

the City of Seattle; and

WHEREAS, on November 3, 2015, the City Council adopted Resolution 31630, ratifying and confirming the Mayoral Proclamation of Civil Emergency; and

WHEREAS, the Civil Emergency to address the homelessness crisis is still in effect today; and

WHEREAS, the Mayor declared a civil emergency on March 3, 2020, and the City Council modified the civil emergency proclamation by adopting Resolution 31937 on March 5, 2020; and

WHEREAS, the City Council adopted an ordinance, introduced as Council Bill 119772, authorizing a tax on corporate payroll to be implemented and administered by the Department of Finance and Administrative Services effective January 1, 2021 with the first tax payments from taxpayers due on January 31, 2021; and

WHEREAS, regarding use of the proceeds of these interfund loans for an emergency 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, there is sufficient cash in the Low Income Housing Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Housing Incentive Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Families Education and Preschool Promise Levy Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Move Seattle Levy Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the Seattle Park District Fund to support a loan of up to \$50,000,000 through the end of 2020; and

WHEREAS, there is sufficient cash in the 2019 Library Levy Fund to support a loan of up to \$50,000,000

through the end of 2020; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that:

A. There is no viable alternative to meet a core City objective. The extraordinary circumstances discussed in this section call for an exception to the Debt Management Policies approved by Resolution 31553 as contemplated by the Introduction to the Policies, and therefore the Director of Finance is authorized to make loans as provided for in this ordinance.

B. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of Seattle related to the COVID-19 virus.

C. On March 11, 2020, the Governor of Washington State and the Local Health Officer for Public Health - Seattle & King County issued parallel orders prohibiting gatherings of 250 people or more for social, spiritual and recreational activities in King County.

D. On March 13, 2020, the Governor of Washington state issued an emergency order announcing all K-12 schools in Washington to be closed from March 17, 2020 through April 24, 2020 to combat the spread of the disease.

E. On March 13, 2020, the President of the United States declared a national emergency to allow the government to marshal additional resources to combat the virus.

F. On March 23, 2020, the Governor of Washington State issued an emergency order (“the Stay Home, Stay Safe” order) announcing that “[a]ll people in Washington State shall immediately cease leaving their home or place of residence except: (1) to conduct or participate in essential activities, and/or (2) for employment in essential business services.”

G. As of April 1, 2020, the Washington State Department of Health confirmed 5,984 cases of COVID-19 and 247 deaths caused by the virus.

H. The COVID-19 crisis has had a significant impact on the local economy impacting the retail,

restaurant and other industries resulting in layoffs and reduced work hours for a significant percentage of this workforce and loss of income for small businesses. These impacts are being felt most strongly by people with low incomes who have become unemployed or had their work hours severely reduced.

I. There are at least 38,000 businesses in the City of Seattle employing a minimum of 655,000 individuals. Since the Governor of Washington closed or limited operations of many businesses in the state, over 133,000 individuals statewide and 37,000 individuals in King County, alone, have filed for unemployment insurance in just the first weeks. Unemployment insurance generally only covers a portion of lost wages. Those filing for unemployment insurance will, in all likelihood, only increase as the closure continues. This will put more and more Seattle households, particularly low-income households, in financial peril.

J. Federal and state assistance to people with low low-incomes will not be sufficient to meet their basic needs during the COVID-19 public health and economic crisis. Additional financial support to people low-incomes is necessary to help meet their basic needs such as housing, food, and medical needs, and to help minimize impacts to public health as well as the local economy.

K. The City's Adopted 2020 Budget fully appropriates all available municipal revenues to address the many and varied needs of the community.

L. On March 17, the Seattle Times quoted the City Budget Director as saying that a "best-case scenario" would be that the COVID 19 civil emergency causes as little as a \$110 million or 7% reduction in General Fund revenues available for City spending priorities in 2020 (and this estimate was made prior to the Governor's emergency order closing all restaurants, bars, and other non-essential businesses).

M. The City will provide such immediate cash assistance through Council Bill 119774.

N. The City will impose a new payroll expense tax through Council Bill 119772 on the largest businesses that will provide new revenues to allow the City to make immediate cash assistance available to those households most impacted by the COVID-19 civil emergency.

O. The interfund loan contemplated in this Council Bill is dependent on the tax authorized by Council

Bill 119772 going into effect immediately and not being overturned by referendum.

P. As a result of the City having already fully committed the City's General Fund through the 2020 Adopted Budget and of the anticipated decrease in General Fund revenues, other means of repaying the interfund loans authorized by this Council Bill would not be feasible if the tax authorized by Council Bill 119772 were overturned by referendum.

Section 2. The City Council finds that there is no viable alternative to meet a core City objective, and therefore the Director of Finance is authorized to make a series of loans that shall not exceed a combined total of \$200,000,000 from the funds identified in this ordinance. The Director of Finance shall coordinate the loan amounts and sources in a manner that minimizes or eliminates the need to forestall capital projects or operations expenditures that would otherwise have required use of cash for the period of the loans.

Section 3. Within 21 days of the effective date of this ordinance, the Director of Finance shall report to the Finance and Housing Committee:

A. The specific amounts borrowed from each fund to achieve the combined total \$200,000,000 in loans; and

B. A summary of any capital projects or operations that were delayed or required to reduce spending because they would otherwise have required use of cash from each fund during the period of the loan.

Section 4. The Director of Finance is authorized to make a loan of not more than \$60,000,000 of principal and interest outstanding at any one time from the Low Income Housing Fund (16400) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 5. The entire principal and interest amount of the loan authorized in Section 4 of this ordinance, and owed by the General Fund to the Low Income Housing Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code

Chapter 5.38.

Section 6. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Housing Incentive Fund (16430) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 7. The entire principal and interest amount of the loan authorized in Section 6 of this ordinance, and owed by the General Fund to the Housing Incentive Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 8. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Families Education and Preschool Promise Levy Fund (17871) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 9. The entire principal and interest amount of the loan authorized in Section 8 of this ordinance, and owed by the General Fund to the Families Education and Preschool Promise Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 10. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Move Seattle Levy Fund (10398) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 11. The entire principal and interest amount of the loan authorized in Section 10 of this ordinance, and owed by the General Fund to the Move Seattle Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 12. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the Seattle Park District Fund (19710) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 13. The entire principal and interest amount of the loan authorized in Section 12 of this ordinance, and owed by the General Fund to the Seattle Park District Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 14. The Director of Finance is authorized to make a loan of not more than \$50,000,000 of principal and interest outstanding at any one time from the 2019 Library Levy Fund (18200) to the General Fund (00100) from which funds may be drawn to pay for the immediate needs resulting from the COVID-19 civil emergency that are authorized by Council Bill 119774. This loan is to be repaid no later than December 31, 2021, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 15. The entire principal and interest amount of the loan authorized in Section 14 of this ordinance, and owed by the General Fund to the 2019 Library Levy Fund, is intended to be repaid no later than December 31, 2021 from the revenue generated from the tax on corporate payroll in Seattle Municipal Code Chapter 5.38.

Section 16. The Director of Finance may effectuate the loans authorized in this ordinance by transferring cash to the General Fund until no later than December 31, 2020. The Director of Finance is further

authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

Section 17. Based on the findings of fact set forth in Section 1 of this ordinance, the Council finds and declares that this ordinance is a public emergency ordinance, which shall take effect immediately and is necessary for the protection of the public health, safety, and welfare.

Section 18. By reason of the findings set out in this ordinance, and the emergency that is declared to exist, this ordinance shall become effective immediately upon a passage by a 3/4 vote of the Council, and its approval by the Mayor, as provided in Article IV, subsection 1.I of the Charter of the City.

Passed by a 3/4 vote of all 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)