Public Health.
- 14. Medication Assisted Treatment Pilot for Methamphetamine Use Disorder (Councilmember O'Brien)** – This action would add \$500,000 to develop a pilot testing the feasibility and efficacy of medication assisted treatment for individuals who misuse or abuse methamphetamines.
- 15. Construct a Comprehensive Clinic Inside a Permanent Supportive Housing Facility (Councilmember Bagshaw)** – This action would add \$2 million in one-time funding to develop the Bill Hobson Comprehensive Clinic, located in a permanent supportive housing facility in Rainier Valley. These funds would reduce the amount of debt required for construction.



Legislation Text

File #: Inf 1549, **Version:** 1

Department of Education and Early Learning (DEEL)

Budget Deliberations – October 17, 2019

DEPARTMENT OF EDUCATION AND EARLY LEARNING

Staff: Brian Goodnight, Analyst

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Early Learning</i>	\$56,324	\$53,519	\$59,093	10.4%
<i>K-12 Programs</i>	\$36,819	\$32,792	\$33,366	1.8%
<i>Leadership and Administration</i>	\$6,466	\$6,973	\$6,942	(0.5%)
<i>Post-Secondary Programs</i>	\$4,094	\$5,862	\$5,861	0.0%
Total Appropriation	\$103,704	\$99,145	\$105,262	6.2%
Total FTEs	98.0	98.0	110.5	12.8%
Fund Source(s)				
<i>General Fund</i>	\$18,226	\$18,073	\$13,457	(25.5%)
<i>2011 Families and Education Levy Fund</i>	\$28,464	\$0	\$0	0.0%
<i>Seattle Preschool Levy Fund</i>	\$16,513	\$0	\$0	0.0%
<i>Families, Education, Preschool, and Promise Levy Fund</i>	\$40,501	\$81,072	\$83,041	2.4%
<i>Sweetened Beverage Tax Fund</i>	\$0	\$0	\$8,765	n/a
Total Funding	\$103,704	\$99,145	\$105,262	6.2%

Background

The Department of Education and Early Learning (DEEL) is responsible for developing and managing the City's education policies and programs, and DEEL serves as the liaison with the City's educational partners. The department also administers the Families, Education, Preschool, and Promise (FEPP) Levy, which was approved in 2018 as the replacement for two expiring levies: the 2011 Families and Education Levy and the 2014 Seattle Preschool Program Levy. The FEPP Levy combines the activities of the two previous levies and expands the City's education investments to cover the first two years of college. The FEPP Levy will continue funding education services through the 2025-26 School Year.

The 2020 Proposed Budget is approximately \$105.3 million, an increase of \$6.1 million relative to the 2020 Endorsed Budget. The increase is largely attributable to the following changes:

- \$628,000 – Transfer of Upward Bound

The Upward Bound program is proposed to be transferred to DEEL from the Human Services Department, along with the 4.0 FTE that staff the program. The program prepares underserved high school students for higher education by promoting academic achievement, goal setting, and career exploration. Consistent with the 2020 Endorsed Budget, the program is largely funded with grant funds from the U.S. Department of Education (approximately \$464,000), with the rest (approximately \$164,000) coming from the General Fund.

- \$2 million – Recognition of Preschool Tuition Revenue

This increase would support the City's current practice of accepting preschool tuition payments from families and would provide DEEL with the necessary appropriation authority to distribute those tuition payments to preschool providers.

During the development of the 2019 Proposed Budget (Fall 2018), DEEL was intending to implement a policy shift whereby preschool providers would directly collect tuition payments from families. As a result, the 2019 Adopted Budget did not include revenues or appropriation authority for preschool tuition payments. Subsequently, concurrent with the Council's approval of the FEEP Levy Implementation and Evaluation Plan, via [Ordinance 125807](#), the Council agreed to continue the City's historical practice of collecting and distributing tuition payments and provided appropriation authority for 2019.

Like the 2019 Adopted Budget, the 2020 Endorsed Budget did not include revenues or appropriation authority for preschool tuition payments. The Proposed Budget would make a similar change to DEEL's budget for 2020.

- \$3 million – Expansion of Child Care Assistance Program (CCAP)

The largest increase in the 2020 Proposed Budget for DEEL is a \$3 million expansion of CCAP, funded with Sweetened Beverage Tax revenues. In the 2020 Endorsed Budget, CCAP is supported by 8.25 FTE and appropriations of approximately \$3.1 million. This expansion would effectively double the funding for the program and would increase staffing by 5.5 FTE.

CCAP is a City child care subsidy program that provides eligible and participating families with vouchers that decrease the effective cost of child care for children between one month and 12 years of age at participating child care programs. Historically, to be eligible for CCAP, families had to: (a) reside in Seattle, (b) be employed or in an education or job training program, and (c) have income between 200 percent and 300 percent of the federal poverty level.

As of September 1, the department exercised its independent authority to expand CCAP eligibility to include those families making up to 350 percent of the federal poverty level, as well as to families enrolled in ESL or vocational classes. The Executive estimates that this expansion would enable the program to serve an additional 600 children, bringing the total annual number of children served to 1,400. Of the \$3 million proposed increase, approximately \$1.7 million would be used to fund child care vouchers, \$800,000 would be used for

professional development and financial incentives for child care providers, and \$525,000 would support the additional staffing.

This expansion appears to be consistent with prior Council direction provided in [Resolution 31821](#) requesting that the Executive broaden the income eligibility requirements of CCAP to cover more families.

Budget Actions Proposed by Councilmembers as of October 10

- 1. Labor Standards in CCAP Contracting (Councilmember Mosqueda)** – This item would require that DEEL consider a contractor’s adherence to labor laws and commitment to labor harmony in contracting for CCAP. In April 2019, Council added a similar provision to the FEPP Levy Implementation and Evaluation Plan that requires DEEL to consider labor standards in evaluating contractor proposals. The intent of this budget action is to expand these labor provisions to an additional segment of DEEL’s contracting.
- 2. Concord International Elementary School Access Ramp (Councilmember Herbold)** – This item would provide one-time funding of up to \$250,000 to support the creation of an access ramp at Concord International Elementary School. The access ramp is part of the second phase of a group of infrastructure investments known as the Greening Concord Project, and it will address unsafe access to the school grounds at its southwest corner. The project intends to replace a dirt path with a well-lit, tree-lined access ramp that is ADA-compliant.
- 3. Freedom School Program (Councilmember Sawant)** – This item would provide \$160,000 of ongoing funding to DEEL to contract with a nonprofit organization to operate the Freedom School program at Rainier Beach High School and Emerson Elementary School. The Freedom School program is a six-week summer program that provides academic support to center racial and civic engagement, literacy, and social justice leadership.
- 4. Washington State Opportunity Scholarship Participation (Councilmember Pacheco)** – The Washington State Opportunity Scholarship (WSOS) provides scholarships to low- and middle-income students pursuing degrees, certificates, or apprenticeships in high-demand trade, health care, or STEM fields. In the 2019 state legislative session, the WSOS program was modified to allow municipalities to contribute funding to the program, which along with state matching funds are awarded to program participants from that municipality. This item would express through a Statement of Legislative Intent the Council’s interest in having the City participate in WSOS’s matching program and would request that DEEL coordinate with the state on implementing the program in Seattle and report to the Council on the progress.
- 5. Access to Infant Care (Councilmember González)** – This item would request that DEEL increase access to infant care available through CCAP or other City programs. This action recognizes that infant care can be particularly challenging for families to obtain and that current infant enrollment in CCAP makes up less than three percent of the children being served.

6. **CCAP Expansion Targets (Councilmember González)** – In concert with the eligibility expansions instituted in September, the Executive has proposed to significantly increase funding for CCAP in the 2020 Proposed Budget. This budget action would require DEEL to target additional CCAP expansion efforts towards: (a) creating supply in areas of the city where child care provider gaps exist; (b) allowing program participation for students enrolled in advanced degree programs; and (c) allowing program participation by those who work, but do not reside, in the city.
7. **Citywide Child Care Evaluation (Councilmember González)** – This item would request that DEEL examine access to infant and child care throughout the city and evaluate the role that the City could play in acting as an information clearinghouse and connecting families with providers. In evaluating potential strategies, DEEL should consider best practices from other jurisdictions that could be adapted to Seattle’s child care ecosystem.



Legislation Text

File #: Inf 1550, **Version:** 1

Office for Civil Rights (OCR)

Office for Civil Rights

Staff: Asha Venkataraman, Analyst

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Civil Rights</i>	\$4,865	\$6,042	\$6,640	9.9%
Total Appropriation	\$4,865	\$6,042	\$6,640	9.9%
Total FTEs	31.0	31.0	33.0	6.5%
Fund Source(s)				
<i>General Fund</i>	\$4,865	\$6,042	\$6,440	9.9%
<i>Other Sources</i>	-	-	-	-
Total Funding	\$4,865	\$6,042	\$6,440	9.9%

Background

The mission of the Office for Civil Rights (OCR) is to end structural racism and discrimination through accountable community relationships and anti-racism organizing, policy development, and civil rights enforcement. OCR enforces local, state, and federal anti-discrimination laws for 18 protected classes, including protections in housing, employment, public accommodations, and contracting. OCR houses the City's Race and Social Justice Initiative (RSJI), an effort to end institutional racism in City government; promotes inclusion and full participation of all residents in civic life; and partners with the community to achieve racial equity across Seattle. OCR also conducts employee, community, and RSJI surveys as well as housing and employment testing to determine the state of racial equity in the City.

The Mayor's 2020 Proposed Budget would add about \$330,000 for the Annual Wage Increase in the tentative agreement between the City and the Coalition of Unions. It would also add \$275,000 to support two new positions – 1.0 FTE to staff the Commission for People with DisAbilities and the Seattle LGBTQ Commission and 1.0 FTE to increase RSJI's capacity in accordance with the increased need for anti-discrimination and anti-harassment training.

Issue Identification

Central Staff has not identified any issues for OCR.

Budget Actions Proposed by Councilmembers as of October 10, 2019

- 1. Make permanent two temporary part-time positions (Councilmember Herbold)** – This proposal would add \$123,520 and two 0.5 FTE Civil Rights Analyst positions to OCR. The 2019 second quarter supplemental budget added \$30,000 in OCR for a part-time mediator to pilot an early resolution model for discrimination charges and \$41,000 for a separate, part-time position to provide increased community outreach and education. The Mayor’s 2020 Proposed Budget did not include any proposed position authority or spending to continue funding these positions. Making these positions permanent will help OCR’s capacity to decrease enforcement case backlogs and engage with stakeholders about the many new civil rights laws that have been passed since 2015. These positions have not yet been filled.
- 2. Add \$25,000 to support Indigenous People’s Day celebrations (Councilmember Sawant)** – This proposal would create ongoing support for the annual Indigenous People’s Day celebration. The City annually funds these activities out of various departmental budgets and creating one source of funding would avoid organizer and staff time spent to gather support.
- 3. Add \$16,000 to support MLK Unity Day celebrations (Councilmember Harrell)** – This proposal would create a stable ongoing funding source for the annual Unity Day activities.
- 4. Add \$16,000 to support PRIDE (Councilmember Harrell)** – This proposal would create a stable ongoing funding source for the annual PRIDE parade and activities.
- 5. Add \$16,000 to support Human Rights Day celebrations (Councilmember Harrell)** – This proposal would create a stable ongoing funding source for the Human Rights Day activities.



Legislation Text

File #: Inf 1555, **Version:** 1

Office of Economic Development (OED)

Budget Deliberations – October 17, 2019

OFFICE OF ECONOMIC DEVELOPMENT

Staff: Yolanda Ho, Analyst

Budget Summary (\$ in 1,000s)

	2019 Adopted	2020 Endorsed	2020 Proposed	% Change 2020 Endorsed to 2020 Proposed
Appropriations by BSL				
<i>Leadership and Administration</i>	\$2,197	\$2,154	\$2,560	18.8%
<i>Business Services</i>	\$8,486	\$8,046	\$8,666	7.7%
Total Appropriation	\$10,683	\$10,200	\$11,226	10.1%
Total FTEs	35.50	35.50	36.0	1.4%
Fund Source(s)				
<i>General Fund</i>	\$10,683	\$10,200	\$11,226	10.1%
Total Funding	\$10,683	\$10,200	\$11,226	10.1%

Background

The Office of Economic Development's (OED) seeks to foster an inclusive economy that grows family-wage jobs and increases wealth among underserved communities. OED's work is focused in four primary program areas, all of which prioritize underserved populations: (1) supporting entrepreneurs; (2) building healthy and vibrant neighborhood business districts; (3) developing the talent of youth and adults; and (4) partnering with key industry sectors.

Compared to the 2020 Endorsed Budget, the Mayor's 2020 Proposed Budget would add about \$1 million in General Fund (GF) support for OED. This increase is primarily due to salary and other benefit increases, higher internal service costs, and position reclassifications. The proposed budget would add \$300,000 in GF support in OED for the Only in Seattle (OIS) initiative, which provides grants and staff support to neighborhood business districts. This budget increase addresses an issue identified in a 2018 audit by the U.S. Department of Housing and Urban Development (HUD) regarding OED's use of Community Development Block Grant (CDBG) funding, which supplied over 56 percent of the resources for OIS grants in the 2019 Adopted Budget.

HUD allows use of CDBG funds for economic development only to provide direct technical support to individual businesses, as opposed to OIS's more comprehensive approach to supporting broader business district needs. The proposed addition of GF dollars to OIS will allow the initiative to continue to fund more general business district priorities, such as beautification, infrastructure improvements, and neighborhood events. The GF dollars to OIS would allow \$300,000 of CDBG funding to be shifted to OED's new Business Stabilization and Tenant Improvement Funds that will directly support individual small businesses, prioritizing those located in areas with high risk of displacement.

[Green Sheet 22-1-B-1-2019](#) imposed a proviso on \$185,000 of OED's 2020 Endorsed Budget for the Transgender Economic Empowerment Program. The 2020 Proposed Budget adds \$185,000 GF to OED's baseline for this purpose.

Issue Identification

1. Proposal to Restructure the Office of Film and Music

Under the leadership of Director Lee, OED is proposing to implement an Inclusive Economy Agenda, which centers racial equity within the department's core functions. This initiative, developed in collaboration with the Office of Arts and Culture (ARTS), includes a proposal to repurpose resources associated with the Office of Film and Music (OFM) to support OED's new Creative Industry Cluster. To effectuate this change, the Proposed 2020 Budget would:

1. Convert the vacant OFM Director position (1.0 FTE Strategic Advisor 3) to serve as the Creative Industry Cluster Director;
2. Add a new Creative Industry Policy Advisor (1.0 FTE Strategic Advisor 2) to support policy and program development and \$164,000 GF to fund the position; and
3. Transfer the Creative Economy Business Advocate (1.0 FTE Strategic Advisor 1) to ARTS, to be shared with OED, and \$50,000 in annual support for the Seattle Music Commission. Both the position and the commission support are funded through the admission tax.

Additionally, the 2020 Proposed Budget would reclassify a 1.0 FTE Administrative Specialist II BU in OFM to a Community Development Specialist to support data collection and analysis in OED, requiring a \$7,000 increase in GF support. Other existing positions in OFM – Film & Special Events Program Lead (1.0 FTE Strategic Advisor 2), Nightlife Business Advocate (1.0 FTE Strategic Advisor 2), Permit Specialists (2.0 FTE Administrative Staff Assistants), and Permitting Administrative Specialist (1.0 FTE Administrative Specialist II BU) – remain unchanged.

Given that this is a new initiative, Councilmembers may want to allow OED to convert the vacant OFM Director position to the Creative Industry Cluster Director as proposed, but not add the Creative Industry Policy Advisor until after OED has filled the Director position and can demonstrate a clear need for this additional position.

Options:

- A. Add position authority and cut \$164,000 GF for the proposed Creative Industry Policy Advisor (1.0 FTE Strategic Advisor 2).
- B. Cut both position authority and \$164,000 GF for the proposed Creative Industry Policy Advisor (1.0 FTE Strategic Advisor 2).
- C. No action.

2. Business Recruitment and Retention Consultant Services

Last year, the Council adopted [Green Sheet 22-4-A-1-2019](#), which cut \$100,000 from OED's 2019 Adopted and 2020 Endorsed Budgets that was proposed to support Greater Seattle Partners, a public-private regional economic development corporation. Despite this action, the Executive fully funded this contract in 2019. The 2020 Proposed Budget adds \$100,000 GF in OED's baseline to continue funding this contract.

Options:

- A. Cut all \$100,000 GF proposed for this contract.
- B. Cut some portion of the \$100,000 GF proposed for this contract.
- C. No action.

Budget Actions Proposed by Councilmembers as of October 10, 2019

- 1. Add resources to support “high road” apprenticeships (Councilmember Mosqueda)** – This action would add funding (amount to be determined) for OED to contract with an organization, such as the Workforce Development Council of Seattle-King County, to support “high road” apprenticeships, defined as those that offer high wages, full benefits, career advancement pathways, and a voice on the job.
- 2. Resources for developers to connect with small businesses and service providers (Councilmember Mosqueda)** – This action is for a Statement of Legislative requesting that OED collaborate with the Office of Housing, Seattle Department of Construction and Inspections, and the Office of Planning and Community Development to develop resources that will connect building owners and developers with small businesses and service providers that are seeking commercial tenancies. This could include, but is not limited to developing: (1) a database of small businesses that are either at risk of displacement or have already been displaced and an inventory of existing vacant commercial spaces and commercial space under development; (2) information on potential funding opportunities for commercial space, such as the Equitable Development Initiative, Seattle Preschool Program, and child care facilities program; and (3) information on permitting, leasing, licensing, and other applicable processes as well as rules and other requirements. Resources should be provided to all developers pursuing mixed-use residential projects (both affordable and market-rate) at pre-application meetings.
- 3. Add \$50,000 GF to identify strategies to assist small businesses through City permitting processes (Councilmember Mosqueda)** – This action would add \$50,000 to develop and translate informational materials about City permitting requirements for small businesses and train community-based organizations to provide permit coaching for local small businesses.

- 4. Add \$50,000 GF to survey small businesses in the Central District (Councilmember Sawant) –**
This action would add \$50,000 for OED to contract with a community-based organization to conduct a survey of small businesses in the Central District to collect business demographics and identify strategies for the City to support small businesses, prioritizing historically marginalized business owners.
- 5. Add \$200,000 GF to support redevelopment of the Seattle Vocational Institute (Councilmember Harrell) –** This proposal would provide the Central District Community Preservation and Development Authority (CPDA) with funding for pre-development costs associated with redevelopment of the Seattle Vocational Institute building.
- 6. Add \$150,000 GF to study employment dependent on fossil fuels and develop strategies for ensuring a just transition for workers (Councilmember O'Brien) –** This action would add \$150,000 for consultant services to analyze employment dependent on fossil fuels in the Seattle metropolitan area (e.g., people directly employed by the fossil fuel industry, pipefitters, natural gas appliance retailers, auto mechanics, etc.); interview key stakeholders, including labor unions, workforce training providers, and small businesses; and provide recommendations to ensure a just transition for workers, in keeping with the principles of the Green New Deal for Seattle.
- 7. Add \$100,000 GF to support the film industry (Councilmember Herbold) –** This action would add \$100,000 to support advancement of the film production sector.