



Legislation Text

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File #: CB 119977, Version: 2

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**CITY OF SEATTLE**

**ORDINANCE \_\_\_\_\_**

**COUNCIL BILL \_\_\_\_\_**

AN ORDINANCE amending Ordinance 126000, which adopted the 2020 Budget; making appropriations from the General Fund for public assistance during the COVID-19 civil emergency; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

WHEREAS, on February 29, 2020 the Washington Governor issued Proclamation 20-05, proclaiming a state of emergency for all counties throughout the state of Washington in response to new cases of COVID-19; and

WHEREAS, on March 3, 2020, Mayor Jenny A. Durkan proclaimed a civil emergency in the City of Seattle; and

WHEREAS, on March 5, 2020, the Council adopted Resolution 31937 affirming the civil emergency, modifying orders transmitted by the Mayor related to the emergency, and establishing Council's expectations related to future orders and reporting by the Mayor during the civil emergency; and

WHEREAS, on March 11, 2020, the World Health Organization announced that the novel coronavirus (COVID-19) is officially a global pandemic; and

WHEREAS, on March 13, 2020 the President of the United States declared a national state of emergency in response to the COVID-19 pandemic; and

WHEREAS, on March 25, 2020 the Washington Governor issued Proclamation 20-25, prohibiting all people in Washington State from leaving their homes and all non-essential businesses in Washington State from conducting business ("Stay Home - Stay Healthy Proclamation"); and

WHEREAS, as a result of the continued worldwide spread of COVID-19, its significant progression in

Washington State, and the high risk it poses to the most vulnerable populations, the Washington Governor has issued several amendatory proclamations, exercising their emergency powers under RCW 43.06.220 by prohibiting certain activities and waiving and suspending specified laws and regulations; and

WHEREAS, the COVID-19 crisis has had a significant impact on the local economy, impacting the retail, restaurant, construction, gig economy, and other industries, and resulting in loss of income for small businesses; and

WHEREAS, while restaurants and bars are deemed an essential business, to reduce the spread of the virus and protect the public health, Proclamation 20-25.8, the Washington Governor's amended Stay Home - Stay Healthy Order issued on November 15, 2020, prohibits restaurants and bars in Seattle from offering indoor dining, limiting restaurants and bars to outdoor dining, delivery and takeout only; and

WHEREAS, a survey conducted in late March by the National Restaurant Association of 5,000 restaurant owners and operators found that: sales were down 47 percent from March 1 to March 22; 54 percent of restaurant owners have switched to take-out or delivery service only; seven in ten operators have had to lay off employees and reduce the number of hours worked, and roughly half anticipate more layoffs and reductions in hours over the next 30 days; three percent of restaurant operators have permanently closed their restaurant; and 11 percent of operators anticipate permanently closing within 30 days; and

WHEREAS, the National Restaurant Association reported on November 20, 2020, that, based on data from the Bureau of Labor Statistics, Washington State was one of only 13 states nationally that experienced job losses in the restaurant industry in October; and

WHEREAS, Seattle has over 4,000 active business licenses for restaurants, caterers, and other businesses in the food industry; and

WHEREAS, the 2016 Annual Survey of Entrepreneurs estimates that nearly 48 percent of the firms in the accommodation and food services industry in the Seattle metropolitan area are owned by black,

indigenous, and people of color; and

WHEREAS, the economic disruptions to restaurants and bars caused by COVID-19 have placed a sudden and severe financial strain on many restaurants and bars and with the recent Stay Home - Stay Healthy Order issued on November 15, 2020, restaurants and bars are struggling to meet existing financial commitments and remain open during and after the COVID-19 crisis; and

WHEREAS, initial analysis indicates that of the over 3800 applications for a Small Business Stabilization Grant in the City's completed in the most recent application round that closed on November 30, 2020: over 85 percent of the businesses have ten or fewer employees, over 60 percent of applicants are from BIPOC communities, and about 29 percent represent restaurant and bar businesses; and

WHEREAS, restaurants and bar businesses with ten or fewer employees should be prioritized for this next round of grants; and

WHEREAS, the City will endeavor to further aid recipients of these business grants through existing and future non-monetary relief, including flexible permit options for outdoor dining areas; and

WHEREAS, many other businesses are still unable to open to the public, or can only operate within limits, as a result of the necessary measures taken to protect the public health; and

WHEREAS, these actions were appropriate for public health reasons but result in severe economic impacts on businesses, workers, families, and individuals in Seattle; and

WHEREAS, these impacts are felt most strongly by workers with low incomes who have become unemployed or had their work hours severely reduced; and

WHEREAS, federal and state assistance to workers with low incomes has not been sufficient to meet their basic needs during this public health and financial crisis; and

WHEREAS, without additional support, many in the hospitality industry workers with low incomes will face severe financial hardship which will have significant negative impacts, including but not limited to public health impacts, greater housing insecurity, as well as impacts to small businesses and the local

economy; and

WHEREAS, the City can provide flexible direct cash assistance to workers in the hospitality industry impacted by this crisis to help meet their basic needs; and

WHEREAS, the City recognizes that direct cash assistance to low-income workers benefits the greater economy and allows workers to make decisions about immediate needs; and

WHEREAS, providing financial assistance to restaurant and bar owners and operators is necessary to prevent restaurants and bars from having to close permanently due to the hardship associated with government-mandated full or partial closure of their businesses, or requirements to implement new businesses practices and physical modifications to the business to meet public health guidance, during and after the COVID-19 crisis. Such assistance shall provide economic benefits to the public by saving or creating restaurant and bar jobs, maintaining access to food services, moderating impacts to local tax revenue by supporting continued operations of restaurants and bars, and ensuring that restaurants and bars can modify operations as necessary to comply with public health guidance; and

WHEREAS, the City will use general fund balance in 2020 to support programs and services that support small businesses and working people; and

WHEREAS, regarding use of the proceeds of these appropriations for emergency financial assistance in response to the COVID-19 civil emergency, the City Council has determined that there is no viable alternative available for advancing a core City objective during a time of civil emergency; and

WHEREAS, the affordable housing crisis, homelessness emergency, and now the COVID-19 pandemic and related economic and unemployment emergencies, in Seattle are deeply impacting the lives of people throughout Seattle and the region and disproportionately harms people of color, immigrants, the LGBTQIA community, indigenous peoples' communities, disabled community members, and women, who already struggle against entrenched inequality; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. In order to pay for expenses and obligations to eliminate or lessen the immediate threats to lives, public health, and safety resulting from the COVID-19 epidemic and to address the economic impacts caused by the COVID-19 epidemic that could not have been anticipated at the time of making the 2020 Budget, appropriations for the following items in the 2020 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level/BCL Code	Amount
1.1	Executive (Office of Economic Development)	General Fund (00100)	Business Services (00100-BO-ED-X1D00)	\$2,500,000
1.2	Human Services Department	General Fund (00100)	Supporting Affordability and Livability (00100-HSD-BO-HS-H1000)	\$2,500,000
<b>Total</b>				<b>\$5,000,000</b>

Funding shall be distributed pursuant to an application process. The application process must include eligibility criteria (1) for restaurants and bars who have been economically impacted by the COVID-19 crisis and for whom such assistance will provide economic benefits to the public by saving or creating jobs, moderating impacts to local tax revenue by supporting continued operations of small businesses and ensuring that businesses can modify operations as necessary to comply with public health guidance; and (2) for workers who have lost or experience reductions in income due to employment changes and business closures or reductions stemming from the crisis.

Unspent funds so appropriated shall carry forward to subsequent fiscal years until they are exhausted or abandoned by ordinance.

Section 2. Any action consistent with the authority of this ordinance taken prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if

not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all of the members of the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2020, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Jenny A. Durkan, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Monica Martinez Simmons, City Clerk

(Seal)